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The Letter in PDF format

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## The Scottish Parliament through the prism of the upcoming referendum on Scotland Independence



Just as the Scots are about to hold a referendum on their constitutional future on 18th September next the Foundation has published a study of the Scottish Parliament via the prism of this most important political choice

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#### Foundation:

#### Juncker - a leadership ace



In an editorial published on his site, Jean-Dominique Giuliani, Chairman of the Robert Schuman Foundation, comments the composition of the European Commission which will be presided over by Jean-Claude Juncker. Firstly, Jean-Dominique Giuliani lauds the fact that Mr Juncker will make the revival of the European economy his priority, then he notes that the new Commission will comprise experienced leaders who have

been successful in their own country. Finally, he stresses the benefits of the new way the Commission is to be organised with an executive of 7 Vice-Presidents who will be responsible for the management of the other commissioners. The latter will be able to devote themselves "entirely to the common interest" as demanded by the EU's treaties... Read more

#### Elections:

### Narrow victory for the Social Democrats and break-through by the Swedish Democrats



The Social Democratic Party (SAP) won the general elections on 14th September in Sweden taking 31.2% of the vote and 113 seats of the 349 possible seats in the Riksdag (+1 in comparison with the election on 19th September 2010). It came out ahead of the Moderate

Assembly (M) of outgoing Prime Minister Fredrik Reinfeldt which won 23.2% of the vote and 84 seats (-23 seats). The Swedish Democrats (SD) came third with 12.9% of the vote and 49 seats (+29). The Environment Party/Greens (MP) won 6.80% of the vote and 24 seats (-1) followed by the Centre Party (C), 6.10% of the vote and 22 seats (-1), the Left Party (Vp) 5.7% and 21 seats (+2), the People's Party/Liberals (FpL), 5.4% and 19 seats (-5) and the Christian Democratic Party (KD) 4.6% of the vote and 17 seats (-2). Turnout rose to 83.3%. Together the three left wing parties won 43.70% of the vote and 158 seats, which is far from the absolute majority of 175 seats. The formation of a government may prove difficult... Read more

#### Financial Crisis:

#### Eurogroup: support of a reduction in tax burden



On 12th September the Eurogroup met in Milan to discuss the common principles for the reduction of the tax burden on labour. The overall tax burden in the euro zone is over the OECD average. This is an obvious impediment to the effective, smooth functioning of the labour markets

in the euro zone. Hence the reduction of this burden on labour could support consumption, stimulate labour supplies and employment, as well as improve cost-competitiveness and firms' profitability. Ministers agreed to draft a number of reforms that will target each of the Member States... Read more

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#### The OECD announces a reduction in its growth forecasts



On 15th September the OECD announced a reduction in its growth forecasts for 2014 and 2015 for the USA ( $\pm$ 2.1% and  $\pm$ 3.1%), Japan ( $\pm$ 0.9% and  $\pm$ 1.1%), and the euro zone ( $\pm$ 0.8% and  $\pm$ 1.1%). The OECD notes that the world's main economies have entered an unequal period of moderate growth. It recommends more monetary support to the euro zone given its weak growth prospects and warns of the

danger of demand weakening if inflation remains close to zero. Given the weakness of demand the European States also have to use the greatest amount of flexibility available in the EU's budgetary rules... Read more

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#### Reduction in French growth forecasts



The French Finance Minister organised a press conference on 10th September to announce revised growth figures, inflation and the country's deficit in 2014 and 2015. The growth forecast for 2014 is 0.4% and in 2015 it will be 1% against a previous 1.7% announced in the spring. Regarding inflation France's forecast is revised down at -0.5% in 2014 and +0.9% in 2015. Finally the government deficit is

due to lie at 4.4% of the GDP (instead of 3.6% forecast in the financial bill), against 4.3% in 2013. Michel Sapin was also forced to admit that the threshold of 3% - the maximum tolerated by the European treaties - will finally be achieved in 2017, instead of in 2015 as initially planned for by the government. The minister did however maintain that the goal of making savings on spending totalling 21 billion euro in 2015 will be kept... Read more

#### Portugal: economy growing in 2nd quarter



The Portuguese national statistics institute declared on 8th September that the economy was growing in the 2nd quarter of 2014 up by 0.3%. However it revised its first estimate downwards noting growth of 0.6%. In the first quarter the GDP contracted by 0.5% against -0.6% estimated initially. The government is expecting growth of 1% of the GDP this year which will become the first year of growth after three

successive years of recession. Moreover the Portuguese government approved the creation of a State investment bank on 11th September which will be specialised in lending to SMEs - initially it will have a capital of 100 million euro. This entity that is to be launched at the end of the year should "make good the shortfalls of the SME financing market," announced the Portuguese Economy Minister, Antonio Pires de Lima... Read more

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#### Commission:

Announcement of the distribution of responsibilities within the future European Commission

On 10th September, Jean-Claude Juncker, President elect of the



European Commission announced the distribution of responsibilities within his college of Commissioners. There are 7 Vice-Presidents, each heading a "team" that will be responsible for a specific project, which covers several competences in close cooperation with the

Commissioners. The candidates will be auditioned between 29th September and 7th October by the European Parliament. The future European executive will include 9 women, which is the same number as in the previous Commission. It comprises 5 former Prime Ministers. The average age is 53. The Juncker Commission is expected to enter office on November 1st... Read more

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#### Publication of the Commission's report on competitiveness



"In spite of the present economic difficulties, the EU's manufacturing industry has a certain number of competitive assets which should be better employed to stimulate economic growth," this is the conclusion of two reports on industrial competitiveness published on 11th

September 2014 by the European Commission. These reports highlight the "points of concern" that the EU and the Member States should address rapidly to prevent growth from "slowing": investment, access to financing, civil service, access to foreign markets, innovation, energy prices. Finally the Commission points in its reports, to the disparity of the level of industrial competitiveness between the Member States... Read more

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#### 11.9 billion euro to improve transport links in Europe



On 11th September the European Commission decided to grant 11.9 billion euro to improve transport links in Europe. This sum is the biggest ever attributed to the financing of transport infrastructures by the EU since its inception. The Member States are invited to put projects forward by 26th February 2015 at the latest. This money will

enable the creation of a central transport network which will be of major economic importance to the single market long term. The projects will enjoy EU financing but they will have to be co-financed by the Member States. The proposals selected and the attributions of projects will be announced in the summer of 2015... Read more

#### Ratification of the EU/Ukraine association agreement



The free-trade agreement between Ukraine and the EU that is due to be ratified on 16th September by the Ukrainian parliament will not enter into force before the end of 2015 announced the European Commission on 12th September. The free-trade area comprises the

economic chapter of the association agreement between the EU and the Ukraine signed in June. Until now the Commission has maintained that this zone would be created "rapidly", even temporarily, whilst the ratification process between Ukraine and the 28 EU Member States was ongoing... Read more

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#### Parliament:

#### Commissioners' Auditions



The candidate Commissioners presented by the new President of the European Commission, Jean-Claude Junkcer are due to take part in auditions organised by the parliamentary committees on 29th September to 7th October. Auditions will take place from 29th September to 2nd October and on 6th and 7th October. If one or

several candidates fail their assessment there will be a change of portfolio and new auditions will have to be organised... Read more

#### Council:

#### Entry into force of further sanctions implemented by the 28 against Moscow



The new sanctions of the 28 EU Member States against Moscow, notably aiming to limit the financing of the Russian economy, entered into force on 12th September as they were published in the EU's Official Journal. The new restrictions affect Russian oil companies (notably Gazprom's oil subsidiary) as well as the arms sector. These businesses will have their access to the capital markets restricted. The

President of the European Council Herman van Rompuy did however say that the EU could suspend or modify these sanctions after an assessment of the situation in Ukraine by the end of the month... Read more

#### A report on priority investments asked of the European Commission



European Finance Ministers asked the European Commission and the European Investment Bank (EIB) to deliver a report to them rapidly regarding "proposals for good investment projects" with "real measures" announced the Italian Finance Minister Pier Carlo Padoan on 13th September. "We asked the Commission and the EIB to prepare a

first report very quickly regarding real measures that might be put forward on a national and European level to prepare good investment projects that can be financed," declared Mr Padoan after two days of meetings in Milan with his European counterparts... Read more

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#### Court of Justice:

#### The EU's Court of Justice rejects MasterCard



On 11th September the EU's Court of Justice confirmed the General Court's decision to uphold the Commission's ban on multilateral interchange fees (MIFs) implemented by MasterCard. In 2007 the European Commission demanded that MasterCard remove the MIFs since they were contrary to competition law. The Commission found that the MIF had the effect of setting a floor under the costs charged to

merchants and thus constituted a restriction of price competition... Read more

#### ECB:

#### ECB report on payments in the EU in 2013



The European Central Bank published statistics on non-cash payments in 2013 in the EU, which include indicators on access and use of payment instruments and terminals by the public as well as the volumes and values of transactions processed by payment systems.

The total number of payments other than in cash increased by 6% in 2013 in comparison with the previous year to 100 billion dollars. Card

payments represented 44% of all transactions whilst credit transfers totalled 27% and direct debits 24% of all payments... Read more

#### The ECB helps Montenegro



On 9th September the ECB launched cooperation with the Central Bank of Montenegro to help the institution prepare its integration into the European system of central banks. It is one of the conditions to help towards the procedure for the country's accession to the European Union. This aid will be financed by Brussels to a total of 300,000 euro.

For seven months these funds will enable the ECB to provide its expertise to its Montenegrin counterpart to pinpoint the main areas to work upon... Read more

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#### Germany:

#### Germany: launch of budgetary discussion



During his speech to the Bundestag on 9th September German Finance Minister Wolfgang Schäuble re-iterated his attachment to the rigorous respect of budgetary rules. According to the latter, Europeans should not just rely on the European Central Bank's accommodating policies to revive growth. He said that lax attitudes to budgetary discipline would not enable the long term return of activity either. "We have

shown that a sound budgetary policy was the best approach for growth and employment," declared the minister who presented a balanced federal budget for the first time since 1969. The first reading of the text was held in the lower chamber of Parliament from 9th to 12th September. Debate will continue over the next few weeks until a final vote on the budget is taken on 28th November... Read more

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#### Elections in Thuringen and Brandenburg



On 14th September elections took place in two Länder - Brandenburg and Thuringen. Unsurprisingly in Brandenburg the social-democrats in office since 1990 won. They are to form a coalition government either with the Left Party (Die Linke) - their government partner since 2009 - or with the Christian Democratic Union (CDU), which is gaining ground.

This election was also marked by the entry of Alternative für Deutschland (Alternative for Germany), a conservative Eurosceptic movement with 12% of the

vote) into the Landtag and by the exit of the Free Democratic Party (FDP) which did not reach the 5% voting threshold. Regarding Thuringen the CDU won the election but is not sure however whether it will retain office since the SPD might choose to form an alliance with the Left and the Greens rather than remain in a grand coalition. The AfD won 10% of the vote... Read more

#### France:

#### Peace and Security Conference for Iraq



The "International Conference for Peace and Security in Iraq took place on 15th September in Paris. It brought together international and regional partners who support the objective of peace and who are helping towards its accomplishment. It was jointly inaugurated by the

President of the French Republic, François Hollande and the President of the Republic of Iraq Fouad Massoum. The international community promised to support the Baghdad's battle to counter the jihadists of the ISIL "by all necessary means" including military solutions. "Participants in the Paris conference maintained the Daech - the Arabic acronym for ISIL) is a threat for the entire international community" according a final text issued at the meeting. "They stressed the urgent need to bring the presence of Daech to an end in the regions where it has taken position in Iraq. With this goal in mind the new goal in mind they committed to support by all necessary means the new Iraqi government to counter Daech, including by appropriate military aid, corresponding needs expressed by the authorities", continues the document. This support will be provided in the "respect of international law and the security of the civilian populations"... Read more

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#### Poland:

#### Speech by the Polish President to the Bundestag



75 years after Poland's annexation by Germany and the start of the Second World War Polish President Bronislaw Komorowski declared how good the relationship between the two countries now is as he

spoke to the Bundestag on 10th September. He called on his neighbours in Western Europe to stand firmly regarding Russia. Bronislaw Komorowski said he wanted to emphasise how important it was for German/Polish dialogue to be strengthened in the future - which he deems vital for the consolidation in the east of the European Union... Read more

#### Poland: Eva Kopacz appointed Prime Minister



Polish Prime Minister Bronislaw Komorowski officially appointed Eva Kopacz as Prime Minister on 15th September. She takes over from Donald Tusk who resigned on 11th September after his appointment as head of the European Council as of 1st December next. Ms Eva Kopacz was leader of the lower chamber of Parliament (Diet) to date... Read more

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#### UK:

#### Scotland: tension rises and the polls oscillate



On 10th September David Cameron, Ed Miliband and Nick Clegg travelled to Scotland as a matter of urgency given the latest polls which credit the "yes" vote with the majority next week in the referendum on independence. On 11th September 2014 in Edinburgh the Prime Minister of Scotland, Alex Salmond held a press conference

during which he accused the British government of scaremongering after the leak of information about the possible withdrawal of the Royal Bank of Scotland from Scotland if the "yes" vote wins. A new poll by Survation for the Daily Record suggests that a result of 53% for the "no" and 47% for the "yes" if those undecided are not taken into account. In all events it will be a very tightly run race!.. Read more

#### Slovenia:

#### Slovenia: coalition agreement to form a government



Slovenian Prime Minister designate Miro Cerar signed a coalition agreement on 8th September with two parties to form a government. "We came to agreement to end the crisis in Slovenia, to stabilise the political arena, stimulate economic development and consolidate public finance," declared Miro Cerar to the press after concluding the coalition

agreement with the Pensioners Party (DeSus) and the Social Democratic Party (SD).

Miro Cerar was put forward as Prime Minister on 29th August by Slovenian President Borut Pahor. The three coalition parties that have 52 seats of the 90 in the Slovenian parliament, will put a 16 member government together. The coalition decided that its priorities will be "economic growth, the protection of existing jobs, the creation of new jobs and the increase of international competitiveness" of Slovenia as well as the protection of the present healthcare system. On 9th September the Prime Minister delivered a list of candidates for the various ministries to the National Assembly. Miro Cerar's government still has to be approved by Parliament which is due on 18th September next... Read more

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#### Ukraine:

#### Ukraine: a new draft bill granting more autonomy to the East



On 10th September Ukrainian President Petro Poroshenko announced the introduction of a new draft bill which will offer much greater autonomy to the country's east. But it is stipulates that these transfers of competence should however be accomplished respecting the territorial integrity of Ukraine and the regions concerned must not

detach themselves from that territory. Given the declarations made by the pro-Russian rebels, who consider the ceasefire to be simply a temporary postponement of the issue of their independence, with this bill the President of Ukraine aimed to stress the assertion of his positions set during the negotiations in Minsk and of his intransigeance regarding the respect of national unity... Read more

#### NATO:

#### NATO: military exercises in the Black Sea



Three NATO ships took part in the exercise "Sea Breeze" from 8th to 10th September 2014 in the Black Sea. The goal was to show NATO's commitment regarding its ability to work with its naval partners. The US and Ukraine organised this annual exercise. Amongst the participants were Georgia, Romania, Turkey as well as the USA. This

exercise came in response to Russian activities in Ukraine. The Alliance has increased its air patrols over the Baltic countries as well as its naval activities in the Baltic Sea and the Eastern Mediterranean. These exercises follow NATO's decision taken at the summit on 4th and 5th September to improve collective Allied defence... Read more

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#### OECD:

#### Economic report on Spain by the OECD



According to the most recent economic study of Spain published by the OECD on 8th Sepember, Spain is emerging from an extended period of recession and has now started back along the path of moderate growth together with an improvement in international competitiveness. Decisive bank and tax reform and a monetary policy that favours

growth undertaken by the ECB have appeased financial tensions and helped towards the recovery of public finances. The OECD believes that unemployment is the most urgent economic and social challenge that Spain has to overcome: the exceptionally high level of unemployment is weighing on revenues and is also worsening poverty and inequality... Read more

#### Investing in education for growth and employment in the EU



The Organisation for Cooperation and Economic Development (OECD) published the annual report "Education at a Glance" on 9th September 2014. This document reveals the increasing importance of investments in education for the future of growth and employment in the European Union as well as for more inclusive European societies. According to this study the share of the adult population with a higher education

diploma has continued to rise in Europe (29%°)... Read more

#### Eurostat :

#### Employment up in Europe in the second quarter of 2014



The press release by Eurostat published on 12th September announced an increase in employment of 0.2% in the euro zone and 0.3% in all EU Member States in the second quarter of 2014 in comparison with the first quarter of the year. Year on year the rise in employment has been +0.4% and +0.7% respectively in comparison with 2013.

According to Eurostat's estimates 224.9 million men and women were employed in the EU in the second quarter of 2014 of which 146.5 million were in the euro zone... Read more

#### Surplus of 21.2 billion euro in international goods trade in the euro zone



According to the first estimates published by Eurostat on 15th September in July 2014 the euro zone registered a surplus of 21.2 billion euro in its international trade account with the rest of the world in comparison with +18 billion in July 2013. In July 2014 in comparison with June 2014 exports, adjusted to seasonal variations

decreased by 0.2% whilst important rose by 0.9%. The first estimates in the balance of goods trade extra-EU in July 2014 indicate a surplus of 1.7 billion euro, against +10.8 billion in July 2013. In July 2014 in comparison with June 2014 exports, adjusted to seasonal variations decreased by 0.3%, whilst imports increased by 2.3%... Read more

#### Studies/Reports:

#### The German Marshall Fund presents its "Transatlantic Trends 2014" report



The German Marshall Fund presented its annual report "Transatlantic Trends 2014" on 10th September. This yearly report provides a panorama of the complex relations entertained by the USA and Europe focusing on various articles notably within the American and European public opinion. The 2014 survey "reveals many significant results" including some that stand out on the European side: Americans and

Europeans do not agree on the future of the transatlantic relationship, with three Europeans in four thinking that the EU is not doing enough to counter the economic crisis. In addition to this it seems that most Europeans want the EU to respond to the UK's concerns rather than seeing it quit the EU (except for the French)... Read more

#### Culture:

#### European Heritage Days 20th and 21st September 2014



The 16th European Heritage Days will take place on 20th and 21st September 2014. Organised in over fifty countries across Europe this event opens up the wealth of Europe's heritage to millions of visitors yearly. Launched by the French Ministry of Culture in 1984, since 1991 the European Heritage Days have been supported and coordinated by

the Council of Europe and the European Union... Read more

#### Joan Miro on show in Vienna



The Albertina Museum of Vienna is showing around 100 works by the Catalan painter, Joan Miro until 11th January 2015. The exhibition entitled "From Earth to Sky" aims to highlight the poetry and fantasy of this 20th century artist. Comets, stars, feminine shapes, childlike colours - the dreamlike universe of Joan Miro will take front stage in this extremely beautiful private hotel in Vienna which was the biggest once

owned by the Habsbourg family... Read more

#### "A Century of Belgian Painting" in Liège



At the Fine Arts Museum in Liège the Belfius collection, which is not open to the public as a rule, is running an exhibition until 9th November on 20th century Belgian painting. Visitors will be offered a representative view of Belgian art from 1860 to 1960. "A Century of Belgian Painting" covers the main trends such as Realism, Expressionism, Pointillism and Surrealism. A selection of around 60

paintings are on show alongside other works by the same artists that are kept in the Bal collections: Evenepoel, Ensor, Permeke, Tytgat, Van Rysselberghe, Wouters, highlighting the complementarity of the temporary and permanent collections in this museum... Read more

#### Late Turner: Painting Set Free

The Tate Britain Museum is running an exhibition entitled "Late Turner - Painting Set Free", until 25th January. This is the first exhibition devoted to the extraordinary work of Joseph Mallord William Turner,

undertaken between 1835 and 1851, the date of his death. The exhibition comprises some major paintings of Ancient Rome such as

"The Wreck Buoy" 1849 - and some magnificent water colours "Heidelberg: Sunset (1840) and "The Seldom-Seen Bamburg Castle, Northumberland" (1837). The show also brings together an important series of works including a group of unique square pictures that highlight the innovative techniques used by Turner. This exhibition reveals an artist who distinguished himself because of the extent of his knowledge and imagination as well as his radical, exploratory techniques, his procedures and use of materials... Read more

#### Hotel Europe



The Théâtre de l'Atelier in Paris is running a play by Bernard-Henri Lévy entitled "Hotel Europe". Inspired by the present era and its political dimensions it tells the story of a man, played by Jacques Weber, who is shut in his room writing a speech to commemorate the start of the First World War in 1914. Searching for inspiration he gets lost in his thoughts and is forced to contemplate a continent that is adrift. The text which is

chaotic and lyrical, tragic and often funny reveals a panorama of a European century traversed by a wealth of upheavals... Read more

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#### Start of the International Film Festival in San Sebastian



The biggest cinema event in Spain and the Hispanic world, the international festival of San Sebastian, will be taking place from 19th to 27th September. The festival is a reputed international cinema venue whose top prize is the "Concha de Oro". Audiences are invited to over 250 showings. The jury will leave an empty chair in honour of

Ukrainian film director, Oleg Sentsov, who is currently in gaol in Moscow. The latter was involved in demonstrations in support to Maidan and was arrested by the Federal Security Services on 10th May last... Read more

#### The town of Plovdiv in Bulgaria, European Capital of Culture in 2019



On 5th September the jury of independent experts appointed Plovdiv in Bulgaria as European Capital of Culture in 2019. The various towns running in the competition were selected according to different criteria including the drafting of a cultural programme with a strong European bias, a lasting impression and the contribution of cultural and social

development to the town long term. Plovdiv is the first European capital of culture in Bulgaria... Read more

#### Agenda:



15th-18th September Strasbourg Plenary Session of the European Parliament



16th and 17th September Milan Informal Transport Ministers Meeting

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