



EIR newsletter

Year V, no. 53 – May 2013

event _____

The European Institute of Romania at the conference *The external dimension of a multi-speed, multi-tier European Union, organised by CEPS – EPIN*



On 6 May 2013, the Centre for European Policy Studies (CEPS) - European Policy Institutes Network, supported by the Faculty of Law in Copenhagen and by the Amsterdam Centre for European Law and Governance, organised the conference *The external dimension of a multi-speed, multi-tier European Union*. Mr. Richard Corbett,

member of cabinet of Mr. Herman van Rompuy, the President of the European Council, attended the event's opening session. During the introduction, representatives of universities, research and international relations institutes in EU took the floor. Representatives of the European Commission, of the diplomatic corps accredited in Brussels, journalists, independent experts and students were among the participants. I represented the EIR with a paper on "Rethinking Conditionality and Differentiated Integration Principles towards Wider Europe".

During the opening session, Richard Corbett gave a speech on the „Economic and Monetary Union”, in which he focused on the institutional and also political challenges the European Union is facing. The following interventions brought in discussion the role of the Euro and the Monetary Union as instruments legitimising new policies, the issue of European Union's competitiveness, the various stances of member states on community policies with economic and financial impact, as well as the concerning demographic situation of Germany, caused by the marked ageing of the population ... **p.2**

in this issue _____

- 2 *The European Union at Crossroads*
- 3 *Perspectives and Challenges for the Romanian Exports 2010-2014*
- 4 *GLOBSEC 2013
18 - 20 April, Bratislava*
- 6 *Europe's World, Spring Issue 2013*
- 7 *Romania's International Trade*
- 8 *European Parliament Session
20 - 23 May 2013, Strasbourg*
- 9 *2013 European Neighbourhood
Policy Package*

EIR publications _____

Romanian Journal of European Affairs - Summer Issue 2013

In the June issue of the *Romanian Journal of European Affairs*, the contributors bring forward topics related to the EU budget negotiations for the 2014-2020 period, the EU Transfer Directive, the status of the virtual enterprise within the EU, the near-future strategic choices of Germany, and the European security policy.

Laurian Lungu, PhD in Economics and managing partner at Macroanalitica assesses the challenges Romania will face in the next budgetary exercise of 2014-2020. The author emphasizes the fact that Romania, which is a net beneficiary of EU funds, will favour ... **p.5**



... It was pointed out that, at the creation of the single currency, there were high expectations that the majority of Central and Eastern European states would rapidly adopt the Euro, which did not happen, except for rare cases. Poland is conscious that it should soon adopt a decision in this regard. As for the “double vote” method, this only contributes to the formalisation of the segregation, acting like a lever against the qualified majority which votes or not (the United Kingdom’ position).

During the panel on the European foreign and security policy, Eduard Soler introduced the presentation topics, stating the Arab Spring shifted farther the conditionality and differentiation issue, mainly between the Southern and Eastern neighbourhood components.

The presentation entitled “Rethinking Conditionality and Differentiated Integration Principles towards Wider Europe”, highlighted the necessity of keeping an equilibrium regarding the Southern and Eastern components of the European neighbourhood, in the current European context marked by financial constraints. In the context of the deterioration of democracy in the majority of the Eastern Partnership states, it is necessary that EU continues to support the states in the Eastern neighbourhood, considering the fact that many

member states have direct frontiers with Eastern neighbours. Also, given the similarity of indicators and of measures provided for in the Eastern Partnership Roadmap 2012-2013 and indicators provided for in the European Strategy for Enlargement package, it is recommended that member states apply the same vision for the Eastern neighbourhood as the one used for the Western Balkans, in the spirit of a differentiated integration which takes into consideration the individual performance of each state. It is necessary that the conditionality principle surpasses the stage of ‘more for more’ and ‘less for less’, considering that these reached a dead end regarding the implementation and efficiency. The improvement of the status for those countries which deserve and wish to become members of the EU can contribute to the improvement of some practical aspects, such as the visa liberalisation or the facilitation of mobility. The differences of approach and principles at the level of the European Neighbourhood Policy and those practised by organisations such as OSCE were also brought in the discussion.

At the closing of the conference, most of the participants expressed the opinion that the European Neighbourhood Policy must be entirely redesigned and rebuilt on a new basis.

Agnes Nicolescu

The European Union at Crossroads



The European Commission Representation in Romania organised on 14 May 2013 the second debate entitled *European Union at cross-roads*, part of the series *European Perspectives*. Mr. Nicolae Idu, Head of the European Commission Representation, Mr. Mișu Negrițoiu, President of ING Bank Romania, Mrs. Zoe Petre, PhD, Mr. Teodor Baconșchi, President of the Christian-Democrat Foundation and Mr. Emil Hurezeanu, political analyst took part in the conference, which was chaired by Mrs. Gabriela Drăgan, General Director of the European Institute of Romania.

The discussions focused on European Union’s evolution and on the way it is understood today, but also on Romania’s status as a full member state. The importance of analysing the influence of the past five years’ economic crisis over the European economic and social project was highlighted, considering that the EU does not excel in some fields of activity. Even if the future is uncertain, the necessary mechanisms and instruments to support this construction further on are in place.

There are two major tendencies in the European Union, one towards fragmentation and one towards a stronger political union. At present, there is not just an economic crisis, but also an identity one, because, after 1989, EU seems to have forgotten the reasons why it had been created. Therefore, it has to be redesigned according to the current circumstances.

For a better functioning of the EU, there is a need for continuous integration of the member states by building common foreign affairs, defence and security policies, by strengthening banking integration as well as by attempting to moderate the political options which are too radical, either pro-European or eurosceptical. Led by a technocratic elite, the Union seems more and more fragmented and unstable due to both its main pillars’ deterioration (democracy, free market, rule of law and civil society) and to the numerous national elections in every member state, which lead to isolationist tendencies.

Analysing Romania's situation in the EU, a decrease in the initial enthusiasm and even a replacement of this eagerness with euroscepticism can be noticed. Even if the Union offers stability and a secure future, Romania has to become more active and to have the attitude of a full-member state. The identity crisis manifests itself also at national level, but the Romanians have to better comprehend and to learn what the Union means.

This debate was an attempt to better understand the present situation of the European Union, in the context of the crises associated with the financial one, growing euroscepticism and isolationist tendencies, growing need for convergence and also the possible enlargement towards the Balkans.

Ana-Maria Anghelescu, intern

event

Perspectives and challenges for the Romanian exports 2010-2014



The European Institute of Romania organized on 16 May 2013 a conference entitled "*Perspectives and challenges for the Romanian exports 2010-2014*". Part of the series of debates entitled "Romanian policies", the conference was hosted by the Romanian-American University and was honored by the participation of a series of highly esteemed personalities of the Romanian political, business and academic environments who stressed the scientific and practical relevance of the EIR study "Perspectives and challenges of the Romanian exports 2010-2014, considered from the point of view of the bilateral and regional trade relations of the EU", conducted within the "Strategic and policy studies SPOS 2012" project. The panel moderators were Ms. **Gabriela Drăgan**, PhD, General Director of The European Institute of Romania and Mr. **Florin Bonciu**, Prorector of the Romanian-American University.

The talks were oriented towards analyzing the performances of the Romanian foreign trade, and started with a brief presentation of the relevance of the EIR (SPOS) studies for the identification of the major directions to follow for the construction and implementation of accurate public policies. Thus, Ms. Gabriela Drăgan made a brief overview of the contribution brought by the EIR studies to the migration policies, the coordination of the European business, the introduction of the financial transactions tax and the Romanian exports during the 2010-2014 period. Ms. Drăgan emphasized

throughout the debate the importance of the EU membership status for Romania and also the necessity of attracting foreign capital in order to develop the economic and social sectors of Romania.

A diametrically opposed point of view was that of Mr. **Ilie Șerbănescu**, economic analyst. He proved to be skeptical regarding the future of the Romanian economy because, in his opinion, it cannot be firmly stated that Romania has more advantages or more disadvantages arising from the EU membership. Mr. Șerbănescu underlined the increased significance the domestic capital should have within the foreign trade of Romania. In his opinion a Romanian exports strategy must be constructed and implemented, a strategy that should be beneficial and oriented towards supporting the domestic capital. Due to the massive predominance the foreign capital has within the Romanian exports and because of the implicit jurisdiction limits this brings, such a strategy will be difficult to implement.

Mr. **Manuel Marian Donescu**, secretary of state in the Ministry of Economy, presented the positive evolution of the international trade of Romania, evolution made possible by the increase in exports and decrease in imports. Mr. **Mihai Ionescu**, secretary general of the National Association of exporters and importers of Romania, drew attention towards the fact that the level of exports is due to decrease within the next period of time because of the improvement of the RON exchange rate, because specific limits of the European common market have been reached and because the companies experience lending problems. He firmly believes that, should the exports drop within the second trimester; the Romanian economic growth target will be difficult to reach. In order to avoid this scenario, Mr. Ionescu considers it to be a necessary condition that the exports should be channeled towards extra-community markets that function better. Mr. **Cornel Albu**, author and coordinator of the research team that conducted the study of the Romanian exports, underlined the fact that the mentioned growth of Romanian exports it is not able to cover the deficit of the commercial balance with the EU and third-party countries. Regarding this reorientation of the exports towards non EU countries, Mr. **Cristian Pârvan**, secretary general of the Romanian Businessmen Association, considers it to be a difficult task even for the developed countries that already have strong economic ties with the

emergent countries, let alone for Romania. He analyzed Romania's context from the point of view of the businessmen, and therefore presented their vision regarding exports in general, and towards their impact on the development of Romania in particular. The industry, considered to be the basis for the foreign trade of a nation, reached the upper limit of exports, due to the systemic disintegration of the sector in the last two decades. Therefore, Mr. Pârvan considers that the best option would be the implementation of the Polish model in Romania. Thus, the National Bank of Romania should involve itself in the crediting process, with the direct objective of revitalizing the industrial sector. On the other hand, Mr. Cornel Albu stated that a comparison of the Romanian case with the achievements of Poland would only emphasize the weaknesses of the former, such as the limits of the information system available for exporters, the lack of good quality raw materials and the reduced capitalizing on agreements signed between the EU and third-party countries.

During the Q&A session the main subjects mentioned were the technological gap that emerged in Romania since the '80s, exports approach at the level of county or even at micro-economic level, the state of the agriculture sector and of the imports of seeds, the technological and social innovation, the construction of chains of values and the approaches of the future national exports strategy.

In the end, Mr. **Emil Dinga**, PhD and researcher, was invited to draw the conclusions. Using a positive approach and building on the participants' arguments, he briefly reviewed the main ideas expressed during the conference.

Nicolae Gavrileş, intern

GLOBSEC 2013

18 – 20 April, Bratislava

Between 18 and 20 April 2013, I attended together with **Professor Gabriela Drăgan**, PhD, Director General of the European Institute of Romania, the 8th edition of GLOBSEC, held in Bratislava, Slovak Republic. With more than 500 participants having key tasks in the field of security and international relations, GLOBSEC is one of the most important forums dedicated to transatlantic cooperation and the only one of the kind in Central Europe.

GLOBSEC distinguishes itself through its so-called „corridor” diplomacy, based on side meetings and on focused bilateral or multilateral sessions. High ranking officials, MPs, representatives of the business environment and experts use this event as a key platform for sharing new ideas and implementing them. *Ad hoc* informal meetings are a feature of the forum, designed as a “laboratory” for long-term visionary solutions.

This year's format of GLOBSEC had a radial structure, as it included the traditional Forum (two and a half days of debates, with seven panels, night owl sessions and dinner sessions), with the addition of the Young Leaders Forum, the Business Forum and a gala dinner, coupled with meetings related to the event.

The topics under debate this year included: the issue of energy and supply sources, and the energy geopolitics of Central Europe. Special attention was given to the prospects of the European Union, with debates focused on the future evolution prospects of the European construction, as well as its relationship with the Western Balkans, Turkey and Russia.

Another central topic was the Visegrad Group and cooperation among member states with a view to transforming this regional organisation into a strategic actor on a global level. The current main global challenges were not left out: the proliferation of weapons of mass destruction, the situation in Iran and North Korea, the existing relations in North Africa, the “Asian Century” and its challenges.

The main lecture at the Forum was given by **Zbigniew Brezinski**, analyst and diplomat, who addressed the issue of international relations and the future of the transatlantic region.

Romania was officially represented by His Excellency **Bogdan Aurescu**, State Secretary for Strategic Affairs in the Ministry of Foreign Affairs. His intervention at the “European Missile Defence” panel dealt with our country's contribution to the allied missile defence framework, among other, by way of cooperation with the United States for the establishment of the missile defence shield.

For further details, please visit www.globsec.org

Mihai Sebe

Romanian Journal of European Affairs - Summer Issue 2013

In the June issue of the RJE, the contributors bring forward topics related to the EU budget negotiations for the 2014-2020 period, the EU Transfer Directive, the status of the virtual enterprise within the EU, the near-future strategic choices of Germany, and the European security policy.

Laurian Lungu, PhD in Economics and managing partner at Macroanalitica assesses the challenges Romania will face in the next budgetary exercise of 2014-2020. The author emphasizes the fact that Romania, which is a net beneficiary of EU funds, will favour an increase in the size of the EU budget. However, following the analysis of last years' evolution, the article shows that the main problem faced by Romania is the low rate of absorption of the funds and, should the situation not improve, the country will face further difficulties. The writer explains that in order for Romania to succeed in honouring the increased financial commitments a higher EU budget would imply, it is absolutely necessary to drastically increase the absorption rate. Mr. Lungu considers that if the increase will not be possible, additional challenges will emerge in maintaining the Fiscal Pact budget ceiling.

Felicia Bejan, PhD candidate at the Political Sciences Faculty of the University of Bucharest, analyses the present European legal framework on the protection of employees' rights in the event of a transfer of undertakings as a result of a merger. The author mentions the fact that although the subject was not considered in the past as a pressing problem within the European legal framework, in time it became an increasingly discussed topic. The article states that because the human component cannot be in any way disregarded within the process of transferring of an undertaking from an employer to another, the need to establish a legal framework in this field was paramount. Thus, the European legislator issued and implemented the Council Directive 2001/23/EC on the approximation of the laws of the Member States relating to the safeguarding of the employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, in short, the Transfer Directive. From an analytical point of view, the writer addresses both the objectives of the Transfer Directive and the obligation to inform and consult the employees in advance, as well as the transfer of rights and obligations arising from the contract of employment as a result of a merger. The study also points out the aspects of the European legal framework that need to be improved.

Andreea Davidescu (Vasile), PhD student at the Institute of Doctoral Studies of the Academy of Economic Studies in Bucharest, examines the status of the virtual enterprise and how it is perceived within the EU. The concept is considered by the author as a powerful tool in the hands of the businesses community, and it is described as a temporary network of



companies that share their different resources in order to reach a given goal, such as the creation of a new product. The author stresses the fact that the concept is relatively new in the business world and, therefore, she examines whether the business sector of the EU is prepared to draw benefits from applying it within the EU. In her study, Ms. Davidescu identifies and addresses some of the main obstacles that stand in the way of the creation of virtual enterprises: regulatory uncertainties, operational management that dismisses the advantage of an excellent infrastructure, the orientation of the innovation creators towards theoretical research and the European business culture. The article also examines previous research on the virtual enterprise in the European Union, the legal framework and the existing technologies for virtualization.

Paul Dobrescu, Professor at the National University of Political Studies and Public Administration and **Mălina Ciocea**, Senior Lecturer within the same University and member of the Center for Research in Communication, address in their study the near-future strategic choices that Germany will have to make in order to maintain its dominant position within the EU. The paper presents Germany's ascension to the position of being Europe's largest economy and emphasizes the direct link between its development model and the fact that it overcame the crisis. The authors state that because of the economic development model implemented by the German leaders - their option for manufacturing, which allowed Germany to turn into Europe's factory, and for reform, initiated in 2003 by Chancellor Gerhard Schroeder through "Agenda 2010" - it was possible to achieve the performance of transforming the euro into a "subject" of German rules. The study stresses the fact that some of the economic options that Germany faces are very similar to those of China and that by becoming the most powerful state of the EU, Germany must also assume the position of leadership and export its development model throughout the continent.

Cristian Iordan, PhD in Political Science at the University of Bucharest, examines from a historical perspective the evolution of the concept of European security policy. The author built the study upon the major challenges the EU is facing on defence, as well as on the recent developments in the matter of defence budgets. Mr. Iordan's scientific approach also takes into consideration the international identity of the European Union as a civilian power, normative power, or soft power.

Full articles will be available on www.ier.ro/rjea. For the printed copy, please contact sales-rjea@ier.ro.

Oana Mocanu

Europe's World, Spring Issue 2013

Europe's World, an original platform of ideas for a new way of thinking on political, economic or social topics, launches with each new issue the most recent topics on the EU agenda, citizens and key players of the civil society, the media, the academic environment, the business environment and the public administration being invited to participate in a series of informed political debates.

The difficulties engulfing the European Union in recent years have now been further deepened by David Cameron's long-awaited speech "clarifying" the UK's future relationship with it. His promise to British voters of an In-Out referendum within five years adds a third major challenge to the two the EU already faces: finding a new decision-making mechanism in Brussels that can somehow reconcile the interests of the euro zone's more integrationist members with those of the rest and breaking the deadlock between Paris and Berlin over balancing some form of debt mutualisation with a federal-style "political union". **Laurens Jan Brinkhorst** outlines the high likelihood that the EU could end up trapped in an impossible political maze, thanks to Cameron's initiative.

The euro seems to have become an economic nightmare, creating dramatic social unrest and new distrust throughout Europe. With the euro zone getting stuck in recession and the total number of Europe's unemployed reaching a new record of almost 19 million people, there are hardly any economic arguments left in favour of the euro, pointed out **Hans-Olaf Henkel**. There is pressure on best-performing countries like Germany to handicap themselves so as to make it easier for laggard countries to compete. The author strongly questions the benefits of moving towards a deeper and more integrated union, concluding with a more controversial suggestion of splitting the currency union in two, with Germany in the northern part and France in the southern, in other words a break-up of the axis that has driven the EU since its inception.

Nina Bachkatov analyzes the troubled history of the relationship between EU and Russia, energy being only a part of this tense liaison, offering, though, opportunities for co-operation. The return of Vladimir Putin to Russia's presidency has inevitably increased tensions, but it would be a mistake to believe that other Russian leaders would have conducted different policies and would have failed to resort to all possible means to make Russia stronger and wealthier. Beyond the political power struggle, there is also a strong economic efficiency argument. The European single energy market is still far from complete, and domestic players and exporters' uncompetitive practices are an important cause for the faulty integration of European natural gas markets. Nevertheless, all Europeans have an interest in using the global crisis now affecting all aspects of international relations to recognise that a mutually beneficial energy interdependency is greatly preferable to any settling of old scores.

The current issue dedicates a **special section to innovation and growth**. European leaders scarcely miss an opportunity to highlight innovation as a key to pulling the EU economy out and countering the long-term loss of global competitiveness. But they appear to pay less attention to the internal "innovation gap" which is causing serious imbalances between EU member states. The two competitiveness-related challenges set out by **Michael Barnier** can only be met if his four innovation-related suggestions are implemented. As he refers, investment in the research facilities of universities must be raised much higher on the European agenda, along with creating the right conditions for innovation, particularly by improving innovative SME's access to finance and showing openness in the area of trade policy.

The spring issue of *Europe's World* also invites readers to reflect upon the most important five reasons why China prefers its own political model, country often portrayed in the Western media as beset with social and political crisis, awaiting only a colourful revolution to make it a liberal democracy. The economic successes of the China model have attracted global attention, but the model's political and institutional ramifications have received comparatively little attention. China's recent 18th Party Congress demonstrated that this country has found its own way to success, officially called "socialism with Chinese characteristics", affirms **Zhang Weiwei**.

The full issue can be consulted on the site of *Europe's World*: http://www.europesworld.org/NewEnglish/Home_old/ArticleIssue/tabid/183/IssueID/239/language/en-US/Default.aspx



Livia Mirescu, intern

Romania's International Trade

Romania's international trade throughout 2012 was characterised by growth, both in terms of imports and exports. In 2012, FOB exports amounted to RON 200674.5 million (EUR 45,043.4 million) and CIF imports amounted to RON 243352.7 million (EUR 54607.5 million). Thus, exports increased by 4.6% and imports increased by 4.5% compared to 2011.

The main groups of products exported by Romania to its trade partners were transport motor vehicles and transport equipment (40.4%), other manufactured goods (34.1%), food, beverages and tobacco (7.5%), chemicals and related products (6.6%), raw materials (5.9%), as well as fuel and lubricants (5.5%). Of total exports, 70.4% reached the other 26 Member States of the European Union, as the value of exports in the EU27 increased by 3.7% compared to 2011.

As for Romania's total imports throughout 2012, at the top of the main groups of traded products we find, again, transport vehicles and equipment, with a 33.7% share. Other manufactured goods (29.3%), chemicals and related products (13.8%), fuel and lubricants (12.2%), food, beverages and tobacco (7.5%) and raw materials (3.5%) come next. The amount of imports from the other 26 Member States of the European Union increased by 8.0%, representing 73.4% of total imports.

in the area of extra-EU exports, while the percentage of imports fell in the non-Euro area, which can translate to a decrease in the balance of payments deficit in the non-EU relation. Compared to 2008, the extra-EU trade balance deficit fell nearly six-fold, contributing to a very large extent to readjusting Romania's trade balance in the recent years. The adjustment of foreign trade and the decline of the trade deficit, both intra-EU and extra-EU, during the crisis, favoured the macroeconomic readjustment of the Romanian economy.

According to official statistics, Romania engaged in trade relations primarily in the European states area, both in terms of imports (89.8%) and exports (86.9%). More than half of the volume of exports was with the top five trade partners of Romania, amounting to EUR 5.5 billion worth of revenues in the first quarter of 2012.

In its relation with Germany, Romania saw an increasing trade surplus, compared to 2011. The main goods exported to Germany are vehicles and equipment, metal structures, textiles, beverages and tobacco, sea-buckthorn, honey and forest fruit. Ranking second among the top trade partners, Italy's relation with Romania recorded a decreasing surplus compared to 2011, amounting to EUR 25.2 million. The goods predominantly exported to this country are luxury candles,

2012									
		FOB exports			CIF imports			FOB/CIF balance	
		2011	2012	2012/2011 - % -	2011	2012	2012/2011 - % -	2011	2012
Intra-EU27 trade	Mil.lei	136328,2	140822,3	103,3	169364,7	178813,3	105,6	-33036,5	-37991,0
	Mil.euro	32160,1	31596,0	98,2	39950,6	40097,6	100,4	-7790,5	-8501,6
Extra-UE27 trade	Mil.lei	55585,7	59852,2	107,7	63488,1	64539,4	101,7	-7902,4	-4687,2
	Mil.euro	13114,4	13447,4	102,5	14997,4	14509,9	96,7	-1883,0	-1062,5
TOTAL	Mil.lei	191913,9	200674,5	104,6	232852,8	243352,7	104,5	-40938,9	-42678,2
	Mil.euro	45274,5	45043,4	99,5	54948,0	54607,5	99,4	-9673,5	-9564,1

(source: NIS press release no. 36, 11 February 2013)

Romania's main trade partners in 2002, in terms of exports from Romania, were Germany (18.8% of total exports), Italy (12.3%), France (6.8%), Turkey (5.6%), Hungary (5.5%), Bulgaria (4.0%), the United Kingdom (3.5%), the Netherlands (2.7%), Poland (2.5%), and Spain (2.4%). Germany and Italy were also the top two trade partners in terms of imports, with a share of 17.5% and 11.0% respectively of total imports. The subsequent positions were held by Hungary (9.0%), France (5.7%), the Russian Federation (4.3%), Poland (4.3%), Kazakhstan (4.3%), Austria (4.2%), China (3.9%) and the Netherlands (3.5%). We can therefore see an increase

bio fruits and vegetables and food products. In France, relative to which we registered a rising trade deficit, we are exporting wine, meat and meat products, as well as mustard seeds. In the top 10 trade partners, Turkey ranks fifth, with a declining trade surplus of EUR 92.5 million. The products exported here are primarily cast iron, steel, chemical fertilizers, wood and furniture. According to NIS, trading with Hungary provided EUR 637.4 million in the first quarter of 2012, thereby recording a rising trade deficit in this relation. Exports to Hungary consist in drinking water, photovoltaic and insulating panels, and colza.

Transport vehicles and equipment dominated Romania's imports as well as exports in 2012, according to official statistics provided by NIS, and the FOB-CIF trade deficit in the first 11 months of 2012 amounted to RON 38.674 billion (EUR 8.673 billion), increasing by RON 2.358 billion (EUR 68.9 million) compared to the same period in 2011. Thus, from 1 January to 30 September 2012, the balance of payments deficit was, in real terms, 11.6% higher than in the same period of 2011.

It therefore remains to be seen how the balance of payments deficit will evolve in the following quarters, if and to what

extent there will be either an increase or decrease in percentage terms corresponding to RON amounts.

Additional online information on the macro-economic indicators of Romania and other EU Member States can be found at the following website: <http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/themes>

Ioana Ene, intern

EP

EUROPEAN PARLIAMENT SESSION 20 – 23 May 2013, Strasbourg

On the day before the 22 May European Council, the Parliament asked the member states to express a firm attitude against tax evasion, by implementing tougher measures against fiscal paradises and also through better tax collecting procedures. The deputies voted resolution proposal requesting EU member states to reduce by half, until 2020, the level of uncollected taxes, which have reached the value of 1 trillion euro.

Two resolutions voted by the EP concern the freedom of press in the EU. The documents concern the modification of the member states' laws regarding the press and the necessity to monitor the implications arising from the involvement of the government in the activity of the press. The deputies asked for the widening of the Directive's attributions concerning the audio-visual media services, with the purpose of ensuring the freedom and pluralism of the press. Other aspects of the freedom of press subject are the improvement of the quality of education in the field of media and the protection of minors.

As concerns the protection of the gender harassment or violence victims, the EP voted a legislative proposal stating that a victim of violence who benefits from protection in a member state should benefit from the same protection in any of the other member states.

The reports put forward for debate by the Industry, Research and Energy Commission expressed the necessity to spur the EU's energy sector: the offshore gas and petroleum prospecting, exploration and production activities, the renewable energy on the European energy market.

The Monetary and Economic Business Commission presented reports on the European banking authority, on the prudential supervision of the credit institutions, on the supervision of the recapitalization of banks in the EU. It was mentioned that, because of the complexity of the supervision procedure, both the European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) must have the headquarters in Frankfurt on Main, where the European Central Bank headquarters are also situated. The tasks of the ECB were separated from the ones of the national monitoring authorities.

The Environment, Public Health and Food Safety Commission presented reports on the non-commercial circulation of pets and on the animal health requirements in commercial exchanges..

The social pillar of the economic and monetary union was the subject of a Commission statement, while other statements of the Commission and Council were primarily concerned with the foreign policy (Arab Spring, The EU trade and investment agreement with the US, the situation of the Syrian refugees in the neighbouring countries, the work conditions in Bangladesh, the progress made by the Former Yugoslav Republic of Macedonia etc.).

Foreign policy was an extremely important topic on the agenda of the present EP session, its debates ending with the presentation of resolution proposals and reports regarding human rights in different areas around the world (India, the Balkans).

For more information, please visit <http://www.europarl.europa.eu/ro/pressroom/press-release/plenary>

Mariana Bara



Source: http://www.flickr.com/photos/european_parliament

2013 European Neighbourhood Policy Package



The European Neighbourhood Policy consists of a series of measures and instruments used by the European Union in its relations with the neighbour states from South and East. This distinct policy on the relations between EU and the neighbouring states has emerged in 2004 in order to prevent separation between new member states and the neighbour non EU member states. Thus, European Neighbourhood Policy seeks to strengthen regional security and also grant financial aid for the development of states in Eastern Europe and North Africa.

The general purpose of the neighbourhood policy is to promote EU's democracy and human rights values among its neighbours. The European Union offers financial resources in order to build viable market economies and it also offers institutional twinning programmes in order to speed up the building of democratic institutions among those states.

Despite its recent development, the neighbourhood policy has established eight Association Agreements¹ and also has played an important role in the process of reconstruction among targeted countries. In the context of the crisis in northern Africa and also the unrest in Caucasus states, EU focuses its neighbourhood policy on supporting the transition of these states from authoritarian regimes to democracy, on establishing free elections and the rule of law, on guaranteeing freedom of expression and on ensuring the independence of judicial power.

In order to measure the progress made by the states targeted by the European neighbourhood policy, the European Commission publishes the annual Neighbourhood Policy Package. The 2013 Package was published on March 20 and includes the main conclusions and guidelines based on country reports.

Specifically, the **2013 Neighbourhood Policy Package** outlines the progresses made by each state targeted by the policy and also the most important events regarding the respect for democratic values. The presentation document of the Neighbourhood Policy Package² mentions the difficulties encountered in the states' transition to democracy, such as the 2012 events in Libya, Tunisia and Egypt. Also, the package shows the importance of establishing free elections in transition countries for ensuring the respect of fundamental freedoms. Regarding the social-economic aspects, the neighbourhood policy package notes the difficulties in promoting reforms and increasing employment. The country reports of the Eastern European states mention the possibility of signing the Deep and Comprehensive Free Trade Area Agreements at the Vilnius summit in November. Most likely, the Agreement will be signed with Moldova, Georgia and Armenia. The Republic of Moldova made progress in implementing the Action Plan for Visa Liberalisation³. In Georgia, negotiations have begun to implement the same plan of action.

Looking at the progresses made by states in the Southern Neighbourhood of the European Union, the Neighbourhood Policy acted to promote regional partnerships, with important results in the Maghreb region.

In conclusion, the Neighbourhood Policy Package establishes the importance of the European Union as a regional actor in promoting the human rights and democracy values for achieving peace and ensuring prosperity within the European continent.

Laurențiu Gabriel Răducu, intern

¹ Communication of the Commission 188/3, 2009.

² Speech 13/246, 20/03/2013, accessed at http://europa.eu/rapid/press-release_SPEECH-13-246_en.htm on 17 April 2013.

³ Implementation of Neighbourhood Policy in Republic of Moldova, accessed at http://ec.europa.eu/world/enp/docs/2013_enp_pack/2013_progress_report_moldova_en.pdf on 18 April 2013.

Editor-in-Chief: Oana Mocanu
Editors: Mariana Bara, Mihai Sebe
Graphics & DTP: Monica Dumitrescu
English version: Nicolae Gavrițet, Ionela Haralambie, Mihaela Papa

* The texts published in this Newsletter express the authors' opinion and do not represent the official position of the European Institute of Romania.

ISSN 2065 - 457X

In order to receive future issues of the EIR Newsletter, you can subscribe accessing the following link: www.ier.ro.



European Institute of Romania

7-9, Regina Elisabeta Bvd., RO - 030016, Bucharest, Romania
 Phone: (+4021) 314 26 96 / 133 / Fax: (+4021) 314 26 66
 Contact: newsletter@ier.ro, Web: www.ier.ro