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CAP Reform within the Next Multiannual Financial Framework



Between 4 - 6 September 2018, the 28th edition of the Economic Forum took place at Krynica (Poland).

The Economic Forum represents a major event in the region and a renewed platform of debate which includes a wide range of domains, such as economic, political, international security, society etc. As in previous years, the Forum has reunited Government officials, public policy-makers, political representatives, businesspersons, bankers, and experts from almost all the EU member states, but also from other regions. The 28th edition registered 4000 participants, including 700 mass-media representatives, who attended over 200 debates organised in 20 thematic groups ... *p.2*

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opinion _____

Has the Hour of European Sovereignty come?

On 12 September 2018, the President of the European Commission, Jean-Claude Juncker, delivered his final State of the Union speech (a custom that dates back to 2010) in front of a half empty chamber of MEPs, but with old-school charm and wit, ahead of the appointment of a new Commission after next year's European Parliament elections ... *p.3*



Sursa foto: <https://www.flickr.com/photos/european-parliament>

... The Forum included plenary sessions and over 150 debates and round tables which provided updated and impartial information regarding current economic and political issues.

Since 2012, the **European Institute of Romania** (EIR) is partner of **Institute for Eastern Studies** (Instytut Studiów Wschodnich, Warsaw), the main organizer of the event, in preparing a panel-debate within the Forum.

CAP reform within the next multiannual financial framework was the topic proposed for debate within this year's edition. The panel moderated by Prof. univ. dr. Gabriela Drăgan, EIR Director General, benefited from the contributions of Ms Josefine Loriz - Hoffmann, Director, DGAGRI European Commission, Mr Alexandru Potor, Secretary of State, Ministry of Agriculture and Rural Development, Mr Jan Krzysztof Ardanowski, Minister of Agriculture and Rural Development, Mr Artur Balazs, President of the Honorary Committee, European Fund for the Development of Polish Villages.

Key issues from the debate:

- Important issues for designing the future CAP: simplifying and modernising the policy; rebalancing responsibility between EU and Member States (subsidiarity); shifting focus from compliance to performance; ensuring fairer distribution of direct payments; encouraging innovation; enhancing ambitions in relation to the environment; taking up citizens' concerns about quality and production methods; mobilising rural capacities for jobs and growth;
- The instruments for Common Organisations of Markets remain largely unchanged (safety net composed of public intervention and private storage aid and exceptional measures, but also marketing standards, rules on farmers' cooperation, etc.);
- Rural Development: Member States design interventions on the basis of 8 broad EU Interventions (replacing around 70 measures and sub-measures);
- Reduction of Direct Payments in 4 progressive Steps;
- The New Green Architecture - enhanced conditionality: 14 practices built on EU standards related to climate, water, soil, biodiversity, and landscapes and requirements from Nitrates Directive, Water Framework Directive, and Natura 2000;
- Farmers should know what to do, what to expect; there is need for a clear, understandable, comprehensible policy;
- A big budget is important, but how will it be distributed?
- CAP needs reform, but also needs a strategy, a digital vision is needed; farmers need all these to develop the agriculture;
- Polish farmers need real commitments from the EU in very specific terms, not renationalization of the CAP!
- It is necessary that the Member States of European Union strengthen the framework for dialogue and consensus in the negotiation of difficult dossiers, such as CAP reform;
- Local specificities must not become a barrier, which can seriously delay the adoption of European legislative packages, thereby jeopardizing the financial support to the farmers after the year 2020;
- Romania, as president of the Council of the European Union in the first semester of 2019, wishes to advance, in a constant way, the negotiations on the main files of the continental agriculture;
- Regarding the reduction of subsidies granted to the farmers, Romania affirms that Member States should have the freedom to choose between the options mentioned in the Commission Communication from 29 November 2017, in accordance with the national specificities, so that capping of the subsidies might not be the only option that would be practically transformed into a European obligation.

Florentina Costache
Communication and Marketing Unit

Has the Hour of European Sovereignty come?

On 12 September 2018, the President of the European Commission, Jean-Claude Juncker, delivered his final State of the Union speech (a custom that dates back to 2010) in front of a half empty chamber of MEPs, but with old-school charm and wit, ahead of the appointment of a new Commission following next year's European Parliament elections. Through this unofficial barometer of the EU's state of affairs and spirit, this year he promised that *"we will keep working to render this imperfect Union that little bit more perfect with each passing day"* by planting **"the seeds of a more sovereign Europe"**, the leitmotif of his address.¹

In 2016, President Juncker's speech had a darker tone, talking about a gloomy, if partial, "existential crisis" to be dealt with in the wake of *Brexit* and the menacing tides of migrants coming to Europe's shores, fuelling populism and a **resurgence of identity politics that was undermining European solidarity** - that year's leitmotif.² In many ways, 2015 was Europe's *annus horribilis*, marked by a tendency for many disillusioned citizens to feel disenfranchised and to lose their last shred of belief in, or hope for, an integrated and multicultural Europe where political globalization would keep up with economic globalization. In 2017, he seemed more cheerful and optimistic about the future of the Union, stressing that *"the wind is back in Europe's sails"*, but warning that the *"window of opportunity will not stay open forever"*.³ What exactly did the eighth instalment of the speech augur?



For starters, Mr. Juncker focused on **the economic recovery of Europe, 10 years after the crisis that erupted on Wall Street** with dire consequences all over the world, the European Union included. "Never have so many men and women - 239 million people - been in work in Europe", the President of the European Commission said, adding that *12 million new jobs have been created since 2014* and that **Europe's economy has grown for 21 consecutive quarters**. Also, he congratulated the Greeks for finally exiting their international bail-out programme, hailed the results of the so-called "Juncker Fund" (for strategic investments) and welcomed *the new "zero tariffs" deal agreed with American President Donald Trump in July*, when he managed to achieve more for transatlantic trade than French President Emmanuel Macron and German Chancellor Angela Merkel combined. Arguably, it was a triumph of supranationalism over intergovernmentalism in the international relations.

The emergence of a unified European community, as a system of differentiated integration, has to be one of the most revolutionary and consequential events of the 20th century. The resulting *sui generis* polity born in the Dutch city of Maastricht remains to the day a hybrid, constitutionally placed between a state and an international organization, operating through ministerial meetings and supported by a common bureaucracy and diplomatic network. However, *as it stands, the EU still struggles to resolve its variable geometry and its internal tensions in the quest for the values and norms on which it was founded and by which it is guided towards its common set of ambitious goals*, due to be reconfirmed at the Summit of Sibiu scheduled on 9 May 2019, during the first Romanian Presidency of the Council of the European Union.

"The world needs a strong and united Europe", outlined Mr. Juncker, who coined in his speech the term *"Weltpolitikfähigkeit"* - the capacity to play a role, as a Union, in shaping global affairs - and pleaded in favour of Europe becoming "a more sovereign actor in international affairs" by (more frequently) speaking with a single voice. And, frankly put, *nothing underscores more the relevance and timeliness of a unified Europe than the ongoing deterioration of the transatlantic relation, in particular, and of the liberal world order, in general, in the age of the Republican President Donald Trump*. POTUS 45 is the first American president who does not believe that the preservation of the European Union should be a strategic objective of US foreign policy and who weighed the utility of the North Atlantic Alliance in purely transactional terms.

All his comes as confirmation that **the impetus of the age is national identity and national interest rather than shared norms and values** - some countries that had seemed to be successful liberal democracies during the last decades have slid backward toward repression and authoritarianism, including EU's own Hungary and Poland. Europeans have a habit of looking only to the US as the root of all their, and the world's, political and economic turmoil, while ignoring their

¹ European Commission, *State of the Union 2018*, September 2018, https://ec.europa.eu/commission/sites/beta-political/files/soteu2018-speech_en_0.pdf.

² EU Publications, *State of the Union 2016*, September 2016, <https://publications.europa.eu/en/publication-detail/-/publication/c9ff4ff6-9a81-11e6-9bca-01aa75ed71a1/language-en/format-PDF/source-30945725>.

³ European Commission, *State of the Union 2017*, September 2017, http://europa.eu/rapid/press-release_SPEECH-17-3165_en.htm.

own internal divisions and double standards, which ultimately undermine the normative power of the EU. As such, Mr. Juncker suggested that politics may be getting even harder: *“I would like us to reject unhealthy nationalism and embrace enlightened patriotism”*, he urged, given that Europe’s migration crisis is far from over, in light of fears that Eurosceptic and xenophobic national politics will mark the upcoming European Parliament elections.

In hoping to see a more independent and bolder Europe on the international scene, **Jean-Claude Juncker mentioned the prospect of European defence and supported the idea of a move to qualified majority voting on certain foreign policy topics prone to lack of consensus.** Ensuring that he does not intend to militarize the EU, the EC President promised to *“work day and night during the next months to see the European Defence Fund and Permanent Structured Cooperation in Defence become fully operational”*. Through the Permanent Structured Cooperation, launched at the end of 2017, 25 Member States decided to pool their defence efforts and increase their effectiveness in addressing common security challenges and advancing towards further integrating and strengthening defence cooperation within the EU framework. The quest for European strategic autonomy is necessary in order to avoid the spectre of geopolitical irrelevance.

On the social dimension, Mr. Juncker, for whom Europe remains “the love of his life”, stressed the importance of not ignoring the legitimate concerns of workers and small businesses. Also, he echoed the idea that **Member States will fully deliver on their citizens’ needs and expectations only if Europe will be able to breathe with ‘two lungs’** - the Old Europe (West) and the New Europe (East). It was yet another appeal to cohesion and unity, an implication that shared sovereignty cannot properly function without genuine and enduring solidarity, with the latter being dependent on a sustained effort of winning the ‘hearts and minds’ of European citizens, “who deserve better than uncertainty and confused objectives.”

Bogdan Mureşan
Studies and Analyses Unit

Citizens’ consultations on the future of the European Union – part II

The series of events *“Citizens’ consultations on the future of the European Union”* organized by the Ministry of Foreign Affairs, through the Minister Delegate for European Affairs, in partnership with the European Institute of Romania and with the support of different local authorities continued throughout August and September.

On **10 August 2018**, a citizens’ consultation was organized in **Craiova** with the general theme of *“Europe of Convergence: Employment and Social Rights”*. The event, organized in partnership with the City Hall of Craiova, was attended by representatives of the central public administration and local authorities, journalists, academia and a large number of citizens from Dolj County. Mr **Victor Negrescu**, Minister Delegate for European Affairs, underscored in his opening remarks: *“One of the main benefits of EU integration perceived by Romanian citizens is the increased mobility. EU must remain a space of free mobility, in which Romanian citizens can move freely and work anywhere, where young people can study and take advantage in a constructive way of our membership in the EU project”*. The Minister underlined the importance of cohesion and reducing disparities, when answering questions from the audience: *“European legislation and the European treaties guarantee the protection of these social rights and offer a*



series of facilities, like access to benefits and social rights. Romania will support the protection of European rights and the mobility of citizens inside the European Union”.

Another event in the series of citizens’ consultations was organized on **19 August**, in **Negrești-Oaş**, Satu-Mare County. The event was organized in partnership with the City Hall of Negrești-Oaş, and the general theme was *“Europe of common values”*. The importance of the event was highlighted by Minister Victor Negrescu, who encouraged the active involvement of every Romanian citizen, both those living in the country and outside of it, in the European consultations about the future of the

European Union. The event participants expressed the desire for a more pragmatic, efficient, and respectful European Union, aware of the values and identity of its citizens.

On **29 August**, **Târgoviște** County hosted a citizen consultation with the general theme of *“The European Citizen, at the forefront of EU reform”*. The event benefited from the support of the Dâmbovița Local County Council. During the debate, the Minister Delegate for European Affairs underlined the fact that Romania has an obligation to support the European debate to focus on the necessity of consolidating the trust of European citizens in the viability, sustainability and the added value that the European Union brings to their everyday life. The Romanian citizens support and trust the European project in a large proportion according to the latest polls. It was underlined that the working agenda of the mandate has as focus the European citizen, and the Romanian Presidency of the Council of the European Union will make sure that the European policies always take into consideration the cohesion principle among member states and also among different socio-economic categories.

The events’ series continued with a consultation on **14 September** at the “University 1 Decembrie 1918” from

Alba Iulia. The debate focused on *“Europe of Convergence: Innovation and Digitalisation”*. During the event, Minister Victor Negrescu affirmed that Romania remains fully committed to the Digital Single Market, one of the central topics on European agenda. Digitalisation represents a strategic investment for the EU economy, contributing to an increase in efficiency and productivity. “Among Romania’s objectives we can mention: the reduction of the digital gaps, the digital competences development, as well as the increase of capacities and capabilities of the EU to combat the cyber-attacks and cybercrime”.

The citizens’ consultations continued on **27 September** in **Bacău** and **Bârlad**, on topics such as: *“Children’s Europe”* and *“Cohesion - a European Common Value”*.

More details about the events can be found on the website of the Ministry of Foreign Affairs, European Affairs section (<https://afacerieuropene.mae.ro/>), and also on the website of the European Institute of Romania, Events section, [citizens’ consultation page](#).

Oana Mocanu
Studies and Analyses Unit



CONSULTĂRI CETĂȚENEȘTI
PENTRU VIITORUL UNIUNII EUROPENE

About the consultations:

The series of events dubbed “Citizens’ consultations on the future of the European Union” took place between July-September 2018 in different locations within the historical regions of Romania, with the final conclusions to be presented in Bucharest this October. At the European level, the results of the citizens’ consultations conducted in the Member States will be presented and discussed at the European Council (December 2018) and at the Sibiu Summit (9 May 2019) on the future of Europe.

More specifically, the consultations are aimed at generating public debate in order to identify the main concerns and expectations of the Romanian citizens regarding the future of the Union and their perceptions of Romania’s EU membership benefits.

Also, they act to underscore the importance of the ongoing debates on the future of the Union, while collecting the Romanian public’s messages on the Union’s post-Brexit development perspectives. At the same time, this series of events represents an occasion to highlight the institutional openness to dialogue with the citizens, especially important in the present context of preparing the mandate and themes of interest for Romania during the Presidency of the Council of the European Union in the first semester of the following year, as well as gaining popular legitimacy in the processes which will define the future of Europe.

A European Union (EU) Strategy for Artificial Intelligence (AI)

The race of the AI is on! That is, in this author's opinion, the most important trend in the years to come in the context of the upcoming global challenges the world is facing.

We can observe a mixed approach to AI and new technologies. On the one hand we are dealing with strategic, chess like techniques. On the other, a more gambling like attitude similar to those seen in poker games, where players take risks to win, not knowing what tricks other players have up their sleeves.

It is currently believed that “building an AI superpower in the 21st century requires four conditions: lots of data, dedicated entrepreneurs, skilled AI scientists, and a friendly policy environment.” (*China's next step toward its 'AI future', 2018*). Having this criteria in mind it is easier for us to assess the playing field and see what our strengths and weaknesses are.

In the United States of America, both Democratic and Republican administrations tend to favour minimal regulations for AI research and businesses in order to enable it to flourish.

“The way I've been thinking about the regulatory structure as AI emerges is that, early in a technology, a thousand flowers should bloom. And the government should add a relatively light touch, investing heavily in research and making sure there's a conversation between basic research and applied research.” (*Barack Obama, Neural Nets, Self-Driving Cars, and the Future of the World, 2016*).

“REMOVING BARRIERS TO AI INNOVATION: The Trump Administration is enabling the creation of new American industries by removing regulatory barriers to the deployment of AI-powered technologies.” (*Artificial Intelligence for the American People, 2018*).

China is also investing a lot in AI in order to obtain a breakthrough in this technology and have an edge in the next decades. President Xi Jinping set the goal of spending \$150 billion to achieve global leadership in this high-tech area by 2030. China is using AI in order to bolster its political regime and to create new forms of political and social control and engagement (the Social Credit system, etc.), as they have some of the largest data banks in the world as regards their citizens (*China's Brave New World of AI, 2018*).

For the EU the story is a little different, as it cannot and should not follow these two models of AI research management. First and foremost they do not suit the European model of balance between the public and private interests. Also, they do not respect the privacy concerns of many European citizens and the tradition of regulation and standardization of the continent.



The question of ethics is of utmost importance and is recognized by a series of think tanks as they analyse the current landscape: “Thus it will be crucial for other jurisdictions, for instance the United States and the EU, to develop regulatory, ethical, and developmental approaches that reflect their own values.” (*China's Plan to 'Lead' in AI: Purpose, Prospects, and Problems, 2017*).

This seems to be a widespread belief in the business and academic community as all the recommendations point towards the idea of having standards as the EU trademark in the area: “European policymakers can also make better use of the one area where they are world-class—setting standards. Europe's market of 500m relatively wealthy consumers is still enticing enough that firms will generally comply with EU rules rather than pull out. (...) By imposing common rules, such standards can help the EU's AI industry flourish. But they could also have a more subtle effect—of making AI from outside the EU more benign.” (*AI, EU, go How Europe can improve the development of AI, 2018*).

The good news: the European Commission has already recognised that we are behind schedule: “Perhaps overwhelmed by the effort of reconciling many different views and regulatory regimes, Europe has, on balance, proven too slow in adopting and diffusing technological innovations even as much of the rest of the world is accelerating.” Yet this process is not irreversible as “Europe has the fundamentals to lift itself up as a pioneer in the digital world [while] carefully balancing economic, social and environmental objectives.” Realism is required as the hard truth is that on the short term “some will probably gain more than others”. Thus these “times of transition require endurance and resilience, as well as honesty” (*Back in the Game. Reclaiming Europe's Digital Leadership, 2017*).

The European Commission put forward a comprehensive European approach to artificial intelligence and robotics in April 2018, which has a three-pronged approach:

1) Boosting financial support and encouraging uptake by public and private sectors

The EU (public and private sectors) should increase investments in AI research and innovation by at least €20 billion between now and the end of 2020.

2) Preparing for socio-economic changes brought about by AI

With the dawn of artificial intelligence, many jobs will be created, but others will disappear and most will be transformed. This is why the Commission is encouraging Member States to modernise their education and training systems and support labour market transitions, building on the European Pillar of Social Rights.

3) Ensuring an appropriate ethical and legal framework

As with any transformative technology, artificial intelligence may raise new ethical and legal questions, related to liability or potentially biased decision-making. New technologies should not mean new values. The Commission will present ethical guidelines on AI development by the end of 2018, based on the EU's Charter of Fundamental Rights, taking into account principles such as data protection and transparency, and building on the work of the European Group on Ethics in Science and New Technologies (*Artificial intelligence: Commission outlines a European approach to boost investment and set ethical guidelines, 2018*).

Romania is also taking active steps towards this process. In addition to supporting EU initiatives, there are plans for increasing the digital competences or to automatize the internal flows and processes of the state institutions. (*Governing Programme 2018-2020*).

Mihai Sebe
Studies and Analyses Unit

Vocational education and training in the EU

According to the *Education and training strategy (ET 2020)* by 2020 at least 15% of adults in the EU should participate in lifelong learning and 75% of its working-age population should be active in one way or another. Consequently, the European Commission placed a great emphasis on vocational skills development, aiming to cope with the ever-changing world. Drawing on the so-called *Copenhagen Process* (starting 2002) and on the 2006 European Parliament and Council *Recommendation on Key Competences for Lifelong Learning*, European authorities promoted the *Vocational education and training (VET)* framework. Basically, through VET the European Union wants to establish a better correspondence between learning and labour market across the Union.

To fulfil these objectives, the Commission developed an entire system of institutions, documents, instruments and events. There are two agencies that are implementing VET: the *European Centre for the Development of Vocational Training (Cedefop)* and the *European Training Foundation (ETF)*. The basic document of VET is the *Work-Based Learning (WBL)* handbook, which details the best practices and policy pointers. Using tools like Sector Skills Alliances, the Commission developed *ESCO*, which is the multilingual classification of European Skills, Competences, Qualifications, and Occupations, and the *European Skills Panorama*, both managing the availability of required skills. Instruments helping to standardize the skills across the EU so that, for example, a Romanian electrician might work in Denmark without any additional certificates, are the *European quality assurance framework for vocational education and training (EQAVET)* and the *European Credit system for Vocational Education and Training (ECVET)*. Last but not least, the EU is actively supporting competitions such as World Skills, *Euroskills* and country skills contests, hoping to create incentives for those interested.

The upcoming VET agenda includes the *Euroskills* competition (scheduled for Budapest on 26th September 2018) and the launching of the *European Skills Index* in Brussels on 27th September. But the most important event of this fall will be the *European Vocational Skills Week*, taking place between 5-9 November in Vienna. Under the slogan "Discover your talent", this is the third annual celebration of excellence in vocational education and training, the event still open for registration.

Dan Drăghia
Training Unit



EuroIMPACT conference and workshops

Informing and improving communication on EU Cohesion policy in Romania

29 - 31 October 2018, Bucharest



Starting with April 2018, the European Institute of Romania, in partnership with HotNews.ro-Startupcafe.ro, has been implementing the project *Communicating and Improving Communication on Cohesion Policy of the European Union in Romania*. The project promotes among the Romanian public the successful projects, best practices, lessons learned and opportunities associated with the implementation of the European Union's Cohesion Policy.

In the framework of the project, from 29 to 31 October 2018, the EuroIMPACT conference and workshops will be held in Bucharest. The two events reflect a truly innovative approach compared to past events, including a high-level conference, workshops and a fair of implemented projects and future project ideas.

Thus, the purpose of the events is to facilitate interaction between all stakeholders interested in the results of the EU Cohesion Policy, by creating the opportunity to learn, debate and exchange relevant knowledge and experience. In particular, the focus will be on how cohesion policy has contributed to the growth of jobs in Romania, its impact on economic growth and investment at regional and national level, and its overall impact on improving the quality of citizens' lives.

Please note that the agenda and the venue of the events are in the process of being confirmed, and will be communicated at a date closer to the event.

Nicoleta Voicu
Projects Unit

The Second ELRC Workshop in Romania: 1 November 2018

Romania is one of the 30 countries participating in the *European Language Resource Coordination (ELRC) Programme*, which is being implemented within CEF (*Connecting Europe Facility*).

CEF provides basic digital services that contribute significantly to the realisation of a connected Europe. The connectivity and interoperability in public services in the EU Member States, Iceland and Norway can significantly improve not only public services, but also businesses' and citizens' everyday life.

Among CEF services, eTranslation helps the exchange of information between national administrations without being hampered by language barriers.

In this context, ELRC continues to identify and collect linguistic resources relevant to public institutions in the member states. The quality and quantity of these resources have a decisive influence on how eTranslation adapts to the needs of public institutions and the speed at which digital services become multilingual as well.

Like all other countries participating in the ELRC

Programme, Romania will hold the second ELRC Workshop, which will be attended by experts from the European Commission, experts in language technology and from national public institutions.

The workshop will be held by the European Institute of Romania together with its partners and will take place on **1 November 2018** at the European Commission Representation in Romania. At this workshop, we look forward to having a constructive dialogue on how Romania is relating to a digitally connected multilingual Europe, on Romania's position regarding linguistic resources, digital connectivity, the impact of digital technology on the Romanian language, and how we could quantitatively and qualitatively improve the Romanian language in the digital sphere. More information about this event will soon be available at <http://www.lr-coordination.eu/events>.

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