

EU Updates - April 2014



EU Institutions

The first of the two live TV debates between the candidates vying for the role of president of the European Commission was held in Maastricht University. In a move to popularise the European elections, the participating candidates (Jean-Claude Juncker for the European People's Party, Martin Schulz for the Party of European Socialists, Ska Keller for the European Green Party and Guy Verhofstadt for the Alliance of Liberals and Democrats for Europe Party) discussed a number of issues including youth unemployment, foreign policy and the future of Europe. The candidate for the Party of the European Left, Alexis Tsipras declined to participate, choosing to campaign in his home country of Greece instead.

The European Parliament voted to make "made in" labels compulsory on all non-food goods sold in the EU. In a bid to strengthen consumer protection and increase product safety, MEPs narrowly voted to make "made in" labelling mandatory – replacing the current voluntary system.

The European Court of Justice (ECJ) has rejected the UK's challenge to the creation of a new Financial Transaction Tax ((FTT) on the grounds that it cannot block a tax that has not yet been agreed. The FTT is also part of wider plans to reform the banking sector and was first proposed in 2011, with Germany and France pushing for its implementation in all EU member states.

Economy

Last year Greece recorded its first budgetary surplus since 2002. After four years of strict austerity measures, Greece surpassed its fiscal targets in 2013 and achieved a budget surplus of \$1.5billion (excluding interest on debt repayments), one year ahead of schedule.

MEPs overwhelmingly approved the creation of a €55billion fund to help finance failing banks in the event of another financial crisis. The fund will be financed by banks themselves and comes as part of a move to fill in the missing elements of the newly planned banking union. The first element of the union – the monitoring of the health of Eurozone banks under the supervision of the European Central Bank – will become operational in November.

EU Trade

Japanese Prime Minister Shinzo Abe embarked on a high profile tour of Europe. Although the visit was largely overshadowed by the deepening crisis in Ukraine – with Abe joining EU leaders in warning Russia to avoid further incursions into Ukraine – it also led to further negotiations on the free trade agreement between the EU and Japan that was launched in 2013. The Japanese prime minister confirmed that a basic agreement is likely to be reached by 2015.

Foreign Policy

Following its annexation of Crimea, NATO foreign ministers agreed to suspend all practical military and civilian cooperation with Russia in protest. Foreign ministers from the 28-member states of the NATO bloc convened in Brussels for their first meeting since the annexation of Crimea and condemned Russia's actions as "illegal." A number of options were also put forward to assure Eastern European states that belong to

the alliance that they would be protected from possible Russian incursions; these included placing NATO military bases in the Baltic States.

The EU has followed the US's lead in imposing new sanctions on allies of Russian President Vladimir Putin. The EU added a list of 15 new names of Russians and Ukrainians to its blacklist.

Justice and Home Affairs Policy

Europe is facing its largest human rights crisis since the Cold War, according to a report published by the Council of Europe – the international European human rights body. The report found that human trafficking, racism and corruption are persistent in Europe and coupled with poverty and unemployment, fuel extremism and incite violence.

The ECJ has scrapped the data retention directive in a landmark ruling. The directive was passed in 2006 and allowed phone and internet companies to store data on individuals, including who they contacted and from where to enable government agencies to use the information to hunt down "serious crime." Following requests by rights groups and private individuals however, the ECJ was asked to intervene. The Court argued that the definition of "serious crime" was too "general" and was a "particularly serious interference with the fundamental rights to respect for private life and to the protection of personal data" in Europe.

Environment

Vladimir Putin threatened to reconsider the participation of Western companies in its energy projects if sanctions continued. A number of high profile Western oil companies, including Exxon Mobile and BP have significant ties to Russia's economy.

MEPs backed plans to phase out data roaming charges in all 28 member states by 2015. As part of wider proposals to create a single market for telecom services across all member states, MEPs voted both to end data roaming charges for citizens and also backed net neutrality – the principle that internet traffic should be treated equally. Under the proposals, network service providers would be prevented from charging different rates for different types of traffic and from giving preferential treatment to certain traffic streams.

EU states

Malta has legalised same-sex marriage and joint adoption by gay couples. The Maltese parliament voted 37-0 to legalise gay marriage and adoption, endowing married homosexual couples with the same rights and obligations as married heterosexual couples. Malta is now one of 21 other European countries that recognises same-sex marriage and has become the tenth European state to allow adoption by same-sex couples.

Hungary - Viktor Orbán, leader of right-wing party Fidesz, has been re-elected as Hungary's Prime Minister Orbán received almost 700,000 fewer votes – eight percent less — than he did in 2010 when he was swept into office. Although the party received only 44 percent of the popular vote, Fidesz has nonetheless secured 66 percent, or possibly 67 percent, of the seats in the Hungarian parliament thanks to the changes he made to Hungary's constitution. By contrast, the allied opposition of socialists, social democrats and liberals, with 26 percent of the vote, will take 19 percent of the seats, while the far-right Jobbik that gained 20 percent of the vote will get 10 percent of the seats.

UK — Polls showed that Ukip leader Nigel Farage triumphed in the second television debate on Europe against Deputy Prime Minister Nick Clegg by a clear-cut 69% to 31%. This is a blow not just to

the Liberal Democrats, but also to David Cameron, who will be terrified that the two hour-long TV debates have given Ukip more publicity and political momentum for the European elections on 22 May.

Ukip has been criticised over its controversial EU election campaign. One Ukip poster depicted a man dressed as a builder begging for spare change next to the words: "EU policy at work. British workers are hit hard by unlimited cheap labour." Another poster read: "26 million people in Europe are looking for work. And whose jobs are they after?" alongside a giant hand pointing at the viewer. Figures across the political spectrum accused the party of scaremongering.

Italy - Italian right-wing politicians have called for the country's programme to rescue North African refugees from the Mediterranean sea to be scrapped after figures suggested that 1,100 immigrants had been rescued in the past two days. The figures are the highest since Italy launched a naval operation known as "Mare Nostrum" (Our Sea) last October to rescue would-be migrants at sea in the wake of two shipwrecks off the Sicilian island of Lampedusa which killed more than 600 people. Since its creation, Mare Nostrum has rescued more than 20,000 people from the Mediterranean at an estimated cost of €9 million a month, according to Italian media reports. Following the Arab Spring in 2011, which sparked a series of revolutions in the Middle East and North Africa, hundreds of thousands of refugees and economic migrants have attempted to cross the Mediterranean Sea into Europe.

Finland has agreed to receive assistance from Nato forces and to maintain military assets such as ships and aircraft by signing a Memorandum of Understanding (MOU) deal similar to that signed by Sweden. Finnish Defense Minister Carl Haglund insisted that the deal is not a step towards Nato membership.

EU candidate states

Turkey – The telecoms authority TIB lifted a two week old twitter ban after the Turkish constitutional court ruled that it breached freedom of expression. The Turkish Prime Minister Recep Tayyip Erdogan had issued the ban after recordings showing evidence of bribery and intimidation within his government were leaked onto site. Erdogan is expected to run for the presidency in the coming elections this August. The role of the president was previously ceremonial, but following a change to the Turkish constitution in 2010, the post will now be decided by direct elections. Erdogan won the local elections with 46 per cent of the vote, proclaiming after his victory that "those who attacked Turkey got disappointed."

Other States

Vladimir Putin warned European leaders that Russia was ready to halt gas supplies to Ukraine unless action was taken to repay the debt Kiev had accumulated. In a letter written to the leaders of 18 countries that receive Russian gas through Ukraine, Russian President Vladimir Putin said the state controlled firm Gazprom had a contractual right to force Ukraine to pay in advance for gas supplies and in the event of further violations he warned, Gazprom would therefore "completely or partially cease gas deliveries." He also added that Ukraine's gas debt for this year alone was already at \$2.2 billion, with Russia's discounts for Ukraine gas since 2009 amounting to \$35.4 billion. This was based on the 2010 Kharkiv Pact, where Russia agreed to give Ukraine discounts on natural gas in exchange for a lease on naval facilities in Crimea. The agreement was terminated in March 2014 however after Russia's annexation of Crimea. More than half of the 18 countries addressed in the letter belong to the EU, and include France, Germany, Hungary and Italy.