

EMiL news

With the European Parliament in recess since mid July and the Commission slowing the engines during the August vacation period there is not that much to report. So this issue of The European will feature commentary from the blog and articles published elsewhere.

But while everyone is taking a well deserved break the Committee is organising a series of events for the autumn, which will feature dinners with MEPs from the 3 main parties and an event at the Romanian Embassy on the free movement of labour. Invitations with all the details will be sent shortly.

In the meantime have a good summer!

The Committee

Debate on EU budget kicks off.

Budget Commissioner Jasnusz Lewandowski electrified sleepy August with an interview that has brought the debate about the future of the EU budget at the centre of attention in Brussels and Member State capitals across the EU. He told the Financial Times Deutschland that in the context of the Budget Review, which is due to be completed by the end of September, the Commission will consider the question of EU direct taxation as a way of raising funds for the EU budget. Currently about three quarters of the EU budgets comes

from national contributions, something that was not the intention of the funding Treaties. Mr Lewandowski appears to suggest that a tax on aviation fuel, a levy on carbon trading or on financial transactions could be used to finance the EU budget, partly supplementing Member State contributions, at a time when national budgets across the EU are squeezed due to the fiscal consolidation drive in most Member States. Aviation and financial services are areas that have benefited considerably from the existence of the EU internal market. Carbon trading is an EU created scheme, hence making all three appropriate fields for direct taxation by the European Union.

The proposals have met with a mixed reaction. Germany, France and the UK have come out against the idea, arguing that the collection of taxes should remain exclusively the remit of Member States. Spain, Belgium and Austria though have already signalled they are prepared to consider the Commission proposals.

The issue is so sensitive because it encroaches on national sovereignty. It represents though a very brave take on the question of how the EU raises funds to finance its operations. The debate on the next financial perspective for 2013-2020, which is expected to culminate in 2012, is supposed to radically reconsider the nature and purpose of the EU budget and for that reason it is probably counter-productive to rule out of hand any option. If the EU is to continue to

perform successfully its functions in the service of its Member State it must be afforded secure and stable sources of income, independent from Member State budgets that can occasionally be under pressure for a variety of reasons. Increasing the percentage of the EU budget that comes from own resources will afford the EU with that security and at the same time remove one of the eurosceptics' accusations that see the EU as a drain to national budgets, despite the fact that only 1.2% of Member State GDP is devoted to the EU budget.

The publication of the Commission proposals at the end of September is supposed to officially kick off the debate. But Mr Lewandowski's interview has given as an appetiser of what's to follow.

Petros Fassoulas

From the Euromove Blog
<http://euromove.blogactiv.eu/>

[Time to kill two birds with one stone.](#)

The debate between the Treasury and the MOD over the cost of the defence budget is raging and the contest is fascinating commentators. It is a fact that the UK spends far too much per year on defence, around £40 billion last time I checked ([Budget 2010](#) p.11). That is a hugely expensive price tag, especially at a time when the government is keen to reduce expenditure and the budget deficit. But we can significantly reduce this price tag. All we have to do is look across the Channel where lies the European Union and the solution to the national defence vs. age of austerity dilemma faced by most of European nations.

Most of the security challenges that will face the UK in the short, medium and long term future are very similar to those of our European partners. Religious extremism, international terrorism, energy security, competition for diminishing resources like water and food, population displacement due to climate change are threats that come top of most security reviews in almost every EU Member State. These common challenges render pointless the argument that a common European defence strategy is impossible because of distinct security priorities.

But despite this convergence in security priorities European nations still run overlapping defence budgets. A report by the International Institute of Strategic Studies in 2008 found that EU states collectively spend over €200 billion per year but most of that is wasted in duplicated projects. We have 2 million active military personnel but only 2.7 per cent of them are fit for purpose for overseas deployment. Europe has 10,000 main battle tanks, an unnecessarily big number when one considers the nature of future security threats.

It is time we stop wasting valuable resources, which can be used far better in areas like, education, research and healthcare. By using the EU as the framework within which we can pull our military resources together and streamline our defence budgets we will be able to cut the size of our individual national military expenditure and provide better solutions for common security challenges. It is time we kill two birds with one stone.

Petros Fassoulas

Is Cameron's Turkish delight good for Europe's waistline?

It is safe to say that Mr Cameron is not a passionate supporter of many EU policies but if there is one that he wholeheartedly supports that's the process of EU enlargement. But is his eagerness to accelerate Turkey's accession good for the EU?

As a Greek I would very much like to see Turkey join the EU eventually. Having our neighbour as part of our community of nations is an ideal way to address and resolve our disagreements in the context of a Union that has facilitated the resolution of many cross border differences among its members.

Mr Cameron's wish to see Turkey join the EU is also easily understandable. Turkey is a vast country that holds a geopolitically significant position, hugely important in strategic and energy terms. It is also a big market, with its young population of 70 million ready to consume British products and services. More importantly Turkey is an atlanticist, despite recent spats with the US it has traditionally been very pro-American. With Turkey joining the club Cameron believes that he'll acquire another strong pro-US ally around the European Council table.

That is all obvious and comprehensive. But Mr Cameron's motives go beyond all that. I suspect that he sees further enlargement of the EU, especially when it comes to a nation as big and assertive as Turkey, as a unique opportunity to dilute the process towards an ever closer Union. The more you widen the EU the harder it becomes to deepen the process of European integration. More member

states means less political union and the Conservatives' wish to see the EU turn into a loose trading block holds well with the idea of non-stop enlargement of the European Union.

So it is worth considering whether rushing Turkey's accession, at this particular point in the EU's evolution, is a good idea. The Union is still getting to grips with the last two accession rounds. It took years of painful negotiations (and failed referendums) to agree the institutional engineering that will make an EU of 27 Member States work effectively. Is the EU ready to undertake, in the short term, the institutional changes necessary to accommodate more Members?

Furthermore, it will be premature to admit Turkey before its process of democratic reform has taken root. EU accession has proven a strong incentive for candidate countries to adopt the principles of democracy, rule of law and respect of human rights that form the building blocs of European integration. But, considering how slowly the reform process is progressing in Turkey, the EU has to be firm with its Anatolian partner. The army's influence in politics, the economy and the judiciary is still very strong, reminding many in Europe that Turkey has long to go before a fully democratic system is established.

The Kurdish issue also remains unresolved and many question whether the EU wishes to import a problem that has both an internal and external destabilising dimension. The Turkey-Iraq border resembles a warzone and relations between Turkey and the Kurdish north of Iraq remain tense, not least over who will control Kirkuk's energy sources. Admitting Turkey before such conflicts are

resolved will be a huge gamble, to put it mildly, for the EU.

Last but not least is the issue of Turkey's refusal to recognise one of the EU's Member States, namely Cyprus. It is very hard to admit in our community a candidate country that refuses to recognise one of our EU partners.

Returning to Mr Cameron it is worth noting that, despite his grand statements, his rhetoric appears, under close scrutiny, a tad hypocritical. Brandishing his anti-immigration credentials he admitted that, by imposing restrictions on the right of Turkish people to live and work in the UK, he will deny Turkey one of the fundamental rights of EU membership, that of the free movement of its people. He also failed to mention that admitting a rural and still developing country will require a considerable investment on Europe's part. The EU budget will have to be enlarged to allow for the CAP, regional and cohesion funds necessary to bring the Turkish economy in line with that of its EU partners. Is Mr Cameron prepared to see such an increase of the EU budget?

Mr Cameron and I agree that Turkey should become a member of the European Union. But that should happen at a time and pace that is appropriate both for Turkey and the EU.

Petros Fassoulas

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From the Euromove Blog
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Mr Hague wants to put Britain at the heart of the EU. He must also put the EU at the heart of Britain.

Foreign Secretary William Hague says he is keen to ensure that Britain is more active in the EU. He wants more British officials to occupy Director level positions in the European Commission and more staff at entry-level positions at the Commission to be British.

The question is what he intends to do with his new army of British Directors and fonctionnaires in the Commission? Is he aware that Commission officials are there to protect the interests of the EU as a whole rather than promote the agenda of a certain member state? The Commission is the EU's engine, the guardian of the Treaties and the expression of the community way. I am aware of certain examples of very prominent and highly respected British Commission officials that have, in the not so distant past, been denied promotion for being too Communitarian. It is hypocritical to complain about the decrease in the number of British officials at Director level when he has something to do with that.

But there is a bigger issue here. The UK is indeed under-represented in the EU institutions. The question is why. Traditionally British officials are not encouraged to pursue careers in Brussels. It is not said explicitly but if one compares the support and tutoring offered to officials in other Member States when preparing for the EU institutions' entry exams to that offered to British officials one gets the idea. A lot has to do with the atmosphere of

euroscepticism in British society, an atmosphere that Mr Hague has so greatly contributed to. When the EU and its institutions are constantly portrayed as evil, power-grabbing monsters, and at the same time as politically irrelevant, a young official, setting his or her career path will think twice of making the move in to the land of the damned.

It all boils down to what the Government attitude and public perception of the EU really is in the UK. If Mr Hague wants Britain to be more active in the EU he has to be more constructive, not just sound constructive. It is not enough to put your people in place, set them up in a defensive formation and simply resist anything 'communitarian' or 'supranational' that comes out of the Commission. Active engagement in the EU means producing ideas on how to promote and protect the collective interests of EU member states. Active engagement means contributing to the debate with more than red lines and opts outs. Above all active engagement with the EU starts at home. If Mr Hague is serious about putting Britain at the heart of the EU he must also put the EU at the heart of Britain. Until the British people have the benefits of EU membership clearly, honestly and objectively explained to them they will not be able to embrace the project of European integration. Mr Hague needs to work hard to change the negative image the EU has in the UK, a negative image he has worked so hard to cultivate. Once he has done that more Brits will want to work in the EU. To protect and promote both British and EU interests.

Petros Fassoulas
