



European Defence in the era of budgetary crisis: an opportunity for more cooperation?



Author: Claude-France Arnould

Facing an unprecedented budgetary crisis, the Member States are opting for cooperation in order to maintain the effectiveness of their defence systems - as witnessed by the adoption on 19th November of a code of conduct on sharing and pooling capabilities. There are a great number of challenges that have to be confronted by political impetus, but the European Defence Agency is providing pragmatic solutions to Member States.

[Read more](#)

Contents

Front page! : Atlas/EU - Defence - Diversity **Financial Crisis** : Encouragement/EU - Belgium - Cyprus - France - Portugal - Czech Republic - UK **European Council** : Budget **Commission** : Schengen **Parliament** : Security - Economy - Elections - Tonio Borg - Cinema **Council** : Defence/Diplomacy - Peru/Colombia **ECB** : Banking Union - Appointment **Space** : Future **Germany** : Bundestag - Growth **Spain** : Catalonia - ETA **France** : Public Finance - Afghanistan **Italy** : France - Budget - Productivity **Lithuania** : Government **Poland** : Budgetary Treaty - Energy **UK** : Energy **Bosnia-Herzgovina** : Reshuffle **Eurobarometer** : Discrimination **Studies/Reports** : Climate - Taxation - Germany - Defence **Publications** : Germany/Poland **Culture** : Exhibition/Dali - Exhibition/Frankfurt - Exhibition/London

[Agenda](#) | [Other issues](#) | [Contact](#)

Front page! :

Purchase the second edition of the Permanent Atlas of the European Union!



The Robert Schuman Foundation is publishing the second revised edition of the Permanent Atlas of the European Union. This reference work presents the Union, its institutions and each of the Member States via their history, their culture and their statistics. A unique publication, it offers free access to an internet site www.atlas.permanent.eu on which this data is permanently updated, enabling everyone from the teacher, student, researcher, expert to the decision maker, citizen or the simply curious to have constant access to better information on Europe and its Member States. Order the work on line... [Read more](#)

[Other link](#)

"Can Europe still defend itself?"

On 28th and 29th November 2012 the Konrad Adenauer Stiftung and the Ifri are organising the 14th Franco-German strategic forum in



Berlin entitled "Can Europe still defend itself?" The Chairman of the Robert Schuman Foundation, Jean-Dominique Giuliani, will be speaking during the first session, which will focus on the need to introduce a Common Security and Defence Policy (CSDP).. [Read more](#)

Enrol for the Diversity Forum!



The second Diversity Forum will take place on 21st December next. Devoted to women's involvement and their success in the professional world it will address all types of themes (recruitment, mentoring, equal pay, promotion, access to the executive board etc ...) More than 2000 participants are expected to discuss how to improve diversity with the best experts in a series of workshops and with the support of 60 exhibitors. It is obligatory to enrol... [Read more](#)

Financial Crisis :

Three European Presidents launch a message of encouragement to the Europeans



On 19th November 2012 the Presidents of Germany, Poland and Italy met in Naples where they launched a joint "message of encouragement" to the Europeans. "We shall overcome this serious economic and financial crisis" they said, notably addressing young people. The three presidents plead for the construction of true political union and joint external action... [Read more](#)

Belgium will bring its deficit down to 2.15% in 2013



After several weeks of hard negotiation, Belgian Prime Minister Elio di Rupo presented his draft budget for 2013 on 21st November 2012. In order to bring its deficit below 3% as requested by the EU the federal government has had to find 3.44 billion euros thanks to a combination of new revenues and a reduction in spending... [Read more](#)

[Other link](#)

Cyprus needs aid of 17 billion euros



On 21st November 2012 Cypriot Finance Minister, Vassos Shiarly announced that Cyprus needed aid of 17 billion euros over the period 2012-2016. The Cypriot Republic, which is in recession, is negotiating with the Troika (EU, ECB, IMF) in order to obtain this financial aid. Troika representatives arrived in Cyprus on 9th November last to negotiate an austerity programme in exchange for this aid. "We are on the right path and we hope to conclude a final agreement very soon," said Mr Shiarly who hopes that a memorandum will be ready for the Eurogroup meeting on 3rd December next... [Read more](#)

[Other link](#) | [Other link](#)

France loses its triple A



On 19th November 2012, the ratings agency Moody's announced that it was downgrading France from AAA to AA1. Hence, in the wake of Standard & Poor's at the beginning of the year, France has lost the top rating from a second international financial ratings agency. In a press release the agency highlights "an uncertain budgetary outlook because of worsening economic perspectives" and justifies its decision, pointing to "long term economic perspectives affected negatively by a great number of structural challenges," including "a gradual but continuous loss of competitiveness"... [Read more](#)

The IMF still concerned about the situation in Portugal



On 20th November 2012 the IMF published its conclusions concerning the 6th quarterly assessment of Portugal, which will lead to the payment of a further tranche of aid totalling 2.5 billion euros as part of its international rescue plan of 78 billion euros. According to the IMF "the Portuguese authorities have demonstrated significant political

determination in a bid to progress towards overcoming imbalances that have accumulated and to prevent crises." However "short term forecasts are still uncertain and the mid term challenges are considerable," the economic will certainly be in recession in 2013 with an increase in unemployment, which "has already risen to a record level." The IMF has conditioned the success of this programme by the reforms achieved by European countries to "overcome the fissures in the euro area.".. [Read more](#)

The Czech government adopts a draft budget 2013 in deficit by 2.9% of the GDP



The Czech government adopted a draft budget 2013 on 21st November 2012, thereby limiting the public finance deficit to 2.9% of the GDP, below the 3% mark set by the Maastricht Treaty. This draft budget will be submitted to the lower chamber of Parliament on 28th November next... [Read more](#)

A worsening in public finances in the UK



Public finances in the UK worsened more than was forecast in October 2012 according to statistics published on 21st November 2012 by the Office for National Statistics. Hence the public deficit stands at £6.7 billion at present, i.e. 2.3 billion more than in October 2011. The public sector's net loan is also higher (£8.6 billion against £5.9 billion a year ago). The public debt totals £1.068,8 i.e. 67.9% of the GDP... [Read more](#)

European Council :

Failure of negotiations over the multi-annual financial framework 2014-2020



On 23rd November 2012 the 27 Heads of State and government announced that they had not come to an agreement over the multi-annual financial framework 2014-2020. However they said that the coming weeks of negotiation under the guidance of Herman van Rompuy should lead to a consensus by the beginning of 2013... [Read more](#)

Commission :

The situation of the Schengen Area investigated by the European Commission



On 23rd November 2012 the European Commission presented its second report on the situation of the Schengen Area between 1st May 2012 and 31st October 2012. Between April and June 2012 nearly 23,000 irregular border crossings had been detected ie a reduction of 44% in comparison with the number noted at the same time in 2011, at the height of the Arab Spring. Alerts on the land border between Greece and Turkey have however increased by 29%... [Read more](#)

[Other link](#)

Parliament :

A step towards the harmonisation of automotive security standards



The European Parliament adopted its position concerning the draft regulation that aims to harmonise rules attesting to the conformity and the marketing of two or three wheeled vehicles and quadricycles. This regulation put forward by the European Commission in 2010 in virtue of the co-decision procedure aims to simplify existing rules governing the marketing of these vehicles in the Member States... [Read more](#)

Towards a genuine Economic and Monetary Union



MEPs adopted a resolution on 20th November 2012 asking for the EU's increased powers to be completed by greater responsibility. MEPs explained that the framework offered by the present treaties could be completed they also said that it is already adequate to undertake the first major reforms. MEPs are also asking for members of the Economic and Monetary Union to adopt a social pact. Finally they stressed the importance of involving the national parliaments more, so that they can take on board the

European dimension when they draw up national policies... [Read more](#)

European elections 2014: let the electorate have its say.



On 22nd November 2012 MEPs adopted a resolution 316 votes in support, 90 against and 20 abstentions recommending that European political parties put forward a candidate to stand for the position of President of the European Commission so that they undertake a real electoral campaign, thereby encouraging European voters to turn out to vote. They also suggested that the European elections be moved from June to May 2014 to give the newly elected Parliament more time to prepare the election of the President of the Commission. Finally they are inviting the Member States to establish "minimum, appropriate, proportionate thresholds" in their electoral law for the attribution of seats so that the choice of the citizens is reflected to the full... [Read more](#)

Maltese Tonio Borg, new European Commissioner



On 21st November 2012 MEPs approved the appointment of Tonio Borg as the new European Commissioner for Healthcare and Consumers, in replacement of John Dalli, 386 votes in support; 281 against and 28 abstentions... [Read more](#)

Lux Cinema Prize 2012



On 21st November 2012 the President of the European Parliament Martin Schulz awarded the Lux Cinema Prize to Italian director Andrea Segre. This prize was given for Segre's film "Io sono Li" which illustrates problems of immigration and the tension that can arise between belonging to a community and personal fulfillment... [Read more](#)

Council :

Diplomacy and Defence



On 19th November 2012 the 27 Foreign Ministers debated the situation of Gaza and Mali. With regard to Gaza they criticised the civilian deaths on both sides and have called for a halt to the fighting. Regarding Mali Ministers showed their support of an African operation as part of the resolutions adopted by the UN Security Council. They also addressed the situation in Syria, repeating their concern that the conflict will continue and promising an increase in humanitarian assistance for the Syrian people and refugees. The 27 Defence Ministers set the budget of the European Defence Agency 2013, adopted conclusions on the development of military capabilities and discussed the situation in Mali... [Read more](#)

EU/Peru; EU-Colombia



On 22nd November 2012 the third meeting of the bilateral consultation mechanism - EU/Peru took place. Both parties stressed the need to complete the trilateral free trade agreement with Colombia. They also committed to cooperating more on social, economic and environmental aspects of mineral extraction in Peru, deemed to be a major factor in the development of this country and of great interest to the European economy. The day before a second meeting of the bilateral consultation mechanism EU-Colombia also took place. Discussions mainly focused on the development of the mining industry and competitiveness. To develop mining activities both sides explained that the environment had to be taken into consideration, together with healthcare and security standards... [Read more](#)

[Other link](#)

ECB :

Mario Draghi calls for the immediate creation of Banking Union

During the 22nd Congress of European Banks in Frankfurt, Mario Draghi spoke on 23rd November about the recovery of confidence over



the future of the euro zone. This provided the President of the ECB with an opportunity to review all of the initiatives that have been launched to stabilise the euro zone and to strengthen its governance. He also called for the support of banking union and the creation of a supervisory mechanism in view of completing Economic and Monetary Union... [Read more](#)

Yves Mersch appointed to the ECB



[more](#)

On 22nd November 2012 the European Council formally adopted the appointment of Yves Mersch as the new member of the ECB board; he will be responsible for the implementation of the monetary policy across the entire euro area. This appointment comes after the European Parliament's initial rejection because of a gender imbalance on the ECB's board. Yves Mersch has been appointed for a period of 8 years... [Read more](#)

Space :

European Space Agency: a 10 billion euro budget for the future



On 20th and 21st November 2012 the Ministers responsible for space in the 20 Member States of the European Space Agency (ESA) decided to invest in the development of Europe in Space for it to become more competitive and grow via the signature of a programme worth more than 10 billion euros. "It is an enormous success in spite of the economic situation," declared Jean-Jacques Dordain, the Agency's General Director. Investments have been allocated to detailed definition studies for the new Ariane 6 launcher and for the continued development of the adapted version of Ariane 5 ME. They also approved a Political Declaration entitled "For a European Space Agency to serve Europe better".. [Read more](#)

Germany :

Angela Merkel defends her results in the Bundestag



During the debate on the 2013 budget at the Bundestag on 21st November 2012, the German Chancellor Angela Merkel defended her results: lower unemployment, high investments in education and research, reduction in payments for local authorities and sustainable consolidation of public finances. The German structural deficit will have dropped from 20 billion in 2011 to 15 billion in 2012 and to 8.8 billion in 2013, ie 0.34% of the GDP. It is also due to decline to 0% in 2014 if the economic environment remains stable. In terms of the situation in Europe, the Chancellor repeated Germany's solidarity in the management of the debt crisis... [Read more](#)

German growth slows



German growth was confirmed at 0.2% in the third quarter, according to final figures communicated by the Federal Statistics Office, Destatis on 23rd November 2012. In the third quarter Europe's leading economy increased its GDP by 0.2%, in comparison with the previous months, according to data adjusted to variations in the calendar, the seasons and to prices indicated a Destatis press release. "The German economy is resisting the European recession but at a slowing pace," commented Destatis... [Read more](#)

Spain :

Regional elections: the issue of Catalan independence



On 25th November 2012 voters in Catalonia were called to ballot to renew the members of their parliament. Of the 135 seats, the nationalist Catalan coalition CiU won 50, ie 30.68% of the votes cast. It lost 12 seats. The Catalan Leftwing Party (ERC) won 21 seats, thereby doubling its score with 13.68% of the vote. The Catalan Socialist Party (PSC) with 14.43% won 20 seats, pulling ahead of the People's Party (PP) which won 19 seats with 12.9% of the vote. Turnout totalled 69.56%... [Read more](#)

ETA ready to negotiate with France and Spain in view of dissolution



On 24th November 2012 the Basque separatist group ETA, published a press release in which it said it was prepared to negotiate with France and Spain in view of its "dissolution". Spanish Interior Minister Jorge Fernandez Diaz rejected these declarations saying that he only expected an "unconditional dissolution" of ETA after the announcement of the end of nearly 40 years of armed combat for the independence of the Basque country and Navarre on 20th October 2011. According to French Interior Minister Manuel Valls, "no negotiation is possible" before the "prior dissolution of ETA" and "the relinquishment of arms, although it is up to the Spanish to lead the process to its conclusion, notably regarding prisoners"... [Read more](#)

France :

The French Parliament finally adopts the Golden Rule



On 22nd November 2012 the French Parliament finally adopted the organic draft bill on the "budgetary golden rule". As on first reading this draft that confirms the "golden rule" in the balance of public finances as planned for by the European budgetary treaty was approved by 320 votes in support, 22 against. The organic law allows the laws governing the multi-annual programming of public finances to implement this rule which anticipates a "structural" budgetary deficit (apart from economic alea) limited to 0.5% of the GDP as quickly as possible... [Read more](#)

The end of French operations in Kapisa



On 20th November 2012 the official ceremony heralding the departure of French troops from the Nijrab base took place. French troops will then travel to Kabul and fly back to France. The departure of the French troops marks the end of French operations in Kapisa and the withdrawal of troops participating directly in armed combat in Afghanistan. By the end of the year France will only have 1,500 troops in Afghanistan, notably training staff and logistics experts mainly based in Kabul... [Read more](#)

Italy :

Giorgio Napolitano, State visit, Paris



On 21st and 22nd November 2012, Italian president Giorgio Napolitano paid a State visit to Paris. He spoke with his French counterpart President François Hollande discussing European and international issues. During a joint press conference they stressed the importance of bilateral relations notably the 30th Franco-Italian Summit that will take place in Lyon on 3rd December in Lyon. The Italian president then delivered a speech to the French deputies in the hemicycle of the National Assembly. Giorgio Napolitano announced that he was committed to "guaranteeing the budgetary consolidation and recovery of public finances in Europe in order to protect and save the single currency..." [Read more](#)

[Other link](#)

The Italian Chamber of Deputies adopts a slightly adjusted draft budget



On 22nd November 2012 the lower chamber of the Italian parliament adopted, 372 votes in support, 73 against and 16 abstentions, the draft budget 2013 - a version that was adjusted in comparison with the initial draft put forward by the government on 10th October. The draft is due to be submitted to the Senate. Hence the reduction of the tax rate on household revenues by one point in two of the lowest bands, asked for by Mr Monti which was designed to be a symbol of the quest for greater equity between citizens in the face of the crisis, was deleted. VAT will increase by one point as planned as of July 2013, but this concerns the ordinary rate of 21%, whilst the reduced rate of 10% will not be changed. MEPs revised fiscal incentives to businesses upwards, in a bid to improve productivity for the period 2013-2015... [Read more](#)

The Italian government launches a productivity pact



On 21st November 2012 Mario Monti's government launched a productivity pact. After three months of negotiations an agreement establishing the "main guidelines for growth of productivity and competitiveness in Italy" was signed between the government and social partners (ABI, ANIA, Confindustria, the international cooperative Alliance, the Network of Businesses in Italy, CISL, UIL and UGL)... [Read more](#)

Lithuania :

Algirdas Butkevicius, new Lithuanian Prime Minister



On 20th November 2012 the President of the Lithuanian Republic Dalia Grybauskaite submitted the candidacy of Algirdas Butkevicius as Prime Minister to Parliament. On 22nd November the Seimas (Parliament) approved this proposal 90 votes in support, 40 against. But the General Prosecutor Darius Valys addressed a motion to Parliament on the same day asking it to lift the immunity of four members of the Labour Party, including Viktor Uspaskich, accused of having provided false information about the Party's revenues over the period 2004-2006 so that they could be brought to trial. The new Prime Minister declared that if they were found guilty "all options remain open". Mr Butkevicius is due to reveal the members of his government within the next 15 days... [Read more](#)

[Other link](#)

Poland :

The Polish government supports the ratification of the TSCG



On 20th November 2012 the Polish government approved a proposal that aims to ratify the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG). The measures included in the treaty will only be binding after Poland's adoption of the euro. However the country wants to be involved in discussions over the euro area now in order to position itself at "the heart of Europe and not on the periphery" said Prime Minister Donald Tusk... [Read more](#)

The government is to invest 100 billion zlotys in the energy sector



On 21st November 2012 Polish Prime Minister Donald Tusk announced an investment of 100 billion zlotys (around 24 billion euros) into the energy sector by 2020. 4 billion zlotys (around 9.7 billion euros) will be devoted to the building of eight new power plants that will guarantee 17% of the country's requirements in terms of electricity, whilst in the nuclear and shale gas sectors 40 billion and 5 billion zlotys will be invested respectively. Storage, production and transit infrastructures will also be concerned. The goal is to diversify supply sources in order to guarantee energy independence for the country and to avoid electricity shortages... [Read more](#)

UK :

New Draft Law on Energy



The British government came to an agreement on 23rd November 2013 on the law on energy channelling investments notably into the nuclear sector but it decided to postpone the setting of a CO2 emissions reduction goal by 2030, the focus of a battle within the coalition in office. "The government came to a decisive agreement on the energy policy which sends out a clear, sustainable signal to investors," indicated the Energy Minister in a press release. This law is to be presented to Parliament this week... [Read more](#)

Bosnia-Herzegovina :

Bosnia-Herzegovina undertakes a government re-shuffle

On 22nd November 2012 Bosnia-Herzegovina undertook a reshuffle of its government which promised to make rapid reform as demanded by



Brussels so that it can be granted the status of candidate country for EU membership. Fahrudin Radoncic, Zekerijah Osmic and Edita Djapo were appointed as Security Minister, Defence Minister and Deputy Finance and Treasury Minister respectively... [Read more](#)

Eurobarometer :

Discrimination accentuated by the crisis



In the latest Eurobarometer survey it emerges that types of ethnic and sexual discrimination or that based on physical integrity (handicaps) are still the most frequent kind in Europe. 17% of those interviewed had been discriminated against (according to one or several bases) in 2012. The economic crisis also seems to be worsening discrimination on the labour market, notably on the basis of age, to the detriment of the over 55's... [Read more](#)

Studies/Reports :

Climate Change, impacts and vulnerability in Europe



On 21st November 2012 the European Agency for the Environment published a report entitled "Climate change, impacts and vulnerability in Europe, 2012". The latter highlights the climate changes seen in Europe, notably higher average temperatures, a reduction in rainfall in the southern regions and in increase of this in northern Europe. This report also points to the fact that "extreme events" such as flooding and drought "have led to damage that is increasingly costly to Europe [...] the future development of the climate will probably increase vulnerability." In order to prevent an increase in these costs the report calls on European businesses to adapt themselves... [Read more](#)

Analysis of Fiscal Reform



On 21st November 2012 the World Bank, the International Finance Corporation and PwC published a joint study "Paying Taxes 2013". This study focuses on the tax regime of 185 economies and the reforms undertaken within some of them. It shows that in spite of the present economic difficulties governments are continuing to reform in order to create an environment that is better for businesses, focusing particularly on the introduction or the improvement of on-line payment systems. One of the economists who took part in the study, Andrew Sentence, notably stresses that actions that aim to reduce red-tape mean higher growth rates... [Read more](#)

Germany: a model - but for whom?



The Fabrique de l'Industrie has published a paper by Jacqueline Hénard entitled "Germany: a model, but for whom?" According to the the author the remarkable results achieved by Germany is being studied by many observers in the hope of imitating German "good practice". She shows the naive nature of this approach and defines the factors of competitiveness that cannot be transposed and those in which other countries might find inspiration... [Read more](#)

Report on French arms exports



On 22nd November 2012 Defence Minister Jean-Yves Le Drian presented the annual report on France's export of arms to Parliament. This report gives details of the government's policy in this area and explains France's position in this market in which it lies fifth in the world ranking of arms exporters. Orders from Asia brought arms exports from France in 2011 up to 6.5 billion euros; this has enabled it to remain in the group of leading export countries in a market which has many new competitors. This figure represents a rise of 27% in comparison with the 5.12 billion in orders placed in 2010... [Read more](#)

Publications :

Willy Brandt's Gesture in Warsaw December 1970



"I did what men do when words fail them". It was with this phrase that Willy Brandt explained why he kneeled before the monument to the victims of the Warsaw Ghetto on 7th Decembr 1970. Gérard Saint-Paul reviews this gesture in a book entitled "L'agenouillement au ghetto" that was published on 23rd November 2012 by Michel de Maule publishing. The author, who witnessed the event, explains how important this gesture was for the history of Europe... [Read more](#)

Culture :

Salvador Dali at the Pompidou Centre in Paris



The Pompidou Centre is paying tribute until 25th March 2013 to Salvador Dali, one of the most controversial and most popular artists of the 20th century. Visitors will be able to see some of his most important works such as "The Persistence of Memory" better know as "Melting Watches". In all, the exhibition presents more than 200 paintings, sculptures, drawings as well as films, excerpts from programmes and photos... [Read more](#)

Raphael's drawings on show in Frankfurt



The Städel Museum in Frankfurt is devoting an exhibition to the Italian painter Raphaël (Raffaello Sanzio da Urbino, 1483-1520) entitled "Raphaël - drawings". The exhibition includes 48 drawings by the Renaissance master from the Städel Museum as well as from the Louvre and the Offices in Florence. The exhibition is on until 3rd February 2013... [Read more](#)

The Art of Gambling



The Museum of Cluny in Paris is putting on an exhibition from 28th November 2012 to 4th March 2013 highlighting gambling and strategic games from ancient Eastern Mediterranean times to medieval West. In the beginning people's fascination with games found its roots in the quest to master gambling. It is because they highlighted fate that these games were held in high esteem by artists... [Read more](#)

Agenda :



26th and 27th November
Luxembourg
Education, Youth and Culture Council



26th November to 7th December
Doha
18th UN Conference against Global Warming



28th-29th November
Brussels
Agriculture and Fisheries Council



29th November
Luxembourg
Foreign Affairs Council (Trade)



2nd December

2

Dec

Slovenian Presidential Election (2nd Round)

3

Dec

3rd December

Brussels

Transport, Telecommunications and Energy Council

Brussels

Meeting of Euro Zone Finance Ministers (Eurogroup)

The Letter is also available in:



 I love the Robert Schuman Foundation's Letter

The Letter's Editorial Team :

Inga Groth, Pauline Massis Desmarest, Pierre Thibaudat ;
Audrey Gahéry, Louis Hancisse, Pierre-Yves Luminet,
Gaudérique Traub, Laurène Vernet

Chief Editor: Pauline Massis Desmarest
Publishing Director: Pascale Joannin

Contact/Suggestions
info@robert-schuman.eu

The Robert Schuman Foundation, created in 1991 and acknowledged by State decree in 1992, is the main French research centre on Europe. It develops research on the European Union and its policies and promotes the content of these in France, Europe and abroad. It encourages, enriches and stimulates European debate thanks to its research, publications and the organisation of conferences. The Foundation is presided over by Mr. Jean-Dominique Giuliani.

You no longer wish to receive our letters. {LINK}