



EU Facts Update: developments in the EU (January 2010)

EU Institutions and Politics

Spain took over the rotating 6-month Presidency of the Council of the EU. Spanish EU Presidency's website (www.eu2010.es/en/index.html?idioma=en) was hijacked and the Spanish Prime Minister Jose Luis Rodriguez Zapatero's image was replaced with the UK TV character Mr Bean. Spain's priorities for the Presidency include:

- Getting the EU out of the recession
- Implementing the EU's Lisbon Treaty, which was ratified by all EU states in December 2009.
- Reconsidering the Chinese Arms embargo, which has been in place since the Tiananmen Square Massacre 20 years ago (this may be difficult however as the US also has an arms embargo in place).
- To see the creation of a recognised Palestinian state.
- Promote electric car production in Europe
- EU's new 10-year economic plan, set to be agreed over the coming months, should have binding goals and "corrective measures" to encourage member states to comply

EU Commission foreign delegations converting into New EU "embassies" with power to represent the whole EU

€18m aid was promised to boost the declining EU dairy sector and the Commission approved schemes to promote dairy products within the EU.

EU Ombudsman Nikiforos Diamandouros re-elected by the EU Parliament (the [Ombudsman](#) handles citizens' complaints about the EU).

EU Commission considered a power-sharing deal which would enable MEPs to sack individual Commissioners via a vote of no confidence. At the moment the Parliament can only vote to remove the whole Commission and not individuals.

EU Commission will pay €6.7m in 2010 to think-tanks and NGOs posing questions about their impartiality.

Lisbon Treaty

26 'Commissioner-Designates' interviews in EU Parliament each last 3 hours. Members of the EU Parliament (MEPs) approved 25 out of the 26 nominees for the next EU Commission, and will vote on the whole team on 9th February. MEPs grilled the UK's Catherine Ashton (nominee for EU High Representative for Foreign Affairs) on her lack of experience - she promised to enact 'quiet diplomacy', but refused to say exactly what that meant. France's Michel Barnier (nominee for EU internal-market Commissioner) was asked whether he could ensure independence from Paris (EU Commissioners must work for the entire EU and not their own national interests). It was unlikely that MEPs would reject any of the nominees, but Bulgaria was forced to present a new Commissioner nominee after the original nominee, Rumiana Jeleva, resigned (her resignation letter complained about a 3 month campaign to "fully discredit" her). The resignation meant MEPs' final vote was delayed until 9th February.

EU's new diplomatic corps (a creation of the Lisbon Treaty) developed by the EU Commission, EU Council and MEPs on the development committee, behind closed doors.

EU Social Policy

2010 is the European Year for Combating Poverty and Social Exclusion. Representatives from all 27 member states attended the first conference in January with representatives from Iceland and Norway.

EU's Galileo satellite navigation system finalised several key contracts with European companies

EU proposed to force airports to install equipment for screening liquids in carry-on bags by 2013 as part of a plan to remove anti-terrorism bans on drinks that travellers can take on planes.

EU Economy

EU states proposed to halve EU civil servants' pay rise from 3.7% to 1.85%, but civil servants complained that reducing the pay rise would be illegal, so the case will go before EU judges (who will also receive the pay rise). The issue led many to question the high EU salaries and generous pension schemes (e.g. EU Foreign policy chief Catherine Ashton will receive a €241,000 basic salary, and EU President Herman Van Rompuy will earn more than Barack Obama this year).

Greece's economy caused serious concern. Greece's public deficit reached 12.7% of its GDP (the maximum allowed under the EU Stability and Growth Pact is 3%). And an EU Commission report criticised "deliberate misreporting of figures by the Greek authorities in 2009". EU leaders worried that Greece's debt might damage the stability of the euro, but Greece's Prime Minister Papandreou insisted his country did not need a bailout. The recent economic crisis has left the Eurozone weak with Greece, Portugal, Spain, Italy and Ireland's debt particularly causing concern (these 5 countries account for 40% of all eurozone debt). As a result, there were calls for Eurostat (statistical office of the EU) to have new powers to audit EU states' finances.

Eurozone unemployment hit 10%, its highest ever level since the single currency was introduced. Spanish unemployment was over 19%, whereas the Dutch unemployment was closer to 4%.

EU Commission rulings on states' public finances: The EU granted Malta and Lithuania an extra year to sort out their deficits, but Hungary and Latvia were denied this privilege. Both countries have had to turn to the International Monetary Fund and the European Union for bailouts as a result of the financial crisis; deadlines for Hungary and Latvia remain unchanged on 2011 and 2012 respectively.

Consultation on EU's 2020 Strategy criticised by EU business organisations, who labelled the consultation "amateurish" and poorly organised.

Environment

EU confirmed agreement on the Copenhagen Summit Accords (created at a UN climate change summit in December 2009). The EU's said it would increase its goal to reduce carbon dioxide emissions by 20% by 2012 (to 30%) if other states do the same.

France pushed for a tax on carbon emissions across the EU just one a week after a top French court refused an attempt to introduce the same tax domestically

EU Single Market

EU data protection rules - The EU Commission worried that existing EU rules are out of date (they were brought in in 1995). However, critics said the rules are adequate and warned the Commission was specifically targeting facebook).

EU States

Latvia's parliament backed an €7.5bn International Monetary Fund (IMF) bailout

EU Court of Justice (ECJ) outlawed German employment legislation banning the employment of Polish workers by non-German companies work within Germany. The legislation was labelled "discriminatory".

Bulgaria's EU Commission nominee, Kristalina Georgieva, was cleared of being a collaborator with Bulgaria's Communist-era secret services by a special Bulgarian committee which investigates such matters.

EU Commission asked France to justify controversial statements on its intention to protect the French car industry.

The EU forbids states from giving extra support (“unfair advantage”) to their national industries.

Spain promised to cut public spending by \$70bn, due to its high level of debt.

EU Accession States (candidates to join the EU)

Croatia’s Presidential election was won by Ivo Josipovic. The leader of the Social Democratic Party won more than 60% of the vote. He pledged to fight corruption and to lead Croatia into the EU. He is a former law professor and classical music composer.

Iceland was divided over how to proceed over Icesave payouts. The UK and the Netherlands sought £3bn in compensation due to the collapse of Icelandic bank *Icesave*, which lost the savings of UK and Dutch citizens when Iceland’s banking sector collapsed during the financial crash in 2008. However, ¼ of the Icelandic population called for their government to drop the “compensation bill” to pay the money back. The cost of repayment was estimated to be equivalent to £10,000 per person (Iceland’s population is 330,000). Anti-government strikes were held across Iceland. A referendum on the issue is expected next month. Iceland has applied to join the EU, and Spain and Latvia have supported Iceland's president and said its bid to join the EU doesn’t not depend on its repaying the compensation to the UK and the Netherlands.

Relations with non-EU states

Norway and the EU finally reached an agreement on fish stocks, after negotiations broke down in 2009. They agreed on which waters both fleets can access, and a scheme to reduce the amount of dead cod that is throw back into the sea

Bosnia and Herzegovina – An EU Foreign Affairs Council meeting reaffirmed the EU’s commitment to the peace keeping mission in Bosnia and Herzegovina, Operation ALTHEA, which was created following the war in the 1990s.

Greenland and Canadian Inuit groups challenged the EU’s seal product ban because they say the Inuit communities rely on the seal trade and the EU shouldn’t challenge their customs.

€3mn EU aid promised for Haiti earthquake victims via the EU Commission’s Humanitarian Aid Office (ECHO) and EU foreign ministers chose to send 300 military police. The EU relief effort is co-ordinated with the UN.

Greek and Austrian vision for the western Balkans during 2010. The two EU states’ Foreign ministers sent a joint letter to the EU’s top diplomat (EU Representative for Foreign Affairs Catherine Ashton) calling for: completion of accession talks with Croatia (enabling it to join the EU), a start to membership negotiations with Serbia and FYR Macedonia, and an end to visas requirement for Albanians and Bosniaks. Austria called for all western Balkans countries to join the EU by 2020.

EU foreign ministers unproductive meeting on Iran didn’t produce a clear plan for dealing with Iran’s non-compliance with international demands regarding its nuclear programme.

100 EU military personnel will be sent to train Somali security forces.

New EU-Mediterranean Union opened in Barcelona with regional and local officials from European, North African and Middle Eastern countries.

EU Parliament threatened to end an agreement allowing US authorities to track European bank transactions in terrorism investigations.