Chronology 2012
Key events in European policy

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January

1st January: The euro, most discreetly, celebrates its tenth birthday.

1st January: Denmark holds the Presidency of the Council of the European Union for the seventh time, until 30 June 2012.

9 January: The Commission raises 3 billion euros on the financial markets on behalf of the European Financial Stabilisation Mechanism (EFSM), to help Ireland and Portugal, two countries receiving financial assistance from the EU. Council Regulation (EU) No.407/2010 of 11 May 2010, Official Journal of the European Union L 118 of 11 May 2010.

13 January: The rating agency Standard and Poor's cuts the credit ratings of nine eurozone countries. Paris loses its triple A rating and is given a negative outlook. Standard and Poor's downgrades five countries by one notch - France, Austria, Malta, Slovakia and Slovenia – and four other countries by two notches: Spain, Italy, Portugal and Cyprus. In the eurozone, only four countries keep the triple A rating: Germany, Finland, Luxembourg and the Netherlands.

16 January: Standard & Poor's cuts the credit rating of the European Financial Stability Facility (EFSF) by one notch to 'AA+'.

18 January: First meeting between the President of the Italian Council of Ministers, Mario Monti, and the British Prime Minister, David Cameron. They speak out in favour of growth achieved through strengthening the internal market (http://www.reuters.com/article/2012/01/18/us-britain-italy-monti-idUSTRE80H1V320120118).

22 January: The people of Croatia say 'yes' to the accession of their country to the European Union. Although 66% of voters voted in favour, turnout was only 44%. Croatia will be the second ex-Yugoslavian State to join the European Union.

24 January: The International Monetary Fund (IMF) updates its economic forecasts. The forecasted figure for world growth is brought down from 4 % (in September) to 3.3 %. Growth in the US should be around 1.8%, in the eurozone it should be a – 0.5 %, with growth in Germany at 0.3% and in France at 0.2%.

24 January: Excessive Deficit Procedures. The ECOFIN Council recommends to Hungary that it should take measures to bring its budget deficit down to below the EU reference value, i.e. 3% of GDP.

24 January: The International Labour Organization (ILO) acknowledges the important part played by automatic stabilisers in the initial responses of, in particular, the advanced economies. Although, for the eurozone, the German model is referred to as the example to follow, the ILO is of the view that 'rising competitiveness of German exporters has increasingly been identified as the structural cause underlying the recent difficulties in the euro area'. 'Global Employment Trends 2012. Preventing a deeper jobs crisis', ILO, Geneva, (http://www.ilo.org/ wcmsp5/groups/ public/--dgreports/--dcomm/--publ/documents/publication/ wcms_171 571.pdf).

25 January: The European Trade Union Confederation (ETUC) speaks out against the Treaty on Stability, Coordination and Governance in the economic and monetary union (http://www.etuc. org/a/9591).

25 January: Opening of the 42nd World Economic Forum in Davos, attended by around 2,600 economic decision-makers. Angela Merkel is the political star of the show. The general theme chosen for the forum is suitably vague: 'The Great Transformation'. A report on risk is presented to the forum. It identifies three major risks: the global water crisis, budget deficits and income inequality.

30 January: Growth-friendly consolidation. At the informal European Council of January 2012, the members of the European Council adopt, with a Parliamentary reservation from Sweden, a declaration entitled

'Towards growth-friendly consolidation and job-friendly growth'. In it, they undertake to 'create new jobs', particularly in the 'green economy', to complete the single market, address youth unemployment, to get early school-leavers into training and to strengthen support for SMEs. 'Statement of the Members of the European Council', (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/127599.pdf).

30 January: The European Council publishes a text addressed to the eurozone States, informing them of the finalising of the 'Treaty on Stability, Coordination and Governance' (TSCG or 'Fiscal Compact') and of the treaty establishing the European Stability Mechanism (ESM). For the Fiscal Compact, the question of the supervisory role of the Court of Justice still needs to be resolved. The main features have now been decided upon and can be communicated to the eurozone Member States (http://www.consilium.europa.eu/uedocs/cms_data/docs/ press data/fr/ec/127634.pdf).

30 January: General strike in Belgium to protest against the government's austerity plan.

31 January: Interview in 'Le Monde' with Paul Krugman (Nobel Prize in economics): 'Europe needs a highly aggressive monetary policy'; 'the ECB should buy in more State debt'; 'inflation is not the problem, it's the solution'.

February

2 February: The European Parliament adopts a resolution on the European Council of 30 January 2012 (and on the Fiscal Compact) with 443 votes in favour, 124 against and 75 abstentions. The Parliament comments that 'virtually all the elements contained in the new Treaty can be achieved, and to a large extent have already been achieved, within the existing EU legal framework and through secondary legislation, except for the golden rule, reversed QMV and the involvement of the ECJ'. 'European Parliament Resolution of 2 February 2012 on the European Council of 30 January 2012', (http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0023+0+DOC+XML+V0//EN).

2 February: Signing of the Treaty Establishing The European Stability Mechanism (ESM), *RAPID Press release*, D/12/3 (http://europa.eu/rapid/ press-release_DOC-12-3_fr.htm?locale=en).

6 February: The Romanian Prime Minister announces the resignation of his government following demonstrations by 'indignant' protesters against austerity measures.

10 February: The Spanish government adopts, by decree, a far-reaching reform of labour law, which includes, notably, a reduction in compensation for dismissals, an easier procedure for collective dismissals and priority given to collective bargaining at company level.

14 February: Excessive macroeconomic imbalances. The European Commission inaugurates the procedure for macroeconomic imbalances, publishing a first report on the European early warning system. This will monitor the performance of 12 Member States: France, the United Kingdom, Italy, Spain, Belgium, Finland, Slovenia, Cyprus, Bulgaria, Denmark, Hungary and Sweden, COM (2012) 68.

14 February: The rating agency Moody's downgrades the rating of six eurozone Member States (Spain, Italy, Malta, Portugal, Slovakia and Slovenia).

15 February: European Semester. The European Parliament adopts two resolutions. The first of these denounces the 'democratic deficit' of the European Semester and asks the European Council 'to take into account parliamentary comments when endorsing the policy guidance in order to give it democratic legitimacy' (P7_TA-2012-0047) (http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0047+0+DOC+XML+V0//EN).

The second welcomes the two proposals reinforcing economic governance (*Two-pack*), stating that 'such proposals should offer the opportunity to enhance the role of the European Parliament regarding the definition and implementation of economic policy surveillance procedures within the European Semester framework in conformity with the provisions of Articles 121 and 136 of the Treaty' (P7_TA-PROV-2012-0048) (http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2012-0048+0+DOC+XML+V0//EN).

16 February: The European Commission publishes its White Paper on pensions. In terms of content, this paper seeks to promote active ageing as a solution to the trilemma of how to achieve the financial sustainability, adequacy and modernisation of pensions, COM (2012) 55.

17 February: The Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) adopts the Joint Employment Report, which indicates an increase in long-term unemployment and unemployment of low-skilled workers, and calls upon Member States to make further efforts to meet the Europe 2020 objectives. 3146th Council meeting Employment, Social Policy, Health and Consumer Affairs, Brussels (Doc.6461/12) (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/lsa/128043.pdf).

19 February: More than a million Spaniards take to the streets to denounce the new labour code.

20 February: Letter from the 12. The British, Italian and Dutch Prime Ministers – David Cameron, Mario Monti and Mark Rutte – send a letter to the President of the European Council, Herman Van Rompuy, asking him 'to help restore their confidence in Europe's ability to deliver strong and sustainable growth'. The letter is co-signed by their counterparts in nine other countries (Estonia, Latvia, Finland, Ireland, the Czech republic, Slovakia, Spain, Sweden and Poland), and contains a plan based on the opening up of the internal market in services, the setting up of a common energy market in 2014 and a digital market in 2015, an opening up to world markets such as India, a relaxation of the rules governing SMEs, the inclusion of women and young people on the labour market, the opening up of closed professions and the creation of a 'robust and dynamic' financial sector (http://www.number10. gov.uk/news/joint-letter-to-president-van-rompuy-and-president-barroso/).

21 February: The eurozone countries finalise the second financial assistance plan for Greece, for an amount of €237 billion, in order to avoid its leaving the euro.

23 February: In an interview with the Wall Street Journal, the President of the ECB does not hesitate to state that 'the European social model has already gone'. He presents the Fiscal Compact as a means allowing European governments to begin to 'release national sovereignty', Q&A: ECB President Mario Draghi (http://blogs.wsj.com/eurocrisis/2012/02/23/qa-ecb-president-mario-draghi/).

28 February: The Spanish Budget Minister Cristóbal Montoro announces an increase in Spain's public deficit to 8.51% of GDP in 2011, a figure significantly higher than the official target of 6%. The Spanish government had set itself deficit targets of 4.4% of GDP in 2012 and 3% in 2013.

28 February: Record-breaking unemployment rate in the eurozone. According to data from Eurostat, the unemployment rate in the euro area (EA17) was 10.8% in February 2012, compared with 10.7% in January. Compared with February 2011, unemployment rose by 1.874 million in the EU27 and by 1.476 million in the euro area, STAT/12/52, 2 April 2012 (http://europa.eu/rapid/press-release_STAT-12-52_en.htm).

29 February: The ECB launches a second LTRO operation (*Long-term refinancing operation)*. €529 billion, in the form of a 3-year loan, will be allocated to 800 banks at a reduced rate of 1 %. The first, three-year LTRO was launched on 21 December 2011, and allowed an amount of €1,000 billion to be released into the banking system, i.e. the equivalent of the 'long-term budget framework' or the 'multiannual financial framework' for 2014-2020.

29 February: European trade union demonstrations in Brussels following an appeal by the European Trade Union Confederation (ETUC) against the austerity plans in Europe.

March

1st March: 'The European social model is not dead', in the words of the President of the European Council, Herman Van Rompuy, bringing to a close the tripartite social summit organised in Brussels, prior to the meeting of the Heads of State and Government.

2 March: In the margins of the European Council, the Heads of State and Government of 25 countries (not the United Kingdom or the Czech republic) sign the Treaty on Stability, Coordination and Governance' (TSCG or Fiscal Compact) in the Economic and Monetary Union. The final details concern the arrangements for monitoring by the Court of Justice of the introduction of a golden rule into national legislations.

2 March: The Spanish government announces that its budgetary target for 2012 will be a deficit of 5.8%, instead of an initial figure of 4.4%.

5 March: The Commission requires Spain to maintain its original budgetary targets for 2012, and threatens the country with sanctions.

7 March: In spite of their differences in approach, the social partners present to the Presidents of the Commission and the Council, and to Danish, Cypriot and Irish ministers (representing the Presidency Trio of the Council), their joint working programme for 2012-2014.

This programme puts great emphasis on youth unemployment. The social partners undertake to launch a reflection process to reach a common understanding of the consequences of the current debate on European economic governance on European and national social dialogue. Topics for discussion will include remuneration, pensions and labour costs (http://www.etuc.org/a/9772).

7 March: In its opinion on the *Two-pack*, the European Central Bank (ECB) proposes the use of reverse qualified majority voting to establish that the requirements of the Commission's adjustment programme for a country under surveillance have not been respected, Official Journal of the European Union C 141 of 17 May 2012: (http://www.ecb.int/ecb/legal/pdf/c_14120120517fr00070024.pdf).PDF.

12 March: The Finance Ministers of the eurozone ask the Spanish government to reduce its deficit to 5.3% of GDP in 2012 (i.e. 0.5% lower than the 5.8% announced by the Spanish government, representing an extra reduction of 35 billion euros). The Ministers of Economic and Financial affairs feel that they have shown flexibility. The European Commission, however, asks the Spanish government to bring down its deficit from 8.5% to 3% of GDP over two years. Terms of Reference on Spain 12.03.2012 (http://www.consilium.europa.eu/media/1479183/tor_on_spain_12_march_2012.pdf).

12 March: The International Federation for Human Rights (FIDH) has, for a long time now, been asking for full recognition of economic, social and cultural rights (ESCR) in the international legal order. It publishes a guide for victims and NGOs on recourse mechanisms available in cases of human rights abuses involving corporations. The EIB is criticised in the report for making extensive use of financial intermediaries, which are often European subsidiaries or multinationals operating abroad, a practice which is of no benefit to ‘Southern’ SMEs. (http://www.fidh.org/Entreprises-et-violations-des).

14 March: The Finance Ministers of the eurozone formally adopt the second financial assistance plan for Greece: 130 billion euros.

21 March: The European Trade Union Confederation (ETUC) rejects the proposal for a Council regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services ('Monti II'), adopted on the same day by the European Commission. According to the ETUC, the Commission proposals fall a long way short of correcting the problems brought about by the Viking and Laval cases, COM (2012) 130 and http://www.etuc.org/a/9823.

29 March: General strike in Spain, called by the two largest trade unions: the Confederation of Workers’ Commissions (CCOO) and the General Workers’ Confederation (UGT). This is only the sixth general strike since the country’s return to democracy. The unions are protesting against the reform of the labour code, referred to as ‘the most aggressive reform in the history of Spanish democracy’, which makes redundancies easier and the labour market more flexible.

31 March: According to Eurostat, the unemployment rate in the eurozone has reached 10.9% in March 2012, its highest ever level since the creation of the EMU. In March 2011, it stood at 9.4%. (http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-02052012-AP/EN/3-02052012-AP-EN.PDF).

April

3 April: The European Students’ Union (ESU) denounces the situation of thousands of Portuguese students, who have had to abandon their studies for economic reasons, as a result of the swingeing cuts to the higher education budget in Portugal, and the discontinuation of social support to socially or economically disadvantaged students (http://www.

esu-online.org/news/article/6001/Cuts-in-social-support-force-Portugese-students-to-leave-education/).

4 April: The President of the European Central Bank (ECB) esteems that the Spanish Prime Minister should use the window of opportunity created by the ECB emergency measures to effect the promised structural reforms and fiscal consolidation (http://www.bloomberg.com/news/2012-04-04/draghi-scotches-ecb-exit-talk-as-spain-keeps-debt-crisis-alive.html).

9 April: The Dutch Council of State issues an opinion on the Fiscal Compact. The opinion expresses the view that reverse qualified majority voting is a decision-making procedure different from that contained in Article 126 of the Treaty on the Functioning of the European Union (excessive debt procedure). The opinion will be published on 25 June, together with the reaction of the government.

16 April: Signing of the Procès-verbal de rectification of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, signed in Brussels on 2 March 2012.

18 April: The Commission adopts an 'Employment Package' containing several initiatives to tackle youth unemployment. One of the rare innovatory ideas is support for a minimum wage. According to the Commission: 'Setting minimum wages at appropriate levels can help prevent growing in-work poverty and is an important factor in ensuring decent job quality'. The Commission does not advocate national statutory minimum wages, as in Belgium, France, Luxembourg and Ireland, but rather sectoral minimum wages, as in Germany, IP/12/380 (http://europa.eu/rapid/press-release_IP-12-380_en.htm).

18 April: Employment Package. The European Trade Union Confederation (ETUC) publishes a press release which, although recognising the emphasis rightly given in the package to the huge challenge of combating high and persistent levels of unemployment in Europe, expresses serious doubts as to its chances of success (http://www.etuc.org/a/9890).

23 April: According to data published by Eurostat, global debt reached record levels in 2011. In the eurozone, public debt climbed to 87.2% of

GDP, from 85.3% in 2010. The highest ratio was reached by Greece (165.3%), followed by Italy (120.1%). According to Eurostat, the monitoring of national private debt levels reveals a worrying trend in certain countries such as Denmark (236% of GDP), Sweden (237% of GDP) or Portugal (247% of GDP). (http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-23042012-AP/EN/2-23042012-AP-EN.PDF).

25 April: The European Commission adopts the regulation listing the conditions in which aid given to undertakings providing Services of General Economic Interest (SGEI) does not constitute state aid pursuant to Article 107 of the Treaty on the Functioning of the European Union (TFEU). Henceforth, amounts of a maximum of €500,000 granted over a period of three years are not considered as state aid, since they do not affect competition or trade between Member States. These ceilings are higher than the de minimis ceilings generally applying to state aid (€200,000 over three years), since it is assumed that the aid measures offset at least partially the extra costs involved in providing a public service. The *de minimis* regulation will remain in force until 31 December 2018. Official Journal of the European Union L 114 of 26 April 2012 (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2012:114:0008:0013:EN:PDF).

30 April: In its World of Work Report 2012, the International Labour Organization (ILO) denounces the effects of austerity policies in Europe. According to the report, budgetary discipline linked to deregulation of the labour market will not improve short-term employment prospects. World of Work Report 2012 'Better Jobs for a Better Economy'.

May

6 May: The Presidential election in France is won by the Socialist party candidate, François Hollande, who declares his intention to promote growth in Europe.

6 May: Legislative elections in Greece. Syriza, a party to the left of Pasok, which opposes the signing of the memorandum with the Troika (European Commission, European Central Bank and International Monetary Fund) setting out new austerity measures, and is demanding the cancellation of part of the country's debt, becomes the second most important party and gains 12.17% of votes (compared to 4.60% in 2009). Pasok only obtains 13.67% in 2012. The New Democracy party (right) achieves 18.87% in 2012. The abstention rate is 34.87%. These results make it impossible for the traditional parties to form a majority.

12 May: The Charlemagne Prize 2012 is awarded to Wolfgang Schäuble, German Minister of Finance, for his work to promote European integration. On receiving the prize, he calls upon the European Union to establish the post of an elected President, to give 'a face' to Europe. According to the German Minister of Finance, 'We need strong institutions, with political legitimacy'.

24 May: The draft Council regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services (Monti II), is a controversial topic among Member States. National parliaments used the so-called 'yellow card' mechanism, a facility introduced by the Lisbon Treaty to challenge European legislative proposals. Twelve national parliaments felt that the proposal for a regulation was in breach of the principle of subsidiarity.

IPEX following national debates on Monti II initiative, COM (2012) 130 (http://www.ipex.eu/IPEXL-WEB/news.do?appLng=FR#082dbcc537 165b8801377f1fd6343bd8).

31 May: A positive outcome of the Irish referendum on the Treaty on Stability, Coordination and Governance' (TSCG). 60.3 % of voters were in favour of the text. Only half of the Irish population took part in the vote (participation rate 50.6 %).

31 May: Unemployment in the eurozone reaches a new record of 11.1% of the active population, compared to 11% in April, according to Eurostat. According to its estimations, 17,561 million people were unemployed in the eurozone in May, i.e. 88,000 more than the previous month. This is the 13th consecutive month in which unemployment in the eurozone reached or went beyond the threshold of 10%, Eurostat, *Press Release*, 101/2012 (http://epp.eurostat.ec. europa.eu/cache/ITY_ PUBLIC/3-02072012-AP/EN/3-02072012-AP-EN.PDF).

June

6 June: Moody's downgrades the credit ranking of 8 German banks, including the Commerzbank.

9 June: The eurozone countries decide to allocate significant assistance, up to €100 billion, to Spanish banks. The practical details are yet to be decided.

13 June: Moody's cuts Spain's government bond rating by three notches, from A3 to Baa3.

13 June: The European Parliament adopts two legislative resolutions on the *Two-pack*, the legislative packet completing the revised Stability and Growth Pact. Following this, the Commissioner for Economic and Financial affairs, Olli Rehn, comments that: 'Many of the amendments of the European Parliament refer to the forthcoming road map on EMU reform by the four presidents', P7_TA-PROV(2012)0243 et P7-TA-2012-242.

17 June: New legislative elections in Greece, as it had previously been impossible to form a government. These elections are presented as a referendum as to whether the country should remain in the eurozone, which would in itself require the adoption of new memoranda and further structural reforms.

21 June: Moody's downgrades the rating of 15 major international banks (5 American – 3 French – 2 Swiss – 3 British – one Canadian and one German).

25 June: The Dutch government responds to the opinion from the Council of State on the Fiscal Compact, which expresses, notably, disagreement as to the interpretation of the scope of reverse qualified majority voting (http://www.raadvanstate.nl/adviezen/zoeken_in_adviezen/zoekresultaat/?advicepub_id=10300).

26 June: The Parliamentary Assembly of the Council of Europe adopts a resolution entitled 'Austerity measures – a danger for democracy and social rights'. In it, it denounces the use of austerity measures 'often linked to bodies whose character raises questions of democratic control and legitimisation, such as the so-called "Troika" of the International Monetary

Fund, the European Commission and the European Central Bank, or the newly composed, technocratic governments that have recently been set up in several Member States', Resolution 1884 (2012), adopted by 92 votes in favour, 32 against and 5 abstentions (http://www.assembly.coe.int/ASP/XRef/X2H-DW-XSL.asp?fileid=18916&lang=EN).

26 June: Release of the report drawn up by the four Presidents, entitled 'Towards a Genuine Economic and Monetary Union', and presented by the President of the European Council, together with the President of the Commission, the President of the Eurogroup and the President of the European Central Bank (ECB), EUCO 120/12 (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/131201.pdf).

26 June: The 'General Affairs' Council decides to open accession negotiations with Montenegro, with a view to joining the Union, on 29 June 2012. This decision will be adopted by the European Council at the end of June 2012, Press: 283 Nr: 11690/12.

27 June: According to the European Commission quarterly review 'EU Employment and social situation', the situation on the labour market is still getting worse in Europe. Unemployment has increased in most Member States, and employment levels have stagnated, or diminished slightly. (http://ec.europa.eu/social/BlobServlet?docId=7830&langId=en).

27 June: The eurozone Finance Ministers welcome the request from the Spanish government for financial assistance to recapitalise its banks, as well as the request from the government of Cyprus.

28 and 29 June: The European Council adopts a 'Compact for growth and jobs'. This contains, as is often the case, decisions whose main features were already the subject of broad agreement, including an increase in the capital of the European Investment Bank (EIB). EUCO 76/12 (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/131388.pdf).

28 and 29 June: The Statement of the Heads of State and Government of the eurozone declares that 'it is imperative to break the vicious circle between banks and sovereigns'. It contains a proposal for the setting up of a single banking supervisory mechanism managed by the European Central Bank (ECB), and, as a following step, that the European

Stability Mechanism (ESM) should be given the possibility to inject funds into banks directly. Euro Area Summit Statement, 29 June 2012.

July

1st July: Cyprus begins its Presidency of the Council

5 July: The President of the European Central Bank (ECB), Mario Draghi, announces the decision of the Governing Council to cut its key interest rate from 1 % to 0.75 % (http://www.ecb.int/press/pressconf/2012/html/is120705.en.html).

5 July: The Constitutional Court in Portugal rules that the decision to do away with the 13th and 14th month salary for Portuguese civil servants and pensioners, a central measure of the country's austerity policy, is 'anti-constitutional', since it runs counter to the 'principle of equality'. The government responds that it intends to extend to the whole population the pay-cuts which so far have only been applied to civil servants and retirees. (http://www.tribunalconstitucional.pt/tc/acordaos/20120353.html).

9 July: The 17 eurozone Finance Ministers meet in order to implement the decisions of the European Council of 28 and 29 June. The draft Memorandum of Understanding with Spain should be signed on 20 July 2012. The ministers confirm the extension of Jean-Claude Juncker's mandate as head of the Eurogroup, but he informs them that he does not plan to complete his two and a half year term of office.

10 July: The ECOFIN Council closes the second European Semester, making Country-Specific Recommendations on the economic and budgetary policies of the individual Member States. Launching of a pilot phase of 'project bonds', i.e. shared loans up to the value of 4.5 billion euros, used to finance large-scale infrastructure projects. The ECOFIN Council proposes that Yves Mersch, Governor of the Luxembourg Central Bank, should replace José Manuel González-Páramo, whose term of office ran out on 31 May, at the helm of the European Central Bank (ECB).

3181st Council Meeting Economic and Financial Affairs, Brussels, 10 July 2012 (Doc.12204/12) (http://www.consilium.europa.eu/uedocs/ cms_data/docs/pressdata/en/ecofin/131686.pdf).

11 July: A report by the ILO's International Institute for Labour Studies says a concerted policy shift towards job creation is needed in order to reverse the heavy unemployment crisis affecting the single-currency area (http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_185000/lang--en/index.htm).

11 July: Mario Monti, President of the Italian Council, who, until now, has also been Minister of Economy and Finance, proposes to the President of the Republic of Italy the appointment of Vittorio Grilli to that post.

12 July: The German Education Minister, Annette Schavan, and her Spanish counterpart, José Ignacio Wert Ortega, decide to set up a programme to exchange experts between the two countries in order to improve vocational training for young people.

12 July: The Dutch Parliament passes a law to extend the statutory retirement age by two years. Retirement age in the Netherlands, therefore, which has been 65 since 1957, will go up to 66 in 2019 and 67 in 2023.

13 July: The Spanish government announces new measures intended to save 65 billion euros by the end of 2014.

16 July: The International Monetary Fund (IMF) congratulates Latvia, whose economy – which has been receiving financial assistance from the EU and the IMF since December 2011 – should grow by 3.5% in 2012. The Fund stresses the need to tackle the high level of unemployment, which affects 15% of the population. The IMF recommends that the government consider the possibility of issuing bonds, to 'help guard against an unexpected worsening of Latvia's external position'. According to the report, Latvia has 'a fair chance' of meeting its objective of adopting the euro in 2014. (http://www.imf.org/external/np/sec/pn/2012/pn1276.htm).

19 July: The International Monetary Fund (IMF) publishes a report, recommending measures to be taken by the eurozone States in order to exit the crisis. It advocates, in particular, the establishment of a banking union and greater fiscal union in order to safeguard the viability of the monetary union (http://www.imf.org/external/pubs/ft/survey/so/2012/INT071812A.htm).

20 July: The Finance Ministers of the eurozone unanimously approve the financial assistance plan for banks prepared by the Spanish government. The agreement is linked to a commitment to carry out reforms, particularly to the banking sector. 100 billion euro will be made available from the European Financial Stability Facility (EFSF) and then the European Stability Mechanism (ESM).

20 July: The European Central Bank (ECB) announces that 'for the time being' it will no longer accept Greek bonds from banks as collateral, pending the Troika report on the progress of reforms in the country.

20 July: The Italian Constitutional Court declares the Berlusconi government's decision to privatise local public services to be unlawful. Article 4 of Decree-Law No. 138 contradicts the results of the referendum organised in June 2011, in which Italians decided by a massive majority to reject water privatisation. The Berlusconi decree, as well as the later amendments introduced by the Monti government, are declared anti-constitutional. Decision No. 199 of 20 July 2012

23 July: The rating agency Moody's announces that it will place the German triple A rating under credit watch, suggesting that it may be at risk. It downgrades the public debt outlooks for Germany, the Netherlands and Luxembourg from 'stable' to 'negative'.

30 July: With 18 million people now without a job, the unemployment rate in the eurozone in July 2012 has reached a record level of 11.3% of the active population. (http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31082012-BP/EN/3-31082012-BP-EN.PDF).

August

6 August: In response to the consultation on industrial policy, launched by the European Commission in May 2012, the European Trade Union Confederation (ETUC) states that: 'A key element of any industrial policy is having a skilled and well trained workforce to produce quality goods and services. However, EU labour market and employment strategy is focused on labour market reforms leading to greater flexibility and increased precariousness, which directly undermines the focus on up/re-skilling the workforce' (http://www.etuc.org/a/10259 and http://www.etuc.org/IMG/pdf/ETUC_IP_response_2012.pdf).

9 August: France's Constitutional Council finds that the Fiscal Compact is in conformity with the national Constitution. Adoption of the 'golden rule' for budgets will not require an amendment to this constitution. This decision paves the way for ratification by the French Parliament. Decision No. 2012-654 DC (http://www.conseil-constitutionnel.fr/conseil-constitutionnel/francais/les-decisions/acces-par-date/decisions-depuis-1959/2012/2012-654-dc/decision-n-2012-654-dc-du-09-aout-2012.115426.html).

14 August: Eurostat announces that in the second quarter of 2012, the GDP of the eurozone was down by 0.4% and that of the European Union by 0.2% compared to the second quarter of 2011. GDP in Greece fell by more than 6%, whereas that of Italy, Cyprus and Portugal fell by more than 2%. Eurostat, *Press Release*, 119/2012 (http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/2-14082012-BP/EN/2-14082012-BP-EN.PDF).

24-25 August: The Greek Prime Minister, Antonis Samaras, travels to Berlin and Paris in order to explain to the German Chancellor, Angela Merkel, and the French President, François Hollande, the reasons for his request for more time to put in place austerity measures.

29 August: Meeting in Berlin between the German Chancellor, Angela Merkel, and the President of the Italian Council of Ministers, Mario Monti. They are not able to resolve their differences concerning the European Stability Mechanism (ESM). Angela Merkel considers that granting a banking licence would be contrary to the treaty, whereas Mario Monti wishes to strengthen the mechanism.

September

6 and 7 September: The European Commission organises a high-level conference on employment policy. At the conference, Commissioner László Andor (Employment, Social Affairs and Inclusion) states that Europe should ‘work to set up urgently such a European unemployment benefit scheme as we develop the next phase of Economic and Monetary Union’, Europolitique, 12 October.

6 September: The ECB announces the launching of a new programme, ‘Outright monetary transactions’ (OMT), to buy up the public debt of eurozone Member States (buying in short and medium-term government-issued eurozone bonds, particularly 1-3 year bonds). This programme will be activated subject to the strict condition that the States wishing to benefit must previously have requested assistance from the EFSF and the ESM, its successor, and thus have accepted the conditions attached to these. This announcement may have calmed the ‘markets’, but has done nothing to prevent the further proliferation of austerity plans (http://www.ecb.int/press/pr/date/2012/html/pr120906_1.en.html).

6 September: The President of the ECB calls for the creation of a 'European Public Space', while warning that 'Citizens need to be in basic agreement that, within a monetary union, certain economic models are no longer possible. They must understand that there are limits to national discretion in economic policies that affect the area as a whole. In other words, there needs to be a new consensus on economic policies that will reinvigorate the European social model and make it fit for the 21st century.' (http://www.ecb.int/press/key/date/2012/html/sp120906.en.html).

7 September: The Portuguese Prime Minister, Pedro Passos Coelho, announces a tightening of budgetary discipline in 2013. Whilst receiving financial assistance, Portugal is unable to meet its commitments to reduce the public deficit.

10 September: According to a report published every 3 years by the European Commission, youth unemployment in the EU among 15-24-year-olds has increased by 50% since the onset of the crisis, from an average of 15% in February 2008 to 22.5% in July this year. More than 30% of young unemployed have been jobless for more than a year. Latest figures released by Eurostat show that highest rates are in Greece

(53.8%) and Spain (52.9%), IP/12/948 (http://europa.eu/rapid/press-release_IP-12-948_en.htm).

10 September: The European Commission rejects a citizens' initiative proposal for a guaranteed basic income, arguing that there is no suitable legal basis for such a measure (http://revenudebase.info/2012/09/linitiative-citoyenne-europeenne-pour-le-revenu-de-base-rejete-par-la-commission/).

12 September: The German Constitutional Court rejects appeals from 37,000 German citizens and several MPs against the Fiscal Compact and the Treaty establishing the European Stability Mechanism (ESM). Germany has agreed to the ESM provided that any involvement of the country above 190 billion euros would be subject to prior approval from the Bundestag, *Press Release*, n° 67/2012 (http://www.bverfg.de/en/press/bvg12-067en.html).

12 September: Legislative elections in the Netherlands. 22 parties stand for the elections. 12 new groupings try their luck. The Liberals of the People's Party for Freedom and Democracy (VVD) gain the most votes (26.6%), and negotiate with the Socialists of the Labour Party (PvdA, 24.8%) to form a government.

12 September: In his speech to the European Parliament on the State of the Union, the President of the European Commission, José Manuel Durão Barroso, calls for the Union to develop into a Federation of Nation-States, which will require a new treaty, SPEECH/12/596 (http://europa.eu/rapid/press-release_SPEECH-12-596_en.htm).

21 September: Europe 2020 and the platform against poverty. The European Commission invites stakeholders to hold discussions. Its agreed objective within the Europe 2020 strategy is to achieve a situation with at least 20 million fewer people in or at risk of poverty and social exclusion by 2020.

25 September: Under the watchword 'Ocupa el Congreso', the Spanish 'indignados' surround Parliament, denounce the adoption of new austerity measures, and demand the resignation of the government. 67 people are injured by the riot police.

October

3 October: As the single market celebrates its 20th birthday, the European Commission presents its 'Single Market Act II', putting forward twelve priority actions for new growth, IP/12/1054 (http://europa.eu/rapid/press-release_IP-12-1054_en.htm).

5 October: The Spanish Socialist Party (PSOE) and the United Left party (IU) lodge an appeal with the Spanish Constitutional Court, denouncing the reform of the labour code, adopted by decree on 10 February 2012, and claiming that it is in breach of 9 articles of the Spanish Constitution (http://politica.elpais.com/politica/2012/10/05/actualidad/1349428952_767618.html).

6 October: According to a report from the International Monetary Fund (IMF), austerity policies have a negative impact on advanced economies. The current 'fiscal multiplier' is not 0.5 for advanced economies, but lies somewhere between 0.9 and 1.7. A drop in public expenditure equivalent to 1 percentage point of GDP will thus lead to a 0.9 to 1.7 drop in GDP itself. World Economic Outlook Reports (http://www.imf.org/external/pubs/ft/weo/2012/02/pdf/text.pdf).

8 October: The Finance Ministers of the eurozone officially launch the European Stability Mechanism (ESM).

9 October: The ECOFIN Council decides to grant Portugal an extra year, until 2014, to correct its excessive public debt. The financial transaction tax will apply via enhanced cooperation. 3189th Council meeting Economic and Financial Affairs, Luxembourg, Press: 411 Nr: 14469/12 (http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/132771.pdf).

9 October: The 2012 ECB structural issues report focuses on 'Euro area labour markets and the crisis'. The reforms recommended are those introduced through the Hartz laws in Germany (p.10) and those relating to flexibility in wage bargaining and a reduction of excessive employment protection measures introduced in Greece, Portugal and Ireland or in Spain and Italy (http://www.ecb.europa.eu/pub/pdf/other/euroarealabourmarketsandthecrisis201210en.pdf?6404370b82a1b6c9b18397323311253f).

10 October: As part of the Europe 2020 strategy, the Commission publishes a series of actions designed 'to reverse the declining role of industry in Europe'. Employment is addressed in terms of 'human capital and skills'. The emphasis is on 'equipping the labour force for industrial transformations, notably by better anticipating skills needs and mismatches'. The European Competitiveness Report 2012 (fifteenth edition) analyses the main globalising trends in the last 15 years, the resulting costs and benefits, and the challenges ahead for EU businesses, IP/12/1085 (http://europa.eu/rapid/press-release_IP-12-1085_en.htm).

12 October: The European Union receives the Nobel Peace Prize.

15 October: Invoking an exemption clause for 'justice and home affairs' measures, the British Home Secretary, Theresa May, announces to the members of the House of Commons the government's intention to 'opt out en masse' from the 130 European police and judicial cooperation measures. Under the Lisbon Treaty, the United Kingdom has until 31 May 2014 to choose to opt out. (http://www.homeoffice.gov.uk/media-centre/speeches/home-sec-eu-justice-statement).

15 October: The British Prime Minister, David Cameron, signs an agreement in Edinburgh with the Scottish Nationalist leader Alex Salmond, authorising the organisation of a referendum on independence for Scotland (http://www.number10.gov.uk/wp-content/uploads/2012/10/Agreement-final-for-signing.pdf).

15 October: The Portuguese government presents a draft 2013 budget to Parliament of unprecedented budgetary rigour (tax increases, cuts in pensions and social benefits).

17 October: The Council of Europe's European Committee of Social Rights (ECSR) states that certain provisions of the European Social Charter have been violated by legislative austerity measures adopted by Greece.

18 and 19 October: The European Council is an opportunity to highlight the obstacles on the road to banking union, a project which must precede the provision of direct aid to the banking sector, according to the German Chancellor, Angela Merkel. EUCO 156/12.

22 October: The Luxembourg Chamber of Employees (CSL), having decided to examine the question, delivers a highly critical opinion on the Fiscal Compact. According to the CSL, this pact gives rise to 'serious questions as to the erosion of democracy and the sovereign power of national parliaments to vote freely on the budget; as well as giving increased powers to non-elected technocratic bodies'. (http://www.europaforum.public.lu/fr/actualites/2012/10/csl-traite-gouvernance/index.html).

24 October: The European Commission presents a proposal for a Fund for European Aid to the Most Deprived, which attempts to salvage the food aid programme, initially created to use the then surplus agricultural production. The proposed Fund for European Aid to the Most Deprived is intended as a replacement for the older programme, but with conditions attached, IP/12/1141 (http://europa.eu/rapid/press-release_IP-12-1141_en.htm).

29 and 30 October: The heads of five international economic organisations (OECD, IMF, WTO, World Bank, and ILO) hold meetings at the OECD with, in turn, the French President, François Hollande, and then the German Chancellor, Angela Merkel.

30 October: The Cyprus Presidency submits an alternative draft European budget for 2014-2020, with a view to reducing the amounts requested by the Commission 'by at least 50 billion euros'. The Commission rejects it straight away. In July, the Commission had put forward a draft for 1,033 billion euros for 2014-2020, i.e. an increase of almost 5% compared to the period 2007-2013. This proposal was rejected by seven countries (the United Kingdom, France, Germany, the Netherlands, Finland, Sweden and Austria).

30 and 31 October: The US Secretary of State, Hillary Clinton, and the High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, visit Bosnia-Herzegovina, Serbia and Kosovo. They express their support in principle for accession of these three States to the European Union.

November

8, 9, 10 and 11 November: Ten years after the 1st European Social Forum, international meetings are organised in Florence, under the heading 'Firenze 10 + 10'. The event sees the launch of a network of progressive economists (E-PEN). It brings together various groups of economists, researchers, institutes and civil society organisations, with a critical view of the economic and social policies which have brought Europe to the current crisis.

13 November: Several Member States reject any reference to new budgetary instruments (eurobonds, eurobills, redemption fund) in the *Two-pack*, the legislative package completing the revised Stability and Growth Pact.

14 November: General strike in Spain, Greece and Portugal on the European action day supported by the European Trade Union Confederation (ETUC).

1-16 November: Following the Council of Europe, the International Labour Organization (ILO) considers that the measures adopted by Greece under pressure from the Troika – European Commission (EC), European Central Bank (ECB) and International Monetary Fund (IMF) – erode the most fundamental workers' rights, seriously undermine the position of trade unions and could be a threat to social cohesion and peace, while effecting a radical transformation to the labour relations system established in Greece.

16 November: Health care expenditure in the European Union fell in 2010, at the time when cash-strapped public authorities cut spending to reduce budgetary deficits, according to a new joint report from the OECD and the European Commission. Health at a glance: Europe 2012.

19 November: The rating agency Moody's cuts France's rating from Aaa to Aa1, since, in its view, the long-term prospects for economic growth in the country are affected, in particular, by a gradual and on-going loss of competitiveness, and by long-term rigidities in its labour, goods and services markets.

20 November: The IMF publishes the conclusions of Portugal's 6th quarterly review, which will allow the disbursement of a new 2.5 billion euro instalment of aid to the country as part of its 78 billion euro international bailout plan.

21 November: The Minister of Finance of Cyprus, Vassos Shiarly, announces that Cyprus needs €17 billion in aid for the period 2012-2016.

22-23 November: Extraordinary meeting of the European Council. No agreement on the multiannual financial framework (2014-2020).

27 November: The Court of Justice confirms the decision to use the simplified revision procedure to revise the Lisbon Treaty, in order to set up a stability mechanism, but esteems that Member States' right to conclude the ESM Treaty is not dependent on the entry into force of the revised Lisbon Treaty. Pringle judgement, case C-370/12.

28 November: The European Commission has published the key documents for the forthcoming European Semester. For 2013, the priority for the European Semester will, as in 2011 and 2012, be fiscal consolidation. The four other priorities also remain the same, i.e. restoring normal lending to the economy; promoting growth and competitiveness for today and tomorrow; tackling unemployment and the social consequences of the crisis; and modernising public administration, COM (2012) 750 and IP/12/1274 (http://europa.eu/rapid/press-release_IP-12-1274_en.htm).

28 November: The European Commission today adopted a Blueprint for a deep and genuine Economic and Monetary Union (EMU), which provides a vision for a strong and stable architecture in the financial, fiscal, economic and political domains, IP/12/1272 (http://europa.eu/rapid/press-release_IP-12-1272_en.htm).

30 November: The rating agency Moody's downgrades the rating of the European Stability Mechanism (ESM) by one notch from Aaa to Aa1, with a negative outlook. This decision follows on the heels of another downgrading of France's sovereign rating.

November: Pressures on the ECB. According to the OECD, the euro area is in a recession, which is projected to persist into the early part of 2013. Growth is projected to pick up only slowly during 2013 and into 2014. To support demand, the ECB should reduce interest rates further and issue forward guidance on maintaining the accommodative policy stance for a long period (http://www.oecd.org/eco/economicoutlook analysisandforecasts/euroareaeconomicforecastsummary.htm).

December

5 December: The Commission presents a Youth Employment Package including a proposed Recommendation to Member States on introducing a 'Youth Guarantee' as well as a consultation of European social partners on a Quality Framework for Traineeships so as to enable young people to acquire high-quality work experience under safe conditions, IP/12/1311 (http://europa.eu/rapid/press-release_IP-12-1311_en.htm).

5 December: The Commission launches a three-month consultation on EU law on social security in situations with an EU cross-border element (http://ec.europa.eu/social/main.jsp?catId=333&langId=en&consultId=12&visib=0&furtherConsult=yes).

6 December: The rating agency Standard & Poor's announce that they have put the rating of the European Financial Stability Facility (EFSF) on credit watch with negative implications. The EFSF, to which France and Germany are the main contributors, risks seeing its triple A rating downgraded by one or two notches.

5-7 December: Second Annual Convention of the Platform against Poverty and Social Exclusion, the objective of which, agreed as part of the Europe 2020 strategy, is to lift at least 20 million people out of poverty and social exclusion by 2020. On the basis of this work, the Commission announces the presentation of a 'Social Investment Package for Growth and Social Cohesion' at the beginning of 2013, as well as greater involvement of stakeholders in the annual growth survey and the European Semester, MEMO/12/968.

7 December: The International Labour Organization releases the Global Wage Report 2012-13. Wage growth slows globally: global monthly wages grew by 1.2 % in 2011, down in 2010 (+2,2%). Also, 'wage growth suffered a double-dip in developed economies where it is forecast at 0% in 2012', 'Global Wage Report 2012-13: Wages and Equitable Growth'.

14 December: The number of persons employed decreased by 0.2% in both the euro area1 (EA17) and the EU27 in the third quarter of 2012 compared with the previous quarter, according to Eurostat, the statistical office of the European Union, STAT/12/182 (http://europa.eu/rapid/press-release_STAT-12-182_en.htm).

13-14 December: Completion of Economic and Monetary Union. The President of the European Council, working in close cooperation with the President of the European Commission, is invited to submit in June 2013 a new roadmap and possible measures for the coordination of national reforms, the social dimension of EMU (including the social dialogue), contracts for competitiveness and growth, and the deepening of the single market. Agreement on a single system of banking supervision, but only for so-called 'systemic' banks, EUCO 205/12 and 17739/12.

20 December: The proportion of low-wage earners among employees amounted to 17.0% in 2010 in the EU27. This proportion varied significantly between Member States, with the highest percentages observed in Latvia (27.8%), Lithuania (27.2%), Romania (25.6%), Poland (24.2%) and Estonia (23.8%), and the lowest in Sweden (2.5%), Finland (5.9%), France (6.1%), Belgium (6.4%) and Denmark (7.7%) STAT/12/189, (http://europa.eu/rapid/press-release_STAT-12-189_en.htm).

21 December: The Finnish Parliament ratifies the European Fiscal Compact. Ratified by 12 of the 17 eurozone countries, the treaty will enter into force on 1st January 2013. It has also been ratified by four countries which are not members of the eurozone (Denmark, Latvia, Lithuania and Romania). Within the eurozone, the three Benelux countries have not yet finished the ratification procedure.

21 December: The Luxembourg Council of State publishes a report on the Fiscal Compact. The law adopting the Fiscal Compact implies a devolving of competencies from the legislative, executive and judicial powers to institutions of international law in the meaning of Article 49a) of the Luxembourg Constitution, and must therefore be ratified by a ‘constitutional’ majority of two thirds of MPs. (http://www.chd.lu/wps/portal/public/RoleEtendu?action=doDocpaDetails&backto=/wps/portal/ public&id=6449).

31 December: According to Nobel Prize-winning economist Joseph Stiglitz, ‘the real risk for the global economy is in Europe’. (...) ‘The eurozone’s “Fiscal Compact” is no solution, and the European Central Bank’s purchases of sovereign debt are at most a temporary palliative. If the ECB imposes further austerity conditions (as it seems to be demanding of Greece and Spain) in exchange for financing, the cure will only worsen the patient’s condition’ (http://www.project-syndicate.org/commentary/risky-europe-and-america-in-2013-by-joseph-e--stiglitz).

Chronology drawn up by Cécile Barbier.