## **Politics & Economics Bulletin**

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# Brexit to further delay Turkey's EU process

Hurriyet Daily News, 24.06.2016



It's too early to make sound and comprehensive forecasts on how Brexit will affect the Turkey-EU relationship, but it appears likely that Turkey's accession will be delayed amid the processes associated with Britain's departure.

As stated by Donald Tusk, EU leaders will come together in an informal meeting to discuss the Brexit vote, marking the beginning of a very long process for the finalization of the United Kingdom's departure on the basis of the Lisbon Treaty. It's hard to say how long the negotiations between London and Brussels will take to craft the divorce deal, but diplomats believe they will take at least two years.

In the meantime, the EU has to find ways to stop other member countries from going to a referendum as expressed by many of the leaders of prominent members. The only way to ensure this is to reform the EU. Both processes will sure require long-term efforts which will surely postpone the EU's ongoing enlargement plans. However, the most important problem is whether the EU will be able to keep its unity and existing model.

The U.K.'s departure will surely introduce a new model of a relationship between the EU and non-member countries and there will be new ideas to produce a special relationship between Turkey and the EU as well. Second, Turkey-EU ties are marked by the migrant deal that includes granting visa liberalization to Turkish nationals in return for the implementation of a Readmission Agreement.

Although the EU will be deeply involved with Brexit, the negotiations between Ankara and Brussels on this particular issue will likely continue, as stopping the flow of irregular migrants into the EU remains one of the most important issues for Brussels. In this very critical process, Turkey should better underline that its strategic goal is to join the EU to avoid giving ammunition to Turkey-skeptics in the EU that have used every single opportunity to agitate against Turkish membership in the bloc.



# Ankara condemns North Korean missile test as 'threat to global security'

Hurriyet Daily News, 24.06.2016



Ankara has condemned the launch of ballistic missiles by North Korea, while labeling the launches as "a threat to regional and international security and stability." "We condemn the launch of ballistic missiles by North Korea," the Foreign Ministry of Turkey said.

"The launches violate North Korea's international obligations and constitute a threat to regional and international security and stability," said Ankara. "We urge North Korea to comply with international obligations under U.N. Security Council resolutions and cease activities related to ballistic missiles and weapons of mass destruction," the Foreign Ministry said.

A Seoul-based U.S. think tank, meanwhile, said that North Korea's test of a new medium-range missile could help the nuclear-armed state develop an operational intercontinental ballistic missile (ICBM) capable of striking the United States mainland by 2020. The U.S.-Korea Institute at Johns Hopkins University said the test of a so-called Musudan missile was a "partial success" that demonstrated the full performance of the weapon's propulsion system, and "at least a minimally functional" guidance system.

The Musudan has a theoretical range of anywhere between 2,500 and 4,000 kilometers, with the upper estimate covering U.S. military bases as far away as Guam. After a string of four failed launches in previous months, North Korea tested two Musudans just hours apart.

The first was seen as a failure, but the second was hailed by leader Kim Jong-un as a complete success and proof of the North's ability to strike U.S. bases across the Pacific. The second missile was fired at an unusually elevated angle to attain a maximum height of between 1,000 and 1,500 kilometers – restricting its horizontal range to just 400 kilometers.



# Turkey wants Britain to stay in EU 'under any circumstances'

AFP, 22.06.2016



Turkey strongly backed Britain staying in the European Union, a day ahead of the referendum on its membership of the bloc. "We want Britain to stay in the European Union under any circumstances," Turkish Foreign Minister Mevlüt Çavu o lu told reporters in Ankara during a press conference with his Turkish Cypriot counterpart Tahsin Ertu rulo lu.

London has traditionally been a strong supporter of Ankara's long-stalled bid to join the bloc. But Turkey's possible future membership has emerged as a major theme in the British referendum campaign.

Supporters of Britain's exit from the European Union have argued that the country risks being swamped by millions of Turks in the future if it remains a member and Turkey joined. British Prime Minister David Cameron countered that Turkish membership was not "remotely on the cards" and may not happen until the year 3000. "We desire Britain to stay in the EU," said Çavu o lu. "Britain's exit would certainly have a negative impact."

But he also warned the EU would weaken if it failed to "renew itself, correct wrong policies and produce solutions to problems faced by European people... and stand strong against negative trends like racism and xenophobia." He said EU efforts on such issues would be "only half done" if it excluded Turkey.

"The EU should not be scared of a strong Turkey, and instead it should cooperate with a strong Turkey." After applying in 1987, Turkey began EU accession talks in 2005 but its membership bid had been held up by an array of political barriers.



### Israel, Turkey may strike deal on June 26

Hurriyet Daily News, 21.06.2016



Strained relations between once close allies Turkey and Israel may be nearing recovery, with both parties agreeing to conclude a deal on June 26, sources have said.

Delegations from both sides, will meet on June 26 to declare that they have reached a deal to end the six-year-long conflict, according to high-level sources speaking on condition of anonymity. The relationship between Turkey and Israel was severely strained after the Gaza-bound Mavi Marmara vessel was raided by Israeli commandos in 2010, killing nine Turkish citizens and one Turkish-American citizen on board.

Sources said that after the declaration, the agreement would be finalized and signed in July by the Foreign Ministry undersecretaries of both countries. With the reciprocal reappointment of ambassadors, diplomatic relations are expected to be normalized by the end of July.

If all this passes without a hitch, both countries' reservations regarding each other in international agreements will also be lifted. As a result, the last obstacles to joint military exercises, joint energy investments, and joint defense investments will also be removed. Upon Turkey's demand, Israel apologized to Turkey in 2013, in what many thought would trigger a warming in ties. But tensions soared again the following year after Israel launched a military offensive in Gaza.

After years of bitter accusations and inflammatory rhetoric, the two sides started holding secret talks in December 2015 to seek a rapprochement, with other rounds taking place in Geneva and London in 2016. Compensation for the Mavi Marmara victims and the lifting of the blockade on Gaza were the other two conditions that Turkey demanded from Israel in exchange for a repairing of relations.

Both parties have previously signaled that the issue regarding the compensation to be paid to the families of the Mavi Marmara victims has been resolved, though an official announcement on the issue was never made. Sources said the two sides have met halfway on Turkey's last and most controversial condition – the lifting of the embargo on Gaza. Accordingly, Israel has accepted the finalization of procedures for a hospital to be be built to serve Gazans, and will not put forward any obstacles to Turkish supplies of medicine and personnel for the hospital.

Meanwhile, Turkey and Germany will jointly build an energy power plant in Gaza to supply the electricity demand in the region, while Turkey will also construct a sea water distillation plant. All the aid from Turkey will be delivered to Gaza on condition that it is transferred from the Ashdod port. The steps for normalization of ties come after Turkish Prime Minister Binali Yıldırım sent reconciliatory messages to Israel. "We are coming to a point with Israel. They are also showing the will. There are contacts. It's not concluded yet but I don't think it will take long. The most important thing here is lifting the isolation of Gaza for humanitarian purposes," Yıldırım had said.



# Turkey urges Russia to stop attacks against civilians in Syria

Hurriyet Daily News, 23.06.2016



Turkey has expressed concerns over the Russian military's alleged use of bombs to civilians, calling on Moscow to halt attacks and contribute to a transition in the Arab republic.

"Attacks by the regime and the Russian Federation against civilians and their track record on crimes committed through these attacks are increasing by the day. While this is the case, the footage of Russia's use of cluster bombs on Russian television and the fact that Russian aircraft have been recorded while using white phosphorus bombs in the northern part of Aleppo in the last two days are outrageous and cause for serious concern," read the statement.

The statement followed increased concern over intensified military operations conducted by the Russian army and government forces especially around Aleppo that have been hitting civilian targets, including schools, hospitals and mosques.

"Similarly, the U.N. secretary-general's special envoy for Syria, Staffan de Mistura, has drawn particular attention to these attacks and the bombings of besieged areas right before or after humanitarian aid reaches those locations and underlines that the targeting of civilians does not provide any possibility for talks for a political solution," it said.

The use of all kinds of weapons and ammunition by a permanent member of the U.N. Security Council, such as Russia, against the Syrian people and civilians can never be acceptable in the name of humanity, the ministry said. "Our hope is that Russia will immediately reverse its mistake, stop its attacks against the Syrian people and contribute to the realization of a genuine political transition in Syria based on the will of the people," it said.



# Blinken: Manbij operation having real success due to cooperation with Turkey

Hurriyet Daily News, 18.06.2016



U.S. Deputy Secretary of State Antony Blinken has said Manbij operation, which is being carried out in Syria with the support of the international coalition against the ISIL, was having real success due to cooperation with Turkey.

"In fact, we are working together in Manbij and this is a very important operation. There is a piece of the border between Turkey and Syria that has been under the control of ISIL. And that ISIL has used it to get foreign fighters coming into Syria, to replenish its supply of fighters, but also to send fighters, terrorists out of Syria once they've been trained to attack in Turkey, to attack in Europe, to attack in the United States.

Together, we came up with an operation to try to close that border, both from the west moving west to east and also from the east and the south moving up north and west. That operation is having real success and it's a result of coordination, cooperation between the United States and Turkey," Blinken said in an interview with private broadcaster CNN Türk during his day-long visit to the Turkish capital Ankara.

However, on the U.S. cooperation with the People's Defense Units (YPG), the Democratic Union Party's (PYD) militia forces regarded as an off-shoot of the outlawed Kurdistan Workers' Party (PKK) by Turkey, Blinken said the U.S. was working with a number of groups that had a shared interest in defeating ISIL while also sharing Turkey's concerns about the PKK.

"We have a strong shared interest, as I said, in defeating Daesh, and in Syria we're working with a variety of groups that share that interest. And we are trying to be as effective as we can be in eliminating the threat posed by Daesh.

We're also extremely sensitive to Turkey's concerns about the PKK, and indeed, we are supporting Turkey's efforts and, in particular, we have repeatedly called on the PKK to cease its acts of terrorism, to lay down its arms, to return to the negotiating table that, unfortunately, it made the decision to leave. So, we've been acting in solidarity with Turkey when it comes to the PKK," Blinken said.

In addition, he stressed that the U.S. would not support any group taking advantage of the situation in Syria for their own political interests, saying the aim was a unified Syria with its own unified national sovereignty. The deputy secretary of state also added that the challenges were to defeat ISIL and set conditions for a political transition apart from the regime of Syrian President Bashar al-Assad after the Manbij operation, saying that both the U.S. and Turkey had to work on those challenges. Blinken also said ISIL was losing ground, noting that almost 50 percent territory held by ISIL a year ago in Iraq has been retaken, while the figures were 20 percent in Syria.



He said that individuals were attached to the jihadist group as they thought it was successful, adding that the number of those who committed acts of terrorism would decrease as the fight against terrorism progressed.

"In the United States, in Turkey, in other places we are making very, very good progress, overall, against terrorism. But, we also have to be honest – when a single individual is prepared to give his or her own life to kill other people, no country can be perfectly effective against that.

But, there has to be a recognition rolling around the world that people who commit such acts are not martyrs, they are murderers. And it is the obligation of our governments to provide for the security of our people, that's what we are working together to do," Blinken said.

When asked about Turkish security forces' ongoing operations against PKK militants in the country's southeastern provinces, Blinken said the U.S. had been clear on calling on the PKK to lay down arms and return to the peace process.

"The first obligation of any government is to protect the security of its people, and the PKK, in committing acts of terrorism and violence, has threatened the security of the Turkish people throughout the country.

And so, we have been extremely clear in calling upon the PKK to stop the violence, to stop the terrorism, to put down its weapons, and to return to the process that was in place thanks to the visionary leadership of President [Recep Tayyip] Erdo an in trying to find a solution at the negotiating table. Unfortunately, the PKK made the profoundly misguided decision to leave that process and to return to violence," Blinken said.

Blinken also commented on the relationship between the U.S. and Turkey, calling it "incredibly broad and deep," as both countries had common concerns and were working together to solve many different issues. However, he noted there could also be differences in relationships.

"I'm sure there are times when Turkey is disappointed in the United States; there are times when the United States is disappointed in Turkey. But at the foundation is a partnership, a friendship and an alliance that we feel very strongly about," Blinken said.

Accordingly, the deputy secretary of state named the biggest difference between the two countries as concerns about freedom of speech, freedom of expression and freedom of assembly in Turkey. "The foundation of a strong democracy like Turkey is respect for these basic rights, and when we see people who are arrested or prosecuted simply for giving expression to their views, that's a problem," Blinken said, urging the government to not lose sight of strengthening its democracy despite challenges.

Blinken also noted the U.S. support for the efforts to normalize relations between Turkey and Israel, expressing the country's hope that those efforts would ultimately be productive. "We strongly support the efforts of both Turkey and Israel to work to normalize relations. Both countries are close, strong friends, with the United States, and it's obviously in our interest when our friends are also getting along. But there are also some of the common challenges that would benefit from a strong relationship between Israel and Turkey.



So, we encourage that effort, but this was not part of my trip. But our hope is the efforts that are being made by both countries to restore relations will bear fruit," he said. Meanwhile, commenting on the controversial presidential system shift debates in the country, Blinken said it was up to the Turkish people to decide on the issue.

"That's a decision for the Turkish people to make and it's not one for us – not for us to say. We appreciate our own system and it works well for us. But every country has to make its own decision and it's really up to the Turkish people," Blinken said.

## Turkey condemns Egypt over Morsi life sentence

Hurriyet Daily News, 19.06.2016



Turkey has condemned the life sentence issued to former Egyptian President Mohammed Morsi just two days after Prime Minister Binali Yıldırım said there could be "no permanent enmities between countries encircling the Black Sea and the Mediterranean."

"We condemn and express our concerns over the life sentence issued for Mohammed Morsi, Egypt's first democratically-elected president who has been imprisoned since 2013. We are of the belief that this verdict will not contribute to Egypt's comfort and stability," the Foreign Ministry said in a written statement.

A court in Cairo handed another life sentence to Morsi on charges of espionage and leaking state secrets. Morsi, leader of the outlawed Muslim Brotherhood, had already been sentenced in three other cases, including a death penalty sentence for a mass jail break during the 2011 uprising against former Egyptian President Hosni Mubarak and a life sentence for spying on behalf of Palestinian group Hamas.

The Ankara-Cairo relationship was seriously hit by the military coup staged by Egyptian President Abdel Fattah el-Sisi in July 2013, as Turkey strongly reacted to the ousting of Morsi with strongly-worded statements from President Recep Tayyip Erdo an, who was prime minister at the time.

The ties have yet to normalize between the two countries, although the Turkish government has expressed its intention to mend the relationship with Egypt. "Israel, Syria, Russia, Egypt... There can't be any permanent enmities between these countries encircling the Black Sea and the Mediterranean," Yıldırım said. "Any attempt against the will of the people is a coup. We don't accept it. This is our sincere view. However this shouldn't prevent commercial relations. Economic and social relations can develop. It's for the good of both countries."



# Peace in Nagorno-Karabakh would normalize Turkish-Armenian relations

Daily Sabah, 23.06.2016



After Russian President Putin met with Azerbaijani President Aliyev and Armenian President Sargsyan and both leaders agreed to boost the number of monitors in the disputed Nagorno-Karabakh region and discuss concrete measures that would speed up the negotiating process, experts have said that while a deal would aid the normalization of Turkish-Armenian relations, it is still too soon to expect any significant diplomatic breakthrough over the disputed region.

Although the release of the statement did not provide any details on monitors or a deployment deadline, there are currently six unarmed observers from the OSCE.

Commenting on the recently held meeting and the agreement, Emre Er en from Marmara University in Istanbul said that while a peaceful solution could positively affect Turkish-Armenian relations, "it is not realistic to expect a sudden improvement in relations between Ankara and Yerevan even if a final settlement is reached regarding the Nagorno-Karabakh problem."

Echoing Er en's remarks, a senior associate at the Carnegie Europe Thomas de Waal said that "the meeting in St. Petersburg delivered only modest results." Oktay Tanrısever, an expert on Russia and Central Asia, said that such an agreement would have a positive effect on Turkish-Armenian relations, but with the caveat that they are far from reaching a permanent solution.

Speaking about Monday's meeting in St. Petersburg, Azerbaijani Foreign Minister Elmar Mamedyarov said: "The meeting was held in a constructive atmosphere. The Azerbaijani side positively assessed its results.

We believe that this meeting will open the door for swift progress in the process of negotiations on the settlement of the Nagorno-Karabakh conflict." The director of Yerevan-based Regional Studies Center think tank, Richard Giragosian, told Daily Sabah that "despite the more exuberant statements made by a senior Azerbaijani presidential adviser, it seems far too premature to expect any significant or tangible diplomatic breakthrough over the Nagorno-Karabakh conflict." Giragosian further said:

"The real test will be in the coming months, when Azerbaijan will be expected to fulfill its promises to allow an increased OSCE monitoring mission," and added: "Even this step, if implemented, does little to inspire confidence in diplomacy, especially as the lack of political will remains bolstered by Baku's domestic dividends from using force over diplomacy. In this context, we can only expect more fighting into the summer, especially as Azerbaijan's new military objective of seizing and securing territory has, at least to a limited degree, succeeded in altering the deadlock of a deadly status quo."



Similarly to Giragosian, de Waal said that there is still a set of problems in the Nagorno-Karabakh region that include "an almost completely unmonitored front line between two heavily armed sides, dangerous levels of rhetoric, extreme expectations and unwillingness to compromise in both societies amidst a comparative lack of international interest.

"Despite recent efforts, this cocktail of problems could still lead us to new conflicts, which would probably be worse than what we saw in April." Er en said: "Similar agreements between Baku and Yerevan have failed in the past, despite the efforts of the OSCE Minsk Group, which also includes Russia as a co-chair.

On the other hand, Armenia's military relations with Russia have developed remarkably, especially in the last few years." He said that it is not realistic to expect a solution immediately. Tanrısever also said that even though talks between Armenia and Azerbaijan have been ongoing since 2010, tensions increased last year – a problem he said must be solved with a comprehensive resolution and not a partial one.

Regarding possible normalization of relations between Turkey and Armenia following an agreement on the Nagorno-Karabakh region, de Waal said: "There is much less goodwill between Armenians and Turks," whereas Giragosian said there has been progress in normalizing relations "with a new, changed landscape, where Azerbaijan was able to retake territory for the first time in over two decades, there is now a greater opportunity for at least moving toward such progress."

## Russian minister visits Assad, base in Syria

Hurriyet Daily News, 19.06.2016



U.S.-backed Syrian forces edged closer to an Islamic State of Iraq and the Levant (ISIL) stronghold on the border with Turkey while the Russian defense minister visited Syrian President Bashar al Assad to discuss military operations.

The Russian state media did not disclose any details of the previously unannounced visit by Sergei Shoigu, who said he was sent to Damascus by Russian President Vladimir Putin. The minister had joined June 9 his Iranian and Syrian counterparts in Tehran to discuss ways to enhance their cooperation in fighting Islamic State of Iraq and Syria (ISIL) and al-Qaeda.

The recent visit came only hours after the Syrian army and its Iranian-backed militias, which have been supported by Russian air power, lost several villages to Islamist rebels as they made significant advances in the countryside south of Aleppo. The U.K.-based Syrian Observatory for Human Rights said the rebel capture of three villages from government control - Zeitan, Khalsa and Barna - had caused significant losses among government forces and their allies.



The villages lie in a strategic area near a main highway that links Aleppo with the capital Damascus. Government forces captured the area at the end of last year in a major offensive, assisted by Iranian-backed militias and Russian jets. State media said Russian Defence Minister Sergei Shoigu visited an airbase in the coastal Latakia province after his talks with Assad in Damascus.

On the border with Turkey, U.S.-backed Syrian forces fought to the western entrance of Manbij city for the first time since a major offensive to seize the last territory held by ISIL on the frontier, a source in the Syrian group said. Meanwhile, the Russian military that it rejected the Pentagon's accusations that it had deliberately targeted U.S.-backed Syrian opposition forces, arguing the U.S. had failed to warn about their locations.

Russian Defense Ministry spokesman, Maj. Gen. Igor Konashenkov, said the area targeted in the strike was more than 300 kilometers away from locations earlier designated by the U.S. as controlled by legitimate opposition forces. The Pentagon said it held a video conference with the Russian military to discuss Russian air strikes on the At-Tanf border garrison, which targeted Syrian opposition forces fighting ISIL.

"Russia's continued strikes at At-Tanf, even after U.S. attempts to inform Russian forces through proper channels of ongoing coalition air support to the counter-ISIL forces, created safety concerns for U.S. and coalition forces," it said in a statement. Konashenkov retorted that the Russian military had warned the U.S. in advance about the planned strike, but the Pentagon had failed to provide coordinates of legitimate opposition forces, "making it impossible to take measures to adjust the Russian air force action."

## Tusk: Not a moment for hysterical reactions over UK referendum

Hurriyet Daily News, 24.06.2016



The president of the European Union has voiced the bloc's determination to remain unified after Britain voted to leave, while cautioning against "hysterical" reactions.

"There's no hiding the fact that we wanted a different outcome of yesterday's referendum. I am fully aware of how serious, or even dramatic, this moment is politically. And there's no way of predicting all the political consequences of this event, especially for the U.K. It is a historic moment but for sure not a moment for hysterical reactions. I want to reassure everyone that we are prepared also for this negative scenario.



As you know, the EU is not only a fairweather project," Donald Tusk, the chair of the European leaders, said. In a statement released to reporters in Brussels, Tusk said he had spoken to all EU leaders, prime ministers and presidents as well as heads of EU institutions, about the possibility of a "Brexit."

"Today, on behalf of the 27 leaders [of EU countries other than Britain], I can say that we are determined to keep our unity as 27. For all of us, the union is the framework for our common future. I would also like to reassure you that there will be no legal vacuum. Until the United Kingdom formally leaves the European Union, EU law will continue to apply to and within the U.K. And by this, I mean rights and obligations," he said.

Tusk, the president of the European Council since December 2014, acknowledged the recent years had been the most difficult in the history of their union. "But I always remember what my father used to tell me: What doesn't kill you, makes you stronger," he said.

Meanwhile, Council of Europe Secretary-General Thorbjørn Jagland also said the Brexit decision must be respected. "The democratic decision in this referendum must be respected. The best way forward now is for the EU, in accordance with its best traditions, to work together with the U.K. government to obtain the most acceptable outcome for the citizens of U.K. and Europe. Everybody should now focus on what unites our family of European nations; democracy, human rights and the rule of law," Jagland said in a statement.

### Britain votes to leave EU, Cameron quits

Reuters, 24.06.2016



Britain has voted to leave the EU, forcing the resignation of Prime Minister David Cameron and dealing the biggest blow to the European project of greater unity since World War Two.

Global financial markets plunged as results from referendum showed a near 52-48 percent split for leaving. The pound fell more than 10 percent against the dollar to levels last seen in 1985, its biggest one-day fall in history, and European shares plummeted more than 8 percent, headed for their biggest ever one-day fall. Billions of dollars were wiped off European banks' market value, with Britain's Royal Bank of Scotland, Barclays and Lloyds Banking Group the biggest fallers.

Cameron, who lost his gamble betting the nation's future on an outcome he predicted would be catastrophic, said he would resign as prime minister by October. "I do not think it would be right for me to be the captain that steers our country to its next destination," he said in a televised address outside his Downing Street office. Quitting the EU could cost Britain access to the EU's trade barrier-free single market and mean it must seek new trade accords with countries around the world. The United Kingdom itself could break apart, with leaders in Scotland -- where nearly two-thirds of voters wanted to stay in the EU -- calling for a new vote on independence.



The EU for its part will be economically and politically damaged, facing the departure not only of its most free-market proponent but also a member with a U.N. Security Council veto and powerful army. In one go, the bloc will lose around a sixth of its economic output. Populist leaders in France and the Netherlands demanded their own referendums to leave.

The vote will initiate at least two years of divorce proceedings with the EU, the first exit by any member state. Cameron said it would be up to his successor to formally start the exit process. His Conservative Party rival Boris Johnson, the former London mayor who became the most recognisable face of the "leave" camp, is now widely tipped to seek his job.

There was euphoria among Britain's eurosceptic forces, claiming a victory over the political establishment, big business and foreign leaders including U.S. President Barack Obama who had urged Britain to stay in. "Dare to dream that the dawn is breaking on an independent United Kingdom," said Nigel Farage, leader of the eurosceptic UK Independence Party. "This will be a victory for real people, a victory for ordinary people, a victory for decent people ... Let go down in our history as our independence day."

European politicians reacted with shock. "Please tell me I'm still sleeping and this is all just a bad nightmare!" former Finnish Prime Minister Alexander Stubb tweeted. French National Front leader Marine Le Pen declared "Victory for freedom!". Dutch far right leader Geert Wilders said: "We want be in charge of our own country, our own money, our own borders, and our own immigration policy."

Britain, which joined the then European Economic Community (EEC) in 1973, has always been an ambivalent member. A firm supporter of free trade, tearing down internal economic barriers and expanding the EU to take in ex-communist eastern states, it opted out of joining the euro single currency or the Schengen border-free zone.

Cameron's ruling Conservatives in particular have risked being torn apart by euroscepticism for generations. World leaders including Obama, Chinese President Xi Jinping, German Chancellor Angela Merkel, NATO and Commonwealth governments had all urged a "Remain" vote, saying Britain would be stronger and more influential in the EU than outside.

The four-month campaign was among the divisive ever waged in Britain, with accusations of lying and scare-mongering on both sides and rows on immigration which critics said at times unleashed overt racism.

It also revealed deeper splits in British society, with the pro-Brexit side drawing support from millions of voters who felt left behind by globalisation and believed they saw no benefits from Britain's ethnic diversity and free-market economy. A pro-EU member of parliament was stabbed and shot to death in the street a week ago by an attacker who later told a court his name was "Death to traitors, freedom for Britain". Older voters backed Brexit; the young mainly wanted to stay in.



## Merkel says Germany must spend more on defense

Reuters, 15.06.2016



Germany will have to increase its defense spending considerably from current levels to deal with external threats, Merkel said, while her cabinet expanded the role of the German navy in the Mediterranean Sea.

Merkel said the EU was not currently in a position to defend itself against external threats and it could not just rely on its transatlantic partnership with the US. "Sure enough this means that a country like Germany, which today spends around 1.2 percent of its GDP on defense, and the US, which spends 3.4 percent of GDP for defense will have to converge," Merkel said.

She added that Germany could not expect others to bear the burden of defense in the long term. German Defense Minister Ursula von der Leyen said that the Bundeswehr, the German military, is expected to increase in the next seven years by 14,300 soldiers, while 4,400 civilian officers will also be added to the service.

This move is a first since 1990, ending a quarter of a century of successive cuts in the army since the end of the Cold War. German soldiers totaled 178,000 last December, hovering close to the cap of 185,000 imposed since 2011. The army has seen a significant reduction in troop numbers since Germany's reunification and after the Cold War.

In 1990, the number of soldiers reached 585,000. This boost in troop strength is "necessary given the current situation" of increasing tensions with Russia over the conflict in Ukraine, as well as several foreign missions undertaken by the army, Von der Leyen had said.

Meanwhile, Merkel's cabinet agreed to expand the role of the German navy in the Mediterranean Sea to include efforts to stop arms headed to the Islamic State of Iraq and the Levant (ISIL) militants in Libya, government sources said.

The German decision comes days after the European Union gave its naval force the authority to search suspicious vessels as part of its five-frigate "Sophia" mission, which is also seeking to break up gangs smuggling migrants to Europe. Parliament is expected to approve the move before it adjourns for the summer at the end of June, the sources said. The mandate also covers work to help Libya build up a coastal patrol and navy.

Germany has thus far participated in the EU mission with a logistics ship, and about 950 German soldiers have helped rescue about 15,000 people at sea since May 2015, according to the German military.



Once approved by parliament, this decision means German ships will be able to stop, search and seize larger vessels used by gangs transporting migrants, and also take suspects into custody, the sources said. In cases of suspected arms smuggling, they will also be able to search ships transiting to and from Libya, they added.

# Supreme Court deadlock delivers Obama a massive defeat on immigration

Hurriyet Daily News, 15.06.2016



In a crushing blow to President Barack Obama's domestic legacy, the Supreme Court effectively blocked the president's plan to shield as many as 5 million undocumented immigrants from deportation. The ruling potentially eliminates the hope that the president would be able to substantively change the nation's immigration laws before he leaves.

The justices tied 4-4, a glaring reminder that the Republicancontrolled Senate refuses to consider Merrick Garland, Obama's choice to replace deceased conservative Justice Antonin Scalia.

It also is likely to add to the already ferocious debate about illegal immigration that is taking place on the 2016 campaign trail, where presumptive GOP nominee Donald Trump rocketed to early prominence by promising to deport the roughly 11 million undocumented immigrants currently in the United States.

The decision leaves in place an appeals court ruling blocking Obama's executive action, called the Deferred Action for Parents of Americans program. The president took the action in 2014 after Republicans refused to update immigration laws to address those living and working in the United States illegally.

Under Obama's executive action, people living in the United States for more than five years with children who are U.S. citizens were granted temporary deportation relief and the right to apply for three-year work permits. It was challenged by Texas and 25 other states, many of whose top officials celebrated the ruling as a needed bulwark against what they see as Obama's over-reliance on executive actions.

"Today's decision keeps in place what we have maintained from the very start: One person, even a president, cannot unilaterally change the law," Texas Attorney General Ken Paxton said in a statement. "This is a major setback to President Obama's attempts to expand executive power, and a victory for those who believe in the separation of powers and the rule of law." In a press conference shortly after the decision was announced, Obama called the ruling "heartbreaking" and said it "takes us further from the country that we aspire to be."



Proponents of the plan quickly painted Thursday's ruling as a setback and insisted the matter was not settled. "I am confident that this case will come before the Supreme Court again," Rep. Joaquin Castro (D-Texas), said in a statement.

Members of the Congressional Hispanic Caucus vowed to continue to fight for immigration reform, both on Twitter and during a press conference outside of the Supreme Court after the verdict was announced. They also said they would get revenge against opponents of immigration reform this November, when Americans take to the polls to vote for the next president, as well as for Congress.

"Remember, there are 45 million more coming behind them that are citizens of the United States whose wrath you are going to have to deal with come November," Rep. Luis Gutiérrez (D-III.), said in the press conference after the vote.

The decision heightens the importance of immigration reform on the campaign trail, as the matter will now likely be left to the next president. Trump has vowed to build a fence along the United States-Mexico border and characterized Mexican immigrants as rapists and drug dealers, as well as planning mass deportations. He took to Twitter Thursday to praise the decision.

His Democratic rival, Hillary Clinton, used the occasion to blast her opponents. She's called for comprehensive immigration reform and a path to U.S. citizenship for illegal immigrants. "Today's decision by the Supreme Court is purely procedural and casts no doubt on the fact that [Obama's immigration orders] are entirely within the president's legal authority," she said in a statement. "This decision is also a stark reminder of the harm Donald Trump would do to our families, our communities, and our country."



### **Announcements & Reports**

#### Transatlantic Economic Statecraft

Source : CSIS

Weblink : https://www.csis.org/analysis/transatlantic-economic-statecraft

#### European Banking Supervision: The First Eighteen Months

Source : Bruegel

Weblink : http://bruegel.org/2016/06/blueprint-european-banking-supervision-the-first-eighteen-months/

#### The Effectiveness of The European Central Bank's Asset Purchase Programme

Source : Bruegel

Weblink : http://bruegel.org/2016/06/the-effectiveness-of-the-european-central-banks-asset-purchase-programme/

## **Upcoming Events**

#### The Search for Europe

Date : 25 June 2016 Place : Brussels - Belgium

Website : http://bruegel.org/events/the-search-for-europe/

#### The UK and the EU: Managing the Euro and the Single Market

Date : 25 June 2016 Place : London - UK

Website https://www.chathamhouse.org/event/uk-and-eu-managing-euro-and-single-market

#### Competitive Gains in the Economic and Monetary Union

Date : 26 June 2016 Place : Brussels - Belgium

Website : http://www.bruegel.org/nc/events/event-detail/event/534-competitive-gains-in-the-economic-and-monetary-union/

#### The Future of Capitalist Democracy: UK-Japan Perspectives

Date : 26 June 2016 Place : London - UK

Website : http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives



#### Emerging Markets and Europe: Time for Different Relationships?

Date : 27 June 2016 Place : Brussels - Belgium

Website : http://www.bruegel.org/nc/events/event-detail/event/524-emerging-markets-and-europe-time-for-different-relationships/

#### What future for Europe's Social Models?

Date : 28 June 2016 Place : Brussels - Belgium

Website http://www.bruegel.org/nc/events/event-detail/event/526-what-future-for-europes-social-models/

#### Challenges for Growth in Europe

Date : 28 June 2016 Place : Brussels - Belgium

Website : http://www.bruegel.org/nc/events/event-detail/event/521-challenges-for-growth-in-europe/

### Global Governance of Public Goods: Asian and European Perspectives

Date : 30 June 2016 Place : Paris - France

Website : http://www.bruegel.org/nc/events/event-detail/event/529-global-governance-of-public-goods-asian-and-european-perspectives

#### The Future of the Welfare State

Date : 30 June 2016 Place : Berlin - Germany

Website : http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/