



EU Facts Update: developments in the EU (November 2008)

The unstable Global economy: affect on the EU

The eurozone was close to falling into its first ever recession. Italy and Germany joined the list of Member States in recession. The Commission proposed a €130bn *EU Economic stimulus plan*. The new plan included allowing governments to break EU budgetary rules during the next 2 years. However joint tax cuts across the EU were ruled out but it was criticised for failing to produce a unified solution. Germany insisted that it would not pay more than other Member States.

The euro:

Problems in the eurozone economy prompted criticism of the euro. The *Washington Post* argued that EU policies are the “biggest obstacles for Ireland’s recovery from recession” because Member States are restrained by the European Central Bank’s (ECB) setting interest rates for the whole eurozone. In the UK, Business Secretary, Peter Mandelson (who was the UK’s EU Commissioner until Oct 2008) and Commission President, Manuel Barroso, reignited the debate about whether the UK should join the euro, arguing that the euro would have protected the UK from the current recession. However, UK Prime Minister Gordon Brown disagreed and insisted “we have no plans to join the euro”.

The Lisbon Treaty:

The Irish Foreign Minister insisted that the EU will not pressurise Ireland to ratify the Lisbon Treaty (Ireland rejected it in a referendum in June 2008). However he warned that Ireland’s negotiating position in the EU may be weakened if it does not ratify the Treaty. This is significant because the EU budget review was recently launched and there were suggestions that grants to Irish farmers could be at risk.

The Czech EU Presidency: January 2009

A Czech court ruled that the Lisbon Treaty does not contradict the Czech Constitution. A European Parliament committee attempted to persuade the Czech Rep to ratify the Lisbon treaty before the Czech Rep takes over the rotating EU Presidency in January 2009. However, when Czech President Vaclav Klaus’ insisted that the Treaty is unconstitutional and that he still might not sign the Lisbon Treaty, the committee concluded that the Czech ratification could be “a bigger problem than Ireland”. President Klaus also met Declan Ganley (Chairman of Libertas, the group that campaigned in Ireland against the Lisbon Treaty) despite the Irish Taoiseach (Prime Minister) asking him not to. The Czech Republic launched its logo for their turn at EU presidency describing it as “Colourful and playful - just like our nation”.

June 2009 European Parliament election:

At the next European Parliament (EP) elections in June 2009, 490 million Europeans will be asked to elect 751 MEPs. Green policies are predicted to be central in the election campaigns because of the EU’s emphasis on environmental issues. At the last EP election in 2004, turnout was only 45.6% down from 62% in 1979. In the UK only 38.9% of people voted. There is concern that right-wing parties might get more support unless mainstream parties ensure that people feel represented. An EU *Eurobarometer Special Survey* reported that apathy towards the elections is worsened by people’s lack of understanding about the EU. In an attempt to rectify this, CIVITAS announced its *2009 sixth form EU Conference* to be held in Westminster on 12th March 2009, in the run up to the EP election.

Please see <http://www.civitas.org.uk/eufacts/conf%2009.html> for details.

EU scraps regulation on misshapen fruit and vegetables

The EU scrapped its rules controlling the size and shape of fruit and vegetables, partly because the impending recession might exacerbate food shortages. It is estimated that up to 20% of the British harvest was wasted as a result of the regulations. However, rules controlling the appearance of apples, tomatoes, lettuce and the curve of bananas will remain.

EU Police and Justice Mission to Kosovo (EULEX): The UN Security Council approved the EULEX mission to Kosovo, which will begin in early December. Serbia had proscribed certain restrictions for the mission.

First ever EU naval security operation: The first ever EU naval mission will be deployed in December to tackle pirates who have been attacking ships off the Somalian coast.

EU Working Time Directive: Will the UK keep its opt-out on the length of the working week?

A Committee in the EP voted to end Britain's opt-out from the EU Working Time Directive which says that the working week must not exceed 48 hours. The UK's current opt-out, negotiated in 1993, allows UK workers to choose to work longer than 48 hours a week. A full debate and vote will take place in the EP in December. UK Trade Unions want to end opt-out, but UK Prime Minister Gordon Brown said that ending the opt-out because it would be more expensive for British. The UK had recently negotiated a compromise to keep its opt-out from the Directive by agreeing to increase the rights of temporary workers.

EU Common Agricultural Policy (CAP) Reform:

The EU reached agreement on reforming the CAP. The EU farm policy 'health check' was negotiated by Tony Blair in the 2005 EU budget deal, when he gave up £7bn of the UK annual rebate in exchange for a reduced farm subsidies after 2013. Changes include changing the way farm subsidies are paid. However, the EP voted to retain subsidies in grain, meat, dairy and tobacco sectors. At the G20 summit of the world's most industrialised nations, World leaders argued for more free trade to fight the economic crisis.

MEMBER STATES:

Germany: The German economy fell into recession.

Poland: The EU ruled that the Polish Government's subsidies to 2 bankrupt shipyards violated EU rules on when governments can give money to failing businesses. Poland must now take back the money, which will force the shipyards to be sold.

Spain: unemployment reached 11.3%, the highest level for 12 years and the worst in the EU. Spain rejected Osama Bin Laden's son's application for political asylum. The UK also recently refused him a visa.

Bulgaria: €220m of EU funding was refused to Bulgaria as a punishment for corruption. For example the head of the Bulgaria's Roads Agency illegally gave a €50m contract to his brother.

UK: The UK Independence Party (UKIP) rejected the far-right British Nation Party's (BNP) offer to cooperate in 2009 EP elections. UK Conservative MEP, Den Dover, was found guilty of expenses abuses. He was expelled from the European Parliament and he must repay £500,000 used to pay his family company.

OTHER STATES:

New EU Association Agreements: were proposed for: Belarus, Moldova, Ukraine, Georgia, Armenia and Azerbaijan. The EU intends to recognise the former Soviet states' 'European aspirations', whilst asserting that EU-Russia relations still have preferential status.

Russia: The EU resumed talks with Russia about a Partnership Agreement, despite negotiations having been suspended in August 2008 over the Russia-Georgia conflict. Many Eastern European states criticised the EU for ignoring human rights abuses in Russia and wanted the talks to be conditional on a full Russian withdrawal from Georgia. When the EU-Russia summit began Lithuania refused to accept them.

Iceland: The EU offered loans to Iceland after its economy collapsed earlier this year. Iceland's ruling Independence Party announced it might reconsider its previous opposition to EU membership.

DR Congo: The EU decided not to deploy EU battle groups (1,500 soldiers) to the DR Congo conflict, arguing that existing UN forces should deal with the problems.

Croatia: EU talks will conclude in 2009 so that Croatia should become a Member State in 2011. However, a survey found that only 29% Croatians think EU membership is "a good thing". The government is concerned that reforms required for EU membership have been unpopular.

USA: Barak Obama will be the first ever black US President after he won the US Presidential election on 4th November 2008. According to *EUObserver*, Obama was the overwhelming favourite amongst Europeans who would have voted for him by a majority of four to one.

OTHER EVENTS:

New Sport finance rules were proposed to control spending on sport. Chris Heaton-Harris MEP (Chairman of the EP Sports Group) warned that such rules could devastate UK sport.

A damning "estimation" of the EU in 2025 a report by the *National Intelligence Council*, including an assertion that the "Europe will not step up to the plate and take the lead".

Lego bricks can be made by rivals other than the Danish Lego company, the EU ruled.

Facebook: MEPs attacked anti-gypsy hate groups on Facebook.