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# The European Council in 2018

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Overview of  
decisions and  
discussions

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STUDY

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European Council Oversight Unit  
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# The European Council in 2018

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## Overview of decisions and discussions

Two issues preoccupied the European Council in 2018: Brexit and migration. Whereas Brexit was an issue on which leaders of the EU27 could agree, migration was extremely divisive. It returned to the top of the European Council's agenda because of the strength of anti-immigrant sentiment in certain Member States. By the end of the year, the European Council had made considerable progress on the internal and external dimensions of migration policy, but the issue was far from being resolved at EU level. Other issues of concern to the European Council included reform of Economic and Monetary Union, relations with the United States, and possible EU enlargement in the Western Balkans. Procedurally, the assertiveness of Donald Tusk, in the second term of his mandate as President of the European Council, stood out during the year. The contrast with Herman Van Rompuy, his predecessor and first incumbent of the European Council presidency, was particularly striking.

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## Executive summary

Two issues leap out of a survey of the European Council in 2018: Brexit and migration. The Brexit process reached a critical stage: the negotiation of the Withdrawal Agreement and Political Declaration on future EU-UK relations. The European Council approved guidelines for the negotiations in March, and endorsed the agreement and declaration at a special Article 50 meeting in November. In between those two milestones, the European Council grew increasingly frustrated with the UK's unrealistic expectations for the negotiations, and insisted that Brexit not result in the return of a hard border to the island of Ireland.

Whereas Brexit was an issue on which leaders could agree—all regretted the UK's decision to leave, but none disagreed with the EU's position—migration was extremely divisive. It returned to the top of the European Council's agenda in mid-2018 not because of a sudden surge in the number of migrants entering the EU, but because of the intensity of anti-immigrant sentiment in certain Member States. The new government in Italy included the strongly anti-immigrant League, which orchestrated tough positions on redistribution among Member States, relief for 'frontline' countries, and clamping down on rescues at sea, which rattled the June European Council, one of the most fractious in recent EU history. By the end of the year, the European Council had made considerable progress on the internal and external dimensions of migration policy, but the issue remained politically neuralgic in many Member States and was far from being resolved at EU level, if it ever could be.

Reform of Economic and Monetary Union has become a staple of European Council meetings since the onset of the euro crisis. Leaders made some progress in 2018 on the completion of the Banking Union and on restructuring the European Stability Mechanism, but deep differences among them, on seemingly technical but highly political aspects, such as a proposed European deposit insurance scheme, stymied progress. Nor was there agreement, except in general terms, on a possible eurozone budget, something that Emmanuel Macron had championed since becoming President of France.

The European Council devoted considerable time to external relations in 2018, a year of growing global uncertainty, thanks to the radical and unpredictable foreign policy of US President Donald Trump. Leaders fretted about the US imposition of tariffs against the EU, and about the broader implications for the multilateral system of growing US unilateralism. The European Council saw the US rejection of the Iran nuclear deal as a particular affront not only to EU diplomacy, but also to the stability of the international order. Closer to home, Russia's misbehaviour towards the EU—alleged or real—got the leaders' attention. On a brighter note, leaders paid more notice to the Western Balkans, thanks to the initiative of the six-month Bulgarian Presidency of the Council, which hosted an EU-Western Balkans summit in May. This was testimony to the continuing importance of the rotating Council presidency in the life of the European Council.

There was relatively little change in the membership of the European Council in 2018, although the political fortunes of its members fluctuated during the year, as is always the case. What stands out in 2018, however, is the assertiveness of Donald Tusk, President of the European Council, who, in the second term of his mandate, stamped his authority on the institution. Tusk took strong positions on a number of signature issues, notably Brexit, migration policy, transatlantic relations, and the threat to democracy in the EU, and did not hesitate to express his views in press statements and speeches, as well as on social media. If anything, Tusk may have been too forthcoming. The contrast with Herman Van Rompuy, his predecessor and first incumbent of the European Council presidency, could not have been greater. It would be up to national leaders to decide, in 2019, which model of European Council leadership to embrace for the next presidential mandate.



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## 1. Introduction

If the European Council did not exist, would it have to be invented? This sounds like an exam question, to which a clever student could give a one-word answer: 'yes' (the answer 'no' would be too risky). If prodded, the student would say that the process of European integration long ago reached the stage where national leaders need to meet occasionally in order to reach decisions on key, often contentious topics; that they alone have the authority and gravitas to make such decisions and to provide strategic guidance for the EU; and that the deep interconnectedness of politics and policy processes at the national and the EU levels of governance requires the Heads of State or Government to come together in the form of a quasi-EU political executive.

The launch of the European Council in the 1970s, its development in the intervening decades, and its inclusion, in the Lisbon Treaty, as an EU institution, testify to the soundness of the student's affirmative answer. As well as acknowledging the European Council's formal status, the Lisbon Treaty outlined the institution's roles and responsibilities. It also provided for a full-time European Council President, the first of whom took office in December 2009. There are countless examples of how the European Council has proved its worth before and after the Lisbon Treaty, from endorsing EU enlargement, to concluding major treaty changes, to reaching political agreements on seemingly intractable legislative issues, to coping with the recent euro and migration crises.

How did the European Council fare in 2018? Did it meet its obligations and live up to the expectations that now surround the institutions? How effective was the European Council President? The European Council deals with both 'routine' business (previously agreed upon agenda items) and unexpected events that require the leaders' attention. How did the European Council perform in 2018, in both cases? The European Council's membership is not fixed. It fluctuates according to the vagaries of national politics. The power, perspectives, and preferences of national leaders can also shift according to domestic political winds. What effect did national political developments in 2018 have on the European Council?

This report, commissioned by the European Parliamentary Research Service (EPRS), addresses these questions and seeks to provide a comprehensive overview and assessment of the work of the European Council during the past calendar year. It follows previous EPRS annual reports on the European Council. The choice of a calendar year makes both administrative sense, from the viewpoint of EPRS, and political sense, given the nature of the European Council. Although events do not begin or end conveniently at the beginning or end of a calendar year, the European Council operates on a quasi-semester system, with one of its four regular meetings each year coming at the end of the Council presidency's six-months in office (January-June and July-December). Moreover, the Council presidency plays a part in shaping the agenda of the European Council during the course of each semester, and even hosts an informal meeting of the Heads of State or Government in its own country, during its presidency.

What stands out about 2018? Brexit, above all. According to the Brexit calendar, negotiations between the UK and the EU on a withdrawal agreement would take place throughout the year. Indeed, they did. But deep disagreements within the UK, as well as the EU's insistence on the so-called Irish backstop (discussed in Chapter 2), caused the negotiations to drag out, much to the frustration of EU leaders, who eventually met, in a special summit in November, to approve the agreement and political declaration on future EU-UK relations. Yet on Brexit there was almost no disagreement among national leaders, all of whom regretted the UK's decision to leave but were united in wanting to make the best of a bad situation and limit the damage to the EU.

Two hardy perennials of European Council business—migration, and Economic and Monetary Union (EMU)—preoccupied leaders in 2018. Few of them doubted the need for reform in these policy areas; all were aware of the difficulty of doing so. To make matters worse, the migration crisis resurfaced in mid-2018, not because of a sudden, large increase in the number of migrants entering the EU, but because of the formation of a new, strongly anti-immigrant government in Italy, which also introduced a draft national budget that risked a return to the euro crisis. What might otherwise have been a quiet year for migration policy, and to a lesser extent for EMU reform, suddenly turned into high drama, which played out at the June European Council.

Apart from EMU reform, economic and financial affairs appeared on the agenda of the European Council, as part of its routine business. A difference in 2018 was the threat that US tariffs on steel and aluminium imports, and possibly also on cars, posed to the EU economy. This was an example of an unexpected event that required a political response at the level of the European Council. US trade measures were one of a number of US initiatives in 2018 that rattled the EU. Another was the US decision to renounce the Iran nuclear agreement, which the EU had helped to negotiate. Apart from the consequences of these specific steps, what bothered the EU most was the implications of US action for the stability and survival of the multilateral global system, of which the EU was a creature and from which the EU had benefited greatly throughout its history (including the history of the European Communities).

The extent of US unilateralism in 2018 came as a shock to the EU. Russia's unrelenting hostility to the EU did not. Nevertheless, Russia's alleged involvement in the chemical weapons attack in Salisbury, in March, and in the cyber-attack in The Hague, in April (but revealed only in October) brought EU-Russia relations to a new low, as did Russia's seizure of Ukrainian naval vessels in the Sea of Azov in November. How to deal with the US and with Russia dominated the European Council's discussion of external relations in 2018. Similarly, the behaviour of the US and of Russia in 2018, although very different, confirmed the European Council in its commitment to closer EU security and defence cooperation, which it addressed at its June and December meetings.

Leaders had a preliminary discussion, in February, of decisions that would need to be taken before the EU's next institutional cycle, which would start with the European Parliament elections in May 2019. At the same time, they held a preliminary discussion of the next multiannual financial framework (MFF), for the period 2021-27. Because both developments—institutional turnover and a new budget—were still far in the future, the leaders' discussions of them in early 2018 were not contentious, which they surely would become in due course.

As in previous years, in 2018 the leader of the country in the rotating Council presidency played an increasingly prominent part in the life of the European Council. At the regular European Council meetings, the President-in-Office (the Bulgarian Prime Minister in the first half of the year; the Austrian Chancellor in the second half) delivered progress reports on implementing previously agreed conclusions. As has become the norm since the Bratislava summit of September 2016, the European Council held summits in each of the Council presidency countries in 2018. Leaders held an informal dinner on the evening before the EU-Western Balkans summit of 17 May (relations with the Western Balkans was a priority of the Bulgarian Presidency). The Salzburg summit, on 19-20 September, was a more typical European Council event, with a focus this time on internal security, a priority of the Austrian Presidency.

The informal dinner in Sofia, on 16 May, was part of the new working method outlined in the Leader's Agenda, an eighteen-month calendar of meetings and main agenda items, which leaders had agreed to in October 2017. The new working method called for Leaders' Meetings on particular issues, for which a preparatory note from the President's office would replace draft conclusions; in which discussions would be open and free-flowing; and after which conclusions would emerge only

at a later European Council meeting. Items for discussion at Leaders' Meetings included some of the most intractable issues on the EU's agenda, including migration and EMU reform—precisely the kinds of issues that leaders might want more time to reflect upon.

The Leaders' Agenda took a bit of a battering in 2018. Some Leaders' Meetings simply did not take place, such as on the state of play of implementation of the Leaders' Agenda, planned for June, or on the single market, planned for December. Although leaders nonetheless discussed the single market in December, they did so on the basis of draft conclusions, which was the antithesis of the Leaders' Agenda method. Clearly, leaders simply did not have the time for a more leisurely, reflective discussion of the subject, as they thought they might have when they drew up the Agenda in 2017.

Nor did the Leaders' Agenda appear to contribute greatly to the resolution of difficult dossiers. There was progress on migration and EMU in 2018, but not as much as Tusk might have hoped for when he included these policy areas as agenda items for Leaders' Meetings. Political developments in the meantime were not conducive to far-reaching reforms, but political setbacks were always likely to happen. Only Leaders' discussions on relatively uncontroversial subjects, such as innovation and digital, could be judged a success. The Leaders' Meetings on institutional affairs and the MFF succeeded in February 2018 because the issues they dealt with, though inherently contentious, would not become pressing until at least another year.

In addition to a new Italian Prime Minister in the European Council, new leaders arrived in 2018 from Spain, Slovenia, and Slovakia. Some of the other national leaders suffered political setbacks during the year, which may have limited their effectiveness in the European Council. Such was the case with Chancellor Angela Merkel, whose Christian Democratic Party (CDU) fared badly in the 2017 federal elections, and who struggled to put together a new ruling coalition in early 2018. Even after being reappointed Chancellor, Merkel had to beat back criticism of her handling of migration policy from the CDU's Bavarian sister party, just at the time when the new Italian government was being most assertive on the issue. The December European Council was the first summit that Merkel attended since being replaced as head of the CDU. Similarly, although unassailable electorally in 2018, French President Emmanuel Macron suffered a serious political setback later in the year, in the face of the anti-establishment 'gilets jaunes' movement. Leaders sitting around the European Council table appreciate the political vicissitudes of their peers. In most cases they are sympathetic. After all, their political fortunes fluctuate as well. However, there is little doubt that Macron's detractors in the European Council, notably the 'illiberal' Polish and Hungarian leaders, took smug satisfaction in his plight.

Apart from their participation in the European Council, National leaders had another opportunity to shine on the European stage in 2018, during their visits to the EP to make speeches, on the theme of the future of Europe, at plenary sessions. The visits were the idea of the EP President, who wanted to forge a closer link between national leaders and the EP, and to promote the EP's plenary sessions as opportunities for noteworthy reflections on the EU's future. The speeches were analogous, though not as consequential for the operation of the EU, to the Commission President's State of the Union address, which is delivered annually, in September, at the EP plenary in Strasbourg. Just as they enjoyed visiting Brussels, Sofia, and Salzburg for summits in 2018, those national leaders (a large majority) who visited Brussels or Strasbourg to address the EP in 2018 clearly enjoyed the experience. The EP went out of its way to welcome them, although the EP's leadership could not entirely control the sometimes-spirited Q&A sessions that followed the speeches.

President Tusk was highly influential and increasingly assertive throughout 2018. Having won reelection in 2017, being in the last full calendar year of his mandate, and perhaps sensing a slight power vacuum in the European Council because of Merkel's and Macron's domestic difficulties, Tusk grew increasingly self-assured as the year progressed. The contrast in presidential style between

Herman Van Rompuy, the inaugural office holder, and Tusk, his successor, could not have been more marked. Tusk revelled in making speeches, press statements, and social media posts that were sometimes edgy and politically provocative. He made no secret of his disdain for US President Trump and his detestation of Russian President Vladimir Putin. Nor did he try to hide his differences with the government of his own country or the Prime Minister of Hungary, whose illiberalism he vehemently opposed. Overall, one of the most striking aspects of the European Council in 2018 was the dynamism of President Tusk, who stamped his forceful personality and confrontational political style on the office.

The European Council did not meet too often in 2018, compared to previous years. In addition to its four regular annual meetings (March, June, October, and December), there was an informal meeting in February; an informal leaders' dinner in Sofia, in May; an informal meeting in Salzburg, in September; and a special Article 50 meeting in November. On many of those occasions, the European Council met in several formats: the regular (EU28) format; and EU27 format, as well as the EU27 Article 50 format; and the Euro Summit, in either an inclusive or exclusive format. None was a crisis meeting. Only the November Article 50 meeting was called unexpectedly, at short notice.

The June European Council generated a minor footnote in the institution's history when a Member State 'reserved their position on the entire conclusions,' thereby preventing conclusions from being agreed at the end of the first day. Accordingly, Presidents Juncker and Tusk cancelled their usual end-of-summit press conference (June EUCO Statement by Tusk's spokesperson). (The Member State in question was Italy; the issue was migration; conclusions were eventually agreed early the following morning; and Juncker and Tusk gave a press conference later that day).

EU leaders are busy people; their summits are busy events. A summit rarely takes place quite as expected. Inevitably, events intrude—national, regional, or global—on the best-planned meeting. A comparison between the previously announced agenda and the actual agenda of almost any of the 2018 summits bears out this point. Take, for instance, the leaders' meeting in Brussels, on 23 February, to discuss the long-term EU budget and institutional issues. Syria, Brexit, and relations with Turkey suddenly popped up on the agenda. Or take the 28-29 June European Council, whose agenda expanded to include not only migration and security and defence, but also economic and financial affairs, Brexit, EMU reform, innovation and digital, enlargement and the Western Balkans, the shooting down of MH-17 over Eastern Ukraine in July 2014, and MFF.

This report does not claim to mention every issue discussed by EU leaders in their various summits. Nevertheless, it aims to provide comprehensive coverage of what took place in the European Council during an eventful year. The report begins with Brexit, which came to preoccupy leaders more and more, as the UK and EU negotiators struggled to conclude the negotiations for the withdrawal agreement and the political declaration on future EU-UK relations. The report then turns to issues that are long-time staples of European Council meetings: migration; economics and finance, including EMU; external relations; security and defence; internal security; institutional affairs; and the MFF. The final chapter examines the functioning of the European Council in 2018. A table at the start of the report, listing the EU summits that took place during the year and the main items under discussion, may help to orient readers as they plough through the report or dip into particular chapters.

What stands out from this assessment is the singularity of the European Council as an institution. The European Council deals with issues that are vital for the EU and, in most cases, can only be resolved at the highest political level. Yet it meets, cumulatively, for barely two weeks of the year. During that time, it attracts enormous media attention. At best, leaders leave Brussels (or wherever a summit has taken place) having made concrete decisions or provided useful guidance on particular policy issues. At worst, they fail to make progress but try to dress up the outcome in a set

of bland conclusions. To a great extent, the European Council depends for its success on the character, drive, and determination of its President, who is responsible, with the help of a small staff in his personal office and in the Council Secretariat, for organizing meetings, chairing sessions, and following up on the outcome. The President provides the connective tissue of the European Council; the glue that holds it together. It is hard to believe that the European Council did not have a standing President before December 2009.

In 2018, the European Council made modest progress in a number of policy areas, notably migration and EMU, against strong political headwinds. The European Council's handling of Brexit—a unique affair—was a clear success, even if Brexit itself is a disaster for the EU and, most of all, for the UK. The European Council in 2018 was served well by President Tusk, although some of his press statements and social media posts were indiscreet and provocative. Nonetheless, President Tusk provided a distinct model of European Council President in 2018, even more so than he had in 2017. It would be up to national leaders to decide, in 2019, if this was a model that they wished to preserve during the next European Council presidency.

Table 1: EU Summits in 2018: Meetings and agenda Items

Date	Meeting	Agenda items
23 February (Brussels)	Informal meeting of the 27 Heads of State or Government, Brussels  Leaders' Meeting (EU27 format) on Institutional Affairs and MFF	also discussed Syria, Brexit, and relations with Turkey
22-23 March (Brussels)	European Council (Brussels)  European Council– 22 March  European Council (Art. 50) – 23 March  Euro Summit (EU19) – 23 March Leaders' discussion of taxation	also discussed economic affairs, in particular on trade; taxation; the Salisbury attack; Turkey; and the Western Balkans
16 May (Sofia)	Informal dinner of EU leaders - Leaders' Meeting (EU28)	on innovation and digital; also discussed recent global developments, in particular following President Trump's announcements on Iran and trade
28-29 June (Brussels)	European Council - European Council – 28 June European Council (Art. 50) – 29 June - Euro Summit – 29 June	Discussed migration; security and defence, economic and financial affairs; innovation and digital; enlargement, the downing of MH-17; and MFF - 28 June

<p>19-20 September (Salzburg)</p>	<p>Informal meeting of Heads of State or Government - Informal working dinner - 19 September Leaders' Meeting (EU27) on internal security - 20 September - European Council (Article 50) - working lunch, 20 September</p>	<p>Discussed migration and forging a common response to man-made and natural disasters; heard a briefing from Prime Minister May on Brexit and on the Salisbury attack</p>
<p>17-18 October (Brussels)</p>	<p>European Council - European Council (Art.50) – 17 October - European Council – 18 October Euro Summit (inclusive format) – 18 October</p>	<p>Discussed migration and internal security</p>
<p>25 November (Brussels)</p>	<p>Special meeting of the European Council (Art.50)</p>	
<p>13-14 December (Brussels) European Council</p>	<p>- European Council (Article 50) – 13 December - European Council - 13-14 December Euro Summit – 14 December</p>	<p>Discussed the MFF, external relations, migration, the single market, external relations, climate change, security and defence, disinformation, the fight against racism, and xenophobia and citizens' consultations.</p>

## 2. Brexit

### 2.1. Introduction

Special meetings of the European Council are not unusual. They are special because of their purpose, not their rarity. A special meeting of the European Council (Article 50) took place on 25 November to endorse the Withdrawal Agreement and the accompanying Political Declaration on future EU-UK relations, recently concluded between the two sides' negotiators. It was a sad occasion for the EU27 and the Brussels institutions, marking the imminent departure of a Member State, an unprecedented event in the history of European integration. Only supporters of Brexit and other ardent Eurosceptics could have been happy on such an occasion.

Amongst fervent Brexiteers, satisfaction at the eventual conclusion of an agreement, more than two years after the momentous June 2016 referendum, was surely tempered by what many of them saw as an unacceptable part of it: the so-called backstop, an arrangement whereby the UK could be obliged to remain in a customs union with the EU in order to avoid a hard border returning on the island of Ireland. Fierce opposition to the backstop within the UK Conservative Party, and in the Democratic Unionist Party (DUP) of Northern Ireland, upon whose support the Conservatives depended for their survival in government, imperilled the future of the agreement by drastically reducing its prospect of winning approval in the House of Commons. Indeed, fear of failure in the Commons convinced Prime Minister Theresa May to [pull](#) the agreement from consideration in early December, and instead to ask her EU partners for 'further assurances [with respect to the backstop] that would, in her view, unlock the ratification process'

Having recently endorsed the agreement after of an increasingly acrimonious negotiation with the UK, EU leaders did not expect to meet again so soon—if ever—in an Article 50 format. Yet there they were, less than three weeks after the November summit, listening once more to a plea by Prime Minister May, and considering how to respond. Despite their annoyance, EU leaders duly produced a [statement](#) on the backstop that could be useful to May, without changing the substance of the agreement itself. It was a typical act of verbal dexterity on the part the European Council, and a fitting end of the Brexit saga in 2018, a year that had begun with hopes of a withdrawal agreement being reached by October at the latest, after the European Council had agreed at the end of 2017 that sufficient progress had been achieved on the first phase of Brexit, concerning citizens' rights, Ireland, and the financial settlement

### 2.2. Getting to an agreement

Brexit was an increasingly urgent topic for the European Council throughout the year. Article 50 meetings were the tip of the iceberg; below the surface, EU leaders consulted each other constantly on the issue. Those consultations, often engineered by President Tusk, helped to keep the meetings themselves relatively short. For instance, EU leaders took only minutes to adopt, at its March meeting, a third and final set of guidelines relating to Brexit, setting out the EU's position on the terms of Britain's departure and the immediate post-Brexit EU-UK relationship (the European Council had adopted guidelines on earlier stages of the withdrawal process in April 2017 and December 2017).

Early in the year, President Tusk [described](#) Brexit as 'the one big question that hangs over everything'. The UK's 'red lines'—no customs union, no single market, and no ECJ jurisdiction—limited the options for an economic agreement with the EU. In addition, it was difficult to make progress on what Tusk [described](#) as 'the most contentious issue'—Ireland.

Whereas the EU27 shared an aversion to Brexit and a desire to cooperate closely on managing the UK's departure, each Member State had a particular relationship with the UK, and therefore a particular set of policy preferences with respect to future EU-UK relations, based on a variety of geographical, historical, cultural, and economic factors. Closest to the UK, in all respects, was Ireland. Both countries had joined the European Community in 1973. At the time, a civil war—euphemistically called 'the Troubles'—raged in Northern Ireland between nationalists who wanted the province to break away from the UK and join Ireland, and unionists who wanted the province to remain part of the UK. The governments of Ireland and the UK hoped that their countries' membership in the EC would help to ameliorate tension in the North of Ireland and contribute to a resolution of the conflict there. EU membership, and EU financial support for Northern Ireland, eventually helped to facilitate the 1998 Good Friday Agreement, which brought an end to the troubles, notwithstanding the persistence of bitter sectarian divisions in the province.

For Ireland, Brexit is a catastrophe. Following the Good Friday Agreement, what was once a heavily fortified frontier, separating Northern Ireland from Ireland, became an open border, largely unmarked or even noticed. Thanks to a long-standing free travel agreement between Ireland and the UK, people had always been legally entitled to cross between the two parts of the island. Thanks to the EU customs union and the single market, goods and services could also flow freely across the border. The UK's departure from the EU would turn the Irish border into the border between the EU and a third country. Although people would still be entitled to move freely across it, goods would be subject to customs checks and the flow of services would likely be impeded. Not only would the cost of these impediments to cross-border commerce be high, but also the reintroduction of customs posts could reignite the troubles, as militant nationalists might resume hostilities by attacking UK customs officials and their police or army protectors.

The majority of the population of Northern Ireland is unionist, whose sympathy instinctively lies with the UK. Nevertheless, a majority of those in Northern Ireland who voted in the 2016 referendum wanted the UK to remain in the EU. Concerns about the economic and security implications of Brexit were major determinants of Northern Ireland's 'remain' majority. Even among those who voted to leave, very few (if any) wanted the return of a 'hard' border with the Republic. Elsewhere in the UK, and especially in England, the economic and security implications of Brexit for Northern Ireland hardly featured in the 2016 referendum debate.

Immediately after the referendum result became known, the Irish government launched a concerted diplomatic campaign to alert fellow Member States to the potentially dire consequences of Brexit for the entire island of Ireland. Varadkar took over leadership of the campaign when he became Taoiseach, in June 2017. Varadkar is young, bi-racial, and gay: a profile markedly different from most Irish politicians and from all previous Taoisigh. This gives Varadkar a certain celebrity, which, together with his undoubted political skills, he has used to alert other leaders to Ireland's concerns about Brexit, and to win their support for provisions in the EU-UK withdrawal agreement that would keep the Irish border open.

In the course of 2018, Varadkar met most EU leaders bilaterally, either in EU headquarters in Brussels, in Dublin, or in other national capitals. Brexit gave Ireland an unprecedented degree of prominence for a small Member State, gave Varadkar a commensurate level of access to the EU's most influential leaders. Accordingly, Varadkar had one-on-one meetings with Macron and Merkel on several occasions throughout the year, as well as with Tusk. In recognition of the likely impact of Brexit on Ireland, and in a show of solidarity with the Irish government, the EP invited Varadkar to make the first of the national leaders' speeches at a plenary session, as a contribution to the Future of Europe debate, in January.

Regardless of Varadkar's celebrity and political skills, the substance of Ireland's case was compelling. Also helpful was the image that Ireland has been able to project of itself: a victim, yet again, of damaging British politics; a small country being bullied by a big neighbour; and a faithful EU member now in need of solidarity and support from its partners. The occasions when Irish voters rejected the Nice and Lisbon treaties (in 2002 and 2008, respectively) are rarely mentioned. Indeed, support for EU membership has surged in Ireland, thanks to Brexit. The Irish government remains adamantly opposed to tax harmonizing within the EU, something that France, Germany, and many other Member States advocate. But the government has managed to prevent any resentment of Ireland's position on tax policy from undermining the widespread support that Ireland soon enjoyed among the other Member States with regard to Brexit.

Much to the surprise and irritation of the UK government, the Irish question became front and centre of the EU-UK negotiations for a withdrawal agreement in 2018, thanks largely to the success of the Irish government's strategy. Speaking at the BusinessEurope conference in Brussels, on 1 March, Tusk [elaborated](#) on the Irish question: 'one of the possible negative consequences of ... Brexit is a hard border on the island of Ireland. The EU wants to prevent this scenario. Hence, if no other solution is found, the proposal to 'establish a common regulatory area comprising the Union and the United Kingdom in respect of Northern Ireland' (i.e. a backstop) ... until now, no-one has come up with anything wiser than that. In a few hours I will be asking in London whether the UK government has a better idea that would be as effective in preventing a hard border between Ireland and Northern Ireland'. The British government suggested a technological solution could be found to the problem, but was unable to provide a concrete or convincing proposal.

After meeting Varadkar on 8 March, Tusk [said](#): 'Since my last visit here in Dublin, I have spoken to virtually every EU leader, and every one of them—without exception—declared ... that among their priorities are protecting the peace process and avoiding a hard border. The EU stands by Ireland. This is a matter between the EU27 and UK, not Ireland and the UK'. Tusk's reassurance came at a crucial point in the negotiations, when the Irish border had become a serious stumbling block. Two weeks later, in the run-up to the March European Council, May agreed to include in the withdrawal agreement some form of backstop, in order to keep the Irish border open. In the ensuing negotiations, which both sides hoped to conclude in October, the exact nature of the backstop would have to be worked out.

Speaking before the beginning of the March European Council, President Tusk called for 'a broad debate on our [Brexit] negotiating strategy.' By that point, negotiators had made some progress on citizens' rights and the financial settlement. 'As regards the most contentious issue, namely Ireland,' Tusk [told](#) leaders that Prime Minister May has reassured him 'that she accepts all options agreed in December to be on the negotiating table. Including the option of full regulatory alignment between Ireland and Northern Ireland if there is no other possibility to avoid a hard border. This bodes well for the rest of the negotiations'. The European Council adopted Tusk's proposed [guidelines](#) on the framework for a future relationship with the UK after Brexit, while noting that: 'the UK's current positions limit the depth of such a future partnership'.

Tusk was typically forthcoming in his [report](#) to the EP on the summit: 'We want to use the positive momentum in these negotiations to finally settle outstanding issues such as the solution to avoid a hard border between Ireland and Northern Ireland. The UK's decision on Brexit has caused the problem, and the UK will have to help solve it. Without a solution, there will be no withdrawal agreement and no transition.

At the June European Council, leaders reviewed the slow progress so far in the negotiations. In addition to the main items under negotiation, leaders [took note](#) that 'other important aspects' would also need to be agreed, 'including the territorial application of the Withdrawal Agreement,

notably as regards Gibraltar'. This was a harbinger of the dispute that arose over Gibraltar at the end of the negotiations. But it was the Irish question that still bedevilled the negotiations in the middle of the year. Reporting to the EP on the June meeting, Tusk [stressed](#) that: '... The sooner we get a precise UK proposal on the Irish border, the better the chance to finalise the Brexit negotiations this year. Put simply, we cannot make progress unless a solid backstop is presented by the UK and accepted by our Irish friends'. Without suggesting that the negotiations would fail, the European Council nonetheless [renewed](#) 'its call upon Member States, Union institutions and all stakeholders to step up their work on preparedness at all levels and for all outcomes'.

In his [letter of invitation](#) to the Salzburg summit, in September, Tusk wrote that: 'we should reconfirm the need for a legally operational backstop on Ireland, so as to be sure that there will be no hard border in the future. Let me recall that limiting the damage caused by Brexit is our shared interest'. The British government was eager to avoid a return to a hard border in Ireland, and addressed the issue in the so-called [Chequers plan](#), which the cabinet had approved, after marathon discussions, on 6 July. In her brief [presentation](#) in Salzburg, on the evening before the other leaders held their Article 50 meeting, May reiterated her support in principle for a backstop, but rejected the possibility of any arrangement that would separate Northern Ireland from the rest of the UK, with Northern Ireland being in a customs union with the EU and the rest of the UK being outside.

Annoyance with May and the Chequers plan erupted at the Article 50 meeting, with Macron leading the [charge](#). He and other leaders adamantly rejected her efforts to cherry-pick certain parts of the single market, without adhering to the entire package. As well as dismissing May's economic proposals, Macron and others insisted that the UK would have to accept a backstop arrangement based on Northern Ireland remaining in the customs union. [According to Tusk](#), the EU 'reconfirmed [in Salzburg] that there will be no withdrawal agreement without a solid operational, and legally binding Irish backstop'.

Clearly, the European Council was frustrated by the rigidity of May's red lines and by her evident inability to deal with recalcitrant elements of her own party. For her part, the Prime Minister felt that she had had made concessions in the run-up to Salzburg. Having waited around until after the other leaders finished their Article 50 meeting, in order to participate in a press conference with Tusk, May felt deeply [let down](#) by the tough tone of European Council President's statement.

Tusk returned to the question of the backstop in remarks following a meeting with Varadkar, in Brussels, on 4 October. EU-UK negotiations were at a low point. Time was running out to conclude an agreement by the target date of mid-October, which would give both sides ample opportunity to complete the ratification process before 29 March 2019, the day of Britain's expected departure. To make matters worse, UK Foreign Secretary Jeremy Hunt, in a speech on 30 September at the Conservative Party conference, had drawn a [comparison](#) between the EU and the Soviet Union, which drew scorn from leaders like Tusk who had lived in Eastern Europe under the former Soviet regime. After excoriating Hunt, Tusk [remarked](#) that: 'Today, after my long discussion with my guest, the Taoiseach, I want to say that the EU is united behind Ireland and the need to preserve the Northern Ireland peace process. Despite the UK government's rejection of the original EU backstop proposal, we will not give up seeking a workable solution that fully respects the Good Friday Agreement as well as the integrity of the Single Market and the Customs Union'.

Tusk sought to ratchet up the pressure on May in the run-up to the decisive October summit. Speaking after the Social Summit, on the eve of the European Council, Tusk [responded](#) to a question about the Brexit negotiations: 'The problem is clear: it is the Irish question ... the so called backstop. It looks like a new version of the Gordian knot. ... The clock is ticking and I hope that tomorrow Mrs. May will present something creative enough to solve this impasse ... Objectively [Ireland] is a very difficult and complicated issue. The question of the Irish border is an unfortunate natural and

automatic result of the Brexit decision. This is why we need something very creative to protect at the same time our values, the single market and to fully respect the UK and its sovereignty ... for this we need maybe a new way of thinking because objectively this is something really difficult'.

At the October Article 50 meeting, EU leaders [concluded](#), having first listened to May's [presentation](#) 'on the UK perspective of the negotiations,' that 'not enough progress has been achieved'. The backstop remained the most divisive issue, with May coming under intense pressure from Conservative ultras and the DUP not to accept the EU's proposed solution, which they feared would trap the UK indefinitely in the EU's orbit. May's preference for a deal, together with the persistence of Tusk and Varadkar—and of EU chief negotiator Michel Barnier—finally bore fruit in mid-November when the UK and the EU agreed to include a UK-wide customs union in a backstop plan, thereby avoiding the reappearance of the Irish border or the possibility of a regulatory rift through the Irish Sea between Northern Ireland and mainland Britain. This was a key element in the compromise that facilitated the final agreement. For many Conservative and their DUP allies, however, the backstop was unacceptable. Their refusal to support the agreement prompted May to seek qualification and clarification in Brussels, thereby setting the stage for yet another Article 50 meeting, at the December European Council.

Having fought so hard for the backstop and other elements of the agreement and accompanying political declaration, EU leaders [refused](#) to reopen negotiations. But they 'underlined [at the meeting] that the backstop was intended as an insurance policy to prevent a hard border on the island of Ireland and ensure the integrity of the single market, unless and until it is superseded by a subsequent agreement that insures that a hard border is avoided'. This was as far as EU leaders were prepared to go after a year of negotiating with a weak and indecisive British government. As Varadkar [remarked](#) at the end of the summit, it was unreasonable to have a situation whereby a country 'comes back every couple of weeks following discussions with their parliament looking for something extra [in an already-concluded agreement] ... you can't operate international relations on this basis'. Despite the depth of opposition to the agreement in the House of Commons, which would play out so dramatically in the coming year, Varadkar had every reason to be satisfied with the inclusion in the agreement of the Irish backstop, and with the support that Ireland had received in 2018 from its EU partners.

### 2.3. Maintaining unity

The most striking aspect of the European Council's management of Brexit throughout 2018 (and since the issue first emerged, in 2016) was the high degree of consensus among the EU27, and also the EU's institutions, on dealing with the UK. President Tusk had called for unity within the EU in the immediate aftermath of the UK's 2016 referendum. By the end of 2018, Member States had indeed remained united, although leaders expressed various degrees of frustration with the UK's unrealistic demands, and with the domestic political circumstances that hobbled the British government's approach to the negotiations. President Macron was notably impatient, and led the charge at the Salzburg summit to rebuff the UK's positions on future economic relations with the EU and on the Irish border. He also expressed annoyance that President Tusk had raised the possibility, in September, of a special Article 50 summit in November, thereby possibly relieving pressure on May to reach a Brexit agreement by the target date, in October. By contrast, Chancellor Merkel seemed more tolerant of Prime Minister May's plight, and more willing to accept delays, while at the same time fully supporting the EU's negotiating position.

Like all national leaders, Prime Minister May was in frequent contact with other members of the European Council throughout the year. Inevitably, she paid particular attention to President Macron and Chancellor Merkel. Dutch Prime Minister Mark Rutte was a [favoured interlocutor](#), perhaps

because of the historically close ties between the UK and the Netherlands; because he was on good terms with both Macron and Merkel; and because of Rutte's constructive criticism of the EU and consideration for the Prime Minister's difficult position. Given the importance of the backstop, May also met Varadkar frequently, but the two leaders differed too much on the substance of the issue to have developed a close relationship. Similarly, May interacted regularly with Juncker and Tusk, in a manner that was cordial though cool, and sometimes frosty.

Ordinarily, the purpose of such intensive contacts among EU leaders is to elucidate and explain national positions, possibly with a view to forming coalitions of countries on particular issues that are on, or might soon be, on the agenda of the European Council. On Brexit, May was stymied by the fact that this was no ordinary policy issue, but a negotiation between one Member State and all the others, who met together without the departing Member State, to adopt joint positions. President Tusk had made it clear at the outset of the Brexit process that the EU would negotiate with the UK via the Commission, and that there would be no bilateral negotiations on the substance of Brexit between the UK and other Member States. Prime Minister May was welcome to meet other leaders to explain her point of view, but not to try to subvert the EU's approach by attempting to circumvent the Commission. As if to emphasize this point, the European Council ritualistically and regularly heaped praise on the Commission's Chief Negotiator after its Article 50 meetings. Barnier, not the national leaders, was the conduit through which the British government would have to negotiate the terms of the UK's withdrawal from the EU.

The unity of national leaders on the EU's approach to Brexit was especially gratifying in view of the deep divisions among them over migration policy and reform of EMU. Such harmony was not surprising, however. After all, the UK had conducted the referendum and subsequently launched Article 50 proceedings without the support or encouragement of any other Member State. Nor, during the course of the process, did other Member States sympathize with Britain's desire to leave, let alone seriously consider emulating the UK by opting to depart as well. There were no domestic constituencies in the EU27 in support of Brexit. Accordingly, national leader did not face any political pressure to help the UK on this issue. Not even the small number of Eurosceptical governments in the EU seriously considered following the UK's lead. Despite the fact that he was undermining European integration by championing illiberalism, a leader such as Hungary's Viktor Orban would never dream of taking his country out of the EU, thereby jeopardizing foreign direct investment and ending the flow of agricultural subsidies and cohesion funds from Brussels

The messiness of the Brexit process, due to a combination of the inherent complexity of leaving the EU and the peculiarities of British politics, accounts in part for the complete lack of interest among other Member States in wanting to follow Britain's example. Equally important, if not more so, was the realization among EU leaders of the value of the single market, and the importance of preserving it. The more the UK government tried to pick apart the single market—angling for post-Brexit participation in parts of it, while rejecting the free movement of labour—the more governments and business interests elsewhere in the EU came to appreciate its economic and political significance. As Tusk [observed](#) in early March, when he unveiled the EU's draft guideline for a possible agreement: 'No Member State is free to pick only those sectors of the Single Market it likes, nor to accept the role of the ECJ only when it suits their interest. By the same token, a pick-and-mix approach for a non-Member State is out of the question. We are not going to sacrifice these principles. It's simply not in our interest'.

As the negotiations for the Withdrawal Agreement came to an end, fissures began to appear among national leaders with respect to their likely positions on specific policy issues in the next set of negotiations with the UK: those for a long-term relationship between the EU as the UK as a third country, following the expiration of the post-Brexit transition period. Some national leaders made

clear their determination to promote specific economic concerns, such as fishing rights and environmental standards, which could lead to divisive discussions among Member States.

But that lay in the future. In the meantime, before the European Council met to endorse the Withdrawal Agreement, a last-minute issue arose that threatened to scupper the deal. It concerned Gibraltar, a long-time bone of contention between the UK and Spain, and the reason for frequent footnotes in EU legislation and other official documentation. Specifically, the Spanish government sought to clarify the status of Gibraltar in any future EU-UK deal. At Spain's insistence, a [Declaration](#) of the European Council and the European Commission, attached to the Withdrawal Agreement, affirmed that: 'After the United Kingdom leaves the Union, Gibraltar will not be included in the territorial scope of the agreements to be concluded between the Union and the United Kingdom. However, this does not preclude the possibility to have separate agreements between the Union and the United Kingdom in respect of Gibraltar'. As Prime Minister Pedro Sánchez [explained](#): 'The question of Gibraltar is of capital importance for Spain'. Other leaders may not have appreciated the domestic political salience of the issue, but were happy to accommodate Spain's demands, as was the British government.

## 2.4. President Tusk's role

Article 50 was uncharted territory for the EU. Given the seriousness of a country's withdrawal from the EU, Article 50 gives the European Council a central role in the process. As President of the European Council, Tusk was Prime Minister May's main interlocutor on Brexit affairs, and was responsible for coordinating the European Council's involvement in the issue. Tusk had the assistance of a 'Task Force on the UK,' set up within the Council Secretariat, under the direction of veteran Belgian diplomat Didier Seeuws.

As already noted, Tusk was determined to maintain EU unity both in its dealings with Britain during the withdrawal process, and in the face of the centrifugal forces that Brexit could possibly have unleashed. Tusk believed fervently that Brexit was a bad idea, for Britain as well as for the EU. He would have been happy for Britain to change its mind, and rarely missed an opportunity to say how much he regretted the UK's imminent departure. Tusk saw Brexit as a serious blow to a European and a global system characterized by economic integration and trade liberalization. As Tusk [remarked](#) in March, 'because of Brexit we [Britain and the EU27] will be drifting apart. In fact, this will be the first FTA [Free Trade Agreement] in history that loosens economic ties, instead of strengthening them. Our agreement will not make trade between the UK and the EU frictionless or smoother. It will make it more complicated and costly than today, for all of us. This is the essence of Brexit'.

At the same time, Tusk was not going to make any concessions to Britain that would have weakened or endangered the EU. He defended tenaciously the integrity of the single market and of the EU as a whole, and was especially concerned about the Irish question. The purpose of European integration was to remove borders. Brexit amounted to European disintegration not just because a country was leaving the EU, but also because it could well result in the re-imposition of a frontier between two European countries that had previously abolished the border between them. The possibility of re-imposing a border in Ireland, as collateral damage from Brexit, was anathema to Tusk, not least because it could cause a return of the Troubles.

Tusk seemed personally and passionately interested in the Irish question. He had an easy rapport with Varadkar. The two leaders met frequently and appeared to enjoy each other's company. A member of the Brexit task force in the Council Secretariat followed the Irish question, and kept the President's office closely informed of developments. Far more important was the happenstance that Tusk's speechwriter and adviser on migration policy—a senior member of the President's cabinet—

was Irish. This was Hugo Brady, who took a keen interest in the Irish dimension of Brexit. The extent of Tusk's affection for Ireland, and sympathy for its Brexit-induced plight, was evident during a visit by President to Ireland, in early April. His [speech](#) at University College Dublin was one of the best of his presidency. Thanks to Brady, it was littered with amusing allusions to Irish idiosyncrasies, which went down a treat with the audience in Dublin.

Tusk could not help poking fun at British politicians who were contributing to the Brexit debacle. In a [report](#) to the EP in January, on the outcome of the December 2017 European Council, Tusk welcomed the possibility of 'a change of heart among our British friends,' and added: 'Wasn't it David Davis [the UK's Brexit negotiator] himself who said: "If a democracy cannot change its mind, it ceases to be a democracy." We, here on the continent, haven't had a change of heart. Our hearts are still open to you'. Responding to the news of the resignation from the British cabinet of Davis and Boris Johnson, the Foreign Secretary and leading Brexiteer, Tusk [tweeted](#): 'Politicians come and go but the problems they have created for people remain. I can only regret that the idea of #Brexit has not left with Davis and Johnson. But . . . who knows?'

Tusk reserved special scorn for Nigel Farage, an MEP who was the former leader of the United Kingdom Independence Party (UKIP) and a leading force behind the Brexit referendum result, who delighted in needling Tusk whenever the President spoke at the Parliament. In his closing remarks after reporting on the March European Council, Tusk [retorted](#): 'I feel shocked but, for the first time, I must agree with Mr Farage. You are right, Mr Farage, Brexit will not bring any good to anyone'. In his closing remarks after [reporting](#) on the October European Council, a clearly frustrated Tusk again lashed out at Farage: 'We want to avoid a hard border in Ireland but there is no guarantee that we can do it. And do you know why Mr Farage? Because Brexit is de facto a political decision to re-establish the border between the Union and the UK. Brexit is a project to separate the UK from the EU. I don't know what is going to be the result of the negotiations but I know that it is the Brexiteers who are one hundred per cent responsible for bringing back the problem of the Irish border'.

There were other times when Tusk could not hide his impatience with the UK, or resist sarcasm. Speaking after the informal European Council in February, Tusk [said](#): 'I have also informed the leaders that I will present the draft guidelines on the future EU-UK relationship at the March summit. Our intention is to adopt these guidelines, whether the UK is ready with its vision of our future relations, or not. Naturally it would be much better if it were. But we cannot stand by and wait. I hope to have some more clarity about the UK's plans next week, when I meet Prime Minister May in London.' Responding to a question Tusk went on: 'I'm glad that the UK government seems to be moving towards a more detailed position. However, if the media reports are correct, I am afraid that the UK's position today is based on pure illusion. It looks like the 'cake philosophy' is still alive. From the very start there has been a key principle of the EU27 that there can be no 'cherry picking' and no single market 'à la carte.' This is and will continue to be a key principle without any doubt'.

Tusk took a tough line with the UK, never shying away from the negative implications of Brexit for both sides, or from explaining to the British government the impracticability of its preferred outcome from the negotiations. Typical was a [statement](#) that he made in early March, at a time when the negotiations were stymied by the UK's rigidity: 'We acknowledge [the UK's] red lines without enthusiasm and without satisfaction. But we must treat them seriously. With all their consequences. . . . Everyone must be aware that the UK red lines will also determine the shape of our future relationship. . . . Here I want to stress one thing clearly. There can be no frictionless trade outside of the customs union and the Single Market. Friction is an inevitable side effect of Brexit. By nature'.

Keenly aware of the looming Brexit deadline, Tusk prodded the UK to speed up the negotiations. Speaking after the June European Council, Tusk [noted](#) that, on Brexit: 'The EU27 has taken note of what has been achieved so far. However, there is a great deal of work ahead, and the most difficult

tasks are still unresolved. If we want to reach a deal in October we need quick progress. This is the last call to lay the cards on the table'. Thereafter, Tusk used the possibility of a failure to reach agreement, and therefore of a no-deal Brexit, as a means of [pressuring](#) May.

Writing to EU leaders before the Salzburg summit, Tusk [declared](#) that: 'Unfortunately, a no deal scenario ... this black scenario ... is still quite possible. But if we all act responsibly, we can avoid a catastrophe'. On the eve of the October Article 50 meeting, Tusk [stated](#) that: 'While working on a Brexit deal, we also need to make sure that we are prepared in case an agreement is not possible, or in case it is rejected. Therefore, tomorrow, leaders will discuss how to step up our preparations for a no-deal scenario. But, as I have already stressed, the fact that we are preparing for a no-deal scenario must not, under any circumstances, lead us away from making every effort to reach the best agreement possible, for all sides'. By that time, in Tusk's [view](#), 'a no-deal scenario [was] more likely than ever before'.

Tusk saw himself as an honest broker in his dealings with the UK Prime Minister, on behalf of the EU27. As he [told](#) the EP after the June Article 50 meeting: 'I was very honest in my assessment, including when I spoke to Prime Minister May last week'. Yet May was not convinced of his sincerity. May and Tusk had a spectacular falling out after the Salzburg summit. Before the Article 50 meeting, May had the impression, partly from her interaction with Tusk, that EU leaders would accept the UK's position. After the meeting—based on an unexpectedly hard-hitting discussion among EU leaders—Tusk informed May that Britain's position was patently inadequate. May felt blindsided. Speaking on her return to London, she [complained](#) that: 'Yesterday Donald Tusk said our proposals would undermine the single market. He didn't explain how in any detail or make any counter-proposal'. Tusk was [unapologetic](#): 'As you know, I always try to present the EU's position honestly, and without beating about the bush. Telling the truth, even if difficult and unpleasant, is the best way of showing respect for partners. That's how it was in Salzburg, and that's also how we will work in the coming days'.

Going beyond a difference of opinion between them, Tusk also [mocked](#) the Prime Minister on Instagram, posting a picture of her being offered a cake with 'no cherries'. This was an obvious reference to May's alleged cherry-picking Brexit strategy, which Tusk had strongly rejected. Following up on her remarks about the substance of the Salzburg meeting, May [commented](#) that: 'Throughout this process I've treated the EU with nothing but respect. The UK expects the same'. A gratuitous remark by UK Foreign Secretary Hunt, comparing the EU to the former USSR, gave Tusk an opportunity to [shoot back](#): 'in respecting our partners, we expect the same in return. Comparing the European Union to the Soviet Union is as unwise as it is insulting. The Soviet Union was about prisons and gulags, borders and walls, violence against citizens and neighbours. The European Union is about freedom and human rights, prosperity and peace, life without fear, it is about democracy and pluralism; a continent without internal borders or walls. As the President of the European Council and someone who spent half of my life in the Soviet Bloc, I know what I'm talking about'. Wolfgang Munchau, the respected Financial Times journalist, [wrote](#) in his column on 7 October: 'It would be helpful if the two sides stopped insulting each other. The British foreign secretary's remarks comparing the EU to the Soviet Union were insane. But Donald Tusk, president of the European Council, might also want to reconsider his Instagram diplomacy'.

Tusk's only other potential misstep concerning Brexit, in 2018, may have been what some EU leaders saw as his premature reference, in September, to the possibility of holding a special summit in November to continue Brexit negotiations, given that the negotiations were supposed to end at the October European Council. '[E]very day that is left,' Tusk [remarked](#) before Salzburg, 'we must use for talks. I would like to finalise them still this autumn. This is why, at tomorrow's meeting of the twenty-seven, I will propose calling an additional summit around mid-November'. By raising the possibility of yet another Article 50 meeting to discuss the substance of Brexit, and not simply to endorse an

agreement, President Macron, in particular, felt that Tusk was [easing pressure](#) on the UK to reach a final settlement with the EU by the October deadline.

## 2.5. An issue unlike any other

The word 'unique' tends to be over-used. But it accurately describes the Brexit process in 2018. Clearly, the UK's withdrawal from the EU is a one-off event. It seemed safe to say, from the perspective of 2018, that any country's departure from the EU would be a one-off event. However, it would be rash to dismiss the possibility of another country ever leaving the EU, considering that few people, before June 2016, considered it remotely likely that the UK would leave.

Brexit was perhaps the weightiest item on the European Council's agenda in 2018 because it was such a momentous political event not only for the UK, but also for the EU. Brexit was an affront to the cherished notion of 'ever closer union.' It had practical implications, all of them potentially damaging, for a range of EU policy areas, not to mention for the multiannual budget. Leaders were cognizant of the significance of Brexit as they discussed the issue throughout the year.

By the end of 2018, the UK and the EU had finally concluded a withdrawal agreement, though Prime Minister May's request for clarification at the December European Council did not bode well for its chances of winning approval in the House of Commons. Regardless of what might happen next, leaders could look by on a decisive year in the Brexit process during which they had maintained unity; had stood by a small Member State whose welfare was seriously threatened by the UK's impending withdrawal; and had defended EU interests, notably the single market. Regardless of what Article 50 stipulated, only the European Council had the political heft to manage Brexit for the EU, notwithstanding the Commission's mandate to carry out the negotiations. And only the European Council President had the time and institutional support to coordinate the European Council's response. Here was an example, yet again, of the indispensability of the European Council, and of its presidency, for the proper functioning of an ever more complex EU.

## 3. Migration

### 3.1. Introduction

Migration returned in 2018 as one of the most vexatious issues ever on the agenda of the European Council. The reason was not a sudden surge in the number of migrants entering the EU—on the contrary, the number had declined dramatically since the peak of 2015—but the political fallout from the success in several Member States of strongly anti-immigrant political parties. In Hungary and Poland, such parties were already in power. The ruling coalition in Austria, which took over the rotating Council presidency in July, included the anti-immigrant Freedom Party, whose secretary-general was the Interior Minister. The similarly anti-immigrant League was the largest party in Italy's new coalition government, which came into office on 1 June. Matteo Salvini, the party's leader, became the Vice-Premier and the Interior Minister. Later in June, on the eve of the European Council, Salvini raised the political stakes by refusing to let a ship carrying more than 600 migrants dock in Italy. In Germany at the same time, Chancellor Merkel faced a political crisis when her CSU coalition partners called for border controls against the 'secondary movement' of asylum seekers already in the EU. Emphasizing further the poisonous domestic politics of migration policy, Belgium's coalition government split in early December because of a dispute over a UN Migration Pact that was more symbolic than substantive.

Migration policy at EU level has two dimensions: internal and external. The external dimension is about controlling the flow of migrants into the EU; the internal dimension is about managing migrants already in the EU. Controlling entry involves securing the EU's external borders and taking measures to try to prevent migrants from reaching those borders. Managing migrants already in the EU involves efforts to distribute them among Member States, and alleviate the burden for their care in the 'frontline' countries, in southern Europe, where most migrants enter the EU. The frontline countries, together with northern Member States such as Germany and the Netherlands, argued that quotas for redistribution of refugees across Member States were needed to relieve pressure on them and to show solidarity within the EU. Other states, especially Hungary and Poland, strongly oppose mandatory quotas. There were deep divisions as well over proposed asylum reforms, including the duration of a country's responsibility for taking care of asylum seekers. This was a contentious political topic in Italy, which felt that it was unfairly carrying the bulk of the burden in the EU of caring for migrants, most of whom arrived on Italy's shores.

Migration policy had the potential to destabilize the EU politically in a way that EMU reform did not. Whereas EMU reform resonated politically in certain Member States, especially in Germany, its highly technical nature, as well as the stability of the Eurozone since the last outbreak of the crisis, in 2015, meant that public opinion was relatively quiescent on the subject. By contrast, opportunistic politicians could easily use migration policy to rouse public opinion and stir political passion. The EU's inability to address satisfactorily both the internal and external dimensions of migration policy was grist to the mill of populist, anti-immigrant parties, whose electoral success, in turn, made it even more difficult for the EU to succeed.

This is what happened in the EU, and what played out in the European Council, in 2018.

President Tusk had particularly strong views on the matter. He was an avowed champion of external border control, upon which, he argued, the identity, security, and political stability of the EU depended, not least because of the ability of unscrupulous politicians to exploit uncontrolled migration for electoral gain. Tusk spelled this out on a number of occasions in 2018, including in his letter of invitation to the June European Council, in which he also drew the connection between the

failure of external border control and the threat to liberal democracy in the EU. It is worth quoting from this [letter](#) at some length:

*A precondition for a genuine EU migration policy is that Europeans effectively decide who enters European territory. Failure to achieve this goal would in fact be a manifestation of our weakness, and above all, it could create the impression that Europe does not have an external border. The people of Europe expect ... [the European Council] to show determination in our actions aimed at restoring their sense of security. People want this not because they have, all of a sudden, become xenophobic and want to put up walls against the rest of the world, but because it is the job of every political authority to enforce the law, to protect its territory and the border. That was, after all, the purpose of creating border guards—to guard borders.*

*There are voices in Europe and around the world claiming that our inefficiency in maintaining the external border is an inherent feature of the European Union, or—more broadly—of liberal democracy. We have seen the creation of new political movements, which offer simple answers to the most complicated questions. Simple, radical and attractive. The migration crisis provides them with a growing number of arguments. More and more people are starting to believe that only strong-handed authority, anti-European and anti-liberal in spirit, with a tendency towards overt authoritarianism, is capable of stopping the wave of illegal migration. If people believe them, that only they can offer an effective solution to the migration crisis, they will also believe anything else they say. The stakes are very high. And time is short.*

Apart from external border control, Tusk advocated working closely with third countries, such as Egypt, Libya, and Turkey, that could stop migrants from ever reaching the EU's borders. Forging agreements with such countries was controversial in the EU because of the illiberal nature of the regimes in power there. Preventing illegal migration was also a major objective of the EU's relations with countries in the Western Balkans, most of which were eager to oblige Brussels in the hope of strengthening their EU membership prospects. 'As Europe's gatekeepers for centuries,' Tusk [remarked](#) after a meeting with Austrian Chancellor Kurz in February, 'their involvement in stemming the unprecedented flow of migrants to Europe in 2015 was critical'. Since 2015, Tusk [commented](#) before his meeting with Prime Minister Zoran Zaev on 28 June, 'we have managed to stem the migration flow by 96% per cent, only because we decided to cooperate with third countries and to block illegal migration outside the EU. Here I would particularly like to thank the Macedonian authorities for their excellent cooperation'.

As for the internal dimension of migration policy, Tusk opposed the obligatory reallocation of migrants already in the EU, mostly from Germany to other countries. Mandatory quotas, approved by the Council in 2016, had become perhaps the most divisive measure ever enacted in the EU, regardless of the fact that they were never fully implemented. Tusk's concern, shared by many national leaders, was that quotas were unworkable and heavy-handed. They were also a political gift to populist politicians, especially in Central and Eastern Europe. Tusk was eager to rid the EU of the quota question so that leaders could concentrate on the external dimension of the migration problem, where real progress could be made. Not that the internal dimension could not be addressed in other ways. As it was, the Commission had proposed legislation in a number of areas, including reform of the EU's struggling asylum system. There was widespread agreement on the need to overhaul the Dublin asylum regulation, but not on the means of doing so. Differences among Member States, and between the Council and the European Parliament, prevented progress from being made.

### 3.2. A fractious European Council

Migration policy dominated and almost derailed the June European Council. Before then, it came up only tangentially at the informal February summit and at the March European Council. Reporting

to the EP in January, on the December 2017 European Council, Tusk [noted](#) that: 'Member States responded well and generously to our request to re-finance the North African window of the EU-Africa Trust Fund. ... But irregular migration will remain a challenge for decades, not years, and therefore we need a structural solution in the form of a stable and predictable EU funding instrument. I proposed to the leaders that we establish a permanent financing mechanism within the next multiannual financial framework (MFF), to stem the flows of illegal migration. And today I can report to this House that there was univocal agreement on the need to establish such a mechanism. We will discuss it in more detail at our summit in February'.

At the February summit, Leaders duly held a first discussion on the post-2020 MFF, presumably including the possibility of incorporating in it a funding instrument to help stem the flow of illegal migrants into the EU (in keeping with the Leaders' Agenda, no conclusions emerged from the meeting). In his [letter](#) to leaders before the summit, Tusk mentioned another migration-related issue that would come up in the discussions: 'Following talks with Prime Minister Gentiloni [of Italy], I will recall the importance of helping to finance the actions in Libya'. It was unusual for the European Council President to single out a national leader in a document of this kind. Tusk may have done so, on this occasion, because Gentiloni was facing an uphill struggle at home against the anti-immigrant League, which was expected to do well in the forthcoming Italian elections. By stressing his responsiveness to Gentiloni's concerns about migration, Tusk may have been trying to bolster the position of the beleaguered Prime Minister, who was far more moderate, and therefore acceptable to Tusk, than his League opponents.

Tusk developed a close rapport in 2018 with Chancellor Kurz on the migration issue, despite—or perhaps because of—the fact that Kurz's Christian Democratic Party (ÖVP) was in coalition with the virulently anti-immigrant Austrian Freedom Party (FPÖ). Speaking after meeting Kurz in Vienna, in February, Tusk [said](#) that: 'When it comes to managing illegal migration, Chancellor Kurz and I have discussed it many times already, and we have similar views. Migration will remain a challenge for many years to come, which is why we want to find a solution that makes sure that the EU—together with national states—can manage future migration flows efficiently and without creating new divisions in Europe. It is possible, but naturally all sides need to compromise. Above all, we must put an end to the destructive emotions surrounding the issue of relocation, as they continue to fuel populism and divide Europe'.

Referring to migration in his [report](#) to the EP on the December 2017 European Council, Tusk reflected on the apparent intractability of migration policy for the EU: 'The internal dimension [notably mandatory quotas] of the migration debate was, as expected, less consensual [at the European Council] although it confirmed the hierarchy of our aims. Protecting our territory and keeping our promise never again to allow a return to the crisis of 2015 come first. Additionally, while everyone accepts the need for solidarity, there is currently no consensus on what it should mean in practice. The challenge now is how to express the principle of solidarity so that all Member States contribute in concrete terms and in a fair manner. All the leaders agreed to work hard to find a compromise by June. We will assess progress already in March'. In fact, the European Council took a break from discussing migration at its March meeting. The only reference to the subject in the [conclusions](#) was in the context of the forthcoming EU-Western Balkans summit, with the European Council looking forward to discussing 'how to better engage together on shared challenges such as security and migration'.

In his [remarks](#) after meeting Chancellor Kurz in February, Tusk had said that, 'if this issue [mandatory quotas] is not resolved by ministers within the next months, we will need to find a solution at the June European Council'. By the time of the June European Council, not only had ministers failed to make any progress on migration policy, but also the political temperature had risen considerably. 'During the summit,' Tusk stated shortly beforehand, 'I suggest we focus on the EU's external border

... The alternative to this solution would be a chaotically advancing closure of borders, also within the EU, as well as growing conflicts among EU Member States. Some may think I am too tough in my proposals on migration. But trust me, if we don't agree on them, then you will see some really tough proposals from some really tough guys' (Tusk statement before meeting the Prime Minister of the former Yugoslav Republic of Macedonia, Brussels, 28 June). The 'really tough guys' presumably included Salvini, the new Italian Vice-Premier and Interior Minister, the power behind the throne of Prime Minister Giuseppe Conte, who had replaced Gentiloni on 1 June.

'As we approach the June European Council,' Tusk wrote in an unusually lengthy [letter of invitation](#), 'the debate on migration is becoming increasingly heated, and it is set to be the main point on the agenda. To better prepare our work, let me share with you some reflections and my intentions for the summit. After the migration crisis in 2015, it became clear that the situation had to change, which is why we agreed to focus all our efforts on stemming illegal migration to Europe. That meant ensuring full control of the EU's external borders. A number of measures were put in place to achieve this objective ... However, to fully control the external borders, we also need to be ready to make additional efforts. I will therefore propose that the European Council endorse the following: (1) Setting up regional disembarkation platforms outside Europe ... (2) Creating in the next multiannual EU budget a DEDICATED financial facility geared towards combatting illegal migration ... (3) Stepping up our cooperation with countries of origin and transit, and in particular our support for the Libyan Coastguard'.

Of these [proposed measures](#), establishing 'regional disembarkation platforms,' in neighbouring third countries, was the most controversial. The idea was to stop, hold, and process would-be migrants in centres outside the EU, where 'economic' applicants could be separated from 'those in need of international protection'. Some national leaders, and many non-governmental organizations, worried about the legality and morality of doing this, notably in countries with dubious human rights records. It was unclear what would happen to migrants whose applications for asylum in the EU failed. Would they be condemned to remain in possibly unsafe centres, or to return to countries from which they had recently fled?

Prime Minister Conte, attending his first European Council, was not a professional politician. Rather, he was a compromise candidate for the position, selected by the two powerful parties in the coalition, the anti-establishment Five Star Movement and the anti-immigrant League, whose leader, Salvini called the shots. Playing primarily to a domestic audience—as national leaders tend to do, even when they are operating at the European level—Salvini orchestrated a tough Italian position in the European Council, focusing on the urgency of EU assistance for countries, such as Italy, on the front-line of the migration crisis, and on the need to support the Libya Coast Guard's efforts to stop smugglers from bringing migrants across the Central Mediterranean. Italy dramatically signalled the firmness of its position by [blocking](#) the European Council from issuing conclusions at the end of the first day of the meeting.

Readers of the meeting's [web page](#) would have learned only that: 'As one Member reserved their position on the entire conclusions, no conclusions have been agreed at this stage. For this reason, the press conference by the EU institutional representatives has been cancelled and will instead take place tomorrow after the end of the Euro Summit'. Those who followed news of the European Council in the media, however, were well aware that the 'one Member State' which took the unusual step of not signing off on the conclusions of a European Council meeting was Italy, due to the new government's hard line on migration.

At the same time, Merkel was under pressure from her CSU sister party to ensure that the European Council would find a solution to the problem of asylum seekers, who were registered in another Member State, from traveling to Germany. In effect, the CSU was advocating border controls within

the Schengen area for asylum seekers. Having already weathered a number of political storms at home in Germany, Merkel was phlegmatic in Brussels about the prospect of a successful European summit. Nevertheless, she [acknowledged](#) during the summit that the migration issue could 'decide the EU's fate'.

After the European Council's inability to issue conclusions following the first day's session, leaders entered that evening into a long round of negotiations to try to reach an accord on migration that would be acceptable to all. The conclusions eventually agreed to, with respect to migration policy, were unusually long and detailed for a recent meeting of the European Council. They comprised an assertion of the EU's position and objective, together with a number of specific commitments, proposed measures, and calls for action.

The [opening paragraphs](#) affirmed the European Council's view 'that a precondition for a functioning EU policy relies on a comprehensive approach to migration which combines more effective control of the EU's external borders, increased external action and the internal aspects, in line with our principles and values;' and the European Council's determination 'to continue and reinforce this policy to prevent a return to the uncontrolled flows of 2015 and to further stem illegal migration on all existing and emerging routes'.

The [specific commitments, proposed measures, and calls for action](#), which covered the internal and external dimension of migration, and, in some cases, sought to allay the concerns of certain Member States, included:

- Intensifying 'efforts to stop smugglers operating out of Libya or elsewhere,' with a reassurance that 'the EU will continue to stand by Italy and other frontline Member States in this respect.'
- Stepping up support for 'the Sahel region, the Libyan Coastguard ... countries of origin and transit, as well as voluntary resettlement.'
- Calling on 'All vessels operating in the Mediterranean [to] respect the applicable laws and not obstruct operations of the Libyan Coastguard.'
- Making 'additional efforts ... to fully implement the EU-Turkey Statement,' and
- ' ... urgently [making] more efforts ... to ensure swift returns and prevent the development of new sea or land routes' in the Eastern Mediterranean.
- Boosting 'cooperation with, and support for, partners in the Western Balkans region [in order to] prevent illegal migration, increase the capacities for border protection and improve return and readmission procedures.'
- Supporting 'financially and otherwise, all efforts by Member States, especially Spain, and countries of origin and transit, in particular Morocco, to prevent illegal migration.'
- Calling 'on the Council and the Commission to swiftly explore the concept of regional disembarkation platforms, in close cooperation with relevant third countries,' thereby helping to eliminating 'the incentive [of migrants] to embark on perilous journeys, and 'definitively break the business model of the smugglers.'
- Taking care on EU territory 'those who are saved,' on the basis of a shared effort, through the transfer in controlled centres set up in Member States, only on a voluntary basis, where rapid and secure processing would allow, with full EU support, to distinguish between irregular migrants, who will be returned, and those in need of international protection, for whom the principle of solidarity would apply.
- Launching 'the second tranche of the Facility for Refugees in Turkey and ... transferring 500 million euro from the 11th EDF reserve to the EU Trust Fund for Africa'
- Developing 'a partnership with Africa aiming at a substantial socio-economic transformation of the African continent.'

- Possibly including in ‘the next MFF... flexible instruments, allowing for fast disbursement, to combat illegal migration. The internal security, integrated border management, asylum and migration funds should therefore include dedicated, significant components for external migration management.
- Urging Member States to ‘take all necessary internal legislative and administrative measures to counter ... secondary movements [across national frontiers] of asylum seekers, [which risks] ‘jeopardising the integrity of the Common European Asylum System and the Schengen acquis.’
- Concluding ‘as soon as possible [at Council level] the new Common European Asylum System’.

In his [remarks](#) after what he modestly called ‘a long European Council,’ Tusk emphasized certain parts of the compromise contained in the Conclusions, and provided useful background information. Accordingly, he explained that: ‘the leaders accepted three proposals I put forward, that is disembarkation platforms outside Europe, a dedicated budgetary tool in the next MFF to combat illegal migration, as well as boosting EU support for the Libyan Coast Guard.’ In addition, ‘we have sent a clear message to all vessels, including those of NGOs, operating in the Mediterranean, that they must respect the law and must not obstruct the operation of the Libyan Coast Guard.’ Finally, leaders had accepted ‘the Franco-Italian proposal of controlled centres on EU territory, in countries that are willing to build them. All the measures in the context of these centres, including relocation and resettlement, will be taken on a voluntary basis’.

Taking a broader perspective, Tusk [remarked](#) a few days later, on the eve of the new Austrian Council Presidency: ‘As our summit in the past days has shown, we are all working hard to ensure that the very words “European Union” are associated with stability, not instability; security, not a lack of security. Above all, we must be united in this effort’. Nevertheless, the politics of migration policy remained deeply divisive within the EU. Chancellor Kurz intended to make migration policy a main focus of Austria’s Council Presidency, with a focus on internal security concerns. Kurz shared with Tusk belief in the primacy of external border control, and a hope that the EU might be able to outsource a solution to the problem of preventing would-be migrants from ever reaching the EU’s borders.

### 3.3. Outsourcing a solution

Although the outcome of the June summit seemed to have addressed the immediate concerns of certain Member States, what Tusk [called](#) ‘the migration blame game ... [fuelled by] the aggressive rhetoric’ of unnamed leaders, continued throughout the summer. By the time of the informal Salzburg summit, in September, Tusk was losing patience with those who were ‘taking political advantage of the situation.’ As he [told](#) leaders before the meeting: ‘I want to openly state the following: the quest to end the migration crisis is a common task of all the MS and EU institutions. If some want to solve the crisis, while others want to use it, it will remain unsolvable. I am hoping that in Salzburg we will be able to put an end to the mutual resentment and return to a constructive approach’.

Because it was an informal summit hosted by the Council presidency, the Salzburg meeting did not produce any conclusions. Tusk’s [concluding remarks](#) nevertheless suggested that the discussion had been less fraught than in June. Indeed, ‘The migration debate showed that we may not agree on everything but we agree on the main goal, which is stemming illegal migration to Europe. There was a constructive debate and good atmosphere and we decided to continue our focus on what unites us and what has already brought results. This means strengthening our external borders as well as strengthening cooperation with third countries’.

A [concrete outcome](#) of the Salzburg summit was 'backing from the European Council' for the 'dialogue' that Tusk and Kurz had started with President Al Sisi of Egypt, with a view to securing Egyptian help in stemming the flow of migrants to Europe. This was in line with the idea of providing a 'disembarkation platform' for migrants attempting to reach the EU, as outlined in the June Conclusions, presumably in exchange for economic support for Egypt. Similarly, leaders agreed to organise a summit with the League of Arab States in February 2019, in Egypt. Cosying up to Al Sisi, an autocrat with a dubious human rights record, generated considerable controversy throughout the EU. In the end, EU collaboration with Egypt did not amount to much. Nor did the idea of regional disembarkation platforms ever get off the ground. In the summer and autumn of 2018, however, such proposals helped to reduce the political tension within the European Council on migration, even at the cost of raising concerns among human rights groups.

Discussion of [migration](#) at the October European Council was less extensive and intensive than in June, reflecting the drop in the political temperature surrounding the issue in several Member States. Without any drama, leaders 'took stock of the implementation of the decisions they had agreed at the June European Council and called for work to be continued on all elements'. Leaders had [agreed in June](#) that: 'There will be a report on progress towards reaching agreement on the new Common European Asylum System during the October European Council'.

Accordingly, the Austrian Council Presidency briefed leaders 'on the reform of the EU asylum system and on the prospects for progress.' Leaders duly 'encouraged the presidency to continue its work in order to conclude it as soon as possible.' In an effort to expedite EU legislation on specific aspects of migration policy, leaders 'invited the European Parliament and the Council to examine, as a matter of priority, the recent Commission proposals on the return directive, the asylum agency and the European border and coast guard.' They also discussed the EU's return policy, [concluding](#) that: 'more should be done to facilitate effective returns. Existing readmission agreements should be better implemented and new agreements and arrangements concluded'.

Tusk faced considerable criticism from MEPs of the European Council's record on migration policy in the debate following his report to the EP on the October summit. In his [closing remarks](#), Tusk was characteristically combative in defence of the European Council's performance, and revealed his own misgivings about mandatory quotas:

*Almost all of you have expressed your disappointment with the lack of decisions on migration policy that you are expecting from the European Council. I understand your dissatisfaction because I know that the will of the majority in this house was to establish mandatory quotas. In spite of what you are saying the European Council is building the common European solution for migration policy but in the centre of this approach is the strengthening of cooperation with third countries, a fight against human smugglers, external border protection and not mandatory quotas. The real progress in the European Council is that today almost everybody understands that our priority should be stopping the inflow of irregular migrants and not their distribution.*

The European Council addressed migration policy next during its December meeting, but only briefly. There was little new for leaders to say or do on the matter. Once again, the European Council called for the external dimension to be further developed and implemented. As for the internal dimension, leaders repeated their call for the co-legislators to reach agreement quickly on negotiations for the European Border and Coast Guard, and encouraged further efforts to conclude negotiations on the Asylum Agency, the return directive and reform of the EU asylum system. This was a fitting end to a difficult year for the European Council on the migration front. Whereas irregular arrivals had been brought down to pre-crisis levels thanks to external border controls, the fight against smugglers, and enhanced cooperation with countries of origin and transit, agreement among leaders on reforming the bloc's asylum system remained as elusive as ever before.

## 4. Economics, finance and Monetary Union

### 4.1. Introduction

As part of its remit to provide strategic direction for the EU, the European Council routinely addresses economic and financial affairs. During the euro crisis, the European Council often met urgently to try to limit damage, rescue to the worst affected Eurozone members, and shore up Economic and Monetary Union (EMU). To assist with its deliberations on economic policy and EMU, the European Council sometimes invites the European Central Bank (ECB) President and the Eurogroup President to attend its meetings, notably in the Euro Summit format. Euro Summits are devoted specifically to discussing EMU, and take place either exclusively (with only the leaders of 19 countries in the Eurozone in attendance, as well as the Euro Summit President, who is also the European Council President, and the European Commission President) or inclusively (leaders of the EU27—the UK being the non-participant—plus the Euro Summit and Commission President).

The economic situation in the EU, in 2018, was mixed, and varied greatly from country to country. Overall, as President Tusk [said](#) after the Spring Social Summit, ‘Our economy continues to grow above expectations, employment is up and investments are recovering’. Nevertheless, as he [said](#) shortly afterwards, at the end of the March European Council, ‘The situation is good, but it doesn’t mean that all our problems are solved. First, we need to avoid protectionism at the global level. This is a major risk for jobs, not only in Europe. In this respect, dialogue with the US is key. Secondly we must prepare our Single Market for the future’.

The European Council uses the catchall category ‘Jobs, Growth and Competitiveness’ to cover an assortment of economic policies. Foremost among them is the single market, ‘one of the great achievements of the Union, which has delivered major benefits to Europeans. It is our main asset for ensuring citizens’ welfare, inclusive growth and job creation, and the essential driver for investment and global competitiveness’ (December EUCO Conclusions). The single market is multifaceted, including Digital, Capital Markets and the Energy Union. It provides an overarching regulatory framework in which commercial activity takes place. Together with the single market, EMU is EU’s core policy field.

Managing the single market is a work in progress, as innovation and other dynamic developments require adaptability on the part of policymakers. As the highest forum of policymakers in the EU, the European Council sought in 2018 to provide oversight of the single market, paying special attention to the rapidly changing digital economy. Partly because of the growing importance of digital, the European Council addressed the subject of taxation in 2018, a highly sensitive political issue for all Member States. Additionally, the European Council participated in 2018—as it does annually—in the European Semester, the EU’s economic policy coordination process.

On the external economic front, trade policy complements the single market by helping to facilitate investment and export opportunities for EU-based operators. The threat to the multilateral trading system, posed largely by U.S. President Trump’s rejection of it, was a major concern for the European Council in 2018. So were unilateral trade measures threatened or taken by the U.S. against the EU. How to respond to these developments became a pressing issue for the European Council. At the same time, the unpredictable consequences of Brexit clouded the economic outlook.

As in previous years, the European Council grappled in 2018 with reform of EMU, specifically with completing the Banking Union and strengthening the European Stability Mechanism (ESM). Still haunted by the euro crisis, which had last erupted in 2015, when Greece received a third bailout, leaders sought to bolster EMU in order to avert another disaster, and to ensure that Eurozone members were able to enjoy the full benefits of the single currency.

Speaking after the Spring Social Summit, Tusk [observed](#): ‘economic growth has little point if it does not result in a better quality of life for our citizens’. Tusk participated in the Spring (March) and Autumn (October) Social Summits, annual events that bring together leaders of the social partners, the organizations at EU level engaged in the social dialogue. The European Council addressed the social dimension of economic policy at its March meeting, and adopted conclusions on the implementation of the European pillar of social rights.

## 4.2. Economic and Monetary Union

Reform of EMU has been on the agenda of the European Council since the onset of the euro crisis, in 2010. EU leaders usually discuss the subject in the Euro Summit. There were four Euro Summits in 2018; one in an exclusive format (23 March); and three in an inclusive format (29 June; 18 October; and 14 December).

There have been many plans for EUM reform over the years, most notably the Four Presidents’ Report of 2012, and the Five Presidents’ Report of 2015. Despite extensive discussions within the European Council of EMU reform, and some concrete steps taken along the way, decisive action in a number of areas remains elusive. The domestic salience of EMU and the fallout from the euro crisis continue to stymie progress. A divide exists among Member States between countries, mostly in northern Europe, that pride themselves on their self-proclaimed fiscal responsibility, and other Member States, mostly in southern Europe, that strongly resist austerity policy and have a more permissive approach to deficits and debt.

Completing the Banking Union is a central plank of EMU reform. The purpose of a banking union, in part, is to break the link between Eurozone banks and sovereign risk. A key element, strongly supported by the ECB, is a European deposit insurance scheme, whereby sovereign default risk would be shifted to the European level. This would also foster financial integration in the Eurozone. But the idea of a deposit insurance scheme is extremely unpopular in Germany, because of a widespread perception among politicians, financial professionals, and the public that German funds would then be used to rescue European banks.

Altering the scope of the ESM, the Eurozone’s bailout fund, is another unfinished aspect of EMU reform. Here there was some prospect of making progress. Indeed, by 2018 there was a general consensus among EU leaders that the ESM should provide a fiscal backstop for the single resolution fund, the EU’s rescue fund for failing lenders, in order to help regulators contain the fallout of a banking collapse.

As President Tusk [told](#) business leaders in early March: ‘One of the main reasons for further reform was ‘to remove a key vulnerability of EMU: the fiscal link between sovereigns and banks. ... A complete Banking Union and a more solid ESM will help break this link ... My first priority is to complete our work on EMU, to make our monetary union stronger and more resistant to future economic shocks. Despite the current positive outlook, these will surely come, sooner or later’.

In 2017, the newly elected French President had [introduced](#) an additional component of EMU reform: the possibility of a Eurozone budget. This would have both symbolic and pragmatic value. Symbolically, it would demonstrate the maturity of the EU system by adding a fiscal capacity to monetary union. Pragmatically, it would provide a ‘stabilisation tool’ to offset the effects of economic shocks and enhance convergence. Macron hoped that the size of his proposed ‘budget for competitiveness, convergence, and stabilization in EMU’ would amount to several percentage points of Eurozone GDP, and have its own sources of revenue at EU level. Only the leaders of southern European countries shared Macron’s enthusiasm. By contrast, leaders of the New Hanseatic League, or the Hansa, a loose grouping of mostly Northern European countries,

established in February 2018 by the finance ministers of Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, the Netherlands and Sweden, were [adamantly opposed](#), not least because of fear of moral hazard. Chancellor Merkel instinctively sided with the Hansa group, but did not want to oppose Macron outright.

Precisely because of the difficulty of finding a way forward, President Tusk had included EMU reform as part of the [Leaders' Agenda](#), 'a concrete work programme that seeks to unblock and find solutions to the main political challenges and priorities of the EU'. The first Euro Summit held under the auspices of the Leaders' Agenda took place in December 2017. [Reporting to the EP](#) on the meeting, Tusk explained that EU leaders had 'discussed ways and means to reform [EMU] with a view to taking a first set of decisions in June.' Tusk distinguished between two kinds of reforms: those that are 'realistic' and those that are 'long-term ideas.' The realistic reforms included 'areas where the discussion is more advanced, namely on the completion of the Banking Union, and further developing the ESM.' If leaders could make progress in these two areas, 'we will significantly strengthen the resilience of the EMU, which is my major goal'.

It was on these objectives that leaders tasked their finance ministers in the Eurogroup and in the Ecofin Council to concentrate in the next six months, in the run up to the June 2018 summit. For those issues that 'are less developed and have a longer-term perspective,' such as Macron's controversial call for a Eurozone budget, Tusk called the [Euro Summit in March](#).

Whatever about developing the ESM, completing the Banking Union was by no means an easy objective to accomplish. Yet Tusk [claimed](#) before the March Euro Summit that: 'Politically, we are not as far away from a consensus on these matters as some imagine. Indeed, if not now, then when?' Leaders duly discussed completing the Banking Union and reform of the ESM at the summit, and [confirmed](#) that they would continue talks on these issues in June, 'when they expect to take their first decisions'. Tusk [hoped](#) that leaders would be able to take 'a first set of decisions' at that time, 'even though I am not a blind optimist'.

As expected, leaders also discussed other, long-term reforms of EMU at the March Euro Summit. The short [Leaders Agenda Note](#), which Tusk prepared for the summit, included the following questions:

- Should a fiscal capacity [i.e. a budget] for the euro area be set up? What would be its main purposes (e.g. macroeconomic stabilisation, support to investment and employment, promotion of structural reforms)? Should it be part and parcel of the EU budget or an instrument outside the EU budget?
- Should more be done at the European level to promote competitiveness- and growth-enhancing structural reforms, reduce imbalances and ensure sustained convergence? Should more be done to ensure fiscal responsibility? Which instruments should be used to this effect?

In keeping with the Leaders' Agenda, there were no draft conclusions before the meeting, and no conclusions emerged from the meeting. Tusk [declared](#) after the summit only that the discussion had provided an opportunity 'to reflect strategically on our long-term ambitions'. Nevertheless, there was no disguising a high degree of scepticism on the part of many national leaders towards Macron's idea of a Eurozone budget. So far, much to Macron's disappointment, even the German Chancellor, usually a reliable partner of the French President, had not come on board. The reason, apart from any policy misgivings that Merkel may have had, was that she was constrained politically by the weakness of her Christian Democratic Party following the November 2017 elections, and by a Bundestag that was generally unsympathetic to demands for Eurozone reform along the lines proposed by Macron—reforms that were likely to cost Germany money, especially in the form of fiscal transfers from stronger economies to weaker ones (notably from northern European countries to southern European ones).

Yet at the [Franco-German summit](#) in Meseberg, in June, Merkel appeared to change course and support Macron's calls for extensive EMU reform, including a 'roadmap for the Euro area' and a Eurozone budget. This could have presaged a breakthrough at the June European Council. Tusk certainly hoped so, welcoming in his [invitation letter](#) 'the fact that the Franco-German Meseberg declaration provides an additional boost for the reform, together with other important contributions. We must not waste this opportunity'. A lengthy [letter](#) from Eurogroup President Mário Centeno to Tusk, four days before summit, summarized the discussions so far on EMU reform, including Banking Union, the ESM, and the Eurozone budget, and served as an annotated agenda for the meeting.

In the event, Merkel's support for Macron at Meseberg was more rhetorical than real. Despite wanting to keep the Franco-German tandem moving forward, she appeared to have little appetite for far-reaching EMU reform, given the unpopularity in Germany of many of the proposed measures. Moreover, leaders of the Hansa group rallied at the summit to oppose Macron's ambitious plans for a Eurozone budget (<https://twitter.com/hansaintheeu>).

As a result, the outcome of the summit was disappointing. On the Banking Union, the short concluding statement mentioned only that: 'work should start on a roadmap for beginning political negotiations on the European Deposit Insurance Scheme.' An [article](#) in the influential Financial Times, on 30 September, dismissed this as 'a sentence that even EU summit veterans acknowledged set a new standard for evasiveness'. Nevertheless, the fact that it was included in the final statement was itself surprising, given the extent of opposition in Germany to the proposed deposit insurance scheme. The [statement](#) also declared that 'the ESM will provide the common backstop to the Single Resolution Fund (SRF)' and that 'The Eurogroup will prepare the terms of reference of the common backstop and agree on a term sheet for the further development of the ESM by December 2018.' There was no mention of a possible Eurozone budget, although leaders agreed that 'The Eurogroup will further discuss all the items mentioned in the letter by the Eurogroup President' and that 'The Euro Summit will come back to these issues in December 2018'.

In his [remarks](#) after the summit, Tusk exaggerated the progress made by EU leaders. Understandably, perhaps, he claimed that they had 'agreed, as promised in December (2017), to [make] progress on the completion of the Banking Union and to strengthen the ESM, including by providing the backstop to the single resolution fund. This reform of the EMU will strengthen the euro, and as a result, also our Union. In turbulent times, this is welcome news for all Europeans'.

Perhaps aware of the widespread perception among expert commentators and journalists that the summit had not achieved all that much, Tusk was aggressively defensive in his [report to the EP](#) on the outcome of the meeting: 'Last October, in this chamber, I said the following: "I will do everything in my power to take the first very concrete steps, by June. If we don't reach agreement by June, I will say precisely why it wasn't possible, and who is responsible." Today I can say that the leaders did indeed take the first decisions. This means agreement on further steps to complete the Banking Union and to strengthen the ESM. In particular, we agreed that the ESM will [provide] the common backstop to the single resolution fund. As a consequence, our Banking Union will become much stronger. Some of you may say that this is too little, too late. And you would be right, in a sense. But the fact is that after some years of standstill, we are effectively re-launching the process of deepening of the EMU. To make sure that the progress continues, I will organise another Euro Summit in December'.

As work on EMU reform picked up again after the summer, political developments in Italy did not augur well for a breakthrough. The populist government in Rome, highly critical of the EU, had proposed a national budget that flew in the face of the Commission's recommendation for the country. [Speaking on 16 October](#), shortly before the Euro Summit, Tusk acknowledged that 'tensions

among members of the euro area are greater today than they were in June,' but claimed nonetheless that 'Good progress in reinforcing the Economic and Monetary Union by December is still possible ... Therefore, the Euro Summit will discuss how to ensure that we have further progress in reforming the EMU by the end of the year.' When asked specifically about the situation in Italy, Tusk responded cautiously that: 'We have to be realistic and frank. I am aware that the atmosphere is more tricky than it was in June but I think we can use time before December to clarify the positions of some Member States. Our goal remains to have visible progress in December. What we need today is a respectful dialogue between the Commission and Italy.'

At the October Euro Summit, held in an inclusive format, [Italy's proposed national budget](#) was 'the elephant in the room'. Italy's Prime Minister held side meetings with a number of other leaders, notably President Macron and Netherlands Prime Minister Rutte, who were particularly critical of the his country's position. At the [summit](#) itself, however, leaders seem to have avoided confrontation on the issue. Instead, they heard an update from Eurogroup President Centeno on the finance ministers' work on the ESM reform and the Banking Union, and from ECB President Mario Draghi on the economic outlook for the EU. In his [remarks after the summit](#), Tusk reported that: 'We agreed that we need to accelerate the technical work. We want to get an agreement on the banking union and the ESM in December. I hope our discussion today will inspire the Eurogroup to act more dynamically'. As he told the EP in his [post-summit report](#), 'The objective of the meeting was to keep up the pressure for concrete results in December. EU finance ministers should speed up their work, if we are to achieve our goal, which is strengthening the ESM and the banking union further'.

Finance ministers indeed stepped up their efforts to reform EMU, culminating in a [decisive meeting](#) of the Eurogroup a week before the December European Council. This allowed Tusk to call, in his [letter of invitation](#) to the meeting, for leaders to 'endorse the [Eurogroup's] decisions on ESM reform and the Banking Union.' As for a Eurozone budget, Tusk could only 'propose [that] we instruct finance ministers to work on a euro area budgetary instrument'. Sure enough, at the [Euro Summit](#) 'EU leaders adopted a statement endorsing all elements of the Eurogroup report on EMU deepening, including a term sheet on the ESM reform, the terms of reference of the common backstop to the SRF and a way forward on the banking union,' and 'gave a mandate to the Eurogroup for further work on a budgetary instrument for convergence and competitiveness for the euro area, in the context of the MFF'.

Leaders were careful not to mention the word 'stabilisation,' which was anathema to the leaders of the Hansa group.

The outcome of the December Euro Summit allowed Tusk to [declare victory](#): 'A year ago, we promised concrete steps to strengthen EMU. Today, leaders delivered on this promise.' The nature of that victory was: 'First ... an agreement to create a common backstop for the Single Resolution Fund. And second ... [an agreement] to give the European Stability Mechanism stronger powers to prevent and manage financial crises. These two decisions—which mean changing the ESM Treaty as soon as possible—significantly strengthen the monetary union'.

Nevertheless, EMU reform was still [far from complete](#) by the end of the year. The controversial deposit insurance scheme was no closer to being put in place. Although 'Finance ministers will accelerate work on a Euro area budgetary instrument ... in an inclusive format ... in the context of the long-term EU budget', the outcome of their efforts, and of a future Euro Summit decision, would likely fall far short of what Macron had initially proposed. Such was the arduous road to EMU reform in 2018.

Tusk's [final statement](#) on EMU in 2018 was his contribution to the celebration of the launch of monetary union almost twenty years previously, on 1 January 1999. Given the occasion, the statement was understandably upbeat. It referred almost in passing to the euro crisis, and made no

mention of the many battles fought in the European Council for reform of EMU, including in 2018. Instead, the statement noted that: 'The creation of the euro 20 years ago ... was a pivotal moment in European history. Our common currency has since matured into a powerful expression of the European Union as a political and economic force in the world. Despite crises, the euro has shown itself resilient, and [Eurozone members] have enjoyed its benefits. As the world keeps changing, we will keep upgrading and strengthening our Economic and Monetary Union'

### 4.3. Jobs, growth and competitiveness

Traditionally, leaders devote the March European Council to discussing jobs, growth and competitiveness. Foremost on the agenda is the single market, which the European Council also discussed on other occasions in 2018, notably in December. Besides the single market, the European Council discussed a range of other issues pertaining to jobs, growth, and competitiveness throughout the year.

#### 4.3.1. Single market

The European Council emphasized in its [March Conclusions](#) the centrality of the single market, calling for:

*... increased efforts to deliver, before the end of the current legislative cycle, on the Single Market strategy, the Digital Single Market strategy, the Capital Markets Union Action Plan and the Energy Union, including through the swift examination of recent Commission proposals. Decisions already taken must be implemented effectively. Looking beyond the completion and implementation of the strategies, the EU needs to keep working towards a future-proof and fair single market that is fit for the digital age and an enabler for competitiveness, innovation and sustainability. The European Council therefore invites the Commission to present to the Council, before the Leaders' Agenda discussion in December 2018, a state of play regarding the implementation, application and enforcement of existing legislation that is key for the functioning of the Single Market and an assessment of remaining barriers to and opportunities for a fully functioning Single Market. To reap the maximum benefits of the Single Market the EU needs a strong industrial policy.*

In the event, the European Council did not hold a Leaders' Meeting in December on the single market, as planned when Tusk announced the Leaders' Agenda in October 2017, and as promised in the March 2018 Conclusions. Instead, leaders found time, during a busy December European Council, to discuss the single market as part of the regular agenda. As stated in the [December Conclusions](#), the European Council invited the European Parliament and the Council 'to agree, before the end of the current legislature, on as many of the pending proposals relevant for the Single Market as possible,' and reiterated the importance of removing 'remaining unjustified barriers, in particular in the field of services, as well as to prevent any new barriers and any risk of fragmentation.' In addition, the European Council called for better implementation and enforcement of single market rules; stressed the connection between the single market and 'an outward-looking, confident and more autonomous European Union in a challenging global environment;' and underlined 'the need for the Single Market to evolve so that it fully embraces the digital transformation, including Artificial Intelligence, the rise of the data and service economy, connectivity, and the transition to a greener economy.' With an eye on the new institutional cycle that would follow the EP elections in 2019, the European Council decided to 'hold an in-depth discussion next spring on the future development of the Single Market and European digital policy in preparation for the next Strategic Agenda'.

### 4.3.2. Innovation and the digital economy

Leaders discussed innovation and the digital economy on a number of occasions in 2018, in parallel with their broader discussions about the single market. Citizens' privacy and personal data protection were particular concerns. The European Council highlighted these in their [March Conclusions](#): 'Social networks and digital platforms need to guarantee transparent practices and full protection of citizens' privacy and personal data. EU and national legislation must be respected and enforced,' promising to raise them, 'together with other issues relating to Digital Europe, including the adoption of all the legislative instruments establishing the Digital Single Market in 2018, and the promotion of research and innovation, such as artificial intelligence and the means to support breakthrough innovation and the development of digital skills,' at the informal summit in Sofia in May, hosted by the Bulgarian Presidency of the Council.

At their informal dinner in Sofia, in May, leaders addressed innovation and the digital economy. The meeting took place under the auspices of the Leaders' Agenda. A two-page [Leaders' Agenda Note](#), prepared by the President's office, provided background information on the rise of the digital economy and on the various policy issues involved. Against this background, Tusk asked leaders to ponder: 'What should be done at the EU level to support and boost breakthrough and disruptive innovation? How can the EU become a major player in the field of big data?' In keeping with the format of the Leaders' Agenda, there was no written output. After the meeting, Tusk [reported](#) that: 'We agreed that the EU will step up its efforts on digital and innovation in order to rise to the challenge of technological revolution. You should expect very concrete decisions when we formally meet in June. They will include elements like the establishment of a European Innovation Council in the next MFF, pilot projects including for Artificial Intelligence and more funds for investments. All this will be based on our European values, including full respect of citizens' privacy, also online'.

Sure enough, at an unusually eventful June summit, dominated by disputes over migration policy (see Chapter 3), leaders adopted without difficulty [conclusions](#) on innovation and the digital economy. They agreed that: 'Europe must further develop its high-quality research across the EU and turn it into new products, services and business models. We need a stronger, inclusive innovation ecosystem to foster breakthrough and market-creating innovation and provide comprehensive support for businesses, including SMEs, with disruptive potential to successfully enter global markets.' More specifically, they stressed the importance of delivering 'on the remaining legislative proposals concerning the Digital Single Market before the end of the current legislative cycle. To build a European data economy, further action is needed to improve the efficient use of data across the EU and foster trust through high data protection standards and full implementation and proportionate enforcement of the General Data Protection Regulation in respect of all economic actors doing business in our single market. High-quality data are essential for the development of Artificial Intelligence. The European Council invites the co-legislators to swiftly examine the latest data package. It invites the Commission to work with Member States on a coordinated plan on Artificial Intelligence, building on its recent communication'.

Referencing the recent Sofia summit, the European Council 'insists on improving businesses' access to financing, including by better coordinating EU and national research and innovation funding schemes and instruments, on providing a favourable regulatory environment that supports greater risk-taking, and on promoting digital skills as well as links between academia, industry and governments. Cooperation between research, innovation and education should be encouraged, including through the European Universities initiative.' In addition, [leaders declared](#) that: 'A European Innovation Council will be set up under the next Multiannual Financial Framework to identify and scale up breakthrough and disruptive innovation'.

### 4.3.3. Taxation

Taxation, in particular in the digital economy, was another subject discussed under the Leaders' Agenda, this time in March 2018. At a meeting held during the regular March European Council, leaders discussed how to adapt tax systems in view of the growing digital economy; what more could be done to fight tax evasion and avoidance; and how best to ensure synergies at the EU and international level, all on the basis of a short [Leaders Agenda Note](#). Taxation was a sensitive issue for national governments. It was one of the few remaining economic policy fields still subject to unanimity in the Council. For a long time, France and Germany had been pushing for greater tax harmonization at the EU level, whereas some of the small Member States, notably Ireland, adamantly opposed such a move. The emergence of the digital economy risked exacerbating differences among Member States on tax policy.

Under the circumstances, the [Conclusions adopted at the June European Council](#), based on the leaders' discussion in March, were rather general and uncontroversial: 'Ensuring fair and effective taxation remains a key priority. In that context, the fight against tax avoidance, evasion and fraud must be vigorously pursued both at global level (notably in the OECD) and within the EU. At the same time, there is a real need to adapt our taxation systems to the digital era. The Council should therefore take work forward on the Commission proposals on digital taxation. Work should also continue on how to ensure effective VAT collection, including swift progress on the Commission proposals on short-term measures'.

### 4.3.4. European Semester

Entirely without controversy were the brief discussions at the March and June European Councils of the European Semester, the EU's annual economic policy coordination process. In March, leaders [endorsed](#) policy priorities for 2018, which Member States were expected to take into account when implementing national reforms. In June, they endorsed the integrated country-specific recommendations as discussed by the Council, thus allowing the [conclusion of the 2018 European Semester](#).

### 4.3.5. Trade

Trade emerged unexpectedly as a pressing issue for the European Council in 2018, following the announcement by President Trump early in the year that the US would impose 25 per cent tariffs on steel and 10 per cent tariffs on aluminium entering the US from the EU. President Tusk responded promptly, [stating at a press conference](#) in Luxembourg on 7 March that unilateral US measures 'risked a serious trade dispute between the United States and the rest of the world, including the EU.' In what would become a series of pointed comments throughout the year, Tusk continued: 'President Trump has recently said, and I quote: "trade wars are good, and easy to win". But the truth is quite the opposite: trade wars are bad, and easy to lose. For this reason, I strongly believe that now is the time for politicians on both sides of the Atlantic to act responsibly'. Tusk announced that he would propose to EU leaders that the European Council hold an extraordinary debate on trade at the forthcoming summit.

[Speaking one week later](#), after a meeting with the Finnish Prime Minister, Tusk dwelt on the subject of US trade measures and their consequences for transatlantic relations: 'Let me be clear: instead of risking a trade war, which [the US President] seems eager to wage, we should be aiming for greater cooperation. When the President says he is unhappy about too many barriers and tariffs between the EU and the US, I can understand him. We are not happy either. That is the reason why, a few years ago, we started trade negotiations with the US. We should go back to these talks now. Make trade, not war, Mr President'.

While the Commission lobbied the Administration to exempt the EU from the proposed tariffs, Tusk framed the European Council's upcoming discussion of trade policy in broader terms. Speaking after the Spring Social Summit, Tusk [remarked](#) that leaders would discuss at their March meeting 'how to respond to President Trump's overall approach to global trade, which could negatively affect jobs all over the world ... there is still time to act sensibly ... we have to focus on multilateral solutions that will address unfair trading practices. We share the American concern about global overcapacity [of steel and aluminium]. This is why last year we agreed – together with the United States, China and the other G20 partners – to sort it out together. If this work is not ambitious enough, and I agree that more could be done, let's discuss how to improve it. The aim is clear: to fix the problem of overcapacity at the global level this year. Our collective challenge is to avoid disruption to transatlantic relations and the rules-based international trade order. The stakes are very high'.

Leaders had a lively discussion of EU-US trade relations at the March European Council, The [Conclusions noted](#) that: 'the European Council regrets the decision by the United States to impose import tariffs on steel and aluminium. These measures cannot be justified on the grounds of national security, and sector-wide protection in the US is an inappropriate remedy for the real problems of overcapacity ... It takes note that shipments of steel and aluminium from the European Union have been temporarily exempted from such measures, and calls for that exemption to be made permanent. The European Council strongly supports the steps taken by the Commission to ensure that the interests of the EU are fully protected and to reserve its rights, in compliance with World Trade Organization rules, to respond to the US measures as appropriate and in a proportionate manner'.

Going beyond the specific EU-US dispute, the European Council [reaffirmed its commitment](#) to 'an open and rules-based multilateral trading system with the WTO at its core, firm in the belief that free and fair trade is one of the most powerful engines for growth, supporting millions of jobs and contributing to prosperity.' In contrast to the difficulty of dealing with the Trump Administration, the European Council 'encourages progress on all ongoing negotiations for ambitious and balanced free trade agreements, in particular with Mexico and Mercosur. It looks forward to the signature and conclusion of the agreements reached with Japan and Singapore.' Crucially, 'The EU will continue to pursue a robust trade policy, to promote its values and standards globally and to seek a level playing field'.

The persistence of EU-US tension, especially in view of the Administration's rejection of the Iran nuclear deal, intruded on the agenda of the leaders' informal summit in Sofia, on 16 May. In addition to discussing Iran, Tusk told leaders in his [invitation letter](#) that: 'President Juncker will debrief us on the state of play [concerning trade]. As we know, the US tariffs on steel and aluminium cannot be justified on the grounds of national security. This is why we agreed in March to call for the permanent exemption of the EU from these tariffs and strongly supported the steps taken by the European Commission to ensure that the interests of the EU are fully protected. This includes the possibility to respond to the US measures as appropriate and in a proportionate manner, in compliance with the WTO rules. While recalling the European commitment to strong transatlantic relations as a cornerstone of the security and prosperity of both the United States and the European Union, we also underlined our support for dialogue on trade issues of common concern.' Tusk advocated a forceful EU response, telling leaders that: 'Tomorrow night I will propose we stick to our guns. Our renewed and full support for the European Commission will strengthen its position in the negotiations with the US. This is the only way to protect European interests'.

Differences between President Macron and Chancellor Merkel over the forcefulness of the EU's response to the threatened US tariffs reportedly dominated the discussion among leaders. Whereas Macron reportedly pressed for a robust EU response, along the lines advocated by Tusk, Merkel, whose country would suffer most from the tariffs, and from a related US threat to raise duties on car

imports, was reportedly more cautious. A compromise emerged at the Sofia summit, in which the European Council [endorsed](#) a Commission proposal to accelerate preparations for negotiations with the US on bilateral trade liberalisation. Without referring specifically to differences among national leaders, Tusk [remarked](#) after the meeting that: 'on EU-US trade ... we have achieved a united approach that will strengthen the Commission in its ongoing negotiations with the United States. The EU is even ready to talk about trade liberalisation with our American friends but only if the US decides an unlimited exemption from steel and aluminium tariffs'.

None of this prevented the Administration from announcing, at the end of May, that the EU, along with Canada and Mexico, would no longer be exempt from the threatened tariffs. Accordingly, EU-US trade relations returned to the agenda of the European Council, this time at its June meeting. The summit [conclusions](#) reiterated the European Council's commitment to 'preserving and deepening the rules-based multilateral system,' and invited the Commission 'to propose a comprehensive approach to improve, together with like-minded partners, the functioning of the WTO in crucial areas.' Specifically on the US decision 'to impose tariffs on the EU for steel and aluminium products, which cannot be justified on the grounds of national security, the European Council fully supports the rebalancing measures, potential safeguard measures to protect our own markets, and the legal proceedings at the WTO, as decided on the initiative of the Commission. The EU must respond to all actions of a clear protectionist nature, including those calling into question the Common Agricultural Policy'. [Reporting to the EP](#) after the summit, Tusk declared: 'It goes without saying that the Commission has the full support of the European Council when it comes to the trade dispute with the US'.

At the EU-China summit in Beijing, on 16 July, Tusk [emphasized](#) once again the EU's interest in WTO reform. With looming trade 'conflict and chaos ... responsibility, predictability, spirit of cooperation and respect for our common rules and commitments are so important these days.' Accordingly, 'The EU is committed to working towards the modernisation of the WTO and calls on all partners to contribute positively to this goal. We propose a comprehensive approach to improving, together with like-minded partners, the functioning of the WTO in crucial areas. We need new rules in the field of industrial subsidies, intellectual property and forced technology transfers, reduction of trade costs, as well as a new approach to development and more effective dispute settlement. The aim of this reform should be to strengthen the WTO as an institution and to ensure a level playing field'.

China and the EU were equally concerned about the damage that the US was doing to the international trade system, and about the impact of US protectionism on their respective economies. Nevertheless, China and the EU had considerable differences when it came to bilateral economic relations. The EU was increasingly uneasy about the nature of Chinese investment in Europe. President Macron, in particular, voiced concerns about the potential political leverage that China was gaining in Europe as part of its investment strategy. Responding to such concerns, the European Council [called](#) in June 'for the legislative proposal on the screening of foreign direct investments to be adopted as soon as possible'.

In stark contrast to the deterioration of EU-US trade relations, on 17 July the EU and Japan signed the world's largest bilateral trade deal. As Tusk remarked after the signing ceremony with Prime Minister Shinzo Abe, 'We are putting in place the largest bilateral trade deal ever. This is an act of enormous strategic importance for the rules-based international order, at a time when some are questioning this order. We are sending a clear message that we stand together against protectionism (Tusk remarks after meeting). The EU-Japan agreement was concrete evidence of a commitment contained in the [June European Council conclusions](#), whereby 'As part of its positive trade agenda, the EU will continue to negotiate ambitious, balanced and mutually beneficial trade agreements with key partners across the world, promoting its values and standards'.

The alleviation of the threat of US tariffs, following a meeting between Commission President Juncker and US President Trump in Washington, on 25 July, took the issue off the agenda of the European Council for the rest of the year. Indeed, leaders did not discuss trade at their remaining meetings in 2018, although the [Conclusions of the December meeting](#) noted that: 'The European Council welcomed the positive vote in the European Parliament on the EU-Japan trade deal and looked forward to its imminent entry into force'.

The EU-Japan trade agreement was indeed good news, but it was not enough to dispel the gloom cast over the EU by the behaviour of the Trump Administration. President Tusk issued a sobering [assessment](#) of the prospects for global trade before participating in the G20 summit, in Buenos Aires, on 30 November-1 December: 'The rules-based multilateral trading system is facing a deep crisis. The collective failure to update the World Trade Organization rulebook and adapting it to the new global challenges, such as industrial subsidies, forced technology transfer and other market-distorting policies; the blockage of appointments to the Appellate Body and the escalation of unilateral measures and countermeasures, are putting the entire system at risk. The longstanding G20 commitments to keep markets open, to fight protectionism and support the multilateral trading system, risk becoming empty words.' Regardless, 'the Union will promote a positive trade agenda, including the reform of the three functions of the World Trade Organization (negotiating, monitoring and dispute settlement functions), which aims at matching our previous commitments with concrete actions that effectively tackle the root causes of the tensions'. This was as upbeat as the European Council President could be at the end of a wrenching year for EU trade policy.

#### 4.3.6. Social dimension

Social and economic policies go hand-in-hand, although economic policy receives far more attention at European (and national) level. Leaders spent very little time on social policy in 2018. President Tusk attended the Spring and Autumn Social Summits, held immediately before the March and October meetings of the European Council. The theme of the Spring Social Summit was: 'Delivering on the European Pillar of Social Rights.' The three sub-themes were: reinforcing innovation, job creation and social fairness in the Multiannual Financial Framework; new forms of work—challenges and opportunities for employment and social dialogue; and economic and social convergence to strengthen growth and resilience. Tusk described the event as 'a good and constructive summit,' at which he [discussed](#) 'with the social partners how to combine social justice and economic efficiency so that our quality of life, which is at the heart of EU policies, continues to improve'.

At the ensuing European Council, leaders [adopted](#) without demur 'conclusions on the implementation of the European pillar of social rights ... [which] will be monitored with due regard to the respective competences of the EU and Member States.' They also addressed the initiatives presented by the Commission under the Social Fairness package, including the proposal for the establishment of a European Labour Authority,' and 'tasked the Council to examine the Social Fairness package'.

The European Council did not address social policy during the rest of the year, although Tusk participated in the Autumn Social Summit for Growth and Employment, in October, which focused on boosting competitiveness, sustainable job creation and social fairness in the EU. Discussions dealt with the potential of the digital revolution for labour markets and the economy; the implementation of the European pillar of social rights; and relevant aspects of the next MFF. By the time of the Autumn Social Summit, Tusk was preoccupied with Brexit, as the UK and the EU struggled to reach an agreement. 'With less than six months to go until Brexit day, there is still far too much uncertainty,' Tusk [told](#) the summit participants, 'You are as impatient as I am for this uncertainty to end. I still believe we can get there in the coming weeks. If business is to thrive, and

if citizens are to feel reassured, maximum stability, legal certainty and pragmatic solutions are needed'.

## 5. External relations

### 5.1. Introduction

The EU faced a difficult external environment in 2018, what President Tusk [described](#) after the June European Council as ‘a deteriorating geopolitical context’. The main challenge came not from an aggressive Russia, an assertive China, or a bad-tempered Turkey—although all of these existed—but from a US Administration that clearly disliked the EU, doubted the utility of NATO, and was turning its back on the liberal international order—an order that the US had itself established in the post-World War Two period and in which both the US and EU had thrived. There was an almost palpable sense among EU leaders throughout 2018 of mounting disbelief and distress at the latest acts and assertions of the US Administration. Leaders realized that the future of the international system, and not just of the transatlantic relationship, was at stake.

The specific challenge that the US posed to EU trade policy is examined in Chapter 4.3.5.

To a certain extent, trade became a proxy for the course of broader transatlantic relations. US unilateralism, in turn, acted as a spur for the EU to defend and promote the existing international order. At almost every summit with a third country or regional grouping in 2018, Tusk stressed the EU’s commitment to support the rules-based international order and the multilateral trading system (see, for instance his [remarks at the EU-ASEAN summit](#), on 19 October). At the same time, what Tusk called—in an extraordinarily frank statement—‘the capricious assertiveness of the American administration’ served to focus leaders’ attention on the EU’s international identity and global role.

[According to Tusk:](#)

*Europe should be grateful to President Trump. Because thanks to him we have got rid of all illusions. He has made us realise that if you need a helping hand, you will find one at the end of your arm. ... I have no doubt that in the new global game, Europe will either be one of the major players, or a pawn. This is the only real alternative. In order to be the subject and not the object of global politics, Europe must be united economically, politically and also militarily like never before. To put it simply: either we are together, or we will not be at all. ... what we need is more political unity and determination. There is no single objective reason why Europe should have any complexes about anyone else. Being a European is a reason to be proud. We have a right and an obligation to hold our heads up high, both when with our enemies and when with our friends.*

Whereas the transatlantic relationship was possibly the most vexing external issue with which the European Council dealt in 2018, several other issues loomed large as well. Closer to home, the European Council devoted special attention to the Western Balkans, where the membership prospects of several countries seemed to have stalled indefinitely. Thanks largely to prodding from Bulgaria, which made relations with the region a priority of its Council presidency, EU leaders met with leaders of the six Western Balkan countries, in May, with a view to reanimating the EU’s enlargement policy, even if enlargement itself remained a long way off.

Turkey was a candidate for EU membership, but the state of EU-Turkey relations prevented any progress from being made in the accession negotiations. Relations between the EU and Turkey continued to deteriorate in 2018, notwithstanding Turkey’s cooperation with the EU on stopping illegal migration across the Eastern Mediterranean. An EU-Turkey leaders’ meeting in Varna, in March, failed to improve relations, which remained strained throughout the year.

Even more so than Turkey, Russia was a cause of great concern for the European Council in 2018. Russia’s alleged involvement in disinformation; in the chemical weapons attack in Salisbury, in March; and in the cyber-attack against the Organisation for the Prohibition of Chemical Weapons in The Hague, in April (but revealed only in October), came up for discussion at the European Council.

So did Russia's support for the Assad regime in Syria and for the separatists in Eastern Ukraine. It was little surprise that the European Council agreed, without demur, in June and December, to continue sanctions against Russia, for its illegal annexation of Crimea and interference in Eastern Ukraine, for another six months.

By contrast, relations with China were relatively harmonious. Although the EU shared some of America's concerns about Chinese trade and investment practices, the EU and China were equally alarmed by unilateral US measures, not least because of the risks such measures posed to the multilateral system, from which the EU and China benefited greatly. It was hardly coincidental that EU-China relations warmed considerably in 2018, a year in which EU-US relations reached their lowest point.

The juxtaposition of EU relations with the US, Russia, and China came into sharp relief in July, at the time of an EU-China summit in Beijing and a Russia-US summit in Helsinki. President Tusk used the opportunity to [reflect](#) on the fragility of the global order, something of great concern to the European Council:

*Today, on the same day as Europe meets China in Beijing, American President Trump and Russian President Putin will talk in Helsinki. We are all aware of the fact that the architecture of the world is changing before our very eyes. And it is our common responsibility to make it a change for the better. Let us remember, here in Beijing, and over there, in Helsinki, that the world we were building for decades, sometimes through disputes, has brought about peace for Europe, the development of China, and the end of the Cold War between the East and the West. It is a common duty of Europe and China, America and Russia, not to destroy this order, but to improve it. Not to start trade wars, which turned into hot conflicts so often in our history, but to bravely and responsibly reform the rules-based international order. ... There is still time to prevent conflict and chaos. Today we are facing a dilemma: whether to play a tough game such as tariff wars and conflicts in places like Ukraine and Syria, or to look for common solutions based on fair rules. This is why responsibility, predictability, spirit of cooperation and respect for our common rules and commitments are so important these days.*

## 5.2. Western Balkans

The future of the Western Balkans was one of the priorities of the Bulgarian Presidency in the first half of 2018, a priority that President Tusk fully [supported](#). The six countries of the Western Balkans (Albania, Bosnia and Herzegovina, Serbia, Montenegro, the former Yugoslav Republic of Macedonia, and Kosovo) aspired to become members of the EU. The EU [acknowledged](#) their wish to join, referring to all six as 'enlargement countries'

Nevertheless their membership prospects seemed remote, partly because of 'enlargement fatigue' in the EU, and partly because of difficulties that were both common to the region and specific to each country, ranging from weak governance, to economic underdevelopment, to high crime and corruption. Additional complications included a dispute between Greece and its neighbour to the north over the use of 'Macedonia' in that country's name (Macedonia was also the name of a region in Greece, and the dispute had deep cultural and historical connotations for many Greeks). Moreover, five Member States did not recognise Kosovo, largely because of concerns about its secession from Serbia. Kosovo's status was especially sensitive for Spain, which was still coping in 2018 with a resurgent independence movement in Catalonia. So sensitive is the Kosovo's name that, in official EU documents, it appears with an [asterisk](#), which refers readers to the disclaimer that: 'This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence'.

The purpose of EU enlargement policy is to promote economic development and strengthen security and stability in the Western Balkans, as preconditions for those countries eventually to become Member States. Enlargement policy allows the EU to leverage the prospect of membership in order to push badly needed reforms in the region. But conditionality can only work if there is a credible possibility of membership. The remoteness of that possibility had reduced the EU's influence in the Western Balkans, where ethnic tension and national rivalries were again on the rise by 2018. A main goal of the [Bulgarian Presidency](#) was to focus EU attention on the region, and breathe new life into enlargement policy.

EU leaders had last [reaffirmed](#) their 'unequivocal support for the European perspective for the Western Balkans' in March 2017. By that time, this choice of words had become a ritualistic way for the European Council to express its continuing interest in the region and openness to eventual enlargement, whenever a candidate country met the accession criteria. The Bulgarian Presidency sought to go beyond the usual rhetoric by holding a summit between leaders of the EU and of the countries of the Western Balkans. Such a high-level gathering would serve to reassure regional leaders of the EU's continuing interest in their countries' membership prospects. This might restore momentum to the flagging enlargement process, and result at least in concrete measures to assist the region economically. It would also remind EU governments and citizens of the strategic importance of the Western Balkans, whose security was an integral part of the security of Europe as a whole. The [EU-Western Balkans summit](#) took place in Sofia, on 17 May. It was the first meeting of the EU with its Western Balkan partners in 15 years.

Tusk [referred](#) to the planned Western Balkans summit after meeting Chancellor Kurz, in Vienna, in February: 'We also discussed the EU-Western Balkans Summit in Sofia in May, where we will aim to strengthen connections both with and within the region. This spans from more investments in transport infrastructure, through multiplication of educational and cultural exchanges to making communication among our citizens easier and faster. The summit will also aim to boost cooperation in areas of mutual interest, including security and migration. As Europe's gatekeepers for centuries, their involvement in stemming the unprecedented flow of migrants to Europe in 2015 was critical'.

The matter came up at the March European Council, where leaders discussed the EU-Western Balkans summit, 'which is expected to focus on reaffirming the European perspective of the region, launching concrete and visible initiatives to improve the physical and human connectivity within the region and with the EU, and addressing how to better engage together on shared challenges such as security and migration.' Leaders also [confirmed](#) that the Council would address enlargement in June. Tusk elaborated on this when he [reported to the EP](#) on the March European Council: 'Before concluding let me say a few words about the Western Balkans, where I will travel next week to prepare EU-Western Balkans Summit ... The message to our friends is clear: the European Union is and will continue to be the most reliable partner for the entire region. As the biggest investor, the biggest donor, the biggest trading market and the best promise for a better future for citizens. Our summit should reaffirm the European perspective of the region. And more importantly, it should improve, in concrete terms, connections with and within the region'.

In preparation for the summit, President Tusk undertook a four-day tour of the Western Balkans, from April 24-27. During that time, he met the leaders of each of the six countries, and participated in the annual Brdo-Brijuni summit, an initiative launched by Croatia and Slovenia in 2013 to promote EU enlargement in the Western Balkans, which most regional leaders attend. Like any high-level visitor to the region, Tusk was walking a diplomatic tightrope. In many cases, relations among the countries of the region were fraught, and each country had particular issues with the EU. Tusk tailored his remarks after his meetings with national leaders, but developed a number of common themes. One was his personal experience of growing up in a communist country, and his eagerness after the collapse of communism to bring Poland into the EU. Another was the economic and

political benefit of EU membership for countries emerging from a communist past, eager to find stability and security.

It was clear from Tusk's remarks that he was more comfortable with some leaders than with others. For instance, his [remarks](#) after meeting President Hashim Thaçi in Kosovo, and the members of the [presidency of Bosnia and Herzegovina](#), seemed impersonal (he did not mention the Polish connection). By contrast, Tusk was effusive after his [meeting with Prime Minister of Albania](#) Edi Rama: 'I am really grateful for your compliments and warm words. It is true, I am your friend, we are in the best possible personal relations and really good friends. Because of my personal experience and political views and beliefs I am also a devoted friend of your nation and of your country'.

Speaking generally about his visit, after participating in the Brdo-Brijuni summit at the end of the week, Tusk [remarked](#) that: 'I came to the Western Balkans with a clear message from the leaders of all European Union Member States: we remain steadfast in our offer of a European perspective to the region. You can count on us. ... During my roundtrip in the region, capital by capital, I have again become a cautious optimist ... But of course the EU is not only about trade, investment and money. It is first and foremost about what kind of societies we want to be. Having lived the first part of my life under a communist regime, I have no doubt whatsoever about the best direction for citizens. But this is a choice, a decision, and work that only you in the region can undertake. Of course with the full support of your friends in the European Union ... positive developments are also possible in the Western Balkans. We have seen that recently with the border demarcation agreement between Pristina and Podgorica, as well as the Treaty on Friendship between Skopje and Sofia. We need more such positive developments'.

Buoyed by his visit to the region, Tusk wrote in his [invitation letter](#) to the Western Balkans summit that he was convinced 'that the EU is the only partner that cares genuinely about the stability of the entire region and a prosperous future for its peoples – as opposed to treating it as a geopolitical game of chess, in which the people are pawns' (he may have been referring to Russia, and possibly the US, as the geopolitical chess players). Tusk went on: 'The European perspective for the Western Balkans should remain a firm commitment on both sides. But apart from the political declarations about the future, we must demonstrate that we care about the economic development of the Western Balkans here and now. Investing in infrastructural and human connections with and within the Western Balkans region is in the EU's best interest. And the objective of our summit is to prove it'.

As is often the case with the EU, the summit ended with a grand declaration and a set of objectives. In this case, the leaders of the EU and of the Western Balkans countries agreed on the '[Sofia declaration](#)' and the 'Sofia priority agenda,' which outlined many old and some new measures for closer cooperation between the EU and the Western Balkans, and among countries in the region. As expected, EU leaders [reaffirmed](#) their 'unequivocal support' for the European perspective of the Western Balkans, to which the Western Balkans partners recommitted themselves 'as their 'firm strategic choice.' In recognition of the complexities in the region, the EU 'also stressed the importance of good neighbourly relations, regional stability, and mutual cooperation. This includes in particular finding solutions to bilateral disputes and dedicating additional efforts to reconciliation'. The priority agenda included concrete initiatives to boost connectivity in the region and improve security cooperation in areas such as combatting illegal migration, terrorism, corruption, and organized crime.

The bonhomie in Sofia, as well as the grand declaration and priority agenda, could not disguise disagreements among EU leaders on how best to pursue enlargement policy in the Western Balkans. Mariano Rajoy, Spain's Prime Minister, did not even attend the summit because of the presence there of the leader of Kosovo. Clearly, there was no enthusiasm in the EU for enlargement in the

immediate future, not least because of public indifference or outright opposition to the idea, but some Member States, notably those that had joined most recently and were also closer—culturally, geographically, and historically—to the Western Balkans, were more open to it than were some of the older Member States. President Macron, in particular, expressed [strong opposition](#) to imminent EU enlargement, and wanted the EU to insist on strict conditions in the any accession negotiations.

Despite these misgivings, the European Council duly endorsed the conclusions on the enlargement, stabilization, and association process adopted by the General Affairs Council, after difficult negotiations, on 26 June 2018. These [included](#) 'setting set out the path towards opening accession talks with the former Yugoslav Republic of Macedonia and with Albania in June 2019'. For some Member States, the timeframe was too long; for others it was too short, or should not have been included at all. The European Council also [welcomed](#) some good news from the region, warmly welcoming 'the agreement reached between the former Yugoslav Republic of Macedonia and Greece on the name issue. This, together with the agreement between Bulgaria and the former Yugoslav Republic of Macedonia on the Treaty of Friendship, Good Neighbourliness, and Cooperation, sets a strong example for others in the region to strengthen good neighbourly relations'.

The attention that EU leaders devoted to the Western Balkans in 2018 was testimony to the influence of the Council presidency on the work of the European Council. In this case Bulgaria, otherwise a relatively uninfluential Member State, had managed to impress on its partners the importance of paying attention to the Western Balkans. In the second half of the year, by contrast, the Western Balkans receded in the rear-view mirror of the European Council. Austria, then in the Council presidency, was not uninterested in the region, especially with regard to stopping illegal migration into the EU, a priority of the Austrian Presidency. But Austria was not as keen on further enlargement, and in any case had other fish to fry during its Council presidency.

### 5.3. EU-Turkey relations

Maintaining good relations with Turkey, nominally a candidate for EU membership, has become increasingly difficult in recent years, in view of President Recep Tayyip Erdoğan's illiberalism and annoyance with the EU, which became especially marked after the failed coup against him in 2016. Nevertheless Turkey is an important partner for the EU, and played a pivotal role in ending the 2015 migration crisis by stemming the flow of migrants through the Eastern Mediterranean route. Relations with Turkey deteriorated further in 2018, however, due in no small measure to Turkish claims to natural resources within Cyprus' Exclusive Economic Zone. Indeed, the long-standing dispute between Cyprus and Turkey, following the 1974 war, was a persistent irritant in EU-Turkey relations.

The EU and Turkey were due to hold a [leaders' meeting](#) in Varna, Bulgaria, in March. The idea was to take 'stock of where things now stand in our relationship and set out some parameters for the future'. EU leader considered cancelling the meeting because of Turkey's infringement of Cyprus' territorial waters. Cypriot President Anastasiades and Greek Prime Minister Tsipras updated leaders at their [informal summit](#), in February, 'about the latest developments regarding Turkey's violations in the Eastern Mediterranean and in the Aegean'. Speaking after the summit, 'on behalf of all the EU leaders,' Tusk [expressed solidarity](#) with Cyprus and Greece, and urgently called on Turkey to terminate these activities: 'I reiterate our support for the sovereign right of the Republic of Cyprus to explore and exploit its natural resources, in accordance with EU and international law, including the UN Convention on the Law of the Sea. These actions contradict Turkey's commitment to good neighbourly relations and their normalisation with all Member States. We are ready to cooperate

with Turkey and will assess at our March European Council whether the conditions are there to hold the Leaders' Meeting with Turkey in Varna on 26 March'.

At their [March European Council](#), held before the planned Varna meeting, EU leaders again strongly condemned 'Turkey's continued illegal actions in the Eastern Mediterranean and the Aegean Sea and underlines its full solidarity with Cyprus and Greece ... the European Council urgently calls on Turkey to cease these actions and respect the sovereign rights of Cyprus to explore and exploit its natural resources in accordance with EU and International Law. In this context, it recalls Turkey's obligation to respect International Law and good neighbourly relations, and normalize relations with all EU Member States including the Republic of Cyprus.' In addition, the European Council 'expressed its grave concern over the continued detention of EU citizens in Turkey, including two Greek soldiers, and calls for the swift and positive resolution of these issues in a dialogue with Member States,' and promised that it 'will remain seized of these matters'. The European Council nonetheless agreed that the Varna meeting should go ahead.

Accordingly, Commission President Juncker, European Council President Tusk, and Bulgarian Prime Minister Borissov (President-in-Office of the Council) met President Erdoğan, on 26 March. It was not a particularly pleasant or productive encounter. The EU needed Turkey's assistance in order to pursue successfully the external dimension its migration policy, but Erdoğan's behaviour made dealing with the Turkey increasingly distasteful. In extensive [remarks](#) after the meeting, Tusk explained that: 'On migration and support for refugees, the EU and Turkey remain very close partners. I would like to express our appreciation for the impressive work Turkey has been doing, and to sincerely thank Turkey and the Turkish people for hosting more than 3 million Syrian refugees these past years. The EU has lent substantial support to improve the livelihood of these refugees, and this evening we reaffirmed the European Union's unwavering commitment to continue this support.' The EU and Turkey were also working well together in the field of counter-terrorism: 'We want to expand our cooperation with regard to Foreign Terrorist Fighters; another area where we share important security interests'.

However, Turkey was not 'developing and upholding the highest standards of democracy,' as expected of an EU candidate country. Although the EU understood 'Turkey's need to deal effectively with its security after the attempted coup and the terrorist attacks it has suffered ... we are concerned that some of the methods used, undermine fundamental freedoms and the rule of law in Turkey.' Tusk [reiterated](#) the EU's support for Cyprus 'regarding its right to explore and exploit its natural resources in its Exclusive Economic Zone. This is also important in view of our shared objective for the successful reunification of Cyprus for the benefit of both populations on the island, for Turkey, the European Union and for EU-Turkey relations.' Finally, Tusk expressed the EU's concern over Turkey's actions in Syria, reminding Turkey of its 'responsibility to ensure the protection of civilians and the delivery of humanitarian assistance to all those in need'.

Tusk [ended](#) 'by thanking President Erdoğan for coming to Varna. Our meeting today demonstrated that while our relationship is going through difficult times, in areas where we do cooperate, we cooperate well. We reconfirm our readiness to keep up the dialogue and consultations and to work together to overcome current difficulties with a view to unleashing the potential of our partnership. I remain fully committed to assisting in this process'.

Despite these conciliatory words, the meeting had not been a notable success. Turkey did not feature again in the European Council's deliberations in 2018. The European Council had more than enough on its plate. EU relations with Turkey remained under stress, but there was little that EU leaders could do about it during the remainder of the year.

## 5.4. EU-Russia relations and Ukraine

EU relations with Russia and with Ukraine are strikingly different but are inextricably intertwined. The EU enjoys a close relationship with Ukraine, but has a deeply strained relationship with Russia. One of the reasons for the abysmal state of EU-Russia relations is Russia's annexation of Crimea in 2014 and military support for secessionists in Eastern Ukraine since that time. The low-intensity war is a catastrophe for Ukraine, which has the political and economic support of the EU, despite concerns in Brussels about entrenched corruption in the country. In addition to its meddling in Ukraine, which has become a perennial subject of condemnation in the European Council, Russia's alleged chemical weapons attack on a former Russian agent in Salisbury in March; cyber-attack in The Hague, in April (but reported only in October); and seizure of Ukraine vessels in the Sea of Azov, in November, drew the attention of EU leaders. So did Russia's alleged ongoing disinformation campaign to influence the outcome of elections in the EU, and generally undermine trust in democracy (see Chapter 7).

As in any other bilateral relationship, national leaders have their own perspective on relations with Russia. As with any other country, Russia tries to influence national leaders individually, in order to shape the outcome of relevant European Council deliberations. Based on long experience, Chancellor Merkel takes a hard line with President Vladimir Putin, as does President Macron, a relatively recent arrival on the international stage. Some other national leaders are more favourably disposed towards Putin, perhaps because of close cultural or economic ties between their countries and Russia, or because of an historical affinity Russian nationalism. Greek Prime Minister Alexis Tsipras often expressed support for Putin, and the new Italian government, which came to office in June 2018, was also reportedly pro-Russian.

Despite these differences among national leaders, the European Council acted with remarkable unity throughout 2018 on the issue of EU-Russia relations. The egregious nature of Russia's behaviour, real and alleged, left little room for disagreement on the issue. Moreover, President Tusk consistently advocated a tough line against Russia. This was hardly surprising, given Tusk's nationality and long experience in Polish politics.

The subject of Russia first came onto the agenda of the European Council in February, when leaders briefly discussed, at their informal summit, the situation in Syria, and called for an immediate ceasefire. Speaking after the summit, Tusk [said](#): 'Finally—and I believe—most importantly, on Syria. The Assad regime is brutally attacking innocent men, women and children. Its backers, Russia and Iran, are allowing this to happen. We urge them to stop this violence. The EU calls for an immediate ceasefire, and for providing urgent humanitarian access to and protection of civilians'.

A meeting with the President of Georgia, on 8 March, gave Tusk an opportunity to [condemn](#), once again, Russian military intervention in the region: 'During our meeting I reassured the President that the EU remains fully committed to the conflict resolution efforts and support the sovereignty and territorial integrity of Georgia within its internationally recognised borders. We are concerned about attempts at a creeping annexation of the two breakaway regions of Abkhazia and South Ossetia'. Speaking after meeting the Prime Minister of Georgia on 19 July, which took place shortly before the tenth anniversary of the war between Georgia and Russia, in August 2008, Tusk [reiterated](#) the EU's 'unwavering support for the sovereignty and territorial integrity of Georgia within its internationally recognised borders'.

The chemical weapons attack against a former Russian intelligence agent, in Salisbury, on 4 March, brought relations between the EU and Russia to a new low. Tusk [responded](#), on 14 March, after a meeting with the Finnish Prime Minister: 'Irrespective of Brexit and the tough negotiations, I would like to express my full solidarity with Prime Minister Theresa May in the face of the brutal attack,

which was inspired, most likely, by Moscow. I am ready to put this issue on the agenda of next week's EU summit'. Tusk elaborated on this a week later, in [remarks after the Spring Social Summit](#): 'And, finally, on Russia and the Salisbury attack. I have no doubt that all EU leaders will express solidarity with the UK. But I will also suggest that we draw practical conclusions as to what this means for the EU. To me, it is clear that we should reinforce our preparedness for future attacks, including in cooperation with NATO. And we need to increase our resilience to hybrid threats, such as undermining trust in our democracies through fake news or election-meddling. This seems to be particularly relevant in view of the recent revelations about Cambridge Analytica. In this context, we will address the need to guarantee transparent practices as well as full protection of citizens' privacy, and personal data, by social networks and digital platforms'.

The audacity and recklessness of the Salisbury attack shocked EU leaders, who lost little time condemning Russia for what happened. Moreover, the attack allowed leaders to show solidarity with the Prime Minister May at a time when Brexit was fraying relations between the UK and the other Member States. It also focused leaders' attention on the need to intensify cooperation on security—internal and external—and defence. Accordingly, the European Council [condemned](#) 'in the strongest possible terms the recent attack in Salisbury ... It agrees with the United Kingdom government's assessment that it is highly likely that the Russian Federation is responsible and that there is no plausible alternative explanation. We stand in unqualified solidarity with the United Kingdom in the face of this grave challenge to our shared security. ... Member States will coordinate on the consequences to be drawn in the light of the answers provided by the Russian authorities. The European Union will remain closely focused on this issue and its implications. Against this background, the European Union must strengthen its resilience to Chemical, Biological, Radiological and Nuclear-related risks, including through closer cooperation between the European Union and its Member States as well as NATO. The European Union and its Member States should also continue to bolster their capabilities to address hybrid threats, including in the areas of cyber, strategic communication and counter-intelligence. The European Council invites the European Commission and the High Representative to take this work forward and report on progress by the June European Council.' The European Council also requested High Representative Federica Mogherini to recall the Head of the EU Delegation in the Russian Federation for consultations in Brussels.

In his [report to the EP](#) on the March European Council, Tusk mentioned the European Council's condemnation of the Salisbury attack and solidarity with the UK. 'Speaking about Russia,' Tusk continued, 'I should mention last weekend's targeted airstrikes by France, the United Kingdom and the United States against Syrian chemical weapons facilities. The use of chemical weapons, anywhere in the world, must not become normalised. Nor can it be without consequences. The airstrikes were necessary and proportionate to deter further use of chemical weapons by the Syrian regime to kill its own people. It is urgent that all parties in Syria engage in the UN-led political process to end this tragedy. Above all, Russia and Iran should stop playing games and seriously engage in finding a responsible and peaceful solution'.

President Putin's re-election in March was not a surprise, nor, under the circumstances, was the muted response of most EU leaders. President Juncker nonetheless sent a letter of congratulation, as did Greek Prime Minister Alexis Tsipras. Tusk, who routinely wrote to congratulate world leaders on their election, refrained from writing to Putin.

Concerning Russia's interference in Ukraine, the European Council took time at its busy June meeting to hear an update from Chancellor Merkel and President Macron on the unsatisfactory state of the Normandy talks and implementation of the Minsk agreements (Russia, Ukraine, France, and Germany were the Normandy Four countries, tasked with trying to end the Ukraine war). At the same time, the European Council [reiterated](#) 'its full support for UNSC Resolution 2166 concerning the downing of flight MH-17' by Russian-supported Ukraine separatists in July 2014, and 'calls on the

Russian Federation to accept its responsibility and to fully cooperate with all efforts to establish truth, justice and accountability.’ EU leaders also discussed the pernicious effects of disinformation. Leaders invited ‘the High Representative and the Commission to present, in cooperation with the Member States ... an action plan by December 2018 with specific proposals for a coordinated EU response to the challenge of disinformation, including appropriate mandates and sufficient resources for the relevant EEAS Strategic Communications teams’. Although the summit conclusions concerning disinformation did not mention Russia by name, Tusk later [told the EP](#) that the European Council’s decision referred ‘specifically to Russia disinformation attempts’. Leaders also [decided](#) in June to prolong—once again—EU economic sanctions against Russia by another six months, a decision that required unanimity.

The EU-Ukraine summit on 9 July gave EU leaders another chance to express solidarity with Ukraine in the face of continuing Russian aggression. As usual, Tusk did not mince his [words](#): ‘The EU continues its unwavering support for Ukraine’s territorial integrity, sovereignty and independence. Our non-recognition of the illegal annexation of Crimea and Sevastopol remains firm and our visa ban list has been expanded following the conduct of Russian Presidential elections on the peninsula and the building of the Kerch bridge without Ukraine’s consent. We continue to demand the full implementation of the Minsk agreements, underlining Russia’s responsibility for the war in eastern Ukraine ... Today we also remembered the tragic downing of flight MH-17, just like European leaders did two weeks ago in Brussels. We pay tribute to the victims, call on Russia to accept its responsibility and look forward to the effective prosecution of those responsible for this tragedy’.

As discussed in Chapter 7, the announcement by Dutch authorities, on 4 October, that the country’s Defence Intelligence and Security Service had disrupted, the previous April, a cyber-operation targeting the Organisation for the Prohibition of Chemical Weapons, in The Hague, allegedly carried out by Russian agents, provided an additional impetus for the European Council’s discussion of internal security at the [October summit](#). There, EU leaders address the challenges of disinformation, cyber security ... in all of which Russia was seen as a malicious actor. In particular, leaders called for further strengthening of the EU’s deterrence, resilience and response to hybrid, cyber as well as chemical, biological, radiological and nuclear threats, and emphasised the need to protect the Union’s democratic systems. Earlier in October, Tusk, Juncker, and High Representative Mogherini issued a [joint statement](#) on Russian cyber-attacks.

Russia’s seizure of the Ukrainian vessels in November was yet another provocation to which Tusk [responded](#) forcefully: ‘The escalation in the Sea of Azov is a cause of grave concern to us and of course Russia’s use of force against Ukrainian ships is totally unacceptable. I would like to underline that Europe is united in its support for Ukraine’s sovereignty and territorial integrity. This is why I am sure that the EU will roll over the sanctions against Russia in December’. As Tusk predicted, the European Council decided, in December, to maintain sanctions against Russia. This was a fitting end in the European Council to a year of extreme frustration and irritation concerning the EU’s relations with Russia.

## 5.5. EU-US relations

President Donald Trump was a huge thorn in the side of transatlantic relations throughout 2018. In defence of the transatlantic relationship, hitherto a solid foundation of EU prosperity and security, President Tusk took Trump to task repeatedly throughout the year. Typical was Tusk’s [observation](#) and appeal, in the context of threatened US tariffs against EU exports, that ‘the free world has survived the most difficult decades only thanks to the fact that Europeans and Americans have been real friends. So let us cherish this friendship, not challenge it’. Sometimes Tusk did not mention the US or President Trump by name, although the point of his comment was clear. Such was the case

when Tusk [remarked](#), on the eve of the Austrian Presidency on 30 June: '... As the saying goes, a good neighbour is better than a distant friend. Especially today, when we do not have that many distant friends'.

Tusk used every opportunity to emphasize the importance of close EU-US cooperation in the face of common external threats. Speaking in Helsinki, in March, Tusk [remarked](#) that: 'Here ... at the heart of Europe's fight against hybrid threats, there is no need to explain the significance of close cooperation between Europeans and Americans. At a time when someone [presumably Russia] on the outside spreads fake news, meddles in our elections, and attacks people on our soil with the use of a nerve agent, the response must not be transatlantic bickering, but transatlantic unity. For real friends, this should be obvious'.

The announcement, in early May, of the US decision to withdraw from the Joint Comprehensive Plan of Action with Iran (the Iran nuclear deal) was a slap in the face for the EU, which had worked closely with the previous US Administration to negotiate the deal, and which the EU regarded as a diplomatic triumph. Especially because it came on top of possibly US trade measures against the EU, the US rejection of the Iran deal seriously undermined the transatlantic relationship. Tusk made little effort to hide his exasperation with the US President. 'Looking at the latest decisions of President Trump,' Tusk [remarked](#) on 16 May, 'someone could even think: with friends like that who needs enemies'.

The US announcement about the Iran deal came shortly before the informal Sofia summit. In his [letter of invitation](#) to the summit, Tusk said that he would 'ask the three leaders who are signatories to the agreement, that is Prime Minister May, Chancellor Merkel and President Macron, to present [at the summit] their assessment of the situation following the US withdrawal. I would like our debate to reconfirm without any doubt that as long as Iran respects the provisions of the deal, the EU will also respect it. This is the line already discussed by our foreign ministers and presented by the United Kingdom, Germany and France, who are working hard to sustain the deal ... we need a united European front. I want leaders to reconfirm that the EU sticks to the deal as long as Iran does. The deal is good for European and global security, which is why we must maintain it'. Speaking after the summit, which did not produce formal conclusions, Tusk [revealed](#) that: 'As to the Iran Nuclear Deal we agreed unanimously that the EU will stay in the agreement as long as Iran remains fully committed to it. Additionally the Commission was given a green light to be ready to act whenever European interests are affected'.

Transatlantic relations, and the broader global geopolitical framework, came up for discussion at the June European Council. 'Despite our tireless efforts to keep the unity of the West,' Tusk wrote in his [invitation letter](#), 'transatlantic relations are under immense pressure due to the policies of President Trump. Unfortunately, the divisions go beyond trade. I will share with you my political assessment of where things stand. It is my belief that, while hoping for the best, we must be ready to prepare our Union for worst-case scenarios'.

Tusk had participated earlier in June in the G7 summit in Charlevoix, Canada. There, he had issued a lengthy [statement](#) that was highly critical of the US:

*It is evident that the American president and the rest of the Group continue to disagree on trade, climate change and the Iran nuclear deal. What worries me most, however, is the fact that the rules-based international order is being challenged. Quite surprisingly, not by the usual suspects, but by its main architect and guarantor: the US. Naturally, we cannot force the US to change their minds. At the same time, we will not stop trying to convince our American friends and President Trump that undermining this order makes no sense at all. Because it would only play into the hands of those who seek a new, post-West order, where liberal democracy and fundamental freedoms would cease to exist. This is in the interest of neither the US, nor Europe. I want to be very clear today. Our common values and the rules-based order are worth fighting for, and we will always stand in their defence.*

*Because they are the foundation of our liberal democracies and they define our way of life. There is no way we are giving up on them. But of course we are open to reasonable arguments, whenever something doesn't function well. There is always room for debate.*

At the June European Council, three weeks later, Tusk debriefed leaders on the G7 summit, focusing on trade and EU-US relations. The European Council Conclusions addressed EU-US trade tensions and emphasized the importance of preserving and deepening the global, rules-based multilateral system (see Chapter 4.3.5.).

Although the subject of EU-US relations did not come on the agenda of the European Council during the rest of the year, it was never far from the minds of national leaders, especially President Tusk. Trump's criticism of NATO, and of the European allies' financial contributions to collective transatlantic defence, was another major irritant in EU-US relations, which Tusk tackled at length on the eve of the NATO summit in Brussels, on 10 July, with another hard-hitting [statement](#):

*I would like to address President Trump directly, who for a long time now has been criticising Europe almost daily for, in his view, insufficient contributions to the common defence capabilities, and for living off the US. Dear President Trump: America does not have, and will not have a better ally than Europe. Today Europeans spend on defence many times more than Russia, and as much as China. And I think you can have no doubt, Mr President, that this is an investment in common American and European defence and security. Which can't be said with confidence about Russian or Chinese spending ... Money is important, but genuine solidarity is even more important. Speaking about solidarity, I want to dispel the American President's argument, which says that the US alone protects Europe against our enemies, and that the US is almost alone in this struggle. Europe was first to respond on a large scale when the US was attacked, and called for solidarity after 9/11. European soldiers have been fighting shoulder-to-shoulder with American soldiers in Afghanistan. 870 brave European men and women sacrificed their lives, including 40 soldiers from my homeland Poland. Dear Mr President, please remember about this tomorrow, when we meet at the NATO summit, but above all when you meet president Putin in Helsinki. It is always worth knowing: who is your strategic friend? And who is your strategic problem?*

Tusk returned to the theme of strained transatlantic relations in a [speech](#) in his native Poland, on 10 November:

*I am saying this because our traditional closest partner, the United States, is behaving differently in the context of this great global challenge. I would like to say that, as far as I recall, today for the first time in history we have an American administration which, to put it delicately, is not very enthusiastically tuned in to a united, strong Europe. And I'm talking here about facts, not about propaganda statements. And I say this as someone who has – let's say – the satisfaction of having fairly frequent direct exchanges with the President of the United States. Maybe he's quite open with me because we are namesakes, and I have no doubt whatsoever that in those matters which - in my view - are the geopolitical foundation of Poland's independence, namely a strong European Union, close integration between Europe and the United States, even closer than today, and the transatlantic community, which is the essence of the global order, I have no doubt that with regard to all of this I have different views from my most influential namesake in the world.*

## 5.6. Relations with other countries and regions

The European Council does not discuss every aspect of EU external relations. Instead, it discusses countries, regions, and issues that warrant the leaders' attention, perhaps because of an unexpected event or noteworthy development. Relations with China, a global behemoth, are highly important for the EU and its Member States. But China does not necessarily emerge onto the agenda of the European Council. Such was the case in 2018, despite a growing improvement in EU-China relations.

President Tusk represented the European Council at the EU-China summit, in Beijing, on 16 July. In contrast to 2017, when the two sides had failed to agree on a post-summit communiqué, EU and Chinese leaders signed off at the 2018 summit on a joint statement, covering a number of areas mutual interest. Not that all of their differences had finally been overcome in the intervening year. On the contrary, the EU and China remained far apart on a host of trade and investment issues. In particular, the EU had concerns about market access in China, and about the political implications of Chinese investment in Europe. But the EU and China drew closer in 2018 in response to attacks by the US against the multilateral trading system. Even more so than the EU, China was reeling from the imposition of US tariffs, which threatened its export-driven economic model. Although the EU and the US still had more in common economically and politically with each other than each had with China, it was a measure of the topsy-turvy world of Donald Trump that the EU and China considered themselves allies in the struggle with the United States to save the global economic order. As noted in Chapter 4.3.5., Tusk spoke at length after the EU-China summit about the need for WTO reform, which he saw as a prerequisite for preserving the global order.

In what he [called](#) 'a very busy week here in Brussels', in the span of a few days in October Tusk participated not only in a meeting of the European Council, but also in the EU-ASEAN summit; the EU-Korea summit; and EU-ASEM summit. In July, he participated in the EU-Japan summit, at which the two sides signed a free trade agreement, the importance of which the European Council duly noted. As well as pursuing goals specific to the country or the region, the EU's aim in all of these meetings was to try to strengthen the rules-based, multilateral economic system, which was increasingly under threat from the US.

The European Council briefly turned its attention to the entire continent of Africa in October, when leaders [agreed](#) that EU-Africa cooperation 'should be taken to a new level, underpinned by the necessary resources, including through the European External Investment Plan and the EU Trust Fund for Africa.' The European Council 'welcomed the presentation of the Commissions initiative for a new Africa-Europe Alliance for Sustainable Investment and Jobs and called for actions to be taken forward, including through concrete proposals for Member States' involvement'. President Tusk participated in the [EU-South Africa Summit](#), on 15 November. At the [October European Council](#), largely in the context of migration policy, the European Council 'agreed to organize a summit with the League of Arab States on the 24-25 February next year'.

## 6. Security and defence

Global and regional developments in 2018 provided ample evidence of the need for closer EU cooperation on security and defence. Security and defence policy has been a major area of EU activity in recent years, often requiring decisions at the level of the European Council. Leaders kept their eyes on the ball in 2018, reviewing progress at their June and December summits. The EU-NATO summit in July provided another opportunity, in this case for President Tusk, to reiterate the importance of enhancing this dimension of European security. The more that U.S. President Trump criticized NATO and its European members' financial contributions to the common transatlantic defence effort, the more the EU cozied up to NATO and pursued a closer relationship with it.

Leaders briefly discussed security and defence at their eventful European Council in June. Whereas the discussion of migration policy was lengthy and fractious, the discussion of security and defence was brief and convivial. As Tusk [explained](#) afterwards, 'We started with a discussion among the leaders and NATO Secretary General, Jens Stoltenberg, with the aim of deepening the cooperation between the EU and NATO. The leaders agreed that the EU must take greater responsibility for its own security, first and foremost because it is in our own interest as Europeans. In order to bolster our common defence, the EU will enhance investment, capability development and operational readiness'.

The [summit conclusions](#) consisted of a long list of steps being taken to enhance EU security and defence. In keeping with its role not only as a decision maker, but also—perhaps more so—as a booster or promoter of EU-level initiatives, the European Council mostly used the verbs 'calls for,' 'invites,' and 'stresses' before each point in the conclusions. Thus, the European Council:

- *calls* for the fulfilment of the PESCO commitments and the further development of the initial projects and the institutional framework ... [and] invites the Council to decide on the conditions for third State participation in PESCO projects
- *welcomes* progress on military mobility in the framework of PESCO and EU-NATO cooperation ...
- *calls* for the swift implementation of the European Defence Industrial Development Programme and for further progress on the European Defence Fund ...
- *welcomes* the work undertaken to strengthen civilian CSDP and calls for an agreement on a civilian CSDP Compact by the end of this year...
- *welcomes* the Joint Communication on Europe's resilience to hybrid and Chemical, Biological, Radiological and Nuclear-related threats and calls for the adoption as soon as possible of a new EU regime of restrictive measures to address the use and proliferation of chemical weapons. ...
- *stresses* the need to strengthen capabilities against cybersecurity threats from outside the EU ...
- *calls* for further coordination between Member States and, as appropriate, at EU level and in consultation with NATO, to reduce the threat from hostile intelligence activities;
- *calls* for further deepening of EU-NATO cooperation ...
- *welcomes* the intention of the Commission to present a legislative proposal to improve the detection and removal of content that incites hatred and to commit terrorist acts.

Only in [one case](#) did the European Council use a stronger verb in order to request something new. Even so, it was relatively soft: the European Council '*invites* the High Representative and the Commission to present, in cooperation with the Member States ... an action plan by December 2018 with specific proposals for a coordinated EU response to the challenge of disinformation, including

appropriate mandates and sufficient resources for the relevant EEAS Strategic Communications teams'

Speaking after the EU-NATO summit on 10 July, at which leaders signed a [joint EU-NATO declaration](#), Tusk [enthused](#) that the declaration 'brings the cooperation between the European Union and NATO to the next level. The aim is clear. We want to protect European citizens with all possible means available, and there is no better partner than NATO. That is why we have agreed today to strengthen EU-NATO ties in crucially important areas. They include improving the military mobility of troops and equipment, common preparedness for cyber and hybrid attacks, fighting terrorism and stopping migrant smugglers in the Mediterranean. The fullest possible involvement in our activities of EU Member States that are not NATO members will be encouraged and facilitated in an all-inclusive, non-discriminatory manner, without any artificial obstacles'.

Security and defence next appeared on the European Council's agenda in December. The extremely busy summit left little time for leaders to discuss the subject in any meaningful way. Nor did they need to. As the [conclusions](#) indicated, leaders merely noted progress so far and signalled their desire to keep up the momentum: 'The European Council welcomes the significant progress made in the area of security and defence, including in implementing Permanent Structured Cooperation, in improving military mobility, in implementing the European Defence Industrial Development Programme and in the negotiations on the proposed European Defence Fund. It endorses the Civilian CSDP Compact. These initiatives contribute to enhancing the EU's strategic autonomy and its capacity to act as a security provider, while complementing and reinforcing the activities of NATO and strengthening EU-NATO cooperation, in full respect of the principles of inclusiveness, reciprocity and decision-making autonomy of the EU'

## 7. Internal security

Internal security is never far from the minds of EU leaders, not least because of the pervasive terrorist threat and the fallout from the migration crisis. The [Leaders' Agenda Note](#) on internal security, prepared by the President's office for the informal Salzburg summit, observed that the EU was experiencing 'a changing security environment where some threats are hybrid in nature, and where the line between internal and external security is sometimes blurred'. As if to emphasize this point, alleged Russian disinformation, electoral interference, and responsibility for the chemical weapons attack in Salisbury, in March, against a former Russian intelligence officer, had already attracted the attention of the European Council. Rising anti-Semitism, intolerance, racism, and xenophobia throughout the year posed another insidious threat to democracy, and therefore to the internal security of the EU. Leaders addressed all of these issues in 2018.

Having [condemned](#) the Salisbury attack, for which 'it is highly likely that the Russian Federation is responsible,' the European Council urged that 'The EU and its Member States ... continue to bolster their capabilities to address hybrid threats, including in the areas of cyber, strategic communication and counter-intelligence,' and invited the Commission and the High Representative 'to take this work forward and report on progress by the June European Council'. Focusing specifically on disinformation at its June meeting, the European Council [invited](#) 'the High Representative and the Commission to present, in cooperation with the Member States ... an action plan by December 2018 with specific proposals for a coordinated EU response to the challenge of disinformation, including appropriate mandates and sufficient resources for the relevant EEAS Strategic Communications teams'. In his [report to the EP](#) on the June summit, Tusk elaborated on 'the issue of foreign threats to our democracies' and the need for 'concrete proposals for a coordinated EU response to this challenge, specifically to Russia disinformation attempts,' something that 'is particularly important in light of the signals about Russia's role in Brexit'.

The Austrian government, a coalition of the centre-right Christian Democratic Party (ÖVP) and the far-right Freedom Party (FPÖ), had already decided to put internal security at the forefront of its Council presidency, which started in July. This reflected the increasing political salience of migration and security concerns in Austria, which had helped propel the FPÖ into office in December 2017. Austria's motto for its Council presidency was 'a Europe that protects.' Although seemingly innocuous, some hardliners, in Austria and elsewhere, saw in this slogan a veiled anti-immigrant refrain.

Tusk seemed partial to Kurz and sympathetic to the Chancellor's efforts to manage rising anti-immigrant sentiment in Austria, as well as difficult intra-coalition relations with the FPÖ, whose secretary-general was the country's Interior Minister. After meeting Kurz in February, Tusk looked ahead to the Austrian presidential semester later in the year, [noting](#) that the agenda would be crowded—'with internal security, migration, the long-term EU budget, Brexit, to name but a few'—but that 'with such an energetic, determined and pro-European leader like you, Sebastian, the Austrian Presidency is in safe hands'.

On the eve of the Austrian Presidency, Tusk was equally effusive after meeting Kurz, but sounded a [note of caution](#) concerning Austria's emphasis on security: 'You could not have chosen a better motto [than] "A Europe that protects," in my opinion. The need for security, as old as humanity, manifested itself with all its force during the migration crisis. [However] ... as a faithful reader of the works of your great compatriots such as Karl Popper and Friedrich August von Hayek. I would like to warn all those who look for order and security in the public life, not to do it at the cost of freedom. In the history of Europe and Austria, of Poland and Bulgaria, the road to security has all too often become the road to serfdom'.

The Leaders' Agenda, launched in October 2017, identified internal security as one of the main topics of the informal summit to be hosted by the Austrian Presidency, in Salzburg, on 19-20 September. The [Leaders' Agenda Note on internal security](#) was unusually long and detailed. It reminded the summit participants that: 'the Union's objective in this area is to do everything necessary to support Member States in ensuring internal security and fighting terrorism. The European Union must help protect the public, safeguard the Schengen area and respond intelligently to a changing security environment where some threats are hybrid in nature, and where the line between internal and external security is sometimes blurred.' The note broke down the subject matter under four headings: upgrading police and judicial cooperation; strengthening border security; resilience in cyberspace; and crisis response capacity (this was added following recent extreme weather events across Europe, and in recognition of the value of a coordinated response to man-made and natural disasters).

Leaders discussed internal security early on the second day of the summit, having devoted the previous evening mostly to a discussion over dinner of migration policy. In his [remarks](#) before the summit, Tusk mentioned only Brexit and migration, which reflected the political prominence of these issues, at that time, compared to internal security. In his remarks after the summit, Tusk nevertheless explained that: 'On internal security we agreed priorities for immediate actions. That's why there is a shared determination to take forward the Commission's proposal for a strengthened European Border and Coast Guard as a priority. At the same time ... it is also clear that there are issues regarding sovereignty and the size of Frontex that will have to be further discussed. In addition, we agreed to step up the fight against all forms of cybercrime, manipulations and disinformation'.

In keeping with the Leaders Agenda, the discussion in Salzburg on internal security presaged Conclusions on the subject at a subsequent European Council, in this case in October. In the meantime, the announcement in early October by Dutch authorities of a cyber-attack the previous April against the Organisation for the Prohibition of Chemical Weapons (OPCW) in The Hague, allegedly by Russian agents, provided additional impetus for the European Council's brief discussion of internal security at the October summit. As Tusk [remarked](#) at the Social Summit just before the start of the European Council, the OPCW cyber-attack, together with the Salisbury poisoning earlier in the year, 'shows what new threats we are facing. Therefore, I will propose actions to the leaders that will strengthen our resilience and resolve. It is time the EU got ready for all possible cyber security risks'.

The European Council duly adopted [conclusions](#) on internal security, based on the Leaders' Agenda debate in Salzburg, calling for swift implementation of previous decisions, as well as measures to combat cyber and cyber-enabled illegal and malicious activities; build strong cybersecurity; prevent and respond effectively to radicalisation and terrorism; provide resources to face new challenges posed by technological developments; strengthen crisis management capacity. With the OPCW attack in mind, leaders also called for further strengthening of the EU's deterrence, resilience and response to hybrid, cyber as well as chemical, biological, radiological and nuclear (CBRN) threats. Finally, the European Council emphasised the need to protect the Union's democratic systems and provide rapid follow-up to a number of measures proposed by the Commission to combat disinformation, ahead of the 2019 European elections, and looked forward to the Commission's Action Plan for a coordinated EU response, to be presented by December 2018, as set out in its June conclusions.

In his closing [remarks](#), Tusk highlighted the implications of the OPCW attack, as a result of which 'the European Council calls for measures to combat illegal cyber activities. In this context, we ask ministers to work on a sanctions regime that will be specific to cyber-attacks. Such a regime should help to protect our citizens, companies and institutions from all kinds of cyber security threats' (Tusk

remarks after October EUCO). In his report to the EP on the summit, understandably Tusk stressed the danger of disinformation, which 'is especially important in light of the European elections next year, and the active threat posed by malicious, outside interference in our democracies'.

The European Council returned to the subject of disinformation at the [December summit](#), noting that: 'the spread of deliberate, large-scale, and systematic disinformation, including as part of hybrid warfare, is an acute and strategic challenge for our democratic systems. It requires an urgent response that needs to be sustained over time, in full respect of fundamental rights.' Accordingly, the European Council 'stresses the need for a determined response that addresses the internal and external dimensions and that is comprehensive, coordinated and well-resourced on the basis of an assessment of threats; calls for the prompt and coordinated implementation of the Joint Action Plan on disinformation presented by the Commission and the High Representative so as to bolster EU capabilities, strengthen coordinated and joint responses between the Union and Member States, mobilise the private sector and increase societal resilience to disinformation; [and] calls for swift and decisive action at both European and national level on securing free and fair European and national elections' Additionally, the European Council addressed the 'fight against racism and xenophobia,' condemning 'all forms of antisemitism, racism and xenophobia,' underlining 'the importance of combating intolerance,' and welcoming 'the adoption on 6 December 2018 of the Council Declaration on the fight against anti-Semitism'.

Having grown up in the former Soviet bloc and having been a Prime Minister of Poland, Tusk was especially staunch in defence of democracy and alert to Russian efforts to undermine it. [Speaking after the December summit](#), Tusk went out of his way 'to highlight the concern among leaders that this threat to our democracies [disinformation] is deliberate, large-scale, and systemic. And it is not going away, but rather growing. We are determined to counter this threat. The actions proposed by the Commission and the External Action Service should be implemented immediately by the appropriate authorities, well ahead of the European elections.' He finished by thanking Chancellor Kurz 'for a very energetic and delivery-focused Austrian Presidency. Your achievements speak for themselves, like the continued reduction of illegal migration to Europe ... [and] the progress on internal security ...'.

## 8. Climate

The EU is a global leader on environmental policy and the fight against climate change. Climate came up at the European Council in 2018, in March, October, and December, but only briefly. This did not mean that leaders were uninterested in the subject. Rather, it reflected their preoccupation with other issues, and the state in 2018 of international efforts to deal with climate change.

At the March European Council, leaders [invited the Commission](#) to present by the first quarter of 2019 a draft strategy for long-term EU greenhouse gas emissions reduction in accordance with the Paris Agreement, taking into account national plans.

At their [October meeting](#), leaders held a short debate on external relations, including on the fight against climate change ahead of COP 24 in Katowice. The European Council [endorsed](#) the Council conclusions on preparations for the December 2018 UN climate conference in Katowice, and gave Poland its full support in organising COP24. The European Council also recognised the negative impacts of climate change in light of the latest report by the Intergovernmental Panel on Climate Change (IPCC).

President Tusk spoke at some length about climate policy in [remarks](#) on 30 November, before participating in the G20 summit:

*The report by the Intergovernmental Panel on Climate Change of October 2018 provides new evidence of the negative impacts of climate change and highlights the urgency of strengthening the global response. The European Union leads by example, by stepping up its efforts to reduce emissions and to redirect resources towards our climate goals. We are also in the process of developing the EU's long-term climate strategy with a comprehensive vision of how to reduce emissions in line with the Paris Agreement, while making our economy more modern, competitive, resilient and fair. We will send a strong support to the United Nations Climate Change Conference in Katowice (COP24) which will take place immediately after the Summit. COP24 is due to conclude negotiations on the operating rules of the Paris Agreement and to hold a political dialogue on the adequacy of emission reduction efforts. In this context, we want to reaffirm the Union's commitment to the full and effective implementation of the Paris Agreement.*

Finally, the December European Council included in its [conclusions](#) a paragraph on climate policy:

*Further to the presentation of the Commission Communication 'A Clean Planet for all' and taking into account the outcome of COP24 in Katowice, the European Council invites the Council to work on the elements outlined in the Communication. The European Council will provide guidance on the overall direction and political priorities in the first semester of 2019, to enable the European Union to submit a long term strategy by 2020 in line with the Paris Agreement.*

## 9. Institutional issues

The European Council has a number of responsibilities concerning institutional affairs. The best known of these is to nominate the President of the Commission, who is then elected by the European Parliament. In 2014, the main European political parties selected prominent politicians to contest the EP elections as their ‘Spitzenkandidaten’ (lead-candidates) for the position of Commission President. The idea, instigated by the EP on the basis of the recently implemented Lisbon Treaty, was that the European Council would nominate the Spitzenkandidat whose party had won the most seats in the EP elections, and could win the support of a majority of the newly elected MEPs. Based on the new process, the European Council nominated, and the EP elected, Jean-Claude Juncker as Commission President.

The ‘Spitzenkandidaten’ process was controversial in 2014. A number of national leaders had misgivings about it, on the grounds that the EP was infringing on the European Council’s right to decide whom to nominate as Commission President, albeit taking into account the outcome of the EP elections. Indeed, two national leaders had voted against Juncker, although their opposition to him was due not solely, if at all, to opposition to the Spitzenkandidaten process. Regardless, there was considerable resentment on the part of national leaders of the EP’s insistence that the candidate for Commission President put forward by the European Council be selected exclusively from among the Spitzenkandidaten.

By 2018, there was much speculation about the future of the Spitzenkandidaten process. Would it be used again in 2019, during and after the next EP elections? This was the main issue on the agenda of the February informal summit on institutional issues—what Tusk [described after the summit](#) as ‘very much a Brussels bubble topic’, held under the auspices of the Leaders’ Agenda. Another issue, relatively uncontroversial, concerned the composition of the EP following Brexit, which would result in the departure of the UK’s 73 MEPs. Should the EP simply shrink by that number of seats, or should some or all of those seats be reallocated among the other Member States, or possibly be used for a new, transnational list?

To help guide the discussion, The President prepared a [Leaders’ Agenda Note](#) on ‘the next institutional cycle.’ Under the heading ‘high-level appointments,’ the note recounted the history of the Spitzenkandidaten process. It reminded leaders that the process was linked to the issue of balance involving a number of high-level nominations: not just political balance, but also ‘the need to respect the geographical and demographic diversity of the Union and its Member States when appointing the President of the European Council, the President of the Commission and the High Representative,’ a requirement of the Lisbon Treaty, as well as ‘a more general Treaty provision on the need to ensure gender balance.’ As the Leaders’ Note pointed out, ‘If the President of the Commission were to be selected in accordance with the logic of the “Spitzenkandidaten” process, and if such balances are to be taken into account, the choice of the European Council regarding other nominations will be more limited.’ The note asked leaders for their view on this issue, in order to help the European Council to decide the basis on which to propose a candidate for Commission President. ‘Should the European Council automatically accept the outcome of a “Spitzenkandidaten” process or should the European Council autonomously decide how to take account of the elections, having held appropriate consultations?’.

As for the future composition of Parliament, the EP had already proposed a reduction in the number seats, in line with the principle ‘fewer Member States, fewer MEPs,’ but not a reduction corresponding to all of the UK’s seats. Instead, the EP proposed that 27 of those seats be redistributed among 14 Member States in order to reflect demographic changes and respect the principle of degressive proportionality. Accordingly, the number of seats in the EP would fall from

751 to 705. Based on the EP's proposal, the European Council would have to decide unanimously, by June at the latest, so that Member States would be able to take the necessary national measures for holding the 2019 EP elections.

The note asked leaders to reflect as well on the desirability of forming a transnational list (a single EU-wide constituency) for a certain number of seats. Doing so would also require unanimity among the Member States, but only the EP's consent, as well as ratification by all the national parliaments. Because of the time that this would take, it was not a feasible option for the forthcoming institutional cycle. Nor had the idea been taken up in the EP's proposal on the institution's future composition. Given the political interest in the idea of a transnational list, especially among advocates of deeper political integration, and its link to other institutional issues, Tusk nonetheless thought that it was worth reflecting on the issue, with a view to the 2024 elections. The [Leaders' Note](#) therefore asked: 'Will you be ready to support the proposal of the European Parliament on its future composition after Brexit? Will you be ready to continue the reflection on the idea of a European constituency and transnational lists in view of the 2024 European Parliament elections?'

In his [letter of invitation](#) to the summit, Tusk referred to a number of other institutional issues that need not necessarily be addressed at the summit, including the number of European Commissioners, the possibility of a merger of the Presidents of the Commission and the European Council, red cards for national parliaments and qualified majority voting. Of these, the idea of a double-hatted President stood out. President Juncker had first made the suggestion in his 2017 State of the Union speech. The Commission elaborated on the idea in a [press release](#) immediately before the February summit, pointing out that: 'a single person holding the two offices of President of the European Council and President of the European Commission could improve the EU's institutional efficiency. Such a change was possible under the current Treaties; it would not require merging the two institutions; the Commission President is already a Member of the European Council; and neither of the two Presidents vote in the European Council'.

As expected, leaders broadly supported the EP's proposal on the composition of the post-Brexit Parliament. They spent little time discussion transnational lists, agreeing only to come back to the issue in the future, with a view to the 2024 elections. Also as expected, they expressed serious misgivings about the Spitzenkandidaten process. A key difference in the European Council between 2014, when the process was first used, and 2018, when its future was being discussed, was that President Emmanuel Macron, who had just become President of France in 2017, did not belong to any of the European political parties. Having smashed the centre-right party in France with his insurgent *La République en Marche!*, Macron was not about to endorse a process that, in all likelihood, would have privileged the candidate of the centre-right European People's Party—given that the EPP was likely to emerge with the largest number of seats in the 2019 election. In Macron's view, the Spitzenkandidaten process risked giving the EPP a lock on the Commission presidency. Moreover, like many other leaders, Macron did not like the idea of having his hands tied when it came to nominating someone for one of the most important positions in the EU.

[Speaking after the summit](#), Tusk announced that there was agreement among leaders that European Council could not guarantee in advance that it would propose one of the lead candidates for President of the Commission: 'There is no automaticity in this process. The Treaty is very clear that it is the autonomous competence of the European Council to nominate the candidate, while taking into account the European elections, and having held appropriate consultations' (Tusk after February summit). Here, the European Council was asserting its position institutionally, in the EU system. According to Tusk: 'The Treaty is very clear that it is the autonomous competence of the European Council to nominate the candidate, while taking into account the European elections, and having held appropriate consultations'.

Finally, Tusk referred almost in passing to the idea of a double-hatted Commission-European Council President: 'Jean-Claude also presented the idea of a merger of our two posts, but there was no appetite to take this forward. Above all, because it would substantially reduce the role of Member States in the EU.' What seemed to Juncker like a good idea had generated little interest among national leaders, who were not about to give up their right to elect their own President and, instead, give the EP a say in the matter. Nor was it a practical proposal, given the demands of both positions. Juncker seems to have made the suggestion in order to shake up the discussion of institutional affairs, and assert the primacy of the Commission presidency over the European Council presidency.

The European Council's decision not to endorse the Spitzenkandidaten process loomed large throughout 2018, especially later in the year as attention turned to the 2019 EP elections and the subsequent selection of a new Commission President. Nevertheless, the European Council did not return to the issue in 2018, and addressed institutional affairs only briefly in subsequent summits. Thus, at its March meeting, the European Council [appointed](#) Luis de Guindos as Vice-President of the European Central Bank for a non-renewable 8-year term. Also, at its June meeting, the European Council adopted the decision on the [composition of the EP](#), which it had discussed in February. This enabled Member States to enact the necessary domestic measures for organising the elections to the EP for the 2019-2024 parliamentary term.

Finally, at the December European Council, leaders assessed the outcome of Citizens' Dialogues and Citizens' Consultations that had been held throughout the year in Member States. President Macron had championed the idea of citizens' consultations when he campaigned for office in 2017. Indeed, in his [letter of invitation](#) to the February summit on institutional issues, President Tusk had said that: 'Apart from the two main discussions [on the Spitzenkandidaten process and the MFF] ... President Macron [will update us about] the citizens' consultations'. By the end of the year, badly bruised by the 'gilets jaunes' protest movement, Macron was keener than ever to promote citizens' consultations as a means of closing the gap between the governed and the governing in the EU. The European Council took note of a [report on Citizens' Consultations](#), issued jointly on behalf of the Austrian Presidency and the incoming Romanian Presidency, on 3 December, and [noted](#) that: 'The exercise helped identify a number of concerns and expectations on the part of citizens in terms of concrete results from the EU. At their informal meeting in Sibiu on 9 May 2019, Heads of State or Government will discuss priorities for the next institutional cycle, with a view to agreeing on the next Strategic Agenda in June 2019'. This was a polite way of kicking the citizens' consultations, which no leader would ever criticize but which few enthusiastically embraced, down the road to Sibiu.

## 10. The Multiannual Financial Framework

The EU's current long-term budget, or multiannual financial framework (MFF), is due to expire at the end of 2020. Given the high political stakes, negotiating an MFF is an intricate and fraught process. It is also complicated institutionally, involving intense interaction among the Commission, the Council, and the European Parliament. The European Council plays a central role. This is a source of friction with the EP, which has criticized the European Council for intruding on the part of the Council in key stages of the MFF negotiations. The [Leaders' Agenda Note on the MFF](#), prepared for the informal February summit, declared pointedly that, by virtue of being 'an essential tool to achieve our shared objectives and deliver on the commitments made ... the MFF has always been a matter for the Leaders, and the post-2020 MFF will be a recurring theme on the agenda of the European Council'.

Adding to the usual complexity of the next MFF negotiations, Britain's departure from the EU would result in a shortfall of revenue; the unwillingness of several of the other net contributors to pay more into the budget would raise the political temperature; and the financial implications of the EU's growing involvement in migration policy, as well as security and defence, would require additional expenditures. Even by early 2018, it was clear that the negotiations for the 2021-2027 MFF would be extremely challenging.

President Tusk addressed the issue after meeting Chancellor Kurz, in Vienna, on 13 February. Soon, he [told reporters](#), 'the Leaders will have a first discussion on the post-2020 MFF ... The discussion will be important in signalling the EU's priorities for the next decade. One key priority is stemming the flow of illegal migration to Europe, which will require a stable and predictable EU funding instrument. Other new priorities include defence and security, digital and education. Of course, we will need to find a balance between funding new priorities and ensuring that the EU's traditional policies continue, in areas such as cohesion and agriculture. What matters is that we make sure that the EU finances priorities which provide solutions to citizens' real concerns'.

Tusk [made an additional point](#) about the imminent MFF negotiations after visiting the President of Lithuania, two days later: 'The future budget of the EU will be a particular challenge to negotiate this time, in the context of Brexit. Not only because the UK's departure will lead to a financing gap. But also because the UK referendum has made us realise even more, the need to strengthen our efforts on key challenges. By which I mean migration, defence, and the freedom of movement, especially the mobility of young people. And these new priorities will require additional money'.

In his [letter of invitation](#) to the 23 February summit, Tusk reminded leaders that: 'In October last year, we agreed to conduct a debate about our [budget] priorities, so that the European Commission can receive political guidance from the European Council, before coming up with its proposals. In recent debates we have set out new priorities, such as stemming illegal migration, improving European security and defence as well as investing more in the Erasmus programme. Additionally, we will have to face the issue of a gap in the EU budget due to Brexit. This shows the seriousness of the challenges ahead. Beyond that, there is also the question of timing. There are many reasons to speed up our work on the next MFF, as compared with the previous negotiations. And this should be our aim, but as many of you pointed out during consultations, we also need to be realistic'.

Accordingly, [the Leaders' Agenda note](#) for the summit asked the following questions of substance and of process:

- 1 What political priorities should be addressed by the next MFF?
- 2 What should be the overall level of expenditure in the next MFF?
- 3 What timetable should we foresee for the MFF negotiations?

In his [post-summit remarks](#), Tusk acknowledged that: 'Budgetary negotiations are always difficult,' but was 'pleased to say that all the leaders approached [the subject] with open minds, rather than red lines.' Of course, leaders had their own perspectives and priorities. Some 'stressed the continued importance of cohesion policy, the Common Agricultural Policy, investments in research and innovation, and pan-European infrastructure,' and all 'agreed that the EU will spend more on stemming illegal migration, on defence and security, as well as on the Erasmus+ programme.' While 'It is clear that the [spending] priorities are linked with the size of the budget, and ... we need to address the revenue gap caused by Brexit,' Tusk noted that: 'many [leaders] are ready to contribute more to the post-2020 budget.' As for the timing of the negotiations, 'we agreed that we should aim at speeding up the work, as compared with the previous negotiations. But finding an agreement in the European Council already this year seems really difficult. We will be able to better assess the situation once we have the Commission's proposal'.

Accordingly, the European Council returned to the subject in June, following the submission by the Commission, on 2 May, 'of the package of proposals on the MFF for the period 2021-2027, as well as of the sectoral legislative proposals for programmes supporting European policies presented since.' But the European Council had many more pressing issues on its plate, notably migration policy. Leaders hardly addressed the MFF, while the [conclusions](#) noted only that the European Council 'invites the European Parliament and the Council to examine these proposals in a comprehensive manner and as soon as possible'.

[Reporting to the EP](#) after the October European Council, Tusk recalled that: 'For many of the issues discussed at the [summit]—from migration to security—as well as the need to scale up the Union's presence as a global actor in many fields, the EU's budget is key. At technical level, there have been detailed discussions on the next Multiannual Financial Framework. But, in general terms, we are far from reaching any sort of consensus. That is why I will propose a political discussion at the December European Council. I welcome the intention that the consolidated position of the European Parliament is to be known by then'.

Discussion of the MFF at the December European Council was nonetheless brief, as leaders devoted most of their precious time to migration, Brexit, and EMU reform. Tusk did not refer to the MFF in his invitation letter, and mentioned it only briefly in his [post summit remarks](#), in the context of a possible Eurozone budget. Were this to come into being, Tusk said, it would 'be adopted in an inclusive format, by all the Member States, in the context of the long-term EU budget'. The [Conclusions](#) contained only a single paragraph on the MFF, which stated that: 'The European Council welcomes the intensive preparatory work carried out during this semester on the future Multiannual Financial Framework and takes note of the Presidency's progress report. It calls on the incoming Presidency to continue that work and develop an orientation for the next stage of the negotiations, with a view to achieving an agreement in the European Council in autumn 2019'.

By the end of 2018 it was clear that substantive negotiations for the next MFF would not take place until after the 2019 EP elections, and the beginning of the new institutional cycle. Nevertheless, the contours of the negotiations were clearly delineated, thanks in part to the informal February summit and to the discussions at subsequent European Council meetings of issues such as migration, EMU reform, security and defence, as well as of the MFF itself. The European Council would have its hands full in 2019 and 2020 reconciling competing demands for higher spending in a range of policy areas with political pressure to reduce overall expenditure, at a time when the UK, a large net contributor, would no longer be an EU member.

## 11. The European Council's character, working methods, and procedures

### 11.1. Introduction

National leaders like meeting in the European Council. It is their exclusive club. They have paid the price of admission: election or selection to the most important national political office. This allows them to attend meetings of their peers, to discuss pressing issues, and provide strategic direction for the EU. They like the excitement and pageantry of being in Brussels—and once each semester going to a high-class location in the country of the rotating Council presidency—to attend EU summits. They are whisked from the airport to the meeting place; they greet each other warmly; journalists hang on their every word. National leaders do not pay much attention to the particular European Council format. They care more about the agenda, unless the format means that they cannot attend the meeting, as is the case with Euro Summits that are restricted to Eurozone members only.

Attending an EU summit means not only being in the room with other leaders, but also chatting to them before or after the meeting, or having corridor conversations. Some leaders get together at European political party summits before the European Council starts, or go for coffee, lunch, dinner, or drinks with one or more of their peers, sometimes spontaneously. These high-level contacts continue between meetings, as leaders frequently call or text each other to discuss European Council business. Indeed, the European Council should be seen as much more than a series of occasional meetings of EU leaders. It is really a continuous forum for formal and informal engagement among the EU's political elite. The networking and socialization function of the European Council is understudied, because it cannot be fully studied.

The European Council is a fine-tuned machine. Its President ensures that the parts are well oiled and that the mechanism works at full capacity. The European Council operates inside the egg-shaped (or what the European Council itself calls 'lantern-shaped') office space nestled within the [Europa Building](#) in the heart of Brussels' European Quarter. Even though national leaders meet there fewer than a dozen days of the year, security at the Europa Building is tight all year round; tighter than across the street at the Commission's headquarters. The tight security reinforces the image of executive authority, which the European Council likes to project.

### 11.2. National leaders

Members know that the European Council has an informal hierarchy, which includes fixed and fluctuating elements. The President of France and the Chancellor of Germany command special attention. So do leaders who have been in the European Council for some time, or who have an outsized international reputation. Circumstances matter. The leader of a country facing a particular difficulty, such as Ireland's Prime Minister because of Brexit, will receive a sympathetic hearing. Ideas matter as well. Being able to make a sound suggestion or float a clever idea, regardless of country of origin, enhances a leader's standing and self-esteem (not that leaders are generally lacking in this attribute).

Leaders are aware, while attending the European Council, that they are in a European rather than a national setting, and that they should be thinking in European rather than national terms. It is easier for them to think 'European' if the issue under discussion is not particularly pressing at home. The more important the issue domestically, the less willing or able are national leaders to reach grand European bargains. This has been the case with Economic and Monetary Union (for Eurozone

members) and with migration (for most members) since the outbreak of the euro and the migration crises. It was the case especially in 2018, as leaders grappled, with mixed success, with EMU reform, and as migration roared back as a pressing political problem, largely because of political developments in Italy.

On Brexit, by contrast, there was almost no disagreement among national leaders, because there were no domestic constituencies either in support of Britain leaving the EU or in support of any other Member State following Britain's lead. This is not to say that Euroscepticism was not rampant in the EU in 2018. On the contrary, Euroscepticism bedevilled both EMU reform and negotiations among Member States on migration. But Brexit was a rare issue that transcended Euroscepticism, and that gave national leaders a weapon against Eurosceptics in their own countries, if they chose to use it. At the same time, Brexit was a classic, though idiosyncratic, example of how domestic politics shape national positions in the European Council. In this case, how deep domestic differences over Brexit hobbled the UK government's conduct of the negotiations, much to the frustration of the EU27.

Membership of the European Council is constantly changing. Leaders come and go according to the vagaries of national politics. Angela Merkel is unusual for having been Chancellor, and therefore a member of the European Council, for so long. By 2018, Merkel was into her 13th year in office. Her political longevity, as well as the country that she represented, assured Merkel of ascendancy in the EU. When she spoke at meeting of the European Council, everyone listened. When she left the room, others were likely to take a break as well.

Nevertheless Merkel's political authority was waning in 2018. Due to electoral setbacks in Germany, at the federal level in 2017 and the state level in 2018, Merkel had announced that she would not contest the next general election, and there was speculation that she might step down as Chancellor before then. By her nature, Merkel was cautious and non-confrontational. In line with these characteristics, she urged restraint, during summits, in the EU's approach to Brexit and to the US (Germany had more to lose than any other Member State from a transatlantic trade war). She remained committed, nominally at least, to mandatory quotas for migrants, and was unrelenting in her opposition to President Putin. Throughout the year, Merkel left her mark on the European Council, but in a relatively unobtrusive way.

Emmanuel Macron is a recent arrival; 2018 was his first full year in the French presidency and, therefore, as a member of the European Council. Macron received due deference because he represented such an important Member State, which still enjoyed a special relationship with Germany. Nevertheless, Macron's ebullience and indefatigability rubbed many other leaders the wrong way, as did his intolerance for those who did not share his deep commitment to deeper economic and political integration. Macron took a tough line on Brexit, on migration; on EU-US relations; on EU-Russia relations; on enlargement policy. He also pushed for far-reaching EMU reform, including a large Eurozone budget, with its own sources of revenue (see Chapter 4.2.).

Macron hoped that Merkel's unequivocal support would advance his ideas on EMU reform in the generally sceptical European Council. Much to his disappointment, Merkel did not deliver on that hope. She had never warmed to Macron. More to the point, domestic German politics constrained her position on EMU reform. Even after the bilateral Franco-German summit in Meseberg, in June, where Macron and Merkel seemed finally to be on the same page, the Chancellor remained lukewarm in her support for President's EMU initiative. Without Merkel's full support, Macron's influence in the European Council was dented. It received a further blow later in the year, when the 'gilets jaunes' protest movement, which was not just anti-establishment, but specifically anti-Macron, clipped the President's wings and forced him to pay more attention to domestic affairs. Some of the other leaders in the European Council doubtless enjoyed a bout of Schadenfreude at Macron's expense.

The change of government in Italy, in early June, shook up the European Council. The new government took a tough line on migration and proposed a national budget that risked a return of the euro crisis. Prime Minister Giuseppe Conte attended his first European Council later that month, which turned into a tumultuous affair. To make a point about migration policy, Italy blocked agreement on the conclusions at the end of the first day (see Chapter 3.2.). Prime Minister Conte was not the most influential member of the Italian government. On the contrary, he was a figurehead; a compromise office holder selected by the two governing coalition parties. Matteo Salvini, leader of the dominant League party, was the power behind the throne, and the person who set Italy's course in the European Council.

Pedro Sanchez was another new arrival in the European Council in 2018. He also came to office in early June, and attended his first summit later that month. Whereas Conte was an independent, Sanchez was a member of the Party of European Socialists. His predecessor, Mariano Rajoy, was a member of the European People's Party. Although the political philosophies of the two politicians were often radically different, both sought, with notably success, to raise the profile and increase the influence of Spain in the European Council. The other two new members of the European Council in 2018 were Peter Pellegrini, Prime Minister of Slovakia, and Marjan Šarec, Prime Minister of Slovenia.

The relative weakness of Merkel and Macron in the European Council gave more space to other leader. For instance, a group of leaders of mostly small, Northern European countries gathered around Dutch Prime Minister Mark Rutte, in the so-called New Hanseatic League, to oppose aspects of Macron's proposed Eurozone budget, and generally to press for strict implementation of the EMU rules. Rutte—a member of the European Council since 2010—had vast political experience and, despite their differences over EMU reform, had good relations with Macron, as well as with Merkel. One of the most prominent members of the European Council in 2018, Rutte was an influential voice on Brexit (see Chapter 2.3.) as well as on EMU reform (see Chapter 4.2.).

Members of the Hansa group were not the only leaders to caucus informally before meetings of the European Council in 2018. Leaders of the Visegrad Four (V4)—Poland, Hungary, the Czech Republic, and Slovakia—caucused as well, with a particular focus, in their case, on migration policy. Overlapping these combinations of countries were the European political parties. Leaders of the three largest parties—the European People's Party (EPP), the Party of European Socialists, and the Alliance of Liberals and Democrats for Europe (ALDE)—traditionally held mini-summits before regular meetings of the European Council (Tusk and Juncker, members of the EPP, participated in their party's summits).

With the possible exception of the Hansa's positions on EMU, it is difficult to gauge the influence of groups of national leaders on the work of the European Council. Leaders of neighbouring countries know each other well and may have some of the same interests and concerns; members of the same European party share a political affinity and meet frequently at party events. Within the European Council, however, national positions on policy or institutional issues do not necessarily correspond to regional and transnational party patterns. Sometimes discussions take on a dynamic of their own. The European Council is a singular institution. Its deliberations are secret, even if leaders themselves often reveal what has taken place. When they do so, however, they are playing primarily to a national political audience, and may tailor their remarks accordingly.

### 11.3. The President

The President, his cabinet, and a small staff belonging to the Council Secretariat make up the permanent presence of the European Council. The President personifies the institution. He has a high profile within the EU and abroad. But he is not the European Council's most influential member.

After all, he is not a principal member: he is not a head of state or government. The President's influence derives instead from his previous experience in politics; his election (and re-election) to the position; his conduct so far in the job; his public profile; and his personal attributes.

Based on those criteria, Tusk's influence in 2018 was considerable. As a long-time Prime Minister of Poland, Tusk had vast experience in the rough-and-tumble world of national politics, and of having been a principal member of the European Council. Tusk was in his fourth year as European Council President, having been re-elected in mid-2017. The fact that only the government of his own country opposed his re-election—a government widely unpopular in Brussels and with few allies in other national capitals—may have enhanced his standing. Four years in the presidency had enhanced Tusk's profile, within and outside the EU. That high profile, in turn, boosted his influence inside the European Council.

As his re-election suggested, Tusk had acquitted himself well so far in the job. Despite a manner that was sometimes abrasive and confrontational, Tusk had good relations with most national leaders. Having been one himself, he understood their political pathologies. By 2018 Tusk had won the respect, even admiration, of most members of the European Council. The Polish and Hungarian Prime Ministers, whose governments veered strongly towards illiberalism, were obvious exceptions.

A ceremonial part of Tusk's job is to congratulate EU leaders (and sometimes to non-EU leaders as well) on their appointment or re-appointment to office. The contrast between Tusk's [letters of congratulation to Merkel](#), upon her re-appointment as Chancellor on 14 March, and [Orban](#), upon his re-appointment as Prime Minister on 9 April, was striking:

Tusk to Merkel:

*On behalf of the European Council, I would like to warmly congratulate you on your fourth appointment as Federal Chancellor.*

*I very much welcome the clear pro-European stance of the new German government. At a time when the European Union is faced with significant challenges but also renewed dynamism, leaders are taking a hands-on approach and are directly engaging on the politically most sensitive issues in the context of the Leaders' Agenda. I trust that you will continue to provide constructive input to our discussions.*

*I am looking forward to continuing our good cooperation and to welcoming you here in Brussels at the European Council next week. Gutes Gelingen!*

Tusk to Orban:

*On behalf of the European Council, I wish to congratulate you on the result of yesterday's election.*

*During your renewed term as Prime Minister I count on you to play a constructive role in maintaining our unity in the EU.*

*I look forward to once again working with you at the European Council.*

Despite liking and respecting Merkel, the European Council's most influential member, Tusk had not been afraid to take strong positions that were occasionally at odds with those of the German Chancellor and of some of the institution's other leading members. His position on the migrations crisis—dismissive of mandatory quotas and insistent on securing the EU's external borders—is a case in point. Tusk was at odds with Macron in 2018 on a number of issues, such as how to handle Brexit and on aspects of EMU reform. Tusk's differences with Macron were temperamental as well as political. They had strongly different personalities and, whereas Tusk was a Christian Democrat, Macron wanted to break the power of the Christian Democrats at the European level.

What really distinguishes the President from other members of the European Council is that he is the sole permanent member of the institution. National leaders spend almost all of their time in national capitals, although they frequently visit and otherwise communicate with each other to discuss European Council business. The Commission President is based in Brussels, across the street from the Europa Building, and is in frequent contact with national leaders, but has many issues besides the European Council on his plate. By contrast, the European Council President works full time on European Council affairs. His constant interaction with other national leaders and with the Commission President focuses exclusively on the European Council. That gives him an unrivalled grasp of their positions on particular issues, which is essential for effective chairmanship of European Council meetings.

By 2018, Tusk was thoroughly comfortable and supremely confident in the post of European Council President. So much so that he had no hesitation in stamping his authority on a number key issues. These were Brexit; migration; relations with the US and with Russia; and the spread of illiberalism within the EU. Tusk's positions on Brexit, migration, and relations with the US and Russia are examined earlier in this report. Here it is worth emphasizing that those positions were based on deep personal conviction and on a fervent belief in everything that the EU stood for. Tusk hated Brexit not only because it made no sense, but also because it threatened the unity of the EU. He opposed mandatory quotas for migrants within the EU because the policy was unworkable and was fanning Euroscepticism and illiberalism in a number of Member States. He advocated strong external borders because, without them, the EU was insecure and EU citizens felt vulnerable, which gave an opening to unscrupulous politicians. He disliked President Trump because of Trump's inherent illiberalism and destabilization of the global order. He detested President Putin because of Putin's open hostility to Western liberalism and to the EU. Finally, he opposed the rise of illiberalism in certain Member States because of his passionate commitment to democracy, which he saw as the defining characteristic of the EU.

Given his personality and deeply held views, it is not surprising that Tusk sometimes expressed himself bluntly—perhaps too bluntly—on these and other issues. This report already contains several examples, such as his needling of Prime Minister May over Brexit and his barely concealed scorn for President Trump. Like President Trump, President Tusk has a fondness for Twitter. Though far more restrained than Trump in his use of Twitter, some of Tusk's posts on this and on other social media platforms were not just undiplomatic, but arguably unbecoming of the President of the European Council.

Another unconventional step, taken by President Tusk in September 2018, was his release of a short [video](#) on the work of the European Council that took the form of an action movie trailer, with Tusk as the action hero. This was quixotic but inoffensive, and proved useful, for instance, as a means of stimulating students' interest in the European Council, something that is not always easy to do. On a more conventional note, Tusk released a [report](#) in 2018 on the European Council, covering the period May 2016 to June 2018. The report was not particularly substantive, with relatively little text and many glossy photographs.

A final point worth considering about the European Council President in 2018 is whether his country of origin mattered for his conduct in office. In Tusk's case, being Polish seemed to matter a lot. His experience growing up in Poland, and having been Prime Minister there, clearly influenced his thinking about Russia, at a time (in 2018) when EU-Russia relations were at the forefront of European Council affairs (see Chapter 5.4.). Tusk made frequent references to his Polish nationality and experience throughout 2018, for instance during his tour of the Western Balkans (see Chapter 5.2), and in speeches elsewhere, such as [Dublin](#), on 10 April, and in [Aachen](#), on 28 April. It is not unusual for senior EU officials to visit their country of origin and make speeches there, as Tusk did, for instance, in November. What stood out about this visit was the obvious hostility between Tusk and

the ruling Law and Justice Party, as well as hints by Tusk that he might be interested in contesting the election for President of Poland, in 2020.

Regardless of what may happen when he leaves Brussels, as European Council President Tusk paid close attention in 2018 to development in Poland, frequently taking the government to task for what he saw as its slide towards illiberalism. In February, after the informal EU summit, a reporter asked Tusk 'about the recent relations between Poland and Israel. According to you, are these tensions the result of a misunderstanding, or perhaps of mistakes, or maybe of a bad will on one of the sides?' Tusk [responded](#) that he had raised these questions at the summit, where 'I tried to protect the good reputation of our country ... which is not such a simple task at the moment.' He went on at some length to say that he 'had the opportunity to speak to Prime Minister Morawiecki today, on the margins of the European Council meeting. I gave him my assessment of the situation in which Poland has found itself ... And I want to stress ... that the situation is very serious and it concerns directly Polish interests, the reputation of Poland and Poland's standing in the world. ... [T]wo waves must be stopped ... First of all, the wave of bad opinions about Poland, and this wave has in fact taken on the proportions of a tsunami. ... and the second wave of unwise and unseemly excesses, anti-Semitic statements being made in Poland. The Polish government has all the tools to stop both of these waves – if only it really has the will to do so. We have all worked very hard in Poland over the last 30 years, including me, to ensure that Poland has good relations with the outside world, including with Israel and the Jewish community. And we cannot let someone ruin all that work in the space of just a few weeks. It is not yet too late for concrete action, just as it is not too late for common human decency'.

In his closing [remarks to the EP](#), after reporting on the March European Council, Tusk stated that: '... the European Commission is in dialogue with the Polish government, as you know, and everybody is hoping, at least I am hoping for positive changes in Poland and Polish legislation. This is why I don't foresee for now a discussion at the European Council on this issue in June. I trust the Commission here'.

Tusk's [remarks](#) after the EU-Ukraine summit, on 9 July, suggested that his Polish background sharpened his interest in the matter: 'The independence of Ukraine and the security of Poland and the whole region are dependent to a great extent on the relationship between Kiev and Warsaw. The recent tensions demonstrate that not everyone has done their history homework. Only full solidarity between Ukraine and Poland can save us from a repeat of tragic history in future. I call on the authorities in both countries for a new approach to the question of our relations and positive thinking. Only our adversaries or political fools would want to see conflict between us'.

## 11.4. The Council Presidency

In keeping with recent practice, the Council presidencies hosted summits in their respective countries. Bulgaria hosted an informal leaders' dinner in Sofia, on 16 May, before hosting the EU-Western Balkans summit the following day. Austria hosted the two-day Salzburg summit, on 19-20 September. The EU-Western Balkans summit highlighted a key theme of the Bulgarian Presidency; and the main topic of the Salzburg summit was internal security, a key theme of the Austrian Presidency. Also in keeping with recent practice, the leaders of the countries in the Council presidency reported, at the beginning of each regular European Council meeting, on implementation of previous conclusions. President Tusk was effusive in his praise for Prime Minister Borissov at the end of the [Bulgarian Presidency](#) and for Chancellor Kurz at the end of the [Austrian Presidency](#).

## 11.5. The Commission President

The Commission President and the European Council President are the only members of the European Council who are not Heads of State or Government. Accordingly, they are not principal members. Commission President Juncker has vast experience of the European Council, having attended its meetings for many years as a principal, when he was Prime Minister of Luxembourg. There is an inherent institutional rivalry between the presidents of the Commission and the European Council within the EU system. During meetings of the European Council, however, there is no doubt about the precedence of the European Council President.

President Juncker occasionally tried to shape the agenda of the European Council in 2018, for instance by issuing a paper on institutional reform in the run up to the February summit, at which leaders were due to discuss the next institutional cycle (see Chapter 8). One of Juncker's ideas, 'double-hatting' the Commission and the European Council presidencies, received short shrift from everyone else in the room. The proposal itself suggested that Juncker was aware of the declining influence of the Commission President vis-à-vis the European Council President. The other leaders' curt dismissal of the idea hinted at Juncker's relatively limited influence in the European Council in 2018.

## 11.6. Conduct of meetings

A summit may include several formats: the regular (EU28) format; the EU27 format (the UK being the odd one out); the Article 50 (Brexit) format, from which the UK is automatically excluded, by virtue of having triggered the withdrawal clause; and the Euro Summit, in either an inclusive or exclusive format. With the exception of the November Brexit summit, all of the summits in 2018 had been planned before the start of the year.

Regardless of the format, summits follow a meticulous script, beginning with the leaders' arrival at the summit venue and ending with press statements by the European Council and the European Commission Presidents (national leader usually make their own statements, but these are not part of the official summit schedule). A few days before the summit starts, President Tusk sends participants a letter of invitation. This outlines the agenda and sets the scene for the discussions. Sometimes these letters are short and to the point, at other times Tusk dwells at greater length on a particular agenda item.

With the exception of leaders' meetings on specific topics, held under the auspices of the Leaders' Agenda, national ministers, national officials, officials from the Council Secretariat, and the Commission, and the leaders' 'sherpas' (guides for summit meetings) provide input into draft conclusions for the leaders' discussions. Sometimes leaders will endorse part (or all) of the draft conclusions without a change. In cases where the drafts are incomplete, leaders provide essential input. Leaders haggled in 2018 especially over the wording of conclusions on migration and on EMU reform. Italy caused a minor sensation by blocking agreement on the conclusions at the end of the first day of the June summit, thereby causing Presidents Juncker and Tusk to cancel their usual press conference (see Chapter 3.2.).

Outsiders were occasionally invited to attend part of the European Councils' meetings in 2018, notably European Central Bank President Mario Draghi and Eurogroup President Mário Centeno, to discuss economic affairs and monetary union; and NATO Secretary-General Jens Stoltenberg to discuss EU-NATO relations.

## 11.7. The Leaders' Agenda

Leaders' Meetings, held under the auspices of the Leaders' Agenda, are intended primarily to facilitate 'discussions aimed at resolving deadlocks or finding solutions to key political dossiers' (<https://www.consilium.europa.eu/media/21594/leaders-agenda.pdf>). Leaders' Notes, prepared by the President, with some input from the Commission and the national 'sherpas,' replace draft conclusions, and there are no written conclusions based on the discussions. Instead, the outcome of the Leader's Meetings is supposed to be reflected in the conclusions of a subsequent meeting of the European Council. Some of the conclusions of summits in 2018 did, indeed, include the outcome of Leaders' Meetings.

The President's office prepared six Leaders' Notes in 2018: on the next institutional cycle and on the multiannual financial framework, for the 23 February summit; on taxation, for the 22 March European Council; on EMU, for the 23 March Euro Summit; on innovation and digital, for the 16 May informal dinner; and on internal security, for the 20 September informal summit. Leaders' Notes serve two functions that may be difficult to reconcile: provide transparency (the notes are available to the public) while at the same time framing what will be a private leaders' discussion on sometimes-sensitive issues. The notes summarize the issue or issues in question and pose questions for leaders to ponder. The length of the notes varied in 2018, but none was longer than three pages.

Leaders' Meetings seemed to fizzle in 2018. Specifically, leaders did not hold meetings, as planned under the Agenda, to review implementation of this new working method (June), or to discuss the single market (December). While it is the case that leaders discussed the single market in December, they did so in the usual way, based on draft conclusions and resulting in final conclusions. Moreover, their discussion of the single market was not as long or as leisurely as planned in the Leaders' Agenda. The schedule of the December summit was extremely crowded. Leaders did not have much time to discuss the single market, or other important issues.

Sometimes a national leader may want the summit conclusions to make a certain point or contain specific language if the leader is facing political pressure at home on that issue. This is a reminder of the close connection between national and EU politics, which is often played out in the European Council. It might also explain why a national leader might not want the discussion of a particular issue in the European Council to take place under the auspices of the Leaders' Agenda, because that would not result in conclusions on the topic coming out immediately after the meeting.

The decision not to review implementation of the Leaders' Agenda at the June summit seems to have been taken quietly, in the President's office. It did not necessarily reflect dissatisfaction with the Leaders' Agenda, only a realization that there would not be enough time to hold a Leaders' Meeting during the unusually busy European Council. No national leader seems to have complained about this change to the Leaders' Agenda. Most may not have noticed.

## 11.8. Relations with the European Parliament

Before each regular meeting of the European Council in 2018, leaders had a 'traditional exchange of views with European Parliament President Tajani' (see, for instance, Tusk's [letter of invitation to the March European Council](#)). President Tajani's speeches to the European Council were highly scripted affairs, drafted with input from the EP's Conference of Presidents. They were therefore rather predictable and wooden. Leaders listened (or not) to the EP's perspective on items that were about to come before them at the European Council proper. Some asked questions of the EP President, especially those who had been MEPs. Generally, however, leaders seemed eager to get on with the meeting. In keeping with his presidential style, Tajani did not attempt to intrude on European Council business and did not do anything during the year that might have rocked the fragile boat

of European Council-EP relations. Perhaps in recognition of Tajani's respectful and low-key style, the EP President was a guest at the informal meeting of Heads of State or Government, in Salzburg, on 20 September.

President Tusk met President Tajani on numerous occasions in 2018, apart from immediately before the start of European Council meetings. President Tajani welcomed President Tusk to the EP on four occasions, when the European Council President reported on the outcome of the European Council (on 18 January, for the December 2017 meeting; on 27 March; for the March meeting; on 3 July, for the June meeting; and on 24 October, the October meeting). In addition, Presidents Tajani and Tusk had bilateral meetings to discuss issues of mutual interest to their respective institutions, which covers just about everything on the agenda of the European Council. The two Presidents also participated in summit meetings of the European People's Party, to which they both belong.

Notwithstanding his cordial relations with President Tajani, President Tusk does not appear to be a fan of the European Parliament. As a convinced democrat, he undoubtedly appreciates the importance of parliaments in political life, but he has frequently shown impatience with the EP, with which he has to deal on a regular basis. Tusk has not derived much pleasure from his obligatory visits to the EP, to report on meetings of the European Council. He has complained of poor attendance by MEPs and of the quality of questions following his report. He has a point about attendance, although MEPs may well be following his report on TV, in their offices or elsewhere. He also has a point about some of the questions, a disproportionate number of which seem to come from Eurosceptics, who make a point of attending the President's report and who often use the occasion to bash the EU. This is especially the case with those Polish MEPs who are both sceptical of the EU and scornful of Tusk, and who are mindful of the possibility of attracting media attention at home.

Perhaps because of the reception that he knows awaits him, and because there are only so many ways to describe the outcome of a European Council, President Tusk's reports to the EP are often almost identical to information already available on the European Council's Meeting Web Page, that has already been written in his letter of invitation to the meeting, and that has already been said in his post-meeting remarks. However, President Tusk will sometimes tailor his report to the EP in order to emphasise an issue of particular importance to Members, or will make a closing statement, after the Members' questions, to elucidate a particular point or to rebut a particular attack.

President Tusk's impatience with the EP seems especially evident with respect to migration policy, an issue on which the European Council President holds strong views (see Chapter 3). This might explain an outburst by Tusk on 24 October, in his [closing remarks](#) after reporting on the European Council which took place the previous week: 'Almost all of you have expressed your disappointment with the lack of decisions on migration policy that you are expecting from the European Council. I understand your dissatisfaction because I know that the will of the majority in this house was to establish mandatory quotas. In spite of what you are saying the European Council is building the common European solution for migration policy, but in the centre of this approach is the strengthening of cooperation with third countries, a fight against human smugglers, external border protection and not mandatory quotas. The real progress in the European Council is that today almost everybody understands that our priority should be stopping the inflow of irregular migrants and not their distribution'.

Going beyond policy disagreements, Tusk sees a fundamental difference of outlook between the European Council and the EP. Based on its legislative role in the EU system, the EP has a particular institutional perspective. What bothers President Tusk is that, in his opinion, this perspective does not seem to appreciate the political pressures under which executive bodies, whether national governments, the Council, or the European Council, operate. To quote again from Tusk's [closing remarks to the EP on 24 October](#):

*Finally, I would like to share with you one remark. Listening to the debate here I get the impression that some of you would like to see a Europe where there are no Member States and no governments. Please do not be surprised that I am not on the same line.*

While the European Council grappled in 2018 with the internal and external dimensions of migration policy, the EP criticized the European Council for not proceeding more rapidly with reform of the Common European Asylum System. The European Council, for its part, [called on the Council](#) to proceed as soon as possible with the reform, and hoped that the EP would then act as well. The new multiannual financial framework (MFF) was another potential source of conflict between the European Council and the EP, both procedurally and substantively. President Tusk would have liked more input from the EP on the MFF in 2018. As he noted in his [report to the EP after the October European Council](#), 'in general terms, we are far from reaching any sort of consensus [on the MFF]. That is why I will propose a political discussion at the December European Council. I welcome the intention that the consolidated position of the European Parliament is to be known by then'.

Just as Brexit tended to unite national leaders during an otherwise divisive time in EU politics and policy-making, Brexit was a source of harmony between the European Council and the European Parliament. The EP's Brexit Steering Group and the European Council's Task force on the UK worked well together. President Tajani participated for the first time in a European Council Article 50 meeting on 17 October. Just as it was important for leaders in the European Council to show unity on Brexit, it was important for the institutions (including the Commission as well as the European Council and the EP) to show unity as well.

As noted in the Introduction, a new and welcome feature of political life in the EU, in 2018, was the speeches that national leaders gave in the EP, as part of the post-Bratislava 'Future of Europe' debate. The speeches were the idea of EP President Tajani, who wanted to forge a closer link between national leaders and his institution, and to promote the EP's plenary sessions as opportunities for noteworthy reflections on the EU. A majority of the national leaders accepted Tajani's invitation and delivered speeches in plenary sessions, in either Brussels or Strasbourg, in 2018. The EP went out of its way to welcome them, although the EP's leadership could not entirely control the sometimes-spirited Q&A sessions that followed the speeches.

Irish Prime Minister Varadkar inaugurated the practice in January. Most other leaders followed throughout the year. Their speeches touched on the challenges confronting the EU, ranging from migration, to monetary union, to security and defence, to external affairs. Most of what they said was predictable. For instance, President Macron [spoke](#) forcefully, in April, in support of EU norms and values; reiterated calls for wide-ranging EU reform and new initiatives in areas such as security and defence; and called on Germany to join France in leading the EU out of its current malaise.

Most leaders gave strong, pro-EU speeches (Orban did not take up the invitation). Only Polish Prime Minister Mateusz Morawiecki, whose government was being accused by the Commission of undermining democratic institutions, [advocated](#) curbing the power of 'Brussels' and turning the EU in an intergovernmental direction. According to Morawiecki, the EU should become a 'Union of Nations 2.0,' in which there would be a new balance between national governments and EU-level institutions: 'Europe should be strong in order to better defend our interests, yet European sovereignty cannot mean building the Union at the expense of the strength of the Member States, because the strength of the sovereign Europe comes from the strength of the Member States'.

President Tajani's invitation to national leaders to speak at the EP was not intended specifically to strengthen EP-European Council relations, although it surely helped in that regard. Nevertheless, it was striking in 2018 that the European Council did not refer to the leaders' speeches in its official documentation, although leaders themselves may have drawn from the substance of their speeches during meetings of the European Council. Indeed, the value of these speeches for observers of the

European Council is that they may have provided insights into what some national leaders were saying in 2018 at summit meetings.





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Two issues preoccupied the European Council in 2018: Brexit and migration. Whereas Brexit was an issue on which leaders of the EU27 could agree, migration was extremely divisive. It returned to the top of the European Council's agenda because of the strength of anti-immigrant sentiment in certain Member States. By the end of the year, the European Council had made considerable progress on the internal and external dimensions of migration policy, but the issue was far from being resolved at EU level. Other issues of concern to the European Council included reform of economic and monetary union, relations with the United States, and possible EU enlargement in the Western Balkans. Procedurally, the assertiveness of Donald Tusk, the European Council's President, in the second term of his mandate, stood out during the year. The contrast with Herman Van Rompuy, his predecessor and first incumbent of the European Council presidency, was particularly striking.

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