



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

EU Lisbon Treaty

Ireland ratified the Lisbon Treaty: 67% voted 'yes' at a second referendum on 2 October (the Irish public originally voted 'no' to the Treaty in June 2008). Those campaigning against the Lisbon Treaty argued it transfers huge new powers to the EU away from national parliaments; those campaigning for the Treaty argued that EU assistance would be needed to help the Irish economy (which faces a crisis as a result of the global economic downturn).

Poland's President Lech Kaczynski signed the Lisbon Treaty on 10 October (557 days after the Polish parliament originally passed it).

Czech Republic President Václav Klaus continued to delay the Lisbon Treaty and demanded an amendment be added to guarantee the *Charter of Fundamental Rights* (which the Treaty brings into law) will not affect Czech property rights.

53% UK voters opposed Tony Blair becoming EU President, according to a poll in the *Times* on 5th October. A permanent President of the EU Council is one of 2 new posts created by the Lisbon Treaty. However, many opposed Blair becoming EU President: some argued that a Brit should not hold the post because the UK has opted out of aspects of EU policy (e.g. the Schengen agreement which allows free travel in the EU without a passport, and the Eurozone). Italian Prime Minister Silvio Berlusconi, and UK Prime Minister Gordon Brown backed Blair to be EU President.

EU External Action Service negotiations began (EU "diplomatic service" created by the Lisbon Treaty). Larger EU states want the Service to be small and made up of national civil servants, but small EU states want a strong, independent EU diplomatic service.

EU Institutions and Politics

First summit of Sweden's EU Presidency. Swedish Prime Minister Fredrik Reinfeldt called on the EU to do more to tackle climate change before a United Nations (UN) conference on the issue in December. Sweden is a very 'green' EU state (around 43% of its energy is drawn from renewable sources). However, Sweden's EU Presidency comes at a challenging time for the EU - states are less keen to spend money whilst they suffer the affects of the global economic crisis.

France criticised for spending €171m during its EU Presidency (July–Dec 2008): it was amongst the most expensive ever as it spent an average €1m per day under the leadership of French President Nicolas Sarkozy (including €245,000 (£221,000) on a shower. The average cost is usually €70-80m.

€1.1bn of EU regional funds will be refunded in 2009 (5 times more than in 2007). Each year over 1/3 of the EU budget is spent on regional and social policy. Each member state monitors its own projects and applications for EU funding are signed off by EU auditors. However the complex application rules often result in funding errors. The Commission has promised to simplify the rules, but a changes to the way misspent funds are refunded 2 years ago have not helped.

Social Policy

EU to delay its EU Agency Workers Directive until October 2011. The Directive gives temporary workers the same rights to paid holiday and basic conditions as permanent staff.

EU Health Ministers' emergency met to discuss the Swine Flu epidemic.

EU Single market

EU digital library bookshop was promoted. It holds documents dating back to 1952.

Google Books opposed by German Chancellor, Angela Merkel. The search engine aims to digitise millions of books from the globe's leading libraries.

EU fined 6 makers of power transformers 67.6m euros (£62.6m) for artificially raising prices by running a cartel.

EU Telecoms package adopted, but critics worried that it would endanger internet neutrality.

EU states should create a pan-European mobile broadband network, according to the EU Commission.

EU states facing the economic downturn

EU reviewed states' recent bank bailouts (due to the recession) to make sure banks were not given an unfair advantage.

UK, Spain and Ireland's budget deficits were a 'serious concern', warned the EU.

EU criticised Greece's unreliable budget deficit data and warned its debt could be far higher than originally feared.

Spain said EU states should not be penalised for breaking EU rules on states' budgets during the global economic downturn, but instead it should extend states' deadlines to balance their budgets.

EU Economy

EU approved extending UK scheme to give money to banks until 2010 (the measures began in October 2008).

EU plans to tighten regulation of hedge funds could drive away investors, warned the European Central Bank (ECB).

2011 deadline for EU members to cut escalating budget deficits proposed by Leaders at an EU Council summit.

Unemployment in the EU reached 9.3% in October (the highest for over a decade). 21.9m people were out of work. GDP in the eurozone (state who are members of the EU's single currency) also fell.

EU-wide supervision of financial institutions proposed: 3 new EU authorities would monitor threats to the financial system and have the power to overrule national regulators, but some EU states were concerned that the new authorities would be too powerful. The European Parliament and Council of Ministers must agree before the proposal can become law.

EU farmers protested in Brussels as EU agriculture ministers met to discuss falling milk prices (there is less demand for milk than supply from farmers). The EU will end all farming quotas by 2015, but farmers want the EU to increase subsidies. EU ministers said farmers would not receive more money from the EU budget, but they agreed to establish a panel of experts to look at the dairy sector. Then the EU decided to give an extra 280 million euros in 'special aid'.

Environment

Reduce in the amount of cod fisherman can catch in 2010 (up to 25%), said the EU Commission.

Climate Alarm! activists occupied the EU Commission building, deliberately disrupting a meeting of the *Confederation of European Business* to argue that businesses "have no role to play in deciding on how to deal with the climate crisis".

Commission's plan for EU-wide carbon tax for sectors not covered by the EU's emissions trading scheme the opposed by UK. The plan was to tax energy products based on how much CO2 they emit, but the proposal would need the unanimous support of national governments.

EU Council Summit agreed to contribute money to a global climate change fund to help developing countries tackle climate change. Whilst the EU Commission had called on EU leaders to offer up to 15 billion euros annually by 2020, the

EU Council did not decide how much money they would give, and said money would only be given if other parts of the world also gave money.

EU 100-watt incandescent light bulbs ban (introduced on 1 Sept) by defied by a **German citizen, who** stocked up on a lifetime's supply of the light bulbs.

European Investment Bank (EIB) gave €500m to Ireland's electricity sector to develop more environmentally-friendly sources and stem its reliance on imported fossil fuels.

Foreign Relations

EU rapid response team sent to Indonesia following an earthquake which measured 7.6 on the rictor scale. The EU Commission's Humanitarian Aid department (ECHO) also promised to send €3m.

UK 'should lead and shape' EU foreign policy, said the UK Foreign Secretary David Miliband.

An investigation into how Greece treats migrants to the country was called for.

Latvia agreed to cut its public spending by 500m lats in 2010 to in exchange for 7.5bn euros (£6.9bn) of emergency loans from the EU. Latvia's unemployment rate reached 18.3% in August.

World Trade Organisation (WTO) negotiations – EU said a global trade deal is likely to be concluded during 2010 because US President Obama is keen to finalise a deal (current talks are part of the 'Doha round', which began 8 years ago).

Candidates to join the EU

EU praised Turkey for its foreign policy developments, but the EU urged Turkey (currently negotiating to join the EU) to improve the freedom of its press.

Annual EU report on 'accession countries' (those seeking to join the EU) said Croatia (a candidate since 2004) could speed up its entry by working harder to fight corruption. Croatia has begun negotiations on 28 'policy chapters', but it needs to complete 35 chapters in total.

Relations with non-EU states

Ukraine will receive €500m EU funding to aid its economic recovery, and **Bosnia&Herzegovnia** will get €100m to , and the EU considered lending Serbia €200m.

Georgia & Russia: an EU report on the Georgia-Russia war concluded "there is no way to assign overall responsibility to one side". However, it said Georgia started the conflict and Russia's military action went beyond "reasonable limits".

Russia discussed new EU Partnership and Cooperation Agreement, and the EU signed a partnership deal with the **Syria**.

EU sanctions were imposed against Guinea's military leader (for example it ended an EU Tuna fishing deal with Guinea). EU sanctions against **Uzbekistan** were lifted despite continuing concern about its human rights record.

USA challenged EU's ban on imports of chlorinated chicken and asked the World Trade Organisation (WTO) to rule it as inappropriate and 'not scientifically justified'. A new EU extradition pact with the USA will come into force in Feb 2010.

Switzerland will lower its conditions to import EU goods (it currently requires Swiss-language labelling and very high standards. Switzerland hopes to make products cheaper for its consumers.

EU-South Korea signed a free-trade deal, to come into force in the middle of 2010. The deal was estimated to be worth €100bn to both economies.