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15. **(EU) EU/LISBON STRATEGY:** Maria Jovo Rodrigues calls for single strategic framework to help development in Europe post-2010

Genuinely European instruments are required in response to the crisis

In an effort to illustrate what she meant by genuinely European instruments, Ms Rodrigues explained that if we wanted to regulate the financial markets, European monitoring instruments needed to be adopted, common rules defined for the banks, and coordination carried out with our international partners. She said that it should be understood that a simple addition of different national actions was not enough. Rodrigues explained that this also applied for the budgetary relaunch where there was a need for an agreement on what European instruments were available, such as the Stability Pact. She affirmed that they should fully use the room for manoeuvre contained in the Stability Pact for relaunching the budget, as well as speed up the use of structural funds and strengthen action by the European Investment Bank. She did point out, however, that this was not enough. Why? Because all member states should be capable of carrying out the relaunch and new European instruments should be considered. According to Ms Rodrigues, this is the right moment to discuss "Euro-bonds" as a way of supporting investment needed for creating new jobs and investment, which is in line with the long-term objectives outlined in the Lisbon

strategy, such as a greener and smarter economy. Euro-bonds would also have the advantage of extending the reach of the Euro, attracting more foreign capital to Europe and underpinning these investments, as well as presenting an interesting alternative to the dollar, given US debt. The Lisbon strategy innovator averred that we actually have a great opportunity for launching the latter and explained that proof for the need of European instruments could be illustrated by state aid and industry policy. She stated that we cannot just limit ourselves to national industry policy, which would create unfair competition between member states. What was therefore needed was genuine coordination of national policies and providing the EU with European industrial and innovation policy instruments, while avoiding protectionism.

The same line of argument can be followed for employment and social policy, explained Professor Rodrigues because these instruments needed to be consolidated at a European level, such as with the European Employment Strategy and the European Globalisation Adjustment Fund in an effort to provide the appropriate European solidarity for responding to the dangers of unemployment.

Consolidating European instruments should also mean member states not competing with each other on the basis of reduced taxes because this would destroy the Community acquis. Professor Rodrigues said that this constituted the new political compromise they needed to respond to the crisis and reinforce European integration and overcome the dilemma mentioned above. She backed up this argument by explaining that the next compromise was also very important for tackling possible developments in the crisis, which she said was much more than a recession and was global and systemic. Key reforms were therefore required in our market economies to ensure that there are no other crises in the future like the present one. Rodrigues added: *"I am talking about reform of the financial system, corporate governance and relations between states and markets because we need regulated markets. It is therefore necessary to take into account the fact that this crisis is complex"*. She said that the crisis began with a wave of financial problems, then became a wave of economic disasters and is now becoming a crisis of employment that could become a wave of social problems. She explained that these different waves came in a kind of staggered formation and meant that if they succeeded in controlling the financial crisis, they would, nonetheless, still have the other economic, employment and social waves to deal with. Professor Rodrigues said that in connection with employment, they needed to acknowledge that most companies were attempting to resist and avoid mass unemployment and lay-offs because they were aware that they would lose a precious resource, human capital. But if the blockage in the banks and financial markets continued, there was a possibility that there might be mass redundancies at a certain moment. She said that it was imperative to prepare for this possibility and also explained why they needed a very significant shift in employment policy that could be adopted at the forthcoming European Employment Summit and reconfirmed by the June European Council. *"This is why it is a real shame that this European employment summit has reduced its political scope. I really regret it and think that such a thing is lamentable. We don't solve a problem by disguising its true nature"*.

Eagerly expected shift in employment and social policy

New European policy orientations. According to Professor Rodrigues we need: 1) a budgetary relaunch that is strong enough to bolster public and private investment and create new jobs. She also said that it was very important to develop greater coordination between innovation, education and employment policies because a much more proactive approach was required for creating new jobs; 2) use the crisis period for launching a European-wide major works programme to train workers for jobs of the future. This refers to the "New Skills for New Jobs" initiative (prepared by Ms Rodrigues from a technical and policy point of view: Ed); 3) protect jobs by doing everything possible to keep people in the companies where they work. A few years ago, this kind of message would have been accused of being protectionist but now it is absolutely appropriate to the situation because if these people lose their jobs, it will be very difficult for them to get another job. The whole tool-box should be used on working time, combining working time and training, partial unemployment etc, in short, using everything that would help maintain a link between people and companies. This is why, if we are going to talk about flexicurity, it is a priority that, *"this is a flexicurity internal to the enterprise"* because we have to avoid redundancies; 5) ensure that people with precarious jobs and who are very vulnerable to this crisis continue to be protected by the public services, social protection systems and are guaranteed a minimum income.

Social policy priority. Professor Rodrigues said that although we are thinking of those who do not have jobs, who are on the dole, in retirement or workers with very low salaries, we also need to take action on consumer goods prices and guarantees for accommodation in a market in crisis.

Implications in the response to the post-2010 Lisbon strategy crisis

The response to the crisis has implications on the post-2010 Lisbon strategy. Long term challenges

needed to be identified (climate and demographic changes) and ideas conceived for the European Union's long term strategy. At the same time, there is the challenge of the **systemic crisis, which is deep and much more multipolar** than in 2000. There are major changes going on and this is why Professor Rodrigues said that Lisbon strategy should focus on the long term and following points: 1) a "smarter economy" is needed to strengthen our social protection systems in addition to the introduction of new priorities on the green economy, regulation of the financial markets and coordination of the Euro-zone to underpin this growth and development strategy; 2) the so-called external dimension of the Lisbon strategy is also required. This means that if this strategy's implementation is to be successful, the opening up of the markets should be encouraged, social and environmental standards improved at an international level and cooperation with our international partners strengthened in an effort to help them improve their own standards. Ms Rodrigues said that she supported a **single development framework for Europe** that covered the economic and environmental spheres and went beyond the current situation of three parallel processes: the growth and employment strategy, the sustainable development strategy and social policy coordination. Ms Rodrigues affirmed: "There are too many processes. This complicates our task at European and national levels. This is why I support a single strategic framework for the ink that Europe can now take up the leadership by giving an example".

Professor Rodrigues concluded by noting that this discussion was very topical. The coordinators' meeting (Commission and ministers chosen by the governments to coordinate the Lisbon strategy at a national level) took place a short while ago in Prague. All the institutions and European players are therefore preparing their proposals for the post-2010 Lisbon strategy (European Commission, European Parliament, European Economic and Social Committee, Committee of the Regions, social partners etc. (G.B./trans/rh)

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16. **(EU) EU/CANADA:** Towards reinforced economic and commercial partnership

Brussels, 04/05/2009 (Agence Europe) - In line with the hopes expressed at the bilateral summits of Berlin (June 2007) and Quebec (October 2008), this Wednesday's summit in Prague will see the European and Canadian leaders launch negotiations for a reinforced economic and commercial partnership between the EU and Canada. The future agreement will cover trade in goods and services, investment, public procurement, facilitation of trade, regulatory cooperation, intellectual property rights and the mutual recognition of professional qualifications. The future free-trade agreement will cover customs duty and non-tariff barriers. *"This is a signal that the EU remains committed to the opening-up of the markets, even at times of economic crisis and increased protectionism"*, said Trade Commissioner Catherine Ashton, on 27 April, having obtained the Council's mandate to negotiate with Ottawa.

At this point, economic and commercial relations between the EU and Canada are governed by a framework agreement of 1976, which has been added to by a number of sectorial agreements. According to a feasibility study of 2007, which looked into the advantages of a closer partnership, increased liberalisation would lead to an extra €11.6 billion a year for the EU, 50% of which would arise from the liberalisation of services, 25% from the removal of customs duties and 25% from the reduction of non-tariff barriers. For Canada, the increase would be worth €8.2 billion annually.

With a share of 1.8% in the total extra trade of the EU, Canada is the 11th largest commercial partner of the EU27. The EU, which represents 9.8% of Canada's external trade, is Canada's second-largest partner. In 2008, bilateral trade in goods stood at €49.8 billion. Between 2000 and 2008, the exports of goods from the EU to Canada increased by €21.1 billion to reach €26.1 billion, whilst the EU's imports from Canada grew by €19 million to reach 23.8 billion. The commercial surplus of the EU27 remained stable at €2.3 billion in 2008. Products with higher levels of added value, such as machinery, transport equipment and chemical products, represent nearly half of the EU's exports to Canada and 32% of its imports. Agricultural and energy products constituted 17.6% of trade. Trade in services, particularly in the tourism and transport sectors, are on the increase. In 2007, the EU exported €11.7 billion worth of services to Canada and imported €9.6 billion worth of services from Canada. Lastly, investments constitute a major portion of Euro-Canadian trade. The direct foreign investments (DFI) of the EU in Canada increased sharply, from €11.9 billion in 2005 to €42.9 billion in 2007, whilst Canadian DFIs in the EU have risen from €8 billion in 2005 to €10.3 billion in 2007. (E.H./trans.fl)

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17. **(EU) EU/ENERGY:** Dialogue of deaf between Europeans and Russians

Brussels, 04/05/2009 (Agence Europe) - Three months after the gas crisis, Europeans and Russians met at ministerial level in Moscow on Thursday 30 April to prepare for the EU-Russia