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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new *modus operandi* while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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Editorial Team

Publisher: Prof. Dr. Mathias Jopp
Executive Editor: Dr. Katrin Böttger
Managing Editor: Julian Plottka
Editorial Staff: Daniela Caterina, Gregory Kohler, Christoph Kornes
Layout: Matthias Jäger

Contact: info@EU-27watch.org
www.EU-27watch.org

 Institut für
Europäische Politik
Bundesallee 23
D-10717 Berlin
Tel.: +49/30/88.91.34-0
Fax: +49/30/88.91.34-99
E-mail: info@iep-berlin.de
Internet: www.iep-berlin.de

Latvia**Implementation of the Lisbon Treaty as seen from Latvia****Dzintra Bungs***

From the ample media coverage and the numerous informative discussions organised under the auspices of universities, government institutions, and non-governmental organisations in recent years, it would seem that every citizen of Latvia has heard of the Lisbon Treaty. However, even if Latvians tend to recognise the term and acknowledge that the Treaty affects everyone in every EU member state, relatively few are sufficiently familiar with the Treaty's content to make an informed comment about it and even fewer have actually read the entire document.

This situation may be explained in part by the fact that Latvians are among the most eurosceptic members of the EU family of nations. According to a Eurobarometer standard survey of public opinion taken in autumn 2009, 55 percent of the respondents in Latvia believe that their country has not benefited from its membership in the European Union and 43 percent of the respondents state that they do not trust this organisation. Improbable as the poll results might seem at first glance, they demonstrate that multiple factors, even those that have little or no relation with the EU, play a significant role in the assessment of the EU; these include an individual's personal perceptions and preferences, a nation's historical experience, and the state of the national and international economy. The survey results suggest that a particular factor in Latvia was its historical experience – more precisely, the conclusions drawn from the five decades of Soviet and Nazi German occupations during and after World War II. They have not been forgotten and they still tend to influence, rightly or wrongly, people's perceptions of Latvia's current situation, despite the fact that two decades have passed since Latvia regained its independence and that Latvia joined the European Union in 2004 of its own free will. In a nutshell, Latvians tend to question the obligations and responsibilities that come with membership in an international organisation, especially if membership means relinquishing a part of their country's sovereignty; in other words, many Latvians still hold on to the belief that it is wiser be independent and unaffiliated.

In the spring of 2010, the hardships emanating from Latvia's economic recession and the jostling for power and influence by politicians have been much more relevant and interesting to the average Latvian than the events and developments, however important and far-reaching, abroad. This phenomenon in the context of the European Union is described quite diplomatically by the Latvian political scientist Toms Rostoks: "Brussels is a place, where important decisions for Latvia are adopted and where Latvian representatives participate in the decision-making process; and yet, Brussels remains more like the truth, which one perceives as being somewhere on the outside and with which it is difficult to identify."¹

Thus, had it not been for the fact that Latvia's former President, Vaira Vīķe-Freiberga, was among the persons named as a possible candidate for the office of the new President of the European Council, fewer people in Latvia would have taken note of the recent changes in the top leadership positions of the European Union. As in many EU member states, when Herman Van Rompuy was selected as the President of the European Council and Catherine Ashton as the High Representative of the Union for Foreign Affairs and Security Policy, the most frequently heard comments in Latvia were questions, such as: Who is he/she? How is he/she better qualified than the other candidates? Should not the process of selecting the new European Council President and the High Representative have been more transparent and more open? Very quickly, the discussions and speculations about these questions were replaced by a spate of matter-of-fact reports about the activities of the new EU officials. At the same time, their performance so far has elicited hardly any political commentaries in the Latvian media. From the many brief reports, the salient trait that has gradually emerged of Van Rompuy is professionalism, clearly a quality that will serve the new president well in establishing his authority and the authority of his office in the new EU leadership and power structure. At this point in time, Latvian officials do not anticipate any change in the role of the rotating council presidency.

Concerning Ashton, it would be foolhardy to attempt to evaluate the work of the new High Representative using the Latvian media, because her professional activities have not been reported as widely as those of Van Rompuy, and the reports themselves have avoided any interpretative

* Latvian Institute of International Affairs.

comments of her performance in office. However, well-versed Latvian observers of EU affairs stress that the position of the High Representative is very challenging in that it covers a daunting array of issues and duties. At the same time, the specifics of the functioning of the position and its actual role vis-à-vis the Commission and the Council remain to be defined.

The Latvian observers also point out several factors that clearly have bearing on the current public image of both Ashton and Van Rompuy:

- Owing to the recentness of the adoption of the Lisbon Treaty, both the EU and its officials find themselves going through a period of transition and adjustment.
- Moreover, much remains to be worked out “on location” and “in practice” because the Lisbon Treaty provides an outline of the functions of the leading offices and office-holders.
- The Lisbon Treaty stipulates the creation of the European External Action Service (EEAS) to assist the High Representative of the Union for Foreign Affairs and Security Policy; because the first High Representative is directly involved in organising the service and appointing the personnel, she will not have the assistance of the service until it is functioning.
- Under these circumstances, it is premature to attempt a considered evaluation of the work of the new President and the new High Representative.

Concerning the EEAS, the Latvian government endorses its formation and fully supports the concept envisaged in the 25 March 2010 “Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service”. In Riga, no alternatives are being considered to that concept. At the same time, the Minister of Foreign Affairs, Māris Riekstiņš,² urged repeatedly that attention be paid to two aspects of the EEAS:

- In selecting members of the EEAS from among the candidates from the member states, the notion of geographical balance should be adhered to so that all regions are equitably represented.
- The EEAS should ensure, if an emergency arises, the availability of consular services for all EU citizens in countries where only some EU member states have embassies and consulates.³

As for the European Citizens’ Initiative (ECI), those Latvians who regularly follow the European Union developments welcomed this initiative from its inception, believing that it would bring the Union closer to the people that it represents and serves. This view also prevailed in the seminar which took place on 11 December 2009. It was jointly organised by the Latvian parliament, the Ministry of Foreign Affairs, and the Centre for Public Policy Providus to discuss the ECI and its implementation. Welcoming the representatives of non-governmental organisations, Members of Parliament, and government officials, the Speaker of the parliament, Gundars Daudze, underlined the new opportunities provided by the Lisbon Treaty for the people and parliaments of EU member states to influence the Union’s policies, and added: “Whether or not we take advantage of these opportunities depends on us – on how actively we participate in the processes. It is, therefore, essential that the people of Latvia are well informed about their possibilities.”⁴ Deputy speaker, Solvita Ābolīņa observed: “In Latvia we often forget that European matters are not issues of our foreign policy, but are part of our domestic policy. Moreover, once an EU decision comes into force, it affects all our daily lives very directly.”⁵ The Ministry of Foreign Affairs held a follow-up seminar on 7 July 2010 and more such seminars are planned in the future.⁶

The spirit of the ECI was evident during the lively discussions which took place on 11 February 2010, when Minister of Foreign Affairs, Māris Riekstiņš, signed a protocol with seven non-governmental organisations to cooperate in informing the Latvian public about EU issues. Referring to the ECI, Riekstiņš invited the participating organisations to take full advantage of the new opportunities provided in the Lisbon Treaty for people to influence the EU. The Minister expressed his satisfaction with the dialogues and the cooperation in the past between the Ministry and the NGO’s. He explained that, as of January 2010, the Ministry had taken over the task, heretofore performed by the State Chancery, of disseminating information about EU developments to the public and pointed out, “It is completely unacceptable to me that the support of the people for Latvia’s membership of the European Union is one of the lowest among the EU member states; consequently, informing the public about EU issues is all the more important.”⁷

Subsequently, apart from brief media reports about the European Commission's proposal of 31 March 2010 outlining the ECI rules and procedures, there has been very little commentary in the public realm about the details of the proposal. In Latvia, it is possible for citizens to launch a referendum, and this requires determination and hard work on the part of the initiators. Considered in this context, the Commission's proposed rules and procedures for the ECI seem to be quite cumbersome. Consequently, the question arises if the rules and procedures empowering the citizens to participate in the EU legislative process might not serve to undermine the intent of the ECI and thus serve to widen, rather than reduce, the so-called democracy gap between the EU institutions and the people. To this comment, a well-informed Latvian official observed that if the ECI is to become embedded in the minds of Europeans as their tool, it is very important that the first initiative that is launched proves to be successful.

¹ Toms Rostoks: *Garlaicīgā piecgade* (The boring five years), Politika.lv, available at: http://www.politika.lv/temas/fwd_eiropa/17266/ (last access: 14 July 2010).

² Because the Tautas partija (People's Party) decided to leave the coalition of parties forming the government on 22 March 2010, Māris Riekstiņš, a member of Tautas partija, also stepped down from his office. On 29 April 2010, the parliament endorsed Aivis Ronis as the new Minister of Foreign Affairs. He is a seasoned diplomat and is not affiliated with any political party.

³ See, for example, Māris Riekstiņš: Statement to the press, 27 April 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/aprilis/27-01/> (last access: 14 July 2010).

⁴ Latvian parliament: Press Release, 11 December 2009, available at: <http://www.saeima.lv/kastors/aktualitates.jsp?page=saeimas-zinas&id=15762&p=19> (last access: 14 July 2010).

⁵ Ibid.

⁶ Ministry of Foreign Affairs: Press Release, 7 July 2010, available at <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/julijis/07-03/> (last access: 14 July 2010).

⁷ Ministry of Foreign Affairs: Press Release, 11 February 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/februaris/11-04/> (last access: 14 July 2010).

Latvia**Latvia endorses EU Enlargement and the European Neighbourhood Policy****Dzintra Bungš***

Latvia firmly believes in the further enlargement of the European Union. As the erstwhile Latvian Minister of Foreign Affairs Māris Riekstiņš told Turkey's Minister of European Affairs and chief EU negotiator Egemen Bağış on 26 February 2010, "[A]ny European country which has demonstrated its desire to join the European Union and has committed itself to carrying out the internal reforms and fulfilling the essential criteria must be given this opportunity."¹ An important reason for this, as Riekstiņš has stressed on other occasions, is the significance of the enlargement policy in securing stability in Europe.² Latvia endorses enlargement if it is grounded in an *individual approach* and the *fulfilment of EU membership criteria*.

Considering the four EU membership candidate countries, Croatia, Iceland, Macedonia and Turkey, Latvia anticipates that Croatia could become eligible for membership by the next enlargement round, especially since the border dispute with Slovenia appears to be close to settlement. Macedonia and Turkey have not made as much progress toward fulfilling the Copenhagen criteria. Moreover, a conspicuous factor standing in the way of Macedonia's progress toward EU accession is the unresolved quarrel with Greece over the name "Macedonia". According to the Enlargement Commissioner Štefan Füle, in May 2010 Turkey had opened 12 of the 35 negotiating chapters and closed one; more chapters could be opened up for negotiation this year provided it meets the opening benchmarks. It should be noted here that Latvia supports Turkey's EU integration efforts, even if a number of EU member states have profound reservations about the idea of Turkey's membership of the Union.

Of the potential candidates for EU membership, Latvian observers tend to only consider Iceland as a possible candidate for the next round of enlargement, provided the accession negotiations start promptly and proceed smoothly. They point out that, despite Iceland's severe economic crisis in 2008 from which it is gradually recovering, Iceland has a fine record of good governance and democratic practices and is already well integrated into many EU processes, programmes, and agencies. For those Latvians who know their history, Iceland is quite special in that it was the first country to officially recognise Latvia after it regained its independence in August 1991.

While Latvia clearly supports the EU perspective of the Western Balkan countries, Latvia also recognises that these countries have much ground to cover in order to advance to the status of candidates for EU membership. Since each potential candidate country has its own particular hurdles to surmount, it is difficult to predict which one will make the speediest progress and when a particular country might become eligible for EU membership. At the same time, as Riekstiņš has pointed out, united EU support to the European integration efforts of the Western Balkan countries is essential for the success and continuity of their reform process.³

Latvia fully supports the European Union's active interest in its neighbourhood, and, therefore, "especially appreciates the two initiatives of 2008 in the framework of the European Neighbourhood Policy (ENP), namely the Eastern Partnership (EaP) and the Union for the Mediterranean. For Latvia, it is particularly important to continue to develop close relations with the eastern neighbours by way of implementing joint projects in the framework of the EaP and lending support to each of the EaP countries".⁴ Such a choice is natural, given Latvia's location and the resources available. Furthermore, like Latvia, the EaP countries – Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine – were once a part of the Soviet Union. Since regaining its independence, Latvia has developed active bilateral relations with these countries and encouraged their European orientation. This is borne out by the activities of the Ministry of Foreign Affairs and the Economics Ministry.⁵

The views expressed above by Māris Riekstiņš on the EaP and the ENP are shared by Aivis Ronis, who succeeded Riekstiņš as Minister of Foreign Affairs on 29 April 2010. Addressing a meeting of foreign ministers of EU member states and EaP countries in Sopot, Poland on 24 May 2010, Ronis stressed the positive role of the EaP initiative in strengthening the reform processes in neighbouring countries and noted that successful development of the initiative requires appropriate financing,

* [Latvian Institute of International Affairs](#).

including investments earmarked for structural reforms in these countries. Ronis also emphasised the importance of promoting active engagement of each EaP country in the EaP process and the necessity to evaluate the progress of each country individually.⁶

Because of Latvia's focus on the EaP, more specific observations, based on actual experience, can be offered here only about the EaP. The most recent comprehensive assessment by Latvia of the initiative was offered by its Minister of Foreign Affairs, Māris Riekstiņš, on 8 December 2009 at a plenary session of the foreign ministers of EU and EaP countries in Brussels. The next such meeting is being planned for late 2010. At the plenary session, Riekstiņš argued that the achievements of the EaP are connected with the joint abilities of the participating countries to create *tangible* results of practical cooperation, thus also deepening the political relations. The results achieved so far serve as a good foundation for further action, whether bilateral or multilateral. Noting the progress of the Eastern partners in the realm of economic integration, Riekstiņš urged for a speedy conclusion of the talks regarding the deep and comprehensive free trade area.⁷ In the realm of energy, Riekstiņš welcomed the intensification of cooperation between the EU and EaP countries and reported about the conference for experts on energy efficiency and renewable energy, which took place in Riga on 26 November 2009.⁸ Concerning the comprehensive institution building programme, Riekstiņš affirmed his country's readiness to continue its successfully launched projects of sharing bilaterally with the EaP countries Latvia's experience and know-how in areas such as border control and customs, environment, phytosanitary standards, and consumers' rights.⁹

¹ Ministry of Foreign Affairs: Press Release, 26 February 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/februaris/26/> (last access: 14 July 2010).

² Ministry of Foreign Affairs: Press Release, 28 March 2008, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2009/marts/28-2/> (last access: 14 July 2010).

³ Ministry of Foreign Affairs: Press Release, 28 March 2008, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2009/marts/28-2/> (last access: 14 July 2010).

⁴ Māris Riekstiņš, Latvian Minister of Foreign Affairs, addressing the GAERC of 27 April 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2009/aprilis/27-2/> (last access: 14 July 2010).

⁵ More information is available in the sections on bilateral relations and external economic relations of the internet site of the Ministry of Foreign Affairs, available at: <http://www.mfa.gov.lv/lv/Arpolitika/divpusejas-attiecibas/> (last access: 14 July 2010) and the Ministry of Economics, available at: <http://www.em.gov.lv/em/2nd/?cat=30113> (last access: 14 July 2010).

⁶ Ministry of Foreign Affairs: Press Release, 24 May 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/maijs/24-03/> (last access: 14 July 2010).

⁷ Ministry of Foreign Affairs: Press Release, 9 December 2009, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2009/decembris/09-01/> (last access: 14 July 2010).

⁸ The conference programme is available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2009/novembris/16/programma/> (last access: 14 July 2010).

⁹ Ministry of Foreign Affairs: Press Release, 9 December 2009, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2009/decembris/09-01/> (last access: 14 July 2010).

Latvia**Latvia favours European Economic Governance and the Europe 2020 Strategy**

Dzintra Bungis*

The economic and financial situation in Europe is undoubtedly an issue of high interest in Latvia. The principal reason for such interest has little to do with the dramatic eruptions of public sentiment in Greece, the disputes between some Europeans and the Icelanders over the consequences deriving from the banking and financial crisis in Iceland or the various efforts in other European capitals to cope with deficits and deep budget cuts, but rather with Latvia's own economic recession and the painful decisions that are being made in order to deal with the myriad of problems. Factual reports appear regularly in the Latvian media about the economic situation in other EU countries, but commentaries are rare. The sentiment in Latvia towards Greece and other EU member states facing serious economic and financial problems appears to be that of an interested observer, and clearly not that of a critic or an advisor. Latvians are too deeply aware of their own difficulties to pass judgement on others encountering similar difficulties. This is true both in the official and the public domain. At the same time, throughout this period of economic downturn, what has been stressed by many Latvians is the importance of EU solidarity and the Union's readiness to come to assist those members having problems. All these considerations should help explain why both Latvian officials and the media have avoided making assessments of the EU finance package for Greece, or expressing opinions about the way the agreement was reached. For those very same considerations, there have been no public discussions to speak of concerning the lessons that could or should have been drawn from the Greek case for further reforms of the Stability and Growth Pact. In this context, however, some Latvian observers have posed another question: would a more consistent observance of the guidelines and procedures stipulated in the existing Stability and Growth Pact not have prevented some of the economic and financial problems currently besetting many of the EU member states?

All these considerations, however, have not diminished Latvia's critical interest in the idea of "a strong coordination of economic policies in Europe", economic governance, and improvements in the Stability and Growth Pact. On 15 June 2010, the Latvian government announced its support for measures promoting stronger coordination and fiscal discipline at the EU level. So as not to foster a Europe of "two speeds", the Latvian government also urged that such measures be applied to all EU member states, regardless of the currency each state uses.¹ These measures should serve to strengthen the functioning of the Growth and Stability Pact and macroeconomic surveillance. Thus, Latvia favours across-the-board application of all measures, rather than singling out the Eurozone or any other group of countries for special roles. In general, Latvia also backs the idea of a "European semester", and the notion of annually presenting Stability and Convergence Programmes to the Commission for the upcoming years, starting in spring 2011. However, the backing comes with a note of reservation and some specific recommendations.² In a nutshell, the right balance should be found between EU surveillance and the preparation process of the national budget so as not to encroach upon the rights of the institutions of member states to determine and implement their chosen policy. Latvia, therefore, anticipates further discussions in the High Level Task Force about the strengthening of the coordination of economic policy before the Task Force presents its final report in October 2010.³

The Latvian government has consistently supported the Europe 2020 Strategy. It also supported the Lisbon Strategy, which preceded the Europe 2020 Strategy. The wide-ranging Lisbon Strategy, however, never caught the imagination of the general public and was of more interest to academics and policy advisers, rather than legislators and policymakers. Because of its specific and timely headline goals, the Europe 2020 Strategy appears to have better chances of success than its predecessor. Already on 9 February 2010, the Cabinet of Ministers announced that the EU 2020 Strategy deserves special attention among Latvia's national priorities during the Spanish Presidency of the EU.⁴ Given Latvia's economic difficulties, it is understandable that stress is being placed on green growth and more jobs. In this context, Minister of Foreign Affairs Māris Riekstiņš informed his Swedish counterpart, Birgitta Ohlsson, that Latvia supports, in general, the Europe 2020 Strategy and noted that this Strategy should serve to diminish the socioeconomic differences between EU member states and raise the competitiveness of all.⁵ Similar sentiments were expressed by Prime Minister Valdis Dombrovskis at the Council of the European Union meeting on 25-26 March 2010. Emphasising the importance of continuing efforts to reduce the economic differences between EU member states,

* Latvian Institute of International Affairs.

Dombrovskis observed that salient instruments for this purpose are the Union's cohesion policies and improvements in the Union's commitment to competitiveness. Dombrovskis called for more attention to be devoted to issues, such as infrastructure, internal market and entrepreneurial environment, and urged for the continued analysis of the issues related to social integration.⁶

While the Europe 2020 Strategy has not yet caught the attention of the general public in Latvia, there is a clear awareness of the Strategy among the more informed populace. Regular reports by the media and some conferences, where the Strategy has been one of the topics of discussion, have served to further disseminate information about it. For example, at the seminar organised for journalists by the Ministry of Foreign Affairs on 28 April 2010, one session was devoted to an analysis of the Europe 2020 Strategy.

Among the segments of society which have knowledge of the Europe 2020 Strategy are also the farmers and the academics. On 29 and 30 April 2010, Agriculture Commissioner Dacian Cioloş visited Latvia to see the situation of farmers, agriculture, and rural development for himself and to promote participation in the public discussion and evaluation of the Common Agricultural Policy and how it should function in the future. The Latvian farmers were reminded of the Europe 2020 Strategy because one of the questions that interested the Commissioner was: what will the contribution of the Common Agricultural Policy (CAP) be to the Europe 2020 Strategy?⁷

Another example of the topicality and usefulness of the Europe 2020 Strategy in Latvia comes from the educators. In response to the news that the International Monetary Fund representatives were suggesting profound budget cuts in state funding of higher education, the rectors of state universities issued a joint statement of protest on 15 April 2010. Arguing against the cuts, they pointed out that the implementation of such plans would jeopardise Latvia's reaching of its higher education goals set in the Europe 2020 Strategy.⁸

¹ Delfi dispatch, 15 June 2010, available at: http://www.delfi.lv/news/business/budget_and_taxes/latvija-atbalstis-ieceri-valstu-budzetus-vertet-es.d?id=32510559 (last access: 14 July 2010).

² For a more detailed report about the various views of the Latvian parliamentarians, see the Delfi dispatch, 4 June 2010, available at: <http://www.delfi.lv/archive/print.php?id=32310879> (last access: 14 July 2010).

³ Ibid.

⁴ Ministry of Foreign Affairs: Press Release, 9 February 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/februaris/09-03/> (last access: 14 July 2010).

⁵ Ministry of Foreign Affairs: Press Release, 3 March 2010, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2010/marts/03-01/> (last access: 14 July 2010).

⁶ Cabinet of Ministers; Press Release, 26 March 2010, available at: <http://www.mk.gov.lv/lv/aktuali/zinas/2010gads/03/260310-mp-04/> (last access: 14 July 2010).

⁷ European Commission: Press Releases, 12 April 2010, available at: http://ec.europa.eu/latvija/news/press_releases/2010_04_12_3_lv.htm (last access: 14 July 2010); European Commission: Press Releases, 29 April 2010, available at: http://ec.europa.eu/latvija/news/press_releases/2010_04_29_3_lv.htm (last access: 14 July 2010).

⁸ Full text of the rectors' statement of 15 April 2010, available at: <http://www.delfi.lv/archive/article.php?id=31262283> (last access: 14 July 2010).

Latvia**Latvia supports the fight against climate change**

Dzintra Bungš*

As in many parts of the world, the prevailing view in Latvia has been that the 2009 United Nations Climate Change Conference, commonly known as the Copenhagen summit or the Copenhagen climate conference, was by and large a failure. Latvia had wholeheartedly supported the proposals of the EU that had been approved at the Council of the European Union on 29-30 October 2009 in Brussels. The only caveat of the Latvians was that the plans adopted in Copenhagen on 7-18 December 2009 should take into consideration the economic and financial situation of each country committing itself to the common goals.¹

Already before the conclusion of the UN climate conference, Latvia's Prime Minister Valdis Dombrovskis, who attended the international gathering in the Danish capital, predicted that the conference would end without an agreement on any of its ambitious goals. He told the Latvian TV journalists that, in all likelihood, the questions discussed at the conference would serve as a basis for hammering out, at a later time, an accord to limit climate change.² These views were shared by the Environment Minister, Raimonds Vējonis, who said after the conference that all the proposals leading to substantive action fell through and that everything would have to start again from the beginning, because the accord that was finally agreed upon is so weak. He added that "regardless of the results of the Copenhagen summit, which, barring a few exceptions, disheartened the whole world, Latvia must continue to do what it has started to do: insulate dwellings so as to reduce energy consumption, switch from fossil fuels to renewable energy sources, and improve technologies so as to diminish air pollution."³ Stressing that Latvia shares the EU view that mankind is to blame for the climate changes, Vējonis observed that greenhouse gas emissions must be reduced by all countries.

Equally critical of the outcome of the conference was the Latvian researcher, Reinis Āboltiņš, who specialises in issues related to energy policy at the Centre for Public Policy Providus in Riga. In a post-conference assessment, Āboltiņš noted the meagre results and commented: "the Copenhagen climate conference has shot itself in the foot" in that the only ones satisfied with the outcome of the conference, it seems, are those whose welfare depends on manufacturing or other activities which have a clearly negative effect on the environment.⁴

The question of changing the European Union's own energy and climate policy in order to provide a new impetus to the international negotiations is not a topic of current discussion in Latvia. The Latvian experts and the media appear to share the opinion that the poor results of the Copenhagen climate conference are primarily the consequence of great power interests, rather than any specific shortcomings in the EU energy and climate policy.

Latvia supports the Union's energy and climate policy in general, despite the fact that there are reservations regarding some EU positions and procedures. This is also true regarding the Union's position at the Copenhagen climate conference in December 2009, because there are no major differences between the Union's position and Latvia's on the issues that were discussed. The Latvian government approved its position paper already on 22 September 2009.⁵ In a nutshell, Latvia believes that global commitment is essential if a dent is to be made in stopping climate change.

In anticipation of the EU environment ministers meeting on 15 March 2010, the Latvian government issued another policy paper. According to that document, Latvia agrees in general with the Council's conclusions regarding the Copenhagen conference and regarding what should be done before the follow-up conference in Cancun, Mexico in late 2010. In the policy paper, the Latvian government reiterates the importance of agreeing upon a global framework regime for reducing climate change after 2012. To achieve this, the EU should develop a strong strategy and assess the potential effect of future policies on EU member states, as well as continue active cooperation with other countries to explain the ideas and goals of climate policy and win their support. For Latvia, it is essential that the EU's transition to reducing its emissions occurs on the condition that other developed and developing countries also assume equitable commitments for reductions or adequate investments. To ensure this, the Commission must assess the goals of other countries and use them as a basis to decide whether

* Latvian Institute of International Affairs.

the EU should set stricter emission goals. At the same time, the Commission should analyse the potential socio-economic effects of adaptation to the goals of reducing emissions by 30 percent and show the effects on the EU as a whole and on each of the member states.⁶

Given the preceding clarifications of Latvia's position and its emphasis on the necessity to make reducing climate change a global commitment, it follows that the Latvian government is not contemplating alternatives to the strategy that the European Union is following or the United Nation Framework Convention on Climate Change (UNFCCC). Furthermore, it is felt that despite its imperfections, the UNFCCC functions and that all of the possibilities and options it offers have not been exhausted.

Concerning the financing of mitigation and adaptation efforts to the various undertakings designed to reduce climate change, in its position paper of 22 September 2009, the Latvian government stated that all this must be a part of a global framework accord, because achieving coordinated action to reduce climate change is in the Union's and Latvia's best interest. Such a framework accord must also recognise that the Union assumes an *equitable* share of the total financial burden. "Latvia believes that *all countries*, except the least developed, must accept financial responsibility to reduce emissions and to implement adaptive projects. Consequently, Latvia cannot accept the notion that rich developing countries become recipients of financial assistance, while the poor countries or the developed countries with low emissions serve as their donors."⁷ Therefore, the Union should not assume unilaterally ambitious commitments when there is not an adequate or commensurate commitment from other developed or developing countries.

¹ Ministry of Foreign Affairs: Press Release, 30 October 2009, available at:

<http://www.mfa.gov.lv/lv/Jaunumi/Pazinojumi/Presei/2009/oktobris/30-01/> (last access: 14 July 2010).

² LETA, 18 December 2009, available at: <http://www.delfi.lv/archive/print.php?id=28797277> (last access: 14 July 2010).

³ LETA, 19 December 2009, available at: <http://www.delfi.lv/archive/print.php?id=28806589> (last access: 14 July 2010).

⁴ Reinis Āboltiņš: Nominatīvs — Kas? — nenoteiktība Lokatīvs — Kur? — Kopenhāgenā (in English "Nominative – What? – Ambiguity. Locative – Where? – Copenhagen"), available at: http://www.politika.lv/temas/vide_un_ilqtspeja/17909/ (last access: 14 July 2010).

⁵ Informatīvais ziņojums par nacionālo pozīciju "Par ES nostāju starptautiskajās sarunās par klimata politiku pēc 2012.gada (gatavošanās ANO Klimata pārmaiņu konferencei 2009.gada 7.-18.decembrī)", available at: <http://www.mk.gov.lv/lv/mk/tap/?pid=40145038> (last access: 14 July 2010).

⁶ Par Latvijas nacionālajām pozīcijām Eiropas Savienības Vides ministru padomes 2010. gada 15.marta sanāksmē izskatāmajos jautājumos, available at: http://www.mk.gov.lv/doc/2005/VIDMZino_080310.632.doc (last access: 14 July 2010).

⁷ Informatīvais ziņojums par nacionālo pozīciju "Par ES nostāju starptautiskajās sarunās par klimata politiku pēc 2012.gada (gatavošanās ANO Klimata pārmaiņu konferencei 2009.gada 7.-18.decembrī)", available at: <http://www.mk.gov.lv/lv/mk/tap/?pid=40145038> (last access: 14 July 2010).

Latvia**Latvians' Principal Concerns in Spring 2010: Economic Recession and Parliamentary Elections****Dzintra Bungas***

Despite the fact that Latvia has been a member of the European Union for six years, despite Latvia's endorsement of the Lisbon Treaty and simultaneous acceptance of the collective responsibility to implement it, and despite the relevance for all EU member states of the decisions made in Brussels, most Latvians remain much more concerned about what is going on in Latvia than in the rest of Europe. In 2010, their attention has been especially focussed on two issues:

- coping with and overcoming the country's economic recession;
- electing a more credible parliament than the current one.

After nearly a decade of record Gross Domestic Product (GDP) growth, the Latvian economy shrivelled in 2008. If, in 2007, the GDP growth rate, as compared with the previous year, was 10 percent, then, in 2008, the figure was -4.2 percent. The downslide continued into 2009 when the GDP was -18 percent.¹ This was accompanied by rising unemployment: 6 percent of the labour force was jobless in 2007, 7.5 percent in 2008 and 17.1 percent in 2009.² The reasons for the dramatic decline of the economy were a combination of short-sighted and imprudent policies at home, especially during the two successive premierships (2 December 2004 until 20 December 2007) of Aigars Kalvītis (People's Party), and the fallout of the financial crises abroad. Escalating public discontent forced Kalvītis and his cabinet to resign.

Ivars Godmanis (Latvia's First Party – Latvia's Way), became the next prime minister in December 2007. The country's precarious financial situation became critical after the unexpected collapse in autumn 2008 of Parex Bank, Latvia's second largest bank. Deciding to bail out the bank, the government sought a loan. The response from the European Commission and the International Monetary Fund (IMF) was quick and positive. It was agreed that Latvia would borrow 7.5 billion Euros from the IMF and the EU. The first tranche in the amount of 600 million Euros from the IMF was transferred to Latvia on 29 December 2008. In return, both the government and the parliament committed themselves to restructuring the economy, including raising taxes, curtailing spending, cutting salaries and welfare payments and systematically repaying the loans received.³ For the populace this meant diminished incomes and higher taxes. Unable to make a serious dent in resolving Latvia's economic problems and beset by the political machinations of the parties represented in his government, Godmanis resigned in February 2009.

President Valdis Zatlers entrusted the formation of the next cabinet of ministers to Valdis Dombrovskis of the centre-right opposition party, New Era. In order to ensure parliamentary backing for the unpopular decisions that had to be made, Dombrovskis decided to form a coalition cabinet, which included members of some of the parties represented in the past two governments. The result has been a fractious government, buffeted by internal strife and frequent attacks by various political parties, not only those in the opposition, but also those represented in the government. Especially active in testing the government's durability has been the People's Party, which participated in forming the coalition government under Valdis Dombrovskis but subsequently concentrated on manoeuvres designed to polish its public image tarnished during the years in which it ruled. Despite the resignation in March of all four People's Party ministers and the subsequent systematic attacks of the People's Party politicians on the Dombrovskis government and those parties which continue to support it, the government has continued to do its job. Moreover, Dombrovskis has become one of the most trusted politicians in Latvia.

Some of the government's policies are showing hopeful results. According to the State Employment Agency, in June, 15.8 percent of the labour force was unemployed, down 0.4 percent from May.⁴ Growth has been reported in several sectors of the economy during the first quarter of 2010, as compared with the same period last year: manufacturing up 6.8 percent, transportation and communications up 2.3 percent, agriculture up 5.9 percent, and energy up 17.5 percent.⁵ With the significant rise in exports, the current account balance has also improved. According to the Ministry of Finance, income from various taxes during the first half of 2010 is more than had been planned. Improvements in Latvia's economic situation have also been observed by the IMF and the European

* [Latvian Institute of International Affairs](#).

Commission, which note in particular the fast growth in exports and improved confidence in Latvia's financial markets. While recognising that the economy is beginning to stabilise, they also stress that Latvia must stay on its course; for example, next year the budget deficit must not exceed 6 percent and in 2012, Latvia should aim for a deficit of 3 percent. Successful implementation of these and other measures would ensure that Latvia is ready to adopt the Euro in January 2014.⁶ Latvia's joining the Eurozone countries in 2014 is one of the goals of the Dombrovskis government.

The principal challenge of the Godmanis' and Dombrovskis' government, and the main source of political discord and public disgruntlement, has been balancing the budget so as to meet at least the minimal needs of the populace while slashing expenditures in order to comply with the conditions agreed upon with the IMF and the EU. This task has required the government to make painful decisions. Common sense tells us that it is never easy for political parties to adopt unpopular measures; in an election year, however, this is highly risky for any political party wanting to do well at the ballot box. The next parliamentary elections in Latvia will take place on 2 October 2010. All these factors shed light on why Latvian politicians have found it so hard to adopt decisions that are good for the country but disliked by many voters and why they devote so much attention to rejuvenating their public image while dissociating themselves from past mistakes and unpopular policies.

However, the deep dissatisfaction with the current parliament and the distrust of politicians in general started well before the economic recession set in. After the parliamentary elections of 2006, four political parties decided to cooperate and form a coalition: People's Party (23 deputies), Green and Farmers' Party (18 deputies), Latvia's First Party – Latvia's Way (10 deputies) and For Fatherland and Freedom/LNNK (8 deputies). Together they had 59 votes and formed a solid majority in the 100-member parliament. Under the strong leadership of the People's Party, the centre-right ruling coalition could and did control the decision-making in the parliament. Members of the ruling coalition also formed the government from autumn 2006 to February 2009. The ruling coalition became arrogant and tended to reject outright any proposals, regardless of quality, from the grass roots or the two opposition parties: the New Era with 18 deputies and the Harmony Centre with 17 deputies. Such behaviour, sometimes characterised as a dictatorship of the majority, served to alienate the four parties from the voters. Furthermore, the parliament's decisions were often criticised as benefiting special interests more than the country as a whole. With the arrival of the recession, public confidence in the parliament as a whole, and members of the ruling coalition in particular, sank even further. In spring 2010, if public opinion polls are to be believed, the re-election to the parliament seemed certain only for the opposition parties, and quite unlikely for the parties of the ruling coalition.

Consequently, various forms of activities attributable to an election year started already in early 2010. Serious campaigning, however, cannot begin until after the parties submit their lists of candidates to the election board in the period between 14 July and 3 August 2010 and each candidate has been found to meet the necessary requirements. Nevertheless, all parties have been working hard to refurbish their public image. In order to raise their chances of representation in the parliament, many parties, regardless of size and earlier stature, have decided to run in the elections under a single banner and present their candidates on one list. Thus, for example, three political parties (New Era, Civic Union and Society for Different Politics) and some political independents joined forces to form the election alliance "Vienotība" (Unity) and the left-of-centre parties favoured by the Russian-speaking population decided to run together as the Harmony Party. Other parties have followed this trend and are forming their own election alliances. Perhaps the most remarkable is the association "Par labu Latviju" (For A Good Latvia), comprised of the People's Party, Latvia's First Party – Latvia's Way, and several small regional parties. Its nickname is "AŠ²" because of the first initials of its leading personalities, Andris Šķēle (People's Party) and Ainārs Šlesers (First Party – Latvia's Way). Both are strong-willed, successful businessmen with personal wealth in the millions of lats; both like to be in politics, to be in charge and have a reputation for protecting above-all their own and their parties' interests. At first glance, Šķēle and Ainārs Šlesers seem unlikely candidates for a political partnership. Yet both are the leaders of parties whose ratings have fallen so low that their future is in jeopardy. Thus, the principal motive for the People's Party and Latvia's First Party not to run in the elections on their own, but under the banner of the newly formed "For A Good Latvia" is pragmatic: they see that they have better chances of political survival by pooling forces and retooling their public image.

Many voters, on the one hand, welcome the formation of election alliances by the numerous parties because this would put some order in Latvia's motley political landscape and ensure that more votes have genuine impact in the elections – in Latvia, after all the ballots are counted, the votes for parties not receiving at least 5 percent of the total ballots cast (minimum requirement for representation in the parliament) are proportionately divided among the parties which surpass the 5 percent barrier. On the

other hand, many voters also feel frustrated and unsure because it is not yet clear which election alliance stands for a fresh start and more credible candidates or which one merely provides a new umbrella for seasoned politicians wishing to retain their seats in the parliament. The voters want positive change and they do not yet see how to achieve it. The mood of Latvia's electorate in spring 2010 could, therefore, be described as sceptical interest.

¹ Eurostat: table of Real GDP Growth Rates for all EU member states, available at: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsieb020&plugin=1> (last access: 14 July 2010).

² Eurostat: table on rates of unemployment, available at: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsiem110&plugin=1> (last access: 14 July 2010).

³ See, for example, the first Letter of Intent to the IMF from Latvia's Prime Minister, Minister of Finance, President of the Bank of Latvia, and Chairperson of the Financial and Capital Market Commission, 6 January 2009, available at: <http://www.delfi.lv/archive/article.php?id=22817410> (last access: 14 July 2010).

⁴ LETA dispatch, 21 June 2010, available at: <http://zinas.nra.lv/ekonomika/latvija/25682-registreta-bezdarba-limenis-samazinajies-lidz-15-8.htm> (last access: 14 July 2010).

⁵ LETA dispatch, 24 June 2010, available at: <http://www.delfi.lv/news/business/macroeconomics/komercbankas-rupnieciba-tuvakajos-gados-vilks-latvijas-ekonomiku.d?id=32670323> (last access: 14 July 2010).

⁶ LETA dispatch, 7 June 2010, available at: <http://www.delfi.lv/archive/print.php?id=32362297> (last access: 14 July 2010).

Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?