

KKI

4:1

e

2

0

u

1

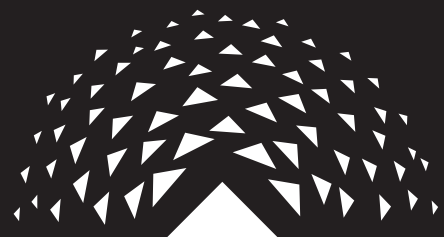
8

.

a

t

What Can Be Expected from
the Austrian Presidency of the
Council of the European Union?



KKI 4:1

Series of the Institute for Foreign Affairs and Trade

Publisher:

© Institute for Foreign Affairs and Trade, 2018

Editor:

Tamás Levente Molnár – Institute for Foreign Affairs and Trade

Tamás Csiki Varga – Centre for Strategic and Defense Studies

Julia Kirchmayr – European Commission

Tamás Levente Molnár – Institute for Foreign Affairs and Trade

Ferdinand Trauttmansdorff – Andrásy University Budapest

Editing and typesetting:

Andrea Tevelyné Kulcsár

Fotó:

Wikipedia Commons

https://upload.wikimedia.org/wikipedia/commons/thumb/6/6f/Austrian_EU_Presidency_2018_preview.svg/1022px-Austrian_EU_Presidency_2018_preview.svg.png

Publications of the series in English:

2018/10. [What Role Do the External Actors \(Russia, China, Turkey, and the European Union\) Play in the Western Balkans?](#)

2018/9. [Why Does the Assad Regime Use Chemical Weapons in the Syrian Civil War?](#)

2018/6. [Could India Become an Economic Superpower?](#)

2018/4. [How Do You See the Chances of Peace Efforts Between Israel and Palestine After the American Decision on Jerusalem?](#)

2017/15. [After the Disputed 'Independence' Referendum: Quo Vadis Catalonia?](#)

For more publications, see [the homepage of the Institute](#).

In the 4:1 series of the Institute for Foreign Affairs and Trade, four researchers give a short answer to the same questions concerning international politics and economics. Our aim is to launch the scientific debates in Hungary and promote dialogue among experts. In this issue, our topic is: "What Can Be Expected from the Austrian Presidency of the Council of the European Union?"

TAMÁS CSIKI VARGA

The period July 1–December 31, 2018 is the third time (after 1998 and 2006) when Austria takes over the rotating EU Presidency since its accession in 1995 – now in a highly intense political period. Even though [the role of the Presidency has functionally decreased](#) since the Lisbon Treaty was adopted, limiting the scope for shaping the agenda and becoming more managerial in terms of tasks, the last full presidency before the May 2019 European Parliamentary elections will play an essential role in coalition-building. In this role Vienna wants to step up as an honest broker or “bridge builder” towards the EU-27 plus the United Kingdom, what will foremost require creativity in political crisis management in terms of multilateral diplomacy.

[The current Presidency program](#) that is aligned with the [Estonian–Bulgarian–Austrian trio program](#) for 2017–2018 sets the slogan “A Europe that protects” for the Austrian Presidency in a wide understanding, implying policy goals for protecting against illegal migration (strengthening external border protection), loss of wealth (securing jobs, maintaining growth and strengthening competitiveness), and instability in the European neighborhood (Western Balkans Strategy). Along this agenda, the milestones of this semester will be the informal EU migration/security summit on September 20, in Salzburg, followed by two European Council meetings in October and December, which will earmark the three key topics of the Austrian Presidency: final preparations for Brexit, the preliminary negotiations of the Multiannual Financial Framework (MFF), and policy-specific debates that require break-through to reach the large-scale package deals of the previous two issues.

On the one hand, some of these issues on the European agenda are technically challenging but politically more feasible, like continuing with the Digital Agenda in order to strengthen competitiveness, as these are long-term processes built on shared interests and a general agreement of the parties. While on the other hand, others are seriously dividing European capitals, sometimes also positioning them vis-à-vis “Brussels” in political discourse, like handling the challenges of immigration and integration. The most important issue currently seems to be the implementation of the European Security and Migration Agenda that undercuts Member States’ will for negotiation in other fields that would also require realism, pragmatism, compromise, and solidarity.

These quarrels are deeply embedded in the overarching debate on the necessary reform of the European Union and in this regard it is important to keep in mind that the EU is least capable to act in those (expected) fields where Member States



insist on retaining as much national sovereignty as possible: border protection and security. As the two demands – sharing sovereignty and empowering the EU with more political authority to act together, versus retaining sovereignty and relying on national decisions – are contradicting, it is not a surprise that the Austrian Presidency will face the hardest tasks with breaking this so far unfruitful debate that is able to spill over and poison other discussions as well.

From the Hungarian perspective three aspects will definitely have outstanding importance: whether coalition-building on the terms of Brexit and the MFF negotiations with Central European countries (primarily the Visegrad group) would be inclusive and converging; how successfully these countries can promote their anti-immigration/pro-security agenda at the European level; and how Austria can prioritize invigorating the accession process of Western Balkans countries, that is a shared interest with Budapest?

JULIA KIRCHMAYR

“A Europe that protects” reads the catchphrase Austria has chosen at the heart of its program for the rotating presidency of the Council of the European Union. As the last Member State of the trio-partners, otherwise composed of Estonia and Bulgaria, to assume the role, the country is confronted with several difficult issues falling into its lap. To name but a few, these challenges include Brexit, the new Multiannual Financial Framework (the Austrian Finance Minister, Hartwig Löger has stressed that the Government is unwilling to raise the 1% GNI cap to match the European Commission’s proposed 1.11% yet alone the European Parliament’s 1.3%), the upcoming EP elections in May 2019 (with more than [400 outstanding files](#) still to be examined by the current configuration), the controversies surrounding Poland, Hungary, and Romania with regards to the Rule of Law, and the migrant crisis (an informal so-called “mini summit” was held in Brussels in late June, with the gaping absence of Hungary, Poland, the Czech Republic, and Slovakia). Austrian Chancellor Sebastian Kurz has emphasized that Brussels will not bear witness to Austria advocating for a Europe driven by lofty ideals but a slimmer, more focused Europe. Returning to the motto “a Europe that protects,” [Austria has outlined its focus](#) as follows: “security and the fight against illegal migration,” “securing prosperity and competitiveness through digitalization,” and the “stability in the European neighborhood – EU perspective of the Western Balkans/South Eastern Europe.”

The first priority, the prevention of irregular migration (the term “migrant” refers here to all persons in transit who have yet to complete the legal process of claiming asylum, regardless of whether or not they possess a claim for asylum under international law) through the strengthening of the EU’s external borders, is very much in line with Austria’s domestic policies which seek to prevent a repetition of the “Balkan route” crisis by effectively shutting down the Balkan corridor through the erection of border fences in parts of Macedonia, Hungary, and Austria. The slogan

is in fact borrowed from a speech held by French President Emmanuel Macron at the European Parliament in Strasbourg. There, however, the phrase was used in the context of the rise of illiberal democracies within the EU and thus the necessity of fostering a “Europe that protects” its people. The initial phrase was first coined by the President of the European Commission, Jean-Claude Juncker at his 2016 State of the Union speech, addressing terrorism, climate change, and European industry. Juncker appealed to the European leaders to come together to build “a Europe that protects.”

The second priority, “securing prosperity and competitiveness through digitalization,” remains clouded in mystery. The word digitalization is mentioned a stark nineteen times throughout the 70-odd-page Programme of the Austrian Presidency. However, besides more efficient and fairer taxation of digital enterprises, the Digital Single Market strategy, and the 5G Action Plan, little is said of how digitalization ties to concrete policies or how greater digitalization for Europe will be realized in the fields of law, security, employment, gender equality, single market, industry, research, energy, and even culture, thus leaving one to wonder whether digitalization simply falls outside Vienna's comfort zone.

The final priority, ensuring “stability in the European neighborhood – EU perspective of the Western Balkans/South Eastern Europe” is a nod towards the Habsburg Empire's relationship with the adjacent region. Economically, historically, and geographically entwined, Austria has long since embraced the role of an advocator for regional stability, stronger adherence to European Standards, and an eventual enlargement of the EU to encompass the Western Balkans. One can therefore expect a continuance of the Bulgarian Presidency's approach towards the region, meaning that Vienna will encourage Brussels to further pursue the path towards EU-accession for the Western Balkans.

The presidency for Austria comes at a time when the EU is forced to navigate through some choppy waters. However, if it is one thing Vienna has demonstrated time and time again, is that it has mastered the art of diplomacy and has pitched itself as a mediator between the divergent national interests of the Union's Member States. Nonetheless, only time will tell how successful Austria will be in promoting progress on the three fronts it has chosen as the headlines for its Presidency and whether Europe will have moved any closer towards “a Europe that protects” by the time Romania takes over in 2019.

TAMÁS LEVENTE MOLNÁR

“We, as the Republic of Austria, are taking over the Council presidency in very challenging times, in a period of upheaval,” [Chancellor Kurz](#) said at the kick-off session of the Austrian Presidency at the European Parliament on July 3. The EU's to-do list for the ongoing six months seems extensive: preventing the Brexit negotiations from falling off the cliff, reaching an agreement on the Multiannual



Financial Framework, upholding the unity behind European sanctions on Russia – these are just a few of the challenges ahead. The last full presidency term before the EU Parliamentary election in May 2019 will require a lot of “bridge building.”

Following the Estonian and Bulgarian presidencies, Austria took over the seat on July 1, as last member of the current trio. The [official program](#) of the Alpine country is titled “A Europe That Protects” and concerns three main priorities: security and migration, maintaining competitiveness through digitalization, and stability in the neighborhood.

Protection is defined by Austria as the fight against illegal migration, which is also listed as the first priority. Protection in the sense of combating social inequality, youth unemployment, or elderly poverty do not fit this definition. Chancellor Kurz and his coalition partner, the right-wing populist Freedom Party (FPÖ), make frequent use of the claim of “fighting illegal migration,” as having a hard position on the issue brought them to power in the first place. The official program’s first priority names two goals: strengthening the EU’s external borders and reforming the Common European Asylum System (CEAS). The first goal is uncontroversial throughout Europe – from French President Macron and German Chancellor Angel Merkel to Hungarian Prime Minister Viktor Orbán, everyone wants stronger borders. The second one presents a much tougher problem, as there is a wide dissent between Member States on migration policy, which in recent years evolved into a serious political crisis. The Bulgarian Presidency struggled to reach a compromise on reforming CEAS, now it’s Austria’s turn to prove they can do better. Many [EU diplomats have concerns](#) though about Austria’s role as impartial broker, considering the country’s hardliner position on migration policy. The heads of states and governments of the EU will meet in Salzburg on September 20, to deal with the issue, and Chancellor Kurz will need Metternichian diplomatic skill if he wants to reach a Europe-wide consensus.

The digital agenda as second priority was initially one of the flagships of the Estonian Presidency. The Bulgarians carried on with the digital dossier, and now the Austrians are expected to bring it to a finish. Scratching beneath the surface, Vienna’s intentions concerning the digital agenda seem quite vague: beyond the usual catchphrases – taxing tech giants, completing the Digital Single Market, advocate the extension of broadband and mobile network coverage – little is said about actual measures that will be taken.

The third priority, “Stability in the European neighborhood – EU perspective of the Western Balkans/South Eastern Europe,” is more of a home game for Austrian foreign policy. With the Habsburg legacy of knowledge and vital networks in the region in its back, Vienna can make a meaningful contribution to the region’s stability and unify the groundwork laid by the Bulgarian Presidency with the European Commission’s Enlargement Strategy of February 2018. Despite the promising preconditions, one question remains: the strong pro-Serb attitude of Kurz’s coalition partner (FPÖ) might make it difficult to uphold the country’s appearance of impartiality.

At his inauguration, Sebastian Kurz [promised](#) to be the head of a decidedly pro-European government. His success will heavily depend on if he can leave domestic issues out of the European context. Austria’s presidency will be a litmus test for this.

FERDINAND TRAUTTMANSDORFF

Governments of EU Member States traditionally tend to benefit from the presidency of the Council of the European Union by creating positive “nation branding” effects. At the same time, governments naturally select priorities for their country's presidency that promise a positive domestic response. In both cases high visibility for the aims to be achieved during the presidency are sought. This may create national as well as international expectations beyond what the presidency can in fact realistically perform. Hardly any presidency can achieve miracles during the 6 months duration. There are too many elements that restrict visible achievements. First, the work of a presidency that, like the Austrian one, takes place during the second half of the year is hampered by a lengthy summer recess. Furthermore, the institutional weight of the presidency has generally diminished since the Lisbon Treaty.

There are a number of further restraints that may limit concrete and immediate “results” regarding the priorities that the Austrian Presidency has selected according to its presidency's [program](#). Under the heading of “A Europe that protects,” the Austrian Presidency expresses the intention of strengthening Europe in its main functions and rebuilding trust between Europe (i.e. its institutions) and its citizens mainly by means of exploiting the principles of subsidiarity and proportionality. Specifically the program chooses the following priorities: “fighting illegal migration,” “securing prosperity and competitiveness by digitalization,” and promoting “stability in the European neighborhood” by means of an EU perspective of the Western Balkans/South Eastern Europe. All these issues are also contained but were given less weight in [the 18-month program](#) for the three presidencies of the Council of the EU ending with the Austrian Presidency, also called the EU Council Presidency Trio Bulgaria–Estonia–Austria. The trio's June 2017 program formulated rather general priorities, focusing primarily on promoting the economic and social development of the Union.

Promoting Austria's selected priorities will definitely be limited by the energy that will have to be invested into the three main challenges the Austrian Presidency will not escape from facing from. These challenges will be decisive for the future, in particular the need to conclude the Brexit negotiations during the fall of this year in order to avoid a damaging so-called hard Brexit. The negotiations on the Multiannual Financial Framework post-2020 following the presentation of the respective proposals of the European Commission in May and June 2018 will also have to be carried on during the Austrian Presidency. These negotiations will be particularly difficult given the expected loss of substantial income due to the United Kingdom's leaving the EU. Finally important legislative projects will have to be advanced in order to be concluded before the elections to the European Parliament in May 2019.

The Austrian government under Federal Chancellor Sebastian Kurz already promised to act as an honest broker and go-between in order to help making decisive progress on these burning issues. As positive as the contribution of the Austrian Presidency may turn out to be, however, there are hardly any criteria to



measure the real Austrian performance or failures since the final results will be beyond this presidency's direct influence.

The Austrian Presidency will surely make use of all its experiences from the two successful past presidencies and of all channels on the political and administrative level and it will try to rally as much institutional as well as Member States' support as possible for the above-mentioned selected priorities.

Giving more weight to the principle of subsidiarity and proportionality is an approach shared not only by the preceding presidencies but by a large number of Member States, particularly in Central Europe. Thus, reshaping Europe including a redistribution of powers on the basis of these principles are defined as the overarching aim of the Austrian Presidency. Given its long-term character, however, Austria will have to pursue this aim well beyond its short presidency, particularly with a view to the rather unspecific results of the June 2018 report of the "Task Force on Subsidiarity, Proportionality and – doing less more effectively." It, therefore, can be expected that Austria will remain fully engaged in achieving concrete results in this process of strengthening Europe through subsidiarity. It will, thereby, have to keep in mind that any effort towards strengthening Europe remains an issue of transboundary, mostly regional, cooperation and not of simply redistributing European powers to national institutions.

"The fight against illegal migration" is a priority issue, where Austria will obviously make a special effort to influence European policy and legislation already during its presidency. Given the conspicuous lack of European solidarity despite shared concerns among most of the Member States regarding effective and at the same time humane measures against illegal migration, Austria will hardly be successful in setting in motion a consistent new European migration policy already during the short presidency period.

Both other selected priorities – i.e. the vast issue of digitalization between technical advancement and adequate protection of individual data as well as the difficult subject of promoting stability in the Western Balkans and South Eastern Europe by providing the target countries with a realistic perspective on becoming once a member of the EU – are issues, which are too complex and long term to allow decisive progress during one presidency. But as in other instances Austria may provide helpful impulses towards such progress already during the second half of 2018. In any case we can expect that the Austrian efforts to make progress on both the main challenges faced and the priorities selected may not end with the term of its presidency. But both on the political as well as the administrative and institutional level, the Austrian Presidency may develop certain positive impacts already before the end of the year 2018.