## **EIR Newsletter**

Year II, no. 16 - April 2010





#### Why is 9 May Europe's Day?

On 9 May 1950, in Paris, the Foreign Affairs minister, Robert Schuman, read before the international press a declaration by which he called for France, Germany and other European states to put together their productions of coal and steel.

Schuman actually proposed the creation of a supranational European institution responsible for the administration of the coal and steel industry, a sector that represented the basis of the military power at that time.

That is why the leaders of the Union gathered in Milan in 1985 decided that Europe's Day is to be celebrated on 9 May.

Each European state which chooses democratically to be an integral part of the European Union, automatically adopts its fundamental values of peace and solidarity.

The project began after World War II is still a new project from the integration point of view. Thus, the construction of a Europe in which the liberty and national identity are respected is an objective.

At the same time, however, the EU's declared purpose is to serve its citizens who, keeping their values, customs and language feel they are truly part of Europe.

> Mădălina Magnusson Communication Unit

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## How do you comment the public finance quality factor in ensuring a high efficiency of the fiscal-budgetary policies?

An essential element for ensuring a high efficiency of the fiscal-budgetary policies is the continuous increase in **quality of the public finance**. At present, both at the national level and at the level of international bodies, such as the European Commission, the International Monetary Fund, OECD, the World Bank etc., there is a major concern regarding the increase in quality of the public finance ... Read more on page 2

#### **Event**

#### The International conference on

## The Cohesion Policy from Lisbon Agenda to Europe 2020 Strategy: New Perspectives

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#### Professor **MOISĂ ALTĂR,** PhD

Department of Currency, Bucharest Academy of Economic Studies

### Romania's exit from the crisis and the re-launch of the economic growth process depend essentially on increasing the quality of public finance



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#### How do you comment the public finance quality factor in ensuring a high efficiency of the fiscal-budgetary policies?

An essential element for ensuring a high efficiency of the fiscal-budgetary policies is the continuous increase in **quality** 

**of the public finance.** At present, both at the national level and at the level of international bodies, such as the European Commission, the International Monetary Fund, OECD, the World Bank, etc., there is a major concern regarding the increase in quality of the public finance.

The European Commission's methodology regarding the calculation of an aggregate indicator to quantify the quality of the public finance takes into account the following main aspects: the size of government; the level and the sustainability of the fiscal position; the structure and the efficiency of the public expenditure; the structure and the efficiency of the budgetary income system; fiscal governance.

In order to characterise these five pillars, the European Commission calculates a number of 66 indicators, 44 of which are related to the second pillar, respectively to the structure and efficiency of the budgetary expenditure. This clearly shows the importance given to the expenditure of public money.

Unfortunately, Romania has many "bad grades" in this area. As regards the structure and efficiency of the budgetary expenditure, Romania is the 26<sup>th</sup> of EU-27, followed by Bulgaria. As regards the components of this indicator, Romania is the 23rd from the point of view of the efficiency of expenditure related to the education system, the 26<sup>th</sup> as concerns the efficiency of expenditure regarding the health sector, the 24th from the point of view of the efficiency of expenditure in the R&D area, 27<sup>th</sup> as regards infrastructure, 26<sup>th</sup> as regards public order and 25th as regards the efficiency of public services. It must also be mentioned that Romania is the 27<sup>th</sup> as regards the pillar relating to **public governance**.

#### The achievement of a quality fiscal governance involves the existence of a scientifically and praxeologically well substantiated fiscal strategy, as well as the existence of an Independent Fiscal Council. How do you appraise the connection between these elements and, particularly, the role of the Fiscal Council in the supervision of the fiscal policy as a whole?

I would like to stress out again the fact that Romania's exit from the crisis and the re-launching of the economic growth process depends essentially on increasing the quality of public finance, which would have a powerful impact on the economic environment. In the European Commission's approach a central element of the quality concept of the public finance is the **fiscal governance**, which is understood as the entire set of fiscal-budgetary rules employed, together with the procedures and regulations used in the preparation, adoption and monitoring of the budgetary processes. The achievement of a quality fiscal governance implies first the existence of a **fiscal strategy**, well substantiated from a scientific point of view, the existence of clear fiscalbudgetary policy rules, whose efficacy is ensured by law, as well as the existence of an **Independent Fiscal Council** which supervises the entire fiscal policy. It is necessary that the Government, as well as the Independent Fiscal Council monitor the firm application of the principles ensuring the coherence and efficiency of the fiscal policies.

The Fiscal Council must ensure first of all the transparency and predictability of the fiscal policies, as well as the continuous improving of the instruments and means enabling the application of the principle of responsibility, efficiency and social equity. It is essential that the business environment knows the fiscal strategy and the decisions adopted in the fiscal-budgetary field in order to increase the quality and stability of the macroeconomic environment.

## Which instruments do you consider necessary in order to improve the fiscal sustainability?

Generally, the sustainability refers to the future implications of the current fiscal policies, namely to the capacity of the state to further promote the current policies without endangering the budgetary solvency. The fundamental elements determining the fiscal sustainability are: the weigh of the budgetary deficit in GDP and the weigh of the public debt in GDP. For these two indicators the Stability and Growth Pact established the maximum levels of 3% and, respectively, 60%. Lately it has been pointed out that some countries, including countries from EU-27, had an unsustainable fiscal policy, whose effects have been aggravated by the current crisis. It is known that, unfortunately, Romania is in the same situation.

As it is shown by the historical experience, the improvement of the fiscal sustainability is a long term process, being the result of conjugated firm measures with a view to increasing budgetary revenues as well as to reducing the expenditure and especially to increasing their efficiency.

An essential factor for the success of the strategy of improving the fiscal sustainability is the credibility of the adopted measures, the way the economy responds to these measures. The increase of the tax base, including by reducing to a possible minimum the underground economy and the tax evasion, the stimulation of job creation and of the consume are among the measures to be adopted.

#### How do you appraise the capacity of the European Union Member States to build a joint strategic vision towards what is expected from the EU regarding the financial challenges emphasized by the economic crisis? Which are the main difficulties met by the Member States in the attempt to draw up a common position in this sense??

I am convinced that the Member States of the European Union will have the capacity to establish a coherent strategy to exit the crisis and a coherent strategy for the consolidation of the European financial system and of the public finance. The establishment of a new system of regulations, including the review of the Stability and Growth Pact will constitute an essential factor. Moreover, it is possible to adopt also a common fiscal policy which would generalise the common monetary policy of the Euro Zone.

Interview by Agnes Nicolescu

## Event

## The International conference on The Cohesion Policy from Lisbon Agenda to Europe 2020 Strategy: New Perspectives

The Embassy of Poland in Romania and the European Institute of Romania had the great pleasure to organise the International conference: *The Cohesion Policy from Lisbon Agenda to Europe 2020 Strategy: New Perspectives.* The event took place on Friday, **30 April 2010**, and had as a keynote speaker Mrs. **Danuta Hübner**, professor, Chairwoman of the Committee on Regional Development in the European Parliament, as well as other important officials and specialists from Romania and Poland.



The conference aimed at providing an appropriate framework for debating various points of view offered by Romanian and Polish experts upon the challenges, opportunities and perspectives of the EU Cohesion Policy, in the background of the objectives of the new "Europe 2020" economic Strategy.

In the first session, The Cohesion Policy: convergence accomplished?, Mrs. Danuta Hubner, underlined the significance of the debate as the cohesion policy has not yet achieved the goals established. Not only that the expansion of the Euro Zone and the Eastward Enlargement would increase the disparities within the European Union but nowadays we function in the context of globalization, a process that affects us all. Therefore it is imperative that we have a functional cohesion policy that would help the EU regions to adapt to globalization. What Europe should do is to invest in competitiveness, in sustainable jobs that do not disappear the next day following their creation. Accomplishing that is more difficult since it seems that there are a series of factors that work against convergence, factors that are difficult to be dealt with: an increased job insecurity, a worsening European demography (fewer births, older and older people that need special attention), etc. The real success of the Lisbon Strategy was the increase importance of regions within the European Union architecture, importance that will increase in the following year. Finally the character of the cohesion policy can be defined as the need for equilibrium between the financial incentives and the long term growth.

In the second session, *EU Structural Funds: Absorption Capacity* and *Effectiveness of their Use*, which was conceived from a pragmatic perspective, the moderator Mrs. **Alina Bârgăoanu**, professor at the National School of Political Studies and Administration underlined from the beginning that this session has a different approach to the European cohesion policy.

If Mr. **Stefan Ciobanu**, Director General, Authority for Coordination of Structural Instruments, Ministry of Public Finance, Romania ("The Structural and Cohesion Funds Absorption Stage") showed the synthetic statistical data, Mr. **Dragos Pîslaru**, General Manager, GEA Consulting Group, Romania ("How to improve the Absorption of Structural Instruments – the importance of the Quality Side"), for his part, pursues the deepest analysis of real problems encountered in the absorption of structural funds in Romania.

**Stefan Ciobanu** and **Dragos Pîslaru** were in fact in a dialogue, precisely because the matters we have been made aware of by **Ciobanu**'s diagrams and figures were unfold in a methodical way by **Pîslaru**.

Nevertheless, the case studies from Poland's experience draw the attention of the audience: Mr. **Jakub Szymański**, Deputy Director, Department for Regional Policy, The Marshal's Office of the Małopolska Voivodeship and Mr. **Zbigniew Palenica**, Vicepresident, MPK Kraków – Public Transportation Company in Krakow. As we follow the two reports, it is obvious that **Jakub Szymański**'s series of answers and list of projects at a regional level ("EU Structural Funds: Absorption Capacity and Effectiveness of their Use - Polish regional perspective") have been completed by **Zbigniew Palenica**'s reading about the main points of a single project ("The role of EU funding in upgrading public transportation in the city of Krakow").

The third session of the conference was moderated by Mr. **Dragoş Pâslaru**, who made reference to the general opportunities and challenges involved by the Cohesion Policy.

Mr. **Grzegorz Gorzelak** discussed in his intervention the main challenges that the Cohesion Policy involves for Central and Eastern Europe. One of the points highlighted by the speaker was that Central and Eastern Europe attracts mainly direct investment and to a lesser extent productive or creative investments. These factors place the region at a disadvantage, in the context of successive enlargement waves, a phenomenon which has led to some countries' losses in terms of European funds in favour of new members.

Mrs. **Danuta Hubner**, when speaking about the "Europe 2020" Strategy, pointed out this would have an impact on the European Union' budget and structural policies. Apart from this, the Lisbon Treaty does not provide ways to further work with the above-mentioned Strategy. One important point made by the speaker was the fact that Europe still needs to work on its unity issues, given the fact that differences among various European regions still exist.

Mrs. **Hubner** pointed out three major policy instruments which should be taken into consideration when discussing the cohesion policy: the internal market, capital investment, public-private partnerships.

Mr. **Leonard Orban** saluted the initiative to organize a conference tackling the topic of cohesion policy, which represents, in his view, one of the most important policies of the European project. In the speaker's opinion, two components are fundamental when discussing about the cohesion policy: solidarity and competitiveness.

The session and the conference ended with a series of comments and questions addressed by the audience on topics such as the Polish experience on the territorial administrative division and possible lessons for Romania's case, the connection between the territorial and administrative reform and the financial-budgetary reform, as well as the relationship between decentralization and the necessity to increase the role of local authorities.

For the full text of the summary of the event please access section "Previous events" on <u>www.ier.ro</u>.

# "Development of competences for the translation and revision of legal texts"

Combining the ten year experience in the translation and revision of the pre-accession acquis and the principles of the European Standard SR EN 15038, the **Translation Coordination Unit** (**TCU**) designed the programme "**Development of competences for the translation and revision of legal texts**", the first session taking place between **3 and 5 March 2010** at the EIR's Conference Hall.



The idea of organising this training programme resulted both from the analysis of the translation needs of the public institutions which was conducted in the autumn of 2009 and from the contact with the translation environment from Romania and the European institutions, as well as with the academia.

Intended for those interested in the translation of legal documents, having good knowledge of English and/or French (one of them at advanced level) and good computer skills, this programme aims both at developing the competences specific to the translation and double revision process, and at raising the awareness about the importance of assuring the quality of the translated and revised text. The quality of the translation is assured by the level of knowledge in the linguistic and legal area, but also by the ability to use IT tools and to communicate with other specialists.

The success of the programme was envisaged shortly after it was announced, as there were 59 registrations for 16 places available and the success was confirmed by the results of the course and trainers assessment questionnaires, both following the same scale: 1- unsatisfactory; 2- satisfactory; 3- good; 4- very good; 5- excellent.

Thus, the overall score for the course assessment was 4.64, and the overall score for the assessment of the six trainers was 4.81.

Selected from among the TCU staff, the **6 trainers** guided the participants in carrying out computer assisted translations and their presentations covered the stages and quality standards regarding the translation, revision, terminology research, the description of various CAT tools, the main sources of documentation and the ways they can be used in order to obtain high quality translations, basic concepts of law, especially regarding the law of the European Union. Moreover, the trainers aimed at developing a responsible and critical attitude as well as communication and organisation competences in this area.

Thus the associate professor **Mariana Bara**, PhD, terminologist within TCU presented the interdisciplinary area of terminology and especially the fundamental principles of the terminology research with application to the translation activity.

**Gigi Mihăiță**, linguistic reviser and head of the Terminology and Linguistic Revision Unit insisted on the importance of using the computer assisted translation tools, revealing the common principles in the use of various types of translation memories.

**Oana Gherăsoiu-Roşu**, translator, **Elena-Loredana Licuța**, linguistic reviser and **Violeta Ștefănescu**, legal reviser presented in turn the main stages, standards and aspects to be analysed in the complex process of translation, linguistic revision and legal revision, respectively.

**Florina-Diana Popa**, involved in the management of EIR's translation/revision projects and of the internships organised by the TCU, presented the main sources of documentation and developed topics such as the promotion and organisation of the translation activity.

The above-mentioned team will be maintained for the next two additional sessions of the programme "**Development of competences for the translation and revision of legal texts**". These sessions will take place between **9** – **11 June 2010** and **14** – **16 June 2010** and are intended for the persons on the waiting list (as the number of registrations received between 1-26 February exceeded the maximum number of places available for the session of 3 - 5 March).

Considering the significant number of requests, as well as the high quality of this programme, TCU intends to organise this type of programme on a regular basis, either at the EIR's premises or at the premises of the beneficiary.

in finding If you are interested out more about please webpage this type of training, access the http://www.ier.ro/index.php/site/page/curs\_dct\_traducator.

> Laura Vrabie Translation Coordination Unit

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\* The texts published in this Newsletter express the authors' opinion and do not represent the official position of the EuropeanInstitute of Romania.

ISSN 2065 - 457X

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