

## SELECT BRIEFING EUROPE EAST

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## BALTIC STATES

## Estonia

Estonian Prime Minister **Andrus Ansip** met his Georgian counterpart **Nika Gilauri** in Tallinn on 15 September. The two ministers discussed economic and cultural ties, cooperation in international organizations, and the situation in the region. Gilauri invited Estonian businesses to invest in Georgia. The prime ministers opened a business forum at the Chamber of Trade and Industry.

## Latvia

On 10 September Latvian President **Valdis Zatlers** met with Chinese Prime Minister **Wen Jiabao** within the framework of the annual World Economic Forum in Dalian, China where they agreed to promote economic cooperation. Jiabao stated that the recent visit of Chinese Vice-Premier **Hui Liangyu** and a delegation of Chinese entrepreneurs to Latvia resulted in business deals worth USD 10 million. Zatlers emphasized transit, pharmacy, and the food industry as potential sectors for joint projects.

## Lithuania

On 16 September Lithuanian President **Dalia Grybauskaitė** met with Belarusian President **Alyaksandr Lukashenka** in Vilnius. The heads-of-state discussed human rights and political developments in Belarus, as well as cooperation between law enforcement institutions. The visit was Lukashenka's second foreign trip since an EU-imposed travel ban was lifted in April. Lithuanian human rights groups and Belarusian opposition figures criticized the visit, claiming that welcoming Lukashenka into an EU member state legitimizes his authoritarian rule.

On 15 September Lithuanian lawmakers removed **Arunas Valinskas**, leader of the ruling National Resurrection Party, from the post of parliamentary speaker. The opposition initiated a no-confidence procedure after media reports alleged that Valinskas had links to the criminal world. Valinskas, a business figure and TV show host, was elected parliamentary speaker following the November 2008 general elections.

## CENTRAL EUROPE

## Poland

According to Standard & Poor's, Poland's economic prospects for 2011 have significantly improved. As Poland is the only EU member state to record a positive growth rate, Warsaw looks forward to decreasing the deficit in two years. The deficit target for 2010 is USD 18.2 billion – double that of 2009. The government's proposal must first be approved by parliament.

**Maciej Wozniak**, chief energy security adviser to the prime minister, stated that Warsaw might turn to the EU to settle the gas transit conflict with Russia. The conflict concerns the ownership rights of EoRoPol Gaz, which owns the transit rights for the Yamal natural gas pipeline in Poland. If the two countries are not able to agree on the terms of transit, Poland will face natural gas shortages.

According to the Polish daily *Dziennik*, President **Lech Kaczyński** will sign the Lisbon Treaty if Irish voters approve the document on 2 October. Kaczyński is a critic of further European integration. His support is necessary for the implementation of the Treaty.

## Hungary

Hungarian Prime Minister **Gordon Bajnai** announced that Hungary will host one Guantanamo detainee – someone who is not under U.S. court action or investigation. Bajnai stated that the decision demonstrates Hungary's commitment to NATO. The detainee will be picked from a shortlist in the coming days.

Hungarian Finance Minister **Peter Ozsko** said that the country's improving financial situation could render IMF assistance unnecessary by October 2010. The government is aiming to cut its budget deficit to 3.9 percent of GDP next year. Austerity measures include freezing wages in the public sector. Ozsko also stated that the government expects a budget surplus in Q4.

On 15 September, OSCE High Commissioner on National Minorities **Knut Vollebaek** called on Hungary and Slovakia to work together on the Slovak Language Law. Vollebaek welcomed the recent meeting between Hungarian and Slovak prime ministers Bajnai and Fico. He also warned of the spread of misleading information about the law and urged that criticism be constructive and fair.

## Czech Republic

On 17 September the *Wall Street Journal* reported that Washington has postponed its plans to build a missile defense shield in the Czech Republic and Poland. U.S. President **Barack Obama** informed Czech Prime Minister **Jan Fischer** of the decision on 16 September. Washington cited that a nuclear threat from Iran is not as imminent as previously estimated.

The Czech Social Democratic Party has withdrawn its support for early elections, forcing Prime Minister **Jan Fischer's** government to stay in office until June 2010. The decision came after the Constitutional Court ruled against early elections on the grounds that this violated the constitution. Fischer stated that he would stay in office only if parliament approves his budget and the necessary austerity measures.

Former Czech Prime Minister **Mirek Topolánek** resigned from his mandate in the Chamber of Deputies in order to prepare his party for the upcoming elections. He also expressed dissatisfaction with the stalemate in the lower house of parliament. Topolánek denied rumors that he might be the country's new EU Commissioner.

Czech Prime Minister **Jan Fischer** urged senators of the Civic Democratic Party (ODS) to submit their complaints about the Lisbon Treaty to the Constitutional Court. Fischer stated that the reluctance of the senators could harm the Czech Republic's interests in the EU and he would therefore like to have the Treaty codified as fast as possible.

## Slovakia

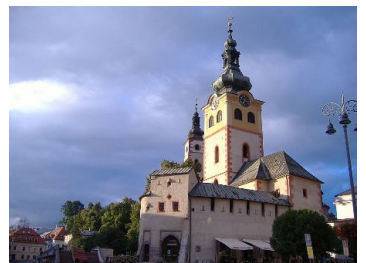
On 16 September Slovak Deputy Prime Minister for Human Rights and Minorities **Dusan Caplovic** met with OSCE High Commissioner on National Minorities **Knut Vollebaek** to discuss Slovakia's controversial State Language Law. Caplovic expressed concern that Budapest is providing misinformation about the law to provoke international tensions. Slovak and Hungarian members of the European Parliament clashed on the issue in Brussels on 14 September.

Foreign Minister **Miroslav Lajcak** stated that Bratislava will cooperate with the OSCE on the matter of the State Language Law. Lajcak previously met with EU Commissioner on Multilingualism **Leonard Orban**, who confirmed that the law is compatible with the EU legislative framework.

Concerns about media freedoms have risen in Slovakia after Prime Minister **Robert Fico** sued the Slovak daily *Sme* for libel. Fico has asked for EUR 33,000 from the newspaper due to a joke about his health condition that was published earlier this year. The Slovak press has raised doubts about the freedom of the judiciary in this and similar cases.

## Slovenia

On 11 September Slovenia and Croatia settled their border dispute under the leadership of Slovenian Prime Minister **Borut Pahor** and Croatian Prime Minister **Jadranka Kosor**. Ljubljana agreed to unfreeze Croatia's EU membership process after Zagreb consented to withdraw maps and files that referred to the disputed land as Croatian territory. Settlement details will be finalized with EU assistance.



Featured photo: Banská Bystrica, Slovakia

## SOUTHEAST EUROPE

### Bulgaria

On 15 September the Minister for Bulgarians Abroad **Bozhidar Dimitrov** announced that three Macedonians will be awarded Bulgarian citizenship because of their efforts to rescue tourists from the boat *Ilinden* which capsized in Lake Ohrid on 5 September. Sofia will also reward five other Macedonians with the first class citizen merit order, the "Madara Rider," for their rescue efforts. Out of 70 people aboard the *Ilinden*, 15 Bulgarians tourists died and 40 Bulgarians survived the accident.

According to the EU Foreign Ministers Council on 15 September, Bulgaria will continue to be monitored by the Cooperation and Verification Mechanism until EU standards for combating corruption and organized crime are achieved. The EU's 22 July report stated that Bulgaria could improve in 21 areas and needs to make a stronger commitment to meeting the EU's criteria.

Sofia may reduce its investment in the Belene nuclear power plant project, allowing for increased private investment. According to Bulgarian Minister for Economy, Energy and Tourism **Traicho Traikov**, Bulgaria could reduce its share from 50 to 20 percent. Belene will produce energy in excess of the country's needs. The cost of the plant has risen from EUR 4 billion to approximately EUR 10 billion.

### Romania

Three bills proposed by the Romanian government to cut state spending and reduce the public sector ignited protests in front of parliament on 15 September. Another protest of approximately 800,000 public servants is expected on 5 October over a bill proposing to regulate public sector wages. The reduction of public spending is a condition of securing EUR 20 billion in aid from the International Monetary Fund (IMF).

On 15 September Romanian President **Traian Basescu** addressed Parliament, asking members to maintain their unity when they vote later in the week on three laws to reduce public sector spending. Basescu emphasized constitutional reform, fiscal responsibility, decentralization of the public sector, reforming pensions, and adopting the Euro by 2014 as his priorities.

### Balkan Spotlight

#### Macedonia

The Macedonian parliament approved on 11 September a law regulating the work of civil servants, overcoming the last EU-mandated legislative hurdle just in time for the European Commission's annual progress report due on 14 October. The aim of the law is to reform the public administration and create a professional, apolitical and efficient public sector in accordance with EU standards.

#### Kosova

On 14 September the U.S. signed an agreement with Kosova to provide developmental aid to the nation. The new U.S. Ambassador, **Christopher Dell**, said that the aid is intended to help Prishtina's budget, infrastructure, and the establishment of a free-market economy. The agreement underscores both countries' commitment to improve Kosova's economic prosperity.

#### Bosnia-Herzegovina

**Nebojsa Radmanovic**, a Bosnian Serb member of the country's tripartite presidency, announced on 13 September that Bosnia and Herzegovina is one step closer to dissolution. Radmanovic accused the Office of the High Representative (OHR) and the West of favoring the Bosniaks and also accused the Bosniaks of trying to carve out their own national state from

### Croatia

The EU will formally unblock Croatia's accession to the EU due to the settlement of the border dispute between Croatia and Slovenia. A conference will take place in Brussels to formalize Croatia's progress. EU Enlargement Commissioner **Olli Rehn** stated that negotiations with Croatia could possibly end in early 2010.

Croatian Prime Minister **Jadranka Kosor** and President **Stjepan Mesic** met with Israeli Foreign Minister **Avigdor Lieberman** in Zagreb on 15 September. The officials discussed efforts to strengthen economic and cultural ties, including the organization of a Croatian-Israeli economic forum to address and facilitate administrative issues in the bilateral business and investment sectors. Lieberman is the first Israeli foreign minister to visit Croatia.

Bosnia. The Party of Democratic Action (SDA), the Bosniaks strongest party, criticized the remarks and stated that the country would not fall apart.

#### Montenegro

According to the Canadian-based Fraser Institute, Montenegro ranks 81<sup>st</sup> on a worldwide economic freedom list. Montenegro received a score of 6.58, dropping eleven places compared to last year. The Montenegrin Center for Entrepreneurship and Economic Development (CEED) commented that the decline is due to the global recession. CEED predicts that economic freedom will see an upward trend following the end of the crisis in the banking sector.

#### Serbia

Serbian Interior Minister **Ivica Dacic** announced Belgrade's fulfillment of all conditions necessary for the EU visa liberalization

program. Confirmation is expected from the European Commission. Dacic expects that Serbian citizens will be able to travel to EU member states without a visa beginning in January 2010.

#### Albania

The EU announced that Albania is in a more favorable position to move ahead with its European integration process following a positive report by the OSCE-ODHIR mission regarding the June elections. The 14 September report stated that the elections showed marked progress from previous polls although they failed to meet all international standards. In October, the EU will likely ask the European Commission to conduct an in-depth analysis to determine whether Albania has met all the conditions required of an EU candidate state.

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Featured photo: Iasi, Romania

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The CSIS New European Democracies Project monitors daily developments throughout the East, Central, and Southeast European regions. This publication highlights news in the new European Union (EU) member states, EU Membership candidate Croatia, and the Western Balkans.

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