



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

EU-Russia Relations

On 1st September EU leaders held an emergency summit on EU-Russia relations following Russia's launch of military action against Georgia. Russia had previously threatened to retaliate against the EU if it adopted punitive sanctions. During the summit Russia was highly criticised for both its actions and attitude towards European Union interventions.

In June 2008 Russia and the EU had agreed to further negotiations on the Partnership Agreement, furthering political and economic cooperation on such areas as energy, justice and home affairs. The crisis in Georgia led to the postponing of all further negotiations and put the bilateral relations on ice. The UK and Poland in particular pressed to suspend talks on closer ties with Russia in protest of its invasion and a fear that further unchecked Russian aggression may cause a Cold War-like scenario.

Currently unarmed EU monitors are undertaking patrols outside the Russian controlled 'buffer-zones' in post-war Georgia, to assess the humanitarian and infrastructure consequences of the conflict and pave the way for a Russian pullback of its remaining troops in the region. Furthermore the EU has launched an emergency programme to fund urgent humanitarian and reconstruction aid in South Ossetia.

Credit Crunch

September news has been dominated by the global financial crisis affecting many EU member states. After share prices of major investment banks plunged in mid-September the looming financial crisis of the past few months reached its tipping point. The global turmoil hit the EU economy worse than expected end recessions are feared, especially in the UK and Spain.

In a meeting in Nice this month the EU Finance Ministers agreed a €30 billion support package from the European Investment Bank to ward off a continent-wide recession by offering loans to small firms, in order to make up for a lack of credit available from major banks. Furthermore the European Central Bank flooded the market with cash attempting to stabilise it and prevent a collapse. However, it does not currently seem likely a whole-scale US-style bailout plan will be necessary for the European economy.

The 'credit crunch' has so far resulted in intense discussion over stricter forms of controlling and monitoring of financial institutions, notably targeting hedge funds and private equity firms. Next month the EU commission is expected to publish proposals on capital requirements for banks and for oversight of credit rating agencies. Furthermore the crisis has led to profound discussions on the demise of the 'Anglo-Saxon' model of capitalism.

Environment

In the EU's long term fight against growing congestion and greenhouse gas emissions in Europe it is attempting to switch more transportation from roads to the sea. The Commission has been promoting the concept of so-called 'Motorways of the Sea' (MoS) that are supposed to fundamentally change the nature of transport in the EU and are planned to become a new way of transporting goods in between the Member States. The MoS will link various European seaports and form a transportation system in order to decrease CO2 emissions.

EU-India Summit

The ninth Europe-India summit was held in Marseille on the 29th September, discussing various issues including the strengthening of the mutual relationship and wider global issues. Led by French president Nicolas Sarkozy the EU will extend their civil nuclear co-operation with India in order to fight the effects of climate change. The summit predominantly focused on nuclear energy issues, emphasising the importance of nuclear safety and research.

EU-Ukraine Summit

The EU and Ukraine met in Paris to discuss future relations. They unveiled plans for a new bilateral treaty to deepen judicial cooperation and trade, but Ukraine has been denied an EU membership perspective due to its permanent state of political crisis. The negotiations on the Association Agreement are intended for conclusion during 2009.

Lisbon Treaty

The failed referendum in Ireland during June has resulted in the growing concerns about the future of the Lisbon Treaty. In a speech given in Brussels Jean-Claude Juncker, Luxembourg's Prime Minister, expressed doubts over the likelihood of the Lisbon Treaty entering into force before 2010, which will put reform of EU structures on ice for the next couple of years. For the Lisbon Treaty to be a successful reform instrument it has to be ratified by all 27 member states.

Meanwhile, research conducted in Ireland has revealed that the rejection of the Lisbon Treaty in the June referendum was mainly due to a lack of information on content and possible outcomes specifically for Ireland.

Member states

Austria's elections on the 21st September saw two far-right parties gaining more influence in parliament. Following the general European trend the Social Democrats scored the worst results since 1945 while still managing to win the election. They now face the challenge of finding a coalition partner but have already ruled out any alliance with extremists' parties.

Finland and Slovenia's strained relations reached a climax with Slovenian Prime Minister Janez Jansa officially complaining to the Finnish ambassador to Slovenia over TV accusations of bribe-making in relation to a weapons deal. According to a Finnish TV programme the arms producer 'Patria' has paid €21 million in bribes to Slovenian government officials in return for arms orders. Police investigations are ongoing.

Sweden and the Netherlands are the best EU performers when it comes to provision of broadband internet, a study by the European Commission revealed.

Poland is planning to become part of the Eurozone by 2011, following Slovakia's entry in 2009 as the second largest EU country. However, meeting the entry requirements to join the currency bloc will likely prove difficult for Poland.

Italian region Calabria has proposed to sponsor the national football team as part of its tourism promotion, using EU funds worth €1.8 million. This has caused controversy over EU funding programmes in general emphasising the lack of clarity of EU legislation on this issue.

Romania and Bulgaria are perceived as the most corrupt countries in the EU by their own citizens, a study among 180 countries worldwide has revealed. Political corruption, dysfunctional judicial systems and misuse of EU funds have been named as the main concerns.

External States

Azerbaijan has severely criticised the EU's attempts to stabilise the Caucasus region. Although the country has showed interest in closer cooperation with the EU in the past, it has recently started to increase its oil exports to Russia and Iran, diverting oil originally assigned to the EU.

Turkey has expressed its disappointment over the slow proceedings of Ankara's accession talks. Prime Minister Erdogan accused the EU of 'not playing fair' with his country.

Armenia was visited by Turkish president Abdullah Gul who was invited by Armenian president Serge Sargsyan to attend a football game between the two nations. Gul's visit is the first by a Turkish leader in the two nations' history and was widely approved as a symbolic gesture to normalise relations between the two countries. Relations in the past were mainly characterised by the disagreement on the Armenian Genocide during the Ottoman Empire.

Western Balkans are getting pre-accession aid in the form of EU financial assistance worth €4,471 million in order to stabilise the region.

Other Events

EU citizens and religion

EU citizens remain strongly religious but like to keep faith out of politics a study of the Bertelsmann Foundation revealed. On the other hand, with most European Citizens following the Christian faith, the influence of this religion on European politics should not be underestimated says Recep Tayyip Erdogan, 'Europe is not a Christian club, but reality suggests something else.'

EU Parliament ceiling

The Parliament's ceiling has been repaired costing almost twice as much as expected. The next plenary session will be held in Strasbourg. The incident has further fuelled accusations about the so-called 'travelling circus', with the EU Parliament shifting tonnes of documents and some five thousand people to Strasbourg once a month.

Cars in the EU

All cars registered in the European Union have to be equipped with headlights and rear-lights that shine in the daytime by 7 February 2011. There have been many criticisms that, while not improving safety significantly, keeping lights on permanently increases fuel consumption and therefore does further damage to the environment.

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