

MESSAGES IN THE MEDIA

A REVIEW OF EUROPEAN STATE RELATIONS AS DEPICTED IN
NATIONAL MEDIA IN 2017

May 2018

Messages in the Media features fourteen country-specific reports that examine the most important political topics in each country with a special emphasis on the country's relationship with the EU. By analyzing the major themes discussed in the national media in 2017 in both EU and non-EU member states, these reports aim to provide valuable insights into the challenges facing each country today, and the way these domestic perspectives inform dialogue on the supranational level. *Messages in the Media* combines national media coverages from a variety of countries to give a greater understanding of the perception of the most important issues in the eyes of national media.

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Tea Cimini, Tina Vulevic and Anton Rizor
Co-Editors-in-Chief

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Masthead

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Letter from the Editors

We are pleased to bring you the sixth publication of *Messages in the Media*, the annual journal published by the European Studies Students Association (ESSA). The journal provides an opportunity for undergraduate students in the European Studies program to apply their skills and create a set of succinct and comprehensive reports that detail the major political, social and economic developments of the European Union (EU) and its partners. Drawing from media sources of each respective country, the reports are a unique insight on the most significant issues of the past year.

Each analyst is required to review a multitude of articles selected from three reliable, esteemed, but also diverse sources from their country. From these articles, each analyst identifies the three most significant themes in the media that link the domestic issues of the country to the wider EU. The content of the articles is then synthesized into a report that cover each theme. This methodology aims to give a clear and balanced presentation of perspectives for each country. We also take pride in the fact that each of our analysts have a proficiency in the local languages, allowing them to analyze the media produced in each country for domestic consumption. All of these factors combine to create highly informative reports. Our role as Editors-in-Chief was to ensure continuity of experience for the reader, and and refine the presentation of each report, without compromising their individuality

Though 2017 saw a myriad of familiar challenges as well

as new obstacles faced by countries in the European Union, it was also the first post-Brexit year in which that monumental event of 2016 was grasped and analyzed with fresh eyes turned towards the future. The reports in this edition of the journal therefore explore Europe's affairs from the previous year while keeping in mind prior events which constitute the environment policy-makers operate in today.

In all, we hope that this publication of *Messages in the Media* will provide an informative and thought-provoking look at key developments across Europe, and at how different events are understood by EU member states and its neighbours.

Tea Cimini, Tina Vulevic and Anton Rizor
Co-Editors-in-Chief

Messages in the Media



6.1%
Unemployment



EU Member State



\$7,350*
GDP per capita

*Figures in USD

Population



7,128, 707



Presidency of
the Council



Treaty with
FYROM



Elections of European
Commissioner

By: Alen Hristov

The Preparation for the Presidency of the Council of the European Union in 2018

From January 2018 to July 2018, Bulgaria hosted the Presidency of the Council of the European Union. In order to prepare for hosting the presidency, in late 2016, the Council of Ministers adopted Decision No 965, which outlined a Plan for the Preparation of the Bulgarian Presidency of the Council of the European Union in 2018, whose success will determine, to a large extent, the overall success rate of the presidency in question.^[6] In January 2017, the provisional Deputy Prime Minister in charge of the preparation of the Bulgarian Presidency of the Council of the EU, Denitsa Zlateva, explained that an Action Plan for Bulgaria's preparations for the presidency of the Council of the EU would be implemented by February 7 and further presented to President Rumen Radev by February 10.⁷

In late-February, however, a report on the implementation of the plan for the preparation of the Bulgarian presidency of the Council of the EU published on the official website of the presidency demonstrated that the preparation in the first half of 2017 was relatively delayed.^[8] Problematic issues comprised shortage of trained staff, a poor coordination between responsible institutions, and a lack of ongoing public procurement and repairs.^[9] In addition, the BGN 50 million projected for 2017 seemed to be insufficient and would possibly require additional funds from the central budget.

Surprisingly, however, in April and May, both Prime Minister Ognyan Gerdzhikov and Deputy PM Zlateva assured the Bulgarian public that the provisional government achieved positive results in executing the preparation program of the presidency of the Council of the EU.^{[10][11]} In June, the Minister of the Presidency of the Council of the EU, Lilyana Pavlova, further indicated that Bulgaria was ready to host the presidency, as the country had set forth some of the essential

issues, such as the main themes, the motto of the presidency, and the variants of the work program.^[12]

In August, the Bulgarian government voted that more funds from the budget were needed in order to cover the additional expenses associated with the Presidency of the EU.^[13] In terms of security measures, the Bulgarian government installed a security system that combined the video surveillance of both the Capital Directorate of the Interior and the Sofia Municipality one. In addition to the 3500 municipal cameras installed all over Sofia, the government purchased 244 ultramodern cameras whose software could recognize faces, car plate numbers, and many other possibilities.^[14] The safety of the guests also required the purchase of a number of barriers that were installed around the National Palace of Culture, the official building of the Bulgarian Presidency of the EU. Such measures were undertaken in order to prevent unauthorized persons from entering the Palace and its surroundings.^[15]

In a number of occasions during the second half of 2017, Minister Pavlova declared that in terms of organization and logistics, Bulgaria was 100% ready to host the Presidency of the EU.^{[16] [17] [18]} On December 28, 2017, however, just three days away from the beginning of the Bulgarian Presidency of the Council of the EU, several Bulgarian newspapers posted articles that touched upon the most painful topic for the Bulgarian society — the high corruption levels.^[19] ^[20] In spite of the Bulgarian government's relatively successful preparation for the Presidency of the Council of the EU Bulgarian citizens remained pessimistic about the success of the presidency and about the improvement of the economic situation in the country.

The signing of the Treaty of Friendship, Good Neighborliness, and Cooperation between Bulgaria and Macedonia (FYROM)

On October 22, 2016 Bulgarian President Rumen Radev held his first official meeting after assuming office. He met with his Macedonian colleague, George Ivanov, in Sofia, Bulgaria, where the two presidents discussed bilateral relations, the political situations in Bulgaria after the presidential election and in Macedonia prior to the upcoming parliamentary election, as well as issues related to the regional, European, and international agendas. The newly-elected Bulgarian president expressed hope that bilateral relations between the two countries would develop in a spirit of cooperation and good neighborliness.^[21] After Radev's first official meeting, the warming of the relations between Bulgaria and Macedonia intensified. The leader of the Social Democratic Union in Macedonia, Zoran Zaev, confirmed in May 2017 that Macedonia desired to improve its relations with Bulgaria, a foreign policy move which could help Skopje become a member of the EU and NATO.^[22]

Both the ruling party in Bulgaria, GERB, and the opposition expressed their approval of a prospective treaty of friendship and good neighborliness between the two neighboring countries.^[23] ^[24] On June 19, 2017, Bulgarian PM Boyko Borissov held a meeting with the newly-elected Macedonian PM, Zoran Zaev, in which the former stated that one of the main priorities of Bulgaria was the accession of all Balkan countries to NATO and the EU.^[25] In addition, the two leaders discussed the treaty of good neighborliness and cooperation, whose final version would be completed in July 2017.^[26]

As soon as the treaty was officially signed on August first, 2017, the two parties began working on specific cooperation projects.^[27] During their first official joint meeting, Borissov and Zaev discussed telecommunications, energy, and disaster relief as some of the key aspects that the two governments could improve in the future.^[28]

As the progress on the treaty increased over the second half of 2017, state officials from both Bulgaria and Macedonia welcomed the effort of the two governments. In Bulgaria, both Foreign Minister

Ekaterina Zaharieva and Minister of Defence Krassimir Karakachanov announced that Bulgaria and Macedonia would become vital partners in the future and that Sofia would actively support Skopje in its desire to join the EU and NATO.^[29] ^[30] The Bulgarian public, too, welcomed the treaty.^[31] Surveys demonstrated that over 92% of the people supported the government's foreign policy activities, including the approach toward Macedonia.^[32] The Macedonian government also expressed its satisfaction with the progress on the bilateral treaty. In November, PM Zoran Zaev stated that as a result of the treaty, Bulgaria and Macedonia became not only friends but also allies on the international stage.^[33]

In December, President George Ivanov also expressed his content with the treaty, saying that the agreement created an atmosphere for greater openness and co-operation between the two neighbours' churches, in particular.^[34] The final step towards the full implementation of the treaty was its ratification into the constitutions of the two countries. Therefore, in late-2017, Bulgaria and Macedonia pledged to ratify their bilateral treaty by the end of January 2018.^[35]
^[36] ^[37]

Election of Mariya Gabriel as European Commissioner

From January 2017 to May 2017, Bulgaria was not represented at the European Commission, as the former Vice President of the EC, Kristalina Georgieva, resigned to assume the position of a Chief Executive Officer at the World Bank.^[38] Speculations about Georgieva's replacement began in early-2017. In February, President Rumen Radev refused the provisional government's proposal to nominate a new EU Commissioner.^[39] In response, former Minister of Foreign Affairs Solomon Passi stated that in order for Bulgaria to achieve acceptable results of its presidency of the Council of the EU, Sofia should hurry in its decision for the nomination of the

new European commissioner.^[40] In addition, Radev's refusal spurred a popular debate whether the election of the new European Commissioner would reflect the results of the parliamentary elections held in March 2017.^[41]

As GERB won most of the seats in the newly-formed parliament, a number of key party members, including former minister of finance Vladislav Goranov, described the nomination of Member of European Parliament Maria Gabriel for the post of the European Commissioner as good and realistic.^[42] Therefore, on May 10, 2017, Deputy PM Ekaterina Zaharieva announced that Bulgaria would officially nominate Mariya Gabriel for the position of European commissioner.^[43] Virtually all parties of the Bulgarian National Assembly supported Gabriel's nomination, except for the Bulgarian Socialist Party (BSP).^[44] One of BSP's MPs, Kristian Vigenin, for instance, criticised the appointment of Gabriel as highly inappropriate.^[45] Vigenin pointed out that Gabriel lacked experience in the executive branch, as she had never done any work related to her future position.^[46] In addition, in early-June, another BSP MP, Alexander Simov yet again criticised Mariya Gabriel for being incompetent and unsuitable for the European commissioner position.^[47]

In spite of all the criticisms, on July 4, 2017, Mariya Gabriel was elected as the new European Commissioner, as 517 MEPs voted for her candidacy, while 77 voted against and other 89 abstained.^[48] Gabriel was given responsibility over the Digital Economy and Digital Society portfolio.⁴⁹⁵⁰ She personally promised to support gender equality and human rights issues as well as to fight against fake news sources.^[51] In November, leading European and Bulgarian media sources described the work of Gabriel as excellent. The leader of the European People's Party (EPP), Joseph Doll, for instance, concluded in December that Mariya Gabriel was impeccable and hardworking commissioner who would always fight for the good of Bulgaria and Europe.^[52]

Year in Review

The preparation of the Presidency of the Council of the EU was perhaps the greatest concern for the Bulgarian government in 2017. It was the first time Bulgaria was assigned to host the presidency, which spurred a lot of discussions among both policymakers and the general public about whether Bulgaria would manage to fully prepare for such an important task. Despite being the poorest and perhaps the least democratic country in the EU, Bulgaria demonstrated considerate confidence in meeting up all the required criteria and deadlines. On several occasions, however, the government was obliged to re-allocate more funds from the budget to projects associated with the preparation of the presidency of the EU. Large amounts of money were spent on construction and renovation of buildings as well as on the purchases of cameras or other security-related items.

In general, the Bulgarian government did an excellent job (given the relatively poor economy and the overall situation in the country) in preparing the presidency of the EU, thus improving the country's reputation in front of the European family of nations. Nevertheless, some issues, such as the high level of corruption, compromised the government's effort. Surveys demonstrated that the Bulgarian citizens remained highly pessimistic about their government's actions and attempts to improve the poor economic situation in the country.

The relative success of the preparation for the Presidency of the EU was further strengthened by the Bulgarian government's fruitful relationship with Macedonia. The Treaty of Friendship, Good Neighborliness and Cooperation became one of the most important events for the Bulgarian foreign policy that had taken place in the past several decades. Virtually all Bulgarian political figures welcomed the

signing of the treaty as an event that would lay the foundations of a strong relationship between two close neighbours which had been publicly quarrelling over the past several decades. In spite of all the historical claims that it had over Macedonia, the Bulgarian government made an important compromise which assured the goodwill of the Macedonian people, who, in turn, wanted their country to become part of the EU and NATO.

An event that faced mixed feelings by the Bulgarian political elite, however, was the election of Mariya Gabriel as the new European commissioner. On a number of occasions, members of the major opposition party, BSP, criticised Gabriel as a highly incompetent, unintelligent, and inexperienced MEP. Nevertheless, Gabriel secured the support of the ruling party, GERB, and of its leader and then Prime Minister, Boyko Borissov, who, in fact, proposed Gabriel's nomination. In general, the majority of the Bulgarian citizens approved the Gabriel election as the new European Commissioner from Bulgaria. In addition, a number of western political figures praised her work and described it as significant and beneficial for both Bulgaria and the EU.

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10.0%
Unemployment



EU Member State



\$12,090*
GDP per capita

*Figures in USD

Population



4, 171, 707



EFSI and
Infrastructure



Economy



Schengen Area,
Eurozone and
OECD

By: Admir Buzimkic

European Fund for Strategic Investment (EFSI) and Infrastructure Developments

The “Investment Plan for Europe” aims to confront economic challenges in European member states. The plan is funded by The European Fund for Strategic Investment (EFSI) in conjunction with the European Investment Bank (EIB). The EFSI funds various projects in EU member states, namely infrastructure, energy efficiency and renewable energy, research and innovation, environment, agriculture, digital technology, education, and health and social projects. EFSI funding also helps small businesses start up, grow and expand.¹ V.B/Hina in *TPortal* (January 9 2017) reports that improved administrative capacity and increased staff competence allowed for better tender document management allowing for the processing of much needed EU loans.²

A press release issued by the EIB on February 22, 2017 indicates that in 2016 Croatia took out EIB loans of EUR 530m which represented an increase of 50% compared to 2015. The loans mainly supported Small and Medium sized enterprises (SMEs) and Youth employment.³

A press release issued by the EIB on March 23, 2017 emphasizes that the EIB conference in Zagreb, which was supported by the Croatian Bank for Reconstruction and Development (HBOR), was devoted to the “development of social infrastructure in the health and education sector” in Croatia and Slovenia. EIB Vice-President Dario Scannapieco notes that improvement of social infrastructure will benefit Croatia’s and Slovenia’s citizens’ well-being and increase their overall living standard. Furthermore, Scannapieco notes that social infrastructure improvement will benefit the Balkan region as a whole which has been challenged through the migration crisis and lack of development in the past.⁴

The *Vecernji list* reports that 11 billion kunas were used from EU funds to finance major transportation projects in Croatia. The funds

have been allocated for projects such as the construction of the Peljesac Bridge, the reconstruction of the railway track Dugo Selo-Krizevci, and the upgrade of the Dubrovnik Airport.⁵

Statistics indicate that unemployment among young people is particularly high in Croatia. A press release issued by the EIB on November 6, 2017 indicates that the EIB and HBOR signed a line of credit agreement of EUR 250m in order to help support small and medium sized business at hiring young people up to the age of 30.⁶ Additionally, EIB and HBOR agreed on the implementation of a new financial instrument, the Natural Capital Financing Facility, which will be aimed at preserving Croatia's natural heritage sites and furthering the sustainability of Croatia's tourism.⁷

Miguel Morgado, Director of the EIB's Adriatic Sea Lending Department, stressed the importance of Croatia's tourism for the country's economy which generates 20% of Croatia's GDP. The EU Bank and HBOR will assist businesses geared toward protecting and furthering Croatia's "high quality environment and natural beauty."⁸

Jean-Claude Juncker, President of the European Commission, extended the EFSI for another three years "with a target of EUR 315 billion to at least half a trillion euros in investments by 2020."⁹ The EFSI is unique in that it is flexible it engages the private sector and encourages the development of new industries in the field of green infrastructure and social infrastructure.¹⁰

Based on the reporting from *Jutarnji list* Croatia is eleventh on the list of recipients of the EFSI financing. Croatia has five projects funded by the plan. Four projects in the support of small and medium sized business and one in support of the Croatian Electric Power Plant in the amount of EUR 150 million. The investment into a new natural gas plant of the production of heat and electricity will replace the current less environmentally friendly plant.¹¹

"EIB lending commitment in Croatia amounts to some EUR 5.3bn since the launch of lending operations in the country." The EU bank currently supports projects ranging from environmental infrastructure

to transport and energy infrastructure. Additionally the EIB has committed to the financing of “manufacturing and services, including support for small and medium-sized enterprises (SMEs) and midcaps in partnership with local financial institutions.”¹²

According to the reporting in the *Poslovni Dnevnik* Oleg Butkovic, Minister of Traffic, commented that Croatia in the year of 2017 has withdrawn EU fund in the amount of 8 billion Kuna for 16 contracts. The construction of the Peljesac Bridge, the largest infrastructure project to be constructed with EU funds, will commence by the end of 2017 if the contracting company is agreed upon, says Butkovic.¹³

Based on the reports from *Dubrovacki Dnevnik.hr* Bosnia and Herzegovina’s ruling government Party for Democratic Action (SDA) has “adopted a resolution” that halted the construction of the Peljesac Bridge until an interstate border is established. SDA claims that constructing the bridge, without taking into consideration Bosnia’s right to open access to the seas, is an infringement on its sovereignty and has therefore appealed to the European Commission to review Bosnia’s demands for the settlement of an interstate border between Bosnia and Croatia before the commencement of the construction of such a strategically important infrastructure project.¹⁴

Recent reporting by the *Jutarnji list* indicates that the Peljesac Bridge project has once again been halted. This time by *Lipov Gaj* a company from Zagreb appealed against the tender documentation for the supervision of the construction of the project.¹⁵

Economy after Joining the EU: the Good and the Bad

Media sources such as the *tportal.hr*, *hr.n1info* and *Vecernji list* discuss the positive and negative impact of Croatia’s economic expansion into EU markets. While Croatian businesses benefit from the EU market, agriculture has been impacted negatively. Additionally, emigration trends are drastically changing demographics in Croatia,

leaving too many seniors while the young seek opportunities in more prosperous EU member states. The Agrokor's crisis, Croatia's largest private company, was the major media story of 2017. The Agrokor crisis has had repercussions on various levels of the Croatian economy. The economy, however, was not as negatively impacted as anticipated, tourism and exports into European markets helped balance Agrokor's negative impact, therefore, the European Commission raised the Croatian GDP growth expectations to 3.5 percent.¹⁶ The European Commission issued a report indicating that Croatia's economy is in need of diversification. Currently the economy relies heavily on the tourist industry.

Generally, Croatia's politicians have an optimistic outlook for Croatia within the EU. However, all have suggested that continued domestic reform and administrative oversight is needed in order to fully benefit from EU membership. Member of European Parliament Ruza Tomasic (Croatian Conservative Party) has a slightly different opinion in that she believes that the EU tends to favour the powerful states therefore creating a disparity of opportunity among EU member states.

Jutarnji list reports that by the end of the century Croatia could lose as many as 1.67 million people. According to UN data by 2050 Croatia's population could decline by 17.4% and by the end of the century 40% less people than now. Croatia is one among other EU countries threatened by the demographic collapse which could have dire negative consequences on the economy. The loss of population will make it difficult to sustain the pension and health care system, as well as decreasing investments and exports leading to slower economic growth.¹⁷

The European Economic Brief issued by the European Commission in July 2017 suggests that "in contrast to other catching up economies in Central and Eastern Europe, Croatia's imports appear to be mainly driven by exports of services (mainly tourism), while exports of goods and investment play only a secondary role." The report recommends a

diversification in Croatian tourism as to prevent the “leakage effect” in revenues due to the current heavy seasonal pattern.¹⁸

Tportal.hr interviewed former President Ivo Josipovic, former Prime Minister Jadranka Kosor, Member of European Parliament Tonino Picula (SDP) and Member of European Parliament Ruza Tomasic (Croatian Conservative Party) on the benefits and missed opportunities of Croatia’s EU accession on July 1, 2013. Although, recognizing the need for a more comprehensive integration strategy Josipovic, Kosor and Picula have an optimistic view of Croatia’s progress since EU accession.¹⁹ Josipovic notes that Croatia’s society has improved since EU accession, especially in terms of recognizing the rights of minorities and better relations with its neighbours. Josipovic does, however, stress that reforms should not stop with Croatia’s entry into EU but should be a continuous endeavour.²⁰ Kosor says that EU accession has brought Croatia on equal footing with other European states and peoples. She indicates that Croatia has equal access to a shared market of 500 million people and the opportunity for EU financing of much needed infrastructure projects.²¹ Picula notes that although EU accession is of historic significance for Croatia and has opened up opportunities for Croatian businesses there has been increased competitive pressure in the field of agriculture as locals turn to more reasonable products.²² Croatia has not yet made use of the opportunities presented by the single market of 500 million people, and Tomasic is concerned about EU’s institutional framework favouring the more powerful states within the EU, and, therefore, is opposed to Croatia’s further political integration due to the concentration of political power in Brussels.²³

The Agrokor crisis has dominated news headlines for 2017. *Index* reports how the downfall of Croatia’s largest and most important private company has threatened the collapse of numerous smaller businesses as well as threatening significant job losses.²⁴ *Poslovni.hr* reports that although the Agrokor Crisis caused a short-term drop in GDP in the second quarter it has not significantly influenced overall

GDP. The European Commission noted that the Croatian economy was resistant to the Agrokor crisis; therefore, increasing the expected GDP growth estimate from 2.9 percent to 3.5 percent.²⁵

The Schengen Area, Eurozone and OECD Accession

Media sources such as *Jutarnji List*, *Vecernji list*, *HRT vijesti* and *tportal* among news sources highlight the benefits and the obstacles of Croatia's joining the Schengen Area and the Eurozone. The Schengen area is a passport free, no border control zone in Europe between 26 European Member states with the exception of Croatia, Bulgari, Cyprus and Romania. In June 2016 the European Commission (EC) issued 98 recommendations for Croatia in order to be considered for the Schengen accession at the beginning of 2019, latest May 2019 before the end of the current EC mandate.²⁶ Although there is concern that a hurried Euro currency implementation might lead Croatia on the Greek economic trajectory Prime Minister Andrej Plenkovic and prominent Croatian finance experts assert that the Euro would greatly benefit Croatia, increasing the standard of living for Croatia's citizens and protect creditors from currency volatility thereby attracting foreign investment.

Tportal.hr reports that the EU Commission is eager to support countries such as Croatia who are in the process of introducing the Euro. The European Commission's is planning to introduce a convergence instrument for member states trying to adopt a common currency. Finance Minister Zdravko Maric notes that the instrument is in its inception stages and cannot be fully defined yet. The European Commission did, however, say that the Euro will only be introduced if a member state has a robust economy to absorb any economic shocks. Furthermore, a member states must meet the Maastricht Criteria for the introduction of the Euro.²⁷

Vecernji list reports that entering the Eurozone, Schengen Area and the Organization for Economic Cooperation and Development

(OECD) is the primary foreign policy objective for the upcoming year said Prime Minister Andrej Plenkovic and Foreign and European Affairs Minister Marija Pejcinovic Burovic.²⁸ Concrete steps in the direction were undertaken when Croatia began its membership with the UN Human Rights Council as well as chairing the Committee of the Ministers of the Council of Europe.²⁹

Jutarnji list reports on July 18, 2017 that Croatia should be entering the Schengen area next year should there be no political obstacles, namely objections from Slovenia.

The news report indicates that while Slovenia has entered the Schengen area three and a half years after joining the EU, Brussels still has to seriously consider Croatia's entry into the Schengen area after four years since EU accession.³⁰

Although Croatia is making progress in the direction of joining the Schengen area which would alleviate long waiting times at border crossings between Croatia Hungary and Slovenia, politics might prevent a speedy accession. The reporter indicates that Romania and Bulgaria five years after being confirmed for Schengen area accession have not been able to enter the Schengen area because France, German and the Netherlands oppose it. The report further notes that Croatia is in better position than Romania and Bulgaria because it is in Slovenia's interest to move the Schengen border further south to ease the long border crossings between Croatia and Slovenia.³¹

Vecernji list reports on the European Commission's arbitration decision on Bay of Piran borderland dispute between Slovenia and Croatia. The EC supported Slovenia's position in the issue and has demanded that both sides come to an agreement on the implementation of the ruling decision within six month. Although Slovenia is in full agreement with the EC's decision and ready to implement it, Croatia, however, continues to insist that this is not a European Commission decision to make but should be dealt with in bilateral agreements between the two countries. The EC continues to

press on Croatia to respect its ruling which is supported by international law.³²

Dr. Erhard Busek the Austrian politician from the Christian-conservative People's Party (ÖVP) and the former Coordinator of the South-Eastern Cooperative Initiative (SECI) in his interview with the *Vecernji list* encourages Croatia to enter into bilateral discussion with Slovenia in resolving regional borderland disagreements. Dr. Busek gives Austria's dispute with Italy over Tirol as an example for a successful outcome to a regional problem. He further notes that resolving an issue between two bordering states bilaterally and diplomatically would set an example for the rest of the region on how to resolve past issues.³³

Jutarnji list reports that Hungary will join Slovenia in withdrawing its support for Croatia's bid to join the OECD due to Croatia's conduct toward the Hungarian oil company MOL and its CEO Zsolt Hernadi.³⁴

In regards to the implementation of the EURO *HRSvijet* reports that Bavarian Finance Minister Marcus Soder warned that Croatia has to go through economic reform before introducing the Euro. The Finance Minister posits that if economic stability is not achieved before the Euro is introduced a Greek scenario could follow where in the aftermath to compensate for lack of prior economic reform the country underwent a financial crisis.³⁵

The *Poslovni Dnevnik* reports Prime Minister Andrej Plenkovic as saying that the fear of inflation with the introduction of the Euro is a misperception. The Prime Minister insists that the Euro will provide currency stability and therefore make foreign investment more attractive.³⁶The *Poslovni Dnevnik* further reports that based on the opinions of Finance Minister Zdravko Maric, Vice Governor of CNB Michael Faulend and Professor at the Zagreb School of Economics Marijana Ivanov on the, Croatia is in a different situation than Greece was prior to the adaptation of the Euro. Michael Faulend notes that Greece had a fallout after the Euro due to the wage/productivity gap causing a decline in competitiveness, due to a poor economic policy.

Minister Maric notes the Euro would be beneficial for Croatia because it would increase the standard of living for Croatia's citizens. Professor Ivanov notes that with the implementation of the Euro 20-30 percent of creditors would be protected against currency risk that the Croatian Kuna is currently volatile to.³⁷

Year in Review

Throughout 2017, Croatia the 28th EU Member state, has seen significant progress toward economic and administrative reform in order to accommodate EU demands and benefit from EU funding. Although Croatia's largest privately owned company Agrokor underwent a downfall bureaucratically and fiscally, Croatia's economy was resistant due to increased tourism in 2017 and increased exports into EU markets. Croatia's accession into the Schengen and Eurozone has been in the media mainly due to the various discussions taking place between the Croatian government the EU and the Croatian public. Regional borderland tensions continue to exist between Croatia and its neighbours in 2017. The Bay of Piran borderland dispute between Slovenia and Croatia continues to be a point of contention between the two countries. Furthermore, the much anticipated Peljesac Bridge infrastructure project has been halted due to concerns from Bosnia and Herzegovina regarding the projects imposition on Bosnia and Herzegovina's territorial integrity.

The major foreign policy objectives covered in the media are the anticipation of Croatia's accession to the Schengen, Eurozone and the Organization for Economic Cooperation and Development (OECD). Prime Minister Andrej Plenkovic has noted that having to implement the various political reforms all the while dealing with crisis management has been more challenging this year than previously foreseen. The Prime Minister is optimistic however that progress in joining the OECD will take place in the upcoming year.³⁸ Regional

disputes between Croatia Hungary and Slovenia continue to create difficulties for Croatia in its bid for accession to the OECD. Croatia's Schengen accession are also dependent on Croatia's ability to implement the necessary reforms and deal with its regional disputes in a diplomatic manner. The Eurozone has been a contentious issue between the Croatian population and the government. While the Croatian government has indicated that Eurozone accession is part and parcel of joining the EU³⁹ others believe that introducing the Euro might bring about a crisis similar to that of Greece.

In early 2017 various borderland disputes between Slovenia and Croatia came to the forefront once again because Slovenia's Foreign Minister Karl Erjavec threatened to sabotage Croatian tourism if Croatia did not take part in the EC's arbitration proceedings set up to resolve the borderland issue between the two EU Member states. Croatia continues to insist that the Bay of Piran dispute among other borderland disputes should be solved bilaterally between the two countries.⁴⁰ Although Croatia left the arbitration proceedings the Arbitration Tribunal in the Hague continued with the proceedings and reached a decision in June of 2017 resolving various borderland disputes between the two states.⁴¹ The EC has demanded that the two countries implement the Arbitration Tribunal's decision as it stands.

The European Fund for Strategic Investment has contributed to economic growth in Croatia in 2017 especially in its support for infrastructure projects and the support of small and medium sized businesses. While the Agrokor crisis and the postponement of the Peljesac infrastructure project has been a sore point in 2017 media reports Croatia's economy nevertheless saw an increase in GDP. Economists from six large Croatian banks foresee that the upward rise in GDP trend should continue into 2018.⁴² The Croatian government adopted a special law 'Lex Agrokor' taking over the management of Agrokor and appointing a commissioner to lead the management and investigations thereby preventing the collapse of the largest privately owned company in Croatia and in turn cushioning the impact of the

Agrokor crisis on the Croatian economy. The law created for the case of Agrokor could be extended in the future to other struggling private enterprises in order to protect creditors and investors.⁴³

While EU spending in Croatia has supported the economy creating job opportunities the Peljesac infrastructure project has not been yet realized as was initially anticipated. The Peljesac bridge project is another regional borderland issue that has been dominant in the media this year. The Peljesac Bridge is supposed to link the Peljesac peninsula and the Dubrovnik with the rest of Croatia. Without the Bridge the only way to reach the other side of Croatia is by crossing in and out of Bosnia and Herzegovina through Neum. The Bridge would allow for easier travel through Croatia, however, Bosnia and Herzegovina has claimed that the project would restrict Bosnia and Herzegovina's access to international waters and therefore impede on its sovereignty.⁴⁴

Overall 2017 has seen a cementing of EU and Croatia relations, especially in Croatia's determination to improve its bureaucratic apparatus and implement EU demands for easier access to EU funds and the eventual accession to Schengen, Eurozone and the OECD. Croatia continues to be plagued by regional disputes which need a better resolution mechanism. The economy has seen an upward trend due to a great tourist season and exports into EU markets. The EC however has indicated that Croatia needs to diversify its economy in order to prevent a heavy reliance on seasonal tourism. Considering the increased use of EU funding to support infrastructure development and the strengthening of small to mid-size businesses and the discussion taking place about further Schengen, Eurozone and OECD integration it can be concluded that the EU Croatian relationship has been a positive one in 2017 with some domestic/regional issues that continue to cause some distress on the Croatian EU relationship.

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2.6%
Unemployment



EU Member State



\$121, 828*
GDP per capita

*Figures in USD

Population



10, 597, 473



Political Scene



Economy



Society

By: Jacob Janek

Political Scene

During 2017, a big issue for the political and social scene in the Czech Republic was still migration. This has been the dominant topic since the migrant crisis in 2015, even though the Czech Republic accepted little to no migrants.¹ In view of the autumn elections, political parties, both on the left and on the right in the political spectrum, looked to fan the flames of populist anger and fear among the population, most notably visible in the campaign on the SPD party of Tomio Okamura, a far-right nationalist politician.²

The election and inauguration of Donald Trump provided a surge in popularity of right wing and populist parties, who started used the victory as a demonstration that history is on their side.³ Minister of Interior for the Social Democratic Party (ČSSD), Milan Chovanec, posted a picture of himself with a gun on social media and announced support of a law giving every citizen the right to own a firearm.⁴ In March, academic Jiří Drahoš announced he would be a citizen candidate for the presidential elections in January.⁵ In May, Prime Minister Sobotka (ČSSD) started a political crisis over Finance Minister and leader of the ANO party, Andrej Babiš⁶. President Miloš Zeman decided to interpret the constitution in his own fashion and after weeks of wrangling, Sobotka decided to stay in his office, with the ultimatum that ANO would have to nominate a new candidate for Finance Minister.

The largest topic was the ramping up of the election campaign all the way up to the vote in October, which resulted in a large win for billionaire businessman and former Finance Minister Andrej Babiš. Babiš, whose ANO movement received 30% of the vote, has chosen to go forward with a minority government, even though no other political party has promised to give him support, owing largely to his role in the Storks Nest scandal.⁷ Another worrying trend has been the rise of anti-establishment and extremist parties, who have roughly 25% of seats in Parliament, such as SPD.⁸ A notable surprise

was the positive result of the Pirate Party and big fall for the previously ruling Social Democrats. President Zeman promised to name Babiš Prime Minister, even though he would face criticism, both at home and abroad, for naming someone who is being investigated by the police for defrauding EU funds.⁹ The year was finished off with the opening of the presidential campaign, as presidential elections are being held in the middle of January. The campaign has been a hot topic, especially due to role of the current head of state, Miloš Zeman, who is trying for re-election and his perceived ties with Moscow and China. The vote was close, and Miloš Zeman ended up defeating Jiří Drahoš by just over 150, 000 votes.¹⁰

Society

The year twenty-seventeen marks 25 years of the Czech Republic, and Czech society has changed much over the last quarter century. Due largely to changes in technology, communication, politics and other factors, large segments of Czech society are dissatisfied with the situation in their country. Many people are turning towards extremist and anti-system views, supported by a large Russian disinformation campaign and by remarks made by President Zeman. Czech society is less tolerant of other views and many Czech are trying to pin their frustrations and unhappiness onto others, be it the EU, migrants, or anyone who happens to not agree with their opinion.

The inauguration of U.S. President Donald Trump provoked many positive reactions among right-wing and populist politicians. The Czech Cabinet goes against the wishes of President Zeman and refuses to name Karel Šrámek, a former Communist police agent to the Czech Ethical Commission.¹¹ Among controversy, Petr Dvořák is elected the head of Czech Television, which is an independent medium. Some political parties have floated the idea of destroying the independence of public media, because it has been critical towards right-wing

extremist and populist views,¹² Finance Minister Babiš (ANO) is caught on tape telling reporters what to write about in the Czech Republic's two largest daily newspapers, which he owns.¹³ President Zeman announces that he will pardon convicted murderer Jiří Kajínek, seen by many as a move to bolster his popularity in the upcoming presidential elections.¹⁴ Social Democratic Minister of the Interior, Milan Chovanec, announces that the Czech Republic will not accept any migrants in its territory until the October parliamentary elections.¹⁵ President Zeman calls Prime Minister Sobotka (ČSSD) a "swine."¹⁶

Police evidence higher numbers of attacks on Muslims in the Czech Republic.¹⁷ The Government approved the purchase of a hog farm, which was standing on the territory of a former Second World War Concentration Camp, where collaborating Czech authorities held and killed Roma citizens.¹⁸ The move is lauded by many and criticized by populists as the liquidation of a working company. The Czech parliamentary elections see the rise of populist and anti-system political parties, pointing to a polarisation in society. A member of the right-wing SPD party is investigated by police for his racist threats and comments on Jews, Roma and homosexuals.¹⁹ Police investigate racist threats made on social media by users about a picture of a first-grade school class, a class that had a high proportion of Roma and Arab students. A petition in support of the families affected is started.²⁰

The Economy

The Czech economy, for a second year in a row, has been quite a success story. In line with EU and much of the world, the Czech economy has grown. The third quarter saw a 5% increase, compared with last year. Industrial growth is strong and so is export, which is good news for the export-oriented economy. Experts have seen the biggest rise in GDP in ten years, largely thanks to European funds,

which are a very important factor for the Czech economy. Record employment levels are showing in the rise of demand by Czech consumers, many of which are better off and spending more money, and who are profiting from wage increases which are catching up to the longer-term economic growth.²¹

It was announced in January that the Czech state budget has ended in surplus for the first time in 21 years.²² The Czech National Bank ends its currency intervention, for the first time since 2013. The intervention started as a move to ensure inflation doesn't rise above two percent. It Czech koruna almost immediately strengthened against the Euro, falling from 27 CZK for 1 Euro to 26, almost overnight.²³ The Government announced that the average pay for state employees has risen to almost 30,000 CZK. This is in line with growth in private wages as well this year.²⁴

In July, the Czech Statistical Office announces that unemployment has fallen to 2.9%, making it the lowest unemployment in the EU.²⁵ Although the economy is doing well, it is missing many qualified workers and companies push the government to liberalize visa regimes with countries like the Ukraine in order to allow for this labour deficit to fall.²⁶ In August, three months before elections, the government announced it would be raising the minimum wage to 12,200 CZK.²⁷ The Financial Directorate loses its case against the FAU company. The scandal was centered around Finance Minister Babiš, who was recorded telling the Financial Directorate chief to investigate and find issue with FAU, which was incidentally a competitor with Babiš's own company, Agrofert.²⁸ The Constitutional Court repealed part of the EET law, a law that imposed draconian tax declamatory regulations on all Czech businesses, leading many to close.²⁹ Before the end of the year, the newly elected Parliament decided to approve a budget for 2018 that was proposed by the last government of Sobotka. Right wing parties complained that the budget expects to operate with a deficit of 50 billion CZK, despite high economic growth rates, higher state revenues and a large pool of

European grant money that has yet to be spent. The state will newly spend more on wages for teachers and other state employees and higher payouts in the social sphere.³⁰

Year in Review

2017 has been a mixed year for the Czech Republic and its relationship with the European Union. Economic performance has been very strong, and the country has seen a general rise in wages, high growth rates, higher output and a strong koruna. Exports are strong, and the country has record-low unemployment levels. Despite this, many Czechs are feeling alienated from this growth and are blaming their politicians for this. This, in turn, is fueling the rise of populist and outright racist parties and moving the discourse, even among traditionally progressive and pro-European parties, towards the right. Criticism of the EU and of migrant quotas were both very large topics in both campaigns for parliamentary and presidential elections. Anti-system parties, like SPD and the Pirate party, received a large number of votes, but were overshadowed by the populists at ANO, led by Andrej Babiš. Despite investigations into European grant fraud, into his being a former Communist police agent, and his influencing of journalists working for newspapers that he owns, it was his party that won the elections with 30% of the vote. People are looking for change and for someone to blame. Babiš, ever the pragmatic, presents himself as non-traditional politician, even though he was a member of the last coalition government for four years. In the end, it was ANO and Babiš that convinced voters that the successes of the last coalition government, which included Social Democrats and the Christian Democrats, that it was his party that was behind all these successes. Politicians from left and right have understood that fear is a strong political tool and have used it different occasion, especially fear of Muslim migrants. This was

especially evident in the presidential campaign, where Miloš Zeman campaigned both against his opponent, Jiří Drahoš, and Muslim migrants, which are two completely unrelated topics. The Czech Republic, as of the end of January, still does not have a government, and it will remain to be seen how different political parties make it through 2018, and how the debate about the future of the Czech Republic goes forward in this year.

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7.9%
Unemployment



EU Member State



61,606
GDP per capita

*Figures in USD

Population



5,011,102



Trade Relations



Corporate and
Digital Tax Rate



Climate
Change
Commitment

By: Thomas Robson

Ireland's Trade Relations

With the United Kingdom in the process of leaving the EU, Ireland's trade status with one of its more important trade partners is undergoing change. Trade is an important part of the Irish Economy. In 2016, exports accounted for €107,669,068.78¹. According to the Irish Food Board, of this amount 10.7% were agricultural exports; 37% of this were exports to UK. ² Over fifty percent of the Irish agricultural industry is connected to beef and cattle.³ As such, the dominant theme in the media for 2017 was Brexit's potential effect on Ireland's trade economy.

2017 started with the agricultural industry lobbying the Irish Government to find new trade partners, such as Egypt, for the sector.⁴ With the uncertainty of Brexit, there were fears over a 'hard blow' to the agricultural economy.⁵ In May, Enterprise Ireland, the government agency in charge of trade, published a report detailing how large a blow Brexit would be to the Irish economy.⁶ However, by April, Irish exports to all countries, including the UK, had actually grown.⁷ Despite this growth, experts argued that the hard facts were demonstrative of a dim future for Irish exports.⁸ For Irish trade, the first half of 2017 was filled with questions about the future.

In July, the issues around Brexit were still at the forefront of conversation. The economic pressure stemming from Brexit had punished the beef industry to a 9% loss.⁹ The Beef Roundtable, an annual discussion on the cattle industry in Ireland, focused on Brexit and Trade at its 2017 event.¹⁰ Taoiseach Leo Varadkar explored other trade avenues, including Canada. However, opening trade deals with other a country with strong beef exports was not well received.¹¹ The Irish Government continued to explore trade partners beyond the UK. By August, a deal with China was becoming more and more likely.¹² By December, Ireland had well positioned itself to export beef to Asia.¹³ Despite the progress made in 2017, many in the Irish media prepared for an even worse 2018 for Irish trade and exports.¹⁴

Ireland's Corporate & Digital Tax Rates

Ireland has long benefitted from providing low corporate tax rates to foreign companies who register as domestic companies. Ireland's 12.5% corporate tax rate is enticing to multinational digital technology corporations such as Amazon, Facebook, and Google. Opposition to this loophole argue that Ireland is a tax-haven. Due to European Union trade rules, companies who registered their European Headquarters in Ireland could operate throughout Europe without paying individual countries taxes. This strategy is called the 'Double Irish.' The media in 2017 focused on how the disagreement over the 'Double Irish' corporate taxes between the EU and Ireland would play out.

In January, EU Tax Commissioner Moscovici promised Ireland that the corporate tax rate could only be changed by Ireland.¹⁵ However, Commissioner Moscovici travelled to Dublin to sell his idea of a consolidated European corporate tax rate.¹⁶ In May, Google had to pay €306m to Italy in a tax dispute over this issue.¹⁷ In June, after a series of tax avoidance scandals, fears rose that the EU was aiming at taking control of corporate tax rates. While the Irish Government was against this, EU Tax Commissioner Moscovici refused to comment on what the revenue loss for Ireland would be.¹⁸ The EU was moving forward with looking at changing the corporate and digital taxation rates. Also in June, 70 OECD nations signed a treaty promising to tackle tax avoidance. With former Irish Finance Minister Michael Noonan signing it for Ireland.¹⁹

In July, Google faced a 1.1 billion euros tax ruling in France over routing all there sales revenue through Ireland.²⁰ Many in Ireland believed that Google should not be forced to pay this.²¹ By October, the Irish corporate tax rate was back in the sights of the EU.²² The EU

called for proposals on how to ensure the digital economy is taxed fairly.²³ The published report outlined the need to tax digital companies more. The report recommended a broader EU based international corporate tax rate. This tax rate would benefit more countries, but remove Ireland's competitive advantage and decrease their domestic tax revenues. In September, Ireland's taxes were back in focus for the EU, with it being argued that nearly 5.4 billion euros in tax revenues for EU countries from Facebook and Google had been lost thanks to Ireland.²⁴ In November, it was reported that Google only paid 164 million euros of taxes on 19.4 billion euros of profit.²⁵ Also in November, six multinational corporations were asked to depose in front of the Dáil's financial watchdog.²⁶ It was becoming obvious that large corporations were taking advantage of this system. It is clear that the Irish government will need to address this issue in the upcoming year.

Ireland and Climate Change commitments

Countries around the world have been coping with ways to reduce their carbon footprint as the fight climate change. Ireland is among them. Ireland has a thriving cattle industry, as well as many other emission-producing industries. Ireland's last major climate goal was the Kyoto protocol of 2012. Ireland met their goals in 2012. This was accomplished thanks to the global recession that pushed many of their emission-producing industries and companies into bankruptcy and closure. Ireland had also entered, along with the rest of the European Union, the EU 2020 agreement. The current environmental targets which Ireland aims to hit are outlined in the environmental package of the agreement. Ireland, along with the EU, aims to transition to a more 'resource efficient economy.'²⁷ This involves a focus on eco-innovation, energy efficiency, and recycling. In 2017,

Ireland's media focussed on the difficulties facing Ireland in meeting these goals.

In February, it was reported that Ireland was already facing significant challenges in meeting their climate change targets. This was due to the growing agricultural sector, which accounts for 33% of Ireland's emissions.²⁸ In March, Ireland was on track to miss its targets, due to the growing transportation and agricultural industries. Officials began to negotiate new targets for 2021-2030 at the EU.²⁹ Also in March, 'inevitable' fines were being discussed for EU nations who failed to meet climate change targets.³⁰ In April, Ireland was warned by the Environmental Protection Agency. Ireland was on track to decrease 4-6% of their carbon emissions, opposed to the agreed-upon 20%.³¹ Ireland was called upon to find a balance between economic growth and reducing emissions by EPA European Director Laura Burke. Corresponding to the warnings of not reaching targets, reports came out stating that both the transport and agricultural sector's emissions were to increase.³²

As the year progressed, discussion surrounding Ireland's failure to hit climate change targets continued. In August, Minister for Communications, Climate Action and the Environment Denis Naughten admitted that Ireland faced 'real challenges' in meeting their climate targets.³³ By October, a Dáil committee on climate forecasted a 610 million euros climate bill in 2020 for failure to meet their targets.³⁴ The committee noted that 'little evidence the issue was being taken seriously' by the government. However, in November it was reported that the fines facing Ireland were lower than expected, 455 million euros instead of the aforementioned 610 million euros.³⁵ Also in November, an announcement was made that Ireland's greenhouse gas emissions continued to rise throughout 2017.³⁶ In December, the Climate Change Advisory Council warned that Ireland will struggle to decarbonise its economy, even by 2050.³⁷

Year in Review

Ireland faced opposition from the EU for their taxation practices in 2017. In the European community, many countries lost millions of potential tax revenue thanks to the tax evasion tactic of the 'Double Irish.' As 2017 developed, the EU moved from warning Ireland about their disdain for Irish corporate taxes to recommending potential changes. The unknown certainty of future Irish trade -- and the effect it would have on the nations GDP -- certainly played a role in the Irish government's unwillingness to give up a competitive advantage. Ireland's 12.5% corporate tax rate provided a strong benefit for multinational corporations to take advantage of. This will be a serious issue to watch in 2018; Ireland's economic uncertainty is in part tied to what happens with Brexit. With this uncertainty, giving up a major tax revenue source will not be a smart political or economic move by freshly minted Taoiseach Leo Varadkar.

There were many issues facing Irish trade in 2017, largely driven by Brexit. The UK is a close, and important, trade partner. With their future trade agreements up in the air, the markets in which Ireland interacted with the UK were bound to oscillate. In 2017 this is what it did. A close examination of the beef export market proved just that. Such uncertainty has lead to exploration of other avenues of export, and conflicting reports and numbers regarding the impact of Brexit on the Irish economy. As Ireland continues to move towards trade with other countries, such as Canada, China, and Egypt, the market will continue to balance out.

Ireland faced calls from climate activists in 2017 to solve their emission driven economy. By all accounts, Ireland was willing to pay climate fines as their economy continued to grow. Their economy is driven by exports; demonstrated by the issues facing the cattle industry due to Brexit. The climate change targets demonstrate the lofty ideals of the European Union, the unwillingness of Ireland to meet them demonstrates countries desires to put themselves first.

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11.2%
Unemployment



EU Member State



\$30,527*
GDP per capita

*Figures in USD

Population



59,313,653



Refugee
Crisis



Banking
Crisis



Upcoming
Elections

By: Tatiana Ferrara

Impact of Immigration

Italy continues to face a growing migrant issue. According to a report issued by the International Organization Migration (IOM), there was an 18% increase in migrants arriving by sea in the last year.¹ In order to try and pacify the situation, Interior Minister Marco Minniti traveled to Tripoli- in hopes of negotiating an accord with Libya to stop trafficking and stop the flow of migrants from Libya.² Gentiloni's government also proposed stricter rules, introducing Centers for Identification and Expulsion (CIE) in all the regions of Italy.^{3 4 5} Even with the introduction of what seemed to be restrictive measures by the Italian government, February 2017 saw a rise in the number of migrants arriving on the Italian Coast.^{6 7} Italy continued to try and adhere to the commitment between them and the European Union to establish better relocation and resettlement of migrants entering the country.⁸ In March 2017, the European Union recommended that Italy extend the detention of migrants⁹ and repatriate those that cannot be accepted as refugees.¹⁰ This is with the exception of unaccompanied minors, who would be protected.^{11 12} With the situation getting steadily worse and Italy's resources sparse, only more funding would improve the deteriorating situation.¹³ By March, Italy was realizing that this would be hard to manage, even with new procedures and rules in place.¹⁴ With over 40,000 migrants arriving in the first four months of the year, Italy was heading towards a greater unmanageable problem.^{15 16} With the EU and Italy placing responsibility for this on each other, no resolution seemed to progress.^{17 18} Mid-year marked more concern for the increase in numbers and the threat to Italy's safety.¹⁹ With no perceived help from EU and member states, Italy threatened to close ports and entry points in an effort to mediate the problem.²⁰ With Italy's increased pressure for support the EU grants 35 million euros more for better management and influx of migrants.^{21 22}

In the beginning of the summer of 2017, Italy continued to see a rise in migrants. With surrounding countries closing their borders, Italy was again faced with an unworkable situation.²³ The country has the highest population of non-degree foreigners as compared to other EU countries.²⁴ According to the latest ISTAT (The National Institute of Statistics) report, Italy has been faced with a steady increase of foreign population.²⁵ The EU is increasingly concerned that Italy's situation is becoming unsustainable.²⁶ With over 15,000 migrants recorded by the United Nations High Commissioner for Refugees (UNHCR) in June alone²⁷, and a 19 percent increase from 2016²⁸, Prime Minister Gentiloni requested aid at the recent summit in Berlin.²⁹ Italy asked for the surrounding countries to help alleviate the situation by requesting more migrants be repatriated and more refugees be relocated across Europe, as well as stronger borders by adjacent countries. The EU came up with a plan to redistribute refugees, to help with repatriation of migrants, and the prevention of additional migrants with help from countries of origin.³⁰ This, along with the Italian-Libyan Agreement³¹, saw much improvement by the end of August 2017.³² September 2017 saw the EU's Court of Justice rejecting appeals by surrounding countries to try and stop the redistribution of asylum seekers,³³ thus allowing Italy to relocate 13,622 asylum seekers.³⁴ By November 2017, Prime Minister Gentiloni expressed that he felt that Italy has managed to establish a decent migration policy.³⁵ By the end of the year, Italy saw the total number of migrants drop by $\frac{1}{3}$ as compared to the same time in 2016.³⁶ ³⁷ Also by end of year, Italy launched its official migrant integration plan.³⁹ This was in an effort to organize and integrate migrants into Italian culture integration. In exchange for this agreement, refugees will be put on waiting lists for homes and jobs.

Banking and Debt Crisis

Italy's banking situation has continued to grow and the evolution of high debts became of concern in 2017. The year started out with the European Commission Vice-President for the Euro Valdis Dombrovskis implying at a press conference that they would not have any problems opening a case against Italy concerning the country's surmounting debt.⁴⁰ The European Commission gave Italy a deadline of April to cut its spending by 0.2 percent of its gross domestic product (GDP). Italy has violated the European Union's 60 percent rule and is expected to reach over 133 percent of its GDP in this year. According to a report issued by the European Commission, Italy is struggling by increased government debt, low productivity and high non-performing loans (NPL) and weak banks.⁴¹ Italy is expected to implement measures to correct this infringement notwithstanding its pleas for an extension.⁴² In March 2017, reports showed that Italy's debt continued to rise.⁴³ With the debt increasing from the beginning of the year by 32.7 billion.⁴⁴ Italy's attributing the increase to an increase in liquid assets offset partially by cash surplus.⁴⁵ By April 2017, the situation seemed to worsen, with reports citing that Italy has not kept the promises made to the EU.⁴⁶ Italy released a document to the EU outlining the measures planned by the government to alleviate the debt.⁴⁷ The document opens by pointing out discrepancies of the EU previous report on Italy's economic state. The EU agreed to further discuss another option for Italy's economic imbalances.⁴⁸ The month of May brought forward a new record increase for Italian public debt of just over 20 billion euros.⁴⁹ ⁵⁰ Italian media reports fears of being driven out of the EU.⁵¹ By June, Italian media reports that the European Commission trusts that Italy will take positive actions to reduce debt.⁵² The EU feels that Italy is heading in the right direction.⁵³

The EU approved 5.4-billion-euro state aid for the restructuring plan agreement reached in June.⁵⁴ This way limited the use of taxpayers money to bail out failing banks. By the end of the summer, Italy's economic confidence hit an all-time high.⁵⁵ ⁵⁶ However, by the end of summer, numbers did not justify such; Italian debt was surmounting, with debt increasing by 2.2 billion euros.⁵⁷ Still in line with EU demands, the end of summer showed an increase in GDP and steady economic growth. Prime Minister Gentiloni assured Italians that the increase was better than expected and Italy is headed in the

right path.⁵⁸ September brought steady growth to the situation.⁵⁹ In late October, the EU asked Italy for some clarifications and details^{60 61} to The Minister for the Economy Pier Carlo Padoan on the informal agreement made to alleviate the deficit by 0.3 percent of the GDP. Minister Pier Carlo Padoan responded by clarifying that Italy is in line stability and growth with the government's strategies.⁶² The end of year brought very little confidence from the EU⁶³, with additional requests to clarify Italy's 2018 budget and commitment strategies. Prime Minister Gentiloni replied by stating that the latest ISTAT⁶⁴ indicates that Italy is on target, but EU insists that the debt is too high.⁶⁵ By the end of December, Italian confidence declined⁶⁶ as debt continues to rise.

2017 Political Elections

In 2017, Italian media reported greatly on possible upcoming elections in 2018. This stems from the resignation of former Prime Minister Matteo Renzi after the constitutional referendum in December 2016, which has paved the way for a possible national election. The 2017 year started with speculation of elections for Italy in 2018.⁶⁷ This suggests that this was an effective method for Renzi to make a comeback.⁶⁸ Although Renzi did not confirm or deny this, he reaffirmed that an election would be beneficial not only for Italy but for the Democratic Party.^{69 70} However, public opinion suggests that Renzi is the problem⁷¹ and that his leadership would hinder the Democratic Party.⁷² With Italy's economic state weakening, it would be difficult for Renzi to gain voters. The European Union (EU) regards Italy's election as a sense of stability. The European Commission wants this election to take place and sees this method as a means of strengthening Italy's economy, and thus as a EU member.⁷³

Sergio Mattarella opened the summer stating that an election would not likely be foreseeable until the spring.⁷⁴ Matteo Renzi, the former Prime Minister and current head of Pd to the Democratic Party, would like to return to power.⁷⁵ In August, he continually tried to back his case amidst the current struggling government lingering debt and economic state.⁷⁶ By the fall, Prime Minister Gentiloni was

faced with skepticism⁷⁷ for which he tried to justify the Italian population. With parties in place for next year elections⁷⁸, one of his rivals, Luigi Di Maio was selected as head of the M5S party⁷⁹. +Europa or Piu Europa was another radical political party that was formed in the later part of the year⁸⁰ and Liberi e uguali lead by Pietro Grasso, is a left-wing party.⁸¹ On 27 December 2017, Prime Minister Gentiloni dissolved parliament, which paved way for a March 4, 2018 election date.⁸² By end of December, media reported that Italians are "disillusioned" and Italians have very opposing views on all issues facing the country.⁸³ Some of the lingering issues facing Italy are debt and stable budget⁸⁴ and possible elimination of the Euro and membership.⁸⁵

Year in Review

This past year has been a series of ups and downs for Italy. Major discussion in the Italian media depict that the country faces similar challenges to the year prior, however with a somewhat stronger hold on improving matters. Some of the issues are ongoing from previous years, such as the impact of immigration and the debt crisis. A new topic discussed in the Italian media was the anticipation of the 2018 elections. However, the impact of immigration has taken over as the dominant topic of discussion in the Italian media, followed by the debt crisis and the upcoming elections.

The relationship between Italy and the European Union progressed in a positive direction, but there is still slight tension. With regards to the impact of immigration, the relationship with the EU has slightly progressed from a situation of no perceived help on the matter in the beginning of the year, to the end of the year demonstrating that the EU is developing a plan to redistribute the refugees. Progression with EU relations can be seen with regards to the debt crisis as well. The beginning of the year saw the EU imposing a strict deadline to cut its spending. Mid-year saw the EU agreeing to further discuss other

alternatives for Italy's economic crisis, and Italy was approved for 5.4-billion-euro state aid by the EU, thereby demonstrating a step towards a positive relationship. When Italy announced and began discussing the upcoming 2018 elections, the EU regarded this as a step towards stability for the country. Overall, the relationship between Italy and the EU has progressed from one of high tension and stressed, to now slightly less tense and more willingness to listen and corporate towards resolutions on the major issues.

The year's major discussions of these three issues have influenced each other with regards to the scope of each issue is being discussed in a deeper context. Discussions of the debt crisis and the country's management of such has prompted this subject matter to be a component in talks about the 2018 elections. Both the EU and Italian citizens are in anticipation for the 2018 elections for possible resolutions to the major issues. This has an influence because both Italian citizens and the EU are interested in the candidates and that speak to the country's current issues, and the more these are discussed and acknowledged by candidates, the more solutions can be proposed. Continuous discussions about the debt crisis has prompted the EU to be more open to listening to Italy's concerns, as well as a more proactive approach towards a resolution.

In conclusion, 2017 saw these three topics as the year's most discussed in the Italian media. The impact of immigration and the banking crisis remain ongoing concerns, escalating the country's instability in these regards. These two topics in particular are a continuation of the ongoing situation in the country and show the need for these to be addressed in talks regarding the upcoming 2018 elections. These topics have occurred and have been discussed at the same time as one another, prompting the EU to partake in the topics and subsequent discussions. The EU and Italy are working towards building a stronger relationship as well as working on improving the country's major issues.

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8.5%
Unemployment



EU Member State



\$14,118*
GDP per capita

*Figures in USD

Population



1,965,686



Local Elections



Economic Growth



Integration
into EU Core

By: Arina Dmitrenko

Local Elections

On the third of June, 2017, citizens of Latvia headed to the polls to cast their votes in Latvia's municipal election. Throughout 119 constituencies, several federal level parties– the main ones being the centrist Greens and Farmers Union, the center-right Unity and the National Alliance, and the center-left Harmony – competed for regional seats across the country. However, results from the Central Election Commission (CVK) show little change from the previous election.⁵ Previous Riga Mayor Nils Usakovs, will continue his leadership in Riga as well as Ventspils Aivars Lembergs, who will continue to control the affairs of the city.⁶ A Majority of the other districts also returned to their previous representatives.

Many citizens thought that these elections would bring a newfound power struggle between the top federal parties, yet the already-in-power Harmony party earned over 50% of the popular vote.⁷ In second place Latvians voted in the Latvian Regional Alliance with 13% of the vote, and in third the New Conservative Party with the same outcome.⁸ These elections are not only important in light of the upcoming federal election in 2018, but also are a crucial mechanism for continued, stable, Latvian-EU relations.

With the same officials in power, Latvian-specific goals in regards to the EU are likely to continue being pursued. Considering that the current Latvian government seeks to establish closer relations with the EU and distance themselves from Russia, this stability on the local level should serve that purpose.

Economic Growth

Carrying through from the last quarter of 2016 into the first quarter of 2017, Latvia experienced an impressive increase in economic growth reaching 4%.⁹ This economic development can be

attributed to the betterment of situations in manufacturing, energy, construction, trade and transport.¹⁰ Construction experienced a 14% increase in Q2, investment activities have expanded and industry increased by 8%.¹¹ However, other branches in the Q2 were subject to slower growth.¹² Additionally, an upsurge of wood, machinery, beverages and minerals¹³ exports assisted Latvia's economic acceleration, increasing by a colossal 17% in the first ten months of 2017.¹⁴

This growth was reflected in the second quarter of 2017, the Central Statistical Bureau estimating a 1.3% growth in GDP. As a result, unemployment rates in Latvia have fallen from 9.5% in 2016 to 8.5 in late 2017 and wages have experienced steady growth – all leading to an improved, well-functioning economy.^{15 16} Yet it is crucial to consider these numbers concomitantly with Latvia's decline in population beginning in 2008.¹⁷ The Baltic region experienced large numbers of emigration after 2006 and left Latvia with a fraction of previously functional youth in the workforce. Thus, these statistics attract skepticism, though the forecasted continuous economic growth is most definitely a comforting prognosis for Latvians.

For Latvia, the most significant economic decision on a local level has been the tax reform which passed in parliament on July 27, 2017. The reform is twofold: to reduce the tax wage on labour to match the other Baltic states, and to gradually reduce income inequality in Latvia.¹⁸ The second aspect of the reform is promoted by Latvia's shift to a Progressive Income Tax.¹⁹ By increasing people's disposable income, the Latvian government is predicting a positive effect on consumerism as well as wage increase.²⁰ However, in light of economic growth, it is necessary to remember that these progressions will also elevate the labour costs – a trade-off which can be a double edged sword. Although, this is economic progress is generally positive, it is crucial to consider this within the context of the broad European economy.

It is important to note that Latvia's economic progress is not one which can compete with the economic giants of the EU, such as Germany and the UK, but can merely elevate Latvia to a more stable economic platform. Considering this, Latvia remains a less influential member of the EU, and heavily dependent on the EU for economic support regarding fiscal system reforms, financial system reforms, structural reforms.²¹

Nonetheless, predictions brought forth by the Bank of Latvia are positive, stating that the economic growth is expected to be stable since the European economic environment is improving, and Latvia will be able to assume a position within it considering the improved situation in manufacturing and trade.²² Taking into consideration this growth, Latvia will resume the reabsorption of European structural funds.²³ Nordea, the largest financial group in the Baltic countries, also expects Latvia to continue on her current economic path.²⁴

Plan for Integration into EU Core

During a meeting with the President of the Senate of the Romanian Parliament which took place in Riga in October 2017, Seima Speaker (Government official for National Alliance) Inara Murniece, noted that countries who want closer cooperation with the EU should be granted it, and Latvia specifically, wants to be in the core of the EU.²⁵ This statement embodies Latvia's 2017 EU goals which include negotiations between the EU and the UK regarding Brexit, EU security and borders, migration flow and economic growth.²⁶ Latvia has states numerous that it supports the prosperity and growth of an effective European Union.

Both Latvian officials and Romanian representative noted the importance of the security threats on the Eastern Bloc, mainly coming from Russia, and affirmed the presence of NATO in the region.²⁷ Additionally, in understanding her dependency on Russia, Latvia's

approach to penetrate the EU lies in the Baltic states. An alliance with both Estonia and Lithuania is an important mechanism for both Latvia and the other states to gain more recognition from EU powerhouses. This alliance manifests itself in energy arrangements which are crucial in Latvia's attempt to remove herself from Russian dependency. This is largely rooted in Latvia's history with the Soviet Union, and the growing resentment towards Soviet occupation after the fall of the Soviet Union.

The Baltic states announced in mid-2017 the claim that their power grid will be integrated into the European Union Network by 2020 rather than 2025.²⁸ All three, Latvia, Estonia and Lithuania, have been linked on a power grid since 2004, however, that grid serves the Russian and Belarusian network. This heightens tensions in the Baltics, due to the despise of Russian influence as well as Latvian adamant support for Ukrainian independence. Lithuanian Energy Minister Zygimantas Vaiciunas has stated that the Baltic states will begin the switch in the second half of 2018, through a powerline in Poland.²⁹ With the switch costing in the ballpark of 1.2 billion, the EU is responsible for covering 75%.³⁰

The energy systems do not differ since they both operate at the same frequency; however, the switch enables the Baltic states to be not only closer to the EU but have control of their energy since the operation is decentralized on the Euro continent.³¹ Yet it is essential to note that Russia has never cut power from the Baltic states or threatened to do so, thus the switch is simply an expensive way for the Baltics to distance themselves from Russia by claiming that staying on the same power grid is a potential national security risk.

Year in Review

Latvia's outlook for 2018 in relation to the EU can be discussed on the basis of the three topics presented in this report. In

terms of the local election, the general distribution of parties across Latvia remained the same, allowing a smooth continuation of the Latvia-EU goals in 2018. Additionally, the local elections are a significant indicator for the upcoming federal elections in 2018. Basing predictions on these elections, it is probable that there will likely be no power shift in the Latvian government. Nevertheless, federal elections may be a gateway to a different party dynamic in 2018. However, it is important to note that most Latvian-centric parties in Latvia are adamant about their separation from Russian dependency and thus the current path Latvia is on is seldom to be changed.

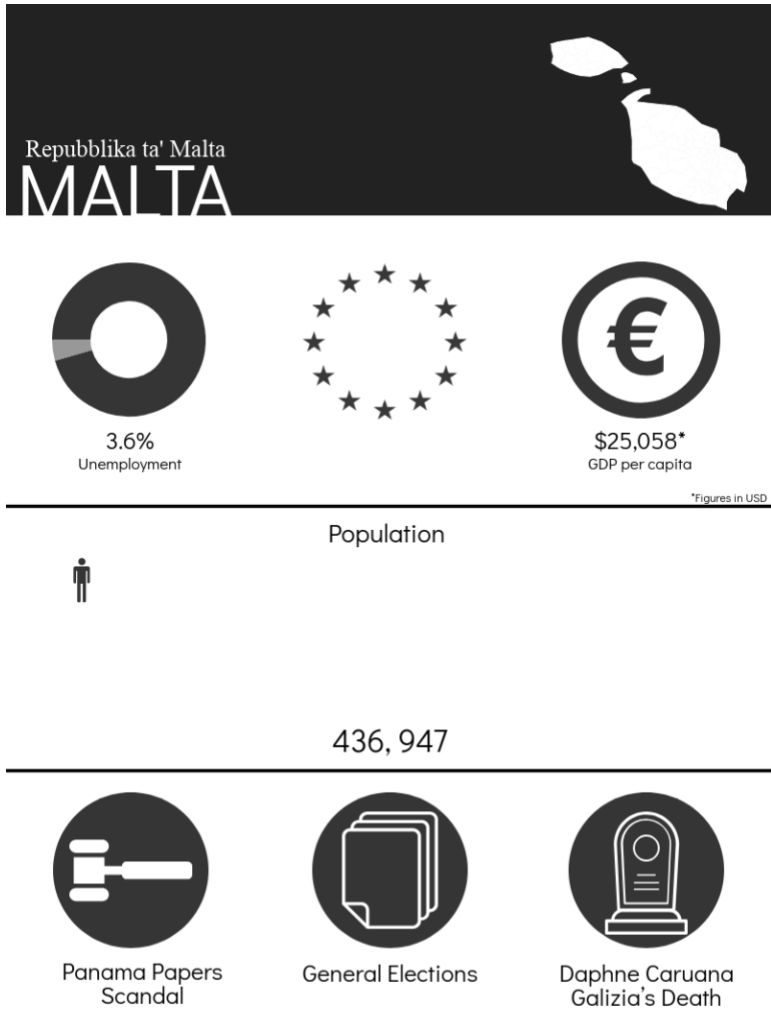
In terms of economic growth, it is expected that Latvia will continue in the same manner, resulting in stable economic progress. This is definitely an important factor for those working citizens (many have fled to the EU) who still reside in Latvia since employment has been stagnant and wages are on the lower end compared to the rest of the EU. Supplementary, this economic progress will elevate Latvia on a more comparable level within the EU as well as make them more susceptible to trade and general economic function in the EU.

Finally, Latvia and her neighbouring Baltic countries are manoeuvring themselves into a separatist position from Russia by re-assigning their energy grid to the EU energy source rather than the Russian one. The Baltic States claim this will be done by 2020, breaking yet another part of them away from Russian dependency. This of course is a goal Latvia is pursuing, however, it is rather expensive and simply a statement to Russia. Nevertheless, the Baltics will continue to distance themselves from Russian influence and further continue integrating themselves into the EU sphere. This, although necessary for the Baltics, is also heavily dependent on the state of the EU – making Latvian concern for Brexit discussion and the progress of the EU without the UK all the more elevated in 2018.

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By: Sophia Spiteri

Panama Papers Scandal

Commencing at the end of 2016, we see the Panama Paper scandal represented across the globe. Maltese journalist, Daphne Caruana Galizia, had made the primary remark with regards to local politicians who had been involved. It came forth that the then Minister of Electricity and Labour, Konrad Mizzi, had ownership of a private company in Panama.⁸ Shortly after said release, it had also become publicly known that then Chief of Staff, Keith Schembri⁹, was also involved in multiple Panama-based companies, with assets hidden in New Zealand.¹⁰ This had played a large factor for the events to unfold in 2017, leading the Maltese labour government to call for a snap election.

In February 2017, the PANA committee, the European Union's committee of Inquiry into Money laundering, tax avoidance and tax evasion chose to delve into the situation being conducted in Malta. The ministers who had been accused regarding money laundering had refused to become present at the conference, and thus arose suspicions.

By April 2017, it was discovered that a company which had been owned by Leyla Aliyeva, daughter to the leader of Azerbaijan, had transferred large sums of money to three companies; Hearnville Inc, Tillgate Inc and Egrant Inc.¹¹ A day after this information had been released, Daphne Caruana Galizia revealed that Egrant Inc had been owned by Mrs. Maria Muscat, the Prime minister's wife. Egrant Inc was a Panamanian company, who also had the aforementioned Keith Schembri and Konrad Mizzi as shareholders.¹² She then uploaded text that had been evidence to the ownership by Maria Muscat of Egrant Inc. This statement meant that Joseph Muscat, the Prime Minister, had initially made false claims in stating he had no involvement in the Panama scandal.

General Election

On May 1st, due to high tensions caused by the opposition for the Prime Minister to resign, Joseph Muscat called for a general election to be held on June 3rd.¹³ In announcing the election, Joseph Muscat stated that the truth shall unfold should these allegations of Egrant Inc be proven to be true.¹⁴ During the month up to the election, Daphne Caruana Galizia had been posting on *Running Commentary* daily, attempting to provide as much evidence behind the Labour party's corruption, in order for them to lose their seats in parliament. Regardless of her efforts, the public felt this was not enough.¹⁵ When Daphne posted on her website, it would often times come without evidence in order to protect the identity of the whistleblower. Many of the public remained undecided about who was wrong and who was right.¹⁶ However, what they did know, was that Prime Minister Muscat would promise to reduce taxes for all members of the public. No other politician had made such an attractive offer to the public, and thus, on June 3rd, the Labour Party, along with Joseph Muscat, Keith Schembri and Konrad Mizzi, were re-elected into government by the public. They had won with a large majority over the conservative party. This was shocking to fellow EU member countries, as well as EU officials as it declared Malta to be a state controlled by corruption.¹⁷

Shortly after Joseph Muscat was re-inaugurated as Prime Minister, he had to confront accusations of corruption in front of the members of the European Union Parliament in Strasbourg in order to touch upon the money laundering issue in Malta.¹⁸ Many had not believed that Muscat was innocent. Daphne, a renowned investigative journalist, had far more credibility and respect from the members of the European Parliament than Muscat did. With this, Fabio De Masi, PANA's Committee Vice-Chair was skeptical to Prime Minister Muscat.

He declared that as long as Muscat is in power, there will be a presence of corruption and tax evasion in the European Union. It should be the EU's responsibility to gain credibility from Malta and to ensure that there is an end to "tax mafia".¹⁹

Due to their significant loss, the Nationalist Party had to appoint a new opposition leader that would be able to tackle the criticism presented by Joseph Muscat and the Labour Party. The defeat of the National Party over the years had come as a big surprise to the European Union. They were the party responsible for the nation joining the European Union in 2004, and now, the nation had become nothing but a tax haven. The decision for a new opposition leader was assigned with a lengthy process. The party was in no rush in order to decide who was to run the Nationalist Party.²⁰ The two main running candidates were Adrian Delia and Chris Said.²¹ From the start, it was unlikely that Chris Said would win due to him being from a small island besides Malta names Gozo, than from Malta itself. Chris Said wanted the Nationalist Party to separate themselves from the Labour Party, and to ensure that there were no ties to one another. Adrian Delia, however, had another approach in mind. He wanted to form an alliance between the Labour Party and the Nationalist Party in order to prevent any disputes. People admired Delia for his desire to make peace with the Labour government. However, much like the Labour government, Delia had a few questionable acts of his own. In August, it became known to the public, that Delia was accused of having offshore bank accounts in the Marshall Islands.²² This information surfaced due to the fund processing what was known to be a prostitution house in London, United Kingdom.²³ It was already known that Delia would frequent brothels in Soho. Delia chose to sue Daphne for the allegations put forth, even though, there was sufficient evidence against him. Less than a month later, Delia wins the Nationalist Party's leadership, despite the proof of his foul-play represented by Daphne.²⁴ Daphne's credibility holds great

importance, especially with her evidence against the local politicians. This will be shown in the months to come.

Daphne Caruana Galizia's Death

On October 16, 2017, Malta's most prolific journalist, Daphne Caruana Galizia, was assassinated just outside her home in Bidnija.²⁵ Just leaving her home after 3pm, Daphne was leaving her home when a bomb had gone off in her car, leaving her and her car to be blasted into a field nearby. This was one of the first moments Malta was on the international stage. Daphne was known for her work in the Panama Papers Scandal. She had exposed both domestic and foreign politicians who were involved. However, her most prominent work had been exposing the corruption and money-laundering that was present in Malta. She chose to remain unbiased in her political views, and ensured to expose all involved politicians, regardless of political party. It is said that due to her heavy criticism, the Maltese government was involved with this brutal murder. Daphne was in the process of revealing a Sicilian-based organised crime unit that involved smuggling oil between the Maltese government and Libya.²⁶ To this day, there have been ten arrests made in association to the murder. However, none of these individuals ever had ties with Daphne, or were criticised by Daphne. It is believed to be orchestrated by an individual beyond these men; nothing has surfaced so far.²⁷

Year in Review

The European Union was never aware of the great lengths of corruption facing Malta until 2017. The death of Daphne Caruana Galizia illustrated the lack of freedom of speech, and Mafia present on the island. It was only made public that Malta was corrupt and a Mafia-state, after the Labour Party came into power. Their leader,

Joseph Muscat, was never directly involved in such scandals. It was generally members from his cabinet, or appointed ministers. This year, it surfaced that Muscat's wife was storing lots of money in an offshore bank account. Even after denying any allegations, this showed that perhaps maybe Muscat was not the initial individuals involved, but everyone surrounding him was. 2017 was the year that the corruption in Malta was made aware by the European Union, and taught the members of the European Union to act accordingly.

Commencing with the PANA committee, the European Union started to conduct investigations into the Maltese government. MEPs would often make trips to Malta in order to analyse day-to-day operations, and meet with Maltese government officials in order to gather what may be in the problem with the current legislative system. Maltese government officials often hid from these members as they were afraid they may be exposed or lie, and not have similar stories with one another. It was alarming to the European Union that their smallest member, who was also a very strong member, was turning to corruption in order to gather funding. The Labour Party promised the people of the public that they would not increase taxes which the previous Nationalist Party had done yearly. This way, the Labour Party had to turn to other objectives in order to earn that missing income.

With regards to the General Election, it seemed obvious they chose to set it forth when Daphne did not have enough evidence in order to go against them. The citizens of the country new that, regardless of the presence of corruption and money-laundering, the economy of Malta was stronger than ever. The economy grew due to Muscat's implementation of the cash-for-passport scheme in the Labour Party's first year in 2013. Selling thousands of passports for €600,000 would only profit the government, regardless of selling access to all other countries in the European Union. They knew, that should they call a snap election, the likelihood of the winning would be extremely high. This was obviously the case come June, when the Labour Party

won another four years in parliament, regardless of being exposed by Daphne.

With this, came the election of a new leader for the opposition party, the Nationalist Party. For many years, the Nationalist Party were praised for making Malta join the European Union and the Eurozone. They were regarded as the conservative party that wanted to uphold the traditional Maltese values and ways of living. With the appointment of Adrian Delia as Head of the Opposition, it shows that the Nationalist Party were not concerned with upholding such values. Delia was the first of the Nationalist Party to be involved with money-laundering, and above all, running a brothel in London. The general public no longer seemed to mind politicians' involvement with heinous acts which could potentially cost Malta their EU status. It was the first time that both major parties, the Labour Party and the Nationalist Party, chose to develop a relationship with one another in order to deal with such 'accusations' against them on the issue of money-laundering. The individual who kept exposing them was Daphne Caruana Galizia. It was no secret that she did all she possibly could to expose Delia and Muscat, and thus, forming enemies with both. Her death in October, just a month after Delia's inauguration shook the island. Daphne Caruana Galizia worked closely with the European Union and the European Federation of Journalists in order to reveal the foul-play being conducted by the government. She was the only one of her kind who was not afraid in exposing the truth of the heinous acts being committed. Her death was just a confirmation that individuals shall go through great efforts in order to ensure censorship. Freedom of speech in the European Union is still threatened; no journalist is protected from danger when revealing crimes. 2017 was the year that put Malta's corruption, money-laundering, and mafia on the world stage. This year exposed Malta's position in the European Union and the actions that must be taken.

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4.4%
Unemployment



Non-EU Member State



\$1,900*
GDP per capita

*Figures in USD

Population



3, 552, 594



Electoral
System Reform



Dodon's First Year
as President



Government
Reform

By: Dumitru Erhan and Andrei Vasilache

Electoral System Reform

Starting with March of the year 2017, the chairman of The Democratic Party, Vlad Plahotniuc announced his new campaign to implement a uninominal electoral system, which is based on the principle of having only one member selected from each electoral district. The campaign was actively advertised on banners around the country, internet ads, TV ads, and social media.¹ Shortly after they presented a controversial list of deputies that would be willing to vote for the new reform, even though the Democratic Party did not yet present a detailed law project as to how they were going to implement the reform.² Maia Sandu, the leader of the Party of Action and Solidarity, has criticized Plahotniuc's initiative, calling it a "desperate attempt to stay in power", and referred to survey statistics which indicated that 90% of Moldovans considered Plahotniuc as the most harmful politician in the country. The Diaspora would also suffer from this new reform as they would be underrepresented in the Parliament. Igor Grosu, the secretary of the Party of Action and Solidarity, noted that there was a "perfect synchronization" between Plahotniuc's announcement and his supposed enemy Igor Dodon, the latter denying the initiative. Grosu declared "In our opinion, this is a well-directed spectacle. In the near future, you will see how these two actors, one playing a good cop and the other a bad cop, will reach a solution which is less uninominal".³

On March 14th The Democratic Party sent their new law project with the new voting reform to the Venice Commission for expertise. The Venice Commission responded with criticism towards this newly proposed reform, calling it a "political and not legal reform".⁴ By the end of March, a controversial report surfaced from the Democratic Party's deputy Sergiu Sirbu which indicated 800.000

signatures from citizens that were in favor of the uninominal voting system reform. When asked by journalists as to how they managed to get so many signatures in just a month, he responded that they “trained over 8000 members of their party to go camping and door-to-door by asking citizens simple questions”.⁵

The president of the Republic of Moldova, and the ex-chairman of the Socialist Party, Igor Dodon, was opposed from the start to the uninominal reform, and in April he proposed the mixed voting system instead. The mixed voting system is pretty much a copy of Plahotniuc’s proposed reform in 2013, except there are some additional circumscriptions for diaspora and Transnistrian region. More than that, even though Dodon described the uninominal reform as a “crime against the democracy of Moldova”, his mixed voting reform is at least 50% the same as the uninominal, and compared to the current voting system either one of those two will be to the Democratic Party’s considerable advantage, as they are known to have more success locally than nationally.⁶ What followed next was a spectacle played from two supposed oppositions, The Democratic Party with the uninominal voting reform and the Socialist Party with the mixed voting reform. In May, the Parliament voted for the uninominal reform, as well as for the mixed reform. Following a brief ten minutes of discussions they reached a compromise, according to the speaker Andrian Candu, a member of the Democratic Party, and as a result, those two projects were merged, with Dodon’s mixed voting reform at the forefront.⁷ Candu declared that Moldova will have the “mixed electoral system for the parliamentary elections of 2018”, however in the long-term “The Democratic Party is not giving up on the uninominal system”.⁸ Even though the mixed voting reform is 50% like the uninominal, Dodon declared a victory over the undemocratic uninominal system, saying “What happened today in the Parliament was a victory of the President and of the Socialist Party against the uninominal voting system. We can say for sure that the project of the uninominal system has failed.”⁹

Journalists from *sic.md* brought analogies to the Duverger's law, which says that a uninominal system with one round of voting encourages the formation of a bipartisan system. Such a system forces the parties with "fewer chances" to merge because otherwise they would be abandoned by the voters as a result of lower chances. At the Parliament elections we can be more relaxed because even though the party that we vote for might not get the majority of seats, they will still be represented in the Parliament. When we choose one candidate, if he doesn't get the most votes, our vote is in a way useless. As a result, voters tend to gravitate towards big parties with "most chances". Duverger proposes the following example: in a circumscription with 80.000 radical voters and 100.000 moderate voters, the radical candidate will win if there will be at least two moderate candidates which won't get less than 20.000 votes each. In this way, the uninominal voting system with one round of votes discourages and puts at a disadvantage the candidates that are placed 3rd or 4th. As a consequence, in the long-term, this system encourages the emergence of a bipartisan domination.

In Moldova's case, it's clear that the two parties that are advantaged because of the mixed voting system are the Socialist Party, the biggest party in the Parliament with a fresh presidential victory in Igor Dodon, and the Democratic Party, the strongest party at the local level, with the most number of mayors in the country.¹⁰

Igor Dodon's First Year as President

2017 was an eventful year for the newly-elected president and the ex-chairman of the Socialist Party, Igor Dodon. With the Orthodox Church on his side, he declared his mandate was a "message from God".¹¹ The same Orthodox Church that declared during the 2016's presidential election campaign, that Dodon's opponent, Maia Sandu, should not be a president because she would be the first one

that “is supported by LGBT activists” and choosing her would be a “big sin towards God”.¹²

It is well known that Dodon strongly sympathizes with Russia, and its leader Vladimir Putin, while at the same time presenting himself as a “mediator” between the pro-European and pro-Russian crowds. There were a lot of inconsistencies and incongruences in his words and actions in the past year. One of them is his declarations about the increase of exports of goods to Russia since he was named the president. He stated that “Moldova’s exports to Russia have increased by 17%”, while at the same time he had banners within the city of Chisinau advertising that “the exports to Russia increased by 3-4 times”. The reality, proved by statistics, was that Russia is not the same strategic partner as it once was. If in 2012, 30% of Moldova’s exports went to Russia, in 2016 it dropped to 11,4%, which is comparable to the exports to Italy with 9,7%, the latter which was never mentioned as a strategic partner by Dodon. On the other hand, the most important strategic partner has become Romania, with 25% of Moldova’s exports going to them. Given that a quarter of Moldova’s exports go to Romania (twice as much as to Russia), you would expect that Dodon would be more careful in his declarations towards Romania. However, his political agenda, judging by his actions, has remained pro-Russian. If we compare the exports to EU countries and to CIS countries, we see that 65,1% go to EU, and only 20,3% go to CIS countries, more than 3 times less. Even if we isolate strictly the agricultural exports on which Moldova heavily relies, the exports to the east have radically decreased, from 55% in 2008 to 19,2% in 2016 to CSI countries; while the exports to Europe have increased from 31,1% to 59,7% in the same period. There are also arguments that Dodon’s aggressive stance on improving the exports to the east and neglecting the ones to the west may lead to even more political manipulations from Russia, which would make Moldova even more vulnerable. Russia has been known to put politically motivated embargos on Moldova’s exports, as they did with the wine industry in

2006, a restriction that was largely seen as punishment for the country's European aspirations.¹³

Dodon has also declared that since signing the European Union Association Agreement in 2014, Moldova has lost the Russian market and hasn't gained anything significant. His opinion on the matter oscillated between "breaking" and "re-evaluating" the agreement. The reality though, again, is different. The president is right about Moldova losing the Russian market, however, the cause of it is not the EU agreement. On the contrary, the cause of it is the embargo from Moscow which came even before the agreement was signed. After the embargo of 2013, Moldova's exports to Russia have decreased from 423 million dollars in 2014 to 223 million dollars in 2016. The political motivation of this embargo is evident. If in case of Moldova, Moscow could use the excuse of trying to protect their market from the invasion of European products, Russia has more recently put an embargo on Montenegro because the latter approved to join NATO, which has nothing to do with commerce.¹⁴

In September of 2017, Moldovan media had learned that President Igor Dodon intended to financially help about 200 kindergartens through his wife Galina Dodon's charity foundation "From the Soul" till the end of the year. A few months later, in December, Dodon posted an infographic which stated that he helped "almost 200 kindergartens", although on the indicated map we could only see 129. Journalists from "*Ziarul de Garda*" newspaper attempted to contact the administrations of those 129 kindergartens, reaching only 58. They identified that there were a few institutions that were promised financial help, but weren't given anything in the end. Nevertheless, they were still put on that list. In other 2 cases, the foundation "*From the Soul*" has helped kindergartens that were already renovated from money sent by the Romanian government. On average, the kindergartens that were provided with help were given about 3000 dollars. As for the rest of 71 kindergartens, there weren't any additional reports.¹⁵

There was a lot of controversy about the president's many leisure trips, one of which was through a high-end tourism company in Antalya, Turkey with his family, which would cost a quarter of his presidential salary. He told the press that the offer came from the Moldovan consul in Antalya as a gift. However, as journalists learned, the consul denied that she gave any offers or that she spoke at all with Dodon in the last month.¹⁶

The president of Moldova was also temporarily suspended 3 times during the year by the Constitutional Court. The first time he was suspended after he refused for the second time to accept Eugen Sturza's candidature as the minister of defense.¹⁷ The second time he was suspended during the government reformation because he refused to accept the new members of the government proposed by the government coalition, which according to the Constitutional Court was an unconstitutional decision on the president's part.¹⁸ The third time he was suspended because he refused to accept the Russian anti-propaganda law proposed by the Democrats. But the political games didn't stop here. Dodon, by continuing to present himself as "the man of the people", proposed a national referendum, which had 4 questions, including if citizens "want to give the president additional rights to dissolve the Parliament and call early elections", and the controversial one which inquired if citizens support the idea of "studying Moldovan history in schools", his version of Moldovan history being a heavily modified propaganda which would alienate Moldovans from Romanians and would provide Russia with even more influence over the region. The proposed referendum, however, was again denied by the Constitutional Court.¹⁹

Government Reform

In June the government of Moldova underwent a major restructuring aiming at optimizing the number of ministries along with downsizing

the bureaucratic apparatus. The new reform's major implications were a reduction of ministries from 16 to 9²⁰ and resulted in laying off 896 employees or 42% of the total government staff. Officials say that the new structure will save 10 million MDL (approximately \$600,000 USD).²¹

Prime Minister Pavel Filip declared that the government reform is the first step towards a broader public administration reform to create efficient institutions that are capable of elaborating instruments, policies, and visions that will bring sensible changes to the population.²²

The document was elaborated by a joint committee which included foreign experts, World Bank and SIGMA²³, a joint initiative of OECD and the European Union. Igor Munteanu, a political analyst, and public administration expert commented on the reform as being a necessary change to poorly financed institutions, low wages and the resulting turnover of the high performing talent.²⁴

President Igor Dodon, the „de facto” leader of the Socialist Party have promulgated the government reform law in July²⁵ despite his party's MPs opposition which has voted against the project, dismissing it for a lack of a sizable change of the ministers including the prime-minister Pavel Filip. This is yet another controversial move fueling speculations that the Democratic Party and the Socialist Party are secretly collaborating to preserve the power. The president refused to sign the decree to appoint the new ministers which brought him a third suspension – an outcome that allows the speaker of the parliament Andrian Candu who is also the vice-president of the Democratic Party, to take on the prerogative of naming the ministers into their roles. The suspension is widely regarded as a trick used by the two parties to get the intended results without damaging their political capital ahead of the 2018's parliamentary elections.

In an interview for ZdG, the leader of the Liberal Democratic Party, Vadim Pistrinciuc reviewed the reform as a tool used by the controversial businessman Vlad Plahotniuc who is chairing the

leadership of the Democratic Party, to increase his influence by appointing loyalists and give a false sense of change to boost political capital ahead of the parliamentary elections due in 2018.²⁶ This opinion is shared by Ion Sturza, a former prime minister and a vocal critic of the current power who suggests that the government reformation is nothing more than a populist intention to evict opposition from the office.²⁷ In fact, the reform led to the departure of all Liberal Party ministers and vice-ministers²⁸, exiling the party into opposition after eight years of coalition government.

Undoubtedly the reformation of the executive branch has been a long needed fix for a highly politicized and often dysfunctional institution but the growing concern is that it is part of a broader political game in which the Democratic Party eagerly tries to expand its control of the power and give a false sense of change that will serve to sweeten the relationship with the EU officials who grow concerned over the implementation of the Moldova–European Union Association Agreement alongside with a disoriented population who will be going to the polling stations in 2018 to elect a new parliament.

Year in Review

The Republic of Moldova has gone through a major reformation of the electoral system and the government ahead of the upcoming 2018 parliamentary elections. Together with the Socialist Party ruled behind the curtain by the president Igor Dodon, the Democratic Party is the greatest beneficiary of the electoral reform due to having the biggest proportion of mayors nationwide, which can have an instrumental impact on the final distribution of seats in the parliament after 2018's elections. The rushed government reform seems to have de facto increased the influence that the Democratic Party has gained over the past year by utterly embracing reforms that are helping the party in establishing itself as the most prominent pro-

European pole. Igor Dodon, on the other hand, pretends to be working in the best interest of the Republic of Moldova, and uses a populist pro-Russian rhetoric to criticise European Union's nocive effect on the Moldovan—Russian bilateral relationships, and therefore capitalizing on citizens disillusion with the EU integration process, which has been discredited over the past eight years by the democratic governing coalition.

The actions of the Democratic Party and the president Igor Dodon in the past year betray the true intention of dividing the population into those who favor tighter relationships with EU and people that view Russia as the main strategic partner.

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4.4%
Unemployment



EU Member State



12,372
GDP per capita

*Figures in USD

Population



37,953,261



NATO Troops



Veto and
Controversial Laws



Far-Right
Party

By: Marianne A. Kalaczynski

NATO Troops in Poland

Poland has had and continues to have tense relations with Russia, and has been increasing and financing its army and reserves since the current conservative Law and Justice party (PiS) assumed power. The annexation of Crimea in 2014 has thus caused both Poland and NATO to increase efforts to enhance security of the member states, especially those bordering or close to Russia. The welcoming of NATO troops so close to Russia could be seen as a strategic move and a show of power, but for Poland it was a representation of the support of its allies against what is perceived to be the greatest threat to Poland, territorially - Russia.³

NATO troops landed in Poland near the Kaliningrad border at the beginning of April, with about 1,100 soldiers being deployed in Orzysz, about 57 km south of Kaliningrad, where Russia has stationed nuclear-capable missiles and an S-400 air missile defence system. This came after Poland began lobbying NATO for increased military and defensive presence due to increased Russian aggression in central and eastern Europe in recent years.^{4,5} The PiS party especially has taken the stance of improving the Polish military in the aftermath of the annexation of Crimea.⁶ While Poland had previously reached out to the European Union for assistance against Russia, these concerns had, for the most part, gone unnoticed in favour of economic policies and, in Poland's case, threats to democracy from the previous year.⁷

However, the presence of NATO forces in the former Soviet bloc states also had the aim of confronting Russia's threat made in May 2016 for retaliatory measures in the event that NATO deployed more battalions in Poland and the Baltic states, stating that Russia would reinforce its western and southern flanks with new divisions.^{8,9} This action evidently furthered the emerging rift between NATO and Russia, especially with American President Donald Trump changing camps months before NATO troops arrived in Poland. Polish President

Andrzej Duda stated his support for the presence of NATO reinforcement in Poland.¹⁰

“Deploying of these troops to Poland is a clear demonstration of NATO’s unity and resolve and sends a clear message to any potential aggressor,” NATO Supreme Allied Commander Europe, General Curtis Scaparrotti, said at the opening ceremony welcoming the troops to Poland on April 13, 2017.^{11,12}

This comes in the wake of Poland’s armed forces losing a quarter of its top generals and a sixth of the army’s corporals to resign over disagreements with then-Defence Minister Antoni Macierewicz since January 2016. Nevertheless, the PiS party had already announced plans to further fund to modernize and increase the size of the Polish military prior to this.^{13,14} It is worth noting that Poland is already among NATO’s top spenders.^{15,16} Through Polish involvement and lobbying in NATO, the deployment of NATO troops came at the moment it did.¹⁷ The effect it had on NATO-Russia relations served to further isolate Russia in international affairs and alliances, as well as military offensives.

President Duda Vetoes Controversial Laws

The issue of the extent of power the government ought to have over the judiciary was a contested issue for all of 2016. This is an issue that had and continues to have most Poles divided into pro-PiS and anti-PiS camps, and caused the European Union to interfere with domestic affairs. This intervention made the governing party uncomfortable and has increased anti-EU sentiment. With Polish President Andrzej Duda’s veto of these laws, he is severing his relationship with the PiS party and choosing to side with the population.^{18,19}

The significance of the veto also showed the then-current state of political affairs in Poland.²⁰ The ruling PiS party was leading by barely a coalition, and was at risk of triggering an early election had

the small right-wing Polska Razem party's nine seats not voted in favour of the bills in parliament.²¹ However, the maintenance of the coalition and the current government in power proved to be more important, as Polska Razem voted with the status quo of the coalition.

President Duda's veto, then, proves his independence as President, instead of a member of the PiS party.^{22,23} Because President Duda had previously consistently aligned with party goals and actions, he had arguably solidified his allegiance to the party and not to the people.²⁴ With this veto, it does not only represent the schisms occurring in the governing party, but it shows the disconnect that has emerged between Poles and the government.^{25,26} With President Duda's acknowledgement that Poles, who had been participating in protests throughout the year, ought to also have a say in their governance, it opens up a new line of dialogue as many parts of Polish society are able to be heard with this veto.^{27,28}

The inability of the governing party to consistently appeal to its small voter base has caused the opposition to grow steadily in polls. Their failure to impose greater restrictions on abortion and media access to parliament in 2016 has furthered this, and this veto can also be interpreted as being another instance in which the PiS party is losing touch with its voter base, as well as with the population as a whole.^{29,30} Where it may have initially paid attention to and valued societal opinions, the governing party has now moved on to seclude itself from the Polish population to pass bills in parliament, such as this one, that are so quintessentially out of touch with Polish society that the president must veto them for the sake of collective stability and maintenance of the PiS party hold on government.^{31,32}

Far-Right Emergence and Poland's Independence Day Celebrations

Far-right supporters and nationalists came out to Poland's Independence Day celebrations. While officially condemned by President Duda, there is an increasing amount of support for this attitude towards national celebrations due to the encouragement of the rightist PiS party.³³ The prevalence and normalization of right-wing and nationalist tendencies in the population is depicted in international media, causing Poland to be portrayed as such, despite the majority of Poles not conforming to this and making it known through respectful and peaceful celebrations of the 99th anniversary of Poland's independence.^{34,35,36} International media has focused on publicized the right-wing protests widely.^{37,38}

The attitude of the EU towards Poland and the PiS ruling party is not one of sentiment, either. Because of Poland's membership in the Visegrad group with countries of other like-minded ruling parties, Poland has found itself to be heading upstream to the assumed EU status quo. The most obvious example that comes to mind is the migrant crisis, in which Poland and other members of the Visegrad group refused to accept any migrants upon penalty being imposed by the EU to member states who did not reach the quota of migrants. Citing examples of what welcoming migrants could look like, for example in Germany with the so-called attacks on women during New Year celebrations by migrants, the PiS government effectively refused to welcome any migrants, despite pushback from the opposition and the population.³⁹

The PiS government continued, leading up to November, to emphasize a strict adherence to nationalistic aspects of Polish culture and history.^{40,41,42} Their involvement in and funding of the preservation of Polish burial sites, such as those left from the aftermath of the Warsaw Uprising in 1944, has caused concern and confusion about the way federal funds are being managed, with arguably other aspect of Poland lacking in funding. This emphasis on nationalism that PiS draws from was already found in Polish culture and history, albeit not to the extent that it has flourished since PiS

assumed power.^{43,44,45} Therefore, it is evident that the far-right attitude that was present at the Independence Day celebrations in Poland was always present, but only under the existing conservative conditions did it become more widely accepted and openly active.^{46,47}

The EU has not officially condemned or spoken out against the condemnation of right-wing activism by the PiS party in Poland. The most notable official action taken by the EU was the condemnation of the legislation brought in to limit the Polish judiciary as part of the official constitution, as the EU viewed it as a barrier to effective democracy. It is evident that the EU only intervenes in Poland when legislative and constitutional matters border on the EU's allowance of democracy. While the individual member states of the EU may speak out against Poland and the PiS party, the EU as a whole will arguably not, until drastic measures are taken in the future to impede on Polish democracy. Outright condemnation of the ruling party in Poland would serve to further alienate Poland, increase anti-EU sentiment through anti-EU propaganda, and increase activity within the Visegrad group, which already fringes on the edges of the EU.

Year in Review

2017 brought about many changes in Poland in regards to its governance and security. Poland has had and continues to have tense relations with Russia, and has been increasing and financing its army and reserves since the current PiS party assumed power. This is due in part to the fact that disagreements between army and military personnel and Defence Minister Macierewicz. The annexation of Crimea has thus caused both Poland and NATO to increase efforts to enhance security of the member states. The welcoming of NATO troops in April 2017 so close to Russia can be seen as a strategic move and a show of power, but for Poland it is a representation of the support of its allies against what is perceived to be the greatest threat

to Poland, territorially - Russia. As well, this aligned well with the increased financing of the Polish party by the PiS party.

The issue of the extent of power the government ought to have over the judiciary was a contested issue for all of 2016, and had continued into 2017. This is an issue that has most Poles divided into pro-PiS and anti-PiS camps, and caused the EU to interfere with domestic affairs, with threats to invoke Article 7 and sanctions being widely made in the EU community. This intervention made the governing party uncomfortable and has increased anti-EU sentiment. With President Duda's veto of the proposed laws in July 2017, he is effectively severing his relationship with the PiS party and choosing to side with the population, a strategic first for the Duda since his assumption of the presidency.

Far-right supporters and nationalists emerged to Poland's Independence Day celebrations on November 11, 2017. While officially condemned by President Duda, there is an increasing amount of support for this attitude towards national celebrations due to the encouragement of the politically right PiS party. The prevalence and normalization of right-wing and nationalist tendencies in the population is prevalent in international media, causing Poland to be portrayed as such, despite the majority of Poles not conforming to this and making it known through respectful and peaceful celebrations of the 99th anniversary of Poland's independence. However, the international community chose to focus instead on the controversial and nationalistic demonstrations, especially in Warsaw, further stereotyping Poland holistically under its right-wing government, which ought to be noted is not the case in reality.

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5.3%
Unemployment



EU Member State



\$9,474*
GDP per capita

*Figures in USD

Population



21,529,967



OUG 13



Dismissal of Sorin
Grindeanu



MCV
Evaluation

By: Flavian Berneaga

OUG 13

On January 5, the leader of the Romanian Chamber of Deputies, Călin Popescu-Tăriceanu, announced that the ruling coalition of Social-Democrats to which he belonged was considering implementing an emergency ordinance (OUG13).³ Drafted alongside Sorin Grindeanu, the Prime Minister, and Florin Iordache, the Minister of Justice, OUG 13 was meant to modify criminal legislation in order to pardon certain individuals who had been jailed under corruption accusation with the pretence that Romanian jails were overcrowded and needed to let people go. Among others, pardons were to be given to those with suspended sentences, those sentenced for abuse in service, and those who used their positions to gain benefits. The main politician who stood to gain from this modification was Liviu Dragnea, leader of the Social-Democrats (PSD), who, despite his party's triumph by a landslide in Parliamentary elections, was not named Prime Minister due to a previous suspended sentence he received.⁴ Despite the call from Romanian President, Klaus Iohannis, to repeal the bill, the Social-Democrats galvanized spirits by passing it on January 31, at 1:20 AM, which made Romanians take to the streets and accuse them of acting "during the night, like the thieves" ("Noaptea, ca hoții").⁵

The prospect of an attack on an already frail Romanian democracy was put forward by both the political opposition and the academic community: President Iohannis made it his main duty to repeal OUG13, thus becoming the main political ally of the angered masses,⁶ while main figures in the academia indicated this would have been a huge blow to whatever progress was achieved in the past 27 years.⁷ In turn, this galvanized protests both within the country and within the Romanian diaspora,⁸ while Tăriceanu promptly asserted that Iohannis had a secret plan to change the government.⁹ Gradually, more and more people started coming out to protest on the streets. In many big cities, such as Cluj-Napoca, Timișoara, and Iași, the levels of protesters were the highest since the fall of the Communist dictatorship in

1989.¹⁰ The apex was reached on the 6th day of protests, when, throughout the entire country, 600,000 people went out in the cold to protest. The most symbolic image of the protests was caught on that day as well, as 200,000 protesters in Bucharest lit up their phones' flash lights, thus forming an impressive act from a bird's view perspective.¹¹ In a generic display of democratic will, the protests eventually coerced the government to retract the emergency ordinance, thus ending the political crisis.¹²¹³

Dismissal of Sorin Grindeanu

By the end of May, tensions started arising between Sorin Grindeanu, the Prime Minister of Romania, and Liviu Dragnea, the leader of the Social Democratic Party, the party in which Grindeanu belonged. Initially, Dragnea simply requested a few ministers within the Grindeanu cabinet to be examined.¹⁴ Tensions increased once Dragnea put pressure on Grindeanu to change two ministers, which the latter refused to do. This was seen by Dragnea as an attempt to weaken his position of power within the Social-Democratic Party.¹⁵ When Grindeanu refused to participate in a Chamber of Deputies meeting regarding a bill on unitary wage remuneration, a big campaign promise of the Social-Democrats, it became clear that Dragnea was set on taking the Grindeanu government down.¹⁶ Gradually, multiple ministers within the Grindeanu cabinet started allying alongside party lines with Dragnea, declaring they were disappointed in Grindeanu and threatening to resign in case the Prime Minister was not changed.¹⁷

Despite facing a government shutdown and a political crisis, Dragnea requested Grindeanu's resignation on June 14th and the Social Democratic Party officially retracted its political support to the Prime Minister on the same day.¹⁸ Despite having lost political support and having all his ministers hand in their resignation documents,

Grindeanu still refused to resign, arguing Dragnea only wanted to acquire total political power.¹⁹ He also confessed he was reproached by Dragnea for failing to establish economic relations with Russia.²⁰ The political crisis also made up for ironies coming from the opposition. Raluca Turcan, president of the National Liberal Party (PNL), declared it to be historically ridiculous for a party to want to bring down its own government.²¹ Dragnea galvanized the entire party in initiating a vote of no-confidence.²² However, because he was lacking a total majority, he approached UDMR (Democratic Alliance of Hungarians in Romania), the party of the Hungarian minority, to gain the remaining votes. The agreement reached between Dragnea and the UDMR was seen as problematic. UDMR wanted to declare March 15th as a national day of the Hungarians, which was a reference to the Hungarian revolution of 1848. In the memory of Transylvanian Romanians, however, the same revolution reminded of the time when Romanian demands for self-determination were met with military repression. On top of that, Dragnea agreed to reduce the threshold for bilingualism in institutions from 20% to 10%; in other words, wherever the Hungarian minority represented 10% of the population, institutions, street signs, and public boards were to be written in both Romanian and Hungarian.²³ The agreement was quickly criticized by the opposition, with Traian Băsescu, ex-Romanian president and leader of the People's Movement Party, arguing PSD will never be able to step foot again in Transylvania.²⁴ Eventually, the vote of no-confidence passed and the Grindeanu government was dismissed. Controversy surrounded the vote too. Dragnea wished to ensure no PSD MP's will vote against his will, so he made it mandatory they openly showed their vote, thus undermining the democratic process.²⁵ In Grindeanu's place, Dragnea nominated Mihai Tudose,²⁶ a man whom he knew would remain loyal to party directives.²⁷

MCV Evaluation

On September 18th, the European Commission started an evaluation of Romania to determine whether it had progressed under the Mechanism for Cooperation and Verification (MCV) standards. The MCV is a safeguard measure employed when a member state or an acceding state has not yet fully implemented the required set of EU laws in areas of freedom, security, justice and the internal market (called together the *acquis communautaire*). There were fears that the Commission will look badly upon the Romanian Parliament's intention to make drastic changes to the judicial system.²⁸ Among others, these changes would empower the Parliament on multiple levels: it would become the only body able of appointing prosecutors in higher courts and it would act as the main body of judicial inspections. Similarly, the modifications would allow anyone who believes prosecutors and judges sentenced them wrongly to sue those respective judges/prosecutors.²⁹ Prior to the publishing of the report, Tudorel Toader, Romanian Minister of Justice, expressed his wish that the MCV be lifted in 2017. As Romania is approaching its presidency of the Council of the European Union, he said, it would be a blow to Romania's reputation if it assumed the presidency with the MCV as a burden.³⁰

On November 15th, the report was published. Frans Timmermans, first Vice-President of the European Commission, noted that "progress was made in some fields, but there is still a lot to be done."³¹ Particularly, the changes desired by the Romanian Parliament to the judicial system were considered a serious provocation to the independence of the judiciary. The Commission also found it counter-efficient and worrisome that in a period of 9 months, Romania has had two governments, which has not helped diminish the tensions between the three powers of the state (Parliament, Government, and judiciary).³² Moreover, the Commission, argued, through loyal cooperation between institutions, a firm political orientation towards past successes, and through the respecting of judicial institutions,

Romania will be able to satisfy the MCV requirements in the near future.³³

Right after the publication of the report, Romanian President Klaus Iohannis criticized the Parliament for the steps it wished to take, which he believes will stop the strengthening of judiciary reforms and the fight against corruption.³⁴ Overall, Iohannis characterized the MCV as a “serious alarm signal” that Parliament should take into account, instead of striving to work against the recommendations of the European Commission. He also noted that, alongside judicial system changes, OUG13 had jeopardized Romania’s reputation as a consistent fighter against corruption.³⁵ On a more pessimistic note, he declared he did not believe Romania would be able to satisfy all requirements of the MCV by 2018.³⁶ The laws were also criticized by the Forum of Judges in Romania,³⁷ as well as by the DNA (National Anti-Corruption Directorate), the branch of the Romanian judiciary tasked exclusively with combating corruption.³⁸ Its chief prosecutor, Laura Kovesi, argued that whatever positive points were mentioned in the report were the result of an independent DNA and an independent judiciary.³⁹ However, not everyone agreed in opinion. Tudorel Toader, Romania’s Minister of Justice and one of the proponents of the judicial reforms, contradicted Iohannis and held a more optimistic note, arguing the reason why Romania implemented only four out of the twelve recommendations of the previous MCV report was because the Grindeanu Government had been ousted and the transition did not allow for meaningful change to take place.⁴⁰ On a more critical note, ex-Romanian Foreign Affairs Minister, Titus Corlăţean, argued the MCV report contains a flagrant contradiction in saying that Romania has come further to satisfying previous demands, yet it is farther from achieving it compared to the last report. He argued it is immoral to ask Romania to be the second biggest contributor to Frontex and yet keep it outside of Schengen “while others put up walls and barbed wire in the face of migrants”. He considered that the actual reason behind the rejection of Romania from Schengen stands in a vengeful and very

pragmatic Dutch decision to punish Romania for buying military equipment from the United States instead of the Netherlands.⁴¹

Year in Review

2017 was a tumultuous year for Romania and much of its hassle was attributed either directly or indirectly to PSD, the party that had won legislative election by the end of 2016. Right from the get-go, Romanians found themselves on the streets in the winter against a legislation proposed by the new PSD cabinet headed by Mr. Sorin Grindeanu. In essence, the bill facilitated bribing and allowed for a set of individuals convicted on corruption charges to be released from jail under the pretence that Romanian jails are overcrowded. 600,000 Romanians took to the streets, displaying tricolours and EU flags, demanding the government to not undermine the judicial branch.

The year continued with a political crisis caused by a fight between Mr. Grindeanu and Mr. Dragnea, whose biggest loser seemed to be Romania, as a whole. Mr. Grindeanu was accused of not following party directives and was eventually replaced by Mr. Mihai Tudose as Prime Minister. Mr. Tudose seemed to be the right type of obedient Prime Minister that Mr. Dragnea wanted. The future is, however, uncertain; in late 2016, Mr. Grindeanu filled the exact same prerequisites as Mr. Tudose and, yet, that did not hurdle him from becoming a “menace” to Mr. Dragnea and his Social-Democratic Party. The two aforementioned events culminated in a bad review offered by the European Commission in its Cooperation and Verification Mechanism. The report indicated Romania did not fare well in terms of establishing an independent judiciary and asserted Romania had to wait at least until 2018 to gain access in the Schengen zone.

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5.5%
Unemployment



Non-EU Member State



\$8,748*
GDP per capita

*Figures in USD

Population



142,257,519



Sanctions



European Court
of Human Rights



Minsk II
Implementation

By: Daniela Zaks

EU Sanctions against Russia

On March 17, 2014 the Council of the European Union introduced its first set of restrictive measures against Russian and Ukrainian officials deemed to have threatened Ukraine's "territorial integrity, sovereignty, and independence."³ Since March 2014, the European Union has expanded its sanctions to include further asset freezes and travel bans, and restriction of trade and investment in Crimea and Sevastopol. In July and September, The EU implemented economic sanctions restricting trade with Russia in specific areas of the economy, namely defence, finance, and energy. In 2015, ending these sanctions was made conditional upon fulfilment of the Minsk Agreements. As a result of insufficient implementation of the agreements, the economic sanctions are currently extended until July 31, 2018.⁴ The Russian Government has responded with its own restrictive measures.

In January and February, there was some speculation in the Russian media as to warming relationships between Moscow, Brussels, and Washington. Analysts saw indications of a potential lifting of sanctions in Britain's exit from the European Union, Trump's ascension to the presidency, and calls to end sanctions by a number of European officials, including the Ministers of Foreign Affairs of Hungary and Austria.⁵ Contrastingly, some analysts argued that neither Russia nor Europe had a significant interest in lifting the sanctions.⁶ For instance, Timur Andreev, Director of the Corporation for the Development of the Moscow Region, argued that while lifting the sanctions would open up access to the European market, it would set back the significant progress made in the area of import substitution.⁷ On January 30, *Argumenty I Fakty* reported that Jean-Claude Juncker, President of the European Union, had stated that it was too early to end sanctions on Russia.⁸

On March 13, the European Commission extended by 6 months sanctions against 150 Russian citizens and 37 companies

deemed to have violated Ukrainian territorial integrity.⁹ *Kommersant* emphasized the lack of discussion in the European Commission of the issue prior to the decision.¹⁰ *Argumenty i Fakty* reported that the Russian Ministry of External Affairs was “disappointed” at the extension, but cast light on a different perspective in an interview with Gleb Kuzentsov and an opinion piece by Senator Rostislav Goldstein.¹¹ These articles indicated: (1) an overall positive assessment of the effect of the sanctions on the Russian economy, and (2) the view that the greatest harm from the sanctions was to the European economy, not to Russia.¹² *Novaya Gazeta* and *Kommersant* both reported on the amendment of the Russian Tax Code to exclude those individuals affected by sanctions from taxes.¹³ However, an opinion piece in *Novaya Gazeta* noted that all those affected were in Putin’s circle and portrayed the move as a reflection of Russia’s “feudal” political system.¹⁴

On June 13, the United States Senate agreed to amend the “Countering Iran’s Destabilizing Activities Act of 2017” to expand sanctions aimed at the Russian energy and banking sectors in connection with its support for the Syrian government of Bashar Assad and its cyberattacks on the 2016 United States Presidential elections.¹⁵ This decision was heavily criticized by Germany and Austria as a threat to European economic interests, as reported in *Argumenty i Fakty* and *Kommersant*.¹⁶ *Kommersant* portrayed the situation as a sign of a potential rift in United States-European Union relations.¹⁷ *Novaya Gazeta* cautioned against viewing this criticism as a “win” for Russia, contending that while the European Union does not want sanctions to impinge on European economic interests, it is willing to negotiate with Washington on this matter.¹⁸ On June 19, the EU voted to extend its sanctions against investment in Crimea until 23 June 2018.¹⁹ As before, the official Russian response was that the sanctions were “illegitimate” and would continue to harm not only Russia, but also those countries that supported the sanctions.²⁰ On June 30, President Putin signed a decree extending counter-sanctions against members

of the European Union and other Western countries until December 31, 2018.²¹

Russia's scandal with Siemens was widely covered in the Russian media. On July 11, *Novaya Gazeta* reported that Siemens had filed a lawsuit in a Russian court against Russian engineering company Technopromexpert.²² The Lawsuit concerned the use of Siemens turbines in Crimea, in violation of European Union sanctions.²³ A ruling on December 14 dismissed Siemens' lawsuits.²⁴ In response to this news, a December 15 article in *Argumenty i Fakty* announced that "the Construction of the Sevastopol and Simferopol power stations would be completed despite EU sanctions, the hysteria of Kiev, and the frustration of the State Department."²⁵ On August 4, the European Union imposed restrictive measures on three Russian firms and three individuals linked to the scandal, including the Deputy Energy Minister Andrey Chernozov.²⁶ On December 14, the European Union decided to extend economic sanctions against Russia by a further six months.²⁷

Russia and the European Court of Human Rights

The relationship between Russia and the European Court of Human Rights (ECHR) was shaped by several factors in 2017. Among these factors was the ECHR decision on compensation for "Yukos Oil Company" (YUKOS) shareholders and a general increase in the number of awards against Russia. Among Russian politicians, continued suspension of voting rights for the Russian delegation to the Parliamentary Assembly of the Council of Europe (PACE) further focused attention on the country's relationship with ECHR.

On January 19, the Constitutional Court of Russia ruled that the ECHR decision on the case of YUKOS violated the Russian Constitution and could not be enforced.²⁸ The 2014 ECHR ruling had mandated a payment of 1.9 billion euros in damages to former shareholders of the company.²⁹ *Novaya Gazeta* reported the views of

Mikhail Barshchevsky, representative of the Russian Government in the Constitutional Court, and Tatyana Vasilyeva, representative of the Office of the Prosecutor General.³⁰ Barshevsky is quoted as saying that to accept the decision of the ECHR would be “to give the ECHR the right to interpret our constitution.”³¹ Vasilyevna concurred with this view, calling the ECHR decision an “incursion into the National sovereignty of Russia.”³² *Novaya Gazeta* cautioned that the ruling set a precedent which, for the first time, could “de-facto exclude Russia from the international legal space.”³³ *Argumenty i Fakty* did not provide substantial commentary, but reported on the Council of Europe Human Rights Commissioner statement that such a decision threatened the “values and legitimacy” of the European Convention on Human Rights.³⁴ On January 20, *Kommersant* covered the opinions of a number of legal experts on the decision, including Ilya Shablinsky, member of the Russian Presidential Council for Human Rights, and Kirill Koroteyev, legal director of the non-governmental “Memorial” organization.³⁵ Shablinsky warned that the decision would harm Russia’s reputation and investment climate, while Koroteyev noted that it indicated that the “Constitution is a piece of paper for the defence of the State from the individual.”³⁶

The sustained increase in cases and awards against Russia at the ECHR was another issue of concern for Russia in 2017. In January *Kommersant* reported that in 2016 around one fifth of 993 ECHR rulings had been against Russia—this number was almost double the number of similar decisions in 2015.³⁷ This trend appears to continue into 2017.³⁸ Yet, at the beginning of the year this sustained increase was viewed merely as a reflection of the poor performance of the Russian penitentiary system. For instance, *Kommersant* reported on January 12 that Putin, addressing the Office of the Prosecutor General, had requested increased supervision of the prison system and protection of inmate’s human rights.³⁹ *Kommersant* linked this comment with the sustained increase in ECHR decisions and settlements.⁴⁰ On November 7, the State Duma approved the increase

of the yearly budget allocated for payment of compensation awarded by ECHR from 600 million to one billion Roubles (roughly 15 million Euros at 2018 rates).⁴¹ On October 9, *Argumenty i Fakty* reported that Speaker of the Senate, Valentina Matvienko, had stated that Russia may repudiate the rulings of the ECHR if its voting rights are not restored.⁴² Chairman of the State Duma, Vyacheslav Volodin, echoed this view, stating that if Russia cannot participate in the election of ECHR judges, then ECHR decisions will not be viewed as legitimate.⁴³ In an October 13 interview with *Kommersant*, Senator Andrei Klimov calls the Council of Europe a “declining organization” in reference to the issue of Russian PACE voting rights.⁴⁴ On December 10, journalist and human rights activist Ali Feruz argued in an open letter to the PACE Bureau that without Russian recognition of ECHR rulings he would be extradited, tortured, and killed.⁴⁵ He contended that restoring Russia’s voting rights was essential to ensuring ECHR recognition and improving the human rights situation in the country.⁴⁶

Minsk II Implementation

In 2017, the main topics in the area of the Minsk Agreements were (1) the Organization for Security and Cooperation in Europe (OSCE) monitoring mission in Donbass, (2) mutual accusations of non-compliance between Russia and other parties, and (3) the exchange of prisoners between Russia and Ukraine.

On January 18, Lavrov was cited in *Kommersant* as supporting twenty-four-hour monitoring, an increase in the number of monitors, and the possession of personal weapons by observers.⁴⁷ On the same day, Vladimir Putin discussed with Angela Merkel and François Hollande the escalation of the conflict in Donbass. According to a 31 January article in *Novaya Gazeta*, in January military exchanges escalated in Avdiivka (Donetsk Oblast), with Russia and Ukraine both holding the other responsible.⁴⁸ On February 18, *Kommersant* reported that Putin had “temporarily” recognized passports and other documents issued in the Donetsk (DPR) and Lugansk (LPR) People’s

Republics.⁴⁹ Ukrainian President, Petro Poroshenko, is quoted calling the decision a violation of international norms. Political Scientist Aleksey Chesnakov is cited cautioning that if Ukraine does not comply with the Minsk Agreements, then the Kremlin may further advance its support for the self-proclaimed republics.⁵⁰ *Novaya Gazeta* presented contrasting assessments of the motive for the move, with some analysts contending that the motive was primarily humanitarian, and others arguing that the principal objective was to pressure Europe and America and to imply a risk of future escalation.⁵¹ On March 3, *Argumenty I Fakty* reported that Members of the Trilateral Contact Group agreed on a ceasefire in Donbass from April 1 onward.⁵² Throughout the first half of 2017, there were many accusations in the Russian press as to Ukrainian violations of this and later ceasefires.⁵³ For instance, one article in *Argumenty I Fakty* claimed that “Kiev does not need peace but needs the capitulation of the republics.”⁵⁴ In March, according to *Novaya Gazeta*, only one out of 13 points of the Minsk II Agreements was implemented—this was the creation of the Trilateral Contact Group and its Working Groups.⁵⁵ The article stressed the absence of a common objective between Kiev and Moscow. The author noted that Moscow insists, first, on official recognition of the independence of the separatist republics, and second, on direct negotiation with them rather than Russia. Ukraine, on the contrary, is unwilling to recognize the republics as independent participants, viewing them instead as Moscow’s proxies.

On September 5 at the BRICS summit in China, President Putin suggested introducing armed UN Peacekeeping forces in Donbass.⁵⁶ Russia had previously rejected the idea, arguing that it was not part of the Minsk Agreement. It stated in its proposal that peacekeeping forces should only be on the contact line between the Ukrainian Army and DNR and LNR forces. Ukraine had previously proposed the introduction of peace-keeping forces, but on different terms. Namely, that peacekeepers should be distributed over the whole of the conflict zone—including the border between the LNR and

DNR and Russia.⁵⁷ The difference between the Ukrainian and Russian proposals, as noted in *Argumenty i Fakty*, is that the former implies that Russia is party to the conflict—something that Russia rejects. The Russian proposal assumes the conflict is internal to Ukraine—a position that Ukraine rejects. *Kommersant* reported on meeting between Kurt Volker, special representative of the US State Department and Vladislav Surkov, aide to Putin in November.⁵⁸ In the meeting, Volker had supported the Ukrainian position on the distribution of peace-keepers. Foreign Minister Lavrov later commented that such a position contradicted the Minsk-II Agreements between Germany, France, Russia, and Ukraine and would mean de-facto occupation of Donbass. On December 27, 233 persons held by Ukraine were exchanged for 74 persons held by the DNR.⁵⁹ *Novaya Gazeta* reported that this exchange had been encouraged in a joint statement by Macron and Merkel earlier in December.⁶⁰ As quoted in *Kommersant*, Vadim Karasev argued that the exchange—while an important aspect of the Minsk-II Agreement—would not significantly contribute to the cessation of hostilities in Donbass.⁶¹

Year in Review

Despite some expectations that 2017 would bring improved relations between the EU and Russia, there were no real improvements. With regards to the Minsk-II Agreements, most aspects of the Agreements have still not been implemented. The only new positive sign was the exchange of prisoners between the Donbass Republics and Ukraine. There were proposals from both Russia and Ukraine on peacekeeping operations in the Donbass region, however no mutually acceptable framework was developed.

There has been little progress in the area of EU-Russia sanctions. Most EU sanctions and Russian counter-sanctions have been extended till at least mid-2018, with little signs of a shifting

dynamic in 2018. Furthermore, the mainstream Russian media continues to advance the view that the sanctions are beneficial to the Russian economy. At the same time, it portrays them as most harmful to Europe itself. Such rhetoric indicates a lack of interest in adopting the measures that could promote the lifting of sanctions. Additionally, the case of the Siemens turbines delivered to Crimea has triggered further sanctions against certain Russian entities and individuals.

Russia's relationship with EU institutions has shown little signs of improvement. The Russian delegation continues to be suspended from PACE and Russia's recognition of ECHR decisions has been placed into question. The January 19 decision of the Russian Constitutional Court explicitly allowed the government to not comply with the ECHR ruling on YUKOS. It also set a precedent of Russia overriding ECHR decisions on the basis of alleged non-compliance with the Russian Constitution. Also notable were statements of a number of influential Russian politicians that continued suspension of PACE voting rights may trigger Russia to entirely reject the ECHR's legitimacy.

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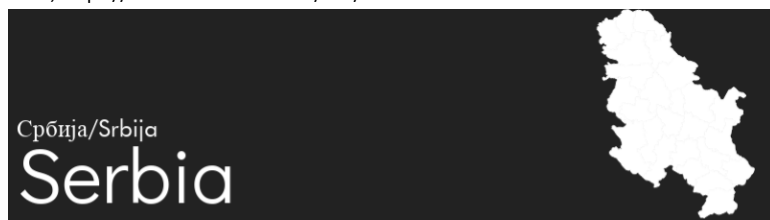
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14.4%
Unemployment



Non-EU Member State



5,348.29
GDP per capita

*Figures in USD

Population



7,057,000



Presidential
Elections



EU Accession
Progress



Relations with
Kosovo

By: Jovana Pajovic

Presidential Election

Voting for the presidential elections in Serbia took place on April 2nd. Unlike the last election, in which the voting margins separating former president Tomislav Nikolić and Boris Tadić were so slight that two rounds were necessary, Aleksandar Vučić secured the presidency in one round with just over 55% of the vote.³

Among Vučić's opponents vying for the position were Saša Janković, Luka Maksimović, Vuk Jeremić, all independent, and Vojislav Šešelj of the Serbian Radical Party (SRS). Campaigning began as early as February, with news outlets already reporting on the public appearances and meetings of the candidates. Janković, previously the national ombudsman and the runner-up of the election, focused his campaign on criticizing the democratic system in place and promising to work towards making Serbia a self-reliant country.⁴

Otherwise, the media primarily followed the activities of Vučić, whom they named the front-runner of the election.⁵ One exception was extensive reporting on campaigns that ended before the electoral window, notably Nikolić's candidacy announcement on February 15th despite losing his nomination from the Serbian Progressive Party (SNS) to Vučić, a decision that was withdrawn only five days later.⁶ News outlets pitted Nikolić against Vučić, reporting any meeting between the two with great suspense, though ultimately the politicians publicly resolved to maintain a cooperative relationship.⁷ Prior to the election, Vučić had been serving as Prime Minister of Serbia.

Vučić used his platform as PM to bolster his campaign with the SNS, which reflected many of the sentiments he had expressed throughout his time in parliament. He stressed that Serbia needs "peace and stability" in leadership which could be achieved through

his own natural transition from prime minister to presidency.⁸ Vučić asserted his devotion to Serbia's EU accession, solving the migrant crisis, and maintaining peaceful relations with Pristina, Russia, Belarus, and China.⁹ However, media outlets also highlighted that Vučić's criticisms of the EU's relationship with neighbouring nations, namely Croatia and Kosovo.¹⁰

In public appearances, Vučić also stated his goals of supporting economic growth and continuing to lower Serbia's debt-to-GDP ratio.¹¹ His campaign was publicly supported in the media by various politicians and other notable figures; in fact, *Politika* published a statement by over 500 professors and scholars entitled "For a Better Serbia" that advocated for Vučić.¹² This action was one example of what his opponents believed was an uneven representation of candidates in the media, with a clear bias favouring Vučić.¹³ A formal investigation was launched by the Democratic Opposition of Serbia which rejected these claims.¹⁴ Reports of media domination by Vučić and SNS were only a few of many criticisms that shrouded Vučić's campaign and election. His victory was met with protests from all around country, mostly by students objecting to the biased media coverage of the election, alleged voter intimidation, and what they saw as a political elite headed by the president.¹⁵ Though inspired by serious public concern, these protests were scarcely reported, with *B92* and *Blic* putting up most of the coverage. Vučić, reiterating his campaign's main message, was portrayed stoically in the media, appearing unphased by the protests so long as they remained peaceful.¹⁶

In June, the newly-elected President Vučić was tasked with filling the position he had just vacated, deciding on Ana Brnabić, formerly the Minister of Public Administration, as the new prime minister. Brnabić's election was a socio-political milestone, as she became both Serbia's first female and openly gay PM.¹⁷ Her appointment, though met with mixed responses from public figures and politicians, was not a surprise, as media outlets had been

speculating that Vučić was considering Brnabić for the position even before he had been elected president himself.¹⁸ His party, on the other hand, was divided over the decision, with six MPs dropping out of voting shortly prior to the election.¹⁹

Overall, *Blic* reported that 55 MPs voted against her election and 38 were absent.²⁰ Furthermore, allegations of media misconduct arose once again following Brnabić's election, this time posed by the SRS, which accused *Blic* of publishing propaganda in favour of Brnabić as PM, which Brnabić objected to.²¹ SRS was referring to *Blic*'s formal announcement of their support for Brnabić on June 16th, which included a cover story openly listing reasons why Brnabić should be elected.²² Nevertheless, her appointment was met with as much support as it was with criticism, from both politicians in Serbia and from other countries.²³ From this perspective, Brnabić's election was viewed as a step towards EU membership and the social "modernization" of Serbia.²⁴ Brnabić herself has advocated for Serbia's EU accession and listed it as her top foreign relations priority as PM, but like Vučić, maintained that regional stability is the key to progress.²⁵

EU Accession Progress

The year 2017 marked the closing of one of Serbia's chapters of EU negotiations, and the opening of six, leaving the total chapters opened at 12 of 35, and the total chapters closed at two. At the fifth Intergovernmental Conference on February 27th, Serbia opened Chapter 20 — Enterprise and Industrial Policy, and Chapter 26 — Education and Culture, and closed Chapter 26 on the same day.²⁶ *Blic* reported that Chapter 26 was blocked late last year by Croatia's demand for the return of cultural goods and the issuing of textbooks in Serbia in the Croatian language and script, the national minority.²⁷

On June 20th, Chapter 7 — Intellectual Property and Chapter 29 — Customs Union were opened at the sixth Intergovernmental Conference; *B92* noted that Serbia officially passed a third of its path to the EU.²⁸ Addressing the media, Minister of European Integration Jadranka Joksimović expressed concern that Serbia was not progressing faster than opening two chapters per conference, though she still saw Serbian EU membership as being definite.²⁹ Similarly, this pace of progress left many news outlets speculating when Serbia would finally achieve membership. A few years ago, *Blic* and *Politika* reported, based on statements made by various politicians, that 2020 was plausible, but throughout 2017, predictions were much later.³⁰ By December 2017, *B92* reported that 2025 as an accession date was an ambitious, but realistic goal.³¹

Finally, on December 11th, Serbia opened Chapter 9 — Company Law and Chapter 30 — External Relations at the seventh Intergovernmental Conference.³² *Blic* addressed the implications of the opening of Chapter 30, which include the potential termination of free trade agreements, including with Russia, and allowing the marketing of GMO products in the Serbian market.³³ Moreover, *B92* reported that the opening of further chapters, including Chapter 33 on financial and budgetary issues, was blocked by five EU members on the basis that Serbia had not made enough progress in the area of the rule of law and in judiciary and fundamental rights.³⁴ Joksimović echoed her concerns from the last conference to Serbian media that Serbia should be progressing faster in negotiations.³⁵

Kosovo

Serbia and Kosovo have been involved in the EU-facilitated Belgrade-Pristina Dialogue since 2011, as one of the conditions of Serbia's EU membership is restoring normal relations with Kosovo. The 2016 candidate report for Serbia issued by the EU citing limited

progress in the normalization of Kosovo-Serbia relations provided a backdrop for a year that did not involve any great strides to improve this progress.³⁶

In 2017, relations between the countries were still strained, and media outlets published reports to highlight this tension, covering everything from the important issues to minor events. For instance, in January, *Blic* heavily reported on what seemed to be a minor rift when a train travelling from Belgrade to Mitrovica was prevented from entering Kosovo because of its decor: Serbian motifs and flag colours on the inside, and the words “Serbia is Kosovo” on the outside.³⁷ The dispute escalated when both Serbia and Kosovo mobilized their forces along their borders, each anticipating further aggressions and refusing to stand down.³⁸ A common trend in media reporting throughout the year was the comparison between Serbian relations with Kosovo and other international independence disputes like Catalonia. *Politika* reported on how President Vučić himself denounced the EU’s handling of the Catalonia referendum, calling it hypocritical when compared with Kosovo.³⁹ The bloc deemed the Catalonia referendum unconstitutional, while most of the EU member states recognized Kosovo’s secession from Serbia as legal.

Another key issue that featured in the media throughout the year was the failure to implement a justice deal from the Dialogue. On October 17th, 14 Serbian prosecutors and 42 judges were expected to arrive in Kosovo to be sworn in by President Hashim Thaçi, a plan agreed back in February 2015 as a way of integrating the justice systems.⁴⁰ *B92* reported that this would have been a momentous event as it would have been the first time since 1999 that Kosovo would have a court with a Serbian majority.⁴¹ However, the group did not arrive, forbidden by Belgrade according to *Blic*, which placed the blame on poor mediation on the EU’s part.⁴² President Thaçi criticized the move publicly, calling it a violation of respect for Kosovo’s rule of law.⁴³ President Vučić acknowledged in *Politika* that actions like the postponement of the justice deal hinder Serbia’s own EU accession.⁴⁴

The question of whether or not Serbia will recognize Kosovo's independence has persisted over the past decade, and this year has clearly been no exception. *Blic's* political analyses speculated on what a "real union" with Kosovo might entail, including territorial and political autonomy for Serbs in Kosovo, functional autonomy for the Serbian Orthodox Church in Kosovo, and a chair for Kosovo in the United Nations.⁴⁵ Nevertheless, Minister Joksimović repeatedly told Serbian media that Serbia is not planning on recognizing Kosovo's independence, making the distinction between this and President Vučić's earlier statement that the EU will require Serbia to sign a legally-binding document on the normalization of relations between the two countries.⁴⁶ By December 2017, *B92* reported that Belgrade and Pristina were revising the steps and format of the Dialogue, and have resolved to include Russia and the US as mediators.⁴⁷ *B92* analysts predicted with a new EU strategy for the Western Balkans that Serbia and Kosovo would sign the aforementioned legally-binding agreement by the end of 2019.⁴⁸

Year in Review

This past year has marked important milestones in Serbian political and diplomatic climate, most prominently the election of President Vučić and Prime Minister Brnabić, the fifth, sixth, and seventh Intergovernmental Conferences for Serbian EU negotiations, and developments in Kosovo-Serbia relations. On a larger scale, however, these events have not presented any hugely transformative changes for Serbia. Rather, they represent progressions in long-term goals, and are significant in their own right, in the context of 2017. The featured events have also shown that many of the same issues that have historically been ingrained in Serbian politics continue to exist. By the same token, these issues have continued to be reported on and as

has been demonstrated, even influenced by media outlets in Serbia, notably *Blic*, *B92*, and *Politika*.

Perhaps the most significant political *change* in 2017 was the presidential election and appointment of the prime minister. Yet, even the elections were not much of a change as President Vučić was elected straight from his position as Prime Minister, and according to Serbian media coverage, this was not exactly an unexpected outcome. Nonetheless, this is only the beginning of Vučić's term, and 2017 only saw a glimpse of how Vučić will react to diplomatic affairs as president.

While EU accession was not presented as a divisive issue in the election by the media, it was still depicted as central to Vučić's campaign. That being said, if Vučić stands by the platform he maintained as PM and upheld throughout his campaign, as reported in the media, his election bodes well for Serbia's EU accession path. Though media reports have amplified some of his denunciations of EU actions, particularly in relation to Kosovo, they have also underlined Vučić's continuing support of EU negotiations for Serbia. Moreover, Prime Minister Brnabić's appointment has been depicted by the media as being critical to the formation of a more favourable, progressive image of Serbia not only socially, but in the diplomatic and political arenas. Thus, her appointment has been reported on in the media as a strategy for EU membership. These media trends suggest that, at least while President Vučić and Prime Minister Brnabić remain in office, membership to the bloc will be held as a priority.

In fact, two of the three Intergovernmental Conferences on Serbia's EU accession that occurred in 2017 took place under President Vučić and Prime Minister Brnabić. While Serbia opened six chapters in negotiations, the most of any year since they started in 2014, and even closed one chapter, there is still a long road ahead to membership. Even 2025, the year many media outlets cited as being a plausible date for membership, is questionable. Stories in the media attributed many of the obstacles Serbia faces in negotiations to other

countries, namely the blocking of chapter opening and closing. Those chapters, like Chapter 33 which calls for a revamp of financial and budgetary policies, still require a great deal of work to close and changes to policy over the long run. Then again, if President Vučić's government fulfills the platform promises he advocated to the media that targeted Serbian economic growth in a timely manner, perhaps 2025 is not such an ambitious goal after all.

Among the areas in which considerable efforts are needed in Serbian EU negotiations is Kosovo-Serbia relations, which were still troubled in 2017. Media coverage on Kosovo included a spectrum of events from minor scuffles to greater diplomatic crises. The fact that some of the seemingly minor events on Kosovo that the media covered spiralled into more serious conflicts, like the train incident, demonstrates just how persistent this dispute is. A Serbian politicians like President Vučić were represented defiantly in the media, maintaining their refusal to recognize Kosovo's independence, and underlining normalizing relations as a move distinct from the recognition of Kosovo's independence.

Looking into the future, the next steps for Serbian EU accession involve continuing to close more chapters in negotiations, and implementing the policies President Vučić and Prime Minister Brnabić promoted in regards to economic growth and diplomatic strategies. Most importantly, the long-standing rift with Kosovo may catch up to Serbia in EU negotiations. As Serbia inches closer and closer to fulfilling EU member requirements, a more definite decision will need to be reached about relations with Kosovo as a frayed relationship could delay membership.

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Catalan Independence

Catalonia is a prosperous region in the northwestern part of Spain that accounts for one-fifth of Spain's economic output. The people of this region speak their own language, Catalan, which derives from Latin and Occitan and differs from Spanish. Historically, Catalans have had a strong identity. In the past two decades, the Catalan regional government has had two referenda: one in 2006 to gain more autonomy from the Spanish national government and another in 2014 to achieve full independence from Spain under the leadership of Artur Mas. The first of these referendums failed as the voter turnout was insufficient, and the second one succeeded but was declared illegal by the Spanish government. In 2016, Carlos Puigdemont superseded Artur Mas by becoming the president of the Catalan Regional Government (Generalitat), Catalonia's official government. In September of that year, he ratified an independence plan which resulted in hundreds of thousands of Catalans pouring into the streets to cheer.¹

In 2017, Catalonia was preparing for another referendum to be held in the fall. In March, Mariano Rajoy, the Prime Minister of Spain, claimed that he would oppose this referendum and denounced it as being "illegal" and undermining the rule of law.² A month later, Puigdemont officially announced that a new referendum for the independence of Catalonia from Spain would be held on October 1. In September, the Spanish Constitutional Court suspended the referendum and warned the politicians associated with organizing it that they would face criminal charges.³ The day before the referendum, many Catalans and Spaniards protested in front of the Palace of the Catalan Regional Government in Barcelona and in the streets of Madrid against the referendum.⁴ Nevertheless, the referendum was held on October 1, and met with serious resistance from the Spanish government. The Civil Guard (La Guardia Civil), the

Spanish police, and the Catalan regional police (Mossos) were ordered to prevent voting by removing the ballot boxes, which resulted in violent clashes with Catalan voters. After 844 injuries and the removal of 160 ballot boxes, the results were 2, 262,424 votes of which 90% were a 'yes' to independence. However, only about 42% of eligible Catalan voters participated in this referendum.⁵

After the referendum, tensions between pro-separatists and anti-separatists escalated. On October 9, there were huge demonstrations in Barcelona against independence and for the unity of Spain; some even demanded the imprisonment of Puigdemont. On October 10, Puigdemont vaguely declared Catalonia's independence by stating that 'Catalonia has earned the right to be an independent state.' Less than two weeks after the referendum, more than 500 companies left Catalonia.⁷ The Spanish national government called for the arrest of Puigdemont, which resulted in him fleeing to Belgium.⁸ Finally, the Catalans held an election in December 21, when they voted for the three pro-separatist parties (Junts por Catalunya, which is Puigdemont's party, Esquerra Republicana de Catalunya, and Candidatura d'Unitat Popular). Even though the anti-separatist party Ciudadanos won the most votes, it wasn't enough for them to form a majority government.^{9,10} The EU, along with the United States, Mexico, and many other countries have denounced the referendum and shown support for Prime Minister Rajoy and Spain's national government.^{11,12} Catalonia remains divided, and so does Spain on this issue. No resolutions have been reached, and the future of Catalonia remains to be decided in 2018.

The Future of Gibraltar after Brexit

Gibraltar is British Overseas Territory in the southernmost point of Spain, the claim to which has been a historical point of dispute among different European nations. For the last three

centuries, Gibraltar has been under British sovereignty and has adopted a British identity over time. In the past few decades, Spain has been actively trying to claim sovereignty over Gibraltar. The former Spanish foreign minister, José Manuel García Margallo, has famously stated, "I will put the flag of Spain (in Gibraltar)." However, the Gibraltarians have expressed no interest in pledging allegiance to Spanish rule, as they showed in a referendum in 1967 and another one in 2002.^{13, 14} Matters were complicated in 2016, when the United Kingdom announced that they no longer want to be a part of the European Union. Almost immediately after this announcement, 95.9% of Gibraltarians voted to remain a part of Europe.¹⁵ The main motivating factor for this wish is that Gibraltar's economy depends greatly on Europe; it is regarded as a tax haven for companies within the EU with a corporation tax of only 10%.^{16 17 18}

In January, Spain's foreign minister Alfonso Dastis declared that the exit of the UK from the EU will be followed by the exit of Gibraltar. He also warned that Gibraltar's membership in the EU will not be determined without taking into account Spain's position on the matter.¹⁹ Both Dastis and Prime Minister Rajoy mentioned on numerous occasions that Spain demands co-sovereignty with the UK over Gibraltar, and that all matters relating to Gibraltar and the EU would not go through without being monitored by Spain's position on those matters.^{20 21 22} In March, Michael Barnier, the EU Chief Negotiator for the UK, confirmed Dastis' claim that Brexit would entail the exit of Gibraltar from the EU.²³ Shortly after, Donald Tusk, the President of the European Council, confirmed that statement by saying that "no agreement between the EU and the UK can be applied to the territory of Gibraltar without the agreement between Spain and the UK."^{24 25} Thus, The European Union gave Spain veto power over matters concerning Gibraltar.²⁶ In response to these decisions, Gibraltar's Chief Minister Fabian Picardo has expressed an unfavourable attitude, accusing Spain of behaving 'like a bully' and

constantly demanding the UK not to abandon Gibraltar in its talks with Spain.²⁷

In June, the UK included Gibraltar in its proposal outlining measured for its other EU-affiliated territories to remain a part of the UK after Brexit. Spain protested against this and demanded that they treat the Gibraltar issue separately with the UK. Given their veto power, Spain wants to leave the Gibraltar issue until the end of the Brexit negotiations.²⁸ Spain has stayed committed to this position, as evident by the last document published by Spanish authorities regarding Brexit in December wherein nothing was mentioned about Gibraltar.²⁹ However, as the 2019 deadline is looming for the UK to make their exit from the EU, foreign minister Dastis has expressed the desire to begin talks regarding Gibraltar with British authorities in early 2018.^{30 31} The significance of the issue concerning Gibraltar is directly related with the UK-EU relations for 2019 onward. Some European countries that have been traditional allies of the UK, such the Netherlands, Sweden, Denmark, and Finland, have actually supported Spain's claims to Gibraltar.³² The European Council's decision to grant Spain veto power on this matter is also a move from its traditionally neutral attitude on such matters. These positions that have been taken suggest a bitter resentment that is building up in Europe against the UK for leaving the EU, which will have powerful impact on many of its members. In Spain - for which the UK is the first destination of Spanish investment, the first destination of Spanish emigration, and their most profitable tourist market - these effects will be deeply felt.³³

Corruption in Andalusia

The Partido Socialista Obrero Español (PSOE) is the political party that has held power over Andalusia, the southern region of Spain, for 35 years.³⁴ Recently, a number of its most powerful

members have been accused of racketeering in the biggest corruption scandal in Andalusia's history, which gained notoriety as the 'ERE Case'.³⁵ In 2001, Manuel Chaves, the president of the Regional Government of Andalucía (Junta de Andalucía) at the time, passed a budgetary motion called L31 to aid companies who needed financial support for layoffs and early retirements. The system that was put in place to facilitate this process was called 'Expediente de Regulación de Empleo' or ERE. In 2011, a judge by the name of Mercedes Alaya found out that ex-president Chaves and his successor Jose Antonio Griñan used the ERE system to fraudulently transfer the money that was given the Regional Government to spend on job training and improvement of the labour force of Andalusia into their own accounts. She discovered 229 false cases of ERE's and a black hole of €140 million Euros that piled up from those cases from 2000 to 2011.³⁶ Both ex-presidents Chaves and Griñan were accused of fraud.³⁷ Susanna Díaz, the incumbent president of the Regional Government of Andalusia, was also accused of being involved in the fraud. In January, however, she was acquitted of all charges and subsequently referred to the whole case as a 'bluff'.³⁸ Chaves, Griñan, and Díaz are all members of the PSOE.³⁹

As the investigations proceeded, however, it turned out that the actual amount that was stolen from Regional Government's funds was close to €900 million, most of which was funding received from the EU. The members involved in this fraud comprised 22 public officials, including the Secretary of State for Territorial Cooperation, the former Vice President of the Board and Minister of the Presidency, the Counsellor of Employment and Technological Development, the Minister of Public Works, Innovation, Science, and Business, and the Minister of Economy, Finance and Public Administration of Andalusia. Other than the public officials, there were numerous union leaders, factories, and companies also involved. Many protected witnesses who were whistleblowers on the training

case claim that they have been harassed at their workplace.^{40 41} Moreover, the Andalusian Regional Government herself has hidden necessary information regarding the case for over two years.⁴² It has been estimated that about 120 000 workers in 9,461 companies were directly affected by this fraud as they lacked the funding for early retirement and being laid off.⁴³ The trials for the ERE case began on December 13th, and are currently ongoing.⁴⁴

In March, the Ciudadanos party proposed to create an Anti-Fraud office within the Andalusian government in order to protect those public officials and businessmen who want to report fraud and corruption cases.⁴⁵ This proposal was approved by Susanna Díaz's government in April, which added that this office will consist of a designated body of officials who will have powers to investigate any suspicious corrupt activity.⁴⁶ Despite these efforts, Transparency International, the global anti-corruption organization, has given Andalusia the worst rating in its 'Index of Transparency of Parliaments' (IPAR) in Spain. The average score for other regional government in Spain was 82.2, whereas Andalusia's government received a score of 63.1.⁴⁷ Susanna Díaz's government has also been heavily criticized for not being able to recover the losses from the numerous cases of the corruption that have occurred in the past few years.⁴⁸ The severity of Andalusia's disdainful situation has shaken Spain and brought about resentment from the EU, as it provided the initial funding that was allocated for the growth of Andalusia's economic sector.

Year in Review

Spain experienced a tumultuous year, as the repercussions of the Catalan independence were so drastic that they attracted worldwide attention. This movement also begets doubts in the minds of the Portuguese-speaking Galicians in the northwestern part of Spain. The EU nations are highly aware of these tendencies and have

reason for concern now that their sixth largest economy is on the brink of losing a profitable region.

The Andalusian disaster also only made the matter worse. The region of Andalusia has had a terrible history of corruption ever since its birth as an autonomous region. The revealing of such a grand case of fraud, which was directly linked to the money that was funded by the EU for the amelioration of Andalusia's economic state, certainly downgraded Spain's reputation in the eyes of the EU. The only issue that strengthened Spain's bonds with the EU this year was the Gibraltar case, as it reinforced the solidarity among EU members against Brexit. Despite these events, the country experiences lower inflation, a lower unemployment rate, and higher GDP per capita than the previous year. Going into 2018, the most important issue in Spain will be Catalan independence, and more importantly, whether Prime Minister Rajoy's government will be able to live up to the expectations of Spaniards by sending a relentless message to all other pro-separatist regions.

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11.3%
Unemployment



Non-EU Member State



\$10,787*
GDP per capita

*Figures in USD

Population



79,814,871



Tensions with
EU



Human Rights &
Corruption



Refugee
Crisis

By: Mertol Özaltan

Political Tensions between Turkey and the EU

2017 was a highly tense year between Turkey and the EU. The year saw several spats between European and Turkish leaders, particularly from Turkish President Tayyip Erdoğan. In March of 2017, notable tensions with the Netherlands and Germany arose, in which Turkish officials were barred from campaigning in those countries to the Turkish diaspora, in preparation for the upcoming Turkish referendum. As a result, Turkish media outlets responded defensively. In March, an article by the well-known Taha Akyol of *Hürriyet*, warned that Turkey was facing the onslaught of “rising Islamophobia and populism in Europe,” including by EU officials such as Jean-Claude Juncker who “enable it.”¹ *Milliyet* was able to capitalize on the March incidents, characterizing Dutch actions as “scandalous” and interviewing pro-government figures.² This included one who warned European leaders, particularly the Dutch leaders, that they had “no right to talk of democracy.”³ Emre Kongar of *Cumhuriyet*, took a more observant view. He described the struggle between Turkey and European countries as part of a “clash of civilizations,” and the result of the increasingly hostile rhetoric within Turkey, but also the growth of the nationalist right within Europe and the EU.⁴

In July, a *Cumhuriyet* article criticised President Erdoğan’s attacks on Germany and the EU. President Erdogan attacked Germany by accusing the German leadership of orchestrating the 2016 coup attempt and the EU for declaring that Turkey had violated the Copenhagen criterion for EU ascension. However, the article focused on the collapsing German-Turkish relationship, crucial for Turkey’s EU ties.⁵ As German party leaders agreed on ceasing Turkish ascension talks in September, *Milliyet* called their competing views as “racing to be the enemy.”⁷ In the same month, when France and Finland both objected the German view, *Milliyet* wrote that “Merkel is alone.”⁸ This increasingly points to Turkish tensions with specific members of the EU, proving to be a wider problem. To add to the confusion, Erdoğan

stated his continuing confidence in EU ascension in late September, according to an energetic *Milliyet* article, in that Turkey was doing all it could.⁹

In October, *Hürriyet* reported on a “polarization” within the EU, regarding views on Turkey, with the Netherlands and Germany, for example, leading an “anti-Turkey bloc.”¹⁰ The article had a tone which questioned the stability of cooperation and agreement within the EU. The year ended on a more familiar note. In early December, Erdoğan pointed to “anti-Turkish fascism” in Europe, with Austria being his primary target this time.¹¹ Days later, the new Austrian Prime Minister Sebastian Kurz stated that Turkey “has no place in the EU.”¹² On December 19, *Hürriyet* criticised Kurz’ meeting with EU officials. The newspaper stated that the EU “turns a blind-eye to the far-right,” and that this would have negative implications for Turkish-EU relations.¹³ However, oddly enough, on December 28, *Cumhuriyet* pointed that Ankara was looking to improve its ties with Germany, as part of a “softening.”¹⁴ *Hürriyet* reported on Erdoğan’s “desire to mend ties with Europe,” before several scheduled trips to European countries in 2018.¹⁵ Overall, as seen in the eyes of the Turkish media, 2017 was a grim but also highly unstable year for this relationship. These crises, although not directly connected to Brussels, had major implications for Turkey-EU relations.

Human Rights and Corruption Concerns

2017 continued to feel the full force of the Turkish government’s crackdown after the 2016 failed coup attempt. This behaviour is part and parcel of the government’s bid to round up “Gülenist” followers of Fetullah Gülen, a US-based Turkish cleric whom the Turkish government deems responsible for organizing the coup. Gülen is accused of leading an organization which is akin to being a “deep state” in Turkey and its institutions. Thousands of state

employees have been purged, and thousands more, including a large number of academics and journalists, have been detained. By the end of the year, the government was as determined as ever with its authoritarian trend. A decree in late December, forgave the crime of murder against those who could be perceived as actively supporting the coup attempt. This decree, the 30th since the coup attempt, generated widespread outrage, notably from many in the judiciary branch of government.¹⁶

In May, European Commission President Juncker called Erdoğan's plan to reinstate the death penalty for coup plotters "the reddest of all red lines."¹⁷ Later that month, European Council President Donald Tusk and French President Emmanuel Macron grilled Erdoğan at the Brussels NATO Summit on the issue of human rights, particularly in the case of a jailed French journalist in Turkey. However, President Tusk took a lighter tone compared to Juncker, and simply called for "cooperation and dialogue."¹⁸ Unsurprisingly, these stories received great coverage from *Cumhuriyet*, while attracting much less attention from the other two newspapers, due to their aversion to criticise the government.

In July, *Hürriyet* outlined the European Parliament's view that Turkey's post-referendum plan to adopt sweeping presidential powers and to "control the Turkish people" violated the Copenhagen criteria necessary for Turkey's future ascension to the EU.¹⁹ Related to this decision, in his article, "Goodbye EU?," Aydın Engin of *Cumhuriyet* made sense of the European stance. He stressed a polarization between the EU and Turkey, in which the latter was simply sliding into an "Eastern despotism."²⁰ *Milliyet* reported that Turkish EU Affairs Minister Ömer Çelik rejected EU's hostility, and that the EU "needs to read Turkey the right way," a country enacting emergency measures after a coup attempt, but nevertheless "democratizing."²¹ The tone between the aforementioned two newspapers is remarkable: one latches onto European criticisms while the other gives a solid platform to the Turkish government.

Çelik added in late September that the ongoing state of emergency measures are necessary and in fact, should even be supported by EU human rights accords. He blasted the EU for ignoring the “French state of emergency” while attacking the Turkish one.²² In October, the EU Parliament decided to cut 80 million euros of future funding to Turkey, as a punishment for an ongoing poor human rights record.²³ This was the first ever cut of the kind, according to *Hürriyet*, which commented that the “message is more important.”²⁴ Later that month, EU officials expressed their extreme disapproval of the jailing of Osman Kavala, a Turkish businessman with financial ties to Amnesty International.²⁵ In December, through a broad statement, EU officials called for Turkey to “respect the rule of law,” leading a *Cumhuriyet* columnist to write that these remarks were being made in vain.²⁶ This comment certainly has merit. With every passing month, the Turkish government continues to distance itself further and further away from a stable relationship with the EU, with a worsening human rights record.

The Refugee Crisis

2017 did not see the same massive flows of refugees seen in 2015 and 2016 throughout Europe. However, Turkey continued to play a major role in the crisis, hosting over 3 million migrants and refugees, a great majority from Syria.²⁷ Media outlets often mentioned Turkey’s “burden,” and criticised the EU’s reluctance to accept more migrants from Turkey.²⁸ From January onwards, there were calls from Turkish policymakers for the EU to do more to support Turkey’s efforts. One pointed out, that the “EU had simply failed its job.”²⁹ In a February meeting with German Chancellor Merkel, Turkish PM Binali Yıldırım, made an interesting remark: “We host three million migrants, and therefore, we provide Europe’s security. The EU should be “grateful”

for this.”³⁰ This points to a Turkish desire for greater acknowledgement in its highly important role.

In April, *Hürriyet* mentioned that the EU had only taken about 5,000 Syrian refugees from Turkey, out of millions, in the past year.³¹ 2017 was the year in which the EU’s 3 billion euro fund to Turkey for refugee relief was in effect, and as a result, further consolidated Turkey’s crucial role in stemming the flow to Europe. Leading into April’s referendum, *Cumhuriyet* made highly notable speculations on future EU plans, including moving migrants to an African country, instead of taking them or leaving them in Turkey. This was during Erdoğan’s heightened threats to Europe of “opening the gates,” if political tensions continued between Turkey and Europe.³² In July, there was growing consensus within the EU Commission to begin the flow of another 3 billion euro relief package. *Cumhuriyet* called this the “the renewal of a bribe,”³³ with a tone which saw Turkey forced to hold the greatest burden in the migrant crisis.

In November, *Hürriyet* found that the EU’s 3 billion euro fund for refugee relief in Turkey had gone to a wide range of programs in health, education, border protection and social services for the millions of Syrians who currently reside in Turkey. They added that the EU Ambassador to Turkey Christian Berger had recognized Turkey’s “strong efforts” in quelling the migrant crisis.³⁴ Speaking to *Hürriyet*, EU Migration Commissioner Dimitris Avramopolous stressed the role of Turkey as the EU’s “critical partner,” particularly in the refugee crisis.³⁵

In December, the pro-government *Milliyet* was able to capitalize on the comments of an EU delegation official to Turkey, “that Turkey’s support [in the migrant crisis] is a model for the world.”³⁶ This once again points to a wider view in Turkey, that its role in the migrant crisis is indispensable. 2017 was the year of the 3 billion euro fund, but there is clearly the desire for more cooperation between the EU and Turkey in the migrant crisis. These calls not only come from Turkish officials and media, but also organisations such as Amnesty International. In the words of their secretary-general:

“Turkey deserves better.”³⁷ As the year came to a close, it remained clear that Turkey’s role would continue into 2018. Family Minister Kaya acknowledged the EU’s fund and in a confident manner described Turkey as “not the most wealthy in the world, but the most generous.”³⁸ 2017 was otherwise marred by tensions, but it was chiefly the migrant issue that continued to keep Turkey close in the eyes of the EU. There is no doubt that Turkey’s stake in the matter is massive, and will remain that way in the years to come.

Year in Review

As seen through the eyes of the media, 2017 was another grim and confusing year for the declining Turkey-EU relationship. With Turkey’s highly hostile, paranoid and agitated leadership, coming particularly from President Erdoğan, the Turkish EU bid seems more and more to be a lost cause with each passing remark and incident. However, Turkey is undoubtedly highly associated with Europe and the EU, because of both political and economic ties. Importantly, their role remains highly relevant to EU politics, particularly in their frontline role in the migrant crisis, taking the grand share of the human flow.

In December, a spokeswoman for the High Representative of the European Union for Foreign Affairs and Security Policy Federica Mogherini stressed that “Turkey-EU relations are already strong enough that they cannot break.”³⁹ She also called for a renewed commitment to the Turkish-European Customs Union, showing the extent of commercial ties. Remarking on the strained Dutch-Turkish relationship, Prime Minister Rutte stated his desire to improve ties, noting the extent of Turkey’s already-existing ties to Europe. Bulgaria called for an end to the war of words between Ankara and European capitals, and the need for a “final agreement” between Turkey and the EU.⁴⁰ The desire for a final approach may be more widespread than we

think. Since 1987, Turkey's relationship with the EU, although highly integrated, has also remained highly uncertain and complicated. 2017 is another year to add to the interesting Turkey-EU story.

To sum up the complexity of the relationship, one really needs to look at the personality of Turkey's strongman President Recep Tayyip Erdoğan. One word captures his approach to the EU relationship perfectly: confusing. Approaching the end of 2017, *Cumhuriyet* addressed this confusion: throughout the entire year, Erdoğan had called various Europeans "fascists," but by December had expressed a sudden desire to fix these relationships. However, according to one former EU official, "the bridges to the relationship may be nothing but collapsed."⁴¹ Looking at Turkish-EU ties, it is really time to ask if inflammatory personalities like Erdoğan's are putting Turkey at a disadvantage in its European relationships. In September, Erdoğan put out an interesting general statement perceived to be towards European countries: "if you don't have a good view of the Turkish-EU relationship, be honest about it and do what needs to be done."⁴² Clearly, the multiplicity of approaches (from downright threatening to appeasing) the Turkish leader has taken throughout the year, makes the relationship utterly confusing.

To give an example of the mood of the year: although not an EU body, the European Football Association UEFA expressed doubt towards Turkey's bid to host the European Championships in 2024, due to "human rights concerns,"⁴³ in May. This shows the general trend of a distancing from Europe, and ultimately away from any hope of EU ascension. Turkey is a country increasingly marred by a reputation of purges, detentions without trial and outright hostility. Therefore, it is clear why it is not a very attractive candidate. To add to the woes of the relationship, there is growing frustration within the EU to the Turkish ascension process, which has dragged on for three decades. *Hürriyet* detailed in September of outright opposition towards ascension amongst many EU countries, with German leaders speaking of "red lines." Others called for a "decision by years end."⁴⁴

The tough year for the relationship is now over, but the show still drags on. But what keeps it that way? Is it really only the migrant crisis?

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Messages in the Media

