

EU integration gets deeper

► *The EU is an important partner for India, in the context of the US moves for working more closely with China in Asia. Therefore, our policymakers need to assess carefully the impact of the next phase of EU integration on its engagement with India.*

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The European Union under the Swedish presidency enters a critical phase of its integration process.

When its French and Dutch citizens rejected the ambitious EU Constitution in May 2005, the integrationists settled for a lesser, more incremental process which resulted in the adoption of the Lisbon Treaty in December 2007.

Even this lesser road is beset with pitfalls, such as the negative outcome of the Irish referendum last year. But in the past year, the pro-integrationists in the EU have worked hard, securing the ratifications by parliaments of 26 out of 27 members.

The resounding yes vote in the Irish referendum of October 2 is a further major victory for the supporters of the Lisbon Treaty.

The Irish Prime Minister, Mr Brian Cowan, had obtained crucial assurances from the EU on Irish concerns, to ensure a positive outcome this time in the referendum. Irish voters had unexpectedly rejected the Treaty in the referendum of June 2008 largely because of insufficient preparations. The global economic crisis also had strengthened support for the Treaty.

Meanwhile, Germany finally ratified Lisbon last month. This was after the German Parliament passed a special law reaffirming its rights to veto EU law in accordance with a ruling by the German Constitutional court on the question that the treaty un-

dermined Germany's self-government and democracy.

TWO HOLDOUTS

Now the pressure will build up on the two holdouts — the Czech President, Mr Klaus, and the Polish President, Mr Kaczynski, who have held back the ratification due to domestic political squabbles or on the pretext of waiting for the Irish referendum.

Mr Klaus, especially, is said to be the remaining stumbling block to the Lisbon Treaty, which consists of a number of amendments to the Treaty on European Union and the Treaty establishing the European Community.

The EU's Charter of Fundamental Rights providing for political, social and economic rights for EU citizens will become legally binding. The European Central Bank would become an official institution.

The Treaty of Lisbon would expand the use of qualified majority voting, by making it the standard voting procedure, except for some areas of policy which still require unanimous decisions (notably in foreign policy, defence and taxation).

The council would have an 18-month rotating presidency shared by a trio of member-states, with the purpose of providing more continuity. The exception would be the council's Foreign Affairs configuration, which would be chaired by the newly created post of Representative for Foreign Affairs and Security Policy.

The European Council of national heads of government or heads of state (either the prime minister or the president) will officially be separated from the Council of the European Union (national ministers for specific areas of policy).

The new President of the European Council would be elected for a two-and-a-half year term, in place of the current system where the European Council is chaired by the head of government (or state) of the country holding the presidency of the European Union which rotates every six months. In media reports, this new post is being called 'President of Europe'.

The legislative power and relevance of the directly elected European Parliament would be increased by extend-



India will have to inject greater dynamism in its engagement with the EU. — Reuters

ing co decision procedure with the council to new areas of policy. The Treaty of Lisbon would expand the role of member-states' parliaments in the work and legislative processes of the EU institutions and bodies.

The Commission of the European Communities would officially be renamed 'European Commission'. The Treaty originally reduced the size of the commission from one per member-state to one for two-thirds of member-states from 2014.

IMPORTANT CHANGES

There are important changes in the conduct of the new EU's foreign relations, though unanimity in the European Council is still required. The post of High Representative for the Common Foreign and Security Policy (currently held by Javier Solana) would be merged with the European Commissioner for External Relations and European Neighbourhood Policy (currently held by Benita Ferrero-Waldner), creating a 'High Representative of the Union for Foreign Affairs and Security Policy'. This post would *de facto* be the EU's Foreign Minister.

The new High Representative would also become a Vice-President of the Commission, the administrator of the European Defence Agency and the Secretary-General of the Council.

He/she would also get an

External Action Service (Foreign Service) and a right to propose defence or security missions.

Several member-states feared that this post would undermine their national foreign policy, so the EU summit mandated that the provisions covering Common Foreign and Security Policy (CFSP) including in relation to the (new) High Representative would not affect the existing legal basis, responsibilities, and powers of each member-state.

In a parallel with the Indian Constitution, the Lisbon Treaty distributes competences in various policy areas between member-states and the Union into areas where:

The EU has exclusive competence (similar to our 'Union List');

The EU and member-states have shared competence (similar to our 'Concurrent List', but member-states cannot exercise competence in areas where the Union has done so; and

Where the EU has supporting competence to support, complement or coordinate national actions (similar to our 'State list' but with a role for the Union).

In addition to dealing with all these institutional changes, Swedish diplomats have to deal with the current economic crisis, keeping member-states from veering into protectionism, as well as trying to get a meaningful international

climate change deal at Copenhagen in December.

Sweden's Presidency will also see the 10th India-EU summit, to be held in Delhi on November 6. The EU is India's largest investing partner and major trading partner and is also similar in its multilingual, multicultural democratic ethos to India.

The EU is one of the understated major players in the new world order and is an important political partner for India, in the context of the US moves for working more closely with China in Asia.

Therefore, our policymakers need to carefully assess the impact of the next phase of EU integration on its engagement with India. India will need to be more proactive in setting the agenda for its engagement with the EU, and bringing focus on matters of concern to India.

The EU is bound to be preoccupied with navel gazing due to internal reform process. The next summit will need a lot of effort to avoid it lapsing into a routine exercise, with little interest from the business community in the EU. For India, the challenge will be to inject greater dynamism and focus on issues of concern to it in the engagement with the EU, despite the unavoidable internal preoccupation.

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