



EU Updates May 2011

EU Institutions

Plans for joint register of lobbyists given green light at plenary session of [European Parliament](#) in Strasbourg. Although the register will remain voluntary all lobbyists will be encouraged to sign the register in order to gain access to the EP. Any exchanges with MEPs who are in charge of steering the legislation through Parliament will leave a “legislative footprint” in the parliamentary reports. The registry is due to go online in June 2011.

European Parliament rejects Medicines Agency accounts. The Parliament refused to sign off on the accounts of the European Medicines Agency, the EU body responsible for ensuring the safety and effectiveness of all medicines in Europe. The agency has been accused of being too close to Big Pharma, and the European Parliament has ordered an investigation into its funding sources. MEPs highlighted the example of the agency’s last minute decision to withdraw a slimming pill from the market, which was made 10 years after the possibility of dangerous side effects first arose.

European Parliament backs plans for clearer clothes labels. Under the new rules, any use of fur or leather will have to be clearly marked on the product. MEPs are examining the feasibility of introducing rules to include the country of origin on textiles products.

Plans to improve cyber security at the EU institutions announced, after the computer network was hacked into in March. A team of security experts has been employed as well as a new Computer Emergency Response Team established to protect sensitive information from future hacking attempts.

IMF – Christine Lagarde has taken the place as the front runner to take over from Dominique Strauss-Kahn, who resigned as chief of the International Monetary Fund earlier in the month following his arrest for sexual assault. EU member states are keen to keep the IMF under European leadership, and Lagarde has received the backing of the UK, Germany Italy and Austria, as well as other key member states. If appointed, Lagarde would be the first woman ever to chair the IMF. However, there have been some calls from emerging economies, such as Brazil and China, for a chair from outside of Europe.

Eurozone

[Poland](#) admits joining the [Euro](#) is still of strategic interest but not as pressing as before the start of Greece’s economic woes.

Calls for [Greece](#) to leave Eurozone are growing, with suggestions that the country will inevitably default whatever action is now taken. Some argue that leaving the euro, even temporarily, would give the country a chance of growth.

[Portuguese](#) bailout complicated by the arrest of IMF chief Dominique Strauss-Khan. The €78 billion deal was finalised between Eurozone ministers after Deputy Managing Director Nemat Shafik stepped in to take his place in the negotiations. The loan will be equally divided between the EFSF, the EFSM and the IMF at €26 billion over the next three years. [The UK](#), although not a Eurozone member, has to contribute to the temporary mechanism in place until 2013 and will be loaning £4.3 billion. All 17 Eurozone member states had to agree to the bailout for the process to proceed. There had been concern that [Finland](#), the only Eurozone state that requires the backing of its parliament to proceed, might block negotiations after the success of EU sceptical party True Finns, at the polls in April. However, the main Finnish parties gave their go-ahead to the deal in return for strict conditions, including encouraging privatisation, and insisting on private investors holding on to their bonds to spread the burden of debt.

Economy

MEPs back standardising derivatives, to reduce risk and improve transparency. The trade in derivatives, which was worth \$600 trillion, is used to control the risk of damage to interest rates, inflation or commodity prices, however they are very difficult to assess.

EU Schengen Zone

Southeast Europe is the gateway for drug smugglers, guns and illegal immigrants, according to a Europol study. The report is based on over 70,000 pages of intelligence from individual police forces, collected over two years. Europol Director, Rob Wainwright, has stated: "The possible accession into [Schengen](#) of [Bulgarian and Romania](#) and visa liberalisation for Ukraine – one would see these as potential new opportunities for organised crime."

Germany and Austria open to eastern European workers. As of 1 May 2011, people from the eight former Soviet states that joined the EU in 2004 will be able to work in the two countries. Only the UK, [Ireland](#) and [Sweden](#) provided unfettered access to their labour markets in 2004, although Germany and Austria were the final member states to drop the restrictions on workers from the east. Workers from Romania and Bulgaria, who joined the EU in 2007, will remain blocked until 1 January 2013, although they already enjoy full rights to free movement in 15 of the 27 member states.

Denmark reinstated border controls with Germany and Sweden.

Common Agricultural Policy (CAP)

MEPs back plans to limit farm payments, as well as a more environmentally-friendly [CAP](#). However, MEPs criticised [Commission](#) proposals for top-up payments for environmentally-friendly work, preferring to integrate subsidies into the current payments scheme.

Social EU

Polish MEP against "discriminatory" plans to expel EU citizens who make "disproportionate claims" on the Dutch social benefit system. The Hague submitted a 'non-paper' – a confidential document – alongside a position paper by the Dutch government, stating that the proposed changes to Dutch immigration legislation are aimed at "achieving a stronger, safer and more prosperous Europe". Under the plans, EU citizens who make excessive claims in the Netherlands could see themselves and their families expelled from the country.

Report names [Cyprus](#) as least gay-friendly EU state. The study rates the EU countries taking into account legislative initiatives and the rights of gay people. Cyprus, Armenia, Azerbaijan, [Macedonia](#), Russia and [Turkey](#) are in the 'red zone', while Spain, Sweden and the UK are rated as the most progressive.

European Commission to water down public procurement rules. The plans would make it easier for European cities and regions to subsidise small-scale public services without intrusive scrutiny from EU state aid. Scrutiny will continue for larger commercial services which have a clear impact on the single market.

European Commission considers tax on plastic bags in a drive to tackle the billions of bags that are used throughout the EU each year, but which take hundreds of years to decompose. 3.4 million tonnes of plastic bags were produced in Europe in 2008, weighing the same as 2 million cars. Some countries have already banned the use of plastic bags, and others have introduced agreements with retailers to gradually fade out their use; however, there is no initiative at the European level. The consultation will close at the end of August.

European Parliament backs new regional category. The Parliament's Regional Development committee voted in favour of creating a new 'intermediate' category of regions based on their prosperity. Some 50 regions throughout the EU could qualify for this new class.

EU copyright law criticised for allowing internet providers to punish internet users for online piracy, without the involvement of a court or jury. Digital rights campaigners are criticising the amendment to the EU's Intellectual Property Rights Enforcement Directive as an infringement on the EU citizens' rights, and will add to the growing EU censorship.

Deaths and sickness due to E.coli. Suspected cases of E.coli have been reported across the EU, including in Germany, Denmark, Sweden, the UK, France and the Netherlands. The outbreak of the virus has been linked to contaminated cucumbers. After a meeting between EU agricultural ministers, a European Commission spokesperson announced that authorities had identified cucumbers from Almeria and Malaga in Spain as possible sources of contamination, although a third batch from either the Netherlands or Denmark is also under investigation. However, this has led to tensions between member states, with Spain firmly denying any blame for the outbreak.

Foreign Policy

The EU's Foreign Policy Chief has right to speak at UN General Assembly following a vote in the UN supported the move to grant the EU 'super observer' status. This does not give the EU voting rights, however. No country voted against, and only two – Zimbabwe and Syria – abstained. The remaining 10 countries were not present at the vote. Until now, the EU has only been able to speak in the UN General Assembly via the ambassador of the country that holds the rotating presidency. Other regional groups, such as the Arab League and African Union, are now likely to seek the same rights.

Belgian Foreign Minister criticises EU Foreign Policy Chief for poor management and lack of long-term strategy. Although Catherine Ashton's appointment was a surprise to many and her performance has been repeatedly criticised by pressure groups and in the press, this is the first public attack from a senior official.

Catherine Ashton meets with Hilary Clinton. Catherine Ashton used the press conference to respond to critics which have condemned the EU's lack of clout on the world stage. She reiterated the EU is also the biggest humanitarian aid donor (e.g. over €100 million given to Libya since the conflict began).

Catherine Ashton met with EU foreign ministers to address on-going problems in the EU's External Action Service. In particular, the group considered the budget of the EEAS and the work of overseas delegates. The meeting came after letters from Austria and the Benelux countries calling for improvement in the EEAS.

EEAS opens aid office opened in Benghazi. The EEAS, which has no formal ties with the Libya, will use the office in the rebel stronghold to help with border control and security, and to advise on issues such as health and education.

Justice and Home Affairs Policy

European Commission proposes package of victims' rights. The measures aim to ensure that anyone who is a victim of crime while in an EU state which is not their home country will be guaranteed a minimum standard of support and care. Further measures will tackle the difficulties victims face in claiming compensation for a crime that happened while they were in another EU country, by reforming time limitation periods. Around 30 million people in the EU become the direct victim of crime each year.

Environment

European Commission issues new ETS security proposals, after cyber-thieves stole €50 million worth of carbon permits in last year alone. Measures include a 24 hour delay on permit transfer, making it easier to identify fraudulent claims.

EU states

UK – The ECJ has ruled that former UK residents now residing elsewhere in the EU cannot claim the mobility element of the UK disability benefit. In 2007, the Court held that the UK Government had to continue paying the care element of the benefit.

– The UK is to opt-out from the European heritage label scheme. The protective European Heritage label applies to important sites and structures in EU member states, however has strong similarities to a UNESCO system which is already in operation in the UK.

Spain – Spain’s Socialist party suffered heavy losses in local elections, after protests over the country’s record high unemployment levels and stagnant economy. In their worst defeat since the fall of the Franco dictatorship, the Socialists lost municipal strongholds Barcelona and Seville, as well as losing the Castilla-La Mancha region, which they have held for 28 years. Meanwhile, the centre-right Popular Party had a 10 point lead in the aggregate nationwide vote.

Poland – European Commission President José Barroso and Polish Premier Donald Tusk attended the inauguration of the new building for Poland’s Permanent Representation in Brussels, just a few weeks before Poland takes over the rotating EU presidency. Barroso took the opportunity to say that he was confident Poland would lead “a strong and ambitious presidency” with an “equally strong and ambitious European agenda”. Priorities for the presidency will include the internal market, education and EU neighbourhood policy.

Malta – Over half of voters in [Malta](#) have voted to legalise divorce. Malta is the only EU member state in which divorce is not currently permitted by law and one of the few in the world. Only the Philippines and the Vatican retain the ban. Although he campaigned against the legalisation, Conservative Prime Minister Lawrence Gonzi has pledged to change the law in accordance with the referendum. Although the turnout of 72% is high in comparison to EU referenda, it is significantly lower than for other Maltese votes, which usually boast a turnout rate of more than 90%.

Germany – German Chancellor Angela Merkel has announced plans to close all of Germany’s nuclear reactors by 2022, in response to the disaster in Fukushima. 7 of the country’s 22 reactors were closed in March, and another, old reactor has not been operational for several years. A further 6 reactors will be disabled by 2011, and the remaining three will stay online for another year to prevent any disruption to the power supply.

EU candidate states

Turkey – Austria would prefer a special partnership between the EU and Turkey, rather than making the country a member state, according to Austrian Foreign Minister Michael Spindelegger.

– Turkey has been criticised over its move to limit access to pornographic websites to protect families, the EU has suggested the move is a disguised internet censorship exercise.

Croatia – The [Hungarian](#) EU Presidency has announced that Croatia could be confirmed as an EU member state by June 2011.

Other States

EU envoy to the Balkans criticises referendum on legality of Bosnia’s national court, arguing that the vote is “irresponsible” and risks further dividing the fragile nation. According to an Austrian diplomat, if the Serb Republic does not annul the vote, then the international community will.

Syria – After six weeks of violence, during which some 500 people have been killed, EU member states have finally agreed a wide range of sanctions against Syria. The sanctions include a travel ban and asset freeze on members of the Syrian President’s regime who are considered culpable for the crackdown. However, the measures do not include the President’s family or officials’ family members. The EU also agreed to stop arms exports and the export of non-lethal equipment that can nonetheless be used for internal repression. All of the early €40 million of direct payments from the EU to the al-Assad regime are to be frozen, and there will be a halt to negotiations working towards an ‘association’ agreement.

Serbia – Bosnian Serb war general Ratko Mladic has been arrested. Mladic has been charged with genocide, crimes against humanity and the killing of thousands of civilians. The arrest is likely to help Serbia’s efforts to become an EU candidate state.

Israel – US announcement advocating return to 1967 Israel-Palestine borders brings policy into line with the EU’s. Catherine Ashton ‘warmly welcomed’ President Obama’s speech.