

# Re: [Analytical & Intelligence Comments] RE: Germany: MitteleuropaRedux

**Date** 2010-03-24 15:58:27

**From** marko.papic@stratfor.com

**To** camilo.villarino@maec.es

**Others** InReplyTo: 909004B4D5C5AC498C5D78A8D747DEEA010084EE@RUCIO.inet.mae.gob

## Text

Dear Mr. Villarino,

Thank you very much for your thorough and expansive email. This is extremely valuable and of course all the correspondence is "off the record" (with Stratfor, it always is).

I am very interested in this issue, even though it does seem very Byzantine. You refer throughout your explanation to "Spain and Portugal". Would you say that, on the majority of policy issues, Spain can in fact count on Portugal to vote with Spain? And aside from the obvious explanations of proximity and Iberian brotherhood, are there any other explanations for Portuguese close alliance with Spain?

Finally, we have a very interesting situation tomorrow where the eurozone heads of government will meet before the March 25-26 meeting of EU heads of government. I am wondering what kind of voting procedures are used at the eurozone meetings? My understanding is that these are not formalized rules.

Thank you very much for your correspondence. We appreciate your readership and your comments.

All the best,

Marko

Villarino Marzo, Camilo wrote:

Dear Mr. Papic,

Thank you for your e-mail. I do remember the analysis on the new EU voting system last October.

I will try to elaborate a little bit my opinion on the new voting system, on an "off the record" basis. I will try too to be brief, because, believe me, it matters more than many people think.

I will start by referring to the position of Spain during the negotiations. Spain opposed the new system, known colloquially as "double majority" (since it requires both a majority of Member States and a majority of population), constantly since this proposal appeared, at the beginning of 2003, in the European Convention which drafted the EU Constitutional Treaty, until the arrival to power of PM Rodriguez Zapatero (although in the last months of PM Aznar's mandate Spain showed a certain degree of flexibility in this matter, provided the new voting system incorporated several amendments). So did Poland. Both countries, as I will explain later, were to lose most with the new system. The main defender of the new voting system was the Convention's President, Valery Giscard d'Estaing. The big beneficiaries were (and are), most of all, Germany and, in a separate category, UK, France and Italy. Marginally, also the smallest Member States increased somehow its share of power (because of the need to have at least half of Member States to reach a qualified majority).

Before continuing I need to explain how the current voting system works ("current" because it will remain in force till 2014 and in practice till April 2017). The current system, known as the "Nice system", is based on a system of "weighted vote", where each Member State has a certain number of votes depending on several political criteria (which do not appear anywhere in the EU Treaties and are very much the outcome of pure "power" negotiations) such as GDP, population, "international standing", international trade, etc. This "weighted vote" system has been used since the origins of the then European Communities, back in the 50's. The number of votes allocated to the different Member States has experienced changes along the years, in particular because of enlargements. In the current system Germany, France, the UK and Italy (the "big four") have each 29 votes; Spain and Poland have each 27 votes; then comes Rumania, with 14 votes; then the Netherlands, with 13 votes; then a group of countries, such as Belgium, Portugal, Hungary or the Czech Republic, with 12 votes; etc. The smallest Member States, such as Luxembourg, have 4 votes. In order to reach a qualified majority, you need to have the support of Member States which represent at least 255 votes out of 345 (that means that anyone reuniting in a collation 91 votes has a "blocking minority": this is a key concept and I will come to it later). It is true that the Treaty of Nice says that you need too to have the support of half of the EU Member States and that they have to represent at least 62% of the EU population, but, in mathematical terms, the distribution of votes is such that out of 134 millions of possible voting combinations there are only 23 examples, within the current European Union of 27 Member States, where this is not the case, so that in practice you can disregard these other criteria and just look at the votes.

This "weighted system" has always had as one of its main characteristics the fact that it gives a "premium" to the small States: the smaller you are, the bigger the "premium". Luxembourg has a population 200 times smaller than that of Germany, but the difference in voting power in absolute terms is slightly bigger than 1 to 7. The same goes with all the Member States. The purpose of this system has been to grant every single State a say in the EU affairs. It also allows most Member States to form different alliances to constitute a "blocking minority" and force then a continuation of negotiations.

In the case of Spain, it means that together with Poland they have 54 votes. They would still need 37 votes to get a "blocking minority", but they can look for quite an array of partners to find them (in many cases some four other Member States would be enough).

All this will change with the new system of "double majority", where a double majority is formed when you have the support of Member States which represent 65% of the EU population and at least 55% of the number of Member States (I am simplifying, but these are the basics). You need 35,01% of the EU population to "block" the adoption of legislation which you consider contrary to your interests: Spain and Poland, to continue with my previous example, represent some 17% of the EU population; to get another 18% you either need the support of at least one of the "big four" (this is the key of the new system) or you have to think about "blocking" via the number of Member States opposing the decision in question (an almost impossible task). The amount of power that the new system transfers to the "big four" and in particular to Germany is enormous.

Why only Spain and Poland opposed the new system, till they gave in? Because most of the other "losers" were either too new in the game to dare to play hard (all the new comers of May 1, 2004, with the exception of Poland) or thought that they had to concentrate their efforts in keeping a national at the European Commission (which they have eventually got) while Poles and Spaniards took care of their interests in the voting "battle" the best they could. Do not forget that keeping always a Commissioner was also a main national objective in the negotiations for many Member States: the European Commission has almost the exclusive power to present legislative proposals, which, if they are divisions among the Commissioners, can be adopted by the college by a simple majority; besides that, in the EU legislative process, the Council (the Member States) can only modify a Commission's proposal with its consent or by unanimity.

I hope not to have made things more complicated than they already are.

Yours sincerely,

Camilo Villarino

Camilo Villarino-Marzo

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De: Marko Papic [mailto:marko.papic@stratfor.com]  
Enviado el: jueves, 18 de marzo de 2010 11:20  
Para: Villarino Marzo, Camilo  
CC: responses  
Asunto: [Analytical & Intelligence Comments] RE: Germany:  
MitteleuropaRedux

Dear Mr. Villarino,

Thank you very much for your comment, readership and praise.

We did indeed take a very close look at the Lisbon Treaty and particularly the new voting weights which give greater emphasis to population. Here is our analysis on the voting weights in particular:  
[http://www.stratfor.com/analysis/20091015\\_eu\\_and\\_lisbon\\_treaty\\_part\\_3\\_tools\\_strong\\_union](http://www.stratfor.com/analysis/20091015_eu_and_lisbon_treaty_part_3_tools_strong_union)

That was the third part of a three-part series of analyzes we put together in October, 2009. The first two parts of the series are here:  
[http://www.stratfor.com/analysis/20091014\\_eu\\_and\\_lisbon\\_treaty\\_part\\_1\\_history\\_behind\\_bloc](http://www.stratfor.com/analysis/20091014_eu_and_lisbon_treaty_part_1_history_behind_bloc)  
and here:  
[http://www.stratfor.com/analysis/20091015\\_eu\\_and\\_lisbon\\_treaty\\_part\\_2\\_coming\\_institutional\\_changes](http://www.stratfor.com/analysis/20091015_eu_and_lisbon_treaty_part_2_coming_institutional_changes)

I would be very interested to hear your opinion and insight on the negotiation process of the Lisbon Treaty. What was the Spanish position on the increased weight on the population?

Cheers,

Marko

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Marko Papic

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----- Original Message -----

Subject: [Analytical & Intelligence Comments] RE: Germany: Mitteleuropa Redux

Date: Tue, 16 Mar 2010 07:59:13 -0500 (CDT)

From: camilo.villarino@maec.es

Reply-To: Responses List , Analyst List

To: responses@stratfor.com

Camilo Villarino sent a message using the contact form at

<https://www.stratfor.com/contact>.

Very interesting comments. I suggest you have a look at the consequences of the new voting system provided for by the Treaty of Lisbon. This new voting system, which will notably increase the power of Germany in the European Union, will start to apply in 2014 (although in practice that will not happen till 2017). Population will become the main factor deciding a vote (both in order to reach a qualified majority and, what is even more important in EU negotiations, in order to get a "blocking minority"). I know it well: I have spent eight years negotiating the new treaties of the European Union.

Best regards,

Camilo Villarino

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Marko Papic

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