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The Foundation on





# EU-Ukraine Relations: what developments have there been since the election of Viktor Yanukovych



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On his election in February 2010 Mr Yanukovych distinguished himself immediately from his predecessor by taking up close links again with Russia. But the new Ukrainian president did not neglect his relations with the EU however. Bilateral relations have moved forwards and may lead, at the end of 2011, to the signature of an association agreement. The deepening of the partnership between Kyiv and Brussels may however now be in danger because of the authoritarian excesses of the Ukrainian regime.

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# Front page! :

## Women will launch an Initiative!



The Robert Schuman Foundation, in partnership with the European Commission's Education and Culture DG, the Karamanlis Institute for Democracy and the Polish Robert Schuman Foundation, organised a conference at the European Parliament on 21st September entitled "Women for Europe & Citizens' Initiative". This event brought together a great number of women concerned about taking equality and parity

forwards; Maros Sefcovic, Vice-President of the European Commission was present. After this day of debate the women present decided that they wanted to launch a citizens' initiative. An area will be opened, to this end, on the site www.femmeseurope.eu where women will be able to define their ideas. They are preparing a draft in order to launch a Citizens' Initiative as of April 2012. Read more

## Montenegro



The Robert Schuman Foundation, together with the Konrad Adenauer Foundation and the CEDEM, are organising a conference in Montenegro on 29th and 30th September on the European integration of the Western Balkans. Jérôme Chartier MP, Jean-Dominique Giuliani, Chair of the Robert Schuman Foundation, as well as Gaëlle Pério, journalist

and specialist in the Balkans will speak during the debates over the issues at stake in terms of this integration... Read more

## Elections:

## Bulgaria



On 23rd October Bulgarians are being called to ballot to appoint the successor to Georgi Parvanov, who, at the end of his second term in office, cannot run again. The President of the Republic and his Vice-President (with whom he forms a ticket) are elected for a five year term in office which is renewable once only. Candidates for the

supreme office can be presented either by political parties or by voters' committees. 18 people have registered as candidates for the supreme office, each in a ticket with a Vice-President. 12 are put forward by political parties and 6 by voters' committees. According to the most recent poll by Mediana, the ruling party's candidate Rossen Plevnelyev, is due to win 29.1% of the vote in the first round, ahead of Ivaylo Kalfine who is due to win 21.9% of the vote and Meglena Kuneva, who is due to win 14.1% of the vote. A second round will be organised if necessary on 30th October... Read more

## Switzerland



The Swiss are being called to ballot on 23rd October next to renew their parliament, ie the 200 members of the National Council and the 46 members of the Council of States. The National Council represents the people and comprises 200 membes elected every four years by a proportional system. Each of the 26 cantons elects a number of MPs

proportional to its population. The Council of States represents the cantons and includes 46 members elected very four years. 12 political parties are represented on the outgoing National Council and 6 in teh outgoing Council of States. According the most recent poll by gfs.berne the UDC/SVP is due to win with 28% of the vote, followed by the PSS/SPS 20.5%, the PRD/FDP 15.6% and the PDC/CVP 14.5%. The PES/GPS is due to win 9.5%, the GLP/VL 4.5% and the PDB 3.1%... Read more

## Financial Crisis:

## IMF/.Forecasts



The IMF's forecasts decreased radically on 20th September in terms of short term world growth. In its six-monthly "Global Financial Stability Report" the institution is now forcasting a growth rate of 4% in 2011/2012, in comparison with 4.3% and 4.5% respectively in its most recent forecasts in June. The forcecasts were reduced signficantly for the USA (now at 1.5% in 2011 and 1.8% in 2012; in the euro area

1.6% in 2011, formerly 2%, and 1.1% in 2012 (against a previous 1.7%)). The IMF's economists describe activity as "astonishingly weak in the second quarter" and are not forecasting any improvement short term... Read more

## Hungary



The Hungarian Central Bank reduced its economic growth forecasts for 2012 from 1.5% to 1.0%, whilst increasing those of inflation from 3.9% to 4.7% in reaction to the recent austerity measures taken by the Hungarian government. In its quarterly report published on 22nd September the Central Bank brought its growth forecasts down to 1% after having decreased them from 2.7% to 1.5% in September. In its

opinion the revision downwards is due to the effects of the austerity measures announced recently by the Hungarian government in a bid to put bring public deficit under control... Read more

#### Ireland



In the second quarter Ireland recorded positive growth in comparison with its European partners, thereby confirming a recovery in its economy after the serious financial and budgetary crisis that forced Dublin to call for aid. According to statistics published on 22nd September the GDP increased by 1.6% in the second quarter in

comparison with the first quarter, during which there was growth of 1.9%... Read more

## Italy



On 22nd September the Italian government revised its growth forecasts downwards whilst stating that the austerity plan adopted last week would be enough to achieve the goal of budgetary balance as of 2013. The government is now planning growth of 0.7% in 2011, 0.6% in 2012 and 0.9% in 2013 against previous forecasts of 1.1%, 1.3%, 1.5% in April said the Finance Ministry... Read more

## Czech Republic



The Czech government adopted a draft budget for 2012 planning major cuts in State spending announced the Czech Prime Minister Petr Necas on 21st September. The government hopes to bring the public finance deficit down in 2012 to 3.5% of the GDP against 4.2% planned this year. In 2013 the deficit might be brought down to 2.9% of the GDP,

below the 3% threshold set by the Maastricht criteria and in 2014 down to 1.9% of the GDP... Read more

#### Slovenia



The Slovenian rating was downgraded from Aa2 to Aa3 by Moody's on 23rd September. The probable need of public funding on the part of Slovenian banks, the sombre outlook for mid-term growth and the country's political instability, are the main reasons for this decision declared the agency in a press release. The Slovenian government was

overthrown on 20th September in a vote in parliament. Moody's fears, amongst other things, that the future government will be unable to implement the necessary reforms to stabilise public finance... Read more

## Sweden



On 20th September the Swedish government said it wanted to invest 15 billion crowns (1.6 billion euros) in its 2012 budget to counter the effects of the crisis which are due to cause a slowing in the economy. "The Finance Ministry believes that the Swedish economy will slow significantly in 2012," said Finance Minister Anders Borg in a press

release and as he presented the 2012 draft budget to Parliament. "In its finance law 2012 the government is giving priority to measures that aim to counter slowing and to achieve sustainably high growth and employment," continues the press release. To do this "15 billion crowns will be invested in 2012 and 17.3 billion in 2013", added the Ministry. The Swedish government has reviewed its growth forecasts sharply downwards, likewise the budgetary surplus in 2012, bringing them down to 1.3% and 0.1% of the GDP... Read more

# IMF/Action Plan



The members of the International Monetary Fund (IMF) presented the action plan to enhance the defence of and guarantee world growth stability. They committed together to act decisively and in a structured manner to counter these problems. The crisis epicentre is in the euro

area at present but the whole world is facing a situation of economic instability...

Read more

## Recapitalisation



On 20th September the European Commission acknowledged that other European banks, apart from the institutions that failed the stress tests in July last, will probably need to recapitalise because of the debt crisis. This was announced by Joaquin Alumnia, the European Commissioner for Competition during a press conference in Brussels.

The Commissioner also declared that the European Commission will allow Member States to intervene if necessary. The specific rules relative to State aid (temporary framework) in application since the start of the financial crisis at the end of 2008 may be applied after December 2011, the initial deadline... Read more

#### **Criminal Justice**



On 20th September the European Commission delivered a European strategy project to the other EU institutions to "ensure the effective implementation of European policies through criminal law". This project is based on new legal opportunities offered by the Lisbon Treaty, aims to protect citizens better by providing a common interpretation of the notions of infraction and crime by stepping up the fight against cross-

border crime. The Commission puts forward certain guidelines to Member States: the use of criminal law as a last resort, the application of sanctions for the most serious crimes only, but also the respect of fundamental laws and the respect of the Rule of Law... Read more

## Inequalities/Europe



On 20th September the site of the European Inequalities observatory was launched. This is a network bringing together the associative and scientific worlds of six European countries: France, Italy, Hungary, Portugal, Spain and the UK. The site, inequalitywatch.eu provides

access to many statistics that help to have an idea of and compare economic and social inequalities that exist in Europe... Read more

## Council:

#### Food Aid



The 27 Agriculture Ministers did not come to agreement on 20th September to adopt the European Commission's proposal that aimed to guarantee food aid to the poorest populations. Some delegations stressed that the legal base retained was not adapted and that this

issue was more to do with social measures than agricultural ones; others said they had doubts about the co-funding of the project. This situation was heavily criticised and does not give a good image of the Union in a time of crisis... Read more

## Schengen



On 22nd and 23rd September the Justice and Interior Ministers did not agree to open the Schengen area to Bulgaria and Romania. Indeed the Netherlands and Finland opposed this outright arguing the incompetence of the two candidates with regard to protecting their

borders effectively and therefore of respecting the Schengen acquis. In the area of migrations, the States also studied the progress made in negotiations on the exchange of air passenger lists with third countries, as well as the visa information system with members of the European Free-Trade Association... Read more

# Solidarity between Generations



On 23rd September the EU's Official Journal published the Council and Parliament's decision proclaiming 2012 "The European Year of Active Ageing and Solidarity between Generations". Europe's ageing population brings a specific challenge to the EU in terms of public health and social aid for example... Read more

# Syria



The EU has stepped up its sanctions against the Syrian regime. They entered into force on 24th September immediately after their publication in the European Official Journal. The additional sanctions notably ban any further investment in the oil sector and the provision of money - notes and coins - to the country. Moreover, other people

and businesses have been added to the lists. The Council of the European Union intends to react to the continued brutality of the Syrian regime towards its own population. This was confirmed by the High Representative Catherine Ashton... Read more

## Near East



After Palestine had delivered its candidature to the UN on 23rd September, the Middle East Quartet (EU, UN, USA and Russia) presented a declaration on the same day that aims to re-initiate negotiations between Israel and Palestine. The document suggests a

return to the negotiation table in several stages. The Quartet gives both sides one month to agree on a joint agenda and three additional months to put real proposals forward. The results of these negotiations is planned for the end of 2012, as well as an assessment conference mid-way which will take place in Moscow. A Palestine donors' conference is planned, as well as support for the establishement of adminstrative structures... Read more

#### Auditor's Court:

# Agro-Environmental Aid



In a report published on 19th September the European Court, of Auditors said it believed that agricultural aid paid in the name of environmental protection, totalling 20 billion euros over the period 2007-2013, was not distributed adequately by the Member States. Indeed the projects funded generally corresponded to vague goals that

are too general and the results are therefore difficult to measure. Moreover some aid supports measures that fall short of their goals or which were decided upon too many years ago. The report encourages the individualisation of aid according to the specific requirements of the recipients, such as for example soil quality... Read more

# Germany:

## Hearing/Bundestag



During a hearing with the Bundestag's Budgetary Commission on 19th September experts mainly supported the extension of competences and the size of the European Funds (EFSF). Jens Weidmann, President of the Bundesbank repeated his warnings against the purchase of bonds on the secondary market. German MPs are to vote on the

extension of the EFSF on 29th September in the wake of the decision taken by European leaders on 21st July. The proposals are not all agreed upon unanimously within the CDU/CSU-FDP majority led by Chancellor Angela Merkel... Read more

Other link

#### Benedict XVI



From 22nd to 25th September Pope Benedict XVI undertook a journey to his homeland, Germany. On 22nd September, in front of the Bundestag, he lauded the desire for "fresh air" that the German ecological movement embodies, whilst some MPs boycotted his speech.

The sovereign pontiff said he wanted "human ecology" to be respected. The Pope notably met German President Christian Wulff and the German Chancellor Angela Merkel. They discussed the financial markets and "the fact that politics had to be strong enough to act rather than submit"... Read more

## Cyprus:

Gas

The director of Cypriot Energy Services, Solon Kassinis, announced on 19th September the launch of drilling for gas off the Cypriot coast by the American company Noble Energy in spite of Turkey's opposition to this. The latter warned that it would respond immediately to this drilling by launching its own work, under military protection if necessary. The EU has called on Ankara for moderation advising it to "abstain from making any threats" that might affect its links with Cyprus... Read more

#### France:

# Elections/Senate



The Senatorial election on 25th September (renewal of half of the seats) has taken the Senate over to the left. "For the first time the Senate has experienced political alternation," declared PS Senators' leader, Jean-Pierre Bel who might succeed Gérard Larcher on 1st October (UMP). The left now has 177 seats, ie 2 more than the absolute majority in the Senate... Read more

#### Slovenia:

## Government/Overthrown



The Slovenian government lost a confidence vote in Parliament on 20th September. 51 MPs voted against and 36 in support of the government led by Prime Minister Borut Pahor. The President of the Republic Danilo Turk, now has seven days to put forward a new Prime Minister to MPs. If no government is sworn in within the next 30 days, early general

elections will be organised at the end of the year or at the beginning of 2012... Read more

#### UK:

## Promotion



During a speech given on 21st September, Prime Minister David Cameron launched a campaign to promote the UK in order to attract tourists and investors on the occasion of the Olympic Games in London

and in celebration of the 60 years of the reign of Elisabeth II in 2012. These festivities should enable the generation of 1 billion pounds sterling for the British economy... Read more

## Russia:

## Distribution of power



On 24th September, on the occasion of their party congress, United Russia, Dmitir Medvedev, and Vladimir Putin split their roles in view of the presidential election in March 2012. The Russian Prime Minister Vladimir Putin announced that he wanted to return to the Kremlin, the present President Dmitri Medvedev, is called on to become head of

government... Read more

## Ukraine:

#### Warning



Štefan Füle, the Commissioner for Enlargement, declared that the political trials launched against opposition leaders may impede Ukraine's integration process. During a conference he confirmed Ukraine's European aspirations, whilst calling on the country's leaders to work towards greater independence on the part of the legal system.

They should show they are earnest about democracy, the Rule of Law and the association agreement that is being negotiated at present with the Union. Recent developments in Ukraine will be on the agenda at the next Eastern Partnership Summit in Warsaw on 29th and 30th September... Read more

## Switzerland:

# Fiscality/Bern-Berlin



On 21st September the German Economy Minister Wolgang Schäuble and his Swiss counterpart Eveline Widmer-Schlumpf signed a fiscal convention. This agreement means that as of 2013 Germans who have

placed money illegally in the Confederation will benefit from certain advantages if they decide to bring their money back to Germany. Instead of the normal 42-45% that is taken from revenues of over 100,000 euros they will be taxed at a rate of 19-34% and will not be questioned from a legal point of view... Read more

#### UN:

#### Women



On 19th September during the 66th session of the UN's General Assembly a joint declaration was signed that included real recommendations with regard to the means to bring progress in terms of women's political participation. The declaration hopes to promote women's political participation which is vital for democracy and essential for the completion of sustainable development and for the

upkeep of peace... Read more

## Nuclear



The action plan that aims to step up the safety of nuclear power stations in the wake of the Fukushima catastrophe was adopted during a general conference of the International Atomic Energy Agency (IAEA) on 22nd September in Vienna thereby starting the last stage in its implementation... Read more

## Eurostat:

## Industry



On 22nd September Eurostat published the new industrial order figures for July. These have declined by 2.1% in the euro area and by 0.8% across all 27 Member States in comparison with the month of June. However if naval, railway, and aerospace industry data are excluded -

since they vary a great deal, orders have increased overall by 1.4% in the euro area and by 0.9% in the EU. In both zones orders increased respectively by 8.4% and 6.8% in comparison with last year... Read more

# Languages



On the occasion of the tenth European Languages Day on 26th September, Eurostat, the EU's statistics office, published data on the learning of languages by children. In the EU, 82% of pupils in the primary sector and in the first years of secondary education as well as 95% of those in the second part of secondary education studied English as a foreign language. The most frequently studied second

language in primary and in the first part of secondary education is French (16% of pupils), followed by German (9%), and Spanish (6%), whilst in the second part of secondary education the languages studied were German (27%), French (26%) and Spanish (19%)... Read more

# Studies/Reports:

## Europe/Future



Emmanuel Sales, Director General of the Financière de la Cité has published an article in which he says he is confident about Europe's economic future. He recalls that this is the world's leading economy and that the European model, in which debt is not as high as in the USA and savings even greater, is still relatively healthy and attractive.

As proof of this he shows that China is particularly interested in buying the Italian, Spanish and Greek debts. Finally in terms of managing the effects of the crisis, the European institutions seem to be at least as effective as those in the USA, which have been paralysed by the strict bipolar nature of politics... Read more

#### Banks



The Centre for European Policy Studies (CEPS) published a study on 20th September concerning the financial sector, analysing the development of banks' situations during the financial crisis. The publication that was managed by financial expert Rym Ayadi differentiates between retail banks, investment banks and the

wholesale banks offering both services. The report shows how retail banks have taken less risks and have succeeded in overcoming the crisis. The CEPS advises, amongst other measures, greater guarantees for the major banks at risk and fiscal measures that favour long term investment... Read more

#### Birth Rate



The September 2011 issue of Population&Sociétés has just been published and bears the following title "La fécondité remonte dans les pays de l'OCDE: est-ce dû au progrès économique?" Improvements in the economy and living conditions in Europe and North America that started over two centuries ago went hand in hand with a major decline in the number of children/woman. But for the last decade the birth rate

has been rising and economic progress has not stopped. Angela Luci and Olivier Thévenon explain why it is not easy to associate these two phenomena... Read more

#### Poland



The Finnish Institute of International Affairs (FIIA) published a study on 21st September on the Polish Presidency entitled "Pro-European Presidency: Poland on the way to the club of heavyweight EU members" The author Tiia Lehtonen, reviews the priorities of the Polish presidency and pays tribute to the pro-European attitude of the

government and elites in Poland which will, in her opinion, have a positive impact on the success of this presidency... Read more

# Culture :

# Exhibition/Florence



The "Palazzo Strozzi" in Florence is hosting an exhibition until 22nd January bringing together more than 100 major Renaissance works on the theme of "Money and Beauty. The bankers, Botticelli and the purgatory of vanity". The exhibition rallies work by major Renaissance artists such as Sandro Botticelli and Marinus van Reymerswaele... Read

more

## Exhibition/Giacometti



Until 8th January the Pinacothèque of Paris is devoting an exhibition to the work of Alberto Giacometti "Giacometti and the Etruscans". The exhibition links Etruscan art to that of Giacometti. More than 150 Etruscan objects are on show alongside thirty works by Giacometti...

Read more

# Museum/Brussels



The Museum of Letters and Manuscripts (MLM) of Brussels opened its doors on 23rd September. Around 500 documents are on show to the public - the museum's collection totals 80,000 documents. On its opening the museum is presenting a unique exhibition on the most famous Belgian writer, Georges Simenon. Manuscripts, rare photos

from private collections and rich collection of the Georges Simenon Research Centre of the University of Liège, allows visitors to dip into the workshop of one of the most prolific writers of the 20th century (192 novels of which 75 "Maigret" and twelve collections of novellas)... Read more

# Agenda:



26th September "Foreign Affairs" Council



26th-29th September Plenary Session in the European Parliament



29 Sep.

29th-30th September Becici, Montenegro

Conference on the European Integration of the Western Balkans

Warsaw

Eastern Partnership Summit



30th September

Warsaw

Competitiveness Council



3rd October Luxembourg Eurogroup Meeting

Employment, Social Policy, Health and Consumer Council



4th October Economy and Finance Council









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