

German unemployment reaches 5 million

The German minister for employment, Wolfgang Clement, has said that he expects joblessness to rise even further following the news that it had broken a post-war record and topped 5 million in January. Clement called the latest figures “terrible” but said that cold weather in February would probably cause it to rise even further. He claimed that the situation would improve by the end of the year. The minister also warned against “hysterical reactions”, by which he meant comparisons with the Weimar Republic; it is often said that Hitler’s rise to power was facilitated by the collapse of employment in pre-1933 Germany. One opposition member of the Bundestag, Markus Söder, had warned of “Weimar conditions” in the Federal Republic. The leader of the Christian Democrats, Angela Merkel, attacked the Government for failing to undertake the necessary reforms to improve the situation, which she blamed on short-term electoral calculation. According to one economist, Ulrich Blum, the President of the Institute for Economic Research in Halle, the real figure is not 5.037 million unemployed. “The real figure is that a good 9 million people are looking for work in Germany,” he said. [*Die Welt*, 3rd February 2005]

The latest figures have broken the previous record of 4.8 million set in January 1998. In December 2004 the total number of people out of work in Germany was 4.46 million, a rise of 206,900 since the previous month. The seasonally adjusted figure was 4.48 million, “only” 17,000 more than the previous month. This represented 10.8 per cent of the workforce (8.7 per cent in West Germany and 18.5 per cent in the East). This is close to the French rate of 9.6 per cent. During 2004, the number of unemployed in Germany remained relatively stable at 4.38 million – in part because some 93,000 jobless people were taken off the register, as they took “little” jobs which paid no social security. (Previously they would have remained registered as unemployed.) But throughout 2004, the German economy continued to destroy “proper” jobs, i.e. ones which for which social security is payable. The German Government’s growth prospects for 2005 (1.6 per cent) give few grounds for hope; domestic consumption also contracted in 2004 even though Germany remains the largest exporter in the world. Some are predicting that unemployment will fall below 4.5 million in the second half of 2005, but

it is evident that the figure will not fall until wages are allowed to fall. [*Die Welt*, 1st February 2005; Adrien de Tricornot, *Le Monde*, 2nd February 2005]

Barroso drops services directive

Following pressure from France, Germany, the European Parliament and Michel Barnier, the French Foreign Minister, the President of the European Commission, José Manuel Barroso, has dropped a proposal which would have radically liberalised the service sector in the EU. Barnier’s strong words asking the Commission to drop the plan surprised many people because he was a member of the Commission that actually drew up the proposal. One of the reasons for his change of heart is undoubtedly that he and his government colleagues in Paris fear that the chances of a Yes vote on the European Constitution later this year could be seriously jeopardised. According to the plan, workers in the service sector would have been subjected to the labour laws of their country of origin, not the laws of the country in which they exercise their trade. So a Polish plumber in France would be subject not to French law but to Polish. It is obvious that this proposal would have spelt the immediate end of national social security legislation. The Commission insists that this measure is necessary “to complete the single market” and to make Europe “more attractive”. But it is now trying to square the circle and say that it wants to prevent “disloyal competition”. Many opponents of the plan have asked for certain sectors to be excluded, e.g. the health industry. The Commissars are also trying to see if they can prevent workers from Eastern Europe from working in Western Europe for Eastern European wages. The reform is part of a package presented by Mr. Barroso for his term in office, which he has called “Partnership for European Renewal”

The issue has already created waves in Sweden, where a school construction contract was given to a Latvian company which operates according to Latvian rules and not Swedish ones. The Swedish unions picketed the site and stopped the work, and the Latvian Government has appealed to the European Commission protesting that the free movement of workers have been violated. The protests have now extended to eight other professions. A local court has, for the time being,

found in favour of the pickets. [Philippe Ricard, *Le Monde*, 3rd February 2005]

Commission tells Croatia to hand over Gotovina

The European Commission has issued a formal instruction to Croatia to hand over General Ante Gotovina to the International Criminal Tribunal for the former Yugoslavia, saying that if it fails to do so then accession negotiations will not open on 17 March as planned. Gotovina is accused of having “planned, prepared or executed” Operation Storm in 1995 which resulted in the ethnic cleansing of some 250,000 Serbs from the Krajina region of Croatia. The Commissar for enlargement spoke harshly when he said, “If the Commission had to take a decision on the basis of information available today, I could not propose that negotiations be opened. There are good reasons for thinking that General Gotovina is in Croatia or in the Croatian parts of Bosnia-Herzegovina, within reach of the Croatian government.” Mr. Rehn’s suggestion that Croatia is responsible for what happens in neighbouring Bosnia-Herzegovina, a sovereign country governed by the High Representative (Paddy Ashdown) is very arresting. His statement implies that Croatia should invade Bosnia to get General Gotovina out and to The Hague. The Commission insists that it has information from the Hague prosecutor, Carla del Ponte, that Zagreb has had “at least indirect contacts” with Gotovina, and that Croatia could track down Gotovina “if it had the will to do so”. The Commissar for external affairs, Michel Barnier, supported the Commission’s statement, saying, “What the Commission says is what the member states think.” The United Kingdom has been one of the most vociferous countries on this issue, saying that it would refuse to open negotiations with Croatia if Gotovina was not handed over. [Thomas Ferenczi, *Le Monde*, 2nd February 2005]

Little chance of NPD being banned

Calls have been raised once again for the National Party of Germany to be banned, following an incident in which deputies in the regional parliament of Saxony refused to observe a period of silence for the victims of the Holocaust. The calls have been given added impetus when the Federal Constitutional Court said that a ban was possible. But politicians are sceptical that a new appeal can work, following the collapse of a previous attempt in 2003. The basis of any ban would be the claim that the party campaigns against the German Constitution, but anti-NPD people are afraid that the party would only receive a further boost if another attempt was made to ban the party and it, too, failed. They believe that, while the NPD’s members’ speeches have been highly questionable, they probably do not fall foul of the

law. Although German law does allow for political parties to be banned, the barrier is set very high and parties must seriously threaten the existence of the country’s democracy before they can be forbidden. The whole issue was muddied when the last attempt was made because it was revealed that the NPD had several Interior Ministry agents among its membership. The NPD campaigns together with a similar extreme-right organisation, the German People’s Union (DVU) in regional, European and general elections. Together the two parties hope to get some 15 per cent of the national vote. [Frank Diering and Guido Heinen, *Die Welt*, 1st February 2005]

Berlusconi wants to found a single party

The Italian Prime Minister is trying to counter the numerous and persistent attacks by creating a single right-wing party. Currently the Italian right is split between three big formations – Forza Italia, which Berlusconi created; the National Alliance resurrected from Mussolini’s old party by Gianfranco Fini; and the Northern League. A fusion of these parties would indeed be a formidable step, especially since there is no single big anti-Berlusconi party either. Gianfranco Fini said that a single party was neither unimaginable nor impossible, providing that there was agreement on the manifesto. But the Christian Democrats are likely to oppose the idea. The Northern League is also unlikely to accept any proposal for fusion, precisely because it is a largely separatist party and therefore is unlikely to join a big formation based in Rome. [Paul Badde, *Die Welt*, 1st February 2005]

Spanish deputies massively reject Ibarrexe plan

Governing socialists and opposition conservatives have roundly defeated a plan to devolve power to the Basque Country and create a “free association” between it and the Spanish state. This plan, known as the Ibarrexe plan after the president of the Basque regional council, José Juan Ibarrexe, was the subject of a historic debate lasting eight hours in the Cortès. 313 deputies voted against it, 29 in favour, and there were three abstentions. The plan had to be debated because the Basque “parliament” was able to vote by an absolute majority in favour of it, following the banishment of three ETA-linked regional deputies, at the end of December. This triggered a constitutional mechanism for revising regional autonomies in Spain. Spain is already one of the most decentralised countries in Europe, and the Basque country has had even more autonomy than the other regions since 1979. The Ibarrexe plan would have made it practically independent: there would have been a Basque ID card, a direct representation of the Basque country in the EU, a Basque supreme court and the

right to call referendums. Mr Ibarrexe has responded to the defeat by calling early regional elections in the Basque country on 17 April, and he asked Madrid to lift its ban on the participation of ETA-Batasuna. The Prime Minister, José Luis Rodríguez Zapatero, who had promised to revise all the autonomy arrangements in Spain, has rejected the Basques' unilateralism and said that all Spaniards must decide on the relationship between the Basques and the rest of Spain. His case is strengthened by the fact that about half of the population of the Basque country opposes the Ibarrexe plan. The opposition has been even harsher in its criticism of the Basque leader's plan; Mariano Rajoy said that the project had been inspired by ETA. "We are being presented with the death certificate of the rules according to which we live together, and we are being asked to agree on the form of burial." Rajoy warned Ibarrexe that he could not call a referendum without the agreement of the Spanish Parliament. [*El Mundo*, 3rd February 2005]

Commission approves German budget

The European Commission has said that it believes the German Government's plan is realistic to keep the budget deficit under 3 per cent this year. Berlin had announced measures in November to get the deficit down to 2.9 per cent, and the Commission has now approved these. But Brussels has said there are still two areas of risk: economic growth could be weaker than expected, and social spending could be higher. (See Germany's latest unemployment figures, above.) Eurostat is therefore going to carry out further studies. Even if Germany gets the deficit just under 3 per cent, it is unlikely that it will be able to achieve the Pact's aim of balancing the budget completely in the medium term. [*Handelsblatt*, 2nd February 2005]

Greece presents new budget plan

The Greek Finance Minister, George Alogoskoufis, has written to the Commissar for monetary affairs, Joaquin Almunia, to say that his government will present an improved stability programme, in view of the deficit procedure which the European Commission is bringing against it. The Commission has said that it will delay discussions, scheduled for 16 February, in order to give Athens more time to present a plan for bringing the budget in order. The previous Greek Government had cooked the books in order to appear to qualify for euro membership. The Greek deficit is now some 5.3 per cent of GDP. [*Handelsblatt*, 2nd February 2005]

Constitution? What Constitution?

One EU citizen in three has not even heard of the European Constitution, according to a Eurobarometer poll conducted for the European

Commission in which 25,000 EU citizens were questioned. 56 per cent of those questioned said they had heard of the EU Constitution but only 11 per cent said they were familiar with the Constitution and its contents. The highest percentage of people who had not even heard of the Constitution were the Cypriots (65 per cent) and the lowest the Netherlands (22 per cent). In Britain, only half of the population has heard of the Constitution. But the UK is the only country where there is a clear majority against it. The EU average is 45 per cent in favour and 16 per cent against. 35 per cent say they are undecided. 54 per cent are for the Constitution in Germany, 17 per cent against, with 28 per cent undecided. The Constitution has already been ratified by Lithuania, Hungary and Slovenia while the Italian parliament has also ratified it (although there is also to be a referendum in that country). [*Frankfurter Allgemeine Zeitung*, 29th January 2005]

In Spain, according to the Spanish President of the European Parliament, Josep Borrell, "No Spaniard has read the EU Constitution, but the majority is already in favour of it." There is, indeed, every chance that the document will be adopted by referendum on 20 February. The Government and Opposition are both heavily in favour, even though when it was in government the Partido Popular initially voted against the Constitution (with Poland) because it reduced Spain's voting rights. The main campaigning now has been to get a high turnout. The German Foreign Minister, Joschka Fischer, and the German Chancellor, Gerhard Schröder, have both been to Spain to campaign for it. The Dutch trainer of the Barcelona football club has also been roped in to mobilising voters. [Ute Müller, *Die Welt*, 2nd February 2005]

New 'network' created

Four countries – Germany, Poland, Slovakia and Hungary – have signed an agreement in Warsaw creating a "European Network of Memory and Solidarity". The Czech Republic has made it clear it wants nothing to do with the project, while Romania, Ukraine and Russia have signalled their interest. The network is a government response to the "Centre against Expulsions" which the German President of the Union of Expellees, Erika Steinbach, and the SPD politician, Peter Glotz, have created. According to the German culture minister, this Centre had "aroused emotions which are damaging to our relations". The Polish President, Alexander Kwasniewski, and the then German President, Johannes Rau, had reacted to the creation of the Centre with a "Danzig Declaration" in October 2003. It said that the whole sorry business of expulsion (mainly of Germans from territory ceded to Poland in

1945 and from the West of Czechoslovakia) should be researched, but that the issue should not be used to divide countries, still less as a basis for compensation claims. The German Bundestag also voted a resolution to this effect. The new “network” will be devoted to “analysis and documentation of the history of the 20th century, a century of wars, of totalitarian dictatorships and of civilian suffering, as civilians were the victims of wars, repression, conquest, forced migration and nationalist, racist and ideologically motivated repression.” The Network will have a secretariat in Warsaw. All the relevant museums have said they will cooperate and it is even possible that the Union of Expellees might cooperate as well. In 2006 the Network will organise an exhibition on the expulsion of Germans in the House of History in Bonn. The “Centre against Expulsions” is also going to organise an exhibition in 2006 in Berlin on “a century of expulsions”. It will deal with European history from the Armenian genocide in 1915 up to the present, i.e. mainly the expulsions of non-Germans. [Gerhard Gnauck, *Die Welt*, 3rd February 2005]

Almost simultaneously, France has blocked a similar project in the Council of Europe. A vote was defeated which would have created a “European Centre for the victims of forced expulsions in Europe”. But it was defeated by the votes of nineteen French representatives in the Council of Europe’s parliamentary assembly, much to the annoyance of the German deputies who had been campaigning for it for five years. One of the leading campaigners is Markus Meckel, a former pastor who became an East German dissident and then the last Minister of Foreign Affairs in the former East Germany, just before it was absorbed into the Federal Republic. Like the Network created in Warsaw, his project was designed to deflect the more nationalist message of the Union of Expellees, who had called for a monument to the German victims of expulsion to be erected opposite the Holocaust memorial in Berlin. According to Meckel, the French simply misunderstood the point; they thought that the Expellees themselves had created his project and that the German Chancellor was against it. In fact, it is the other way around. The head of the Polish delegation to the Council of Europe confirmed that the project had in fact received the support of the Polish President and of the former German President, Johannes Rau. One of the problems apparently lay in the translation. The French deputies found the project’s use of the word “*déportation*” unacceptable because, in French, it is used exclusively for people sent to concentration camps. [Rafaële Rivais,

Le Monde, 30th January 2005]

Yushchenko calls for EU integration

The new president of Ukraine has said that he wants his country to join the European Union. “Our place is in the EU,” he said, having come to power on a promise to make Ukraine truly independent. Yushchenko swore his presidential oath in the Ukrainian Parliament (Verkhovna Rada) in the presence of the Polish President, Alexander Kwasniewski, and the President of the German Bundestag, Wolfgang Thierse. A crowd of Yushchenko’s supporters shouted, “Our way to the future is the way towards a united Europe!” (not exactly a catchy slogan). He replied, “We are no longer on the edge of Europe” – “edge” or “borderland” in Ukrainian and Russian is “*kraina*” – “We are at the heart of Europe.” President George Bush has invited President Yushchenko to Washington. [*Frankfurter Allgemeine Zeitung*, 25th February 2005; for a full report on the “Orange Revolution”, see British Helsinki Human Rights Group, www.oscewatch.org]

Turkish Cypriots lose patience with EU

The Prime Minister of the Turkish Republic of Northern Cyprus, Mehmet Ali Talat, who came to power in 2003 on a pro-EU ticket, has expressed his frustration at the fact that the EU has not kept any of its promises following the Turkish Cypriots’ vote in favour of the Annan plan for reunification of Cyprus. Talat was speaking to EU officials on 26th January in Brussels. On his way home, at Istanbul airport, he said the Turkish Cypriots had kept their side of the bargain and that the EU should now keep its promises. The main demand is for the economic embargo to be lifted. Talat said that it was out of the question for the EU to be a mediator in the Cyprus question (Greek Cyprus is a member of the EU, while Turkey is not) and he said that only the United Nations could fulfil this role. [TRNC Info, 31st January 2005]

Zhvania dead

The Prime Minister of Georgia, Zurab Zhvania, has been found dead in a friend’s apartment, apparently from a gas leak. Zhvania was one of the most powerful men in Georgia and there are suspicions that he was somehow murdered, although the police are saying it was an accident. Like President Mihkeil Saakashvili, Zhvania had been a senior figure in the administrations led by the previous Georgian president, Edward Shevardnadze.

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