



EU Facts Update: developments in the EU (February 2009)

The EU's Lisbon Treaty cannot come into force unless it is ratified by all 27 EU Member States.

i. Second Irish referendum on the Lisbon Treaty

Debate about when the Irish Government might hold the second referendum on the Lisbon Treaty continued. Some suggested that the referendum could be held in October, but others suggested that because of the economic downturn, the revote might take place sooner. For example, it could take place in June at the same time as the European Parliament elections. Ireland was granted concessions from the Lisbon Treaty during the EU summit last December. In a poll by the Irish Times/TNS mrbi on 12th February, 51% people said they would now vote Yes, 33% would vote No, and 16% are undecided.

ii. **Germany has not yet ratified the Lisbon Treaty** because of disagreement about whether it conflicts with the German Constitution. Germany will make a final decision on the Treaty in May or June 2009.

iii. **The Lower House of the Czech Republic Parliament approved the Lisbon Treaty** on 18th February. However the Treaty has not yet been approved by the Parliament's Upper House.

Czech Republic EU Presidency update: (The Czech Rep currently holds the rotating EU Presidency.)

MEPs walked out of Czech President Vaclav Klaus' speech to the European Parliament on 19th Feb. His speech argued that the EU's democratic deficit could not be solved because there is no "European demos".

Sweden will take over the EU Presidency on 1st July 2009 when it promises to strengthen Sweden's role in the EU and to strengthen the EU's role as a global actor.

EU Working Time Directive: New campaign to keep the UK's opt-out for firefighters

The Liberal Democrats set up a campaign to maintain the right of UK fire-fighters to opt-out of the EU's Working Time Directive. The Directive limits the legal amount of working hours to 48-hours per week. This includes time spent on-call, which hugely affects firefighters.

Lindsey Oil refinery Dispute

In the UK, there were long-running industrial strikes at the Lindsey oil refinery in Lincolnshire over the employment of foreign workers. British workers complained when a contract was awarded to an Italian company, which hired workers from Italy and Portugal. However, Acas (an arbitration service) ruled that no British or EU law was broken. The EU's laws governing the free movement of people within the EU (e.g. the *Posted Workers Directive*, which came into force in December 1999) allow foreign contractors to employ staff from overseas if they give them the same legal rights as British employees.

'European Asylum Support Office' proposed by EU Commission

An EU-wide office will be set up in 2010 if it is agreed by Member States and the EU Parliament by the end of 2009.

European Parliamentary Elections

The next European Parliamentary Elections will take place in June this year. They will be the first elections since the EU's most recent wave of enlargement in 2007, when Bulgaria and Romania joined.

An armed robbery took place at a bank inside the European Parliament building in Brussels on 12th February.

EU citizenship

European Justice Commissioner Jacques Barrot told a parliamentary committee on 16th February that during a revision of the justice and home affairs policies in the second half of 2009, the concept of EU citizenship would be 'fleshed out' because, at present, it is often perceived as an 'imaginary concept'.

EU Commission might re-introduce the 'set-aside scheme' for farmers. The scheme requires farmers to leave land unfarmed to avoid over-production. However, some farmers criticized the scheme for limiting their productivity.

A panel in the EU Commission decided not to force France and Greece to allow crop maize to be genetically modified.

Mobile phone manufacturers produce standardised chargers for mobile phones on the recommendation of the EU Industry Commissioner, Günter Verheugen. At the moment most chargers are only compatible with phones made by certain companies.

European economy update:

Budget deficits in EU Member States

Greece, Spain, France, Malta, Ireland and Latvia breached EU rules when their budget deficits exceeded 3% GDP in 2008. The EU urged these countries to reduce their deficits by March 2009, or it could take disciplinary measures.

Eastern European markets fall

There was fear that the declining state of the economies of Eastern Member States might affect western banks, for example there was a 3% decline in the German and French stock markets and shares in major banks in Austria, Belgium, France and Italy fell. The losses were even greater in the new EU Member States, Russia and Neighbourhood States.

Nine Eastern European States held a mini-summit to discuss the economic troubles

Jose Manuel Barroso, the European Commission President, also attended the mini-summit on 29th February. The summit raised concerns about France and Italy's plan to spend billions of Euros on their car industries.

European leaders will meet on 1st March to discuss economic policy. They will discuss protectionism after warnings that 'Economic Nationalism', whereby states prioritise their domestic economies, could damage the wider European and global economies. A second summit, to take place in Prague, will discuss rising unemployment.

Germany called for a bail-out for Eurozone countries as they faced increasing economic crisis. German finance minister, Peer Steinbrueck, said that a number of eurozone countries' economies were getting worse. He specifically highlighted that Ireland's previously booming economy was suffering badly in the current global economic downturn. The EU Commission had proposed to reallocate money from its 'green' energy and broadband projects to an economic recovery plan, but it was decided that the funds were 'legally unavailable'.

Should Nordic countries join the Eurozone?

A report by the Nordic Council suggested that all Nordic States should join both the EU and its single currency, the euro, because of the current economic crisis. At present, of all the Nordic State, only Finland is a member to both the EU and the EU currency. Sweden and Denmark are members of the EU but not the euro, and Norway and Iceland are not in the EU or the euro. However, it seems very unlikely that this will happen at the moment. For example, Sweden voted against joining the euro in a referendum in 2003. Norway voted no to joining the EU at two referendums in 1974 and 1994, and Denmark is unlikely to hold a referendum on joining the euro before its next General Election in 2011.

The EU Commission will investigate whether the Spanish government disobeyed EU rules when it gave €4 billion to support its car industry. The Maastricht Treaty, which contains principles of the EU's Single Market, contains a 'no bail-out clause' to allow companies and industries to compete without facing unfair competition. However, Article 100 of the Treaty says that financial assistance is allowed if a country faces "exceptional occurrences beyond its control".

Non-EU states:

US President Barack Obama's first visit with EU leaders will take place in Prague in April

The Czech Republic -current holders of the EU Presidency- were anxious for US President Obama's first informal meeting with EU leaders to take place in its capital city, Prague, because according to the Czech Foreign Minister Karel Schwarzenberg, it sends an 'important message' that the new US administration is not only interested in the leading EU members such as France, Germany and Britain but in small countries as well. He also said it would send a message to Russia which he said still views the Czech Republic and Poland as a part of an "eastern zone". Mr Obama will attend the G20 summit (with the 20 largest industrialised countries) in London on 2nd April before he meets all 27 EU leaders on 5th April.

European Parliament debates EU-NATO relations

MEPs debated a report on developing closer relations between the EU and NATO. The report asked for increased co-operation and less competition between the EU and NATO. It is believed that 94% of the EU's population lives in countries that are members of NATO. Ari Vatanen MEP noted that the EU's very existence was to promote peace-building and he said that this is only possible through building close relations with NATO. However, the report also stressed that the EU should build its own security and defence capacities. Not everybody agrees with Mr. Vatanen's views; seven MEPs were against plans for closer relations. France is expected to announce its return to NATO's military structures at a NATO summit in April.

6 states are blocking Croatia's accession to the EU, according to [eurotopics](#). There is an on-going dispute between Slovenia and Croatia about their shared border.

Kosovo celebrated the first anniversary of its Independence from Serbia on 17th February

EU-Ukraine relations at risk

The Ukrainian currency, the Hryvna, lost more than third of its value against the US dollar and bank analysts warned that the Ukraine, which is not a Member of the EU, might default on its national debt. This could jeopardise the Ukraine's relations with the EU and also impact the Russia-Ukraine deal on gas transit, which was agreed after a two-week long standoff in January. As Ukraine is unable to keep its public spending down, the International Monetary Fund is reluctant on a rescue plan for it.

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