THE PARLIAMENT
POLITICS, POLICY AND PEOPLE MAGAZINE

Issue 323
7 March 2011

Missing the boat?

EU-Japan: is it time for closer trade ties between two of the world's leading economic powers?

"AS STRONG AS EU-JAPAN RELATIONS ARE, THERE IS STILL A LOT OF UNFULFILLED POTENTIAL"

Chair of parliament's international trade committee Vital Moreira

EU-Japan trade
Glyn Ford, Japanese EU ambassador Nobutake Odano, Robert Sturdy, Cristiana Muscardini

Plus: EU funding: Janusz Lewandowski, Georgios Stavrakakis, Jan Olbrycht

International women's day
Viviane Reding and Jerzy Buzek, Eva-Britt Svensson, European Women's Lobby, Scottish Women's Aid

Plus: Lifelong learning, EU media policy, and Ukraine-EU relations

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Making a statement

Congratulations to the Parliament Magazine editor Brian Johnson who celebrates his 200th edition in the editor's chair and has been responsible for maintaining the fine editorial standard of this publication for the past 10 years.

The 100th anniversary of International Women's Day is a date which should not go unrecognised. The fact that so much has been achieved in women's emancipation in the west: the right to vote, the right to an education, the right to have economic independence, the right to equal pay for equal work, the right to have control over your body and that fact that a woman is no longer the property of their father or husband, but their own person. That more women are succeeding in public life, academia, business and the sports field is a testament to how far we have moved from the days of 1911, when women in most EU countries did not have the right to vote. However, is it also a time for reflection on how much is yet to be achieved? Take the European parliament, where are the elected women from the black and minority ethnic community? Do they have no say in how Europe is governed? Whilst representation of women in the parliament has increased to 30 per cent, how can we ensure that women will make up 50 per cent of MEPs in the democratic house of the European institutions. For too many women, the burden of care, whether for children or elderly relatives, still rests on them, and whilst economic independence has been achieved, the need to keep pursuing equal pay for equal work continues, even though the law has been on the side of women for decades. Turning from the EU to other parts of the world, it is the responsibility of the EU to shine a light in dark places when it comes to women's basic rights in other countries. It was the European parliament who took up the case of those women facing the death penalty in Iran. It is the European parliament who has led on condemning female genital mutilation, protecting women against forced marriages and condemning honour killings. It has been MEPs who have exposed female infanticide issues, in particular in China, and the need to protect women and children from being trafficked as slaves across the world. There is so much to be proud of and so much still to fight for. Happy International Women's Day. ★

Catherine Stihler

Catherine Stihler is the Parliament Magazine's MEP editor

ON THE COVER | EU-Japan trade

Together, the EU and Japan represent close to 40 per cent of the world's GDP and more than 20 per cent of world trade. So it comes as perhaps no surprise that policy makers both in Brussels and Tokyo are now reassessing the relationship between the two trading giants. Former MEP, and EU-Japan expert Glyn Ford returns to the Parliament Magazine, opening our debate with a call to the EU to make the most of the opportunities presented by increased economic integration with Japan. "Will European trade commissioner Karel De Gucht and the commission have the courage to respond and seize the opportunity of an EU-Japan economic integration agreement?", writes Ford, while adding that a no from Brussels to closer trade could leave "enormous political and economic opportunities going begging." **Missing the boat, pages 15-16**

On the doorstep

The EU should work on promoting political pluralism and the rule of law in its discussions with Ukraine, writes **Amanda Paul**

Ukrainian president Viktor Yanukovich addresses the parliament in Kiev

It has been some time since a Ukrainian government held power for a year, but Viktor Yanukovych's government has managed to do it. One year ago, when Yanukovych took over from the once celebrated champion of the Orange Revolution, Viktor Yushchenko, the country was a mess. The economy was on the brink of collapse, relations with Moscow at rock-bottom, while relations with the EU were stagnating following years of empty declarations from Kyiv.

Yanukovych set out to fix the damage. He has repaired relations with Russia, brought stability back to Ukraine, taken measures to get the economy back on track, pledged to "drain" the swamp of corruption, and strengthened ties with the EU, implementing a number of EU demanded reforms as well as overseeing Ukraine's entry into the European energy community. He has also promised to make 2011 – the 20th anniversary of Ukraine's independence – a year of progress, including further reforms and the drafting of a new constitution involving representatives of all political forces and public organisations.

Ukraine's relationship with the EU has significantly improved, with 2010 ending on a positive note and the November EU-Ukraine summit delivering tangible results including an action plan for visa liberalisation, and promises to accelerate negotiations for the association agreement and comprehensive deep free trade agreement (CDFTA) with the hope of concluding by the end of 2011.

It would seem that Yanukovych has made good on his election promise of commitment to EU integration. However, many of the reforms still need to be implemented and further internal reforms made in order for Ukraine to receive important IMF and EU finance. It is also still not clear whether the association agreement will be concluded by year end due to differences on the CDFTA. Ukraine needs to work out a compromise with the EU's desire to protect its markets, especially in the case of agriculture.

Additionally, Yanukovych has been accused of rolling back democracy, consolidating power, and of "selective

justice" as a number of high-ranking opposition figures, including former prime minister Yulia Tymoshenko, are investigated on charges of corruption with the EU being pushed to react.

Overall the EU, with the exception of the European parliament's EPP group, seems to be taking a pragmatic approach to these accusations, being careful not to jump in and judge too quickly. However, what happens next is important as it could shape the direction that Ukraine continues to follow. Maintaining democratic practices in Ukraine is the only viable way to secure sustainable political stability, and deep economic reform. Therefore, the EU needs to further engage Ukraine and build on the strengthened ties including further promoting political pluralism and the rule of law.

"Maintaining democratic practices in Ukraine is the only viable way to secure sustainable political stability"

However, one of the fundamental problems in the EU's relations with Ukraine is that it has no strategy for the country. On the one hand, it wants a stable and prosperous Ukraine, but on the other it rejects the very notion of offering Ukraine the most important tool to achieving this - a membership perspective. Rather it prefers to stick to its "the door is not open but the door is not closed either" policy.

This approach is not sustainable and contradicts the EU's goals for the region. It is short sighted and reflects the EU's present crisis of vision and leadership. This lack of political vision is responsible for the dogmatic way in which Ukraine is judged.

The EU has an important influence over the whole process of Ukraine's post-Soviet transformation because what happens in Ukraine impacts on the EU. Unfortunately, the EU seems unable to move away from stereotyping Ukraine because of its Soviet past and links to Russia. Psychologically for many western Europeans, Ukraine is outside of Europe. Therefore, it seems some in the EU have already drawn Europe's border, seemingly based on the fault-lines described in Samuel Huntington's Clash of Civilisations.

While the association agreement and CDFTA are of great benefit to Ukraine in terms of its further economic and political integration, the EU is asking Kyiv to do pre-accession work and often painful reforms without offering the appropriate support, financial or otherwise. No other country has managed to do this and with Ukraine's track-record it is questionable whether it will succeed.

While such a perspective would certainly not guarantee a problem free Ukraine, it would probably, as has been the case with other countries, help consolidate democracy and bring about a more dynamic and consistent reform process by offering all political actors a shared goal which may help move Ukraine away from its "tit for tat" political culture. The EU needs to show vision and courage. A stable, prosperous, and democratic Ukraine will be a win-win situation for the entire region. ★

Amanda Paul is a policy analyst for the European Policy Centre

A pressing matter

Media freedom is a cornerstone of European societies and should be vigorously defended in all member states, writes **Martin Schulz**

Media freedom is at the heart of democracy. Freedom of expression is enshrined in article 11 of the charter of fundamental rights as one of the cornerstones of European societies. The freedom and pluralism of the media shall be respected, it adds. Indeed, the right to information must take precedence over political and economic interests and governments have the duty to protect this fundamental freedom.

Pushing for media freedom is a continuous battle around the world, but Europe is also called upon to defend it within its borders. A 2010 study by Reporters without Borders sees several European countries dropping in the index of press freedom. The EU risks losing its leadership role in human rights if it is not vigilant about the worsening press situation in some of its member states. Among the countries the Socialists and Democrats in the European parliament are concerned about most are Italy, France, Romania, Bulgaria and Hungary.

"In a democracy, the media must be able to perform their role as a watchdog"

Martin Schulz is chair of parliament's S&D group

Since day one, when Hungary's ruling majority adopted the controversial media act, the S&D group has fought hard to have it withdrawn. We believe that it flies in the face of fundamental European values. In a democracy, the media must be able to perform their role as a watchdog. But what the Orbán government is doing is to scrutinise the media — and that is not right.

We therefore urged the commission to proceed immediately with a legal examination of the content and the spirit of this law, and if necessary to take action against the Hungarian government. We wanted the commission to play its role under the Lisbon treaty to the full. We urge the commission to continue the close monitoring and assessment of the conformity of the Hungarian media laws as amended with European legislation, particularly with the charter on fundamental rights.

In an open letter to Hungarian prime minister Viktor Orbán, I called on him to withdraw the media act that had become the focus of an international controversy and a burden for Hungary's EU presidency. Doing so immediately would have paved the way towards a successful EU presidency — one Europe desperately needs in order to address immediate challenges like the debt crisis and unemployment. Giving in to relentless political pressure, the Orbán government recently agreed to amend its controversial media legislation, dropping earlier demands that all other EU countries would then need to have their media laws scrutinised, too.

We welcome the willingness of the Orbán government to advance amendments in four areas, and a series of changes, some of technical nature, have taken place. But the negotiations have not fully addressed many other serious concerns. Crucial issues remain unanswered, including the composition of the media council, which is politically loaded and exerts pervasive and centralised governmental, judicial and political control on all media.

We regret that the commission has not acted on the recommendations of the parliament, the Council of Europe, the commissioner, and the OSCE on the violation of the principle of confidentiality of journalistic sources, extremely disproportionate sanctions, and abolishing the political and financial independence of public service broadcast media. Even in the light of recent changes, I still believe that a wide range of problematic provisions persists and that the Hungarian government would be well advised to overhaul the media act thoroughly.

Media freedom is under threat in a number of member states. My Group last week hosted an international conference on media freedom because we believe that the time has come to find European solutions to this new and growing threat. ★

Basic values

The Turkish government do not understand pluralism and free speech, write **Morten Messerschmidt** and **Robert Ellis**

Shortly after accession talks with Turkey began in October 2005, former European enlargement commissioner Olli Rehn emphasised at a meeting of the EU-Turkey joint parliamentary committee: "pluralism and free speech are basic values which cannot be compromised". However, this is a message that the Turkish government doesn't appear to have understood.

Since Reporters Without Borders first published their annual world press freedom index in 2002, Turkey's position has gradually dropped. Last year it was 138 out of 175 countries, whereas it was 98 in 2005, when Turkey's EU-inspired reform programme culminated. However, this deterioration in Turkey's standing, which now rates Turkey lower than Zimbabwe, Egypt and Venezuela, has taken place since the AKP government came to power in 2002.

In 2004 a revised press law replaced imprisonment with heavy fines, and there was a provision making it punishable to comment on court proceedings. This was supplemented the following year with a new penal code, where 27 articles made offences committed through the press and media punishable with varying terms of imprisonment. In 2006 two amendments to the anti-terror law made life even more difficult for journalists, especially in dealing with the Kurdish question.

According to Bianet, a Turkish press freedom organisation, in 2005 157 journalists, publishers and activists were prosecuted, but this number steadily climbed to 435 in 2008 and 425 by the third quarter of 2009. On the other hand, there has been a decrease in the number of prosecutions under article 301 of the penal code, which covers insult to the Turkish nation, falling from 72 in 2006 to 18 in 2009.

Articles 285 and 288, which cover breaches of the confidentiality of an investigation and attempts to influence a fair trial, have yielded a rich harvest, as 4091 investigations have been launched against journalists who have reported on the labyrinthine Ergenekon case.

A man holds up a mask of detained journalist Tuncay Özkan during a demonstration against his arrest

"Deterioration in Turkey's standing has taken place since the AKP government came to power in 2002"

As of the end of September 2010, 50 members of the media were in prison, 44 of whom were detained and six convicted. Journalists Mustafa Balbay and Tuncay Özkan, who were detained in July and September 2008 in connection with the Ergenekon case, have yet to be brought to trial.

The Turkish prime minister, Recep Tayyip Erdogan, has claimed "we have never pressured, restricted, interfered in or silenced any media outlet", but his track record belies this claim. By 2006 he had already lodged 71 defamation suits against the media, winning 46 of them and being awarded €127,000 in compensation.

At present, Erdogan has launched defamation suits against the editor-in-chief of the daily Taraf and the former chief columnist of Hürriyet, claiming a total of €75,000 in compensation. And 16 university students are being prosecuted for performing a song called "The Tayyip Blues".

In September 2008, after widespread coverage of corruption in AKP circles, Erdogan called for a boycott of Dogan Media Group publications, which had already been heavily hit by two tax fines, totalling three billion dollars.

For this reason, the Turkey assessment group, which was formed last May as an open forum for debate and presentations by experts on the Turkish issue, will devote its meeting on 4 May to press freedom in Turkey with a presentation by Haluk Sahin, columnist and media expert. We hope that parliamentarians from across the political spectrum share our concern and join us. ★

Morten Messerschmidt is a vice chair of parliament's constitutional affairs committee

Robert Ellis is the chairman and advisor to the Turkey assessment group

Hold the front page

The EU should rethink its media policy in the wake of the Hungarian press freedom row, writes **Aidan White**

Thanks to the controversy over Hungary's new media law European politicians have found their voice on the press freedom crisis, and for journalists it's not before time.

A series of useful meetings at the European parliament have put the spotlight on the financial and structural problems of the media industry. As well as pointing the finger at governments trying to exercise political influence over journalism, policymakers are concerned over the willful neglect and indifference shown in a number of member states to the perfect storm of problems that currently threatens to overwhelm media.

In Hungary the government has been embarrassed by the furore over its new law which puts in place a bureaucratic and politically-driven body to oversee media, which has draconian powers to fine news outlets and journalists and which is able to second-guess newsroom judgments by imposing its own view of what is "balanced" journalism.

Not surprisingly, the law has caused uproar in Hungary and beyond. The European commission was forced to intervene with commission vice-president for digital agenda Neelie Kroes demanding amendments to bring the law into line with European standards. Although the Viktor Orbán government made some changes, to many they appear technical, hardly visible to the naked eye. However, they appear to be enough to satisfy the commission and this has raised new worries.

Journalists and press freedom advocates say the law has to undergo radical surgery rather than cosmetic treatment, but Hungary protests that it is being singled out for special treatment. It complains that neighbouring countries have similar laws but have not stirred Brussels into action.

It is a complaint with some foundation and it exposes a profound weakness of the European Union in its approach to media. The principle of subsidiarity allows national governments to regulate media and journalism with impunity even when it appears that these rules undermine the rights protection of the charter of fundamental rights.

"Journalists and press freedom advocates say the law has to undergo radical surgery rather than cosmetic treatment"

In response to this crisis the commission and parliament need to rethink their approach to media policy. One suggestion is that the parliament should support the creation of a media monitoring unit to keep watch on the situation, but that is not nearly enough. There are already well established watchdogs able to blow the whistle when governments step out of line.

What is needed may be a new media policy think-tank to develop strategies that will help governments cope with the changed world of information – in particular, solving the riddle of how to regulate the internet and media in one coherent process. It could also support ethical journalism and help governments keep the faith with their solemn commitments to human rights protection and press freedom. ★

Aidan White is general secretary of the European Federation of Journalists

Push for change

Without a concrete time limit for progress, negotiations between Turkish and Greek Cypriots could continue indefinitely, says **Ahmet Erdengiz**

The Turkish Cypriot side is fully committed to a comprehensive settlement on the basis of the UN parameters of a bi-zonal, bi-communal federal partnership with political equality and the equal status the two constituent states. To this end it has been doing its utmost since the beginning of the current process of talks which have been continuing for three years. All through the process, the Turkish Cypriot side has been much more forthcoming than the Greek Cypriot side in the talks by pushing for more meetings to take place, by coming up with 'fresh' proposals, as described by the UN secretary general, and by striving to speed up the process. The positive approach of Turkish Cypriot side can be clearly seen from its proposals under the property, governance and power sharing chapters.

On the other hand, the Greek Cypriot side has been resisting time tables and refusing to expedite the process. It has been reiterating its entrenched positions instead of trying to find ways to accommodate the needs and concerns of the other side. The current process of talks have been going for three years, yet the two sides have been negotiating under UN auspices for 43 years, which is why, without a time limit, talks can go on forever. The UN secretary general also underlines the need for this process not to be open-ended in his most recent report.

Although the two sides have been negotiating under UN auspices on an equal footing, outside the context of negotiations they do not operate under equal conditions. While the Greek Cypriot side is a recognised state, a member of the European Union, the Turkish Cypriot side is not recognised and has been living in isolation. This isolation should not be understood as a mere inability to directly trade with the outside world or to fly directly to other parts of the world. Isolation is so grave that it affects the life of each and every Turkish Cypriot on an almost daily basis. If the talks do not succeed the Greek Cypriots do not lose anything; they go on with their lives in a divided island, to a certain extent cut off from the North but in touch with the rest of the world. On the other hand, the Turkish Cypriots go on with their struggle against isolation, not only cut off from the South but also from the rest of the world.

This inequality of opportunities and status between the two sides enables the Greek Cypriot side to maintain a maximalist stance in its demands within the context of negotiations. It gives them the opportunity to reject even the very parameters of the settlement, such as bi-zonality, a key element of a future solution.

The Cyprus question has been on the agenda of the UN for almost half a century and the status quo is unacceptable, not only for the parties on the island, but also for all those involved with the Cyprus issue, such as the European Union. Therefore, the EU should be creative in helping the two sides to once and for all end this conflict which has been going on far too long. ★

Ahmet Erdengiz is the Turkish Republic of Northern Cyprus representative in Brussels

'Cyprus 2015' is an Interpeace-UN programme focused on building a sustainable future through island-wide research and dialogue

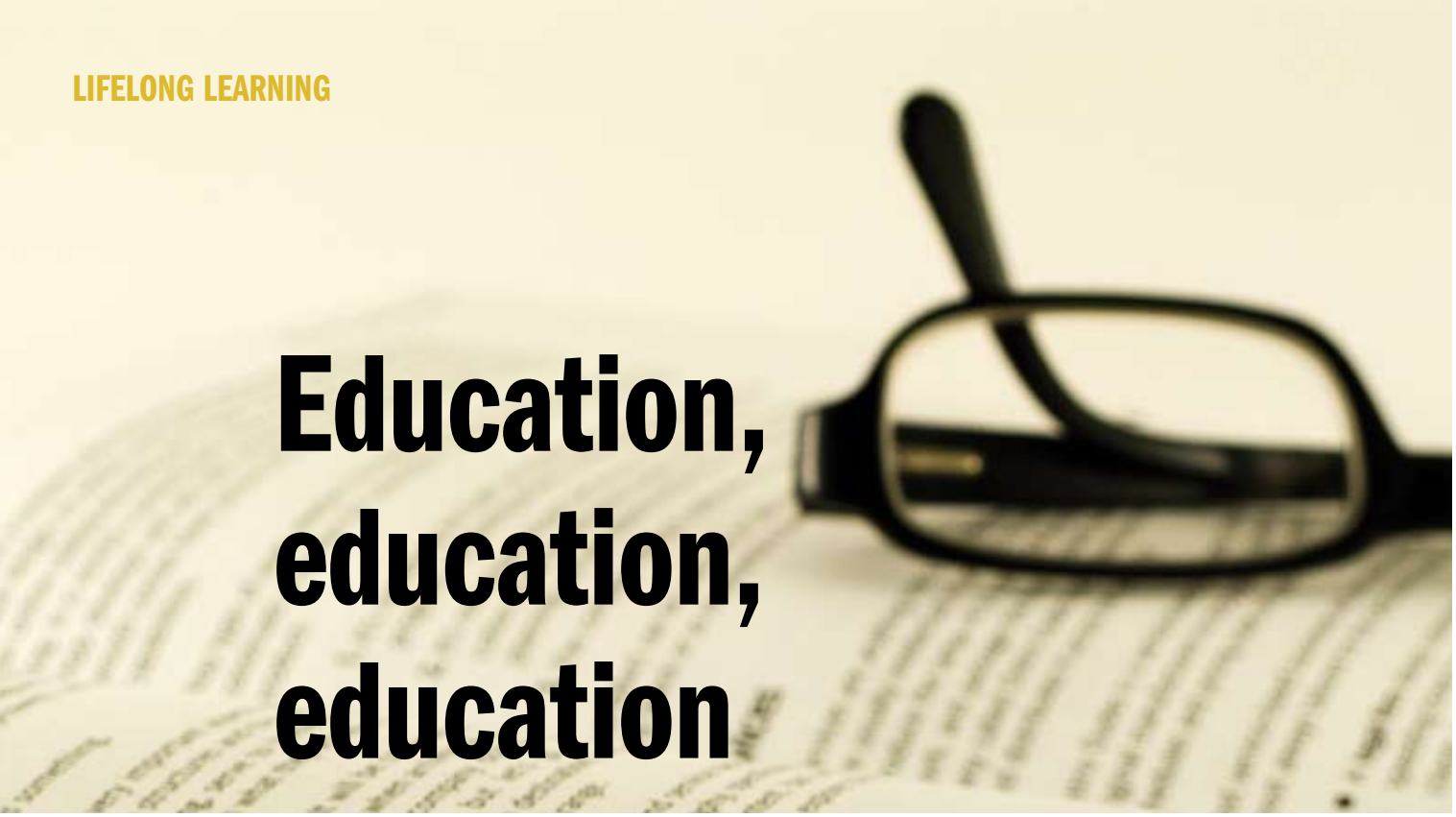
'Cyprus 2015' poll results:

- **Greek Cypriots (68 per cent)** and **Turkish Cypriots (65 per cent)** have high desire for a settlement
- Both sides **(Greek Cypriots 79 per cent) (Turkish Cypriots 76 per cent)** are prepared to accept federation as a compromise settlement
- The existing Cypriot-owned process attracts significant support from both communities **(Greek Cypriots 83 per cent) (Turkish Cypriots 60 per cent)**
- A mechanism of public information on the peace process is also highly desired **(Greek Cypriots 88 per cent) (Turkish Cypriots 77 per cent)**
- However, challenges remain in terms of high lack of trust towards the other side **(Greek Cypriots 84 per cent) (Turkish Cypriots 70 per cent)**
- There is also concern about dominance by the other side **(Greek Cypriots 87 per cent) (Turkish Cypriots 59 per cent)**

Philippe Bartholme EU relations officer for Interpeace

"The Cyprus question has been on the agenda of the UN for almost half a century and the status quo is unacceptable"

A soldier stands next to the UN-controlled buffer zone that divides the Greek and Turkish Cypriot controlled areas at Ledra street in the divided capital of Nicosia



Education, education, education

From social change to gender mainstreaming, cultural awareness to personal fulfilment, **Mary Honeyball** believes that lifelong learning can promote far-reaching societal benefits

The notion of lifelong learning may sound a little obscure initially. But given further thought it quickly becomes clear how it can enrich people's lives, or help them to fulfil the career ambitions they've always dreamed of but never thought they'd be able to reach. There is a need for investment in resources and structures which support the concept of lifelong learning. And the European Union has gone some way to encourage this with the Grundtvig programme, described as "practical learning for adults".

Launched in 2000, the Grundtvig programme focuses on the teaching and study needs of learners taking adult and 'alternative' education courses. It aims to help develop the adult education sector, as well as enable more people to undertake learning experiences, notably in other European countries. Those countries which embrace the idea of lifelong learning have higher levels of participation. The UK has good levels, for example, as does Finland where a greater emphasis is placed on non-formal learning. A study by Tom Schiller and David Watson shows the UK is comparatively good in its adoption of lifelong learning programmes, because of its flexibility in formal programmes.

Essentially, lifelong learning is good for those who wish to acquire new skills. But it has far reaching social benefits too, including happiness, general social cohesion and inclusion. This isn't to say that there aren't problems with the reach of lifelong learning. The most notable of these is the demographic challenge and the balance of opportunity. Much of the focus of lifelong learning, and where a great proportion of the money is spent, is focused on continuing the education of 18- to 25-year-olds. And this is something which needs to be addressed.

"Lifelong learning is good for personal fulfilment"

However, it isn't just formal learning programmes which enrich our lives – non-formal education programmes play an important role as well. Research by Finnish academics which looked at the idea of informal learning in Finland produced some staggering results.

It found that some 50 per cent of the Finnish adult population was recorded as participating in some way in adult education in 2006. The research showed that the desire to learn was less tied up with advancing career opportunities, and the far greater motivation was simply the enthusiasm and desire to continue to learn.

The commission mentions lifelong learning in the EU 2020 strategy, and statistics show that some 80 million people have low or basic skills, but lifelong learning benefits mostly the more educated. The commission believes that by 2020, 16 million more jobs will require high qualifications, while the demand for low skills will drop by 12 million jobs. Achieving longer working lives will also require the possibility to acquire and develop new skills throughout the lifetime.

Lifelong learning is good for personal fulfilment, this is true but it can have greater societal effects and produce social change and active citizenship, gender mainstreaming and cultural awareness. These are all positive things which the culture committee is fully supportive of. ★

Mary Honeyball is a member of parliament's culture and education committee

Learn for life

Martin Banks reports on the results of the first ever European lifelong learning indicators index

We are always hearing about how learning is considered to essential for our growth, development and prosperity. The German charitable foundation Bertelsmann Stiftung put this to the test with its lifelong learning index – a measure of learning from cradle to grave that evaluated 23 EU nations on everything from internet access to participation rates in job-related training. Developed by an international team of experts, the index is organised under Unesco's four pillars of learning – learning to know, to do, to be, and to live together – and relies on a complex set of 17 indicators and 36 specific measures to generate lifelong learning scores. The hope is that the index – based on the Canadian Council on Learning in Ottawa, which has been releasing a comparable domestic survey since 2006 – can generate EU-wide public dialogue about the issue of lifelong learning.

A one-day seminar was held at the Committee of the Regions in Brussels last month to discuss the first set of results from the index. The inaugural results reveal that Nordic countries such as Denmark, Sweden, Finland and the Netherlands ranked highest in terms of lifelong learning. Germany ranked slightly above the European average due mostly in part to its exposure to informal learning opportunities that occur at home and in the community. Capable of measuring the full spectrum of lifelong learning – that is, learning that takes place in all aspects of life, work and play, not just inside the walls of educational institutions – the index highlights the role of learning throughout all aspects of human activity.

Thomas Fischer, the executive director of the foundation's Brussels office, said the index "represents an important step towards improving the overall state of learning in Europe for years to come". So far, the foundation has confined to publishing ranking results about the performance of EU member states at national level.

At the regional level its current activities focus on Germany and it will go online with data for the German länder and 400 German communities in May. Fischer said, "What might be particularly interesting is the social and economic outcomes of high-quality lifelong learning. That is to say, there seems to be a strong link between the quality of the lifelong learning infrastructure provided by a country and its socioeconomic performance and the life satisfaction and quality of life of its citizens." He added, "This project and its instruments are based on the conviction that holistic learning is linked with social well-being – which includes not only economic prosperity, but also health, social cohesion, quality of life and democracy.

The survey also compared the European lifelong learning indicators (ELLI) results to corruption, global competitiveness and access to healthcare, and says that in every case the countries ranked high in the ELLI index did well on those indicators as well. Those at the bottom of the ELLI index, such as Greece, were equally bad on the other scales. A report published by the foundation bluntly assesses the impact of such low scores. "The effects of corruption can cripple economic development while accessibility of health services can literally make the difference between life and death," it says. "Recent economic events prove that the institutions and policies that enable a country's competitiveness are not merely facilitators of productivity, but are also the mechanisms preventing social and economic collapse." ★

"The hope is that the index can generate EU-wide public dialogue about the issue of lifelong learning"

On the move

The current, highly mobile working environment requires a set of skills that need innovative, transnational training methods, writes **François Moutot**

Europe will not be able to reach the goals of the EU 2020 strategy without the full contribution of its younger generation. Promoting learning mobility for all young people is therefore a key priority for action. However, despite the progress made in the last few years, tertiary education students still benefit from a higher degree of mobility compared to apprentices and to other youths in vocational education and training.

Promoting the European mobility of apprentices would put vocational education and training (VET) and higher education on equal footing. It would also contribute to acquiring and strengthening essential generic and technical skills needed on the labour market.

The main issue today is to further develop cross-border activities and stimulate entrepreneurship for business and job creation. Therefore, the permanent assembly of chambers of trades and crafts (APCMA), UEAPME and their partners have designed a project called "Euro-Apprenticeship" as the European "network of networks" of competent organisations involved in the development of transnational mobility for apprentices.

Transnational mobility of apprentices and other young persons in alternate VET schemes is of crucial interest for SMEs and skilled crafts companies in Europe. The working environment of skilled craft companies is undergoing profound changes. Even if the major part of SMEs' market is the local environment and "proximity" services, the playing field for an increasing number of enterprises has become regional, national and even international. Their environment is in constant evolution with the introduction of new technologies, restructuring, new production processes and outsourcing measures.

François Moutot is director general of the permanent assembly of chambers of trades and crafts (APCMA)

Competition is becoming increasingly fierce. Enterprises and their employees must necessarily adapt to change – and keep changing in tandem with the overall globalisation process. Professional and technical expertise is in itself no longer a guarantee of success. It must be accompanied by new mindsets and behaviours geared towards more adaptability. In this context, new competences acquired abroad allow both management and labour to cope with external permanent changes and to interact with partners and competitors with diverse cultural backgrounds. One must possess social, intercultural and communication skills, including foreign languages, be capable of creativity and innovative thinking, have sufficient ability for self-directed learning and last, but not least, have enough self-confidence and self-reliance to act in an unpredictable environment. Such competences cannot be taught using a school-based approach. The general upward trend in skills demand is a key factor raising a number of new challenges for VET systems.

"Placements abroad rightly fit as a new and valuable tool for better adapting vocational education and training systems in Europe to labour market needs"

Innovative methods of learning and new learning environments must be developed and introduced to enable the workforce already on the labour market as well as future workers to develop and learn. Placements abroad rightly fit as a new and valuable tool for better adapting vocational education and training systems in Europe to labour market needs.

For all these reasons, the APCMA is particularly involved in the promotion, implementation and generalisation of the mobility of apprentices. On the occasion of the 15th anniversary of the Leonardo da Vinci programme in November last year, the website (http://www.euroapprenticeship.eu/) was officially launched in Brussels. This project is jointly managed by APCMA and UEAPME and funded by the European commission.

Euro-apprenticeship is a project aiming at building and developing a network of competent bodies and intermediary organisations which provides expertise, information, help and support to any learning mobility project promoted by vocational education and training providers, for the benefit of SMEs, skilled crafts companies and apprentices.

Euro-apprenticeship provides key information and contacts to find the right support and the best adapted solution for each young person. We hope to make learning mobility the rule for apprentices, rather than the exception as is currently still the case. ★

All change

Change has always been at the heart of the Parliament Magazine and is more than ever central to its future, writes managing editor **Brian Johnson**

Some things never change. Looking back over the 200 issues of the *Parliament Magazine* I've been privileged to work on over the last 10 years, some things, at first glance, appear to never change. Writing in the first issue I was involved with, in September 2001, Brussels press stalwart Rory Watson wrote that, "rarely has the distance between the European Union's institutions and its citizens been so great." Well no change there, I suppose, although you can't fault the EU institutions for trying to better communicate, I don't think it's too cruel to say that the delivery hasn't really matched expectations.

Change was a running theme through my first issue. In his editorial back in 2001, ALDE deputy Graham Watson emphasised that as in life, so too in politics, a fresh look was occasionally needed to nudge things along. "The challenges for one generation or even for one decade are not identical to the challenges faced by the next. Political problems need to be looked at afresh and new approaches found." Considering that Watson is perhaps best known for citing obscure quotes from philosophers and writers such as Pericles, Voltaire or Mark Twain in his elaborately planned speeches in plenary, his comments way back in issue 123 of this magazine still carry a certain resonance 10 years on.

Perhaps the biggest change being discussed back in 2001 was that of the upcoming EU enlargement. In an interview with German deputy Elmar Brok, the focus of the discussion, in between bouts of "are they ready to join us", is very much on how the arrival of the accession states would change the atmosphere and political balance of the European parliament. Brok ends the interview "all in all, the character of the work of the European parliament will not change; rather it will be complimented by the addition of further cultures."

Preparations for perhaps the biggest change to affect the EU were also well underway, as a Eurobarometer survey at the time revealed that three months ahead of its introduction in 11 of the EU's then 15 member states, people were finally getting to grips with the new currency. Despite the battering the euro-zone has recently taken there is no denying the fact that the political accomplishment in setting up the new currency was a milestone in the EU's history.

Looking back at the topics in that issue, it's clear that while some things never change, there are plenty of others that do. The magazine has come a long way in the last 200 issues. It's been redesigned twice, we've introduced a website, created a highly successful events business around the magazine and our MEP awards are now in their seventh year. Yet change is again in the air. Like many other media businesses, the challenge for the *Parliament Magazine* over the next 10 years will be our toughest. Social networking, new technologies and the need for more targeted and relevant news and information services will see the *Parliament Magazine* team again rise to the task. It's been an immense pleasure to be involved in 200 issues of the *Parliament Magazine*, and not to be outdone by Graham Watson, here's a little quote by Pericles which perhaps sums up why working with parliamentarians has been such a fulfilling experience. "Just because you do not take an interest in politics doesn't mean politics won't take an interest in you." ★

Brian Johnson is the managing editor of the Parliament Magazine

Mixed reaction to ECJ ruling on women's car insurance

The insurance industry condemned a landmark European court ruling that insurers cannot charge different premiums to men and women because of their gender. The ECJ decision means that women can no longer be charged lower car insurance premiums than men, and the cost of buying a pensions annuity will change. In its ruling, the ECJ said, "Taking the gender of the insured individual into account as a risk factor in insurance contracts constitutes discrimination." The ECJ upheld the opinion of its top adviser and said that singling out women for preferential treatment contravenes article eight of the EU treaty. EU justice commissioner Viviane Reding welcomed the ruling as "an important step towards putting the fundamental right of gender equality into practice," and said she would convene a meeting with insurers in the coming months to discuss its implications. However UK Conservative deputies branding the ruling as 'a setback for common sense'. Martin Callanan, described the ruling as "nonsense". He said women now faced "devastating hikes in already sky-high motoring bills". Commenting on the media attention given to the changes in rates for car insurance, European Women's Lobby vice president Jachanova Dolezelova denied that there would necessarily be a negative impact on women's premiums in the long run, noting that premiums based on the objective criteria of past involvement in accidents would continue to reward safe drivers.

Member states called on to introduce cancer screening

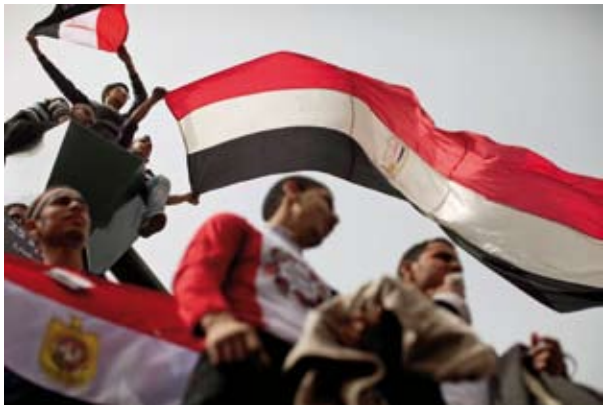
Member states have been condemned for failing to implement EU legislation designed to combat colorectal cancer. A news conference in parliament heard that only a minority of countries have implemented national screening programmes as required by a 2003 EU directive. Reinhold Stockbrugger, of the European Gastroenterology Federation, said only seven member states had a "sufficient or very good" screening programme. The worst offenders, he said, were central and eastern European countries which joined the EU in 2004 who still had not implemented the directive. In those countries which had complied with the EU law - including France, Italy, Denmark, the UK and Germany - the incidence of deaths caused by colorectal cancer had fallen, he said. Countries yet to introduce screening programmes include Belgium, Ireland, Estonia, Luxembourg, Malta, the Netherlands and Latvia. "The message is clear: screening can help save lives," Stockbrugger said. The Italy-based academic said that current disparities between member states represented an "inequality" in treatment for people with colorectal cancer. The news conference came after a parliament roundtable debate on colorectal cancer. His comments were echoed by Czech MEP Pavel Poc who said that "huge" numbers of people were dying "unnecessarily" each year from the disease.

Parliament votes against lifting MEP's parliamentary immunity

Senior German MEP Elmar Brok has remained tight-lipped after deputies rejected calls to lift his parliamentary immunity from prosecution. He refused to comment after parliament's legal affairs committee voted not to lift his immunity. On Monday, the committee discussed a request from the public prosecutor's office in Bielefeld, Germany to lift Brok's immunity. The public prosecutor wanted Brok's immunity lifted for failing to pay part of his taxes in 2005. Brok refused to be drawn, saying, "I do not wish to comment." But an aide told this website that the committee had voted not to lift Brok's immunity and that the decision was backed unanimously by the committee. Ahead of the meeting, which was held in private, Brok issued a statement saying that he has since paid the outstanding amount, €2300, which was a fee for a speaking engagement. A parliament source said the matter was not necessarily over as MEPs could still vote on whether to lift his immunity at its plenary session next week in Strasbourg.

MEPs called upon to support nascent Arab democracies

Former Irish president Mary Robinson has appealed to parliament to "support the peaceful transition to democracy that is being led by young women and men" in countries of the Arab world. She was speaking at an event in parliament to mark the 100th anniversary of international women's day. Robinson, a former UN commissioner for human rights, told the conference, "We are each familiar with the struggles for voting rights for women in our different European countries at the beginning of the 20th century, and later the struggle for the right to stand for parliament. "In some parts of the world these struggles are more recent, and ongoing. Women in Kuwait did not become enfranchised until 2005, and women in the Arab region continue to struggle to stand for parliament and for cabinet posts. "This may change, more rapidly, as it is notable how many women – particularly young women – have been coming on to the streets in Arab countries despite the violence against them, demanding greater freedom, participation and respect for their human rights." Robinson, a keynote speaker at the event, went on, "This popular movement, which is different in each country, could have a transformative impact if women are enabled to participate fully and equally in new constitutional and legal structures in Tunisia, Egypt, Bahrain, Libya and perhaps others." She described women's empowerment as a "cornerstone of democratic growth" in the Arab world. "This is because when women are able to participate in parliament they raise issues that others overlook. Once there is a critical mass of women members, they change the priorities, devote energies to projects that others neglected, reach out to constituencies that have been marginalised and ignored," she said. "Female involvement in government makes them more representative, responsive and accountable, and better able to reach across ethnic, racial and religious lines.



Arab unrest leads to EU energy supply review

A senior commission official has warned of "volatile" energy supplies due to continuing instability in the Arab world. Speaking at an energy conference, Philip Lowe said that there were "legitimate concerns" about the security of Europe's energy supply from Libya and other parts of the region. "At present, there is great uncertainty over which gas and oil fields will be under whose control in Libya," said Lowe, the commission's director general for energy. "Everyone in Europe and, indeed, the rest of the world is very worried about a safe, secure energy supply at affordable prices." The commission veteran pointed out that Libya accounted for a "substantial" proportion of both global and European gas supplies. Europe relies on Libya for 10 per cent of its oil and 20 per cent of gas supplies, said the Briton. "Continuing instability in Libya and elsewhere in the region will affect supplies to Europe and lead to volatility," he warned. Lowe, a keynote speaker at the conference, said, "This volatility will only increase if we in Europe continue to rely on a limited number of sources of energy supply." Europe imports more than half of the energy it needs and Lowe said the commission has warned that "if nothing changes our dependence on fossil fuel imports will rise by 2030."

Parliament told that GM crops can help achieve EU policy objectives

A conference in parliament has been told that genetically modified crops offer "tremendous" opportunities to help achieve key EU policy goals. The conference heard that while GM crops are not the "magic bullet that will solve every problem", their benefits are "by no means" limited to agriculture. The event came days after a parliamentary committee approved a draft law that would allow the import of animal feed contaminated with small traces of genetically modified crops. Both the commission and parliament are expected to accept the legislation by this summer, which would mark a new approach to EU policy towards biotech food. A policy paper by the European Association for Bioindustries (EuropaBio) was presented to the debate on reform of the common agricultural policy (CAP). It said that GM crops can "help Europe face the challenges that lie ahead", including Co2 emissions, energy efficiency and sustainability. EuropaBio, the bio industry's representative body, went on, "To realise the advantages offered by GM crops, Europeans must be able to access them. "If GM crops and derived products are part of the range of options available, farmers and consumers alike will benefit from the freedom to choose.

Missing the boat?

Glyn Ford is urging the EU to make the most of the opportunities presented by increased economic integration with Japan

Less than a decade ago, Japan was the second biggest foreign market for EU exports, but it has now slipped to fifth. The non-tariff barriers are still there despite the meetings of the high level group. Yet in terms of changing the situation things are finally beginning to move. The new Japanese government myopic focus on Asia and the pacific is seemingly changing, while in Brussels Japan is finally beginning to emerge from China's shadow.

Prime minister Naoto Kan has taken the bold and courageous step of calling for the opening of negotiations on an EU-Japan economic integration agreement (EIA) that goes far beyond traditional free trade agreements (FTA) to not just to remove tariffs but to integrate and harmonise the rules regulating business. In doing this, he has both privileged EU-Japan economic relations over Japan-US and given a signal that he's prepared to take on the vested and special interests in business and the bureaucracy that has for too long held the government hostage over the interests of a handful of farmers and others at the expense of the cutting edge of Japanese industry. Prime minister Kan is willing to face this challenge.

The question is, will European trade commissioner Karel De Gucht and the commission have the courage to respond and seize this opportunity? A 'no' will leave enormous political and economic opportunities going begging. For example, on climate change, the commitment by former prime minister Yukio Hatoyama to a 25 per cent reduction in emissions by 2020 makes Japan a serious partner for the EU in its battle with China and Washington. If Tokyo is forced to go for its second choice option of an FTA with Washington rather than Brussels by a rejection from the commission, do we really think they will continue to stick their neck out over climate change? Yet politics aside, to use Bill Clinton's famous phrase, "It's the economy, stupid". Capping it all, there is the enormous unrealised potential in bilateral trade.

While the EU continues to genuflect towards the completion of the Doha development round of world trade organisation talks, in reality its priorities are now bilateral trade agreements. Originally envisaged as a region-to-region negotiation, the EU-Asean FTA has been abandoned by De Gucht in favour of the willing and the able, with Singapore and Vietnam cherry-picked for fast track agreements.

Had Tokyo been paying attention, the commission's recent decision to reopen negotiations with Mercosur, when eight member states signed a letter opposing it, would have added insult to injury. But it wasn't. Now in Tokyo, they've seen that the EU-ROK FTA was overwhelmingly ratified by the European parliament during last month's Strasbourg session while in Washington the Korus FTA between Seoul and Washington signed nearly four years ago has been gathering dust in the Senate's pending tray. The only reason Obama's threatening to even give it a dusting off is because of Brussels.

It is arguable there is short term expediency in the commission putting Japan on the backburner. The EU-Republic of Korea FTA was fiercely opposed by the European car industry. Any signal of the opening of negotiations with Japan will resurrect these efforts. For them the economies of Japan and Korea are too congruent for comfort. Yet that's the point. Gains from any agreement with Seoul are an order of magnitude bigger with Tokyo. True, the timing is not perfect, but it's now or never. The loss of face from a flat 'no' now will kill this

for a generation. Business in Tokyo and Brussels knows what it is missing out on. Keidanren, the Japanese employers' federation, has been campaigning not just for an EU-Japan FTA, but rather for the EIA. European business completely concurs.

The question is how to deliver, how to force the blind to see. At one time it could only be when Berlaymont and Nagatachō finally came to a consensus, but now there is a new way to kick-start the process. With the ratification of the Lisbon treaty in November 2009, the European parliament has a veto on trade policy, as Seoul found out. Parliament is desperate to take its new powers out for a spin. It may be that the European parliament is not prepared to wait to be asked to dance by the commission but takes the initiative and even chooses the tune. A urgent sustained campaign by business to engage and educate parliament in understanding the economic and employment benefits from pursuing an EU-Japan EIA could bear substantial fruit, with the EP telling the commission and council that it expects them to make the right noises at May's EU-Japan summit in May here in Brussels… ★

Glyn Ford was an MEP from 1984-2009 and a former vice-chair of parliament's delegation for relations with Japan

An effective bridge between EU and Japanese businesses

EU-Japan Centre
for Industrial Cooperation
日欧産業協力センター

A unique venture between the European Commission and the Japanese Government, the **EU-Japan Centre for Industrial Cooperation** is a non-profit organisation aimed at improving EU and Japanese companies' competitiveness and cooperation through various activities such as:

I - POLICY RECOMMENDATIONS

- **Policy analysis:** the Centre organises events to address issues of common interest to EU and Japanese policies, so that EU and Japanese business people, academics and policy-makers can share best practices and identify areas for future cooperation.
- **EU-Japan Business Round Table**: since 1999, senior executives from c. 50 leading EU and Japanese companies review the factors affecting all aspects of business cooperation between the EU and Japan.

II - TRAINING SCHEMES in Japan and in the EU

- **HRTP - Japan Industry Insight**, a 5-week course in Japan for EU executives, providing an in-depth insight into Japanese industrial structures, business practices and management.
- The 1-week mission in Japan on **"World Class Manufacturing"** for EU executives assists EU companies to understand key Japanese business practices & production methods (KAIZEN, JIT, TQC, TQM etc).
- The 1-week mission in Japan on **"Distribution & Business Practices"** helps EU companies gain a practical understanding of the Japanese distribution system and marketing strategies.
- **Vulcanus in Japan** includes a 4-month intensive Japanese language training and an 8-month internship in a Japanese company, for engineering and scientific students. Vulcanus in Europe is the reverse programme for Japanese students.

III - INFORMATION SERVICE - HELPDESK

- Helpdesk for EU and Japanese SMEs and clusters to help them internationalise.
- EU-Japan liaison office of the Enterprise Europe Network

IV - R&D - INNOVATION

- The EC-funded **J-BILAT** project managed by the Centre fosters participation by the Japanese research community in the EU 7th Framework Programme.
- Seminars help to identify areas of future R&D cooperation or bring together research-driven clusters.

JBCE

The Japan Business Council in Europe

JBCE is the European organisation representing companies of Japanese parentage operating in Europe

Established in 1999

The mission of JBCE is to contribute to European Public Policy

JBCE membership currently consists of around 60 multinational companies and covers a wide range of industry sectors, including air-conditioning, automotive, chemicals, consumer electronics, engineering, industrial machinery, information and communication technology, medical equipment, photo and imaging equipment.

JBCE takes an active role in enhancing the understanding of Japanese companies and their business in Europe and puts forward the views of its members on legislative issues currently under debate and on the public policy issues which will shape the years to come.

Japan Business Council in Europe

www.jbce.org

Mutual trust, common values

The EU and Japan have a close economic relationship, but obstacles must still be overcome if the two partners are to fulfil their potential, writes **Vital Moreira**

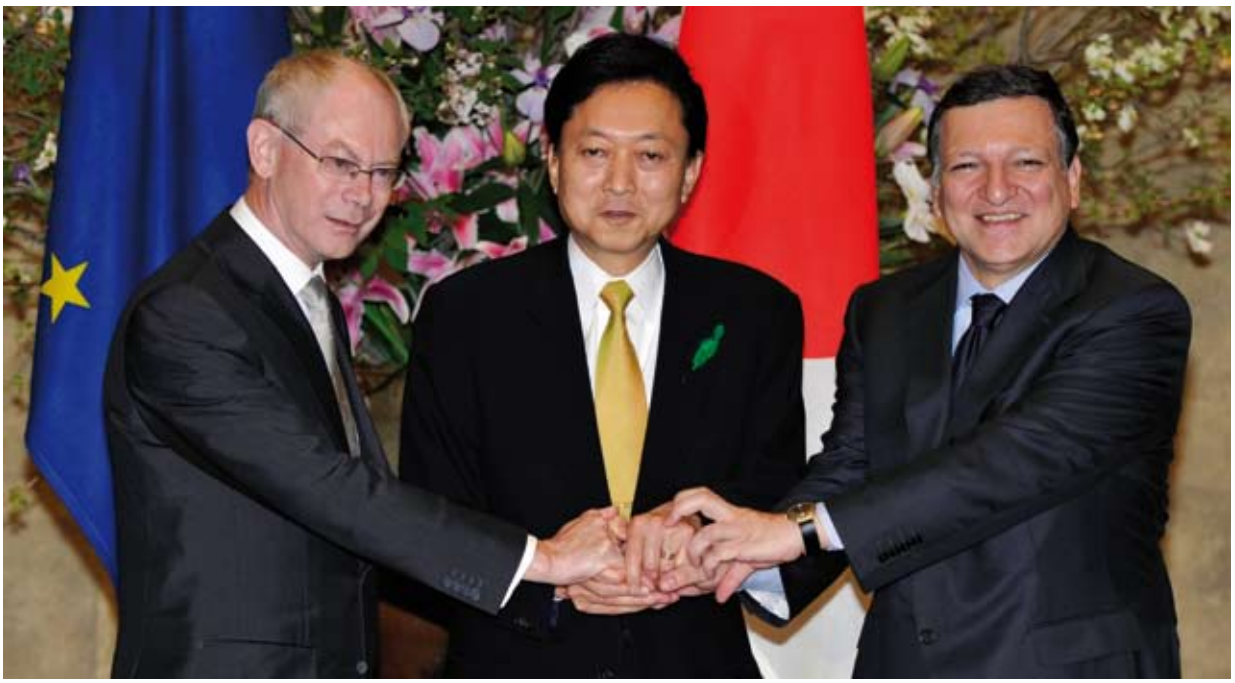
The EU and Japan are close economic partners. We have a long history of cooperation built on mutual trust and common political values. Together we represent close to 40 per cent of world GDP and more than 20 per cent of world trade. In other words, when we choose to pull our strengths together, we can achieve very powerful leverage effects. We are also facing a lot of common challenges namely struggling economies and difficult demographics.

In this time of economic crisis, many governments are looking to trade as a way to generate more growth and more jobs, and I concur with this option. Under the right conditions, open and fair trade is a powerful tool to create more wellbeing for everyone, building on the comparative advantages of each economy.

The current government in Tokyo clearly shares this view. Lately it has been intent on reaffirming its free trade credentials, to the point of declaring its willingness to take on powerful industrial and agricultural lobbies that have long been sheltered from foreign competition. Prime minister Kan has spoken of Japan's "third opening" - and, this time, this "opening" would not be imposed on this country by some external force, but decided upon by its own leaders.

It is an open secret in Brussels that our Japanese partners have been stepping up efforts to persuade Europeans of the benefits of strengthening our bilateral trade and investment relations, possibly through a comprehensive free trade agreement (FTA).

I believe that both the EU and Japan would benefit from deepening their economic integration and that this



Former Japanese prime minister Yukio Hatoyama with Herman Van Rompuy and Jose Manuel Barroso at a EU - Japan summit in Tokyo April 2010

would lead to higher trade and investment flows. As strong as EU-Japan relations are, there is still a lot of unfulfilled potential. But, to generate the growth we are looking for, we Europeans must be given concrete guarantees that our companies will benefit from increased real and effective access into the Japanese market, which in many areas is much less open than ours.

- Japan is the world's third largest economy with a GDP of €3.6 trillion
- Japan is the world's fourth largest exporter after China, Germany and the US
- High-tech industries, multinational corporations with global brands, and large foreign currency reserves form the core of Japan's economic success
- The EU and Japanese economies together represent 44 per cent of world GDP and 23 per cent of world trade
- Japanese companies in the EU employ more than 400,000 people, half of which are in the automobile and machinery sector
- Increased economic integration could boost trade flows by €43bn for the EU and €53bn for Japan
- EU business areas that would benefit: service sectors and high end products, pharmaceuticals, medical devices, cars, transport equipment, telecoms and financial services, high-tech, R&D and sustainable development

The Japanese government has declared that it is committed to tackle existing barriers to trade, including non trade barriers, which can be much more restrictive to trade than tariffs. This is certainly good news. The EU-Japan high-level group will report to the May summit on this issue. But, even if trade barriers are addressed, other obstacles remain, both regulatory and cultural, not to mention deeply rooted perceptions in Europe that the Japanese market is more difficult to access than other markets. Consequently, Japan will have to work extra hard to convince Europeans that it is worthwhile investing resources, time and energy into a difficult trade negotiation. We need real guarantees that in the end there will be tangible and binding benefits for both parties.

Are the Japanese ready to give us those kind of assurances? Will there be enough political will and support in Japan for the government's endeavours? That is something that only they can tell. But our Japanese friends deserve the benefit of the doubt and we, as Europeans, must remain open to reconsider our position should they make any significant move. ★

Vital Moreira is chair of parliament's international trade committee

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- Protecting Intellectual Property
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There are 102 of JEITA member companies operating in the EU.
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http://www.jeita.or.jp/english/

A level playing field

An EU-Japan economic integration agreement will bring benefits to both the EU and Japan, writes **Toshiyuki Shiga**

As an integral part of the automobile industry in the European Union, Japanese automakers' EU operations make a significant contribution to the EU economy. Today they operate 13 production plants in eight countries in the EU as well as 12 R&D centres in five countries in the region. In those and related operations, they employ a total of 136,000 persons across the EU. Nearly two-thirds of Japanese-brand cars sold in the EU are manufactured locally, and Japanese automakers' cumulative investment in the European Union now stands at roughly €21.5bn.

The Japanese automobile industry is concerned that the tariff reductions stipulated in the EU-South Korea free trade agreement, to be applied provisionally beginning on 1 July 2011, will position it at a comparative disadvantage. This would adversely affect its operations in the EU, which risks negatively impacting employment in particular. Ensuring a level playing field in the EU with Korean vehicle manufacturers is therefore critically important to maintaining the viability of, and protecting employment in, Japanese automakers' operations in the EU.

Securing balanced competition with the Korean brands in the EU by means of an EU-Japan economic integration agreement (EIA) would not only help strengthen the overall competitiveness of the automobile industry in Europe, but also, among other benefits, have a positive impact on employment Moreover, Japanese automakers are already conducting various EU-based partnership projects to promote the dissemination of environmentally-friendly vehicles. In addition, there are production plans in the EU for electric vehicles and EV batteries. An EU-Japan EIA would bolster such projects and new investments, accelerating the transition to low-carbon road transport.

With respect to non-tariff measures and the European side's interest in that regard, the Japanese government, at a cabinet meeting on 9 November 2010, approved a "basic policy on comprehensive economic partnerships" and indicated that non-tariff measures would be dealt with aggressively under the leadership of prime minister Naoto Kan. The Japanese automobile manufacturers association (Jama) wholeheartedly welcomes this development, and will support the Japanese government in its discussions with the EU towards the establishment of an EU-Japan EIA, which would clearly address tariffs and non-tariff measures.

> *"Trade and investment promotion as assured by an EU-Japan EIA would boost the diffusion of eco-friendly vehicles in both markets"*

We are confident that the EU and Japanese governments will, on the occasion of the EU-Japan summit this year, agree to commence negotiations on the establishment of a fair and balanced EU-Japan EIA. Looking forward to the early conclusion of such an agreement, Jama believes it will enhance the bilateral relationship by enabling, among other objectives, expanded trade and investment between the European Union and Japan and, as a consequence, spurring economic growth and employment creation in both the EU and Japan. ★

Toshiyuki Shiga is chair of the Japanese automobile manufacturers association and chief operating officer of the Nissan motor company

A two way street

The EU must ensure that both sides stand to benefit when negotiating a bilateral trade agreement with Japan, writes **Ivan Hodac**

The EU-Japan summit in late May is set to decide a new framework for the strengthening of EU-Japanese political and economic relations. Japan is pressing hard for agreement to open negotiations on a comprehensive bilateral trade agreement, which would include, as one of its prime objectives, the elimination of the tariffs on automobiles.

The European automobile industry is a dynamic and competitive industry that operates on a global scale. As a strong supporter of trade without barriers, the European automobile industry has a clear preference for global trade agreements based on the principle of reciprocal and equal market access. Against this backdrop, and like many other major industries in Europe, ACEA supports the opening of negotiations with Japan on regulatory issues and non-tariff issues, such as harmonising standards, which are of concern to both European and Japanese business. The elimination of non-tariff barriers (NTBs) to trade would help reduce the cost of regulatory compliance for manufacturers exporting to Japan, thus freeing resources for market development.

The removal of these barriers would also go some way towards addressing the long-term regulatory bias in Japan which favours domestic manufacturers over importers and, with regard to the automotive sector, has contributed to the structural imbalance in trade between the EU and Japan. Japan is the largest exporter of passenger cars to the EU with more than 850,000 vehicles per year (average over the past four years), representing a yearly turnover of around €11bn. The EU exports a little more than 150,000 passenger cars per year and has a turnover of €3.5bn.

But while the elimination of non-tariff barriers to trade would be welcome, it would still not result in a significant increase in the extremely small share taken by European cars in one of the largest markets in the world. And without a critical mass of sales in Japan, European automobile manufacturers could also not justify local production which has allowed Japanese manufacturers to build market share in the EU. This is one of the reasons why ACEA members do not attach as high a strategic priority to Japan as to other faster growing markets.

"The impact on European industry of increased imports resulting from tariff reductions could not be offset by increased sales to Japan"

Progress on NTBs, if achieved, will therefore not provide sufficient justification for the opening of negotiations about a bilateral trade agreement with Japan which included tariffs. Apart from distorting the multilateral free trading system, such a bilateral agreement would in effect open up the European market for Japanese exports without conferring comparable advantages for the European industry. The European commission's study of the impact of a bilateral trade agreement shows that it would indeed widen the already large imbalance in the trade in cars and reduce employment in the EU automobile industry.

The impact on European industry of increased imports resulting from tariff reductions could not be offset by increased sales to Japan. The result would be an unbalanced outcome from which only the Japanese side would benefit. ★

Ivan Hodac is secretary general of the European Automobile Manufacturers Association

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Contributing to the Competitiveness of Europe's Motor Industry

- Over 33,000 Europeans are directly employed by Japanese automakers at 13 production plants and 12 R&D centres across the EU.
- More than 102,000 Europeans are indirectly employed by parts distribution centres and in support industries, such as financial services and sales.
- More than 80% of parts, in value terms, are supplied to Japanese auto-manufacturing plants by European firms. Japanese automakers purchased European parts worth €9.73 billion in 2009.
- Japanese automakers invested more than €21.49 billion cumulative investment in the EU (March 2010).

PRODUCTION FACILITIES:

1. NISSAN: Sunderland UK
2. TOYOTA: Burnaston, Deeside, UK
3. HONDA: Swindon, UK
4. TOYOTA: Valenciennes, France
5. NISSAN: Barcelona, Avila, Cantabria, Spain
6. TOYOTA: Ovar, Portugal
7. MITSUBISHI FUSO: Tramagal, Portugal
8. MITSUBISHI: Born, the Netherlands
9. SUZUKI: Esztergom, Hungary
10. ISUZU: Tychy, Poland
11. TOYOTA: Walbrzych, Poland
12. TOYOTA: Jelcz Laskowice, Poland
13. TOYOTA: Kolin, Czech Republic

R&D CENTRES:

A1. HONDA: Swindon, UK
A2. NISSAN: London, UK
A3. HONDA: Offenbach, Germany
A4. ISUZU: Gustavsburg, Germany
A5. MAZDA: Oberursel, Germany
A6. MITSUBISHI: Trebur, Germany
A7. TOYOTA: Köln, Germany
A8. SUBARU: Ingelheim am Rhein, Germany
A9. TOYOTA: Nice, France
A10. TOYOTA: Bernaston, UK; Zaventem Belgium
A11. NISSAN: Cranfield, UK; Brühl, Germany; Brussels, Belgium; Barcelona/Madrid, Spain
A12. SUBARU: Zaventem Belgium

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Trade up

MEPs should work with Japanese policymakers to promote trade links between Brussels and Tokyo, says **Cristiana Muscardini**

Accounting for about 40 per cent of global GDP, the sizes and the economic and political importance of the EU and Japan underline the need for close cooperation between these two global economic blocs.

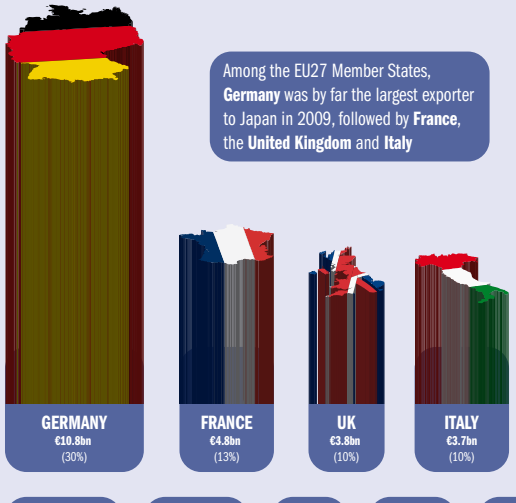
Even if we very much appreciate the work of the high-level EU-Japan economic partnership council (EUJ-EPC) in order to strengthen and deepen EU-Japan relations showing political willingness on both sides and enhancing negotiations on a broad range of issues, we should remain very cautious about a proposal of a free trade agreement. It could be very challenging to achieve a balance and reduce strong consequences on concessions in tariffs, regulatory and non-tariff-barriers.

Just comparing Japan with other OECD countries, the level of import penetration of manufactured products and investments in the country is low. This is due to a large number of non-tariff barriers that effectively hamper European companies to fully exploit their potential on the Japanese market.

Non-tariff barriers and regulatory divergence are in fact the major obstacles limiting the potential of EU-Japan trade. The EU and Japan should adopt international product standards and take the lead in promoting new international standards where needed. They should mutually recognise products certified under similar and equivalent product standards and cooperate in efforts to harmonise regulations and systems where possible. The parliament should increase the work with Japanese ministers to drive regulatory convergence forward and modify regulatory attitudes such as the habitual buying behaviour which could have negative effects on European exportations.

"Non-tariff barriers and regulatory divergence are the major obstacles limiting the potential of EU-Japan trade"

But even with the removal of non-tariff barriers, it is not clear at this stage if this would solve the market access problems EU companies face. We are totally in favour to open our markets and to boost our trade relations with important and strategic partners such as Japan in order to increase our economy, but before a free trade agreement we should have a mutual recognition agreement. This would be useful for both sides to study and learn about industrial structures and markets fields and allow us to provide full reciprocity in commerce guarantying and serving both European and Japanese interests. Therefore, we should strengthen the work of the EUJ-EPC before launching a study on the feasibility of a broad and binding bilateral trade agreement. ★



EU27 trade in goods with Japan by product	Trade balance (€million)	
	2000	2009
Primary products	**4 974**	**3 894**
Food and drink	3 915	3 392
Crude materials	1 031	740
Energy	28	-238
Manufactured goods	**-52 153**	**-24 491**
Chemicals	2 747	4 015
Machinery and vehicles	-52 313	-26 992
Other articles	-2 587	-1 514
Other	**585**	**763**
Total	**-46 594**	**-19 834**

Cristiana Muscardini is vice-chair of parliament's international trade committee

A win-win partnership

An EU-Japan free trade agreement would bring significant benefits to Brussels and Tokyo, writes **Johannes Cornelis van Baalen**

Enlarging the free trade zone of Europe with third countries adds value to our Union. Japan is of vital importance. Several new free trade agreements (FTAs) have recently been concluded between the EU and so-called third countries. South Korea is the latest example. What these FTAs primarily accomplish is enlarging our free market area by creating a level playing field for trade and commerce. Businesses can engage in fair competition with each other and so give the consumer a broader range to choose from, mostly at a lower price.

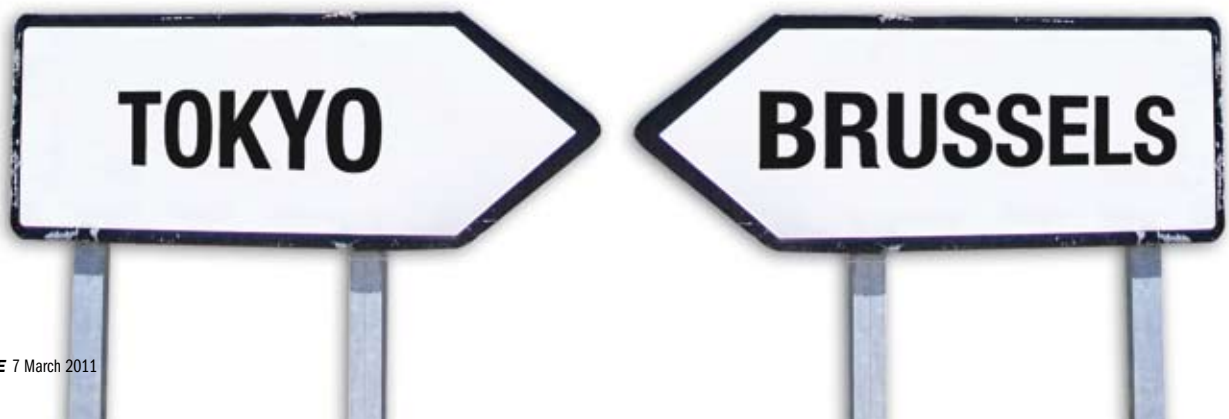
Last November, the European parliament's delegation for relations with Japan, which I chair, visited Tokyo to meet with our counterparts in the Diet (the Japanese parliament), members of the government and the business community. We have met with both representatives of the Japanese entrepreneurs and with the European Chamber of Commerce in Japan. The FTA was a recurring theme during the many meaningful discussions we had. One of the concerns raised by the European business community in Japan was the enduring difficulties they have met on their efforts to penetrate the Japanese markets. Products it wants to introduce are being kept off Japanese markets by regulators for unknown reasons.

There are also problems concerning non-tariff measures in the field of public procurement, wood construction and medical devices standards that will have to be resolved. An FTA is not within reach as long as these important parts of the Japanese markets stay opaque for European businesses. Tackling these hurdles would bring an FTA closer then ever.

In our discussions with the Japanese government, as with the Japanese business community, it was made very clear to us that Tokyo is very keen on concluding a free trade agreement with the European Union. Japan is also trying to join the transpacific partnership and is continuously looking for export opportunities and new markets. It seems that Japan, as a result of a rapidly aging population has come to realise that export and open markets are crucial for the Japanese economy of the future. The European market is very interesting for Japan, as the Japanese market is for Europe. Combined, the EU and Japan would converge into a market of more than 400 million consumers. Brussels and Tokyo have conducted trade relations for centuries now. My country, the Netherlands, recently celebrated over 400 years of trade relations with Japan. Japanese brands like Panasonic, Toyota and Kikkoman have become commonplace in our stores. It is absolutely vital that the EU and Japan maintain and expand these trade relations. To telescope the free markets of the EU and Japan would create a huge free market which will lead to great added value for businesses and consumers.

"What FTAs primarily accomplish is enlarging our free market area by creating a level playing field for trade and commerce"

Currently, a high level group is investigating the major obstacles to be overcome before we can conclude a free trade agreement. For the European Union, the non-tariff measures should be removed. Japan might, in turn, have specific concerns as well. It is in the best interest of both the EU and Japan to resolve the current obstacles to an FTA as soon as possible. ★



Johannes Cornelis van Baalen is chair of parliament's delegation for relations with Japan

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*Test conditions may vary depending on model and specifications.

Untapped potential

Japan and the EU face common challenges, argues **Nobutake Odano**

Japan is a like-minded global partner for Europe, with a shared commitment to plural democracy, freedom of speech, the rule of law and other fundamental values and principles. Japan and the European Union respectively face challenges in common, such as coping with ageing populations, achieving a low-carbon society, ensuring energy security, etc. Japan and the EU deploy frigates and reconnaissance aircraft to the area off the coast of Somalia to protect busy shipping lanes between Europe and Asia from violent pirate attacks.

Japan and the EU are stable trading and investment partners for each other and together promote multilateral Doha development round trade negotiations of the WTO and a global agreement towards combating climate change. However, there remains a vast area of untapped potential between Japan and the EU. A good example is innovation, which is usually relevant to the level of higher education and R&D. Innovation is also a spur to invigorate our societies and economies onto a sustainable path. The Japan-EU science and technology agreement is the latest addition to our mutual cooperation.

Our leaders have been working to deepen and widen our area of cooperation and at last year's summit they agreed to establish a joint high level group "to identify options for the comprehensive strengthening of all aspects of Japan-EU relations and defining the framework for implementing it." Japan believes that an economic partnership agreement (EPA) is a beneficial choice to both sides for accelerating more comprehensive economic exchanges and interactive cooperation in the areas of trade, investment, protection of intellectual property rights and government procurement, to name but a few. Naoto Kan, prime minister of Japan, is now prioritising the reform of domestic non-tariff measures.

With an economic partnership agreement, Japan expects the EU to lower tariff rates. Generally speaking, manufac-

tured products from Japan to the EU are subject to tariffs which are as high as 10 per cent for automobiles and as high as 14 per cent for some electronics while similar European products are exported to the Japanese market tariff-free. If quality Japanese products are available at lower prices, it will of course be beneficial for consumers in the EU.

"Japan and the EU are stable trading and investment partners for each other"

Today there are more than 3300 Japanese companies operating in the EU, creating some 400,000 employment opportunities. Foreign direct investment from Japan into the EU amounted to €135bn on a stock basis in 2009. There are also some recent successful examples of European companies doing business in the Japanese market. Skymark, a Japanese airline, concluded a contract in the middle of February with Airbus to purchase six A380 aircraft, the company's largest model. In addition, A&F Aviation, All Nippon Airways' affiliate, has concluded an initial deal to lease 10 Airbus A320 aircraft. The German manufacturer, Knorr-Bremse, has concluded a contract with a major railway company to supply brake components to Shin-kansen, the Japanese high-speed train. Japanese consumers appreciate high quality products from Europe and the Japanese market is a gateway to the clients from other promising and emerging markets of Asia.

Japan recently purchased more than 20 per cent of the initial issuance of European financial stability facility (EFSF) bond. The EFSF floated its bond to the amount of €5bn on 25 January. Japan is contributing to Europe's financial stability, thus promoting a stable financial system which leads to sustainable growth in the world economy.

Japan and the EU are indispensable global partners in today's world. We need to cooperate with each other closely, and an economic partnership agreement is the logical direction for us both. ★

Nobutake Odano is the Japanese ambassador to the European Union

Now or Never:
Japan-EU Golden harmony

Mr. Takashi Funaki, Director General, JETRO London

JETRO, Japan External Trade Organization, is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world.

After the economic crisis in 2008, the world economic order has changed. In the area of trade, many countries have shifted to bilateral Free Trade Agreements (FTAs). For example, Korea successively completed FTA negotiations with the U.S. and the EU. In terms of GDP, China surpassed Japan to become the second largest economy in the world.

In order to keep a vigorous future for the next generation, Japanese Prime Minister Kan decided "Basic Policy on Comprehensive Economic Partnerships" in November 2010. With a resolve to "open up the country" and "pioneer a new future", Japan will first press ahead with fundamental domestic reforms in order to strengthen the competitiveness and promote high-level economic partnerships.

EU is the world's largest economy and Japan's largest trade partner outside the Asia Pacific region. Japan and the EU share common values such as free trade and sustainability and are sustainable growth leaders. Japanese companies contribute to the EU economy by employing 400 thousand workers and creating even more jobs if we include related businesses. On the other hand, the EU's share in Japan's trade volume has reduced from 17% to 12% in the past ten years. Japan's share in EU's trade volume has also reduced from 8% to 4%. There is a possibility that the trade relations between EU and Japan will weaken in the long run.

The Economic Integration Agreement (EIA) that Japan has proposed to the EU is to redefine and strengthen the relationship between Japan and the EU. At the Japan-EU Summit meeting in April 2010, a joint-examination was launched for enhancing economic integration between Japan and the EU. Many crucial issues including non-tariff measures, government procurement and Geographical Identification have been studied so far. We firmly believe this would create a much higher degree of economic integration and bring further potential benefits and growth for each society.

The coming summit meeting in May will be the critical moment for both leaders to agree to accelerate the work through negotiation. Japanese consumers as well as business companies have kept eyes on it with hope and anxiety, trying to be ready to react to the decision immediately.

We are afraid that losing this opportunity might be a negative signal, which results in deteriorating the engagement of Japanese Industries in EU economy, including the possible shift of activities from Europe to Asia and other regions. We believe we should seize the moment and not miss this opportunity so as to prevent an irrevocable misfortune for both societies.

Takashi Funaki

JETRO
Japan External Trade Organization

Opportunity knocks

The EU must seize the chance to remove obstructions to trade with Japan by pushing for an economic integration agreement, argues **Tommy Kullberg**

The European single market must rate as the EU's crowning glory, providing a massive stimulus to trade and investment. Openness to trade between member states propels European business to embrace competition, value innovation, invest in new technology and increase productivity.

Could such openness to trade similarly benefit Japan? Members of the European Business Council (EBC) think it would. Throughout the EBC's 39-year history here, we have seen the Japanese government's efforts to promote Japanese exports while shielding domestic industry behind non-tariff barriers (NTBs). These efforts have weakened Japan's economy, prioritising the survival of uncompetitive companies above consumer interests.

A recent study conducted for the European commission points to huge untapped potential in the EU-Japan trade relationship. Removing tariffs and NTBs could increase EU exports to Japan by more than 70 per cent and Japanese exports to the EU by more than 60 per cent. These findings support the EBC's long-standing call for an economic integration agreement (EIA) that incorporates all aspects of trade in goods and services, including regulations, harmonisation of standards, mutual acceptance of market authorisations, government procurement, investment rules, capital and currency markets, competition policy, human resources, intellectual property, and cooperation in areas such as energy and environment.

Why an EIA? The current 10-year action plan has relied on non-binding dialogues to achieve results normally only associated with intense negotiation and binding commitments. So it is no surprise that it has not delivered on promises nor adequately supported European businesses in Japan. Alternatives, like an EU-Japan economic partnership council, sector agreements, or a free trade agreement (FTA), would be too limited in their scope and ability to deliver results. Opting for such lesser instruments would effectively announce the intention to sell stakeholders short.

"The EU should not waste the best opportunity it has ever had to level the playing field in Japan"

Moreover, Japan is changing. Its leaders now recognise that bold action is needed to boost their economy and view economic partnerships as the way forward. Aware that lowering NTBs is inevitable, the prime minister and chairman of the Japan business federation (Keidanren) are frequently calling for Japan to "open up". We are also seeing a marked change in consumer behaviour – foreign companies offering "value for money" are succeeding beyond expectation even during an economic downturn.

With much to gain and Japan's leaders never more ready to breakdown NTBs, we believe there is no justification to holding back. Yet the European commission has been taking what the EBC feels is an overly cautious approach. And while the commission has been cooling its heels, Japan is now gazing elsewhere.

A consensus overriding political affiliation has formed among Japan's government and business leaders led by the Keidanren with the blessing of the Japanese trade union confederation. Japan's entry into the trans-pacific partnership is now a national priority. Complementing this strategy is a paradigm shift in the government's agricultural sector policy. With strong resolve at the top to follow this course, there is potential for a realignment in Japanese economic policy and marginalisation of EU interests if the EU remains coy.

The EBC believes that the EU should not waste the best opportunity it has ever had to level the playing field in Japan. We hope that at the coming EU-Japan summit, EU authorities will be positive, confident of their negotiators' skills to think "out of the box" and deliver the unfulfilled goals of the ill-fated action plan in the form of a binding EIA. ★

Tommy Kullberg is chair of the European business council and EU chamber of commerce in Japan

Removing barriers

Economic growth across the EU is essential if we are to recover from the recession, writes **Len McCluskey**

"Trade cooperation between the EU and Japan could be improved by a review of the current level of tariff barriers and the impact of non-tariff barriers on trade"

As the newly elected general secretary of the UK's largest trade union, I am extremely conscious that I come into this office at a time when global trade is seeking to recover from one of the worst recessions experienced in recent times. I make no apology for apportioning the blame for the economic crisis on the excesses of the international banking community and am disappointed that my own government and the EU has not done more to bring the banks to account and to establish more rigorous controls for the future. However, I am equally clear that if we are to recover from the recession, economic growth across the EU is essential and our trade in services and manufactured goods on the international market is a key element to sustainable growth.

Trade liberalisation is a concept that in many ways I would support, but with serious caveats. There needs to be in place a strong system of social protection, exemplary labour standards, a rigorous regulatory system to ensure compliance and fair and transparent trade agreements which enable all parties access to export and procurement opportunities. In terms of the current discussions, trade cooperation between the EU and Japan could be improved by a review of the current level of tariff barriers and the impact of non-tariff barriers on trade. Even with some of these barriers removed the commission must grasp and legislate for real access to be achieved. This must include a fair system of levies, a transparent procurement process and an insistence that there is a level playing field for all EU member states.

I am conscious of the investment which Japanese companies have made in the UK, particularly in the automotive sector. I welcome this and the continuing contribution made by these companies. Japan is the world's third largest economy and a significant contributor to UK prosperity – both as an export market and as a major investor. However, the value of UK exports to Japan amounted to only 2.3 per cent of all UK exports in 2009.

UK firms also face a range of challenges in investing and operating in Japan. This is one reason why foreign investment in Japan represents only 3.9 per cent of GDP (compared to 52 per cent of GDP in the UK). If this figure could grow, it would benefit both the UK and Japan and contribute to the much needed growth of manufacturing in the UK.

The UK benefits from a substantial amount of Japanese foreign direct investment; there are about 1400 Japanese companies located in the UK including 100 who have set up their European headquarters in the UK. Japanese-owned companies employ more than 100,000 people in the UK, with Nissan, Toyota and Honda accounting for 50 per cent of vehicle manufacturing. The automotive sector is largest in terms of manufacturing employment and capital expenditure, but the ICT and biopharma/healthcare sectors are also significant sources of investment.

The current discussions on the EU-Japan free trade agreement provides an opportunity to break down some of the existing barriers faced by British companies wishing to enter that market. But uppermost in the minds of the British government must be the security of sustainable manufacturing jobs in the UK and the caveats to trade liberalisation that must be addressed if workers in the EU and in Japan are to share in the benefits from these negotiations. ★

Len McCluskey is the general secretary of Unite

Partnering up

The comprehensive nature of the South Korea-EU FTA, combined with its bilateral safeguard, represents a watershed moment for international trade deals, writes **Robert Sturdy**

Since the global economic crisis began, governments around the world have joined the chorus against reverting to protectionism and avoiding the mistakes of the 1930s. Global economic instability and a stagnant multilateral system have strengthened the pursuit for bilateral trade relations as governments realise that the future growth and stability of the global economy rests on the unimpeded trade in global goods and services.

With the rest of the world looking on from the sidelines, the EU has risen above the competing voices of the world's major economies and has taken the lead in promoting international trade and investment. The EU has not only taken tangible action to shore up the ailing multilateral trade regime, it has directed new initiatives to take into account the shift in global economic trends away from the Atlantic towards the Pacific. The aim of these initiatives is to capitalise on the opportunities that the rise of the rest has to offer. Launched in 2007 under the "Global Europe" initiative, the Free Trade Agreement (FTA) between the EU and the Republic of Korea is part of these initiatives and represents a new generation of FTAs.

Robert Sturdy was parliament's rapporteur on the EU-Korea Free Trade Agreement

"South Korea is the EU's eighth largest trade partner and the EU has become South Korea's second largest export destination"

The many advantages of the EU-South Korea FTA are obvious. EU exporters will immediately save some €850m on day one of the FTA and EU importers will save €1.6bn annually from not paying import duties. It is predicted that agricultural exporters will save €380m every year, while the EU textiles and clothing sector will immediately be relieved of almost all of its annual €60m in duties. Furthermore, it is estimated that the agreement will precipitate a 70 per cent increase in trade volume for financial services alone.

All of these factors are expected to double trade between the two partners in the next 20 years. When you consider that South Korea is the EU's eighth largest trade partner and the EU has become South Korea's second largest export destination, it is no wonder that this agreement has been described as the most comprehensive trade deal by the EU to date.

The crowning glory of this agreement is the inclusion of a robust bilateral safeguard clause, negotiated by the parliament, which strengthens the role of industry and guarantees its confidence by protecting sensitive sectors. The inclusion of said safeguard clause sets a precedent for any future trade deals.

The EU's attention has now shifted across the Korea Strait with the Japanese government expressing a strong and keen interest in established a bilateral agreement with the EU. The upcoming EU-Japan summit in May is sure to solidify this partnership. A deal with Japan, a country not too dissimilar in its export interests to South Korea, is an attractive opportunity. The EU also recognises that securing a deal with Korea's neighbour will not only benefit its access to the region, but may act as a catalyst towards greater intraregional development, which in turn may reignite the impetus for an EU-ASEAN agreement.

There are, however, some substantial roadblocks. Japan's tendency to protect its markets from foreign investment and its insistence on high tariff barriers are likely to act as obstructions on the path to any future agreement. It is also appropriate to sound a note of caution that however inviting the prospects of regional development are, they should not be the basis for any EU-Japan trade negotiations. With these obstacles in mind, any gains that the EU is expected to achieve from such a move should only be considered in the broader context of the agreement. ★

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Break on through

Women mean business when it comes to improving gender balance on company boards – and the EU is firmly behind them, write **Viviane Reding** and **Jerzy Buzek**

It's time to shatter the glass ceiling for good. Making better use of women's talent is not just an issue of equality and fairness. It's a business issue. And women mean business. The case for getting more women on company boards has never been stronger. As national budgets in Europe get squeezed and the economy moves out of recession, human capital will be the key to restoring Europe's competitiveness at a global level. We must use that offered by women. A study by Goldman Sachs found that closing the gender gap could boost eurozone's GDP by up to 13 per cent.

We can see advantages not only in the macro scale. The business case is just as clear. Let us look at another study. An analysis by consultants McKinsey found that the operational profit of firms with the most women on boards was 56 per cent higher than those with men only at the top level. That is not all. Women in boardrooms mean not only higher profits but also more security. And boards with more women surpass all-male boards in auditing, risk oversight and control.

Unfortunately, the facts now tell a different story. Only one in 10 board members in the European Union is a women and only three per cent of chief executives are female. Progress in Europe has been glacial: the share of female board members in the EU has increased by half a percentage point a year for the last seven years. At this rate, it will take another 50 years to reach a gender balance on company boards.

We all know that equality between women and men is one of Europe's founding principles. It goes back to 1957 when the principle of equal pay for equal work became part of the Treaty of Rome. Some European countries understand this and are now taking the lead in boardrooms: Norway was the pioneer in 2003 with 40 per cent quotas for female board members. France, the birthplace of equality, passed legislation this January so that 40 per cent of executive board members of the largest publicly listed companies will be female by 2017. Across the Rhine, German politicians are debating the merits of mandating change. Austria is also considering taking action.

"At this rate, it will take another 50 years to reach a gender balance on company boards"

Quotas are controversial for some. But you cannot quibble with the results in the countries that have introduced them. In Norway, the number of women on supervisory boards rose from 25 per cent in 2004

to 42 per cent in 2009. Quotas can help us achieve a breakthrough. But let's be clear: they should be transitional and a measure of last resort.

There are two steps: first, let the business world suggest solutions. Over the coming months, the European commission and several national governments will meet chief executives of Europe's largest publicly listed companies to hear proposals for self-regulatory initiatives to get more women to the highest level of decision making. Self-regulation can work only if it is closely monitored. If there is no credible progress, the second step is clear: Europe would need legally binding quotas that can be enforced. The ball is now in the companies' court.

We would like to see Europe in the fast lane when it comes to women in boardrooms. Let's set ambitious targets. By 2015, at least 30 per cent of boardrooms should be female. By 2020, this should rise to 40 per cent. In an ideal world, businesses would achieve this voluntarily. But we also stand ready, starting in 2012, to intervene with regulatory pressure if this is absolutely necessary.

Now is the time to act. As we face the risk of slow economic and job growth following the sovereign debt crisis, we cannot afford to leave the talents of half the population behind. Some companies already know that equality makes good business sense; others are slower to react. The winds of change are blowing hard. Business leaders must decide. Will the glass ceiling come crumbling down by itself, or will a sledge hammer make the first crack? ★

- 24 per cent of national MPs and 26 per cent of members of national governments are women *(European commission, 2010)*
- Three per cent of the presidents and 11 per cent of the board members of the 100 largest publicly quoted European companies are women *(Professional Women's Network, 2010)*
- The average hourly pay gap between women and men in the EU is 17.6 per cent *(European commission, 2010)*
- The employment rate of women (between 25 and 49 years) drops by 11.5 percentage points when they have children under the age of 12 but increases by seven points for men in the same situation *(European commission, 2010)*
- European women are four times more likely to work part-time than men *(European commission, 2010)*
- Within the EU, female tertiary education graduates outnumber male graduates by a ratio of approximately three to two *(Eurostat, 2009)*
- 26 per cent of subjects in European news are female *(Global Media Monitoring Project, 2010)*

Jerzy Buzek is president of the European parliament

Viviane Reding is a European commission vice-president and commissioner for justice and fundamental rights

Hippocrene Foundation: for Europeans


Hippocrene Board members at the Foundation's headquarters (former agency of architect R. Mallet-Stevens)

The Hippocrene Foundation is a state-approved, independent family foundation whose main purpose is "to Live Europe" by developing lasting connections between young Europeans.

The philosophy of the Foundation is in line with the march to European integration that began in the 1950s. What is most often at the root of creation and progress is the meeting between men and institutions working together on concrete projects. "We are uniting people", Jean Monnet would say. Inspired by this idea, the Foundation has made it its mission to support concrete and innovative projects in relation with Europe and youth, and to foster exchange and networking opportunities.

FINANCIAL SUPPORT

The Foundation provides financial support to non-profit-making projects in various domains by contributing to cultural and educational as well as humanitarian and social initiatives.

The Foundation has chosen to minimize its running costs so that more than 75% of its budget may be devoted to grants. Its assets come both from the returns on its own capital and from donations by individuals or companies. Some donations are allotted to specific projects by the donors. The Foundation does not appeal to public funding.

CREATING NETWORKS

Complementarily, the Hippocrene Foundation fosters meetings between young Europeans coming from different networks. Notably, its annual organization of the exhibitions "Propos d'Europe" has led to the emergence of a network of European artists. The Foundation also contributes to meetings between European actors from civil society through the organization of two to three lunches per year with European associations, in the presence of a representative of the Department of European Affairs.

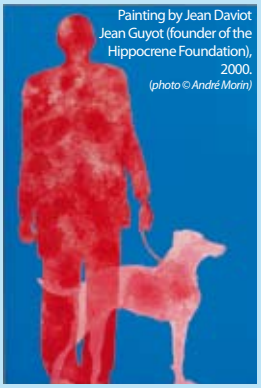
ACTING WITH PARTNERS

In order to broaden the range of its activities, the Hippocrene Foundation has created the "Circle of Hippocrene's Friends" (le Cercle des amis d'Hippocrène) and has become a sheltering Foundation. In addition, the Foundation initiates projects with partners that share similar objectives, such as the Evens Foundation, the Karolyi Foundation, the Paris House of Europe (la Maison de l'Europe de Paris), Paris Board of Education (le Rectorat de Paris) and the French Ministry of Education.


Hippocrene Prize for Education about Europe prize giving ceremony at La Sorbonne 2010 (*photo © Sekoïa*)

EDUCATING YOUTH ABOUT EUROPE

In 2010, the Foundation gave first priority to the education of young people about Europe through the creation of the Hippocrene Prize for Education about Europe: teaching Europe, mobility, exchanges and common projects are the best means for youth to awaken their sense of belonging to a common body, and their awareness of European citizenship.


Painting by Jean Daviot
Jean Guyot (founder of the Hippocrene Foundation), 2000.
(*photo © André Morin*)

Each year since 2002, Hippocrene houses a contemporary art exhibition. The objectives of these exhibitions - and of the Foundation at large - are to live Europe by supporting educational, artistic, cultural and humanitarian projects.

In 2000, the Hippocrene Foundation acquired the former agency of Robert Mallet-Stevens (1886-1945), an influential figure in architecture between the two World Wars, located at No. 12 rue Mallet-Stevens in Paris. Steeped in history, this prestigious building would become the Foundation's headquarters as well as its exhibition space.

What does Hippocrene mean?
The name of the Foundation is a reference to the legendary fountain, fabled to have burst forth when the ground was struck by the hoof of Pegasus. Hippocrene became a much favoured source of inspiration to poets and muses alike.

FONDATION HIPPOCRENE

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No to violence

Eva-Britt Svensson is calling on the EU to live up to its responsibilities in protecting women from violence

The problem of men's violence against women is of pandemic proportions. According to the Council of Europe, between 12 and 15 per cent of European women have suffered from domestic violence in a relationship and approximately 45 per cent of all women in Europe will experience violence during their lifetime. Half of the women killed in the world are murdered by their husbands or ex-husbands, according to the UN. But the hidden statistics are also extensive – just as much violence against women is never reported to the police or prosecuted.

Violence against women has many faces, including domestic violence, female genital mutilation, sexual violence, trafficking and prostitution. All this violence is directed towards women simply because they are women. The EU needs to live up to its responsibility to stop the violence against women. As chair of parliament's gender equality committee, and with personal experience of domestic violence, I am honoured to be responsible for writing a report on violence against women that could make a big difference for women all across Europe.

In the report, I argue that all gender based violence should fall under public prosecution – something which is not the case in some EU member states today. I also propose for improvements to the education, police, healthcare and criminal justice systems to more effectively support victims, collect proof, investigate and prosecute crime. The statistical data from member states on violence against women also has to be improved, and the commission should collect and establish annual statistics on gender based violence across the EU. I also propose that we should increase public support to women's shelters, with at least one such shelter per 10,000 citizens.

I also call for further research into the connection between prostitution and legislation on prostitution, as I regard prostitution and trafficking as a form of violence against women. And I propose that the European Union sign and ratify one of the most important UN conventions on women's rights – the convention on elimination of all forms of discrimination against women. This convention recognises women's right to live without violence, and is the only human rights convention to state women's rights to reproductive choice.

The council decided in the 2009 Stockholm programme to deliver an action plan on how to defeat violence against women. A council action plan of April 2010 said that, to implement the →

Eva-Britt Svensson is chair of parliament's women's rights and gender equality committee

Stockholm programme, all policy instruments available should be deployed as a robust European response to violence against women and children, including domestic violence. According to the council, the commission is responsible for delivering a communication on a strategy to combat violence against women, domestic violence and female genital mutilation, to be followed up by an EU action plan in 2011-2012.

The European parliament has also called for action on violence against women at EU level. In 2009, parliament adopted my written declaration based on the UN campaign "Say no to violence against women", and repeated the request to the commission to declare, within the next five years, a European year on zero tolerance of violence against women. The organised movement struggling for women's rights has long called for stronger European action on violence against women, and to consider prostitution as a form of violence against women. There are now high expectations from the member states, citizens and the European parliament that the commission will deliver an action plan on how to stop violence against women. ★

"I regard prostitution and trafficking as a form of violence against women"

Cut it out

The EU needs binding legislation to crack down on violence against women, argues **Rada Boric**

On 8 March 2011, the people of Europe and the world celebrate the 100th international women's day. On this occasion, the EU also marks one year since the adoption of council conclusions calling on the European commission to develop a comprehensive strategy to tackle widespread violence against women. For the European Women's Lobby (EWL) and its members across Europe, it was a hard blow that the celebrations of a centenary of hard work and concrete achievements should be overshadowed by fears that one of the most important EU initiatives of the new millennium is being quietly sidelined by the commission, and that women are to continue to be denied one of their most basic of human rights, that to protection from violence.

Violence against women affects approximately 45 per cent of all women across Europe. An estimated fifth of women in the EU suffer from violence within the home and more than one in 10 women is a victim of sexual violence involving the use of force. In the UK, 80,000 women experience rape or attempted rape per year, in Ireland, one in five women is raped in marriage and in France, one woman is killed every three days by her partner. As the 2006 Daphne project on the cost of domestic violence in Europe shows, domestic violence alone costs EU member states as much as €16bn every year – or €1m every half hour. The project also highlights that the annual budgets of EU member states for prevention programmes of violence against women are 1000 times less than this figure. This is despite consistent Eurobarometer survey results highlighting widespread concern for the prevalence and scope of violence against women, including within the family.

Violence against women is a political issue, both the cause and consequence of gender inequality. In addition to the direct impacts on individuals and the aggregate social costs, male violence against women shapes women's place in society. It affects their access to employment and education, integration into social and cultural activities, economic independence, participation in public and political life and decision making, health and relations with men. At the same time, inequality between women and men creates the conditions for male violence against women and legitimises it.

To date, the EU has no binding legislation in place to deal with this most pervasive human rights abuse within its borders. The last few years have nevertheless witnessed an increased political willingness to change this, with multiple calls from the European parliament for action, the prioritisation of the issue by the trio presidency, council conclusions mandating the European commission to devise a strategy on violence against women and consider legal instruments, and numerous commitments to this effect by the EU executive. In parallel, the European Fundamental Rights Agency and European Institute for Gender Equality have launched initiatives to gather much needed

"Inequality between women and men creates the conditions for male violence against women and legitimises it"

comparable European data on the issue, and the Daphne programme has built up a solid foundation of expertise and good practices throughout the Union in the prevention of violence against women. The time is therefore ripe for a comprehensive approach to ending violence against women within the EU's borders, with, as its starting point, a broad European legal definition of violence against women that would affect criminal and civil law definitions, in order to ensure a coordinated approach and the harmonising of domestic legal systems.

One hundred years since women's voices were first recognised by their governments, and more than half a century since the founding of a European Union which sets equality between women and men at its very core, it is high time for the EU to take legal action to put an end to this most intolerable of violations of women's basic human rights. At least half of the European population avidly awaits the commission's proposal to this effect. ★

- Between 40 and 50 per cent of women in the EU have experienced sexual harassment in the workplace *(European commission, 1998)*
- 85.2 per cent of the victims of sexual violence are women and girls and 95.7 per cent of the perpetrators are men *(Rape Crisis Network Ireland, 2010)*
- 79 per cent of victims of trafficking are trafficked for sexual exploitation and more than 80 per cent of these are female *(United Nations, 2009)*
- 500,000 girls and women in the EU live with female genital mutilation *(Association of European Parliamentarians with Africa, 2009)*
- In Ireland, one in five women is raped in marriage *(Women Helpline Ireland, 2008)*

Rada Boric is a member of the European Women's Lobby executive committee

THE LONG JOURNEY TOWARDS GENDER EQUALITY

The Commission for Protection against Discrimination, Bulgaria (CPD) is an independent specialized public body vested with significant powers for prevention, protection against discrimination and promotion of equal treatment. The Commission is a national equality body in terms of EU antidiscrimination law, established and functioning in accordance with UN Paris Principles and ECRI General Policy Recommendation N°2. CPD is an active member of EQUINET, the European Network of Equality Bodies.

CPD functions by virtue of the Protection against Discrimination Act whose Article 4 lists explicitly 19 protected grounds, gender including.

The Commission is a quazi-judicial body ruling legally binding decisions; furthermore, it carries out preventive activities aimed at eliminating the causes and consequences of discrimination – a phenomenon with deep social and psychological roots that vexes even most democratic societies. In its trainings and information campaigns targeted at wider society and specific groups (police officers, trade unions, educators and youth), CPD tries to denounce gender stereotypes.

Despite progress made, discrimination against women prevails in many areas of life. It takes various forms due to cultural specifics but has similar manifestations.

Each country implements both individual and integrated approaches to ensure gender equality. In Bulgaria, state makes efforts to protect the rights of women and men, promoting equal chances in employment, pay, social security, vocational training and career growth, reconciliation of private and professional life, parental leave entitlement, etc. Although drastic cases of gender discrimination are rare, some outdated stereotypes on gender roles persist.

Gender Discrimination in Bulgaria survey, commissioned by CPD, showed that women have good positions in society, labour market and career ladder. The share of women who are unpaid domestic workers is among lowest in Europe.

Looking at the results of EP and National Elections in 2009, due to 50/50 Campaign for Democracy, promising results were achieved in Bulgaria - 45% ladies MEPs. However, that trend did not repeat at the national elections: women in the 41st National Assembly are 22%, far below the former term (27%). Minority women represent less than 1% in the Parliament. On the other hand, for the first time in Bulgarian history, we have a lady for Mayor of Sofia and a lady for Chair of the Parliament.

On April 7, 2010 CPD Chairman, Mr. Kemal Eyup, spoke at the EP Public Hearing on Social integration of women belonging to ethnic minorities. He emphasized on access to education, healthcare and employment as crucial conditions for inclusion. Awareness on cultural specifics is important for achievement of EU targets for growth, employment and social cohesion, stressed Mr. Eyup.

CPD has interesting case-law on gender discrimination. Here, several strategic cases will be presented.

In 2010, Ms. Gergina Tzenova, military police officer from Sofia, filed a complaint with the Commission, claiming she has not been promoted to officer because of gender discrimination, despite being on the force since 1992, being an excellent graduate of Bulgaria's Military Academy, having successful scores on the exam at the Ministry of Interior Academy for specialty "Preserving Public Order and Combating Crime" and

КОМИСИЯ ЗА ЗАЩИТА ОТ ДИСКРИМИНАЦИЯ
COMMISSION FOR PROTECTION AGAINST DISCRIMINATION

graduating with honour. Moreover, she had three Master Degrees in military affairs, law and international relations.

CPD launched investigation and on 3rd December its Five-member panel pronounced final decision No. 275, establishing that sergeant Tzenova was discriminated on grounds of gender and education. The Commission instructed the respondent, the Head of Military Police Regional Office in Sofia, to terminate the discriminatory treatment and to inform CPD within 30 days on the steps taken in compliance to its judgment. A fine has been imposed, too.

In January 2011, Ms. Tzenova was promoted to lieutenant's rank in her department, Control and Security. 24 Chasa, one of the largest-circulation Bulgarian daily newspapers, followed and covered the case in detail, dedicating it an article in its issue dated February 1, 2011.

On complaint of a teacher with impressive experience and skills, CPD established that he was made redundant illegally and ruled his reinstatement in office. The plaintiff emphasized that feminization of teacher's vocation was a major challenge for Bulgarian education. Interesting: the ratio male-female plaintiffs of gender discrimination is 9 to 7.

At present, the Commission investigates a couple of complaints of sexual harassment of female employees, a bank clerk and a security officer.

A lady member of an orchestra recently lodged a complaint, alleging gender-based harassment and discrimination. Instead of being honed for her talent, she was assigned with chores – carrying the bags with music scores of her male colleagues and taking care of rehearsal hall's hygiene…

CPD Sitting Panel on Gender Discrimination is to rule decisions on those cases soon.

In future, the Commission intends to improve its cooperation with EU and international bodies active in gender policies and to transfer its knowledge on EU and domestic legislation and gender mainstreaming to public bodies and local governments.

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Women in politics

Parliament's president Jerzy Buzek is spearheading calls for electoral quotas to improve women's participation in politics. **Martin Banks** reports

It started on 9 March 1911 in just a handful of European countries and observed by a few thousand people. But, last week, the 100th anniversary of International Women's Day was commemorated by millions and with events all round the world, including a high-profile conference in parliament around the theme "women in politics". In an opening address, the institution's president Jerzy Buzek said that while much progress had been achieved in gender equality over the past century "much more still needs to be done".

Buzek himself said he had set an example as president, with 54 per cent of his cabinet being women, including his chief of staff. But he warned that society was still "plagued by lack of equality and justice" for women. Calling for electoral quotas at national and European level, the Polish MEP said he hoped that by the time of the next European elections in three years "at least" 50 per cent of MEPs will be female.

"Clearly, the traditional barriers remain strong enough to deter or defeat women candidates"

His demand for quotas was endorsed by another keynote speaker, former Irish president Mary Robinson, who said there can be "significant change in relatively short periods. "I have witnessed the transformative impact of women's empowerment in two countries, Rwanda and Liberia, and I welcome the fact that, today, a growing number of women hold positions of political authority around the world," she said. She added, "But for countless millions of women and girls, there is little that we can celebrate. The situations they find themselves in are truly intolerable."

When it comes to women's political empowerment in EU countries, Robinson said there has been "steady progress" over the decades in equal treatment legislation, with landmark cases of the European Court of Justice and national courts, and initiatives by parliament itself. And yet, she pointed out, women's participation at the political level in Europe is still faltering. "Clearly, the traditional barriers remain strong enough to deter or defeat women candidates." Reasons for this, she suggested, include a lack of adequate financial resources, disproportionate family obligations, lack of confidence in a predominantly male culture, and a preference of many women to serve in civil society organisations where the culture is more friendly and gender sensitive.

Robinson asked, "Are we in Europe prepared to really tackle these and other barriers over a 10-year transformative period? Are countries prepared to introduce national quotas for local and parliamentary elections for a decade to correct the existing imbalance? Are the EU and national governments prepared to provide financial resources to train and resource women candidates at local, national and EU level?"

Ex-MEP and French government minister Nicole Fontaine, one of only two female presidents in parliament's history, said that while there had been "significant" progress, she asked, "Why was it that, when I was elected president in 1999, it had been 20 years since the last woman president?" Fontaine, 23 years an MEP, urged parliament to be the "vigilant custodian" of gender equality issues, but warned, "parliament cannot act alone and that is why national governments must

mobilise efforts to ensure we have greater female participation in politics."

However, Nikki Sinclaire, an independent MEP, who was among those in the main chamber for the event, said she "strongly disagreed" with Buzek and Robinson on the need for quotas. "I believe all forms of discrimination to be wrong, as even positive discrimination creates victims. Women need barriers to their progress to be removed, and issues such as the need for improved childcare facilities, particularly in certain member states, need to be addressed. "The ideal person for the role of MEP is the one who is best qualified for the job, regardless of gender. That is real equality."

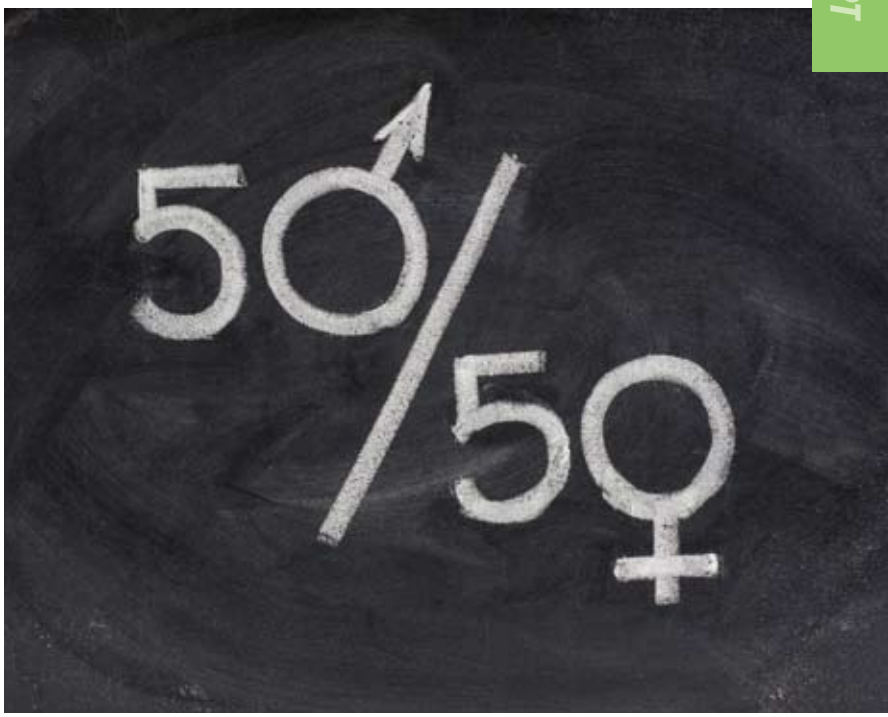
According to Brigitte Triems, president of the European Women's Lobby (EWL), "the slow progress on equality represents a democratic deficit and undermines an EU that promotes human rights and democracy as its central values." She said the EU "can and must take concrete action to change this," pointing out that in 2009 the EWL launched a campaign demanding binding measures for parity of democracy in all EU institutions. The "50/50" campaign attracted the backing of thousands of prominent supporters from the European and national levels but she said the EWL "is still waiting for these signatories to deliver on their commitment".

"It is obvious that years of declarations and minor actions have not achieved the necessary change. To challenge the current structures of decision-making, we need to adopt decisive and multi-dimensional measures. These must include targets and minimum standards for the representation of women, changes in political party structures and selection systems, but also socioeconomic support and measures for reconciling work and private life." ★

- Ten countries in the EU have over 27 per cent proportion of women in the lower house of parliament;
- They are led by Sweden at 45 per cent;
- The majority are below 23 per cent and two countries are down to less than 10 per cent of women members,
- Sixty per cent of the European parliament's staff are women;
- More than half of its employees who require ´expert knowledge´ are female;
- 35.2 per cent of MEPs are women, just over a third. The average in national parliaments is 24 per cent;
- Forty per cent of the ´top-ranking´ parliamentary posts, including committee chairs, quaestors and bureau members, are filled by women;
- Worldwide, only three per cent of major company boards are chaired by a woman.

Reaching beyond

Strasbourg's other assembly paves the way for better legislation in Europe for women, writes **Neil Datta** and **Ingrida Circene**



The public desire for democracy across north Africa and the Middle East has recently gone viral, and is spreading infectiously from one country to the next. Meanwhile in Europe the health and human rights communities hope that equally infectious changes have started in their fields of interest. Changes in women's rights in national legislation have now been given the impetus to start transcending national borders.

The seminal event in question took place in Strasbourg in November 2010, and it has the potential to instigate a wave of continent-wide legislation that will protect and promote women's rights more than ever before. But the organisation in question for once was not the European Union. It was one of the continent's less well known organisations, and yet one of its most influential political drivers: the Council of Europe.

Created in the aftermath of the second world war, the council of Europe was established to help Europe's democracies find common ground in harmonising and improving legislation covering legal standards, human rights, democratic development, the rule of law and cultural cooperation. And with its 800 million citizens and 47 member-states its legislation has the ability to reach far beyond the EU, with areas such as the rule of law and human rights being at the heart of its focus. In the field of deepening and widening gender equality the organisation therefore has tremendous potential.

In November 2010 the parliamentary assembly of the Council of Europe agreed on two documents that stand to improve legislation across Europe that will protect and benefit the rights of women. With the goal of "Promoting the most favourable gender equality laws in Europe", resolution 1780 and recommendation 1949 will both strongly urge the governments of the council's members to adopt laws that will foster equality between women and men in a range of priority areas. These include ending violence against women and sexist stereotypes, protecting women's reproductive health and their role in economic life, and combating human trafficking.

Therefore, advocates for health and human rights now have a document with substantive political weight at their disposal that will call upon their national government to set about removing gender inequalities in more areas of national legislation than ever before. Importantly, these two documents also ask member states to "draw inspiration from the most progressive laws identified in Europe in priority areas", such as the Spanish and Austrian laws on violence against women and the Dutch, Danish, Swedish and British laws on reproductive health.

"The council of Europe was established to help Europe's democracies find common ground in harmonising and improving legislation"

And so progress is being made in Europe to help us to become the world leaders in building a society where gender no longer plays a role in defining our personal freedoms, human rights and the future we choose for ourselves. The Council of Europe has identified the individual national champions that we should all follow and it has created a bold commitment for our governments to follow. It's now up to citizens and NGOs to create the public demand for the policies, and for decision makers to hear our wishes. ★

Neil Datta is secretary of the European Parliamentary Forum on Population and Development

Ingrida Circene is the Council of Europe's rapporteur for promoting the most favourable gender equality laws in Europe

Population bomb

A delegation from the European parliament's population and development forum discuss the many challenges facing India's women

Over the past week we have had the chance to visit three areas of India to explore the demographic challenges facing the population of the world's second largest country. We visited three very different settings which are all heavily implicated in an issue that is central to the future of India and its 1.2 billion citizens: the sprawling metropolis of Ahmedabad in Gujarat; the isolated villages of rural Rajasthan, and the corridors of power at the Indian parliament in Delhi.

"India is a country where the fertility of our women is far superior to the fertility of our soil." This comment, made by a member of the Indian parliament at a meeting on our final day, neatly illustrates the challenges that the country is facing, both in reality and in people's heads. For it speaks of the monumental problems that any country with high and unbridled fertility will experience; the challenges that regions racked by drought will face when agricultural productivity falls and people are pushed to migrate to cities to find work; and the repressive attitude towards women that is endemic at all levels of society. Across the world's second largest democracy they are being denied education, a voice in governance, a choice over their partner or when they will have children, and the ability to shape their destiny.

Over the past week we have seen the importance of taking a holistic approach to dealing with development assistance and population issues, and the necessity of including civil society organisations in these activities. For a healthy society needs a balance in population and education levels between young and old, and between men and women. And to bring this about a range of conditions are required which are intrinsically linked. These include equality between men and women, education for girls, in both school and real-life skills, an understanding of reproductive health, an availability of a range of family planning services, and a knowledge among all sectors of society of the rights they are entitled to – in education, healthcare and their private lives.

We have witnessed first-hand how economic and human development are one issue, and how to have real results on the ground organisations are required that will not just educate women, but also enable them to find a job once they have been educated. It is important not only to improve the facilities available to women to give birth in hospitals, but also to ensure that women know that this is available to them. It is also necessary to remove the stigma that is attached to giving birth to girls. To achieve all this, government and civil society must work together.

"Laws and initiatives exist in India that will, in theory, bring about gender equality"

Laws and initiatives exist in India that will, in theory, bring about gender equality. But in reality this is not the case, as legitimised bigotry and deep-rooted corruption are still prevalent, with women frequently falling victim to extortion or forced ignorance of their rights.

Another member of the Indian parliament told us that, "the biggest challenge facing India is the population bomb". But over the past week we have seen how concerted efforts on the ground from civil society organisations can reach sectors of society that government initiatives struggle to reach. And as the women of rural Rajasthan will testify, there may still be a very long way to go, but progress has at least begun.

Our thanks go to our host organisations the European parliamentary forum on population and development and the centre for health, education, training and nutrition awareness in Ahmedabad for this educational and inspirational experience. ★

Nadja Hirsch, Véronique Mathieu, Norbert Neuser, Britta Thomsen are members of parliament's forum on population and development

President of CITE Sandra Ribeiro.
Picture : Diana Quintela

Promotion of Gender Equality through social dialogue:
An opportunity not to be wasted

The Commission for Equality in Labour and Employment (CITE) is a Portuguese equality entity with a tripartite and equilateral composition, having members from the State, trade union confederations and employers' confederations, whose mission is the promotion and monitoring of social dialogue on gender equality, amongst other areas.

In order to pursue its mission, CITE is developing a series of measures, namely: a training programme for vocational gender equality for trade union and employer negotiators; awareness-raising actions; provision of experts to assist in the development of collective regulation at the request of the parties; initiation of a procedure for ongoing assessment of the legality of previously published collective agreements and provision of reports/ recommendations, whether to highlight good practices already in place with a view to their dissemination, or to suggest improvements for the future.

It is an absolute necessity to strengthen the commitment to gender equality of those involved in negotiating contracts and collective agreements. Firstly, it is necessary to initiate specific and adequate training programmes and disseminate such programmes, and secondly it would certainly be a positive move if negotiating tables were less male orientated and had greater equality.

I believe that collective agreements, if negotiated across negotiating tables that were more equally balanced from the perspective of gender, will bring about a rapid solidification of legal standards on equality and non-discrimination. This may either be through the amendment of clauses which prohibit discriminatory practices, reinforcing what is already prescribed by law, or through, for example, the implementation of positive measures focussed on combating instances of endemic professional discrimination in selection, vocational training and career progression, such that, in equal circumstances and depending on the activity, preference is given to members of the least represented sex. Another aspect which, it seems to me, can be resolved through social dialogue, is the division of family responsibilities between men and women. The amendment of clauses on the reconciliation of work and parental duties should be done within a framework that promotes the sharing of parental leave, mothering leave, childcare leave and mechanisms for flexible working hours or workdays between both male and female workers. This can act as a catalyst for changes in attitude, reversing the preconceived tendency that has persisted until now of reconciliation being orientated towards the female, which is nothing more than a way of accentuating inequality. Additionally, the negotiation of clauses which encourage the benefit of parental leave exclusive to male workers can greatly contribute to help overcome stubborn gender preconceptions. Finally, it is further noted that social dialogue is a privileged stage for taking a position on pay disparities, where social partners can jointly identify and expose the elements that justify salary differences and can agree on how to eliminate those differences.

CITE tripartite meeting

<u>Social dialogue, particularly collective negotiation, can be a great opportunity for the promotion of equality between men and women in employment and the workplace, which we cannot waste.</u>

Note: *This paper was authored by the President of the Commission for Equality in Labour and Employment, Sandra Ribeiro, and is not binding on the entities represented on that committee.*

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Speak out

Civil society must be involved in the campaign against domestic violence, writes **Louise Johnson**

Gender based violence has been described as "one of the most dangerous social issues of our time". The 2006 report of the secretary general of the UN to the general assembly noted that at least one out of every three women around the world had been beaten, coerced into sex, or otherwise abused in her lifetime, with the abuser usually someone known to her.

The European commission's advisory committee's final opinion on an EU strategy on violence against women and girls included recommendations on the development of campaigns that raise awareness on all forms of violence against women and are targeted both at society as a whole and at specific audiences. Scottish Women's Aid has a long and successful history of campaigning against domestic abuse as it impacts on women, children and young people, through campaigns which, in addition to educating, also seek to encourage participation. We want people to stand up and speak out, to be aware that they are part of a bigger movement to stop domestic abuse and to challenge sexism and tired, inappropriate perceptions on the root causes of domestic abuse.

In November 2010 we launched our campaign, "domestic abuse – together we can stop it", at the Scottish parliament. The campaign aims to build on our relationships with other networks – such as trade unions, faith groups and student organisations – and provide them with training and resources to support them in developing their own responses to domestic abuse. The campaign website also offers the public the opportunity to participate by signing up to a "pledge" to do one thing to stop domestic abuse.

One strand of the campaign is focussed on developing a 'bystander' programme with students. A 'bystander' is an adult who witnesses abuse, and who may not, in any way, perpetrate or condone the abuse, but, by their inaction, can contribute to its continuation. It is often difficult for people to challenge abuse: they may feel threatened, embarrassed to speak out or take action in front of their peer group, or simply not know what to do or say in such a situation.

These programmes see the target audience as potential allies in preventing gender based violence by supporting 'bystanders' in developing their own appropriate and safe intervention strategies. Together with our partners, Zero Tolerance, Rape Crisis Scotland, LGBT Youth Scotland, The White Ribbon Campaign, and the National Union of Students, we have built on the success of north American bystander programmes and developed an approach that is appropriate to the Scottish experience.

"We want people to stand up and speak out, to be aware that they are part of a bigger movement to stop domestic abuse"

A pilot of the "Get Savi" students against violence initiative was successfully run at Edinburgh University, and with the Scottish government's support, we hope to formally launch the programme later this year, after which time the resources will be available to download and can be used in colleges and universities across the country by students or staff themselves. In this way, we are able to reach the student community and, in turn, their families, friends and their local communities. We believe gender based violence is preventable and that through participation, we can change society's perceptions and acceptance of violence against women. Together we can stop domestic abuse. ★

Louise Johnson is national worker for legal issues at Scottish Women's Aid

A poster by Scottish Women's Aid highlighting the campaign to stop domestic violence

Full protection

The European protection order is an important step towards the protection of female victims of male violence, writes **Rosa Fernández Sansa**

Last year, the Spanish EU council presidency put forward a ground-breaking policy initiative which for the first time offered a European legal dimension to the fight against the gender violence that affects some 45 per cent of women in Europe. The European protection order (EPO) is designed to protect victims of violence across the EU, including female victims of male violence, as well as to prevent discrimination and ensure freedom of movement between member states.

At present, the protection of victims of violence, including the estimated one in five female victims of domestic violence, is effectively limited by national jurisdictions. If properly implemented, the EPO, issued by the country of origin and transmitted to the host country, will guarantee a consistent level of protection for victims of violence when they move within the EU. According to the Spanish EU council presidency, an estimated 100,000 EPOs will be issued every year, most of them for women who are victims of male violence.

The EPO does not, however, guarantee the same level of protection for all victims. As a measure of mutual recognition of national protection orders, it offers no harmonisation or minimum standards to which all member states must adhere. Many EU member states do not even provide protection orders for female victims of violence in intimate partnerships. These differing levels of protection need to be addressed.

"Many EU member states do not even provide protection orders for female victims of violence in intimate partnerships"

Freedom of movement is a highly laudable aspect of the EU, but protection from violence is a basic human right, as is equality between women and men. The EPO is to be warmly welcomed as the first proposal of a legally binding EU instrument on violence against women. Unfortunately, a proposal is what it remains at this stage. Having received an initial endorsement by the majority of EU member states in June 2010 and the approval of MEPs in December 2010, the political will to get the measure through seems to have dissipated. For human rights organisations such as the European Women's Lobby and its Spanish coordination, CELEM, there is no time to waste in moving forward towards a comprehensive EU approach guaranteeing women's basic rights. The EPO, as part of an EU strategy on violence against women as envisioned by the European parliament and council (see conclusions of 8 March 2010), represents a step in the right direction. We trust that all of the EU member states will give this measure their unreserved support and that together we can progress towards a Europe free of violence against women. ★

Rosa Fernández Sansa is president of the Spanish coordination of the European Women's Lobby

We must talk about sex

The Swedish campaign Talk about it, started in connection with a discussion regarding the media coverage of the Assange case. When journalist Johanna Koljonen wrote about her own experiences of drawing lines and negotiating grey areas in sexual situations hundreds of people followed. When many people "talk about it", power structures become apparent. We can then lessen feelings of guilt and shame and discuss the norms relating to gender and sexuality which follow us all the way into the bedroom.

For some people these experiences are part of constant abuse in a steady relationship. For some they are something which happened with an acquaintance at a party after initial mutual consent – or in a steady relationship which is otherwise free from violence and assault. These are common experiences among women. The overall collective perception of sexual assault leaves its mark on society and on our attitudes towards women, men, power and sex.

Those who contact the women's shelters and empowerment centres are often unsure about their right and ability to set limits. By "right" we mean not only the right by law, but also the right given by those around them – friends, family, their partner and even themselves. The people involved know that lines have been crossed, or they would not describe the situation as a grey area. In many cases, the act of assault is also an act of rape, according to the law. But the silence makes it difficult to talk about it to others, prevents healing and hides the destructive power structures and norms.

It is up to each of us to ensure that having sex feels right for everyone involved before, during and afterwards. Talk about it shows, as does SKR:s experience, that many people are afraid of being seen as being difficult, or of making the situation worse. For this reason, it is important to understand your sexual partner's signals. Everything that follows a no, and also everything that takes place before consent is clearly given, is an act of assault. We must work hard to make sure that guilt and the fear of being seen as difficult do not prevent us from exercising our self-evident right to say stop when sex does not feel right.

We cannot bring about change unless we talk about it!

Carina Ohlsson, President
Olga Persson, Association Secretary

The Swedish Association of Women's Shelters and Young Women's Empowerment Centres, SKR

www.kvinnojour.com

Swedish Association of Women's Shelters and Young Women's Empowerment Centers
SKR

Promoting democracy, good governance and human rights from a gender equality perspective is not an easy task. Particularly in the very hard work of switching survival strategies into winning ones.

But how I got here was, as Kipling said, another story…

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Main intervention areas / programmes:

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2. Resource Center for Gender Equality

3. Design and evaluation of Social Programs

4. Networking for Development (including advocacy and lobby)

Dina Joghin

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"Don't wait for the right opportunity: create it!"
George Bernard Shaw

Value for money

The EU budget should be trimmed of all expenditure that does bring added value to its citizens, argues **Janusz Lewandowski**

It is probably the only statement with which everybody agrees: the current rules for financing the EU budget are opaque, complex, sometimes outdated, and they amount to a rigid straitjacket hardly befitting for a world in constant motion.

Last year, I laid what I hope is the first brick of the modernisation of the EU budget. Our proposal for the review of the financial regulation, the rulebook on who can get EU funding and how, tried to answer the following questions: why should any beneficiary have to open a separate bank account to receive EU funds? Why do we, the commission, focus more on whether forms were filled in properly than whether the project reached it objectives? Shouldn't we pay against results rather than against bills? Why not imagine that there are funding opportunities beyond the limited EU budget such as public-private partnerships (PPPs) or cooperation with the European Investment Bank?

You see, some of the rules in the EU budget date back to a time long gone when the EU had fewer member states and competencies and their contribution was marginal, as opposed to over 80 per cent of the budget these days. Let's call a spade a spade and a budget a budget. We need new rules, but above all new ways of thinking.

New ways of thinking was also the motto for the budget review we presented last year. At the risk of horrifying purists, I would describe the budget review as taking your car to the garage for maintenance: we looked under the bonnet of the EU budget and found that some parts were rusty and clearly old, while others though difficult to remove provide discomfort.

We therefore called for future EU budgets to focus on what is known in jargon as "EU added value", in short, the focus should be on those areas where a euro spent at EU

level brings more benefits than if split and spent among 27 member states. Issues such as energy, cross-border infrastructure, climate, migration, research and trade, to name but a few, clearly qualify for EU added value.

Spending programmes must have a real impact, with the investment feeding into action which is measured in terms of real impact, rather than in terms of the inputs involved. We need investment priorities spelt out in a framework to help member states present their investment projects to be funded by themselves and the EU. At the same time, the commission would look into some programmes that have been performing less well and ask whether they should be pursued or not.

Spending, however, is only one side of the euro. The other side is about revenues, and presents another problem. Until a few years ago, the EU budget was overwhelmingly fed by its own resources, with member states' contributions acting as a top-up of between 10 and 20 per cent of the overall amount. These days, we have come full circle with member states contributions representing over 80 per cent of the resources of the EU budget. Not only does this situation go against all the EU treaties from Rome to Lisbon, it also creates bitter debates about the notion of net contributors with member states being more interested in extracting what is good for their national interest out of the EU budget than on genuine pan-European interest. As a result the budget review called for the introduction of one or more additional own resources, besides the existing ones. At the end of June, we will make a formal proposal for additional new resources alongside the proposal for the financial framework. We have also called for new financial instruments, such as EU project bonds. The idea is to use the EU budget as a magnet to attract more public or private investment for some energy and transport infrastructure projects of a cross-border nature.

In a nutshell, I am in favour of a budget that focuses on fewer but stronger areas, a budget trimmed of expenditure that does not really bring any benefit, and not only economic, to 500 million Europeans. We need a budget for Europe rather than for "Brussels". At the risk of being impudent, I would conclude by saying that those who criticise the EU budget via their national media often merely repeat what we, the commission, have been calling for since last year.

Our proposals are now in the hands of the European parliament and the council. I cannot imagine that they would consistently criticise the EU budget for being slow and opaque while refusing to modernise it when given the opportunity. ★

"The focus should be on those areas where a euro spent at EU level brings more benefits than if split and spent among 27 member states"

Janusz Lewandowski is European financial programming and budget commissioner

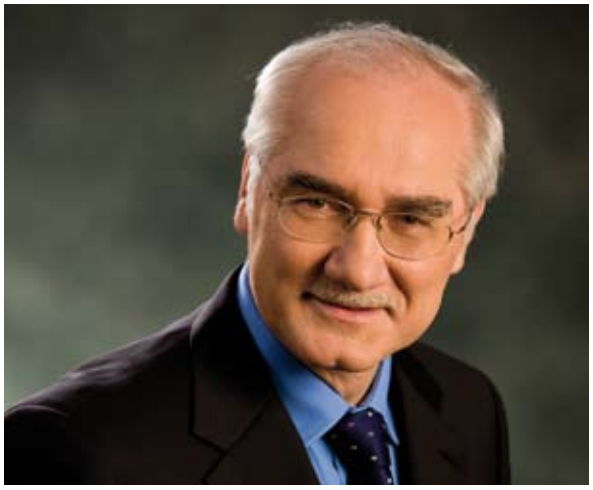
Equal footing

Strategic reporting will allow cohesion policy to more effectively reduce regional disparities within the EU, writes **Miroslav Mikolášik**

Cohesion policy aims at reducing disparities between levels of development of European regions, facilitates the pursuit of modernisation and sustainable growth and demonstrates European solidarity. It is essential to the progress of European integration and establishing strong synergies between all European policies.

Strategic reporting represents a new feature of cohesion policy introduced in the present programming period 2007-2013. The European parliament has first analysis and evaluation on the outputs and results of cohesion policy implementation. This is also an opportunity to express parliament's opinion on member state spending priorities, highlight areas where more efforts are needed, including the commission's tackling of the implementation and the strategic reporting itself. The 2010 strategic report is mainly focused on the implementation of programmes during the current programming period, and the strategic reporting exercise. However, it also provides several valuable insights into the future of cohesion policy.

Miroslav Mikolášik is parliament's rapporteur on the implementation of the cohesion policy programmes for 2007-2013



"A well-financed EU regional policy is a precondition for achieving social, economic and territorial cohesion"

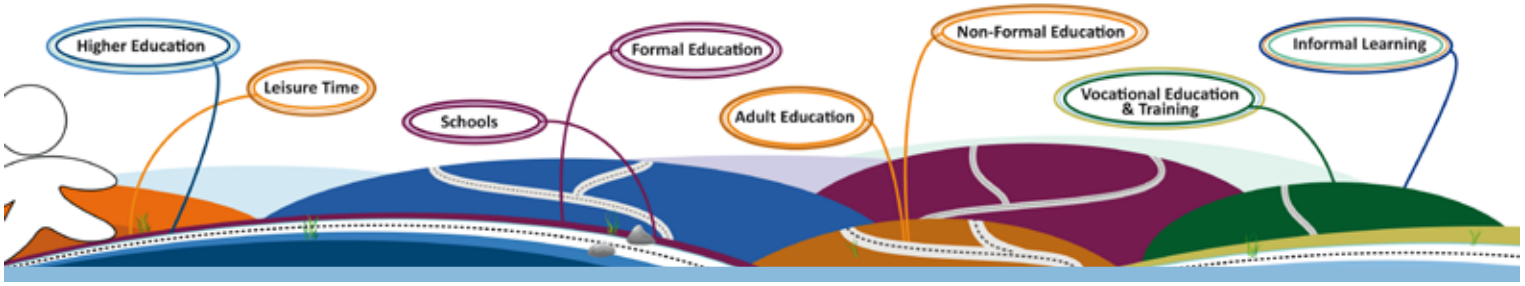
The reported financial volume of selected projects is €93.4bn, representing more than 27 per cent of available EU resources for that period. This can be considered rather reasonable given the context of the serious deterioration in the socioeconomic situation in 2008-2009 due to the global crisis, but also the reforms made to the policy. There is no point in "naming and shaming" particular member states, because European regions are still facing striking economic, social and environmental disparities. Nevertheless, the progress varies significantly between countries and across themes, with aggregate selection rates above 40 per cent in the case of nine member states and below 20 per cent for four member states.

The implementation of the programmes is continuous and dynamic and can be influenced by focusing on the indentified shortcomings in the whole process and areas where reforms are needed to deliver agreed results. Strengthening the performance of the implementation, avoiding excessive delays, ensuring higher financial discipline and increasing synergies with other EU policies remain top priorities. Sectors facing particular delays are: rail, certain energy and environmental investments, digital economy, social inclusion, and governance capacity building. The higher absorption of environmental projects under European territorial cooperation programmes can be considered as showing the clear added value of cross-border and interregional cooperation.

Strategic reporting is an instrument for discussing thematic dimensions of the cohesion policy based on concrete evidence provided by member states. Some practices, such as using core indicators, reporting on outputs and results, reporting on synergies between national and EU policies, organising public debates and consultations with stakeholders, submitting the reports to national parliaments for opinion, and publishing the reports on governmental websites have proved to be very efficient. In fact, they contain high potential to enhance the quality of the reporting exercise and increase stakeholder ownership in member states.

The report constitutes an incentive to improve the current implementation of the cohesion policy programmes and increase policy learning to optimise their impact. Nevertheless, cohesion policy relies upon good governance at European, national, regional and local level, sound financial discipline and the transparency in the allocation of funds. Simplification of the process is also highly desirable, as superfluous bureaucracy and onerous rules and procedures leave many funds unused.

A well-financed EU regional policy is a precondition for achieving social, economic and territorial cohesion, and therefore the budget allocated for the cohesion policy in the next programming period should not be decreased. As to upcoming negotiations for the future programming period, cohesion policy should continue to address all European regions and societal challenges, helping poorer ones to catch up, and delivering smart, sustainable and inclusive growth. ★



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Lifelong Learning Week

«Different Pathways to Learning»

Permanent Exhibition - Altiero Spinelli Building
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Ground Floor - Hall to the MEPs restaurant
Cocktail reception on 16th March - 18:30

Round Table on the Social Dimension of Education and Training

16 March

12:30 - 15:00 - European Parliament
Hosted by Maria Badia i Cutchet (S&D)
Co-organised with SOLIDAR
Room ASP 5G3, Interpretation FR/EN

17 March

Public Hearing on transnational learning mobility

14:00-17:30 - European Economic and Social Committee
Rue de Trèves, 74 - 7th Floor, Interpretation FR/EN

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Ensuring cohesion

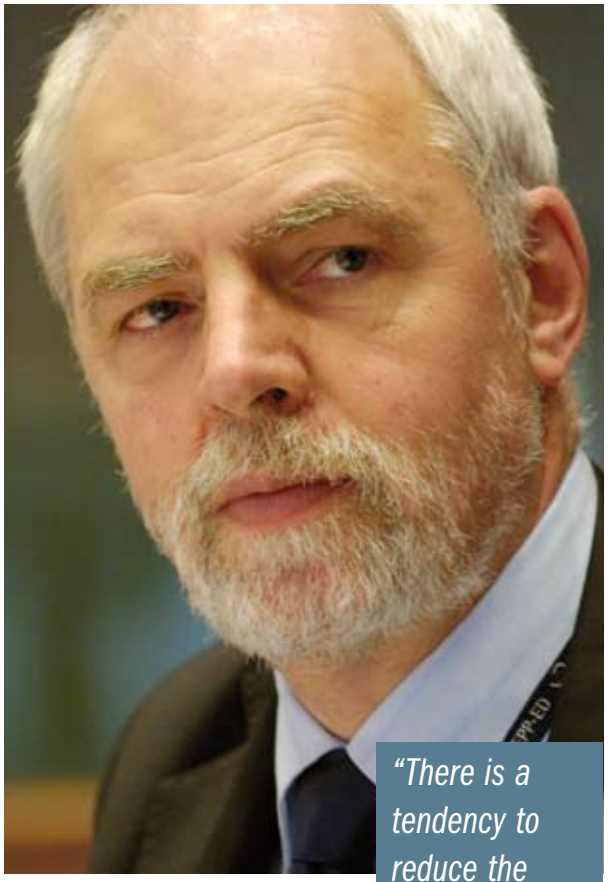
Jan Olbrycht believes cohesion policy is instrumental for achieving the EU 2020 objectives

The ongoing debate on policy challenges and budgetary resources of the EU after 2013 is strongly influenced by the implementation of the 2020 strategy. Budgetary priorities will have to be linked to the goals and priorities of the strategy and the community policies directed towards achieving the indicators identified in the strategy. Surprisingly, at the beginning of the debate on the EU 2020 strategy cohesion policy was absent. We deliberated on what the cause of this is and whether the other policies are recognised as more likely to contribute to the objectives of the new strategy. Fortunately, in the final version of the document, cohesion policy has regained its important position.

In this context, I believe that cohesion policy can be a particularly good instrument for achieving the objectives of the EU 2020 strategy. This tough outset resembled the beginnings of the history of the incorporation of the cohesion policy into the Lisbon strategy, the so-called "lisbonisation of the cohesion policy". It was "a rescue method" for the implementation of the strategy which was initially supposed to be based only on the open method of coordination. This initially neglected cohesion policy turns out to be extremely helpful in case of difficulty. Therefore, we should be "smart earlier".

There is a tendency for matching policies to specific priorities of EU 2020 - smart, inclusive or sustainable. Meanwhile, one should rather point to the possibility of implementing the priorities in the framework of policies. For example, there is a tendency to reduce the cohesion policy to "inclusive growth" in the sense of social policy. I consider this a mistake because the cohesion policy is horizontal in nature and has its smart and sustainable as well as inclusive dimensions. This horizontal nature should be expressed in the new multiannual financial framework by maintaining a special heading for the cohesion policy.

This policy by definition is the treaty policy, but of course can be modernised and adapted easily to the current challenges. The current financial crisis is a good excuse for some member states to propose a reduction of the policy by cutting payments or its scope. Reduction of the proportion of this policy in the multiannual financial perspective would not only be against the solidarity principle, but also the resignation of the advantages that provides the concept of shared management by the commission and member states.



"There is a tendency to reduce the cohesion policy to "inclusive growth" in the sense of social policy"

Moreover, we should not forget that the treaty introduces the new dimension of territorial cooperation denoting aspiration to ensure cohesion across the whole territory of the EU. Therefore reducing its scope is contradictory to the territorial approach and I consider that cohesion policy should cover all the areas in which intervention is necessary, that is, should cover the whole of the EU.

I hope that the final report of special committee on the policy challenges (SURE) will reinforce the importance of cohesion policy in the new financial perspective. ★

Jan Olbrycht is a vice-chair of parliament's special committee on the policy challenges and budgetary resources for a sustainable European Union after 2013

Joined up thinking

Cohesion policy is one of the EU's most visible and effective responses to the current economic and social upheaval, writes **Jan Kozłowski**

Cohesion policy is one of the most important and successful European policies. It is also the policy whose effects are clearly visible to the citizens, in the form of better roads, modern landfills or greater availability of education. The latest unprecedented economic crisis has proved that cohesion policy when modern, smart and flexible, can be an effective instrument for responding to the changing economic and social situation. This can be demonstrated by the fact that in 2000-2006, investment in the cohesion policy contributed to the creation of up to 1.4 million new jobs.

Recent economic and social difficulties and the necessity of financial cuts resulted in raising the popularity of the idea of reducing the community expenditures and departing from fundamental objectives of cohesion policy.

Strengthening sectoral policies and creating the additional budget lines within the EU budget has recently gained supporters. This may result in a lack of coordination, deeper fragmentation and reduction of the strategic value of the intervention of the European funds. However, changes caused by departure from the objectives of cohesion policy, directing by the ad hoc, short-term savings, which could result in weakening the position of European economies should be avoided at any price.

We will soon have to make decisions regarding the next financial perspective and the shape of the cohesion policy in 2014-2020. What seems very important is to make sure that while preparing a new financial perspective member states will resist the temptation of the propaganda effect of limiting the EU budget, in particular the budget of cohesion policy. It is also important to avoid "sectoring" of EU policies and dividing the EU budget into small, uncoordinated, and thus having no chance of the strategic impact budget lines of individual policies.

Cohesion policy, being horizontal, should receive support proportional to its ambitious targets envelope. Therefore, I am glad to see the conclusions included in the fifth cohesion report, the outcome of the cohesion forum or the latest declaration on the future of cohesion policy made by European affairs ministers of member states. All the above mentioned documents stress the need for the continued use of the cohesion policy in order to reduce disparities between levels of development of different regions and to implement the long-term strategic objectives of the EU. I hope that these ambitious goals will be reflected in the proposal for the multiannual financial framework which will be presented by the European commission in June.

It is important, as proposed by the fifth cohesion report, to focus future funding on a limited number of priorities, in accordance with the objectives of Europe 2020. Thus, the visibility and impact of investments under the cohesion policy would be maximised.

One of the effects of the financial and economic crisis in the EU is a deeper reflection on the effectiveness of spending the structural funds. How many people have gained and maintained employment, how many came out from dependence on social assistance, how many children gained access to preschool education? These difficult questions will be asked in the context of discussions on the new financial perspective. Therefore, we should assure that the structural funds management will contribute to the successful implementation of cohesion policy objectives. ★

"One of the effects of the financial and economic crisis in the EU is a deeper reflection on the effectiveness of spending the structural funds"

Jan Kozłowski is a member of parliament's budgets committee

In sync

Synergy between its different funding mechanisms is vital to the promotion of effective and innovative EU spending, writes **Georgios Stavrakakis**

"One cannot solve complex problems by just approaching them from one angle"

The post-crisis era that Europe has entered requires a greater attempt to coordinate the efforts from EU funds and programmes. When it comes to cohesion policy, synergies between actions funded by cohesion and structural funds could enhance the impact of the available cohesion funding and allow for resources to be saved.

Important elements for coordination are already in place, but can be further enhanced for the benefit of greater synergies between the cohesion policy instruments and beyond.

The virtue of an integrated planning and delivery system is in the understanding that one cannot solve complex problems by just approaching them from one angle. Unemployment cannot be solved just with training of the unemployed, you also need to put in place job creation policies, like support to SMEs, start-ups, etc. If a region is underdeveloped, then putting in place separately managed sectoral policies, such as transport or environment infrastructure will not achieve a significant effect in its overall development. A fragmented approach may lead to overlapping or even conflicting policies, contradictory public actions and duplication of resource allocation.

In the context of the EU cohesion policy, this means that each policy separately- policies for human resources development, for enterprise development, especially SMEs, for infrastructure development, etc. – achieve less than they achieve jointly in an integrated planning and delivery system.

In order to achieve maximum impact, coordination has to take place at all levels of policy making, from strategic planning through delivery and payments to closure, audit and evaluation. Nevertheless, we all know that in practice the application of such an approach is not very easy because we have to work with a policy based on shared management.

The basis should be the adoption of common rules on the management, eligibility, auditing and reporting of projects financed by the European regional development fund, the European social fund, the cohesion fund, the European agricultural fund for rural development (EARFD) and the European fisheries fund (EFF) -especially measures to support the economic diversification of rural and fisheries areas. These common rules would enhance the effective implementation of cohesion policy programmes, simplify both the use of funds by beneficiaries and the management of funds by national authorities, and reduce the risk of error. It would also provide differentiation, as needed, to reflect the specificities of policies, instruments and beneficiaries, and also facilitate participation in cohesion policy programmes by smaller stakeholders, as well as easier absorption of available funding.

Inside the cohesion policy instruments, we need to maintain and reinforce the model of a single general regulation combined with short and focused fund-specific regulations reflecting the particular policy goals of each fund. Synergies with EARFD and EFF should become clearer if we want to guarantee a comprehensive approach to the development of rural and fisheries communities, in line with the territorial cohesion objective. In addition, coordination should be further enhanced with activities carried out under trans-European networks, the seventh framework programme and the competitiveness and innovation framework programme.

Further steps to enhance synergies on the ground could consist of allowing member states the choice to have a single operational programme per region, encompassing different funds (ERDF, ESF, cohesion fund, EAFRD and EFF) with a single managing authority reviewing the provisions on cross-financing.

In the coming years, we will have no choice but to be innovative in our ways of spending. Achieving successful synergies are an integral part of innovative and effective spending. ★

Georgios Stavrakakis is parliament's rapporteur on the state of play and future synergies for increased effectiveness between ERDF and other structural funds

Structured response

Declan Costello and **Alexandr Hobza** discuss whether the impact of structural reforms on growth and jobs can be quantified

EU policymakers are currently facing multifaceted challenges. Due to the effects of the economic crisis, and with the onset of ageing populations, long-run projections suggest that average potential growth rates in the EU, on the basis of unchanged policies, could be as low as 1.5 per cent up to 2020. Against the backdrop of increased uncertainty in the financial markets, consolidation of public finances is a priority. It is also important to tackle macroeconomic imbalances and competitiveness losses that developed in the euro area prior to the crisis.

Fiscal consolidation and restoring the banking sector to health are key elements. A third key ingredient is structural reforms. In the Lisbon strategy, structural reforms were seen as almost uniquely belonging to the agenda for raising long-term growth potential. However, their significance is much greater as they can play an equally critical role in contribution to sustainable public finances and correcting macroeconomic imbalances, sometimes simultaneously. For example, pension reforms are essential to restore sustainability of public finances, but can also raise participation in the labour market and thus support growth. Comprehensive labour market reforms, based on the flexicurity principles, can generate new jobs, reduce current account deficits by allowing for smooth reallocation of labour towards sectors engaged in exports and support public finances through lower spending on unemployment benefits. Reforms to open up services markets, and measures which support R&D and innovation, can raise growth via the productivity channel and reduce external imbalances in countries where domestic demand is constrained.

If the potential benefits from structural reforms are so large and widespread, why is the pace of reforms so slow? One reason why strong constituencies of 'reform promoters' fail to emerge is the lack of strong evidence on the potential benefits. Therefore, the European commission has invested heavily in developing its analytical capacity and toolbox to quantify the impact of structural reforms. A recent analysis by the commission services presented scenarios combining structural reforms in the area of labour and product markets along with budgetary consolidation. They suggest that smart packages of reforms can result in win-win effects in terms of higher growth, lower unemployment and stronger public finances.

The least ambitious scenario assumes that only a handful of limited reforms will be implemented, while the most ambitious one counts with bold reforms across the whole economy. The results show that if the EU succeeds in implementing an ambitious structural reform and budgetary consolidation agenda, potential growth rates could be increased by a third. From a growth and social inclusion perspective, 11 million additional jobs could be created and the rate of structural unemployment could be reduced by more than a half. Moreover, progress with structural reforms, increasing potential growth and expanding tax bases, can help the efforts to consolidate public finances, and lead to a significant lower level of public debt than otherwise would be the case.

Whilst these results should be treated with the caution required for interpreting all model-based simulations, they point to large potential benefits of an integrated approach to developing recovery strategies, where ambitious growth-enhancing structural reforms are combined with budgetary consolidation efforts. This is very much in line with the new European semester and plans for stronger economic governance in EMU. ★

Declan Costello is director of structural funds and competiveness at DG ECFIN
Alexandr Hobza is an economist at DG ECFIN

"The European commission has invested heavily in developing its analytical capacity and toolbox to quantify the impact of structural reforms"

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Common ground

Brendan Hawdon looks towards a common strategic framework for the EU

From climate change to energy security, the numerous challenges the EU faces today require innovative solutions. Furthermore, exiting from the crisis and facing stiff global competition require the EU to remain competitive at the international level.

Against this background, on 9 February, the commission launched a broad public consultation on major improvements to be made to the EU's spending on research and innovation. The proposed changes will make participation easier, increase scientific and economic impact and improve value for money.

In a green paper entitled 'From challenges to opportunities: Towards a common strategic framework for EU research and innovation funding', the commission proposes to bring together, under a common strategic framework, all of the EU's programmes and initiatives in the domain of research and innovation. This would include the current framework programme for research, the competitiveness and innovation framework programme and the European institute of innovation and technology. These changes should maximise the contribution of EU funding to meeting the ambitions of the Europe 2020 strategy.

The green paper proposes three key objectives for EU research and innovation spending: strengthening the European research base, reinforcing the competitiveness of Europe's industry and, finally, tackling the grand societal challenges facing Europe today. Secondly, the commission aims at making EU funding more accessible and attractive for participants. The common strategic framework will comprise a simplified and rationalised set of funding instruments, covering the whole innovation chain from basic research to market uptake. Thirdly, the common strategic framework will allow further and much needed simplification of rules and procedures governing EU funding for research and innovation.

As European commissioner for research and innovation Máire Geoghegan-Quinn pointed out, "Our aim is to maximise value from every euro the EU invests in research and innovation. We want EU funding to achieve its enormous potential to generate growth and jobs and improve quality of life in Europe in the face of daunting challenges like climate change, energy efficiency and food security. By making our programmes more coherent and simpler, we will make life easier for researchers and innovators, attract more applicants and get even better results than we do today.

"The commission proposes to bring together, under a common strategic framework, all of the EU's programmes and initiatives in the domain of research and innovation"

The green paper contains a number of ways forward to change the way in which EU funding is used. For instance, it looks at how to better link with national and regional funding. The commission also suggests building better links between its funding for research and innovation and its cohesion funding. The green paper consults on ways in which the role of the European research council can be strengthened, or on how novel instruments such as public procurement or inducement prizes can lead to more impact.

The public consultation will last until 20 May 2011. Contributions can be made through a number of ways, including an online questionnaire which is available at the consultation website (http://ec.europa.eu/research/csfri). A blog has also been set up to promote an interactive debate and further discuss interesting contributions as they come in.

The outcome of the consultation will be presented and discussed at a conference on 10 June in Brussels. The commission intends to table its formal proposals for the next EU research and innovation programmes before the end of this year.

In the coming weeks, the commission will also launch a competition to select a name for the new common strategic framework, which best reflects the spirit of change it wishes to provoke. ★

Brendan Hawdon is head of unit for the European commission's framework programme and simplification

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JBCE takes an active role in enhancing the understanding of Japanese companies and their business in Europe and puts forward the views of its members on legislative issues currently under debate and on the public policy issues which will shape the years to come.

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