



## Defying the Oracle? The 2014 Greek Presidency of the EU Council

Filippa Chatzistavrou

### Abstract

Embroiled in economic and political turmoil, Greece took over the presidency of the EU Council for the fifth time on 1 January 2014. Given the persistent, ongoing impact of the crisis, the Greek presidency is more complicated to administer than the previous one of 2003.

This paper analyses the political conditions under which the Greek government is running its rotating presidency of the Council. It then assesses the presidency's governing capacity as far as institutional, financial and political resources are concerned. Finally, it attempts to outline the rationale of the Greek presidency's agenda and its implementation prospects. This threefold analysis sets out the limitations of a soft power exercise that has little real authority in a radically shrinking political space, at both national and European level. The Greek government would like to promote the idea that the country is an equal partner in the EU system of governance, despite Greece's intractable economic, political, and social implosion. This presidency is characterised by poor leadership and a lack of vision. It is being called upon to coordinate a presidential agenda without being substantially involved in its drafting; it simply mediates between European institutions. This trend has a negative impact on the behaviour and trust of public administrators, whose personal investment is vital for the smooth functioning of the presidency. The paper concludes that Greece's presidency of the Council of the EU cannot be the standard-bearer for a pro-European message.

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# Defying the Oracle?

## The 2014 Greek Presidency of the EU Council

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Filippa Chatzistavrou\*

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### 1. Introduction

Greece, a country embroiled in economic and political turmoil, took over the presidency of the EU Council for the fifth time on 1 January 2014. When the Lisbon Treaty strengthened the formal position of the European Council, created the post of *High Representative of the Union for Foreign Affairs and Security Policy* and formalised the *Trio presidency* it further limited the rotating presidency to its assigned managerial and day-to-day legislative tasks. The presidency of the European Council is now responsible for providing strategic and policy guidance to the EU, leaving little room for important political and diplomatic manoeuvres. The Greek EU presidency is also expected to be very low profile because of time constraints.

This year is a decisive one for the EU since major political changes are on the way; namely EP elections in May; the appointment of the new European Commission and its new president, and a few months later the appointment of the next president of the European Council. The presidency is effectively shorter than the usual six months, and thus even weaker, because the legislative work stops in April 2014.

Nevertheless, this mandate could potentially transform the narrative structure of Europe. Greece could use this rare opportunity to hold a ‘political’ presidency to review its budgetary and economic commitments towards the EU and put the structural heterogeneity between EU member states at the heart of the debate on the future of Europe.

Things seem to be moving in the opposite direction, however. Given the persistent, ongoing impact of the crisis, this Greek presidency is more complicated to administer than that of 2003. Despite the importance of the issue on the table, this presidency is characterised by poor leadership and a lack of vision.

This paper will first analyse the political conditions under which the Greek government runs its rotating presidency of the Council. Second, it will assess the presidency’s existing governing capacity as far as institutional, financial and political resources are concerned. Finally, it will attempt to outline the rationale of the Greek presidency’s agenda and its implementation prospects.

This threefold analysis will set out the limitations of a soft power exercise that is without real authority in a radically shrinking political space, at the national as well as European level. The Greek presidency is being called upon to coordinate a presidential agenda without being

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\* Filippa Chatzistavrou is an external collaborator in the Faculty of Political Science and Public Administration, University of Athens, and Research Fellow at the Hellenic Foundation for European & Foreign Policy (ELIAMEP) in Athens.

substantially involved in its drafting. It will therefore simply mediate between European institutions regarding policies.

## 2. The domestic and European context of the Greek presidency

The European and Greek domestic context is, for various reasons, unstable and fragile. Growing euroscepticism is easily justified as stemming from the effects of the crisis, and naively linked to a very specific anti-European populism, instead of the failure on the part of governing elites to tackle the crisis and mitigate its impact.<sup>1</sup> The debate about how to restore popular legitimacy to the EU, so that governance can take place under parliamentary scrutiny, is quite superficial. Political choices are extremely constrained by the hegemonic economic perception that social policy is not an integral part of the European model, leaving little room for manoeuvre. Issues of growth and jobs are structurally integrated into the economic governance agenda, based mainly on a regulative system for competition and with a strong disciplinary focus.<sup>2</sup>

Greece faces enormous challenges. Economic and social restructuring is being imposed on Greek society; the most vulnerable on the European periphery. The state must meet its debt obligations within a European environment where at best a slow and fragile recovery lies ahead for the eurozone.<sup>3</sup> The domestic political situation is also quite worrying. The recent persecution of members of the far-right Golden Dawn party following the murder of Paul Fyssas, a 34 year old anti-fascist and hip-hop artist ('Killah P') do not resolve the systemic penetration of Nazi practices in Greek politics and society.<sup>4</sup> The consecutive double murder of two members of the Nazi party is proof of the growing trivialisation of political extremism. Such political extremism leads to societies becoming more conservative overall.<sup>5</sup> In fact, at national level there is no expectation that the presidency will play a significant role. Greeks have always thought that the country holding the rotating presidency has a higher profile and has the opportunity to prove that it is an honest and reliable partner, thus enhancing its positive image. This time is different, however. The spiral of negative economic downturn induced by the continuous pressure for further cuts leaves no space for political initiatives at European level. In addition, most Greeks consider the EU as being responsible for the austerity measures imposed since the beginning of the crisis.<sup>6</sup> Currently, Greek society is focused on endless arm-wrestling between the coalition government and the Troika of lenders (European Commission, European Central Bank and International Monetary Fund) rather than the Greek presidency and its (un)expected contribution to the European project.

The penetration of populist ideas into the political mindset influences both ends of the political spectrum. This phenomenon is directly related to the difficulty of the coalition government in dealing with its debtors and complying with its tough MoU commitments.<sup>7</sup> The Greek

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<sup>1</sup> F. Chatzistavrou, "Le néonazisme grec, une affaire européenne", *Le Monde*, 30 May 2013.

<sup>2</sup> R. Thillaye, "Coordination in place of integration? Economic governance in a non-federal EU", Working Paper No. 32, Policy Network, July 2013, p. 6.

<sup>3</sup> European Commission, Directorate-General for Economic and Financial Affairs, European Economic Forecast, autumn 2013, *European Economy*, 7/2013, p. 22.

<sup>4</sup> The head of the Socialist Group in the European Parliament, Hannes Swoboda, urged the Greek government and the parliament to include in their actions the possible prohibition of the Golden Dawn, denouncing the murder of Paul Fyssas as an incident "shocking and unacceptable" in all respects in a country of the European Union, which caused resentment in Greek government circles.

<sup>5</sup> F. Chatzistavrou, "Le néonazisme grec, une affaire européenne", 30 May 2013, *idem*.

<sup>6</sup> R. Wilke et al., "The New sick man in Europe", Pew Research Center, 13 May 2013, Chapter 2 *Economic crisis now an EU crisis*, pp. 23-28.

<sup>7</sup> During several weeks of tough negotiations in November and December 2013, the Greek government was faced with the determined attitude of Troika to strictly pursue reforms in order to disburse the 1

government justifies its crucial but not properly prepared decisions to fulfil commitments made under MoU by the urgency of the situation. The trend of diffuse but palpable populism allows the temporal, partial and nebulous definition of positions and orientations of the main political parties. The next regional and municipal elections will be held in May 2014, coinciding with the European elections. The likelihood that fresh parliamentary elections could also take place at the same time further undermines the already fragile political stability of the country.

In this highly polarised political context, the Troika does not appear to be satisfied with the Greek government's capacity to properly conduct structural reforms and accelerate the privatisation programme. This diffuse discontent has been expressed in a certain way through the request of two German MPs<sup>8</sup> of the CDU and FDP, who stress that Greece should resign from the 2014 presidency on the grounds that the rotating presidency will cost Greece about €100 million. Analysts predict that Greece will need further assistance, although less than the previous bailout of €240 billion.<sup>9</sup> In that respect, crucial issues concerning the restructuring of Greece's debt and smoothing conditionalities in the event of a new (third) rescue programme of economic adjustment seem to be extremely difficult to negotiate. In order for the country to achieve debt relief on the part of creditors, the EU and the IMF will have to agree on how to fill the financial gaps in the Greek programme. At the end of February 2014, the European Statistical Office (Eurostat) will release the official statistics on the 2013 budget and a marginal primary surplus.<sup>10</sup> In the meantime, Germany is excluding any discussion about the haircut of some official debt obligations and postpones potential negotiations about the reduction of interest rates on aid loans and/or the substantial extension of the period of their repayment<sup>11</sup> until after the EP elections, thereby eliminating any chance for Greece to open this discussion and outline possible trade-offs during the presidency tenure.

### 3. A presidency lacking political will and institutional capacity

Greek government officials described the economic priorities of the Greek presidency as an attempt for a “new narrative which will be practical, specific and progressive”<sup>12</sup> demonstrating

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billion euro tranche (reform of the state defence firm EAS, liberalisation of mortgage claims etc.). The Troika exerts pressure for further fiscal measures in 2014, amounting to 2 billion euros.

<sup>8</sup> In September 2013, Klaus-Peter Willsch from the Christian Democratic Party stated in the newspaper *Bild* that “Greece should ask the European Commission to postpone the Council Presidency, otherwise it will (need) to have more aid package on that score”, while his colleague Frank Schäffler from the Liberal Party stressed that “Greece should voluntarily resign from the presidency”.

<sup>9</sup> D. Papadimitriou (Levy Economics Institute of Bard College), “Greece needs a 21<sup>st</sup> Century Marshall Plan”, *Ekathimerini.com*, 12 August 2013.

<sup>10</sup> The Greek budget forecasts a primary budget surplus of €812 million until October 2013 and €2.8 billion in 2014. The country's debt is expected to fall from 175.5% of GDP in 2013 to 174.5% in 2014, and unemployment is expected to fall from 27.2% in 2013 to 27.1% in 2014.

These figures are not unanimously accepted. The OECD projections confirm the improvement of the financial situation of the Greek government. If one believes the latest economic forecast in November 2013, the deficit would be reduced to 2.4% in 2013 and 2.2% in 2014. The OECD confirms that Greece hits a primary surplus in 2013 and 2014, which is expected to nearly stabilise the debt burden in GDP in 2014. According to the OECD, the public debt ratio increased from 176.6% at the end of 2013 to 181.3% at the end of 2014, showing a quasi-stabilisation compared to the increase of 20 points in 2013.

See Eurostat press release euro-indicators 152/2013, 21 October 2013; OECD Economic outlook November 2013; Eurostat, Reporting of government deficit and debt levels, Greece, 9 October 2013.

<sup>11</sup> Another possibility would be to alleviate official debt burdens through some retroactive transfer to the ESM.

<sup>12</sup> Deputy Prime Minister and Foreign Minister Venizelos' speech to the Parliamentary Standing Committee on Defence and Foreign Affairs, 31 July 2013.

to European citizens that the EU has the tools to bring the crisis under control and to ensure the sustainability of the European model. The official discourse of the Greek government refers to the necessity of promoting the “European political South”,<sup>13</sup> including France, of course. Indeed, the country could seriously contribute to the re-politicisation of the debate in Europe, thus regaining its status among EU countries.

But Greece has suffered long-standing governance problems that have worsened dramatically in recent years. The domestic economic situation pushed the country into a trap of continuous negotiation and renegotiation of close technical-economic conditions for adjustment. Beyond strictly formal discourse and official responsibilities assigned to the Greek presidency, state structures lack strong political will and the institutional and technical capacity to instigate changes in European political culture in order to recalibrate EU’s approach to the euro crisis.

Greece, with more than €300 billion worth of debt, has a budget of no more than €50 million, while the cost of past rotating presidencies – the Irish and Cypriot for example – ranged between €60 and €80 million.<sup>14</sup> Greek Deputy Foreign Minister Dimitris Kourkoulas characterised the presidency as “uncluttered, functional, and decent”.<sup>15</sup> Greece bears the cost of hosting about 14 top-level meetings (Councils of Ministers, College of Commissioners, Conference of Presidents and Speakers of the European Parliament etc.) and a total of approximately 130-150 meetings of senior government officials and experts of the EU institutions. These meetings take place in the Zappeion exhibition Hall in Athens with the informal meetings of Foreign Affairs Ministers (Gymnich) scheduled to be held around Athens, at another venue. Draconian security restrictions are imposed, especially for the meetings of EU finance ministers. Around 14,500 visitors are expected in Greece.<sup>16</sup>

Greece spends less and employs no more than 150 employees, unlike other recent presidencies that employed up to 250 people.<sup>17</sup> The Office of the Greek Presidency<sup>18</sup> employs a total of 27 people to meet the needs of the presidency concerning the planning, coordination and promotion of all activities at national and European level during its tenure. Deputy Foreign Minister and Secretary General for European Affairs have responsibility for the Office of the Greek Presidency, which is directly subordinate to the Minister of Foreign Affairs.<sup>19</sup> Eighteen staff secondments or transfers from the Ministry of Foreign Affairs, other ministries and public service bodies took place on an individual basis and upon the recommendation of the Head of the Office of the Greek Presidency. Furthermore, the Ministry of Foreign Affairs launched over nine urgent recruitments through, in principle, a formal selection procedure conducted by the Supreme Council of Personnel Selection (ASEP).<sup>20</sup> In previous Greek presidencies, there was a

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<sup>13</sup> Venizelos’ speech, 31 July 2013, *idem*.

<sup>14</sup> Deputy Prime Minister and Foreign Minister Venizelos’ speech on the occasion of the presentation of the logo of the Hellenic Presidency of the Council of the European Union Monday, 25 November 2013.

<sup>15</sup> Briefing by the Deputy Foreign Minister D. Kourkoulas on the priorities of the Greek Presidency to a delegation from the European Parliament’s Women’s Rights and Gender Equality Committee (FEMM) and a delegation from the European Parliament’s Employment and Social Affairs Committee (EMPL), 29 October 2013.

<sup>16</sup> Deputy Prime Minister and Foreign Minister Venizelos’ speech, 25 November 2013, *idem*.

<sup>17</sup> Cyprus employed 260 people in 2012 and Poland 300 people in 2011. See Venizelos’ speech, 25 November 2013, *idem*.

<sup>18</sup> Law 4148/2013 FEK (Official Journal of the Greek Government) A99/26.04.2013. Establishment of the Greek Presidency Office and other provisions. The Office was founded in April 2013 and will cease to exist at the end of July 2014.

<sup>19</sup> Law 4148/2013 FEK (Official Journal of the Greek Government) A99/26.04.2013, Establishment of the Greek Presidency Office and other provisions, Art. 1§1.

<sup>20</sup> Call for expressions of interest for fixed-term contract staff to meet the needs of the Greek Presidency, Ministry of Foreign Affairs, 330/AΣ 46814, 2 October 2013. Calls for expressions of interest for unpaid

selection procedure based on ministries' propositions to the Ministry of Foreign Affairs. This time it is unclear whether a proper screening of candidates took place during selection procedures.

During autumn 2013, some training for support staff (presidents of the eight sectoral Councils, ministry officials, and political staff) took place with the involvement of the General Secretariat of the Council, Greek academics and the National School of Public Administration.

The Greek government also established an inter-ministerial committee to provide assistance. The committee is composed of the Minister of Foreign Affairs and the competent Ministers, depending on the thematic meetings. Moreover, a contact person has been designated in each Ministry in order to slightly decentralise the Greek presidency's operations. In the same way, ministries composed thematic working groups to better coordinate ministerial action during the Greek presidency.<sup>21</sup>

Nevertheless, these efforts remain controversial. In fact, the inherent institutional weakness of the Greek presidency results from the lack of a 'clear institutional centre' for planning and management. The Minister of Foreign Affairs Evangelos Venizelos assumes additional responsibilities in his role as Vice-President of the Greek government. Consequently, Deputy Foreign Minister Dimitris Kourkoulas has a much heavier burden than expected.<sup>22</sup> The Secretary General for European affairs, while he has very limited formal powers, is currently serving in the Ministry of National Defence.

In addition, it seems that there was a 'diplomatic deficit' at the head of the Ministry of Foreign Affairs, which has not properly and promptly assured the smooth functioning of the Greek presidency. The Head of the Office of the Greek Presidency, Ambassador Dimitris Paraskevopoulos appointed by the Minister of Foreign Affairs, was replaced by Ambassador Aristides Androulakis in autumn 2013. Then, in December 2013, he was once again replaced by Ambassador Dimitris Karamitsos-Tziras, Deputy Permanent Representative of Greece to the United Nations from 2009 to 2013. Apparently, diplomats do not share a positive perception of the rotating presidency; finding it much too 'bureaucratic'. They are not willing to move from the outside in. This has resulted in involving mostly senior diplomats in the framework of the presidency who do not have a good working knowledge of the Lisbon Treaty (their experience does not go beyond the Nice Treaty).

The role of the Permanent Representation (PR) of Greece in the EU has therefore proved to be crucial. The Permanent Representation has been reinforced through staff secondments or the extension of the secondment period for some civil servants. But these secondments from all ministerial departments took place without always using the appropriate selection procedure. The question that remains is whether or not the more than 110 additional staff members that the Permanent Representation currently employs have the required qualifications and skill sets to

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experts to assist with the organisation, delivery of training activities and advisory services to the executive ministries as well as for unpaid special experts and scientists that will assist and support the thematic scientific departments of the General Secretariat of the Ministry of environment, energy and climate change in the field of environment and sustainable development, including the representation of the ministry in meetings and working groups abroad, the Council of the European Union, other EU bodies, international organisations and other international and European fora, had also been published.

<sup>21</sup> Law 4148/2013 FEK (Official Journal of the Greek government) A99/26.04.2013, Establishment of the Greek Presidency Office and other provisions, Art. 6.

<sup>22</sup> C. Ashton, the High Representative for Foreign Affairs and Security Policy, can delegate some of its functions and ask, for example, for being represented by the Minister of Foreign Affairs of the country holding the rotating EU Presidency in the European Parliament.

work in the multicultural and very demanding environment of the European techno-diplomacy.<sup>23</sup> This can also explain why the prolongation of stay of the very experienced Head of the PR, Ambassador Th. Sotiropoulos, was considered to be an absolute necessity. Greek ambassadors and the deputy permanent representative are entitled to conduct negotiations before the Coreper meetings and during trilogues with the European Parliament.

#### 4. Ambitious priorities within a political vacuum

The Greek government adopted the pre-designed policy-agenda based on the 18-month programme of the Trio presidency,<sup>24</sup> without including any particular item of national interest. The legislative work programme of the Commission (1 January 2013 to 30 June 2014) has been drawn up by Ireland, Lithuania and Greece in cooperation with the president of the Council of Foreign Affairs, the European Commission and the European Council president. The Greek government sent senior government officials to Brussels to discuss possible organisational matters of the presidency with officials of the Council. Furthermore, joint coordination meetings between Greek MPs and members of the EP took place.<sup>25</sup> Greece will complete the trio of presidencies characterised by weak collegiality. Athens ‘inherited’ the majority of subjects by just undertaking piecemeal action and not really investing in the agenda.<sup>26</sup>

The Greek presidency promotes emergency legislation corresponding to a period of just three months instead of six, because the beginning of April 2014 marks the countdown for the EP elections. E. Venizelos, the Greek Minister of Foreign Affairs, often underlined that there is just enough time for Greece to promote concrete actions through a comprehensive programme of legislative and other activities that are already underway, thus finalising the most important priorities. However, the post-Lisbon institutional framework has given the EP greater legislative powers; limiting the chair’s role to that of mediator between the Council and the European Council.

The formal agenda was uploaded onto the website of the Greek Ministry of Foreign affairs at the end of September and is available on the official website of the presidency (<http://www.gr2014.eu/>). While it would be expected that the Greek government submits its detailed proposals related to the legislative programme, actually it was the Commission that took over all the planning of the agenda. Moreover, given the limited period of the legislative action and the necessary progress that has to be made, the Commission decided to sort 185 files by the end of 2013,<sup>27</sup> while putting forward legislative proposals, especially concerning the single market and enlargement.

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<sup>23</sup> F. Chatzistavrou, “Des diplomates comme les autres? Les représentants permanents auprès de l’UE”, in Didier Georgakakis (ed.), *Eurocratie. Les professionnels de l’Europe*, Economica, 2012. pp. 97-101. English edition: “The Permanent Representatives to the EU: Going Native in the European Field?”, in Didier Georgakakis and Jay Rowell (eds), *The Field of Eurocracy: Mapping EU Actors and Professionals*, Palgrave Macmillan, 2013.

<sup>24</sup> Note of the Trio Presidency, 18 month programme of the Council (1 January 2013 - 30 June 2014), 17426/12, Council of the EU, 7 December 2012.

<sup>25</sup> Conference of Speakers of the European Parliament at the Hellenic Parliament, press release, 26 November 2013.

<sup>26</sup> F. Chatzistavrou, “Les Etats de l’Union européenne, moteurs d’une forme de gouvernance inédite: le Trio de Présidences”, *Revue du marché commun et de l’union européenne*, No. 568, May 2013, pp. 282-3.

<sup>27</sup> Briefing by the Deputy Foreign Minister D. Kourkoulas on the priorities of the Greek Presidency in the Permanent Representation of Greece, 1 October 2013.



While the situation in Greece reaches its lowest point<sup>28</sup> the country is called upon to stick to an agenda that is even more divorced from domestic political reality. The presidency's priorities are divided into four sections: (a) Growth - Jobs - Cohesion, (b) Further integration of the EU; eurozone, (c) Migration - Borders - Mobility and (d) Maritime Policy. This official agenda of the Greek presidency is based on the triptych 'growth and cohesion, EMU and the security of Europe',<sup>29</sup> and includes the following items:

#### **4.1 The institutional strengthening of EMU and the eurozone on the basis of the principle of institutional parity of member states**

Greece faces the most intrusive economic and budgetary surveillance of any eurozone state, but supports the EU's long-standing objective of strengthening the EMU governance framework. In cooperation with the European Council and the Parliament, it is pursuing some of the goals agreed upon in the trio programme with its immediate predecessors, namely Ireland and Lithuania. The real challenge here is to accommodate the concerns of the still vulnerable members of the Union, as well as the interests of the wealthiest countries, about the best way forward.

This priority ranking on the agenda entails the effective implementation of the new mechanisms of economic governance of the Union with an emphasis on the supervision of banking and financial services. Tangible progress is to be made towards agreement on the Commission's latest proposal on the Single Resolution Mechanism (SRM), the Deposit Guarantee Scheme Directive and the Bank Recovery and Resolution Directive. In that respect, Greece counted on the Lithuanian presidency to reach the final agreement on the general approach on the banking union, and more specifically on the regulation on the single resolution mechanism (SRM) adopted by the Council of the EU and the European Council,<sup>30</sup> before the relevant discussions with the European Parliament in order to reach an overall agreement on the *SRM* during the Greek presidency. Greece also intends to implement the 'two pack' mechanism. At the same time, another objective is to promote, as a matter of urgency, given the short legislative period until the elections for the European Parliament – issues concerning tax fraud and tax evasion as well as the Financial Transaction Tax. Although Athens promised to make progress on the issue of banking union, like most countries that undertake the EU presidency, it sees itself as an 'honest broker' rather than as the entity that will manage a final agreement.<sup>31</sup>

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<sup>28</sup> In Greece, after six years of deepening recession, real GDP has shrunk by more than one-quarter since 2007, with total unemployment reaching as much as 61.5% for the country's youth (the highest rates in Europe in June 2013).

<sup>29</sup> The Greek presidency's agenda includes other issues, such as the issue of security and liability for nuclear accidents. The objective is to draft a new directive promoting nuclear safety, which takes into account new scientific data derived from the experience of Fukushima.

Furthermore, Greece seems willing to make more effort to deepen and expand economic and trade cooperation with China through further dialogue and negotiations. Greek high-level officials affirmed their commitment to support the Middle East peace process through the active involvement of the US and the Quartet by offering guarantees for its sustainability.

NATO Secretary General A. Rasmussen stressed the role to be played by the Greek presidency in the development of European defence capabilities. The Council of defence ministers in December 2013 examined the possibilities of better coordination and cooperation between NATO and the European Union.

<sup>30</sup> Conclusions of the European Council in 19-20 December 2013 EUCO 217/13, p. 16, point 29. See also S. Piedrafita and V. Renman, "Exceeding expectations, Lithuania moves the Trio presidency forward", CEPS Commentary, 22 January 2014, pp. 1-2.

<sup>31</sup> Briefing by the Deputy Foreign Minister D. Kourkoulas, 1 October 2013, *idem*.

## 4.2 The completion of the internal market, the promotion of growth and tackling unemployment

Economic growth is a matter of paramount importance in official EU discourse. Having experienced a breakdown in economic and social cohesion, Greece aims to spark pro-growth conversations and promote initiatives in the name of growth during its presidency tenure. In line with the Europe 2020 strategy, the ‘balance’ between political stability and financial development policies is the touchstone of the EU’s commitment towards more coherence between the Union economies. Particular emphasis is placed on the social dimension of the eurozone as one of the building blocks for deeper integration in response to the demographic and fiscal crisis of the European welfare state, but without seeking to create new funds in Brussels. Instead, the Greek Presidency seeks to accelerate disbursement of already existing funds for tackling youth unemployment.

One of the objectives of the official agenda is to rebalance the necessary fiscal consolidation by further implementing an enhanced and realistic “Compact for Growth and Jobs” – agreed by the European Council in June 2012 – through the acceleration of major infrastructure projects. This Compact can be transformed into a diverse European investment programme, and a new European model of cohesion policy with a focus on employment. In this framework, Greece intends to implement the mechanism for providing credit facilities to SMEs.

The idea is to start a debate on the subject areas that offer high growth potential (e.g. projects for SMEs, basic infrastructure, energy and climate) and at the same time define the role of the European Investment Bank and of the European Central Bank in relation to these labour-intensive projects.

The presidency is also going to promote issues relating to employment policies, health and safety at work, competitiveness, research and innovation energy. In particular, the Greek presidency intends to develop initiatives towards ensuring the supply of gas to the EU and finalisation of projects to be funded under the new financial framework for 2014-2020, as well as to promote youth entrepreneurship by adopting the conclusions of the Council of Ministers scheduled to take place by the end of May 2014, and the second programme for sports covering the period 2014-17. A first step in this direction was taken in June 2013 when the European Council decided to strengthen efforts to combat youth unemployment and to adopt the joint EIB-Commission “Investment action plan to finance for SMEs as key employers in the European economy”. The forthcoming launch by the European Commission of a White Paper covering the subject areas that offer high growth potential could be a springboard for future action. The interim evaluation of the “Europe 2020 Strategy” at the spring 2014 European Council will lend context and offers the opportunity for concrete initiatives.<sup>32</sup>

In fact, progress towards greater social cohesion within and between member states depends critically on the support of the major member states, especially Germany. The grand coalition between CDU/CSU and SPD shares the views of A. Merkel and W. Schäuble on Germany’s European policy.

## 4.3 A more coherent European migration policy, including the issue of human mobility within the EU or from outside the EU

Greece is receiving large numbers of refugees and immigrants without any specific plan for dealing with immigration flows. As part of its role as Chair of the Council, the Greek government should tackle a number of issues such as border control, border management, strengthening of preventive action to control immigration, agreements with third countries and

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<sup>32</sup> Conclusions of the European Council in 27-28 June 2013 EUCO 104/2/13 REV 2, pp. 5-7. See Joint Commission-EIB report: [“Increasing lending to the economy: implementing the EIB capital increase”](#).

the European asylum system. Immigration and asylum policy has again become particularly topical after the events in Lampedusa. It has given the Greek government a chance to take up the issue in order to emphasise the necessity of an integrated border management approach. Since Frontex is not a panacea to all problems, it would therefore be valuable to discuss the eventual revision of the Dublin III regulation (named Dublin IV). Instead, a Declaration on Migration in the Mediterranean will be issued.<sup>33</sup>

One of the key aims of the Greek presidency is to strengthen preventive action in third countries of origin and transit of illegal immigration for the benefit of all member states as well as to facilitate the issue of visas to third countries. Because of the upcoming expiration of the ‘Stockholm programme 2010-14’, the Greek presidency contributes to creating new strategic objectives and will set the priorities of the EU in the field of Justice and Home Affairs for the period 2014-18. Along with the above, the renewal of the ‘EU Action Plan on tackling migration pressure’<sup>34</sup> is an opportunity to focus on measures tackling illegal immigration, readmission and return, combating human trafficking and enhancing institutional capacity-building for border management.

The Greek presidency is concentrating its efforts on ensuring a better implementation of the readmission agreements already in force with Turkey and Pakistan. Another priority of the presidency is the implementation of the Common European Asylum System, with particular emphasis on measures to strengthen solidarity towards those member states facing particular migratory flow pressure with respect to their international and European obligations, and in cooperation with international organisations (e.g., UNHCR, IOM) and NGOs. Finally, Greece needs to address the thorny question of Bulgaria’s and Romania’s accession to the Schengen area as of 1 January 2014 since some member states, especially France and the Netherlands, are opposing their inclusion in this area of open borders.

#### **4.4 The promotion of an integrated maritime policy**

On the basis of the Declaration of Limassol on the Integrated Maritime Policy adopted during the Cyprus<sup>35</sup> presidency, the Greek presidency is expected to work closely with the next Italian presidency towards a common policy agenda for 2014 called the ‘Mediterranean year’.<sup>36</sup> The aim is to include the Integrated Maritime Policy in the European agenda for creating growth and jobs in the marine and maritime sectors, which includes several policies such as ocean policy,<sup>37</sup> water policy, the blue growth strategy, maritime spatial planning, the Adriatic-Ionian

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<sup>33</sup> Interview with P. Koutsoumpelis, President of the Hellenic Centre for European Studies (EKEM), 4 November 2013.

<sup>34</sup> Initially, EU Ministers of Justice and Home Affairs (JHA) adopted in April 2012 an action paper entitled, ‘EU Action on migratory pressures’. This action paper became a ‘living document’ that is updated on a regular basis by rotating presidencies on a biannual basis, taking into account developments in relation to migratory pressures, the progress achieved in the implementation of the actions and any relevant recommendations in the annual report of the Commission on asylum and immigration. See presidency note ‘EU Action on migratory pressures - A Strategic response’, Council of the EU, 8714/1/12 REV 1, 23 April 2012.

<sup>35</sup> On 7 October 2012, EU ministers responsible for maritime affairs adopted the Limassol Declaration that aims at re-energising the EU’s Integrated Maritime Policy (IMP), five years after its initial launch in Lisbon. This political declaration was expected to mark a milestone for the future implementation and development of the EU’s IMP by providing guidelines for a coherent approach to the sustainable exploitation of the EU’s seas and oceans for achieving economic growth.

<sup>36</sup> Joint statements of E. Venizelos, Deputy Prime Minister and Foreign Minister and E. Bonino, Italian Foreign Minister, following their meeting in Rome, 17 September 2013.

<sup>37</sup> Since its creation in 2007, the Integrated Maritime Policy (IMP) seeks to enhance the coherence and coordination of maritime policies across sectors.

initiative,<sup>38</sup> the maritime security strategy, marine and coastal sustainable tourism, and issues of migration by sea. The emphasis is on the management of maritime borders of the Union and the safety benefits of establishing maritime zones. This issue horizontally permeates the whole subject of priorities. The presidency also focuses on the initiative of the European Commission establishing a strategy on “Challenges and Opportunities for Marine and Coastal Tourism in the EU”<sup>39</sup> to enhance the sustainable economic development of these special forms of tourism and to strengthen the competitiveness of European industry.

Nevertheless, with the thorny question of how to delineate and ensure full recognition of its exclusive economic zone (EEZ, or AOEZ in Greek), Greece is inclined to adopt a national approach rather than a comprehensive European strategy on maritime issues.

#### 4.5 Enlargement is not the Greek presidency’s priority

Despite previous commitments, Athens dropped the enlargement issue from its priorities.<sup>40</sup> Greece previously promoted the idea of being a leading actor in the European integration of Western Balkans.<sup>41</sup> The preliminary agenda for Greece’s presidency dated 14 February 2011 was based on the joint programme of the Trio presidency. This preliminary agenda included Athens’ proposal to convene an EU-Western Balkans Summit (the ‘Agenda 2014’, otherwise called ‘Thessaloniki II’) aimed at adopting a political declaration that would set a specific, ambitious but realistic target date for the completion of the accession processes of the Western Balkan countries.<sup>42</sup>

Instead of getting on with thorny issues, Greece chose not to take any risks and made a rational and tactical choice by pulling enlargement out of its priority list. This doesn’t mean that the enlargement issue is completely off the agenda. Deputy Foreign Minister D. Kourkoulas

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<sup>38</sup> The Adriatic-Ionian Initiative (AII) was formally established as a political initiative at a conference held in Ancona, Italy in May 2000. This initiative brings together eight member countries: Albania, Bosnia and Herzegovina, Croatia, Greece, Italy, Montenegro, Slovenia and Serbia. The aim of the AII is to link the coastal countries of the two seas for the purpose of cooperating in the development and safety of the whole area.

<sup>39</sup> In the period of 14.05.2012 to 06.08.2012, the European Commission launched a public consultation to gather views and additional information on the multiple challenges for coastal and maritime tourism. Then, the European Commission presented a communication on the “Challenges and Opportunities for Maritime and Coastal Tourism in the EU” summarising the results of the public consultation. See ([http://ec.europa.eu/dgs/maritimeaffairs\\_fisheries/consultations/tourism/summary-report-consultation-on-tourism-in-the-eu\\_en.pdf](http://ec.europa.eu/dgs/maritimeaffairs_fisheries/consultations/tourism/summary-report-consultation-on-tourism-in-the-eu_en.pdf)).

<sup>40</sup> Deputy Prime Minister and Foreign Minister Venizelos’ speech, 25 November 2013, *idem*.

<sup>41</sup> Greece is among the most ardent supporters of the European integration of the Western Balkans. The Stabilisation and Association Process (SAP) is the framework regulating the EU’s relations with the countries of the Western Balkans. The Thessaloniki Agenda, adopted during Greece’s 2003 EU Presidency, was a landmark in this process.

<sup>42</sup> The ‘Agenda 2014’ (‘Thessaloniki II’) was included for months in the programme of the Greek presidency and was one of its priorities to accelerate the process of enlargement and increase competitiveness in the region. According to a non paper issued by the Greek Ministry of Foreign Affairs, the ‘Agenda 2014’ should set three main goals, i.e. i) creation of a ‘Group 2014’, which will consist of member states that will form ‘preparation coalitions’ with candidate countries, ii) enhancement of close cooperation ties among candidates on a regional level through further development of existing cooperation platforms and interaction between those platforms, and iii) conclusion of an agreement giving a specific date for the full accession of Western Balkans countries that are ready to join the EU.

The aim of the Agenda 2014 should be to celebrate the symbolic integration of the Balkans and to commemorate 100 years since World War I, as well as to avoid creating a ‘black hole’ in the region through the implementation of the principles of good neighbourliness, regional cooperation, reconciliation and democratic consolidation.

underlined that enlargement has been and will continue to be a priority for the country, but pointed out that Greece will deal with the case of each individual country during the presidency according to their performance rather than to organise relevant long discussions and events.<sup>43</sup> The Greek government seeks to restore some of the reputation gained by the Thessaloniki Summit in 2003 through its organisation of the first Serbian conference on 21 January 2014 – launching the opening of accessions negotiations between the EU and Serbia.<sup>44</sup> The EU-Turkey Association Council is also going to take place during the Greek presidency.<sup>45</sup> Despite the good relations and cooperation between the two countries, Greece taking over the EU's rotating presidency will not help Turkey to make progress in its bid to join the European Union, as bilateral disputes between the two countries remain unresolved.

## 5. The approach of a weak Greek presidency

From an institutional point of view, the rotating presidency has lost much of its strength since the entry into force of the Lisbon Treaty, since it does not preside over meetings of the Foreign Affairs Council, the European Council and the Eurogroup. The presidency's agenda largely depends on Commission initiative. For this reason the European Commission is concerned to prevent any agenda failure that could undermine the legislative work programme. Certainly, the lack of political leadership in Greece reinforces the already weak institutional position of the rotating presidency. The Greek government would like to promote the idea that the achievement of a primary surplus makes Greece an equal partner in the EU system of governance by restoring its lost sovereignty and endowing this presidency with a real European mission. After six years of recession, the current official scenario for Greece is one of emergence from recession; enabling the country to return to growth in 2014 and allowing the Greek government to soften austerity measures.

It is extremely difficult for Greece to maintain the image of a stable country, however. The structural surplus is the result of austerity measures, which is not an economically and socially viable solution. The country has no growth prospects that would allow it to combat rising unemployment. The cycle of domestic uncertainty and growing social and wealth inequality is the worst 'multiplier' in the Greek crisis. In this context, Greece presiding over the Council of the EU cannot be the standard-bearer for a pro-European message. This trend has a very negative impact on the behaviour and confidence of public administrators, whose personal investment is vital for the smooth functioning of the presidency.

The Greek government is insistent that even though the country finds itself in straitened social and economic circumstances, this does not affect the exercise of the rotating Council presidency. It is taking on the role of honest broker and putting aside its national interests for six months. Greece could restore a sense of mission to its presidency by contributing substantially to the political debate in Europe. The best way to do that is to address the need to restore public confidence in the European economy, and to deal with the unbalanced and opaque decision-making that plagues the eurozone.

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<sup>43</sup> See "Greece drops enlargement from its EU presidency priorities", *Euractiv*, 23 August 2013.

<sup>44</sup> EU foreign ministers have agreed to start membership talks with Serbia in January 2014. See Council conclusions on the enlargement and stabilisation and association process, General Affairs Council meeting, 17 December 2013, Brussels, p. 7, points 28 and 29.

<sup>45</sup> Deputy Prime Minister and Foreign Minister Venizelos' speech to the Parliamentary Standing Committee on Defence and Foreign Affairs, 31 July 2013.

The Association Council meeting provides a timely opportunity to review EU-Turkey relations. The EU notes progress made by Turkey in its preparations in the framework of the negotiating process. While the very important Chapter 22 on regional policy remains blocked, there are other important chapters, such as Chapters 23 and 24, which could be opened.

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