

## Preparatory delegation visits US ahead of Erdoğan-Trump meeting

Hurriyet Daily News, 05.05.2017



A Turkish preparatory delegation is visiting the U.S. on May 5 ahead of President Recep Tayyip Erdoğan's visit to Washington on May 16-17, when he will meet U.S. President Donald Trump.

The delegation is composed of Chief of General Staff Org. Hulusi Akar, Chief of Intelligence Hakan Fidan and presidential spokesperson Ibrahim Kalin. Ankara and Washington want to restore ties, which have deteriorated since a failed military coup attempt in July 2016 and disagreements over U.S. support for a Kurdish militia group fighting ISIL in Syria.

Turkey sees the group as an extension of the outlawed PKK. Ankara is frustrated as the U.S. forces have become heavily dependent on the People's Protection units (YPG) in their fight against ISIL, with Washington planning to launch a massive military campaign in Raqqa with the Kurdish fighter-dominated Syrian Democratic Forces (SDF).

Ankara wants to convince its NATO ally to not continue the Raqqa offensive without Turkey offering to launch the campaign with Syrian Arab fighters instead of the YPG. The U.S. has already delayed the Raqqa operation for months, first because of the military coup attempt in Turkey on July 15, 2016, then because of the Turkish incursion into Syria dubbed "Euphrates Shield," and then because of the constitutional referendum on April 16 as Washington did not want the case be part of domestic politics of Turkey. Ankara is also pressing for the extradition of Fethullah Gülen, a Muslim cleric living in the U.S. who is accused by Erdoğan of engineering the failed coup.

# Presidential spokesperson: Referendum secured Turkey's future stability

Anadolu Agency, 29.04.2017



Turkey's new presidential system will end weak coalition governments and strengthen checks and balances, brahim Kalin, presidential spokesperson, has said.

Kalin wrote for the Guardian which said Turkey's short-lived coalition governments of the past had crippled its economy, weakened national institutions and paved the way for coups. "The new system of government, which will come into effect in November 2019, will make Turkish democracy more resilient by putting an end to weak coalition governments and strengthening checks and balances," Kalin wrote.

"Since 1960 at least four elected governments have been removed from power by the military," Kalin noted, adding Turkey's parliamentary system had been engineered by the military "to keep the political arena fragmented".

Pointing out that Turkey voted 51.4 percent in favor of constitutional reform in the April 16 referendum, Kalin said turnout was 85 percent. "What made the vote exceptional was that, for the first time in Turkey's modern history, the people, rather than coup plotters, got to decide with which system the country would be governed," he wrote.

Kalin also said there were "conspiracy theories" against the result but Turkey's main opposition (Republican People's) Party had no evidence "showing the referendum result did not reflect the people's preferences".

"Their main argument was that the failure of polling station officials to stamp the ballot forms would render them invalid. "Ironically, the same party, in an application filed with the SEC in 2015, argued that procedural mistakes made by polling station officials did not invalidate the votes. The council agreed, as it has numerous times since 1984."

Kalin also cast doubt on the impartiality of some international observers. "At the same time, it became clear that multiple international observers, whose preliminary report on the referendum was cited by the No campaign and the international press as proof of foul play, had taken sides in Turkish politics," he said.

"Pictures of international observers posing with flags of the PKK -- which Turkey and the European Union consider a terrorist organization -- have surfaced on social media," he added. "All the noise aside, Turkey, whose constitutional tradition dates back to the mid-19th century, took a giant leap forward toward a stronger, more consolidated democracy. Now it's time to focus our attention on pressing issues," Kalin wrote.

“Every nation faces a unique set of challenges and learns from their past. For the Turkish people, one of the most valuable lessons of the 20th century was that political stability was the driving force behind progress. “Tens of millions of Turks have now voted to secure our country’s stability for generations to come,” he added.

## Şimşek: Turkish gov’t set to take measures to curb food prices

Reuters, 05.05.2017



It is unacceptable for Turkey to see double-digit inflation rates, a top official has admitted, adding that the government’s food committee would soon hold a meeting to take immediate measures to ease skyrocketing food prices.

“This is an unacceptable situation,” Deputy Prime Minister Mehmet Şimşek said at a meeting in Istanbul. “The main reason behind the rise in inflation has been food prices. I have called the food committee for a meeting. We need to take serious measures to curb prices and we will,” noted Şimşek, while also thanking the Central Bank for its tight stance to maintain price stability.

“We will see the positive impact of these monetary moves in the upcoming period,” he added. Turkey’s annual inflation rate increased in April, reaching its highest level in around nine years as a result of a weak Turkish Lira in several sectors, according to official data released.

Consumer prices in Turkey rose 11.87 percent year-on-year in April from 11.29 percent in March, data from the Turkish Statistics Institute (TÜİK) showed. Annual consumer price inflation was also at the highest level since October 2008.

April’s consumer price inflation was driven by food prices which rose 1.23 percent from a month earlier. In some street bazaars, the price of some produce like tomatoes rose 70 percent in recent weeks. Red meat prices have also continued to rise, despite a number of measures to ease costs for consumers.

Turkey’s Central Bank raised its inflation forecasts for this year and 2018 on April 28, saying it was ready to tighten policy further if needed, while adding that it was confident its recent steps would start to bear fruit in the months ahead.

Şimşek also noted that one of the strongest areas of the Turkish economy had been the strong public finances. Noting that there had been some recent easing in the area, he said: “The limits matter in this area. Last year, our deficit rose significantly due to a number of key measures, including a coup attempt, terror attacks and an economic slowdown.

The deficit is still complying with the Maastricht criteria. The budget deficit was 1.6 percent last year, which was a quite modest rate compared to many other countries. The point is here not to overspend.”

im ek noted that Turkish economy should return to a growth rate of 5-6 percent. Turkey is one of the rare countries to recently succeed in improving its income equality, he said, while acknowledging that Turkey needed broader and inclusive reforms. If a country’s labor force and capital are productive and its institutions operate at a high quality, the country will achieve more permanent welfare, im ek said.

“Growth cannot be maintained through the public sector. Such growth stories do not yield the desired results. The best growth can only be achieved by the private sector, especially by highly productive and commerce-focused industries.

We must make reforms to raise productivity,” im ek said. He also noted said the government planned to establish an investment bank or restructure an investment bank to support technology. The issue will be taken into consideration in May, he added.

## Deputy PM: Turkey to realize key tax, financial and production reforms in short run

Hurriyet Daily News, 05.05.2017



Turkey’s government is set to realize key reforms in the areas of production, tax, severance pay and new financial instruments in the short run, a top official said.

Speaking in his opening speech at the Coordination Board for Improving Investment Climate meeting in Ankara, Deputy Prime Minister Nurettin Canikli said Turkey would continue to make reforms. “In the short run, we will realize reforms in the areas of production, taxes, severance pay and new financial instruments,” he said. Deputy Prime Minister Nurettin Canikli said Turkey’s high economic growth performance would never be abandoned.

“The 3.5 percent growth in the last quarter of 2016 is one thing that has showed this. Despite a failed coup attempt and other negative developments, we succeeded in attaining a high growth performance. In this vein, international organizations have started to revise up their Turkey outlook one by one. We will achieve a higher than 4 percent growth in 2017,” he added. The Institute of International Finance (IFF) revised up its 2017 growth estimate for Turkey from 3 to 4.2 percent on May 4. It also revised up its 2018 forecast from 3.2 to 3.5 percent. Turkey grew 2.9 percent in 2016.



“We will also have much better figures in some key indicators, which were hit during fluctuating times, including the unemployment rate, the inflation rate and interest rates,” he said, adding that single-digits in these areas would be achieved by the year’s end.

Turkey’s unemployment rate rose to 13 percent in January 2017, the highest since the beginning of 2010. Canikli said more than 1 million new jobs have been created in Turkey since the beginning of the year, in line with a number of packages to boost employment. He also said a total of 225,358 companies have so far used 160 billion Turkish Liras in loans under the heading of a recent loan scheme with the support of the Credit Guarantee Fund.

## Turkey, Russia, Iran ink deal on safe zones in Syria

AFP, 04.05.2017



Turkey, Russia and Iran on May 4 signed a memorandum on a Moscow-backed plan to create safe zones in Syria to bolster a fragile truce.

An AFP reporter at peace talks in Astana saw the heads of the delegations, representing the three countries sponsoring the negotiations, sign the document. However a member of the rebel delegation left the room, shouting against regime ally Iran, the AFP reporter saw. The Syrian government and rebel delegations are not signatories. The Kremlin has been touting a plan to create safe zones in Syria that is aimed to “further pacification and cessation of hostilities.”

“Over the past two days, the participants in the Astana talks reviewed the implementation of the ceasefire agreement and the cessation of hostilities,” Kazakhstan’s foreign minister Kairat Abdrakhmanov said of a frail truce brokered by Moscow and Ankara in December.

“As a result the guarantor countries agreed to sign a memorandum on the creation of de-escalation zones in Syria.” An Arabic-language version of the Russian draft proposal seen by AFP calls for the creation of “de-escalation zones” in rebel-held territory in the northwestern province of Idlib, in parts of Homs province in the center, in the south, and in the opposition enclave of Eastern Ghouta near Damascus.

The aim is to “put an immediate end to the violence” and “provide the conditions for the safe, voluntary return of refugees” as well as the immediate delivery of relief supplies and medical aid, the document said. But issues including which countries could police any safe zones remain unclear. Russian President Vladimir Putin said that ways to monitor the zones would be an issue for separate talks. After talks with President Recep Tayyip Erdoğan, Putin said the safe zones were meant to lead to “further pacification and cessation of hostilities.” He also said the proposed zones would also be no-fly areas if fighting on the ground there stopped entirely.

The Kremlin's plan echoes calls by U.S. leader Donald Trump to establish safe zones in Syria. Putin said May 3 that "as far I could tell" the U.S. leader broadly supported the idea in a phone call they held on May 2.

Damascus supports the Russian plan, Syrian state news agency SANA reported. More than 320,000 people have been killed in Syria since the country's war began with anti-government protests in March 2011.

## Turkey, Russia steps 'may influence Middle East'

Hurriyet Daily News, 03.05.2017



Joint steps by Turkey and Russia could influence the situation in the Middle East, Turkish President Erdoğan said as he met Russian President Putin to discuss the situation in Syria and other economic and political issues.

"Today we have a very good chance to discuss both our relations in the bilateral format and consider regional issues," Erdoğan said in Sochi. "We have very serious work on our shoulders and a very big responsibility. And I am sure that the steps we take together will change the destiny of the whole region," Erdoğan said.

Russian-Turkish relations have attained a special status and are being fully restored, Putin said. "It is very good that we have an opportunity to have an official meeting, discuss the key issues of bilateral interaction and the main issues on the international agenda, including such urgent ones as the Syrian crisis," he said.

"The very fact that there is such a mode of joint work shows that Russian-Turkish relations are attaining a special character, a special status, and are being fully restored," he added. Putin also congratulated Erdoğan on the results of the April 16 referendum on constitutional amendments, which expanded the powers of the president.

The top item on the agenda of the meeting was the situation in Syria, with both sides aiming to consolidate the cease-fire in the country. In March, officials from Turkey and Russia held a meeting in Ankara in order to discuss the upcoming phases of the Astana process, particularly deploying truce observers to the field as mentioned in a Dec. 30, 2016, truce deal. The issue is expected to be on the agenda of the talks.

Russia has suggested that Turkey deploy Turkish cease-fire monitoring forces in Syria after Moscow established the same mission in the northern Afrin region, sources told the Hürriyet Daily News.

Russia raised the proposal of a truce monitoring mission by Turkish security officials in the field after Moscow deployed troops near Menagh airport in the Afrin region in March, in collaboration with the People's Protection Units (YPG).

Turkey has repeatedly asked the U.S. and Russia to cut their ties with the Syrian Kurdish YPG, which is fighting against the Islamic State of Iraq and the Levant (ISIL). Turkey says the YPG is an offshoot of the outlawed Kurdistan Workers' Party (PKK) and considers it a terrorist group.

Before meeting Erdoğan, Putin held a telephone discussion with U.S. President Donald Trump, signaling improving prospects for cooperation in Syria. The Kremlin said Trump and Putin agreed to bolster diplomatic efforts to resolve the Syrian civil war, which has left hundreds of thousands dead and millions more displaced. The White House announced it would send a top State Department official to Russian-led talks on Syria that were to begin yesterday in Kazakhstan.

“President Trump and President Putin agreed that the suffering in Syria has gone on for far too long and that all parties must do all they can to end the violence,” the White House said. “The conversation was a very good one, and included the discussion of safe, or de-escalation, zones to achieve lasting peace for humanitarian and many other reasons.”

Another important agenda item of the meeting between Erdoğan and Putin was the removal of the embargoes that Moscow implemented after Turkey shot down a Russian plane in 2015. Mutual steps were taken in the process of normalization, but Russia has not removed obstacles in front of many agricultural products exported from Turkey. Ankara, in response, removed Russia from the list of countries that could export wheat, corn and sunflower oil to Turkey free of charge. Speaking in Ankara before leaving for Sochi, Erdoğan said he wanted Russian trade restrictions on Turkey to be lifted rapidly.

## The EU's Brexit position: What you missed while may fought back

Bloomberg, 05.05.2017



Five hours before Theresa May accused European Union officials of interfering with the upcoming U.K. election, the EU produced its most detailed Brexit negotiating plans yet.

Overtaken by events in London, EU chief Brexit negotiator Michel Barnier's provisional mandate nevertheless spells out the bloc's red lines to the formal launch of talks soon after the British head to the polls. The “financial settlement,” as the EU calls it, still doesn't have a figure on it, and isn't likely to for some time. In fact estimated to be somewhere between 40 billion and 100 billion euros, could continue changing right up until Brexit day as EU projects come and go.



The EU is looking for the U.K. to agree only on a methodology for the calculation as a first step. The bloc wants it to take into account Britain's promised contributions to the central EU budget, the U.K.'s obligations toward EU bodies such as the European Investment Bank, and its participation in specific projects like the program for refugees in Turkey.

The EU also wants the U.K. to pay all the costs associated with Brexit, including the relocation of EU agencies out of London. EU officials ruled out the U.K. having any claim on EU assets that could offset the size of the bill.

"We must settle the accounts, nothing more and nothing less," Barnier said. The U.K. will get a shock if it thinks assuring citizens' rights will be straight forward. The EU has a long list of rights it wants to see protected for what officials say are around 4.5 million EU citizens living in the U.K. and British people living in the EU, and many more who have moved back to their home countries after accumulating rights.

The message to Britain is clear: the EU wants those people to "live their lives as if Brexit never happened," according to one EU official. For anyone moving to the U.K. before Brexit day, the EU wants to ensure full pension and social security rights and comparable tax advantages for as long as they live. They also should have the ability to gain permanent residency after five years of continuous stay.

The EU also wants the deal to include the spouses and children of the citizens, too, even if they join them in the U.K. after the withdrawal date. When home secretary, May fought against the right of British citizens to bring non-EU spouses to Britain so this could quickly become a flashpoint.

While May has vowed to stop the EU Court of Justice from having any oversight in Britain, the EU's negotiating mandate sets out several reasons why that shouldn't happen. An EU citizen living in Britain, having acquired pre-Brexit rights, should have recourse to Europe's courts if not satisfied with a British Supreme Court decision, the mandate says.

The ECJ also should have a role in ensuring the U.K. pays the agreed bill as well as enforcing the agreement as a whole. "Whenever EU law is concerned, for example with regard to citizens, we must rely in the long term on the EU Court of Justice," Barnier said. The EU has been saying for months that it won't comply with the prime minister's request to start talks on a future trade agreement in parallel to the divorce deal.

If there was any doubt about their seriousness, that was extinguished in the negotiating mandate. It doesn't even include any reference to the EU's position on the matter, only that the EU will start talking about it (what it calls "phase 2") once the 27 remaining countries decide that "sufficient progress" has been made on the divorce agreement.

Neither side wants the U.K. to fall off a cliff when it leaves the EU, even if a trade agreement isn't in place. The EU document specifically refers to "bridges toward the foreseeable framework for the future relationship" as being needed in the next negotiating mandate. But again, only after "sufficient progress" so it's in the U.K.'s interest to play ball. Only the EU's 27 leaders can agree on that -- and they have to do so unanimously before "phase 2" can begin.





But on citizens' rights, for example, the U.K. has to give "very clear commitments and guarantees rather than nice rhetoric," an EU official said. The negotiating mandate says the Brexit agreement should ensure the transfer of ownership to the U.K. of "special fissile material located on the territory of the European Atomic Energy Community," the organization that stewards nuclear cooperation between the bloc's members.

That means that nuclear waste currently stored in the U.K. would no longer be an EU responsibility, even though much of it originated in the rest of Europe. The EU lists other areas where there needs to be agreement:

Pending European court cases involving the U.K.

Ongoing state aid investigations being carried out by the European Commission

The recognition of qualifications obtained in the EU before Brexit

Rules for the protection of personal data that EU countries have given the U.K.

The two sides don't even agree on when Britain will officially leave. The U.K. has said it envisages leaving the bloc when London's Big Ben chimes at midnight on March 29, 2019. The EU's mandate refers to midnight Brussels time -- which is only 11 p.m. in the U.K.

## Emmanuel Macron is everything America's democrats are not

Foreign Policy, 05.05.2017



I spent Wednesday in the southwestern city of Bordeaux, a bastion of support for Emmanuel Macron, the centrist candidate for French president in Sunday's election. In the first round of the election, April 23, Macron won 31 percent of the vote in Bordeaux, while Marine Le Pen, his far-right rival, won only 7 percent.

Polls show that Macron's lead over Le Pen is holding steady at 20 points, but volunteers for his En Marche! party were going door to door in the impoverished suburbs outside of town in the hopes of driving faint-hearted supporters to the polls, and winning over the few remaining waverers.

Porte-à-porte, as it is known here, is a very recent innovation in France — I was told that a few members of the Obama team had come over to show the En Marche! team how it's done — and the four volunteers I traveled with had no lists of likely voters, Macron supporters, fence-sitters or anything else.



We walked around concrete housing compounds in Cenon, a struggling suburb of 25,000 where the unemployment level is 20 percent and 60 percent received some form of welfare, according to Aziz Skalli, the volunteers' leader. We knocked on doors, and talked to whoever opened up.

Though Cenon has a large population of North African and West African immigrants, the buildings we canvassed were occupied largely by elderly white people. Few would say who they voted for in the first round, or who they would vote for on Sunday.

The French continue to accord a certain reverence to the idea of the secret ballot. One gentleman with very few teeth — I could barely understand a word he said — said that he had been approached by Macronistes in the local supermarket, and had told them that he would never vote for that lunatic Le Pen.

An old woman in a housedress said that she had been prepared to vote for Francois Fillon, the candidate of the center-right Republicans, until he had been engulfed by scandal. "But do you know about Macron's plan for retirees?" Sebastian Molyneux, a volunteer, asked. She did not. He told her. She remained noncommittal.

I soon realized that I would learn more from the volunteers than from the voters. With the exception of Skalli, who for the last 20 years has served as a municipal councilor in the neighboring suburb of Lormont, none had ever been involved in politics before, or had felt any strong affiliation for any of the parties.

Olivier Fournier, the youngest at 28, said, "I grew up in a union household — my parents and my grandparents. We were a Socialist family." But Fournier left behind the blue-collar world, or perhaps that world left him; most of the factories in and around Bordeaux are shuttered. Fournier manages a restaurant. "I was for Macron even before I read his program," he said. "He was young, he was fresh, he wasn't from a political background."

Molyneux and Mohammad Achraoui, who rounded out our team, had both graduated from university. Molyneux ran a nursery school, and Achraoui worked as an insurance agent. Molyneux was impressed that Macron, alone among the 11 candidates in the first round, spoke up forthrightly for the merits of the European Union, and for France's role in Europe, a subject about which French voters — like those all over Europe — have become increasingly sour.

Achraoui, born in France of Algerian parents, said to me, "I always voted for the Socialists. But what did they offer disadvantaged people in the poor areas? Public assistance. It's so hard for people to get out of these neighborhoods. Most of the people who make it are athletes or rappers or even drug dealers.

I was lucky. My parents imbued me with a love of French culture. I love theatre, and I love the language of Molière" — the expression the French use for correct French. Achraoui was a striver who had made it in today's France.

Afterwards, Achraoui invited me to the very modest apartment he shares with his wife and baby for a coffee. He and his wife are both completely secular; she kissed me when I showed up at her door. "I've always been a liberal," Achraoui told me. "I'm liberal in both political and economic values.



The Socialists aren't liberal; they're statist. What Macron says to people here is, 'You need to have the same opportunities as Frenchmen everywhere. We need to improve transportation so that you can get out in order to work in the city.'"

Transport is indeed a signal issue for the technocratic leader of En Marche! For Achraoui, Macron is the French version of Barack Obama, Justin Trudeau, Italy's Matteo Renzi. He is a new man for a new world. For Achraoui, Macron is the French version of Barack Obama, Justin Trudeau, Italy's Matteo Renzi. He is a new man for a new world.

Both Achraoui and Molyneux discovered Macron through the system of committees that he organized last spring, after he founded En Marche! These committees, themselves convened by volunteers, at the level of small towns like Cenon as well as big cities like Bordeaux, debated policy questions, sent proposals up to regional organizations, which after further deliberation forwarded ideas to party headquarters in Paris.

The whole thing struck me as an ingenious gimmick to build a grassroots party from nothing, but Lex Paulson, an American veteran of the 2008 Obama campaign who lives in Paris and has helped organize Macron's campaign, assured me that the party's reliance on this apparatus to develop and transmit policy was very real.

Paulson was the one who steered me to Bordeaux in the first place, to meet Tanguy Bernard, a 39-year-old development economist who had returned to France after eight years in the United States and now runs the local En Marche! regional committee.

Bernard is another refugee from the Socialists. "Traditionally," he said to me when we met in an "eco-cafe" at the edge of Bordeaux, "the left was the party of discussion and debate, whereas the right was always about choosing leaders. But the old culture of activist training has weakened.

We've lost that sense of collaboration and debate. Both parties are like designation chambers for the next leader." Bernard was attracted both to Macron's program of economic reform and to his innovative political process.

"The volunteers are able to talk about the party's program knowledgeably," he said. "They have a sense of ownership." The committees also served as a recruitment device. Yesterday's debaters are today's door-to-door volunteers.

Macron's program, and the process he has built around it, is quite admirable and progressive and transparent — but is it France? Cenon, with its population of impoverished immigrants, went heavily in the first round for Jean-Luc Mélenchon, the candidate of the far left La France Insoumise.

For Mélenchon and his supporters, Marine Le Pen represents one kind of evil and Macron another, which is why Mélenchon has refused to endorse Macron even as he has repudiated Le Pen. The volunteers told me that whenever they launched into their spiel about the new generation, economic opportunities for youth, rupture with the old system, etc., they got a one-word answer from the Mélenchonistes: "banquier." Macron, who left public service to work for Rothschild, forever bears that mark of Cain in a country that still cherishes a hatred of capitalists. A taxi driver in Bordeaux told me, "If Macron wins, he's going to kill me."



As economy minister, Macron had pushed through legislation allowing drivers without taxi licenses to transport groups of tourists — part of the same reform of the statist transportation system that Achraoui celebrated.

“He says that he wants to bring disadvantaged people into the stream of work,” the cabbie said, “but all he’s doing is perpetuating poverty, and destroying our industry.” He added, for good measure, that Macron was “a fascist.”

Macron is squeezed between two extremes — two very large extremes. He’ll win the presidency handily, unless far more supporters of Mélenchon than are currently predicted cross to Le Pen, abstain from voting, or both. But what kind of mandate will he have on the other side?

What fraction of French voters share that yearning for a breath of fresh air that I heard from the Bordeaux volunteers? One-fifth of the country will view him as a puppet of global finance, and another fifth, or more, as a passionate Europeanist who won’t defend France against Germany, immigrants or refugees (and as a puppet of global finance).

I happened to be in Bordeaux for the final debate between Macron and Le Pen. Bernard, the development economist, invited me to join him at the town house of a friend and Macron supporter. I arrived in the middle of Le Pen’s introductory statement, in which she said, “Mr. Macron is the candidate of savage globalization, of Uberization, of insecurity, of social cruelty, of the war of all against all, of economic pillage. . .”

The first subject was the economy — Macron’s strong suit — and the room filled with knowing laughter when Macron said, in the face of Le Pen’s big-state, protectionist economics, “Madame Le Pen, how are you going to pay for that?”

The candidate from the National Front seemed out of her depth, though on firmer ground with terrorism and immigration. Everyone thought that Macron won — and that was the popular consensus as well — but afterwards my hostess said to me somberly, “It’s too soon. France isn’t ready for Macron.”

That will be the great question after Sunday. France goes to the polls again next month to choose representatives to the National Assembly, and it is widely assumed that the major parties, locked out of the final round of presidential voting, will bounce back. In that case, Macron might have to appoint a prime minister from the right who does not share his views and does not feel beholden to him.

But nobody knows; in the almost 60 years of the Fifth Republic, no one has ever before been elected president save from the big center-right or center-left party. Even in the worst case, Macron will have defended France’s republican values against a candidate widely seen to threaten them. But whether he will also be able to champion the liberal values that thrill members of France’s rising generation is a question for another day.



# US House passes healthcare bill in major Trump victory

Reuters, 05.05.2017



The U.S. House of Representatives approved a bill to repeal major parts of Obamacare and replace it with a Republican healthcare plan, handing President Donald Trump his biggest legislative victory but setting up a tough fight in the Senate.

With the 217-213 vote, Republicans obtained just enough support to push the legislation through the House, sending it to the Senate for consideration. No Democrats voted for the bill. The bill's passage represented a step toward fulfilling a top Trump campaign pledge and a seven-year Republican quest to dismantle Democratic former President Barack Obama's signature healthcare law.

But the effort now faces new hurdles in the Senate, where the Republicans have only a 52-seat majority in the 100-seat chamber and where just a few Republican defections could sink the bill. May 4's vote was also a political victory for House Speaker Paul Ryan, demonstrating his ability to pull together a fractured Republican caucus after two failed attempts this year to win consensus on the healthcare legislation.

Democrats are hoping that the Republicans' vote to repeal Obamacare will spark a voter backlash in next year's midterm congressional elections. Some 20 million Americans gained healthcare coverage under Obama's 2010 Affordable Care Act, which has recently gathered support in public opinion polls. But Republicans have long attacked it, seeing the program as government overreach and complaining that it drives up healthcare costs.

The Republican bill, known formally as the American Health Care Act, aims to repeal most Obamacare taxes, including a penalty for not buying health insurance. It would slash funding for Medicaid, the program that provides insurance for the poor, and roll back much of Medicaid's expansion.



# Announcements & Reports

## *Central Asia at 25*

**Source** : Bruegel  
**Weblink** : <http://bruegel.org/2017/05/central-asia-at-25/>

## *Maintaining Arctic Cooperation with Russia*

**Source** : Rand  
**Weblink** : [http://www.rand.org/pubs/research\\_reports/RR1731.html](http://www.rand.org/pubs/research_reports/RR1731.html)

## *The unprecedented expansion of the global middle class*

**Source** : Brookings  
**Weblink** : <https://www.brookings.edu/research/the-unprecedented-expansion-of-the-global-middle-class-2/>

# Upcoming Events

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

**Date** : 25 May 2017  
**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** : 25 May 2017  
**Place** : London - UK  
**Website** : <http://www.chathamhouse.org/event/future-capitalist-democracy-uk-japan-perspectives>

## *13th Asia Europe Economic Forum (AEEF)*

**Date** : 26 May 2017  
**Place** : Beijing - China  
**Website** : <http://bruegel.org/events/13th-asia-europe-economic-forum/>

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

**Date** : 27 May 2017  
**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** : 27 May 2017  
**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** : 27 May 2017  
**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** : 28 May 2017  
**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** : 28 May 2017  
**Place** : Berlin - Germany  
**Website** : <http://www.bruegel.org/nc/events/event-detail/event/541-the-future-of-the-welfare-state/>

## *Vision Europe Summit 2016*

**Date** : 28 May 2017  
**Place** : Lisbon - Portugal  
**Website** : <http://bruegel.org/events/vision-europe-summit-2016/>