

## interview \_\_\_\_\_

### András INOTAI

Director General of the Institute for World Economics, Budapest  
Member of the Editorial Board of RJE



Professor Inotai, given the latest European Council meeting, which endorsed the EU Danube Strategy, do you believe that this strategy could become an EU milestone project or will it remain just another "good-looking document"? In your view, what are its real chances for success?

The Danube Region Strategy of the EU prepared by the European Commission at the end of 2010 and endorsed by the European Council meeting in June 2011 conveys two important messages. First, several years following the enlargement of the European integration it recognizes the new geography of the European Union and of Europe in a strategic project. Second, it includes into the cooperation framework not only 8 EU member countries but also six other European countries with different accession perspective at the moment. Four of them belong to the Western Balkans, while two form part of the Eastern Partnership initiative. Anyhow, it is a positive message to all of them that, within the Danube Region Strategy, these countries „belong to Europe”. Obviously, the project is too wide which entails both new opportunities and risks alike. Similarly, it is too comprehensive, for it covers several objectives, starting from transportation through environment to cultural relations. The next years will show to what extent the participating countries will be able to make use of the opportunities offered ... **p. 2**

## in this issue \_\_\_\_\_

- 3 *New activities within the POSDRU/90/2.1/SI/62955 project: Enabling an easy transition from school to work for the students in Economy-International Affairs*
- 4 *The Republic of Moldova - steps taken towards a deep and comprehensive free trade area with the European Union*
- 6 *A new editorial issue in the Working Papers collection Perspectives of the Polish - Romanian bilateral cooperation prior to the Polish EU Presidency*
- 6 *The Danube Strategy*
- 8 *European Parliament Session, 4-7 July 2011*
- 9 *The key priorities of the Polish EU Presidency*

## publication \_\_\_\_\_

### 2011 Autumn issue of RJE

In the third issue of this year the international authors cover a wide array of hot EU topics such as: the European Neighbourhood Policy (ENP), the European migration policy, energy issues at EU level, the European Emission Trading Scheme (ETS), competition policy, and demographic ageing in Europe.

Kerry Longhurst, Senior Researcher at the College of Europe, Natolin, tackles issues about the ENP, background, implementation and recommendations, concerning Ukraine, Moldova and Belarus. Her paper looks at the political and economic offer made to the partner countries ... **p. 5**



... In your opinion, which are the challenges currently faced by the Danube Strategy: lack of financial resources or lack of concrete projects at regional level? Furthermore, which would be Hungary's priorities regarding this strategy?

Similar to the other „large region project” of the EU (Baltic cooperation), the Danube Region Strategy can be characterized by „three Nos”: no money, no institutions, no legislation. Moreover, the participating countries have rather different economic development level and per capita GDP (sometimes the intra-country differences are larger than those on the inter-country level, between more and less developed members). Three tasks should be considered as priorities. First, there will certainly remain some money from the cohesion fund available for the participating EU members in the current financial framework until the end of 2013. All efforts have to be made to channel these financial resources into the implementation of projects in the framework of the Danube Strategy (estimates fluctuate between Euro 10 and 30 bn). Second, financial resources should be made available in the new financial framework covering the next seven-year period between 2014 and 2020. Since the future structure of the cohesion policy is at the core of just started negotiations on the next budget, the Danube Strategy should be used as a - hopefully powerful - argument in favour of - at least - keeping the current level of expenditures for cohesion policy and modify its structure considering the requirement of the successful implementation of the Danube Strategy. In a best-case scenario the Danube Strategy could become a fundamental instrument of continuing the catching-up process of less developed member countries interrupted by the global and European crisis. Third, a careful balancing between macro-regional projects involving all or most countries and smaller regional programs with less countries is indispensable. In geographic terms, Hungary is at the heart of the Danube basin and the connecting link between more and less developed participants. The key dilemma is how to coincide transportation and environmental priorities. In order to make the Danube navigable for larger vessels and, as a result, substantially increase water transportation, a second hydroelectric power station should be built in the upper section of the Danube

Dr. András Inotai is the Director General of the Institute for World Economics, Budapest and Professor at the College of Europe [Bruges and Natolin (Warsaw)] since 1993.

He is Doctor of Economic Science (German Habilitation) on Host Country Behaviour towards Foreign Direct Investment (1991). Ph.D. on Andean Integration in 1977. Research Fellow (1967-1979), Senior Research Fellow (1977-1980), Head of Department (1981-1989), First Deputy Director (1987-1989) at the Institute for World Economics, Budapest.

He was Head of the Strategic Task Force on Integration into the European Union (1986-1988). Visiting Professor, San Marcos University, Lima, Peru (1972-1973). Trade Policy Division, The World Bank, Washington D.C. (1989-1991), President of the Foundation on European Studies (Hungary, 1999--). Visiting professor at Columbia University, New York, 2002.

Dr. Inotai is member of numerous Hungarian and international organisations and editorial boards of professional journals.

Author of books and articles on regional integration, EC/EU relations, international direct capital flows, international competitiveness of the CMEA countries, the EC '92 Program and Eastern Europe, the European Union's Eastern Enlargement.

Recent publications: Bertelsmann Stiftung (ed.), *Managing the Crisis. A Comparative Analysis of Economic Governance in 14 Countries*. Verlag Bertelsmann Stiftung, Gütersloh (2010); *Effects of Accession on the New Member Countries: The Economic Dimension*, in Avery, Graham – Faber, Anne – Schmidt, Anne (eds., 2009), *Enlarging the European Union: Effects on the new member states and the EU*. Trans European Policy Studies Association, Brussels (2009); *The European Union and South-Eastern Europe. Troubled Waters Ahead?* Peter Lang Editors, Brussels. College of Europe Studies No. 7 (2007).

His main research areas are: the European Union and Central and Eastern Europe, candidate countries' preparation for membership, negotiations on accession, transformation economics, globalization and regional integration/cooperation,

in Hungary. Originally, it should have been established together with Slovakia several decades ago (Gabcikovo-Nagymaros), but the Hungarian environmental groups, practically as a political protest against the Government blocked the construction. Although several economic considerations argue in favour of implementing the project, for political reasons, no Hungarian government had the courage to manage the issue.

**Going to another hot topic on the European agenda, the economic crisis, do you think that the euro-zone has firm chances for survival and even future consolidation?**

Looking back to the state of the EU at the beginning of the financial and macroeconomic crisis, in the last two-and-a-half years the development of the European integration undertook an unprecedented journey „from the impossible to the inevitable”. However, the global economic and financial landscape experienced even more dramatic shifts. Therefore, there has remained a gap between the awareness of the „inevitable” and the implementation of a proactive comprehensive EU strategy for the future. As the best example, the repeated reactions of the Eurozone to the constantly returning challenges can be mentioned. The current decisions, how bold they really are as compared to the previous periods (where most of them had been considered „impossible”), do not offer a longer-term solution. Already at the beginning of the first Greek crisis I considered the fiscal transfer union as inevitable in order to calm down financial markets. Of course, it costs a lot of money but probably less than the resources needed for continuous crisis management in one or more Eurozone countries. Also, it would put the discussion about the common budget of the EU in a completely different light, since by far the largest amount would be represented by fiscal transfers. No question, this task cannot be financed by 1 per cent of the gross national income of the member countries. A completely new magnitude (at least 3 to 4 per cent) would be necessary. At the same time, contributors to the fiscal transfer should get the right to co-shape the economic policy of the beneficiaries. All this can only be accepted and implemented by fundamental and qualitative jump towards (or into) a political union.

What possible action steps could the EU institutions undertake in order to assure a stable and potentially growing economic climate, especially in the euro area?

At present, the general situation of the European Union can be correctly described as „the management of the costs of crisis management”. When evaluating the chances of the implementation of the EU 2020 program this fact that is expected to characterize the economic policy of (most of) the member countries in the next two to four years, should not be ignored. It is an open question how indispensable fiscal consolidation (both reduction of the budget deficit and stopping the previously rapidly increasing public debt) can be harmonized with sustainable growth, structural change and social cohesion. Success, to a large extent, will depend on two key issues. On the one hand, the EU has to design its mission for the 21st century. Indeed, there are several issues the EU could take leadership of (from environment to social cohesion, from democratic values to development aid, from trade to investments), if the integration will be able to become not only a global economic but also a global political player in a rapidly changing international environment characterized by the emergence of new global and regional powers. On the other hand, enhanced dialogue with the public opinion is crucial. May be not surprisingly, the crisis made public opinion in most member countries inward-looking. This trend has been strengthened, in a very irresponsible manner for the future of Europe, by several influential populist political groups or even governments. However, it was just the openness and international embedment of the EU that could prevent an even major crisis with catastrophic consequences.

As steady partner of our Institute and also member of the Editorial Board of the Romanian Journal of European Affairs, in which way do you consider that the Hungarian Institute for World Economics and the European Institute of Romania could contribute to further developing the EU affairs debate in the region?

international direct capital flows, competitiveness of Central and Eastern Europe.

[Source: <http://www.coleurop.be/w/Andras.Inotai>]

Dr. Inotai is Member of the Editorial Board of the Romanian Journal of European Affairs since 2001.

The leading Romanian and Hungarian institutes with decade(s)-long experience in policy-oriented research on the European integration have the (common) responsibility to contribute to the further construction of „Europe”. In fact, we do have a lot of valuable experience to be shared with other countries, including „old” members. However, we should not appear as the „teachers”, similar to our reaction if „old” members would like to „teach” us. After several years of full-fledged membership, we should develop a more active role in the issue-setting and policy-making process of the integration. Of course, we will not become policy-makers, but instead of policy-takers we have ample role to „upgrade” ourselves into the position of responsible and serious policy-shapers. This goal can only be achieved in bilateral and wider regional cooperation, particularly concerning such vital issues as Schengen, energy security, the future of the EU budget, enlargement to the Western Balkans, Eastern Partnership, Black Sea cooperation and, of course, the already addressed Danube Region Strategy. Just to mention a few areas of joint undertakings. As far as the bilateral institute-level cooperation, I would be very pleased if we could create a forum for joint publications, develop bilateral or EU-managed projects, mutual invitation of experts and speakers to each other’s international or bilateral conferences. Moreover, I am convinced that, beyond policy-oriented research and advice, we both have a (growing) responsibility to shape public opinion, both in order to eliminate still existing and partly deeply-rooted stereotypes (both European and bilateral), and increase the level of understanding of key economic issues in the global and increasingly globalized economy in a growing part of our societies. I would be pleased to discuss some of these issues in a personal meeting during my next visit to Bucharest scheduled at the end of November 2011.

Interview by **Oana Mocanu**

## EIR projects

---

### **New activities within the *POSDRU/90/2.1/S/62955* project: *Enabling an easy transition from school to work for the students in Economy-International Affairs***

Within the *POSDRU/90/2.1/S/6295562955* project: *Enabling an easy transition from school to work for the students in Economy-International Affairs*, to which EIR is a partner, along with the Academy of Economic Studies, a new meeting of the management teams (beneficiary and project partners) was held in Constanța between 7 - 9 July 2011. The meeting, concerning the project management issues, was held at the “Ovidius” University in Constanța. The main objective of the management meeting was to point out the activities carried out so far, to present the financial situation of the project, as well as the status of various activities. The discussions at general, as well as bilateral (beneficiary - partners) level were focused on the positive and the negative elements in the current development of the project from an administrative point of view and from the perspective of managing the students’ activity.

The second part of the activity included several visits at the partners in the South-East region identified by the “Ovidius” University in Constanța, where the participants observed the training bases and the usual course of activities at the Constanța Chamber of Commerce, Industry, Navigation and Agriculture and at S. C. SOCEP S. A.

At the end of the meeting, the future stages of the project (and proposals on their development) were presented. Thus, an analysis of the risks which could be encountered was made and debates were carried out on the future activities of the project and the proposed achievement plan.

The management meeting achieved its purpose, allowing the identification of shortcomings met so far and, implicitly, the identification of the means of remediation. The meeting has also given the partners involved in the project the opportunity to strengthen their connections, with positive effects on the development of the medium and long term activities of the project.

The European Institute of Romania, as partner institution, has managed between May-July 2011 the activity of 15 trainees, students of the Academy of Economic Studies, of the “Alexandru Ioan Cuza” University in Iasi and of the “Ovidius” University in Contanta.

The training program had a total duration of 80-90 working hours for each student and it was focused on the verification of the applicability of theoretical knowledge acquired by the trainees during the training program and the transmission of new knowledge necessary in the professional activity.

Mihai Sebe

---

## The Republic of Moldova – steps taken towards a deep and comprehensive free trade area with the European Union



The European Institute of Romania, in partnership with the Institute for Development and Social Initiatives (IDIS) Viitorul from the Republic of Moldova, are conducting a project financed by the German Marshall Fund, through the Black Sea Trust Programme. The project is entitled *Preparing Moldova for a comprehensive free trade area with the European Union [Pre atirea Republicii Moldova pentru o zonă de liber schimb cuprinzătoare cu Uniunea Europeană]*.

Launched on April 1<sup>st</sup>, 2011 at a press conference in Bucharest, organised by the European Institute of Romania, in partnership with the Department for European Affairs of the Government of Romania, the project is intended to support the authorities of the Republic of Moldova directly involved in the negotiation process for concluding a free trade agreement with the European Union.

Carrying out a study on *the consequences of a deep and comprehensive free trade area on the economy of the Republic of Moldova* is one of the pillars of this project. Elaborated by a team of experts made up of Ciprian Ciucu and Alexandra Toderi a (researchers at the Romanian Center for European Policies in Bucharest) together with Viorel

Chivrigă and Ion Tornea (researchers within IDIS Viitorul, Chişinău), the study presents an evaluation of the trading relations between the EU and the Republic of Moldova, of the institutional framework of the creation of a deep and comprehensive free trade area, while identifying the sensitive sectors for the Republic of Moldova in relation to the European Union market. Last but not least, the research is focused on delivering precise recommendations for political decision-makers regarding the medium-term measures and guidelines in sectors with a competitive advantage for the Republic of Moldova.

This work will be presented at the end of September in Chişinău, at a seminar designed to strengthen the framework for debates on free trade between the Republic of Moldova and the European Union and on the bilateral relation Romania - Republic of Moldova. A transfer of expertise (accumulated especially during the negotiations and during the implementation of Romania's Association Agreement with the EU) from Romania to the public administration in the Republic of Moldova is also an objective of this project.

Oana Mocanu

## 2011 Autumn issue of RJEА

In the third issue of this year the international authors cover a wide array of hot EU topics such as: the European Neighbourhood Policy (ENP), the European migration policy, energy issues at EU level, the European Emission Trading Scheme (ETS), competition policy, and demographic ageing in Europe.

**Kerry Longhurst**, Senior Researcher at the College of Europe, Natolin, tackles issues about the ENP, background, implementation and recommendations, concerning Ukraine, Moldova and Belarus. Her paper looks at the political and economic offer made to the partner countries, the state of the neighbourhood, the progress made in the ENP Eastern countries, the regional component of the policy. Her starting point for the research was the May 2011 Communication drafted by the European Commission and the High Representative of the Union for Foreign Affairs 'A New Response to a Changing Neighbourhood', which reflects a longstanding debate on the need to refine ENP, boost its political and economic offer, provide better targeted funding and deliver a more differentiated policy. In this context, the communication promotes the need for more partnerships with societies and also supports the idea of creating a 'European Endowment for Democracy'.

The second article, wrote by **Paolo Cossarini**, PhD Candidate at the Autonomous University of Madrid, within the Department of Political Science and International Relations, concerns the European migration policy and the multidimensional instability of the internal and external EU borders. According to **Cossarini**, the paper aims to show how a theoretical and historical approach can be useful to understand the contradictory character of the immigration policy and the multidimensional features of the EU borders. Moreover, it shows how the European measures in immigration affairs produce a "movement of the borders", both at the Community and intergovernmental level. Further, the paper emphasizes the "structural" instability and the multidimensional character of borders, both at the theoretical level and in terms of concrete policies.

**Alin Codoban**, PhD Candidate at the "Babes-Bolyai" University, Cluj-Napoca, the Faculty of Economics and Business Administration, approached the EU energy policy from a geo-economic perspective. The paper aims to identify the characteristics of a potential new paradigm for the EU's energy policy, with respect to its main goal to provide security of energy supply, through a common economic and geopolitical approach of the issue. **Codoban** claims that EU's tools for shaping the geo-energy space are becoming more effective in an extended European Economic Area that would allow the Union to act as the main actor in an interconnected multilateral system of energy producers and transit countries.

Considerations about the European Emission Trading Scheme are made in the fourth article of this RJEА issue by



**Aura Carmen Slate**, who holds a Master of Arts in European Studies and a Master of Arts in History and Practice of International Relations at the University of Bucharest. **Slate** argues that the EU ETS is a unique mechanism which gives Europe the chance to be an example in the international environmental regime. However, the EU ETS is only an economic instrument and it is impossible to expect it to cover all the problems caused by climate change in terms of emission reduction.

Further, one can find research upon a comparative analysis of the characteristics of cohesion and competition policy. The author is **Florin Bonciu**, University Professor within the Romanian-American University in Bucharest and senior researcher with the Institute of World Economy in Bucharest.

He is also a Member of the Scientific Advisory Board of EIR. His paper analyses the intrinsic characteristics of the EU and shows that these characteristics objectively require the implementation of multi-level governance. Further on, given the implications of the economic crisis, the paper explores the possible transition from multi-level governance to polycentric governance and its implications for the cohesion and competition policies.

EU's economic problems caused by demographic ageing were tackled by **Iulia-Alexandra Percă**, Economist and Master Student at Faculty of International Business and Economics, Bucharest Academy of Economic Studies. The paper aims at providing a realistic perspective upon the imminent situation of demographic ageing issue in the European Union. **Percă** states that the demographic overview of Europe for 2011 – 2060 shows low birth rates, an increase in life expectancy and migration flows having an impact on population. Economic consequences of this social trend are also discussed in order to define the best policy option available. Although there is no consensus upon the best action plan, several options are taken into account. The success of any strategy depends on the Governments' awareness and implication in preventing the demographic ageing, as well as the people's maturity and capacity to understand the policies of the states in this matter.

The book review of this issue, written by **Mihai Sebe**, PhD Candidate at the University of Bucharest and Project Coordinator at EIR, concerns a book dedicated to Professor Alfred Kellermann's contribution to the field of international and European law. In this book, dedicated to his career by his fellow colleagues, the reader, specialist or not, has the chance to learn about the Project for a European Constitution and its implications for the European institutions.

The articles will be available for free download on the RJEА webpage [www.ier.ro/rjea](http://www.ier.ro/rjea) in September. For the printed version, please contact [rjea@ier.ro](mailto:rjea@ier.ro).

**Mădălina Magnusson**

# A new editorial issue in the Working Papers collection

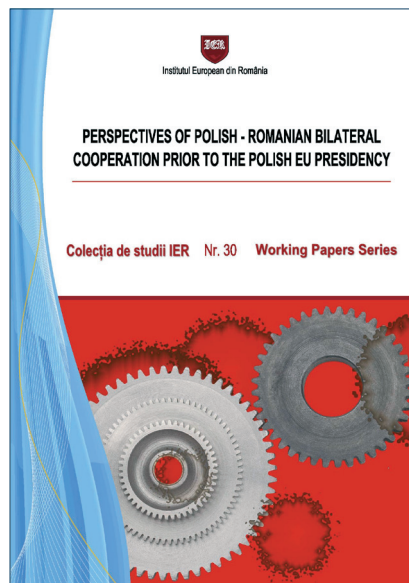
## Perspectives of the Polish – Romanian bilateral cooperation prior to the Polish EU Presidency

The European Institute of Romania has the pleasure to announce the issue of **Perspectives of the Polish – Romanian bilateral cooperation prior to the Polish EU Presidency**, the result of the collaboration between two Romanian experts (Agnes Nicolescu and Gabriel Szekely) and a Polish expert (Jan Pieklo).

The authors analyse the context of the Polish EU Presidency, from the perspective of the difficulties and the opportunities experienced in this period by Poland and Romania. In the context of the current economic crisis, which significantly reduces Europeans' capacity to act in a coherent manner, Warsaw and Bucharest face common challenges, which may be easier to tackle if the two states manage to reach a coordinated approach of the major policy dossiers. This is not an easy task, given the fact that significant changes have already started to shape up the policy preferences of EU member states in important fields, such as fiscal and monetary, energy and security policy. Europe's reaction, as well as the political influence Poland and Romania will exert within the EU depend on whether these states will manage to coordinate their positions regarding these sensitive dossiers, as the authors point out.

The paper is made up of three parts, distinct yet interconnected, that highlight Romanian – Polish relations from the perspective of European security and the Eastern Partnership, from the point of view of the energy issue, transatlantic relations and economic challenges, respectively.

The global priorities of the Polish EU Presidency, *the European integration as a source of economic growth; a secure Europe – from the point of view of food, energy and defence and promoting the benefits of an open Europe\**, respectively, are at the same time very important topics for Romania. Thus, Poland takes over



at the helm of the EU in a very difficult moment for Europe, marked by crisis and economic and social uncertainties. Through the constructive manner in which Poland dealt with economic and financial challenges, it can be a positive example, worthy of being followed both by the “new” and the “old” Europe.

Further on, the authors of the study underline the fact that Poland must adopt a series of bold initiatives, designed to regain financial stability and economic growth within the EU, by developing the Single Market, and think Poland has also an important role to play in the negotiation process for the establishment of the new Multi-Annual Financial Framework starting from 2013.

All these are particularly important for Romania, a country with an agricultural structure similar to the Polish one, for which

the future Common Agricultural Policy and the Cohesion Policy are key elements for medium- and long-term development. In this connection, the authors mention that an increased coordination of the two states' policies is necessary.

Also, the common efforts of Romania and Poland can contribute to strengthening the common security and defence policy, in order to increase the stability in the region. Thus, the authors conclude that Romania and Poland have chances, through a carefully calculated cooperation, to achieve, to a great extent, the strategic objectives of the Polish Presidency, objectives which are important from a bilateral perspective, as well as from the community perspective.

The paper is available in electronic format at: [http://www.ier.ro/documente/working\\_papers/WP\\_30\\_WEBSITE.pdf](http://www.ier.ro/documente/working_papers/WP_30_WEBSITE.pdf)

Mihai Sebe

analysis | opinion

## The Danube Strategy

The European Institute of Romania drew up, in the framework of the Research and Development Programme for Strategy and Policy Studies SPOS<sup>1</sup> 2010, a study concerning the Danube Strategy – *Romania and the European Union Strategy for the Danube Region. Process, implementation and priorities*. The main objective of this study is to promote national priorities in the European and regional area and it approaches the strategy and its implementation from the perspective of two time horizons: 2011 – 2013 and 2014 – 2020.

On April 13<sup>th</sup>, 2011, Member States endorsed **The European Union Strategy for the Danube Region**. This region includes eight EU Member States (Germany, with the Lands of Baden-Württemberg and Bavaria, Austria, Hungary, the Czech Republic, the Slovak Republic, Slovenia, Bulgaria and Romania) and six non-EU countries (Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and the Republic of Moldova)<sup>2</sup>.

**The European Union Strategy for the Danube Region** is an EU internal strategy in which all the riparian countries were invited to participate with a view to cooperating and developing opportunities in the area, in order to improve the quality of life for all citizens in the region. The strategy includes a Communication and an Action Plan comprising priority objectives, national projects and cross-border projects. It

<sup>1</sup> [http://pl2011.eu/sites/default/files/users/shared/o\\_prezycjencia/programme\\_of\\_the\\_polish\\_presidency\\_of\\_the\\_council\\_of\\_the\\_eu.pdf](http://pl2011.eu/sites/default/files/users/shared/o_prezycjencia/programme_of_the_polish_presidency_of_the_council_of_the_eu.pdf) last consulted on 20.07.2011

<sup>2</sup> Strategy and Policy Studies - SPOS.

<sup>2</sup> <http://www.danubestrategy.eu/strategy/overview/>



capitalises on new technologies in order for the Danube to become a modern inland waterway and to make use of intelligent systems capable of efficiently protecting the environment. The European Commissioner for Regional Policy, Johannes Hahn, declared in 2010 that “the European Union Strategy for the Danube Region is absolutely crucial” in order to overcome the economic crisis and ensure a sustainable development in Europe<sup>3</sup>.

The Danube region has a potential insufficiently developed on various levels. The main problems faced by this region are: the environmental threats (pollution, floods, climate change), untapped shipping potential and lack of road and rail transport connections, shortcomings in safety and security, uneven socio-economic development between different regions of the riparian countries, insufficient energy connections, uncoordinated education, research and innovation systems<sup>4</sup>. In order to solve these problems, the European Commission proposed four fields on which the strategy focuses: connectivity (sustainable transport, energy networks, telecommunications), environmental protection and water management, socio-economic development (culture, research, education, tourism, internal market, rural development) and the improvement of government systems<sup>5</sup>.

Presently, there are national and regional cooperation bodies with the role of implementing the strategy by applying the identified objectives. These bodies are: **the Danube Commission, the Danube Cooperation Process and the International Commission for the Protection of the Danube River.**

Romania is the Danube country with the largest area of the Danube basin. The Danube crosses the territory of Romania in four development regions, 12 counties, growth poles, such as Constanța and Craiova, and urban development poles, such as Brăila and Galați. For these reasons Romania wishes to get actively involved in the Danube Strategy and to equally support the four fields envisaged by the European Commission, as Mr. Teodor Baconschi<sup>6</sup> has confirmed in a press conference on this topic: “Romania has a clear vision on the Danube Strategy: it must be a sustainable green strategy, based on new technologies and innovations, leading to the improvement of the quality of life for the Romanian people.”<sup>7</sup>

Romania’s priorities concern the following domains:

- transport (ensuring a system of modern transport on the Danube);
- energy (developing the capacity of energy production, transport and storage in order to transform the Danube region in a European energy corridor);
- environmental protection (environmental protection must be taken into account in all investments and a system of management and control of the environmental factors must be created);
- research (creating new research centres);
- tourism (developing tourism and promoting the natural heritage, as well as the cultural and historical patrimony);
- rural development (modernising the agricultural sector and diversifying economic activities).

A series of other components are added to these fields of priority action, such as tapping the potential of information and communication technologies, involving the business environment, promoting environmental education projects, public security and health<sup>8</sup>.

After the implementation of **The European Union Strategy for the Danube Region**, 115 million inhabitants in the Danube region are estimated to benefit from a faster and less polluting transport; cheaper and more secure energy, thanks to the use of alternative resources; cleaner water; protected biodiversity and cross-border flood prevention; attractive tourist and cultural destinations; a more prosperous region through collaboration in the domains of economy, education, social inclusion, research and innovation, and a safer region, thanks to good government and to the cooperation of governmental and non-governmental organisations.

Mr. János Martonyi, the Hungarian Minister for Foreign Affairs, thinks that the approval of *the European Union Strategy for the Danube Region* is a successful completion of the first part of the agenda of the Hungarian Presidency of the European Union, marking the beginning of the pre-implementation phase<sup>9</sup>. Mr. Teodor Baconschi confirms the positive evolution of the process: “we already have a good start and (...) we will also have to allocate financial resources, especially human and creativity resources”<sup>10</sup>. Regarding financial resources, the EU allocated 100 billion euro structural funds to the region, for the period 2007-2013. Nevertheless, the funds absorption rate so far is only 7%, which reflects in the conclusion formulated by Mr. Michael Theurer, German Member of the European Parliament, member of the Committee on Regional Development and Vice-President of the Danube Forum in the European Parliament: “We must use the existing necessary funds. We have a lot of unspent money”<sup>11</sup>.

Florentina Joița

<sup>3</sup> Emilian M. DOBRESCU, Vlad POPOVICI, *România și Strategia Uniunii Europene pentru regiunea Dunării. Proces, implementare și priorități*, Editura Institutul European din România, 2011, p. 23. Available online at [http://www.ier.ro/documente/spos\\_2010/SPOS\\_3\\_site.pdf](http://www.ier.ro/documente/spos_2010/SPOS_3_site.pdf)

<sup>4</sup> [http://ec.europa.eu/regional\\_policy/cooperation/danube/index\\_en.htm](http://ec.europa.eu/regional_policy/cooperation/danube/index_en.htm)

<sup>5</sup> Emilian M. DOBRESCU, Vlad POPOVICI, *România și Strategia Uniunii Europene pentru regiunea Dunării. Proces, implementare și priorități*, Editura Institutul European din România, 2011, pp. 24-25. Available online at [http://www.ier.ro/documente/spos\\_2010/SPOS\\_3\\_site.pdf](http://www.ier.ro/documente/spos_2010/SPOS_3_site.pdf)

<sup>6</sup> The Romanian Minister for Foreign Affairs

<sup>7</sup> <http://www.mae.ro/node/7120>

<sup>8</sup> Emilian M. DOBRESCU, Vlad POPOVICI, *România și Strategia Uniunii Europene pentru regiunea Dunării. Proces, implementare și priorități*, Editura Institutul European din România, 2011, pp. 53-54. Available online at [http://www.ier.ro/documente/spos\\_2010/SPOS\\_3\\_site.pdf](http://www.ier.ro/documente/spos_2010/SPOS_3_site.pdf)

<sup>9</sup> <http://www.eu2011.hu/news/council-gave-green-light-danube-strategy>

<sup>10</sup> <http://www.curierulnational.ro/Eveniment/2011-05-31/Strategia+Dunarii++pe+val>

<sup>11</sup> <http://www.adevarul.es/stiri/actualitate/cum-reusesc-germanii-sa-scoata-bani-dunare>

## European Parliament Session, 4 – 7 July 2011

The agenda of the recent session included numerous debates on European policy documents subjected to vote, as matters of procedure.

Monday July 4<sup>th</sup>, the European Parliament Committee on **Internal Market and Consumer Protection** presented a report on a more efficient and fairer retail market. The report insisted on the need to remove intra-community barriers to free movement of goods and services, considered to be the “backbone” of the European integration and of the single market. Given the fact that retail sale has not yet been subject to EU policy-making, the conclusion of the report asks for an action plan for retail trade, in a long-term holistic approach.

On July 5<sup>th</sup>, there was a **review of the Hungarian presidency**, debate preceded by the statements of the President-in-Office of the Council, Viktor Orbán, and the President of the European Commission, José Manuel Barroso.

The Multi-Annual Financial Framework was also under debate and Commission’s budget proposal for the period **2014 - 2020** was considered by José Manuel Barroso to be ambitious, innovative, responsible and rigorous<sup>1</sup>.

Moreover, the European Parliament adopted the resolution, proposed by its Committee on Budgets, on Council’s position on the Draft amending budget No 2/2011 of the European Union for the financial year 2011. Thus, amendments to the Council’s position were adopted, with a view to covering the needs ensuing from the mobilisation of the **European Union Solidarity Fund (EUSF)**, drawing upon the negative reserve and reinforcing payments appropriations for the **European Globalisation Adjustment Fund (EGF)**. Among other things, the Draft amending budget aims at mobilising the EUSF for an amount of EUR 19,5 million in commitment and payment appropriations following the heavy rainfall that affected two EU Member States (Slovenia and Czech Republic) and an accession country (Croatia), eligible for EUSF, in August and September 2010.

On July 5<sup>th</sup> The European Parliament also adopted a resolution on the proposal for a decision of the European Parliament and of

the Council on the **mobilisation of the EGF** for an application submitted by Denmark in July 2010. EGF was established by a regulation of the European Parliament and of the Council (December 2006) to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market<sup>2</sup> and the scope of the EGF was broadened (May 2009) for applications submitted to include support for workers made redundant as a direct result of the global financial and economic crisis. According to the Interinstitutional Agreement, the EGF can mobilise funds within the annual ceiling of EUR 500 million. In 2010, Denmark requested EUR 6.2 billion in respect of cases concerning 1650 redundancies.

Having regard to the report of the European Parliament Committee on Civil Liberties, Justice and Home Affairs and the opinions of the European Parliament Committee on Budgets and the European Parliament Committee on Budgetary Control, a legislative resolution of the European Parliament establishing an **Agency for the operational management of large-scale IT systems in the area of freedom, security and justice** was adopted during this session. The aims of the newly created agency are: (a) the implementation of effective, secure and continuous operation of large-scale IT systems; (b) the efficient and financially accountable management of large-scale IT systems; (c) an adequately high quality of service for users of large-scale IT systems, etc.<sup>3</sup>

Wednesday July 6<sup>th</sup> reports on the financial, economic and social crisis were presented and debated: measures and initiatives to be taken; the Multi-Annual Financial Framework for 2007 - 2013; the preparation of the Commission Work Programme for 2012. The priority debate focused on the Programme of activities of the Polish Presidency of the Council and took place following the statements given by Donald Tusk (Polish Prime Minister, President-in-Office of the Council) and José Manuel Barroso, on behalf of the European Commission.

Donald Tusk recalled the European Parliament’s role in the historical moments Poland went through, the value



of European solidarity and the need to overcome the current crisis affecting not only the states in the South of the EU, but also the confidence in the European project. The answer to the current threats is solidarity between people and solidarity between peoples, cooperation in the name of the common interest.

In his turn, José Manuel Barroso appreciated that the Polish Presidency continued the efforts of the Hungarian Presidency to find a solution for the crisis, together with the European Parliament, and mentioned that this vision would become a reality by applying an instrument such as the 2014-2020 Multi-Annual Financial Framework. The President of the Commission reminded that the fundamental guiding principle in the Commission’s budgetary proposals is to ensure European added value. Calling Poland “a success story”, that has not only escaped recent recession, but has become one of the Union’s drivers of growth, José Manuel Barroso stressed the strong position currently held by Poland to pursue the discussions on the new financial perspective in the Council and the European Parliament.

On Friday the parliamentary committees submitted several documents, among which the Proposal for a Directive of the European Parliament and of the Council on energy efficiency. Regarding the proposal for the modification of the Act on the election of the Members of the Parliament by direct universal suffrage of 20 September 1976, it was sent to the Committee on Constitutional Affairs for further debate. The Members of the European Parliament voted on several resolutions in foreign policy files (the Arab world and North Africa, Russia).

The next session will be held in the period 12-15 September 2011.

Mariana Bara

<sup>1</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20110705+ITEM-011+DOC+XML+V0//RO&language=RO>

<sup>2</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0303+0+DOC+XML+V0//RO&language=RO#title2>

<sup>3</sup> <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0304+0+DOC+XML+V0//RO&language=RO#BKMD-9>



# The key priorities of the Polish EU Presidency



Starting from July 1<sup>st</sup>, 2011, Poland assumed the six months Presidency of the Council of the European Union, becoming the manager of the most important community events. The Polish Presidency starts in a period of internal and international unrest, reflected in its key priorities: integration as a source of economic growth, security, the process of EU enlargement, as well as strengthening its relations with the neighbouring countries and the Eastern states.

On the long-term, Poland ensures the continuity of the EU's activity with the future presidencies of Denmark and Cyprus, trying to outline a new model of post-Lisbon Presidency.

*European integration as a source of economic growth* is the first key priority.

The Polish Presidency will support the actions for economic growth, especially the development of the single market, including the digital market, and the use of the EU budget to achieve a competitive Europe. Trade agreements with other states are also opportunities for development. Europe's success in overcoming the crisis will depend on regaining social trust and resuming growth. The formula of ensuring the prosperity of the citizens, a new model of economic and social growth after three years of reform of economic governance, must be created in common. This is the EU objective and, implicitly, the objective of its presidency.

The Multi-Annual Financial Framework will have to anticipate the Union of the next decades. The cohesion policy is and will have to remain the main investment component of the EU, serving the objectives of the Europe 2020 Strategy. European expenses will consolidate the foundation of the single market, to the benefit of all member states. Within this framework, the reform of the Common Agricultural Policy will ensure the modernisation and will increase agricultural competitiveness. The new EU budget is the object of the intensification of EU cooperation - an adequate answer to the crisis and to the challenges of European society.

Deepening the single market and developing its growth potential benefits entrepreneurs and citizens alike. Small and medium-sized enterprises, which generate 60% of GDP and 70% of the European jobs, will be supported in order to gain access to capital markets and risk funds, as well as to the markets in third countries. The presidency will focus on measures for developing the market of digital services, aiming to remove barriers for cross-border online transactions and reduce the costs of roaming services. The Commission's proposal on a contract law, which could set the foundation for the 28<sup>th</sup> legal arrangement, will be elaborated on.

*A secure Europe from the perspective of macro-economy, food, energy and defence* is the second great key priority of the EU Presidency.

The stability and security of the citizens is a necessary requirement for promoting growth. The presidency aims at public finances and energy, measures for security and defence or for stable borders and internal security.

The EU must regain the trust of financial markets. The presidency will act in support of the implementation of economic governance

legislation, the improvement of financial market regulations and the development of rules for crisis management. The EU Council will continue to apply the Stability and Growth Pact and will assess the progress of member states in reducing excessive deficits during the first part of the European Semester.

The growing world population requires an increase in agricultural production, on a sustainable basis. The future Common Agricultural Policy must maintain the market orientation, consideration for public property, including food safety and the multifunctional development of agriculture and rural areas.

The EU can have a significant role in the energy sector, which can lead to substantial savings and better growth conditions. In order to achieve that, the EU needs to take measures allowing it to operate in the area of international energy. An analysis of the current policy of the EU will facilitate the elaboration of recommendations for its consolidation, which take into account the medium- and long-term challenges, in order to develop an energy strategy for the next decade.

The integrated border management will be developed by improving the regulation on the European Agency FRONTEX, in order to strengthen the operational capabilities for crisis situations, such as those in North Africa and the Middle East.

The presidency intends to initiate a debate on strengthening the Common Security and Defence Policy, as an additional element of the efficient EU soft power. A better reflection of the unique civil and military nature of EU operations for stabilisation and crisis management is sought. The presidency will support the consolidation of direct EU - NATO dialogue.

*A Europe benefiting from openness* is the third great key priority of the EU Presidency.

The presidency will support the strengthening of the EU's international position by its foreign and security policy. For this purpose, the strongest instruments are the example of the EU and its role as a model for other states. Promoting its example requires the expansion of European sphere of values and regulations, by enlarging the EU, developing cooperation with neighbouring states, promoting European solutions in global forums, intensifying relations with strategic partners and a wise development policy.

Further EU enlargement, deepening and extending the free trade areas to states of the Eastern Partnership will enable the process of expanding the area covered by European regulations. The international developments require enhanced attention to the process of stabilisation and democratisation in the EU's neighbourhood. Strengthening economic and trade relations with the South is an important task of the presidency.

EU seeks to start the implementation of extended offers for its neighbourhood, according to the conclusions of the revised Neighbourhood Policy. Its role in the world depends on its regional position.

Iulian Oneașcă

## Roaming – back again in the European Commission’s attention

The European Commission presented a proposal for a new regulation of the European Parliament and of the Council, which includes a set of updated European rules for the roaming service and offers a long-term solution for cutting the costs corresponding to this service once the current regulation expires at the end of June 2012.

The Commission intends to respond mainly to the lack of competition on the market for roaming voice calls, message and data communications services, thereby solving in structural terms the issue of excessive costs for these services and simultaneously establishing limits on retail prices not only for voice calls and messages services, but also for roaming data communications.

The Commission has tackled the absence of competition and is trying to bring solutions for the limited choices that consumers are now facing, mostly by:

- facilitating the access on the roaming services market of alternative providers, such as virtual network operators, imposing on network operators in other Member States to grant to the former access to their own networks for regulated wholesale charges. This will lead to a more intense competition among operators on the roaming services market, providing them with incentive to offer increasingly attractive prices and services to their consumers;
- giving consumers the opportunity to choose an alternative roaming provider, irrespective of their home provider. Each time a consumer crosses the border between two states, he/she will be automatically switched to the roaming services provider of choice, without having to perform any additional action, and will keep both his phone number and SIM card. Choosing an alternative provider will increase transparency in the sector, as it will allow consumers to seek and choose the best roaming offers.



In the framework of the EU Digital Agenda, adopted in May 2010, the European Commission undertook to bring the difference between roaming and national tariffs close to zero by 2015. Currently, the prices for roaming voice calls in Europe are still 3 times higher than the domestic prices. Although the overall roaming prices have decreased significantly, this is not reflected in the retail prices consumers pay for these services, which is why the Commission set a specified maximum price limit\*.

The rules laid down for roaming in 2009 will apply until the end of June 2012, and the new proposed rules will become effective as of July 1<sup>st</sup>, 2012.

For more details on roaming at European level, access [http://ec.europa.eu/information\\_society/activities/roaming/index\\_en.htm](http://ec.europa.eu/information_society/activities/roaming/index_en.htm).

Teodora Bratu



## The European Commission is encouraging the promotion of European agricultural products

On July 14<sup>th</sup> the European Commission launched a debate on the promotion and information schemes for EU agricultural products. This measure comes in line with the reform of the Common Agricultural Policy, which aims, by means of the Europe 2020 Strategy, at a sustainable and intelligent growth in the agricultural sector.

With the publication of the Green Paper on the promotion measures for EU agricultural products, the Commission is looking at how to shape a more targeted and more ambitious strategy for the future, which will better inform consumers - both in the EU and beyond - on the quality, traditions and added-value of European agricultural and food products.

While presenting the Green Paper in Brussels, EU Commissioner for Agriculture & Rural Development Dacian Cioloș stated: *"To protect the health of our consumers, farmers in Europe face stricter rules on food safety, environmental conditions, and animal welfare than their competitors elsewhere in the world. The European agriculture industry needs an ambitious and effective promotion policy which highlights the added-value of the sector. It is also important for European jobs and growth that the EU agri-food sector can improve its position on traditional and emerging markets. We therefore need to consider how best to adapt our schemes to support this goal."*\*\*

\* [http://ec.europa.eu/news/science/110706\\_ro.htm](http://ec.europa.eu/news/science/110706_ro.htm)

\*\* <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/885&format=HTML&aged=0&language=ro&language=fr>

The Green Paper has four sections: the European added-value of this promotion policy; objectives and measures to be used on the internal EU market, including on local and regional markets; objectives and measures to be used on global markets; and broader issues related to the content and management of the policy. The various questions raised, 16 in all, contain different aspects and suggestions, aimed at stimulating responses. For example, they raise issues about the specific needs for information and promotion, both on the EU market and the external market, and what priorities should be set. One question is also about multi-country programmes, and what can be done to encourage programmes with a greater European dimension.

Producers, consumers and official authorities in the sector are invited to give their comments and suggestions by September 30, 2011. On the basis of these responses, the Commission will draft a Communication due to be published next year, which should then lead to legislative proposals.

During a press conference on July 6<sup>th</sup>, Dacian Cioloş stated that the growth of the agricultural sector is one of the European Commission's priorities. For 2014-2020, the proposed budget for this sector is € 386.9 bn. The European Commissioner also stated that Romania will be one of the countries to benefit from the increase of net European funds in the EU budget, yet that *"it is important to demonstrate it needs those funds and that it is capable to use them"*.

Dorina Bădoiu

---

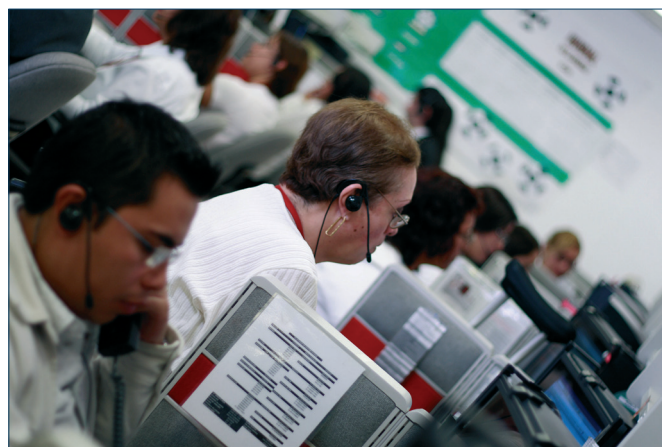
## The European Commission launches the Green Paper on professional qualifications

The European Commission is seeking to modernise the Professional Qualifications Directive (Directive 2005/36/EC) in consultation with stakeholders. The Green Paper aims to gather stakeholders' views on the modernisation of the Professional Qualifications Directive: its main objective is to facilitate mobility of EU citizens for professional purposes.

Internal Market Commissioner Michel Barnier stated on this topic: "Updating the Professional Qualifications Directive is one of the priorities of the Single Market Act and will help make the European economy more competitive, while encouraging growth and job creation. We need to make it easier for professionals to go where job vacancies exist. We will consider a number of important issues during this process including the creation of a professional card for interested professions and improving the training requirements for certain professions."\*

The Green Paper proposes a series of possible measures built on past achievements while developing new solutions to enhance mobility. One example would be the **introduction of a professional card** closely linked to the Internal Market Information System (IMI), which could make it considerably easier for professional qualifications to be recognised in another Member State. A professional card issued by a competent authority in the professional's home Member State could allow the professional to demonstrate his/her credentials (having the necessary qualifications, being authorised to practise) to consumers, employers and relevant authorities in another Member State.

Similarly, stakeholders are invited to give their input on the **creation of new common platforms** to facilitate the mobility of professionals where there is no automatic recognition, by developing sets of commonly agreed criteria for professional qualifications. They could be used to reduce differences in training requirements.



At the same time, the **minimum training requirements** of certain professions (e.g. some health professions and architects) could be reformed. To that end, certain adjustments to the duration and content of training, as well as changing the language skills requirements for health professions, could be necessary. This would ensure the legitimacy of automatic recognition of qualifications.

**The public consultation deadline is September 20<sup>th</sup> 2011.** The Commission will subsequently organise a high level conference (November 7<sup>th</sup>, 2011) and the presentation of the legislative proposal is set for December 2011.

The document proposed for consultation is available at: [http://ec.europa.eu/internal\\_market/consultations/2011/professional\\_qualifications\\_directive\\_en.htm](http://ec.europa.eu/internal_market/consultations/2011/professional_qualifications_directive_en.htm)

Mihai Sebe

---

\* <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/767&format=HTML&aged=0&language=RO&guiLanguage=en> last consulted on 20 July 2011.

**The European Institute of Romania organises in the period August – September 2011 new sessions of the following training courses, authorized by the National Council for Adult Professional Training (CNFPA):**

**MANAGEMENT OF EU FUNDED PROJECTS**

(in partnership with the Association for Adult Professional Training)

**When**

24 – 30 August 2011

**What is the objective of the course?**

- acquiring the skills necessary for drawing up and substantiating the project and writing the application for funding;
- acquiring the key skills necessary for managing a project - the Project Management Cycle;
- developing the capacity to draw up and implement a project financed from non-reimbursable European funds.

**TRAINER**

(in partnership with the Association for Adult Professional Training)

**When?**

5 – 9 September 2011

**What is the objective of the course?**

- developing the capacity to identify and analyse the training needs in order to adapt the training to individual or organisational objectives;
- developing the skills needed for organising and delivering the training sessions, which allow, by using adequate methods and means, the optimal achievement of the training objectives;
- improving the skills for efficient communication and for understanding the psychological aspects involved in the training process as well as the group dynamics.

**EXPERT IN ACCESSING EUROPEAN STRUCTURAL AND COHESION FUNDS**

**When?**

19 – 23 September 2011

**What is the objective of the course?**

- developing the necessary skills for identifying (types of funds, objectives, eligible applicants, activities, target groups, eligible expenses), accessing, drawing up, and implementing (applicable legislation, organising, carrying out and monitoring activities, progress assessment and reporting, human resources management, disseminating information and advertising, carrying out public procurement) a successful project.

**Advantages**

- rich information content, focusing on developing concrete and up-to-date skills,
- a highly practice-oriented course, using interactive methods (case studies, group work, writing own projects under the guidance of trainers),
- trainers with a sound experience in the subject of the course, as well as in delivering training sessions in the respective field,
- moderate course fees,
- central location (European Institute of Romania, Bucharest, 4<sup>th</sup> floor, Conference hall).

We offer training discounts for early payment, for more that one participant from the same institution or for former EIR trainees.

For further information, we invite you to visit our web page [http://www.ier.ro/index.php/site/programe\\_in\\_curs/](http://www.ier.ro/index.php/site/programe_in_curs/)

**Editor-in-Chief:** Mădălina Magnusson  
**Editors:** Mariana Bara, Oana Mocanu, Mihai Sebe, Diana Popa  
**Secretary General:** Vlad Mihai  
**Graphics & DTP:** Monica Dumitrescu  
**English version:** Raluca Brad, Ionela Haralambie, Mihaela Papa

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

ISSN 2065 - 457X

In order to receive future issues of the EIR Newsletter, you can subscribe accessing the following link: [www.ier.ro](http://www.ier.ro).



**European Institute of Romania**  
 7-9, Regina Elisabeta Bvd., RO - 030016, Bucharest, Romania  
 Phone: (+4021) 314 26 96/ 133 / Fax: (+4021) 314 26 66  
 Contact: [newsletter@ier.ro](mailto:newsletter@ier.ro)  
 Web: [www.ier.ro](http://www.ier.ro)