Tuesday 24th July 2012

issue 543

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The Foundation on





The Letter team wishes all of its readers happy holidays and looks forward to the publication of its next issue on 27th August.

The Instrumentalisation of the judiciary in Ukraine: authoritarian excesses of one man or an approach to political development?

Read more



Author: Alla Lazarov

Is the political persecution of opposition leaders in Ukraine a consequence of the inertia and lax attitude adopted by the Orange administration? Or are the roots of this trend more deeply set, and therefore, was the authoritarianism of Viktor Yanukovych inevitable? A reform of the judiciary has been on the agenda since independence. It is being undertaken far too slowly without any real political conviction and is encountering a multitude of stumbling blocks. The reason for this has to be found.

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Front page! :

Tribut to Jean François-Poncet



The Robert Schuman Foundation, of which former Minister Jean François-Poncet was a board member, pays tribute to the work accomplished for France during the exceptional career of this great European. A highly demanding diplomat he never forgot his part in the writing of the Rome Treaty. He devoted a great deal of time and effort into taking the unification of Europe forwards. A committed politician,

of undeniable competence, he unceasingly worked for greater European integration and for the international profile of both France and Europe in his capacity as

Secretary General to the Presidency of the Republic, as Foreign Minister, MP and local politician. The Robert Schuman Foundation expresses its great sadness to both his family and friends... Read more

The first FU-Korea Forum



The Robert Schuman Foundation, the Yonsei University and the Korea Foundation are organising the first Europe-Korea Forum on 19th September 2012. On this occasion the speakers, both European and Korean will review the relations between the European Union and Korea in various areas one year after the signature of the free trade

agreement between the EU and South Korea. It is obligatory to enrol... Read more

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Financial Crisis:

Eurogroup gives the greenlight to aid plan to Spain



On 20th July 2012 the 17 euro zone Finance Ministers unanimously accepted the aid plan to Spain prepared by the Spanish government for the banks. They decided that the support provided to Spanish banking institutions would enable the protection of the euro zone as a whole. However this agreement goes together with the obligation to

implement reform, notably in the banking sector; 100 billion euros from the European Financial Stability Facility and then the European Stability Mechanism will be moblised... Read more

Spain: very dark economic forecasts



On 20th July Spain announced new extremely dark economic forecasts with the recession continuing in 2013 and unemployment worse than forecast this year whilst the country is attempting to balance its public accounts with unprecedented austerity measures. The unemployment

rate in Spain, the highest in all of the industrialised countries, is due to top 24.6% in 2012, a figure slightly over the 24.3% that was initially expected, announced the government on 20th July. Moreover on 23rd July the Bank of Spain announced the contraction of the GDP in the second quarter 2012 to -0.4%... Read more

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Budgetary Threats to Portugal



On 17th July 2012 the EU and the IMF acknowledged that Portugal was struggling to achieve its budgetary objectives. In their opinion a 4.5% deficit in the GDP in 2012 was still achievable but budgetary threats had increased. These declarations follow the 4th assessment mission on the part of the EU-IMF-ECB troika of the austerity and reform

programme that has been introduced in exchange for 78 billion euros granted in May 2011. It ended in a satisfactory conclusion and the payment of a further aid instalment. But the budgetary deficit in the first quarter of 2012 of 7.9% of the GDP is complicating the achievement of a 4.5% deficit by the end of 2012 and 3% in 2013 due to a decrease in fiscal revenues and a rise in unemployment. The EU and the IMF stress that the reforms are being undertaken in a difficult context since Portugal's main partner, Spain is also sorely affected by the crisis... Read more

Greece struggles to come to agreement over budgetary cuts



The leaders of the three government coalition parties in office in Greece did not come to agreement over the budgetary cuts that have been requested by Athens' international creditors, ie 11.7 billion euros. A further meeting is planned next week. The new savings plan for the period 2013-2014 is supposed to be complete before the Troïka's

arrival in Athens which is due to decide on the payment - or not - of a further share of the aid plan that totals 130 billion euros. Moreover the European Central Bank (ECB) announced on 20th July that is was no longer accepting banks depositing debt bonds issued by Greece as guarantees for the time being as it was waiting for the Troïka's report on the state of progress of the country's reforms... Read more

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The launch of negotiations between Hungary and the IMF



On 17th July 2012 Hungary and the IMF started negotiations in view of a 15 billion euro aid plan, that have been released in view of consolidating public finances. The EU joined the negotiations on 18th July. The latter started in 2011 but were interrupted in the wake of a

controversial law governing the Hungarian central bank. This aid should enable Hungary to borrow at lower rates on the bonds market... Read more

Europe has to step up its support to Ireland



The IMF said on 18th July 2012 that the EU had to step up its support to Ireland to enable its long term recovery on the debt market. "Considerable challenges remain because of uncertainty over the euro zone and further European support is necessary," said the IMF. It stipulates that Dublin's "mid-term priorities" are to "re-establish the

health of the financial sector to help to relaunch loans, to bring the budget back onto a healthy path and to make progress in terms of structural reforms to facilitate growth and create jobs." The IMF welcomes the work done by the Irish authorities and their determination, in spite of the difficult economic situation that is delaying recovery... Read more

The Bank of Italy revises its growth forecasts



On 17th July the Bank of Italy revised its growth forecasts downwards. It estimates that the contraction of the GDP will be 2% in 2012 and 0.2% in 2013 against 1.5% and 0.8% as it had initially forecast. These forecasts match those made by the IMF (-1.9% in 2012) and come in the wake of a downgrading in the ratings of 13 Italian banks by

Moody's on 16th July. The Bank of Italy says therefore that the recession phase "is due to continue (...) but at a slower pace." In the social sector the Bank of Italy notes an unemployment rate at 10.9% in the first quarter of 2012 and is forecasting more than 13% in 2013. The inflation rate remained stable which has led the bank to forecasting a 3% rise in consumer prices in 2012 and 1.8% in 2013... Read more

IMF congratulates Latvia



In a report published on 16th July 2012 the IMF congratulated Latvia for its economic recovery; the economy is due to grow this year by 3.5%. However it stressed the need to counter high unemployment that is affecting 15% of the population. The IMF also recommended the government to plan the issue of bonds in order to help it "protect

itself against an unexpected downturn in Latvia's foreign situation." Finally the report indicates that Lativa "has a fair chance" of achieving its goal of adopting the euro in 2014... Read more

A slight rise in unemployment in the Netherlands



According to the most recent figures published by the Central Bureau for Statistics on 19th July 2012 the unemployment rate in the Netherlands increased by 0.1 point between May and June. It now totals 6.3% of the population ie 495,000 people... Read more

Unemployment down in the UK



The Office for National Statistics (ONS) announced on 19th July that unemployment in the UK had declined in May 2012. Indeed this rate that was better than forecast, previously totalled 8.1% of the population, ie 0.1% less than the two previous months. This figure might be explained by the organisation of the Olympic Games in

London at the end of July 2012... Read more

The euro zone has to take firm measures against the crisis

The IMF published a report on 19th July 2012 in which it offers its ideas to European leaders on how to settle the crisis. It notably advises on the introduction of banking union and the development of

budgetary union in order to protect the monetary union's viability. Finally, although monetary policy should underpin demand it recommends the Member States to make structural reform to increase long term growth. The IMF also decided on 18th June to extend its field of surveillance of the world economy. In order to provide protection against the effects of "contagion" it absolutely has to assess whether the policies that are implemented in a given country do not influence the international system negatively... Read more

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Commission:

Bulgaria must step up the pace in terms of its structural reforms



The European Commission's report on the Cooperation and Verification Mechanism published on 18th July 2012 highlights the urgent need to step up reform in Bulgaria in order to establish true modern rule of law. The country is said to be on the right path and has achieved a great deal in reaching the CVM's goals but it the soundness of this still

has to be ensured. Indeed the legislative frameworks have been set but they have to be strengthened as they are implemented so that the process becomes irreversible and sustainable. The fight to counter high level corruption as well as the fight against organised crime are Bulgaria's weak points, and it has not been able to produce convincing results in terms of eradicating these problem. A future assessment is due to be published in 2013... Read more

Romania requested to respect the rule of law



On 18th July 2012 the European Commission published its interim report on the cooperation and verification mechanism. As a priority Romania must guarantee the rule of law and the independence of the judiciary if it wants to retain the confidence of the other Member States. According to the President of the Commission José Manuel

Barroso, the progress made in terms of countering corruption and the independence of the judiciary have been threatened by recent events (the suspension of President Traian Basescu). Although the foundations of a modern judiciary have been set there is still a great amount of work to be done and a majority of the population is asking the Commission to continue to supervise the country. Romanian Prime Minister Victor Ponta has said that he will follow the report's recommendations. A further report will be published at the end of 2012... Read more

For a European Research Area



On 17th July 2012 the European Commission published concrete steps for Member States in view of establishing a European Research Area. The creation of a single reserach and innovation market should help European researchers to move around more easily and for them to cooperate better together. Greater competitiveness, interactivity and

joint work should help to settle some major issues. Jointly the Commission signed protocols with some of the main research funding organisations. Moreover the Commission suggested an initiative to foster access to and the protection of scientific information in the promotion of free access to publications in Europe... Read more

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Report on European Micro-funding Progress

On 17th July 2012 the European Commission published the second annual report on the use of the European micro-funding tool, Progress. This report reveals the effectiveness of the tool to create jobs, notably with regard to micro-businesses, whose creators struggle to find funding from more traditional sources. 20 micro-funding organisations provide some 170 million euros for a period of two to three years, thereby encouraging for example aid to groups "at risk" such as young people, who cannot meet the criteria for traditional loans. According to László Andor, the Commissioner for Employment this instrument has proved "to be important in terms of social investment, and we should retain it.".. Read more

Council:

Conclusions of the Agriculture and Fisheries Council



On 16th July 2012 the Fisheries and Agriculture ministers in the 27 Member States met to listen to the presentation of the programme of the Cypriot presidency in this area. They also held two debates on agriculture as part of the reform of the CAP: one on the draft regulation for rural development and the other on the common

organisation of the agricultural products market. As far as fisheries were concerned the Ministers notably recalled the agreement on the work that needed to be done in terms of cod fishing as well as the agreement on the goal to achieve a maximum sustainable yield by 2015... Read more

Further sanctions against Syria



On 23rd July 2012 the 27 EU Foreign Ministers decided to step up sanctions against the Syrian regime, likewise controls on the arms embargo in order to increase pressure on Bachar el-Assad's government. 26 people and three new entities have been added to the EU's blacklist. France, UK, Germany have pleaded for more

humanitarian aid to the Syrian refugees. Moreover the EU has said it is prepared to suspend most of its sanctions against Zimbabwe if the country organises a "credible" constitutional referendum in preparation for democratic elections. Ministers have also decided to resume direct cooperation and development aid that has been suspended since 2002... Read more

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Austria:

The Austrian President ratifies the ESM and the European Budgetary Pact



The Austrian President Heinz Fischer signed the European Stability Mechanism (ESM) as well as the Europan Budgetary Pact on 17th June 2012, thereby completing his country's ratification of these two texts. Austria is due to participate to a total of 2.8% in the ESM, ie a

payment of 2.2 billion euro and 17.3 billion euro in guarantees out of a 500 billion euro capacity in all. With regard to the ratification of the European budgetary pact the Robert Schuman Foundation has updated a summary table of the ratifications in the Union's various countries. It also offers its readers an explanatory paper on the treaty... Read more

Spain:

The Bundestag and the Eduskunta approve aid to the Spanish Banks



German MPs in the Bundestag, who were consulted for the tenth time in two years about saving the euro, approved aid to Spain on 19th July 2012, 473 votes in support, 97 against and 13 abstentions. Germany is due to guarantee nearly 30% of this aid in all. For its part the Finnish Parliament also approved the plan to save the Spanish banks on 20th July, 109 votes in support, 73 against. The agreement on the guarantees

that was debated in depth in Finland and finally negotiated with Madrid on 17th July, has now been approved and covers 40% of the Finnish participation... Read more

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Hungary:

Retirement at 62 for judges censured



On 16th July 2012 the Hungarian constitutional Court censured a law that reduced judges', prosecutors' and notaries' retirement age to 62 (in comparison with 70 at present). The Constitutional Court believed that the law might infringe the independence of the judiciary because since it was due to take immediate effect, some judges might be removed from ongoing cases. The EU had criticised this reform and

turned to the Luxembourg Court in April 2012 to assess this law as a matter of urgency... Read more

Further funds for the construction industry and public works in Ireland



On 17th July 2012 the Irish government announced that it was injecting 2.25 billion euros into its investment programme with the aim of supporting the building industry. The programe's total amount put forward in November 2011 totalled 17 billion euros, staggered over five years, to fund infrastructure projects. The new package should lead to

the creation of 13,000 jobs. It will be directed towards building projects in education, healthcare, transport and justice. Depending on the projects work should be completed by 2018 at the latest... Read more

Italy:

The Italian Chamber of Deputies ratifies the European budgetary pact



On 19th July 2012 the Italian Chamber of Deputies ratified the European Budgetary Pact, 380 votes in support, 59 against and 36 abstentions; they looked into three laws that had already been approved by the Senate on 12th July. The Robert Schuman Foundation offers an explanatory paper and a summary table on the ratification

procedures ongoing in the Member States. Italy is now the eleventh country to ratify the pact, according to this table which deems the ratifications complete when they have been approved by parliament. The TSCG will enter into force when 12 Member States have ratified it... Read more

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Lithuania:

Lithuania will organise a referendum on the nuclear plant of Visaginas



On 16th July 2012 the Lithuanian Parliament approved the organisation of a referendum on the construction of the nuclear powerplant of Visaginas. 62 MPs voted in support, 39 against and 18 abstained. The plant is due to replace the Ignalina reactor that was stopped in 2009 in line with the commitments taken by the Baltic State when it joined the

EU in 2004... Read more

Poland:

Resignation of the Polish Agriculture Minister



On 18th July 2012 the Polish Agriculture Minister Marek Sawicki handed in his resignation to Prime Minister Donald Tusk. The ministry's agency that is responsible for allocating subsidies is suspected of having embezzled funds. The Prime Minister did not however give the name of Mr Sawicki's successor... Read more

Romania:

The University of Bucharest confirms the plagiarism committed by the Romanian Prime Minister



The scandal surrounding accusations of plagiarism made against Romanian Prime Minister Victor Ponta re-emerged on 20th July 2012 with the publication of a damning report by the University of Bucharest. There is question of "massive, deliberate" plagiarism estimated the University's ethics committee, which is the most

respected academic establishment in Romania - it awarded the title of doctor to Mr Ponta in 2003. According to the report Mr Ponta, who on several occasions has denied the accusations, "copied the ideas and entire pages" by other authors, ie one third of some 300 pages in his thesis on the functioning of the International Criminal Court... Read more

Promulgation of the law on the referendum in Romania

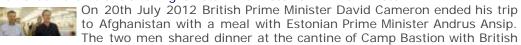


As requested by the European Commission the interim Romanian President Crin Antonescu announced on 16th July 2012 that he had promulgated a vital law for the referendum on the impeachment of the head of State, Traian Basescu, who is at present suspended from office. "I have decided to promulgate this law and I believe it will put

an end to a rather controversial issue," declared Mr Antonescu. The Constitutional Court of Romania decided that the referendum that is to approve or reject the impeachment of Mr Basescu on 29th July would only be valid if at least 50% plus one of the Romanian electorate turn out to vote... Read more

UK:

David Cameron travels to Afghanistan with Estonian Prime Minister



and Estonian troops. The two countries entertain close relations; they are working together at present as part of the International Security Assistance Force (ISAF) in the Helmand province; there are around 165 Estonian soldiers in Afghanistan, mainly in the north of Nad-e-Ali - an area under British leadership and finally the two countries are working closely together in the provincial reconstruction team based in Lashkar Gah... Read more

Albania:

A new electoral code in Albania



On 19th July 2012 Albanian MPs adopted (127 votes in support out of 140 MPs present) a new electoral law that aims to put an end to the political quarrels and systematic protests about electoral results. In real terms the new law will focus on the way that the electoral commission is selected, on the introduction of stricter control of voters'

ID as well as the introduction of the digital counting of votes which will be tested beforehand in some constituencies. This law is the result of a request made by the EU as part of Albania's process to achieve official candidate status to join the EU... Read more

Montenegro:

Appointment of a new Foreign and European Integration Minister



On 18th July 2012 the Montenegrin Parliament approved 43 votes in support out 58 MPs present the appointment of Nebojsa Kaludjerovic as Foreign and European Integration Minister. The latter succeeds Milan Rocen who resigned some time after the start of the country's entry into the EU. Indeed in his opinion this new stage required the appointment of a new political figure. Nebojsa Kaludjerovic was Montenegro's first ambassador to the UN after his country declared independence in 2006... Read more

Russia:

Russian Parliament finally adopts the WTO's membership protocol



On 17th July 2012 the Upper Chamber of the Russian Parliament ratified Russia's membership protocol to join the World Trade Organisation (144 votes in support and three against). Ten days earlier the Duma, the lower chamber of Parliament, ratified the same protocol. This vote ends 18 years of negotiation. On 21st July Russian President Vladimir Putin signed the protocol. It will enter into force in

30 days time... Read more

Ukraine:

Ukraine: demonstration against the censure of the media



On 19th July 2012 journalists demonstrated in Kyiv to denounce the censure that the government is said to be exercising over the independent media just a few months before the general elections. Two media in particular, website Lb.ua and TV channel TVi are being targeted for retaliation measures. Several opposition parties, notably

that of Yulia Tymoshenko, accompanied the demonstrators and called on the government to put an end to "pressure" on the media... Read more

Council of Europe:

Romania: the Council of Europe calls for the respect of democratic standards



The Parliamentary Assembly of the Council of Europe called on 19th July 2012 for the respect of democratic standards in Romania. It said it was concerned about the methods employed to impeach Presidet Traian Basescu and called for "political forces" to respect the rule of law and democracy. On 16th July, in the wake of pressure made by the

EU, the interim President Crin Antonescu, promulgated a law on the referendum relative to the impeachment of Traian Basescu. As advised by the Romanian Constitutional Court the turnout rate must be at least 50% plus one for the impeachment to be declared valid. As a reminder the referendum will take place on 29th July 2012. A poll quoted by the European Election Monitor published by the Robert Schuman Foundation shows that only 27.4% of the electorate will vote against Mr Basescu's destitution in comparison with 64.3% who are about to vote in support of it... Read more

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UN:

The UN in stalemate



On 19th July 2012 Russia and China rejected a UN resolution which threatened the Syrian regime with sanctions and renewed the mandate of the UN observation mission by 45 days in the country. Of the 15 countries that are members of the Security Council, the resolution put forward by France, the USA, the UK, Germany and Portugal, was

approved by 11, rejected by 2 and 2 abstained (Pakistan and South Africa). It is the third time that Russia and China, which are permanent members of the Council, have used their right to veto against a draft resolution on the situation in Syria... Read more

Eurostat:

Current Account Deficits down in the Union



According to figures published by Eurostat on 19th Juy 2012 the EU recorded a deficit of 4.1 billion euros in terms of its current account in the first quarter of 2012. In the first quarter of 2011 the deficit lay at 31.3 billion. The goods account deficit has decreased and the surplus

of the services account has increased mainly due to the surpluses in "other services to companies" (trade, professional and technical services; transport, financial and insurance services ...). The EU's current operations account recorded a surplus with the US (20.6 billion euros), Switzerland (17.3 billion euros), Brazil (7.6 billion euros), Hong Kong (6.3 billion euros), Canada (4.9 billion euros) and India (1.3 billion euros)... Read more

Studies/Reports:

Central Asia and Eastern Europe: strategic relations



The Foundation for International Relations and External Dialogue (FRIDE) has published a study on relations between the former Soviet Republics of Eastern Europe (Belarus, Moldova Ukraine) and Central Asia. This area remains strategic for the energy and economic interests of these three European powers... Read more

"After the Eldorado Decade"



The "Stiftung Wissenschaft und Politik", the German institute for international policy and security published a further study in July 2012 entitled "Nach der El-Dorado Dekade". Author Heribert Dieter focuses notably on an analysis of the causes of the economic and financial crisis in Spain... Read more

Publications:

Can the European Union become a major power?

Can European integration enable the Union's Member States to recover



the joint influence they have lost in the face of new world powers? In a paper by "La Documentation française" entitled "L'Union Européenne peut-elle devenir une grande puissance?" author Maxime Lefebvre explains that the European Union has progressively invested all areas of power, from the economy and trade to foreign policy and even defence

by using new levers of influence (regulation, negotiation, aid, crisis management tools). However in his opinion the European Union still faces several challenges if it wants to defend its place in the international arena... Read more

Culture:

Bayreuth Festival



From 25th July to 28th August 2012 the Bayreuth Lyrical Arts Festival, devoted to Richard Wagner's operas, is taking place. Founded by the composer himself in 1876 it is devoted to the performance of his ten main operas. The programme includes, amongst others, "Lohengrin", "Parzifal", "Tristan and Isolde" and "Tannhäuser"... Read more

Salzburg Festival



The Salzburg festival is putting on an extremely rich programme of operas, concerts and theatre plays until 2nd September 2012. "Die Zauberflöte" by Mozart, Puccini's "Bohemian" and "Carmen" by Bizet will notably be played all summer long... Read more

Edinburgh International Festival



From 9th August to 2nd September 2012 the Edinburgh International Festival explores the way art rises beyond geographical differences and borders. The festival brings together today's major names alongside the upcoming generation of international artists and offers audiences many classical music concerts, theatre plays, operas, dance and visual arts... Read more

Sziget Festival



The Sziget in Budapest, the biggest music festival in Europe is taking place between 6th and 13th August this year. Initially the programme focused on European artists from the East only but it now includes

internationally famous stars. In this, the 20th edition, Placebo, Emir Kusturica, Korn, The Stone Roses, Teatro degli Orrori, Goran Bregovic, the Subways are on the agenda Read more

Emil Nolde and Exoticism



The Ahlers Foundation of Hanover is devoting an exhibition to German Expressionst painter Emil Nolde (1867-1956) until 31st October 2012. The artist was fascinated by the authenticity of art that came from other countries. He travelled to the southern oceans in order to learn more. He notably stopped off in Papua-New Guinea where he acquired

objects that he then used in his own works of art. The exhibition shows around 30 of his paintings undertaken between 1911 and 1929 Read more

The Tate Modern opens its "Tanks" to the public



The Tate Modern, a former power station that was converted into a museum in 2000 is opening up its tanks to the public until 28th October - these were formerly its fuel reserves. Forty visual artists will be presenting their work there. The tanks comprise two giant concrete areas 30m in diameter and 7m high. They are devoted to art in action

since the museum is "the ideal place for invention.".. Read more

Agenda:

23 Jul 23rd July Brussels Foreign Affairs Council

23 Jul 23rd and 24th July Nicosia Informal meeting of Justice and Domestic Affairs Ministers

24Jul

24th July Brussels General Affairs Council



29th July Referendum in Romania on the impeachment of President T Basescu



2nd August Frankfurt/Main Council of the governors of the ECB

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