

NEW EUROPE

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CLIMATE

In Alaska climate change is happening at such an expedited rate there is no transition period, Greenpeace's George Pletnikoff told New Europe from Anchorage.

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EU WORLD

US Vice President Joe Biden came to the Czech Republic to mend ties and urged them take part in a new NATO-wide missile defense system.

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INTERVIEW

Prince Leka of the Albanians stopped by New Europe's offices last week to discuss his agenda on the trip, a better situation for Kosovo, Albania's accession future and stability in the Balkans.

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KASSANDRA

The issue of Michal Kaminski and Robert Zile is becoming a huge problem for Britain's Prime Minister in waiting.

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FOCUS



Political Sex Scandals

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Tajani Goes Green

DG level working group to coordinate work on decarbonising



EU Transport Commissioner Italian Antonio Tajani gives a news conference on Action Plan on urban mobility at the EU Commission headquarters in Brussels, on 30 September. | ANA/EPA/OLIVIER HOSLET

By Andy Carling

EU Transport Commissioner Antonio Tajani's pressure has paid off and the European Commission is creating a DG level working group to coordinate work on decarbonising all transport nodes. Earlier last week, Matthias Ruete, the Director General for Energy and Transport, has sent a letter seen by New Europe to the Commission's secre-

tary-general, Catherine Day, and 14 directors general, calling for a first meeting to discuss the creation of the group in early November. "I personally believe that decarbonisation would require strong action on clean vehicles, in particular electric cars, and on the supporting infrastructure," the letter reads. In his "Political Guidelines for the Next Commission", reinvigorated President Jose Manuel Barroso declared that the next

Commission needed to work towards decarbonising electricity supply and transport, but fortified with his Lisbon proof mandate, this is looking like a priority for this Commission. Central to the project is developing the Trans-European Transport Network (TEN-T) "as a space where not only state of the art technology and infrastructure, but also best practices are applied".

(continued on page 48)

Where Kosovo treads

Prince Leka of the Albanians spent a 24 hour packed agenda day in Brussels early last week. During this trip he found some minutes to chat with Alia Papageorgiou on Kosovo's progress, Balkan stability and the upcoming Albanian local elections.

What brings you to Brussels today?

Every time I come to Brussels it's a very speedy agenda there's no difference this time around. Obviously my trip is in relationship with the support of the Kosovo question as well as having continuous contact with the Albanian community within Belgium.

Is there a large Albanian community in Belgium?

There is quite a large Albanian Community from Albania as well as from Kosovo. Of which the majority are pre 90s period who have a huge amount of contact with the Royal family as well as different activities and businesses within the community.

What else was on your agenda for Brussels?

One of the major duties which I have is to continue to lobby for the Kosovo question, to insure that Kosovo is going to be integrated as a state within Europe. A state which will have all the opportunities of having European Candidacy and membership in the future.

Obviously we have a lot of work to do, with reforms, not only in Kosovo but in Albania as well, and I think it's a joint dream of the Albanian people to be active members of the European Union.

What do you see as the future roadmap leading Kosovo and Albania into that future could development be a part I know you yourself are involved in several Development Foundations how do you see this path?

I personally have a number of humanitarian objectives and duties as well as projects with universities as well as within communities



Prince Leka of the Albanians

helping the population. I worked within the Ministry of foreign affairs and I am looking forward to working with the Ministry of Interior this coming Monday (October 26) so it's a situation which allows me to be involved intricately within the governmental system as well as being able to help the Albanian communities within the country.

How do you think the world perceives the Kosovo issue at the moment? How is that changing?

We have to make sure that we carry on helping Kosovo. Ensure that it has a viable economy. Obviously Kosovo is going towards elections shortly so it would be essential to ensure democratic progress for the Kosovars, ensuring that political tensions between the parties don't get away from the main aim which is Kosovo's long term stability.

I think that also Albania has its role in ensuring that it continues to be a stabilizing factor within the whole Balkan region, without allowing for any propaganda that tries to create a "great Albania" or some of these terminologies which no longer exist within the European concept.

“ Obviously we have a lot of work to do, with reforms, not only in Kosovo but in Albania as well, and I think it's a joint dream of the Albanian people to be active members of the European Union

What type of example and precedent does Kosovo present to the region and the world?

Kosovo is an independent country. Over 61 different countries have signed the recognition of Kosovo. Now it is essential that we start communicating with other countries which obviously have different positions.

I hope that the Kosovo question is also linked to Serbians hopes and aspirations within the European Community. Obviously it has to decide between the East and West cultures and we hope and we support Serbia's desires of the Serbian population of becoming Europeans in the full concept of the term, within the European Union.

Do you see Croatia as an example for the region?

I think that Kosovo will take its time. Croatia is far more advanced and I must admit that Croatia, Montenegro and Macedonia (FYROM) getting the Schengen status and ratification is a very major step for the whole region.

I hope that Albania will have the chance to ratify the Schengen status within the EU, which will be essential for Albania's growth, stability as well as economic advancement of all the progress which the states have accomplished these last 4 years.

Since independence, what have been the biggest challenges for Kosovo?

The most important thing is that we have to ensure that Kosovo has a stable reliable economy. This will be the most difficult point. We

have to ensure that the political factors within the Kosovo government remain away from corruption and also ensure that the viability of the society, free access for example, goes on not only for businesses but also to be a connection to the EU and strengthening the connections with Serbia, Macedonia and the others in the region.

The Party of Sali Berisha is a part of the European People's Party. What do you think the EPP's role could be for Kosovo?

The PM has a very good relationship with my family, especially since he has come out in favour of the return of my grandfather's remains. Obviously the Royal family tries its hardest to be above party politics, and creates an equilibrium with all the different actors, but the EPP is playing a role within Albania and the democratic party is a member and ensures that democratic and European values carry on through this.

How would you describe the situation in Kosovo today?

At this time the politicians are all very tight. Democratic local elections are on 15 November and you have a whole lot of tension coming across, as all politicians know when it comes to voting, the local elections will be a very strong indicator for the future. Next year is general elections of different parties Thaci the current prime minister as well as the opposition all trying to vie for the will and indicating what will happen next year in a national level.

Does Europe enter into the debate?

At this stage it is a balance. Obviously the population want to see reforms, they want to see continued progress. Europe continues to be an indicator as Kosovo relies essentially on the aid and the help of the EU through EULEX as well as UNIMICO during its time so it's a period of great importance for the population in ensuring that we supervise and watch what happens, including allowing the Serbs their own right to say what they want within the elections.

Is this an unprecedented period of stability in the Balkans or is that premature to say?

I would say that finally we are starting to get a continued stability within the Balkans. The Albanian factor within full Balkan stability is essential.



Ethnic Albanians celebrated Kosovo's declaration of independence in Mitrovica | Esmal Meta

SOCIETY

Lessons from the democracy in Europe

By Francisco Jaime Quesado



Francis Fukuyama and Bernard Saint-Levy discussed recently in the famous American magazine *The American Interest* about the new social and political dimension associated to the relations between an America of contrasts and a Europe that faces a permanent incapacity of ensuring an effective strategic competitive advantage. Like Alexis de Tocqueville discovered in the past the different secrets of America, it's essential to learn the lessons that more than ever emerge from a Europe that is trying to rebuild its competitive advantage and to reinvent its effective place in a complex and global world.

In the New Global Economy and Innovation Society, Europe has a central role to play towards a new attitude connected with the creation of value and focus on creativity. In a time of change, Europe can't wait. Europe must confirm itself as an "enabler actor" in a very demanding world, introducing in the society and in the economy a capital of trust and innovation that is essential to ensure a central leadership in the future relations with America and the more and more dynamic developing world. The actors from Europe should be more and more global, capable of driving to the social matrix a unique dynamic of knowledge building and selling it as a mobile asset on the global market.

We need a Europe of the citizens. Where people know who they are and have a strong commitment with the values of freedom, social justice and development. This is the reason to believe that a new standard of Democracy in Europe, more than a possibility, is an individual and collective necessity for all of us, effective European citizens. Habermas is more than ever present – the difference of Europe will be in the exercise of the capacity of the individual participa-



British sociologist Anthony Giddens gives a lecture during a conference held as part of a series of discussions on the European social model in Budapest, Hungary, Dec. 9, | ANA/EPA/LAJOS SOOS

tion as the central contribution to the reinvention of the collective society. This is a process that is not determined by law. It is effectively constructed by all the actors in a free and collaborative strategic interaction.

In a certain sense, we need a new third way for Europe. When Anthony Giddens spoke about this special global capacity of creating a new commitment between the Europeans toward the challenge of the future, he was in fact speaking about this commitment with a New Democracy in Europe. Based in new standards of Social Innovation, this kind of New Third Way is above all the confirmation that in Europe the individual performance in a complex society is possible, desirable and above all necessary for the future.

Europe is facing a new strategic challenge. Reinventing Europe and giving the European Actors (States,

Universities, Enterprises, Civil Society) the opportunity of developing new challenges focused on innovation and creativity is in a large sense giving a central contribution to a New Global Order. The Reinvention of Europe is the reinvention of its people and institutions. An active commitment, in which the focus in the participation and development of new competences, on a collaborative basis, must be the key of the difference. These are the lessons we really need from the Democracy in Europe.

Francisco Jaime Quesado is the General Manager of the Innovation and Knowledge Society in Portugal, a public agency with the mission of coordinating the policies for Information Society and mobilizing it through dissemination, qualification and research activities. It operates within the Ministry of Science, Technology and Higher Education

SOCIETY

Survey says most Swiss oppose ban on minarets

In a time of the rising right wing in some European Union countries, a poll released in Switzerland has found that 53 % of Swiss with voting rights oppose a referendum which aims to outlaw the building of minarets in the country. The poll, by SSR SRG idee suisse, found that 13 per cent of the population was undecided and 34 % said they would vote for the ban against the towers which rise up from Islamic mosques.

The lion's share of ban supporters came from the right-wing Swiss People's Party (SVP), which had originally proposed the referendum along with a tiny conservative faction.

Green and Socialist party voters were resoundingly against the ban. Center-right voters were more mixed, though a majority among them too rejected the proposal.

Switzerland's system of "direct democracy" allows groups or individuals to put forward laws that are then voted on through popular referendums, bypassing parliament. Clear opposition to the proposal was made by the Swiss Federal Council, the collective executive branch of

government, which is comprised of seven members, coming from each of the major parties in the country, including the SVP.

The referendum has become controversial in Switzerland, particularly since the SVP ran a poster campaign showing a completely veiled woman standing next to a Swiss flag pierced with menacing minarets. The poster was banned in several key cantons in Switzerland, with the local governments saying it was racist. Others allowed it in the name of freedom of expression. The SVP came back with a reworked poster, showing the word "censured" on top. Also in the survey, voters appeared undecided on another referendum which would outlaw the export of arms and other "war materials." Conductors of the survey said the poster campaign and the controversy that accompanied it likely helped voters reach a conclusion on the minaret matter quickly. The Swiss would take longer to make up their minds on the arms export issue, it was assumed. Voting is set to take place on November 29.

NE Notebook

Bank bonuses gain new triumph

Deafening news comes from New York and London on bonuses that the management of the major investment banks is about to receive for this year. Goldman Sachs, the biggest of them, is expected to create a bonus pool of \$21 billion, more than half million for each one of its entire personnel. Of course this fantastic sum of money will not be distributed evenly amongst all the workers. Managers will have the lions share. In London, the bonuses pool that the banks in the City are about to hand over to their management, will be 50 percent higher than in 2008. Those numbers were reported rather taciturnly by CNN and BBC.

It has to be reminded that all major investment banks in New York are reporting huge profits for the third quarter of this year. It goes without saying that those profit do not come from traditional bank activities such as loans, deposits and cards. They come from transactions in stock exchanges, money markets, commodities, and, of course, betting in oil and gold. No wonder why gold has reached historic highs and oil is now above the \$80 benchmark, without any important changes in demand. Let us, however, tackle one thing at a time.

Despite the fact that traditional banking is still in the red, and the Bank of America, the largest commercial American bank is losing money in consumer loans and credit card activities, all the major investment banks of Wall Street have succeeded in reporting huge profits for the third quarter of 2009. On this basis, they prepared to pay huge bonuses to their management, not because they managed to earn more income in the banking sector but because they kept on betting in bourses, money parities, interest rates, commodities and gold. There is a clear-cut distinction now between traditional banking activities - still in the red - and "investments," which have nothing to do with banking. They contain mainly betting through derivatives in each and every conceivable market, be that shares, monies, interest rates, commodities and, lately, gold. That is why the derivatives market has again climbed into the region of \$500 trillion, yes trillion dollars. This was exactly what those banks were doing mainly in the real estate and other markets before the credit crisis, a practice which led to the general meltdown of the western financial system and then to recession of the real economy.

Promises by governments that they will impose new rules on banks concerning bonuses, which should have rather been related to the long-term profitability than the annual gains, are now forgotten. The White House can impose rules on bonuses only on institutions that could not pay back government aid that they received at the difficult times at the beginning of this year. Investment banks, on the contrary, paid back the government aid they clamored for some months ago and now they are free to bet again and distribute short-term gains to their management. Still, however, they are not betting their own money. The American central bank, the Fed, is financing all those cohorts of securities institutions with almost free money, at interest rates which range between zero and one quarter of a percent. That is why all those impossible guys of New York and some of them in London appear now ready to again plunge the world into a new crisis. The derivatives market that those major investment banks have now created has again taken such large dimensions, that nobody can really touch it. Actually the US government is in the hands of Wall Street boys. No wonder why Wall Street "invested" so heavily in Barack Obama's election campaign, making him the wealthiest presidential candidate of all times. Now, of course, they demand the dividends of their investment. As for the Congress, Wall Street is also "investing" in senators, to let New York to continue doing what they know best, making short term money and expecting a new state salvation during the next crisis.

NE ECONOMIC ANALYSIS

The political issues behind the deficits

We have to choose: more public deficits and state loans or good-bye hopes for a resumption of the economy? This is the main dilemma governments face on both sides of the Atlantic. The most interesting prospect, however, is that those countries which appear closer to a new growth period, such Germany, are now being punished for their good economic performance because their money, the euro in this case, is on the rise, making their products less competitive, the more so because Europe depends more on exports than does the US.

The largest economy of the world has its dollar, a very "special" currency, which has permitted Washington for many years now to finance each and every deficit, be this the huge gap in the state budget or a large opening in its trade balance. Let us tackle one thing at a time.

Starting from the dilemma posed above, one should consider first that governments in the EU and the US have spent a round sum of more than 10 trillion dollars to support the financial system and the real economy. Those state interventions were financed by borrowing, because government accounts were already in the red - probably slightly - even before the crisis broke out. The obvious outcome of this huge fiscal exercise is now that both the EU and the US have to live with deficits in their state finance. The question is however until when those countries will be able to support the gaps.

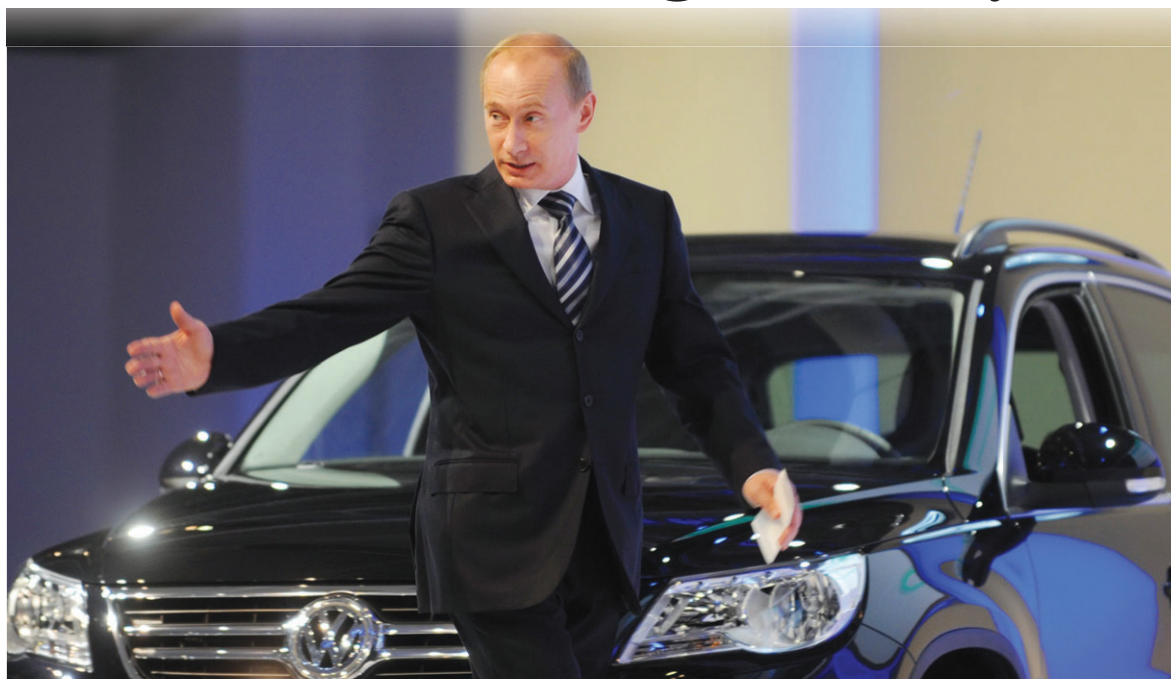
The picture changes, however, on the two sides of the Atlantic. For the US and the dollar it seems that the Chinese and the oil-producing countries in the Gulf, have undertaken to continue supporting the greenback. They keep buying American values in the bond and stock markets. Of course there are voices asking for an end to the supremacy of the dollar, but they do not possess the political will and fire power to go through with such a total change in the economics of the planet.

On this side of the Atlantic, however, the Eurozone cannot depend on a similar arrangement and has to foot the bill on its own. In reality though, the European fiscal gap is minimal in relation to the huge deficits of the United States. According to the latest news, the US state budget deficit will reach this year the round sum of \$1.44 trillion, or 10 percent of the country's GDP. In Europe, however, things are not this bad, with the exception of the United Kingdom. In Britain, state deficits are the largest whatsoever all over the West. In the Eurozone though, the largest economy of the group, Germany, has managed to overcome the credit crunch and the recession in its real economy, spending only small amounts of state money. In 2009 the fiscal deficit of Germany will not surpass the five percent benchmark of the GDP - an easily manageable figure. Of course, there are other countries in the Eurozone group with much larger openings, such as Italy and Greece. In both those cases the gaps can be controlled over the next two or three years. On top of this, given that the value of the euro is on the high side, those state deficits do not represent any kind of danger to the monetary equilibrium of the zone.

Actually the euro is now largely overvalued vis-à-vis the dollar, the British pound and the Chinese Yuan. As a consequence, some fiscal deficits may be taciturnly welcomed, although both the European Central Bank and the European Commission ring the bell in both those countries. At the end of the day, one finds out that the two main economic entities of the West have totally different interests.

The US, however, seems to fare well with the cheap dollar and the strong backing of its deficits by allies of the magnitude of oil producers and China. The Eurozone, on the other side, has to convince both those huge economic powers to also come to terms with Europe. In short, it is not a matter of deficits, but a political strangling.

The Shooting Gallery



Following the Russian economic crisis, President Vladimir Putin put his KGB-German to good use by working as a car salesman in Germany | ANA/EPA/NATALIA KOLESNIKOVA/POOL

NE 15 YEARS AGO

October 23 - 29, 1994 Global Independent Weekly No. 74

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Generali Group Area Manager for East Europe Dr. Adriano Cuccagna explains why the company is looking to the East. See back page

UNION
Belarus President Alexander Lukashenko predicts a new union of the republics of the former Soviet Union. See page 31

SHIPPING
Greek and Turkish ship owners reach an historic agreement after meeting of chambers in Istanbul. See page 26

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Positive EBRD report on market economy transition

The private sector accounts for more than half of GDP in nine out of 25 countries in eastern Europe and the former Soviet Union, according to the Transition Report, launched last week by the European Bank for Reconstruction and Development (EBRD).

Jacques de Larosiere, President of the EBRD, said: "Five years after the process of transition began, the experience of the 25 countries of eastern Europe and the former Soviet Union have been diverse. There is much to learn from that experience."

In some countries the transition is far advanced. In others only initial steps have been taken. A number of different paths have been followed. The Transition Report advances the understanding of the process of change towards a market economy which the EBRD has been mandated to promote. This is helpful to those who participate in the process, whether from the private sector, the government or international institutions. The Transition Report should be of interest to all those who follow developments in the region.

The Report, the first of an annual series, measures the stage of transition in each country with a number of key indicators which gauge advancement on privatisation, enterprise restructuring, price liberalisation, change in the trade and foreign exchange system, and banking reform.

These indicators focus on the central elements in a market economy.

Continued on page 4

EU prepares Ukraine approach

During its session, October 4, the General Affairs Council of the European Commission entrusted the Committee of Permanent Representatives and the Political Committee with the task of preparing a common position for a European Union policy towards Ukraine.

This work is based on an internal document entitled "Union Strategy towards Ukraine" which presented the EU's interests and objectives in this country and the instruments which it has. The German Presidency is planning to prepare a draft common position containing a series of short-term operational elements; these are common action proposals in line with the future CFSP.

According to the document, the political frame-work is envisaged in the following manner:

1.- EU's interests in Ukraine. Ukraine is a large industrialized country occupying a geostrategic position of capital importance (between Russia and the CEECs), and its independence is vital for the region's stability and democratic development. Its fate is, moreover, of considerable importance for the security of the EU and CEECs (any resurgence of Russian imperialism which is currently not at all perceivable would be contained by a strong and independent Ukraine). The develop-

Once again, economic news dominated the front page 15 years ago this week, with European Bank for Reconstruction and Development (ERBD) President Jacques de Larosiere announcing that the private sector accounted for more than half the GDP in nine out of 25 countries in Eastern Europe and the former Soviet Union. The news came in an awaited ERBD report. "Five years after the process of transition began, the experience of the 25 countries of Eastern Europe and the former Soviet Union have been diverse. There is much to learn from that experience," he said.

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DEVELOPMENT DAYS 2009



Joined-up 'development' thinking

Joined-up thinking has become a valuable business management mantra. It's now being put to work for EU development policy, too, in the first ever European Report on Development which was launched at the European Development Days.



In a bilateral meeting at the European Development Days 2009, Sheikh Hasina, Prime Minister of Bangladesh and José-Manuel Barroso, President of the European Commission were just two of the dignitaries who convened on In the European Presidency Capital over the two day Development extravaganza - results are many and widely applauded including the first ever European Commission Development report released 22 October, 2009, Stockholm, Sweden | © EC/CE

The first-ever European Report on Development (ERD) was launched on 22 October at the European Development Days. The high-profile launch event will be attended by the European Commission's Director-General for Development Stefano Manservigi, the Director-General of the UK's Department for International Development (DFID) Martin Dinham, Sweden's State Secretary for International Development Cooperation Joakim Stymne, and several members of the high-level research team which wrote the report. The ERD is a new European initiative which seeks, in partnership with scholars and experts from developed and developing countries, to help shape and influence the European Union's perspective and policies on some of the most pressing development issues in a changing global context. It is a concrete manifestation of the EU's commitment, as the world's largest aid donor, to the Millennium Development Goals.

"The whole idea behind the ERD is to strengthen the European input into the international debate on development," explains Françoise Moreau, who heads the unit dealing with 'forward looking studies and policy coherence' at the European Commission's Development Directorate-General. "It also seeks to express the European flavour based on the fact that Europe is a global partner, not only from the aid perspective, but also as a trade partner and, maybe most importantly, as a political actor on the international scene."

Fragile, handle with care

Described as the "toughest devel-

opment challenge of our era", fragility is the focus of the first edition of the European Report on Development (ERD). Many Sub-Saharan African countries are in situations which can be described as 'fragile'. The governments of these 'fragile' countries either lack the capacity or the legitimacy to govern effectively, with serious developmental consequences. The root causes of this fragility can be manifold and include conflict, poor governance, weak institutions, etc. Countries experiencing fragility are extremely diverse in terms of their socio-economic and cultural make-up and circumstances, so there can be no 'one-size-fits-all' approach to their development challenges.

Building resilience

The working rationale of the expert group behind the ERD is: "As countries become more resilient, they are inherently less fragile." But what does this mean?

The idea is relatively simple: more stable countries are generally more resilient to shocks like a global economic crisis, natural disaster or regional conflict, events that might otherwise make them more fragile. Fragility here means they are more exposed to shocks, whether internal or external, economic or non-economic.

Now, while the idea is simple enough, putting together a set of coherent tools and policies to help Africa overcome its 'fragility' is an altogether more tricky prospect.

"When dealing with fragile situations [and countries], policy-makers are faced with a series of complex questions," commented Stefano Manservigi, the Director-General of DG Development and Relations

with African, Caribbean and Pacific States, at a meeting of experts invited to Brussels in September to help put the finishing touches on the ERD ahead of its release.

The ERD will largely address these questions, he said, but it will not be easy. He suggested it will take a concerted effort to "mobilise all possible policy tools" to cope with what is happening in Africa, as there is no "one-size-fits-all" solution or policy that covers the diverse situations on the ground.

Room for manoeuvre

In partnership with African countries, the EU is well placed to make a difference. "I think the EU is in a very good position to do something about fragility because there is no one magic policy instrument that works on its own," noted Paul Collier, Director of the Oxford University's Centre for the Study of African Economies, at a previous ERD event in Barcelona. "To have a reasonable hope of success, we need to deploy a wide range of policy instruments, including aid, security, governance and trade."

He added that: "Very few agencies control that full span. For example, the World Bank is essentially an aid agency. It doesn't have a mandate to move much beyond that. Whereas, because the European Union is itself a sort of government, it spans all the policy instruments... so it is in a position to coordinate their use to bring them all to bear on the problem."

But this raises massive policy formulation and implementation challenges. "How can we conceive instruments that cope with all this variability?" Manservigi asked the audience. He said he hoped the

ERD would "scale-up in a politically-inspired way" and drive the wider aid and development policy space. "It's beyond fragility," he noted, "it's about the broader development challenge."

This view was shared by Tamsyn Barton of the UK's Department for International Development, who asked whether the ERD had any message about the current EU policy instruments and whether policy-makers would find what they were looking for in it. Expanding on this point, Georgia Giovannetti, the ERD's lead author, suggested Europe needs to reassess its role on the world stage and, thus, work together to tackle some of the biggest challenges to meeting the Millennium Development Goals.

Owing to the diverse needs of the beneficiary countries, development programmes – and indeed the policies that breathe life into them – have to, in turn, be flexible enough to work properly.

Applying the same logic, Giovannetti said the report will be more of a "framework to think" than a policy prescription per se, hoping to avoid the risk it will get bogged down in detail or become dated as conditions change on the ground. However, the country case studies in the ERD will show what sort of priorities can develop out of this framework.

Consistently coherent

The EU strives to ensure that its various policies work coherently – trade policies don't clash with agricultural policies, aid programmes gel with disease-combating initiatives, etc. – towards a given set of goals, and that includes its vision for development.

This joined-up approach is encapsulated in the 'Policy Coherence for Development' (PCD) concept, which is enshrined in the Treaty on European Union (Maastricht Treaty) that entered into force more than 15 years ago. PCD is about making sure that EU policies in one area do not undermine those in another. And all European policy decisions should take account of their potential effect on the Millennium Development Goals.

The second EU report on PCD, which came out in September, assesses the progress being made towards greater policy coherence. According to a statement on the report, development concerns have been integrated in all 12 policy areas which have an impact on poor countries. And in the areas of research, energy and environment, EU policies have been particularly positive for developing countries.

Delegates at the Brussels ERD meeting acknowledged how hard it is to achieve PCD with any degree of consistency because the EU is, after all, 27 different countries with often different mindsets when it

comes to development and aid.

Paul Engel of the European Centre for Development Policy Management suggested he would like to see more profound analysis of what the EU is good at and not good at in addressing the issue of fragility, and that the EU code of conduct be prominent in the ERD.

Eugenia Piza-Lopez of the United Nations Development Programme (UNDP) reflected on her organisation's efforts to manage its own internal aid activities coherently. "Despite the best intentions, policy is nearly always hampered at the implementation stage – it's the same for the EU as it is for the UN," she said.

Meanwhile, Pascal Vennesson of the European University Institute summed up the security-development chapter of the ERD. He said that "for the EU and Member States, development policy really begins at home". Their aid and development activities could have historical roots, or be aligned with European social models, or could be linked to what they want to achieve or how they want to be perceived internationally, he explained.

He questioned the notion that security and development are joined at the hip and whether the EU should be "continuously engaged" in development activities in Africa, when "selective disengagement" could provide space for "local initiatives to flourish".

Humility in action

Several delegates stressed that the report and ensuing policy fully respect national sovereignty and demonstrate "humility" and an understanding of the local needs and concerns in fragile African states. They also stressed the importance of not glossing over the colonial legacies and how these may or may not still influence development.

The aid community needs to ask Africans how it can help and "meet us halfway", said William Aponsah of Georgia Southern University, echoing a remark by another delegate. Meanwhile, Eugene Owusu of the UNDP added a cautionary note: it is important that the EU forges a common approach to helping fragile states build up their resilience to avoidable shocks, he suggested. But he stressed that local actors are critical to successful aid and development initiatives, that the EU should identify key coping mechanism and use them as entry points.

He explained: "It is important that the report and policy recommendations resonate with the African constituency [as well] because Africans must take responsibility in addressing fragility. And what the EU does must be a complement to national efforts."

ENLARGEMENT

A wider EU: what next



By Rosa Balfour

The Commission's publication of its reports on EU enlargement last week calls for a balance sheet of the past five years. 'Enlargement fatigue' resulting from the expansion from 15 to 27 members, the prolonged impasse of the EU's constitutional and institutional development, and the economic slump have all made the job of Commissioner Olli Rehn difficult.

But the EU continues to be attractive: today nine European states are actual or potential candidates for EU membership, and other countries also aspire to join. This queue at the door is proof of the continuing magnetism of the European method of integration - Iceland being the latest example. The outgoing Commission has also managed to keep the momentum and rigour of the process, in parallel with efforts to persuade Member States of the importance of the project as a whole.

Enlargement is still described as the EU's most successful foreign policy, but what of its record in managing some of the challenges in South-East Europe? A catalogue of bilateral disputes and unresolved statehood problems has kept the region on the brink of instability during the past decade, putting the EU's conflict prevention and resolution abilities to the test.

In 2009 the most pressing bilateral disputes have been Croatia-Slovenia over the maritime border, Serbia-Kosovo over the latter's bid for independence, Macedonia-Greece over the name, and the divided island of Cyprus. But the redrawing of maps in the region is not about to become history: further border and statehood problems could still emerge.

For the first time, the Commission has included a paragraph on bilateral disputes in its Strategy Paper, a sign of recognition of the importance of these problems. Enlargement was supposed to be about preventing conflicts rather than importing them, especially given that the EU is a lame duck once a party involved in a dispute is one of its members, so it is very unlikely the EU will accept another Cyprus into its fold. In addition, a subtext of 'enlargement fatigue' and the institutional impasse relates to a preoccupation over the kind of Member States that the candidates will become.

Reading between the lines, the outgoing Commission is suggesting separating - at least for the time being - the accession path from the talks on the disputes. This solution has enabled Croatia to enjoy a breakthrough. The dispute over maritime frontiers with Slovenia blocked accession negotiations for a whole year. The recent agreement on resorting to international arbitration to settle this bilateral issue allows Croatia to return to its ambitious roadmap, making it again closer to accession than any of its neighbours.

The country internationally known as the former Yugoslav Republic of Macedonia -



Montenegro roadworks - a part of the enlargement procedure is the funding to promote the country's candidature. | EC.EUROPA.EU

and known in Skopje (and in other countries) by its constitutional name Republic of Macedonia - has finally received a positive opinion from the outgoing Commission to start negotiations for EU membership.

Macedonia was accepted as a candidate in 2005, but has since been in a limbo. This has done much to fuel nationalist politics, worsen inter-ethnic relations within the country, and has contributed to provocative initiatives that have soured relations with Athens. To put it simply, making accession hostage to a bilateral dispute has helped neither side, increased Macedonia's precariousness and undermined the EU's credibility.

The time has come to separate the two issues. Starting negotiations would force the political elites in Skopje to focus on the reforms needed to modernise the country regardless of the state of relations with Athens. These could be conducted in parallel to negotiating a compromise on the name.

If the new socialist government in Athens wants to demonstrate it can be a constructive actor in the Balkans, it should not block upgrading Macedonia's relations with the EU. Starting negotiations is not a promise of membership, nor would it pre-judge the outcome of a solution on the name.

With regard to Serbia, the Commission recommends that the EU brings the Interim Agreement with Serbia into force, implicitly accepting Belgrade's degree of cooperation with the International Criminal Tribunal for Former Yugoslavia (ICTY). In 2008 the ICTY too had issued a far more favourable report on Serbia's cooperation with the Tribunal in The Hague even if Ratko Mladić and Goran Hadžić are still at large. The Commission puts the ball in the court of the Member States, de facto rec-

ommending the Netherlands lift its objections to ratifying the Interim Agreement and interprets more flexibly the 'full cooperation with ICTY' condition, a position that some EU Member States have also been arguing.

Compared to Central Europe in the 1990s, EU conditionality is much weaker in South-East Europe. Different histories make the idealist drive behind EU integration far less meaningful in the Balkans, and the motivations for joining the Union are more diverse and less capable of creating political consensus. In some countries political elites have been unwilling or incapable of gearing domestic political dynamics to the accession process, often more interested in playing into internal divisive politics and nationalist recriminations with their neighbours than in following the cue of Brussels.

This helps explain why Bosnia and Herzegovina has been moving from crisis to crisis. Here, the Commission's strategies that are supposed to lead to EU accession have proved to have little leverage on the inflammable and divisive politics of the country. The EU wants to accelerate the 'exit strategy' from the protectorate established there in 1995 and set the very tight deadline of today, 20 October, for the three entities that compose the country to settle their differences,

reach a compromise on constitutional changes, and prepare the ground for a transition from the internationally-led Office of the High Representative to the EU-led Special Representative.

In Kosovo, the EULEX mission is struggling to convince the Kosovo Albanian leaders of the need to normalise relations with Serbia notwithstanding the final outcome of its independent statehood. The Commission appeals to Serbia too to de-

velop a more constructive attitude.

These disputes should not distract from the bigger picture. According to the Commission's Reports, most of the countries are making progress. Montenegro and Albania have tabled their applications to join the EU and made many steps in the right direction. Serbia too is praised for its reform plans. Kosovo is offered incentives in the fields of visa liberalisation and trade. The enlargement process is still on track, even if it is not a 'high speed train', to use the words of Commissioner Olli Rehn.

Among the areas highlighted by the Commission in which most countries need to concentrate their efforts are cooperation with the International Criminal Tribunal for former Yugoslavia, reforming the judiciary and the fight against organised crime. There will be no discounts or short cuts in these fields: the lesson of the 2007 enlargement is that the process has to be rigorous if it is to be overall successful.

Political developments remain important. The strengthening of democratic institutions and political rights is part of the Copenhagen criteria required for accession, and many gaps are still evident. Freedom House, for instance, still considers Montenegro, Bosnia and Herzegovina, Albania and Macedonia as only 'partly free', while Kosovo as 'not free'. It will be important to make sure that the 'best performers' continue to keep the momentum of transformation, in the hope that they might pull the less dynamic countries.

In many ways, in fact, the process of accession and pre-accession is as important as the outcomes. Keeping the promises made by the EU and persisting with the reforms needed by the candidates to join the EU should remain a key objective of the next Commission. This will contribute to maintaining stability in the Balkans.

Iceland's accession process will be less problematic, for as a member of the European Economic Area it already fulfils the main conditions, but its government needs to ensure its citizens' support for the final referendum on membership.

Keeping the promises also means overcoming (or at least putting on the back burner) some Member States' reservations on further enlargement. The ambiguities that have haunted this issue have been detrimental to the process as a whole and reduced the EU's capacity to exercise its transformative power. This is all the more important in the long run if the EU wants to become wider as well as stronger.

Rosa Balfour is Senior Policy Analyst at the European Policy Centre. The issues raised in this commentary are among the topics discussed and analysed under the auspices of the EPC's Balkans Forum, run in collaboration with the King Baudouin Foundation and the Compagnia di San Paolo.

DEFENCE

Why Terrorists bite the hand that feeds them

By Jakob De Roover, S.N. Balagangadhara



Pakistani law enforcement officials escorts' suspected militants, covered with cloth to produce before district court Karachi on Friday 4 March 2005. Authorities arrested six suspected agents in connection with bomb explosions, during a raid and recovered 60 kg of various explosive chemicals, detonators, bomb-making material and automatic weapons | ANA/EPA/AKHITAR SOOMRO

For decades, Pakistan gave financial, logistic and moral support to armed Islamic militants, who were sent out to infiltrate and destabilise Kashmir and India. As the recent attacks on the army headquarters and police compounds show, these militants have now turned against their former masters.

This is not a unique case. During the Cold War, the US government decided to support the Afghan resistance against the Soviet invader with weapons and money. President Reagan said that the Mujahideen were 'freedom fighters' and 'the moral equivalent' of the American Founding Fathers. These deeply religious heroes charmed the Americans with their brave struggle against the Soviet unbeliever. Some fifteen years later, the romance was over: the horror of 9/11 led to the war in Afghanistan.

In Pakistan, dictator Zia-ul-Haq also supported the Afghan resistance during the 1980s. Meanwhile, he 'Islamised' state institutions and enabled Muslim fanatics to penetrate the army. After his death, Pakistani rulers began to use Islamic militants as pawns in the conflict with India. Particularly the army and its infamous intelligence services, the ISI, applied this tactic systematically. Many Pakistanis viewed this as a heroic struggle against the heathen nation of India, much like Americans defended the support to the Mujahideen in the name of safeguarding the free world and the struggle of God against atheism. Today in Pakistan, the former heroes have also turned against the state that nourished them. After the USA, the Pakistani people will be the next victim of Jihad.

Why do terrorists bite the hand that feeds them? This tendency is intrinsic to the internal logic of terrorism. Typical to terrorism is its transformation of crime into moral heroism. It re-presents criminals – who kill and maim innocent people – as heroes, saints and

martyrs. This lies at the heart of all terrorist movements: they call upon a powerful moral message to justify their crimes and characterise these as exceptionally praiseworthy acts. For the Rote Armee Fraktion and the Red Brigades, it concerned the toppling of the oppressors of the proletariat; the Zionist terror brigades struggled for a homeland for the Jewish people; Al Qaeda fights for the will of Allah. Each of these movements shares two aspects: they attracted people who were deeply concerned about some cause and wished to 'fight' for it; and they soon sank into a variety of forms of crime, from murder to drug trade, in the name of this cause.

This is not a coincidence. In fact, all such movements are parasitic upon the morals of a specific community. Terrorists invoke the moral values of some community (say, the Muslim community or the communist international) only to abuse these as a justification for the most horrible atrocities. Thus, they are subversive in the most harmful way: they feed on a specific people and then turn against that people by committing crimes in the name of its moral values.

Consequently, terrorists always end up attacking the communities that sustained them at some point. Whether it concerns Pakistan or the USA, each state that supports a terrorist movement will eventually pay the price.

These two countries pursued their 'national interest' so fanatically and unscrupulously that they sent out heavily armed Islamic militants to undermine the enemy. When a country's foreign policy detaches itself from all moral considerations in this way, then it inevitably creates a fertile soil for terrorism – a form of crime that does not honour its master.

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POVERTY

Climate Terrorists: They Will Come

By Dr. Greg Austin

Three facts are staring us in the face about certain communities around the world: more people in poverty; rising and large numbers of unemployed youth; and an increasing absolute population (increasing the demand for resources). This is a recipe for violent unrest even in ordinary times.

Just this week, the FAO reported that there are now "more hungry people in the world than at any time since 1970". The report said that 1.02 billion people (ordinary people) are living "hungry". This has been a decade long trend and is not merely the result of the financial crisis this past year.

In 2009, the ILO has reported that in the previous year, the number of unemployed youth globally reached 76 million. The report grimly stated that "little progress has been made in improving the position of youth in labour markets, and young people still suffer disproportionately from a deficit of decent work opportunities".

The absolute growth in population at the global level has long been expected and widely discussed. The youth bulge within this population growth has also been discussed regularly. There has been however a hitherto unshakeable faith among many in the idea of "progress", especially the belief that economic growth and technological advance would ultimately reduce poverty and provide jobs for most of the expected population growth.

Climate change is a threat to this basic hope for progress.

Take the tropics for the example. These are the hottest places on earth. In tropical deserts, daytime temperatures can reach 50°C. In inhabited fringe grassland areas, as in Darfur, temperatures can reach 48°C. Add even a fraction of one degree under global warming, and you have some severe obstacles to continued habitation in the most marginal regions.

But please note, the reported temperature for any location is air temperature, not ground temperature, which can be as much as 15 to 20 degrees hotter.

According to the UN Panel, warming during the past 100 years was 0.74°C, with most of the warming occurring in the past 50 years. The warming for the next 20 years is projected to be 0.2°C per decade. Those figures are global averages. The actual increase in some locations will be higher.

About 40 per cent of the world's population lives in tropical zones. The eruption of piracy and terrorism in tropical zones, places like Somalia and Indonesia, cannot be separated from emerging climate stress. The warming of concern for these zones is not the distant future but the recent past and immediate future.

With more global warming, human communities in marginal areas like these will be forced to migrate, first in small numbers and then en masse.

The political effects of climate change, especially fear-based effects, are moving ahead of the reality of climate change. This has both positive and negative features. On the positive side, a number of concerned parties are mobilizing well ahead of the most severe likely changes to do whatever is possible now to slow the rate of increase in global warming.

On the negative side, there are those who are reacting to the threat of climate change to attempt to alter political calculations about a number of unrelated issues. Many commercial contractors are playing up climate security threats to win new business.

Even more serious, we already see the first signs of "climate extremism", people taking direct action and using violence to protest against or punish those they see as responsible for an imminent environmental catastrophe. This is just one indicator that the most serious forms of terrorism within the next decade may well be linked to popular perceptions of inaction by world governments and industry in the face of this feared environmental catastrophe.

The "time has come", as Midnight Oil's song so stridently warns, to prepare for "45 degrees". The hottest places on earth, already experiencing day-time temperatures over 45 degrees, will get hotter. And young unemployed and hungry people from the tropical zones and elsewhere will revolt – violently and in larger numbers each year. To paraphrase the song, "How do they sleep when their beds are burning?" To quote the song: "How do we sleep when our beds are burning?"

EUROCENTRIQUE

Women @ EU Top

By Alia Papageorgiou



Have you seen this little logo? Woman @ EU Top? My twitter friend @linotherhino has this at the bottom of her photo on her twitter account. I think it has something to do with my preferred choice for President of the European Council Mary Robinson? @linotherhino (although a lobbyist that we'll have to forgive)says, "it's simply a way to foster the discussion (if there ever

was one) about women at key EU jobs in Brussels and act." She's started it, simply and beautifully.

Development relies on women, development is being enforced by women and last week's letter by President of the commission Jose Manuel Barroso confirmed the importance of an equilibrium of females in top positions (in this case he was asking PMs and Presidents to propose an equal number of females for Commissioner position in the forthcoming Commission College sweepstakes.

He also made a case for the European Union's development policies on his recent trip to Development Days 2009 in Stockholm Sweden. Keeping in line with the EU's year of combatting poverty in 2010 Barroso said, "In Europe, we want to see a change when it comes to world poverty. And the poorest countries need our solidarity. We must stick to the ambitions we have set for combating poverty. The economic crisis must not be used as an excuse not to fulfil our promises," said the EC President in his opening speech.

The Swedish Prime Minister Fredrik Reinfeldt touched on the economic and financial crisis in his opening speech. As he put it, the crisis has hit not only the financial and credit market, but also those who were already poor, leaving millions more living in poverty.

"It is important that all of us, including the EU, fulfil our commitments to increase development assistance," said Karel De Gucht, EU Commissioner for Development.

Gunilla Carlsson, Swedish Minister for International Development, underscored the role of citizens: "We want our citizens to play an active role in the development of the European Community. We cannot tackle climate change if our citizens are not allowed to exercise their civic rights."

Rajendra Kumar Pachauri, Chair of the Intergovernmental Panel on Climate Change (IPCC), pointed that "it doesn't matter how fast we travel if we are moving in the wrong direction."

George Soros, Chairman of Open Society Institute, called on European nations to use their Special Drawing Rights (SDR) with the International Monetary Fund (IMF) to provide as much as \$100 billion in aid to poor countries.

Equality and a helping hand for all?

The European Commission sure is trying.

For the first time in its history a European Parliament President took part in Development Days. President Jerzy Buzek participated in the European Development Days (EDD) in Stockholm, on 23 October. Within the Conference, Jerzy Buzek talked about democracy and development underlining its crucial role. President Buzek, said: "Democratisation is not only about elections, it is about empowering internal political actors at all levels of society (trade unions, economic associations, NGOs and legitimate democratic institutions as parliaments). Democracy building and institution building are crucial for economic development benefiting each and every member of the society."

President Buzek in particular addressed the issue of the "Central and Eastern European experience" with regard to political transition and the democratisation process.

"Each country took a different road to come to the same result. No "ready made" solutions should be imposed. Each country has to find its own way."

Let's hear it for European Development Days 2010!

Email Alia Papageorgiou on alia@neurope.eu or follow her on twitter @eurocentrique

FINANCE

Robin Cosgrove Prize rewards Innovation

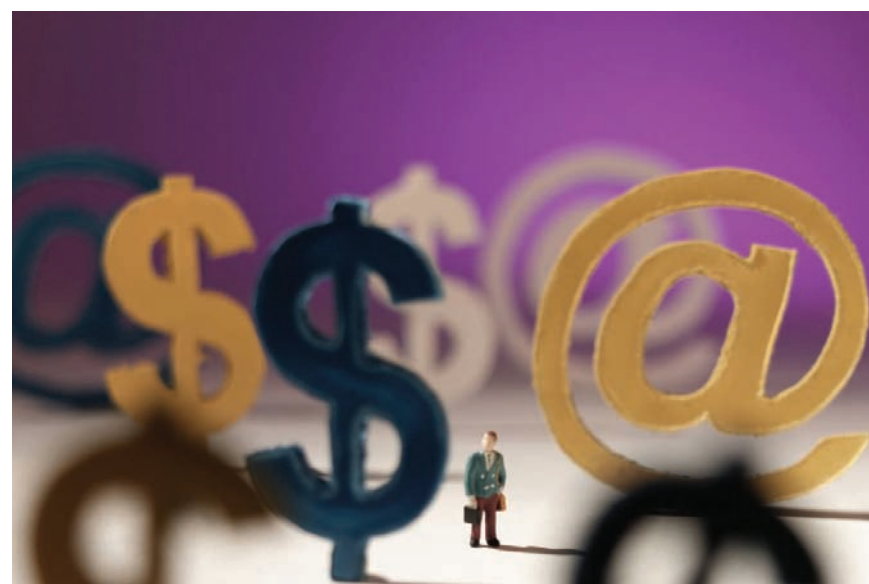
The "Ethics in Finance Robin Cosgrove Prize" will be awarded to 7 young people on 22 October who submitted winning papers on Innovative Ideas for ethics in finance.

The financial crisis was largely triggered when trust in financial markets was destroyed by lack of transparency and evidence of the absence of ethical behaviour by many in the banking and financial business. The crisis has proved the relevance of the Prize for Ethics in Finance and Robin Cosgrove's vision of the threat posed by lack of integrity, trust and ethical practice in banking and finance.

The winners of the Global Prize, now in its second edition, are jointly Elise Pellerin and Marie Casimiro, both French, for their paper on "The need for order in the disorder of finance" (Du bon usage de l'Ordre dans le désordre de la finance) who will together receive \$8,000, and Geoffrey See, from Singapore, who wrote on "Internationalism, Institutions & Individuals: Systemic Changes for a Systemic Ethical Crisis" (who will receive \$8,000). Meredith Benton, from the US, wrote on "Innovative Ideas for Ethics in Finance" (she will receive \$4,000).

In addition, the International Jury of the Prize awarded a "Special Commendation" to David Sifah of Ghana for his excellent paper on "Financial Ethics". His participation in the Award Ceremony is made possible by Barclays Bank.

The new Ibero-American Prize,



Ethics in finance lauded over the last week with the Robin Cosgrove Prize in Geneva on 22 October. | CHATANOOGA.GOV

sponsored by the MAPFRE (Madrid), is won by Leire San-José (Assistant Professor and Research Fellow, University of the Basque Country) on "Ethical Cash Management? A Possible Solution", with a prize money of \$10,000. The second Prize (\$5,000USD) is awarded to Felipe Araujo (a Brazilian Phd student in Japan) who wrote on "Ethics: the key to Credibility".

The best 8 papers from the 2 competitions are published in a special issue of 'Finance & The Common Good/Bien Commun [Geneva, 2009], and may be found on the website of the Robin Cosgrove Prize for Ethics in Finance.

The Prize, based in Geneva, is man-

aged jointly by the Observatoire de la Finance and Dr Carol Cosgrove-Sacks. The best 28 papers submitted for the Prize were evaluated by a distinguished international Jury. The process for evaluation was strictly anonymous.

The Prizes are awarded in the context of the Annual Meeting of the Observatoire, focusing this year on Ethics, Finance & Responsibility – the Crisis: Wasted Opportunities?

The 2009 editions of the Prize attracted more than 125 expressions of interest and an overall excellent quality of entries. The third edition of the global Prize and the second edition of the Ibero-American Prize will be launched in Spring 2010.

MIGRATION

Brussels to improve protection and efficacy of Asylum System

Officials in Brussels on 21 October called for common and fairer asylum rules within the European Union in order to offer refugees a higher level of protection. The proposals put forward by EU Home Affairs Commissioner Jacques Barrot aim to put an end to the so-called "asylum lottery", whereby a person's chances of being granted international protection depend largely on where in Europe he or she has filed the request. Greece, for instance, accepts very few refugees, while Sweden tends to be more generous.

Once they have been granted asylum status, refugees also tend to be treated differently in different member states, meaning some EU countries are perceived as far more attractive than others. "By bringing down internal borders, the EU has created a common immigration zone. So it makes sense that it should also regulate asylum policies," said Anneliese Baldaccini, an expert on EU asylum policies at Amnesty International.

Barrot said new rules are needed because of the "considerable disparities" that persist between member states. Officials in Brussels have in the past spoken out against the treatment of Iraqi refugees by Denmark, or against Italy's latest practice of sending would-be immigrants intercepted in international waters back to Libya, without first check-

ing whether any of them may qualify for asylum.

According to the European Commission's latest proposals, the EU should clarify the legal concepts that national governments use to define who should be protected. Some member states, for instance, are more sensitive than others towards the victims of female genital mutilation.

National governments should also treat accepted refugees in the same way, for instance by eliminating differences in the duration of residence permits, access to health care and so on. The commission also wants to limit to six months the amount of time it should take for a request to be examined. National courts should immediately base their decisions on both facts and points of law so as to avoid legal quagmires. Finally, border guards and the police should have a clearer view on how to deal with applicants, while more protection should be provided to unaccompanied children and victims of torture. "The EU already has a set of common rules. But so far, these provisions have been interpreted in different ways by member states, meaning there is no level playing field," Deutsche Presse-Agentur (dpa) quoted Baldaccini as saying. Barrot's proposals will now have to be approved by EU governments and the European Parliament. The commissioner hopes to see them in place by 2012.

POLITICS

Swedish premier believes Klaus will sign Lisbon Treaty



European Commission President Jose-Manuel Barroso (L) and Swedish Prime Minister Fredrik Reinfeldt (R), during their bilateral meeting and working lunch at the European Development days in Stockholm, Sweden, 22 October. | ANA/EPA/HENRIK MONTGOMERY

Swedish Prime Minister Fredrik Reinfeldt said on 21 October he believed Czech President Vaclav Klaus will ratify the Lisbon Treaty, but could not say when it will take place. "We have agreed to get this (the treaty) in place," Reinfeldt told Swedish radio news. The Lisbon Treaty is aimed at streamlining decision making in the European Union.

The Swedish prime minister, whose country is the current holder of the rotating EU presidency, said he has had new talks with Klaus and Czech Prime Minister Jan Fischer. "I feel confident after the discussions I have had that there will be a ratification from the Czech side," Reinfeldt said.

He could not give a timetable since the Czech Constitutional Court was to hear a legal challenge against the treaty.

Klaus has called for an opt-out from the Charter of Fundamental Rights, a part of the European Union's reform treaty, before he ratifies the pact. The Czech opt-out was likely to be discussed when EU leaders are set to meet for their regular summit in Brussels this week.

Concerns raised by Klaus were that the rights charter puts property rights of the Czech citizens at risk as it would allow so-called Sudeten Germans, who were expelled by then Czechoslovakia after World War II ended in 1945, to sue for their confiscated property.

LABOUR

EU court rules in favour of workers sacked while on parental leave

An employer who sacks a worker while they are on parental leave must base the severance pay on the worker's full-time salary, rather than on what they were earning while at home with the kids, the European Union court ruled on 22 October, Deutsche Presse-Agentur (dpa) reported. The precedent-setting judgment has potentially huge ramifications for businesses across the EU, since it would apply to similar cases anywhere in the bloc.

The case before the European Court of Justice in Luxembourg began when a Belgian woman, who was working half-time so that she could take care of her child, was dismissed with immediate effect just nine days before she was due to go back to full-time work. The company paid her compensation equal to 10

months' salary, but based the total on the woman's part-time pay, which had been reduced by half to reflect the fact that she was working half time. The woman appealed to the Belgian judiciary, which in turn referred the case to the European court.

The Luxembourg judges ruled in favour of the employee, arguing that the severance pay should have been based on her full-time salary instead. This is because "a reduction in the rights arising from the employment relationship in the event of parental leave could discourage workers from taking parental leave and could encourage employers to prefer to dismiss those workers who are on parental leave." The ruling was based on European rules aimed at discouraging any form of discrimination on the workplace.

BUSINESS

Still no EU single market when it comes to online shopping

The European Union's single market was meant to give customers a better deal by allowing them to find the cheapest product in any member state. But, while the internet may have produced virtual shopping malls of continental proportions, most online shops still prevent foreign customers from getting a bargain, according to a study published by the European Commission on 22 October.

The European e-commerce market has expanded rapidly in recent years, reaching a value of €106 billion (\$158 billion) in 2006. More than half of the EU's retailers also sell their products over the internet. However, a recent "mystery shopping" exercise, in which commission officials posing as clients tried to buy 100 popular products including digital cameras, books and CDs, found that 60% of cross-border transactions could not be completed. This was either because the trader did not ship the product to their country, or because it did not offer them adequate means to make international payments.

Commenting on the findings, EU Competition Commissioner Meglena Kuneva said the commission should now introduce new rules aimed at helping online traders offer their goods abroad. Better deals and greater product choice for consumers on our

vast European market could be just a click of a mouse away. But, in reality, online shoppers are still largely confined within national borders. Europe's consumers are being denied better choice and value for money. They deserve better," Kuneva said.

One well-known electronic goods retailer, for instance, is present in no less than 26 European countries. Its German website sells a high-end digital camera for €1,759.90 in Germany. However, the same camera costs €132 more on its Irish website.

Even allowing for shipping costs, an Irish customer would still get a bargain by buying the product from the German website. But the retailer does not allow them to do so, since it states that "in the event where you want your goods delivered in another country where (we are) present, you must purchase your order through that site that corresponds to your country." The commission's study involved nearly 11,000 cross-border tests. It found that in more than half of EU member states, at least half of the products could be found 10% cheaper from a website in another country, even when transport costs are included. However, a purchase made from another country could be completed in only 39% of cases.

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POLITICAL SEX SCANDALS

AN AMERICAN IN EUROPE

Lock up the young boys, Mitterrand's back in town

By Andy Dabilis

"I got into the habit of paying for boys ... The profusion of young, very attractive and immediately available boys put me in a state of desire I no longer needed to restrain or hide" – French Culture Minister Frederic Mitterrand's book

It must be nice being the French Minister of Culture, although it's hard to imagine anyone defending eating snails, because you get to have the best of both worlds. In the case of Frederic Mitterrand, he can admit to being bisexual and biliterate, saying his best-selling book *The Bad Life*, in which he delighted in having sex with young boys in Thailand (paying for prostitutes enhances your c.v when applying for the position of French Culture Minister) wasn't about his life, but someone resembling his. We thought only Superman had a Bizzaro world, but Mitterrand said his book was neither fiction nor completely autobiographical, so maybe it should have been called *The Double Life* so he could keep spouting fiction out of both sides of his mouth, when it's not otherwise occupied with young boys in Thailand. The French also delight in defending their private lives too, some of which are so sordid even the Italians would reel if they knew what was going on, and their sex scandals come right from the prime minister's office.

It's so impressive when your culture minister admits to paying prostitutes although it's hard to imagine himself spreading anything other than ... well, you get the ugly picture. After Mitterrand defended a world-class pedophile, Polish film director Roman Polanski, who prefers young girls to boys, the culture minister found himself having to defend the non-autobiographical, non-fictional book about the life of someone resembling him, and saved his job with a rant in which he said he had never engaged in sexual tourism. If paying for prostitutes in Thailand isn't sexual tourism, what is?

Mitterrand admitted having had sexual relations with "boys" in southeast Asia, but denied that they were minors. "One must not confound pedophilia with homosexuality," he said. Or bisexuality either, so young girls – although not underage of course – in Thailand might have to hide the next time he's in the country. French President Nicolas Sarkozy, now a gutless wonder too because of his support for his sexually-touring boy-loving (although not underage of course) Culture Minister, called the attacks on Mitterrand "pathetic," a term Sarkozy should have applied to himself for defending the crawling cretin he appointed. Sarkozy, who never saw a skirt he didn't like to chase, said Mitterrand's book was "courageous and talented," although you have to wonder what the Thai government thinks and Mitterrand will have to find boys in other countries to solicit now, so let him try France.

At one point, the French police union said it would ask a Paris prosecutor to open an investigation of Mitterrand on charges of soliciting a minor, but that faded away after Sarkozy stood by his man, but not under him like a young boy in Thailand. "We feel it is our duty to protect society against sexual predators, even if they are ministers," the France Police trade union said, but since the person resembling Mitterrand can't be found and had sexual tourism sex with young boy prostitutes in Thailand who weren't underage, where's the case? You'd think that even if your culture minister wasn't engaging in pedophilia, that engaging in sexual tourism would be enough to give him the boot, but he's more likely to get the Legions D'Honneur, which he can award to himself, because in the end (perhaps a bad choice of words) he really does represent the best of French culture and they must be so proud.

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SOCIETY

They did not have sex with that woman (or boy) ... wait a minute, they did



Handout image released Dec. 8, 2008 by Christie's of Andre de Dienes' photograph of Marilyn Monroe entitled Marilyn Monroe, Tobey Beach, Long Island, New York, USA, 1949 | (ANA/EPA/ANDRE DE DIENES / CHRISTIE'S)

If there's anything politicians dislike more than being caught with their hands in the cookie jar, or in someone else's pocket, it's being caught with their pants down – literally, although the shame and embarrassment and stigma that in the past could topple a government or end a career has been replaced in some countries, especially in Europe where a politician could be caught in bed with a live boy AND a dead girl and still be elected because of the obsessive need for privacy (hard to reconcile with being a public figure, of course, who otherwise wants attention and adoration) means they can keep their sex lives undercover, or under someone else's covers, because adultery doesn't count for politicians, and you only have to look to former US President Bill Clinton, the poster boy of philanderers, to find how far they will go to avoid admitting lust is in their hearts all the time and how not to admit they've done it or want it. "I did NOT have sex with that woman, Miss Lewinsky," he said, giving all politicians a pass for oral sex because that doesn't count, although with CSI so popular today they have to worry about DNA. Clinton, like so many before him, was skewered by Robin Williams as a talk show host-comedian running for President of the United States in the film *Man of the Year*, and who, when asked at a press conference if he had sex with a particular woman, smiled brightly and said, "No. But I wanted to." Even choir boys like former US president Jimmy Carter can get away with just talking about it, as he did when he said in a now infamous interview that despite his puritanical life-style that he had lusted in his heart for some women, even if he didn't consummate it, or, like so many of his colleagues who did, even survived being caught in flagrante delicto.

Political sex scandals, particularly in Europe and the United States, run the gamut from the ridiculous to the obscene, from gay enticements in airport men's rooms by US Senators, to chasing strippers, having mistresses on the side and, like US Presi-



Former Israeli President Moshe Katsav (C), who was being indicted on counts of rape, indecent acts and sexual harassment, denying all charges against him as an Israeli television network questioned him outside the Tel Aviv District Court, May 14, 2009. | (ANA/EPA/RONI SCHUTZER)

dent John F. Kennedy, sneaking movie stars like Marilyn Monroe up the back stairs of the White House, but at least he used a bedroom and, unlike Clinton, didn't foul the Oval Office ante room with his antics.

One thing you can say about politicians and sex: they never learn that they're going to get caught because, invariably, someone will open their mouths, and not when they're supposed to. How can you not brag about sleeping with a president or a prime minister, or even a Congressman or parliamentarian? It's a badge of honor, even if it ensnares those like the late Massachusetts Congressman Gerry Studds, censured for having sex with an underage boy page who worked for him, or his colleague from Massachusetts, Barney Frank, who survived the scandal of seeking gay sex through personal ads, or, this year, South Carolina Governor Mark Sanford, who took off for an affair in Argentina with a woman and came back with a crying act to save his career, the typical ploy they follow when caught: if you're a man, haul out the suffering wife who stands by your side, but wouldn't you love to see the beating he took at home for the dalliances that shamed her?

Even in Europe, politicians can be scandalized by sex, but they have to be extreme about it, especially in places like France or Italy, where it's practically required for a man to have a mistress. Look no further than the recent sad episode of French Culture Minister Frederic Mitterrand admitting he went to Thailand to have sex with prostitutes he said were "boys," but who later scrambled to say they weren't underage, although he didn't deny he paid for prostitutes. His reaction? Scream at the media, get the support of French President Nicolas Sarkozy, himself a notorious skirt-chaser, and all's well that ends well, because politicians usually can get away with sex-on-the-side (and various other positions) because, well, they're entitled to, damn it. But not always. Here's a look at how sex humbled some of the biggest in the business of politics.



French Minister of Culture, Frederic Mitterrand in Bordeaux, October 9, 2009, when he was at the center of a short-lived scandal because of his book in which he described having sex with boy prostitutes in Thailand. | (ANA/EPA/CAROLINE BLUMBERG)

JFK and Marilyn Monroe (and RFK too)

JFK liked women. Well, he loved them, like a lot but it wasn't until after his assassination that the scandalous life he led partly besmirched his legacy, although he got a lot of bragging points for being under the sheets with Marilyn Monroe, to this day the iconic sex bombshell. She didn't stop there apparently. Monroe was also said to have been involved with his brother, Attorney-General Robert Kennedy, at the same time. Monroe imagined herself a future First Lady if JFK would dump his wife, Jacqueline, but when JFK and RFK dumped her instead, she threatened to talk about it, but never did, and she died from still mysterious circumstances in 1962. It's a posthumous scandal still.

Seeing Red in Moscow

Ten years ago, Russia's then-Prosecutor General, Yuri Skuratov found himself on the other end of scandal when he was thought to be the man in bed with two prostitutes in a video, rather embarrassing since he had been investigating prominent government figures. He said the tape was an attempt to stop his probes and it was never proved he was in the bed or in the tape, but his career ended.

Getting away with rape

Political sex scandals don't get any more down and dirty or sordid than that which brought down Israeli President Moshe Katsav down in 2007, who had been accused of multiple sex crimes, including rape. It started when he complained to the Attorney General about being blackmailed by one of his female employees. But it turned against him when it was reported he had harassed at least 10 women and he wound up quitting after admitting to sexual harassment, but was spared jail and a potential rape trial, although the embarrassment stained Israel's reputation indelibly.

POLITICAL SEX SCANDALS

You can't blame them after all because they have infidelity in their blood

THE BIGGER THEY ARE

The Mother of All Sex Scandals brought down a government. The UK's Secretary of State for War, John Profumo, didn't know what he had wrought when he fell for a beautiful call girl named Christine Keeler. He was married to a film star and in a High Society family, but his brief affair rocked the halls of power and ended the reign of the administration in 1963. It wasn't just sex that did it, but the revelation that Keeler had also been seeing a naval attaché and reported KGB agent at the Soviet Embassy – this was the height of the Cold War and Hot Passion – and the affair ruined the reputation of Prime Minister Harold MacMillan's government and he resigned in a few months, citing ill health, although he probably didn't feel as bad as did Profumo. This also opened the door to more damaging coverage of sex and politicians and today they're all fair game, even if many of them manage to survive in a Paris Hilton-era when sex on the Internet isn't something shameful, but boastful.

LOVE POTION NUMBER 9

Why does it always seem that it's the politicians who are the most zealous about prosecuting other people's sex lives who find themselves hoist with their own petard? That's petard. New York's crusading Democratic governor, Eliot Spitzer got caught in a big-bucks prostitution sting and even his smug, smarmy attitude couldn't save him this time. He had been known by his servicers as Client Nine, although 69 would have been more apt. He quit in March of 2008 after it was revealed he had been regularly forking out \$1,000 to \$5,500 per hour for having the kind of sex he liked to jail other people for.

FRANCE KEEPS A SECRET

After her father's death the long-hidden love child of former French President François Mitterrand, Mazarine Pingeot, told all in a book about her childhood, in which she said she could never call him "Papa," and had to hide in a car as she visited him in the presidential Elysee Palace. Mitterrand lived a double life, setting up a home with his mistress in central Paris and it was reported he even ordered the wire-tapping of French personalities to keep her a secret, but it finally broke at the end his presidency.

PAPANDREOU AND THE STEWARDESS

Former Greek Prime Minister Andreas Papandreou didn't even hide the fact he had a lover, an airline stewardess, even though it shamed his elegant American wife, Margaret, who had the dignity to rise above it, even as the Greek press had a field day with jokes about his philandering. Even the late actress Melina Mercouri couldn't resist when she said, "Greeks have infidelity in their blood." He had been married for 37 years and had four children but the stewardess won him and he stayed in office, but his bad behavior and

worst taste tainted him for good after that.

A REALLY BIG RAISE

Paul Wolfowitz was the head of the World Bank but that didn't save him in 2007 when it was reported that he had broken the bank's rules by helping his girlfriend, Shaha Riza, win a promotion and a huge pay raise for working under him, so to speak, of course. She got a \$60,000 bump in pay and he got the door, forced to resign after trying to tough it out. His resignation delighted his European



Christine Keeler, Oct. 28, 1963, the woman at the centre of the 1960s Profumo scandal. In 2001 she said in a book she was threatened with jail if she revealed the truth about it | ANA/EPA PHOTO PRESS ASSOCIATION



Noemi Letizia, 18, who, according to media reports, allegedly had an inappropriate friendship with Italian premier Silvio Berlusconi, is seen in Naples, Italy, May 25, 2009. He denied it but his wife demanded a divorce. | ANA/EPA/CIRO FUSCO

Union foes, who didn't like him, and they knew that Americans were less forgiving of improper sexual behavior than Europeans, who could get elected to office on that alone. Wolfowitz quit, but only after insisting that he had acted ethically and in good faith. Don't they all? And isn't unfaithful usually the word that comes to mind in most political scandals. Europeans wanted his scalp because he was a mastermind behind the war in Iraq, the one they didn't want to fight, proving the French axiom that they are lovers and not fighters.

THE OLD COLLEGE TRY

Jeremy Thorpe was an Eton and Oxford graduate and became leader of the British liberal party in 1967, at just 38 years old. But two years later, a man named Norman Scott made claims that they had been lovers, at a time when homosexuality was illegal in the United Kingdom and in 1974, Scott claimed a hit man had been hired to kill him. In 1979, Thorpe was tried for conspiracy to murder. He was acquitted, but the damage was done



World motorsport boss Max Mosley (C) outside the High Court, in the Strand, London, Britain, July 24, after he won a suit against a British Sunday newspaper over claims he took part in a sex party | ANA/EPA/ANDY RAIN



Former White House intern Monica Lewinsky, who, as a young intern in the White House, had a kind of sexual relationship with then US president Bill Clinton. ANA/EPA/RICH LEE

and his career was cooked.

NO NAZIS WERE INVOLVED

Formula One President Max Mosley gets both the Moxie and Chutzpah Awards for not only trying to hide the fact he liked a good S & M romp, but sued a newspaper in the UK which said he did, and won, because they said – wrongly and libelously a court ruled – that it was Nazi-themed, which struck a particular nerve with him because his father, Oswald, was a founder of the British Union

of Fascists and imprisoned by the British during World War II, so he objected to the report that he was shown in a video whipping five women dressed in WWII concentration camp outfits while shouting at them in German and then took a whipping himself until he bled. Mosley said he was no whipping boy and the court agreed, proving that that if you can beat them in more ways than one.

ANOTHER STEWARDESS, MORE SEX

Vaclav Klaus began his second term in March of 2008 and almost immediately it was reported that he'd had an affair with a young flight attendant. He said it would be hard to explain to his wife, especially since he'd done it before, with a young blonde stewardess in 1991 and then in 2002 with a 24-year-old who worked on his official aircraft, and not as a mechanic. The reaction in the Czech Republic? They were proud of his virility, so maybe this isn't a scandal after all, and Klaus has been devoting his time these days to blocking the EU's Lisbon Treaty, which he doesn't like as much as he does stewardesses and young women.

LA DOLCE VITA

Ah, the sweet life. Italian Prime Minister Silvio Berlusconi has never hidden the fact he likes the company of sweet, young nubile, although he said he likes to watch but not touch. He never seemed to be damaged by his predilections until recently, getting away with dismissing stories about his lifestyle with the casual "I'm no saint," perhaps not a good choice of words for someone whose office is so close to the Vatican. But now he's hanging on the hair of his chinny-chin after revelations that dozens of young women, preferably around 18, were paid to attend parties at his official residence and one girl claimed Berlusconi offered her a seat at the European parliament. His wife began divorce proceedings, stating: "I cannot stay with a man who frequents minors," making this a major problem for him, but maybe not for long because the love of young women is the Italian national sport for men, although he went on national TV to deny any suggestion of a sexual relationship with 18-year-old glamour girl Noemi Letizia, calling it a lie and demanding she apologize.

THE ORAL OFFICE

Former US president Bill Clinton had more Teflon on him than Berlusconi and even survived impeachment and being found guilty of giving false testimony (lying) and contempt of court for his super-spin that oral sex, even in the Oval office, wasn't really sex, although the young woman who performed it, Monica Lewinsky, apparently thought so and saved a blue dress with his DNA on it to prove it. He's gone on to more fame and fortune and she's gone, well, she's gone somewhere.

TRANSATLANTIC RELATIONS

EU gives Canada a deadline on Czech visa row

Canada has until the end of the year to explain how it will lift a new visa requirement on Czech citizens, otherwise the European Union will impose visa requirements on Canadian diplomats, the EU's executive said. "We are warning the Canadian authorities about this (...) Unless the measures we are proposing are established in a satisfactory manner by the end of 2009, we will recommend reimposing visa requirements" for holders of diplomatic passports, European Commission justice spokesman Michele Cercone said. The Commission wants Canada to re-start issuing visas in the Czech Republic as soon as possible and to draw up a plan so that it can scrap the visa requirement in the near future, a commission statement said. Until earlier this year, Canada allowed EU citizens from all member states except Bulgaria and Romania to travel visa-free in return for visa-free access for its citizens to Europe. But in July, Canada re-imposed visa requirements on Czech citizens, saying that the Canadian asylum system was being flooded with asylum-seekers of Roma origin from the Czech Republic. Many of those claims appeared to be bogus, Canadian officials said at the time. The Czech government called on the EU to impose visa restrictions on Canadian diplomats in retaliation. The EU operates a policy of no systematic border controls between most of its member states, meaning that visa restrictions can only be effective if all member states agree to apply them.

TRANSATLANTIC RELATIONS

MEPs want stronger US co-operation across the board

Commitments to a new global security architecture, stronger co-operation in climate protection and economic crisis management, and establishing a transatlantic market by 2015, are all on the European Parliament's wish list for the next EU-US summit, to be held in Washington on November 2-3. A reinforced EU-US partnership is needed to deal with common global challenges such as nuclear proliferation, terrorism, climate change, pandemics, and to achieve the Millennium Development Goals, said a resolution adopted by the Parliament. MEPs took note of the US had abandoned its original plans for a missile defense shield in Europe and they called for "a new global security architecture involving especially the EU, the US, Russia and China." Parliament supported a negotiated solution with Iran. In the Middle East and MEPs want to see "a two-state solution with an independent, viable Palestinian state," and they asked the EU-US summit to "reach out to the Arab world." The resolution urged the US to abolish visas for all EU Member States. On human rights issues, Parliament repeated its appeal to abolish the death penalty and demanded that the US "return to the full practice of international standards of rule of law" and "put a hold to all extrajudicial Measures." To reach an international agreement at the climate conference in Copenhagen in December, Parliament called for "an ambitious US commitment" and EU-US cooperation. Ahead of the next meeting on October 27 of the Transatlantic Economic Council (TEC), MEPs insisted that EU and the US should co-ordinate their responses to crises, including reform packages for the financial sector and the reshaping of supervisory structures. Parliament favored completing a transatlantic market, based on the principle of a social market economy, by 2015. The resolution calls for stronger co-operation in the fields of intellectual property protection, energy efficiency, bio-fuels, and cyber security. Parliament reiterated that the transfer of European citizens' financial data to third countries should comply with all EU data-protection requirements and insisted that the new agreement governing these transfers should be negotiated with the full involvement of the European Parliament.

AUTO INDUSTRY

Opel deal in the works after Spanish workers give okay

Workers at the German car company Opel - the European offshoot of US carmaker General Motors (GM) - should know this week whether the future of their group has been secured, although Spanish trade unions and the Canadian-Russian Magna consortium have reached a basic agreement guaranteeing the future of a Spanish Opel for the next 10 years. The signing of a deal to sell a majority stake in GM's struggling Opel unit to Magna was delayed negotiations over the sale with labor unions and the European Commission, Deutsche-Press-Agentur (dpa) reported.

The new bout of uncertainty about Opel's future comes more than a month after GM announced plans to hive off the stake to a consortium led by the Canadian auto parts group Magna International and which includes the Russian bank Sberbank. As a result, GM decided against an offer for Opel made by Belgium-based private equity investor RHJ International. The decision on GM's European Opel subsidiary, which includes operations in Germany, Belgium, Poland, Britain and Spain, formed part of a major global restructuring of the Detroit-based auto group. About half of Opel's 50,000-strong workforce is in Germany. GM and the Magna-led consortium had been expected to sign off on the agreement, which has the backing of the German Government.

Berlin has also said it would provide 4.5 billion euros (\$6.7 billion) in state-backed guarantees to help Magna restructure Opel.

But the European Commission raised objections to the sale arguing that the planned German aid could be in breach EU competition rules. In particular, the commission expressed concern that the financial support promised by Berlin was conditional on the Magna-led consortium acquiring the majority holding in Opel. But a company official insisted that was not the case, telling dpa there was "no alternative left to us other than Magna."

"There are significant indications that aid promised by the German Government to New Opel was subject to the pre-condition that a specific bidder, Magna and (Russian bank) Sberbank, was selected to acquire a majority of the shares in New Opel," the European Commission said in a statement. "Such a precondition for the aid would be incompatible with (EU) state aid and internal market rules," the statement said.

The sale to the Magna-led consor-



A plant of German carmaker Opel in Bochum, Germany, where the green light has turned to yellow for the moment | ANA/EPA/JULIAN STRATENSCHULTE

tium has also faced stiff criticism from unions and governments in other countries where Opel has operations. They argued that their workforces could be disadvantaged by Berlin's financial support for Opel. Spanish Industry Minister Miguel Sebastian said that Spain's trade unions and the Magna-led consortium had reached a basic agreement guaranteeing the future of a Spanish Opel factory for the next 10 years. That came after Opel's Spanish employees announced plans to stage four one-day work stoppages to protest the moves by the Magna consortium to cut jobs at Opel in Spain.

The agreement contained a "competitive" industrial plan for the plant of the General Motors subsidiary in Figueruelas, northern Spain, according to the minister, who mediated in the talks. The plan foresees cutting around 900 jobs out of the total 7,500 at the factory. Magna's previous plan had included slashing 1,300 jobs. Magna was now willing to guarantee that no changes will be made at the factory until the summer of 2011, according to media reports. The agreement will only enter into force after being approved by a committee representing the Figueruelas employees.

The German government has sent assurances to GMs, the Opel Trust and the European Union's executive that the company's owners will receive the same level of state aid no matter to whom they sell Opel, EU officials said. The news came after the European Commission unveiled suspicions that the German aid was conditional on Opel being sold to the Magna-Sberbank consortium. "What we have had is indications that the German authorities have, as we had requested,

written to the Opel Trust and General Motors explaining that the aid would be available irrespective of the choice of investor or the plan," commission spokesman Jonathan Todd told journalists in Brussels.

A German economics ministry spokesman confirmed that they had written to inform the Opel Trust and General Motors of the EU's concerns. A copy of the letter was sent to the commission, which oversees EU competition rules. "The ball is now in the court of the companies," and of the German state, which still has to provide details of exactly how its offer to underwrite the Magna deal with 4.5 billion euros in loans and credit guarantees would work, Todd said. Opel's original owners, including US car maker General Motors, "should be given the opportunity to reconsider the outcome of the bidding process on the basis of firm written assurances by the German authorities that the aid would be available, irrespective of the choice of investor or plan," it said.

The German government said there was no cause for concern, since the Opel deal was based on purely economic considerations.

"There is no reason to doubt the decisions made to date," government spokesman Ulrich Wilhelm said. EU Competition Commissioner Neelie Kroes revealed that she had written to Germany's Economics Minister Karl Theodor zu Guttenberg questioning the legality of the takeover sweetener. "There are significant indications that aid promised by the German Government to New Opel was subject to the precondition that a specific bidder, Magna/Sberbank, was selected to acquire a majority of the shares in New Opel," a Commission statement said.

FOREIGN AFFAIRS

Biden tells Czechs to support another missile shield

After US President Barack Obama abandoned a European defense missile shield that the Czech Republic had agreed to be part of – over angry protests from its own citizens – US Vice President Joe Biden came to Prague to mend ties and urged them take part in a new NATO-wide missile defense system. “The prime minister and I talked about NATO’s commitment to produce a new strategic concept which will adapt our alliance to the threats of the 21st Century,” Biden said after meeting Czech Prime Minister Jan Fischer. “I urged the prime minister to make sure that the final product has a distinctly Czech accent,” he added.

Obama decided to replace a planned missile shield championed by his predecessor, George W. Bush, which involved building bases in the Czech Republic and Poland, with a mobile system. Biden said that he received assurances that the Czech Republic was ready to play a role in the new project. But the vagueness of his words also appeared to signal that he was not in Prague to make a specific offer and to leave the initiative up to the Czechs.

“The Czech Republic stepped up and did their part in the previous missile defense plan,” he said in reference to the ditched Bush-era project, which counted on a radar station in the Czech Republic and a silo with 10 interceptor missiles in Poland. “Today we discussed the potential the Czech Republic could play in a new architecture, a better architecture, an architecture that actually has a capacity to protect Europe,” he said. A high-level defense team was planned to travel for talks in Prague in early November, Biden said.

While Fischer said that Obama’s decision to give up US bases in Eastern Europe left his caretaker government stoic, the move has sparked anxiety across the region and disappointed At-



US Vice President Joe Biden (L) is welcomed by Czech Prime Minister Jan Fischer just before their official meeting in Prague, Czech Republic, Oct. 23, 2009. Biden was in Prague as a part of his East European tour of the NATO allied countries, which also includes Poland and Romania. [ANA/EPASRDJAN SUKI]

lanticist Czech politicians who, into a great extent, bet their political careers on supporting the US facility. Some of them expressed concern that Obama was skipping the region in an effort to improve ties with an increasingly assertive Russia, which strongly opposed the abandoned missile shield project as a security threat. During his three-day Eastern Europe tour, which also took him to Warsaw and Bucharest, Biden sought to heal strained relations. In Prague, he praised Czechs for deploying troops to military missions abroad, such as in Afghanistan, and for their performance in NATO, which they joined 10 years ago.

In a recent letter, prominent Eastern Europeans urged Obama not to sacrifice their region in a bid to improve relations with an increasingly assertive Russia, which fiercely opposed the Bush-era missile shield plan. One of the signatories, former Czech president Václav Havel, told Radio Free Europe/Radio Liberty ahead of Biden’s Prague visit that he expects him to “articulate, in a new way, America’s interest

in this region.”

In Europe, the US vice president met with leaders in Warsaw and Bucharest. He assured Poles that the US was committed to providing security to their country and would not bypass Warsaw when making deals with Moscow. In Romania, he backed Moldova, a former Soviet republic, in moving closer to democracy and the European Union and thanked Bucharest for supporting new missile shield plans.

Poland is ready to participate in the Obama administration’s plan for a U.S. SM-3 missile interception system in Europe, Polish Prime Minister Donald Tusk said after meeting Joe Biden. “Poland finds the new anti-missile project very interesting and important and, in the appropriate scale, we are ready to participate,” Tusk said. The Obama administration had proposed a reconfigured system that envisioned the deployment first of sea-based interceptors and then of land-based systems. Under this arrangement, Poland could host SM-3 interceptors targeting short and medium-range missiles.

DIPLOMACY

US defense deputy assures East Europeans over conflicts

A high-level US Defense Department official told a conference in the capital of relatively new NATO member Slovakia that credible backing for the alliance’s joint-defense clause is a White House priority and that it will require a more efficient organization. “President (Barack) Obama was quite clear when he said that if (the NATO charter’s) Article 5 is to be credible, it has to be backed up by the appropriate contingency planning and – one could add – a credible program of exercises to show that the plans are feasible and can be implemented when they have to be,” said Alexander Vershbow, US Assistant Secretary of Defense. Vershbow was speaking at a forum accompanying a ministerial meeting of the North Atlantic Treaty Organization (NATO.) Article 5 is a commitment by NATO members to consider an attack against one member an attack against them all. Vershbow made reference to last year’s conflict in August between Russia and Georgia, which aroused concerns about the potential threat from Moscow to former Soviet and East bloc states. “The bottom line for me and my government is that this is an important priority, made all the more urgent in the wake of the anxieties aroused by August 2008, and we want to see that the Article 5 guarantee is meaningful for all members of the alliance,” Vershbow added. “NATO has to fulfill its pledges if it wants to remain relevant in the future.” Vershbow said that because the alliance is now defending a greater area than ever before, “an increasing focus on deployable capability packages” is necessary. This view was echoed later Thursday by NATO Secretary General Anders Fogh Rasmussen, who said that a credible territorial defense, which he called a NATO priority, required greater mobility and flexibility. “If (military forces) are not flexible, we need transformation in the sense of more flexibility and deployability,” Rasmussen said. Slovakia, once a part of Czechoslovakia, gained NATO and European Union membership in 2004.

TERRORISM

US says 30 Germans in Pakistan terrorist training camps

At least 30 German Islamists have visited paramilitary training camps in Pakistan this year, a US newspaper reported. Of these, around 10 had already returned to Germany, according to an article in the Washington Post, citing German security sources. As a result, worries had grown over the possibility of new terror attacks in Europe, the paper reported, quoting a high-ranking German terrorism expert who said the situation was serious. A German interior ministry spokesman refused to comment on the article, but said it was known that German Islamists were travelling to Pakistan for training. These movements were being monitored, the spokesman added. Several groups linked to radical Islamist operations such as the Taliban and al-Qaida were recruiting in Germany, German officials told the paper. Since these organizations were working independently, it was difficult to investigate them. “In Germany, we don’t have a uniform structure that recruits people,” a German counter-terrorism official told the paper. Other Europeans including French, Swedish and Belgian citizens were reportedly also experiencing being recruited, as well as a “small, but growing number” of Americans. Several videos threatening terrorist attacks were released in Germany ahead of last month’s general election. One video spoke of retaliation for Germany’s military presence in Afghanistan. The number of western recruits to Islamist training camps in Pakistan and Afghanistan has reportedly increased in recent months, despite attempts by the CIA to aim drones at Taliban and al-Qaida operatives.

TELECOMMUNICATIONS

I-suit, Nokia sues Apple for iPhone patent violations

In a clash of American and European Union electronic titans, Finnish phone giant Nokia filed suit against Apple, alleging that the iPhone infringed on 10 of its patents. Nokia filed the lawsuit in the Federal District Court of Delaware claiming that the patents cover wireless data, speech coding, security and encryption. Nokia said it had signed licenses with other companies that allowed them to use the technology that Apple had used without payment in all iPhones since the device’s 2007 launch.

“The basic principle in the mobile industry is that those companies who contribute technology development to establish standards create intellectual property, which others then need to compensate for,” said Ikka Rahnasto, vice president of legal and intellectual property at Nokia, in a prepared state-

ment. “Apple is also expected to follow this principle By refusing to agree to appropriate terms for Nokia’s intellectual property, Apple is attempting to get a free ride on the back of Nokia’s innovation,” Rahnasto said.

The lawsuit came as Nokia tried to retain its status as the world’s largest maker of cellphones, and as its market share in the profitable smartphone sector shrinks in the face of competition from the iPhone and other challengers. In its third quarter Nokia reported a loss of \$836 million as its sales of smartphones slipped to 16.4 million units from 16.7 million in the previous quarter. By contrast, Apple reported earnings of \$1.67 billion, up 46 per cent from the prior year, and said it sold 7.4 million iPhones, a seven percent increase from the same period a year ago.

MIDEAST/AFRICA

DIPLOMACY

Syria asks to delay signing of EU partnership agreement

Syria wants to postpone the signing of an economic partnership agreement with the European Union, following disputes over provisions covering human-rights and political reform. At a press conference in Damascus, Syrian Deputy Prime Minister Abdullah al-Dardari said his country needed “more time to study the ... agreement,” calling the 20-day period he said the EU had proposed for consideration “inadequate.” Syria had been due to sign the agreement, which would pave the way for its full participation in the European Neighbourhood Policy, in Luxembourg on October 26. All other countries along the southern and eastern shores of the Mediterranean have signed similar agreements with the European Union. Syrian and EU diplomats drafted an agreement in 2004, but negotiations snagged over provisions introduced by the Netherlands making “respect for human rights ... one of the essential elements” of the agreement. Syrian Foreign Minister Walid al-Moallem has repeatedly raised objections to those provisions, calling them “political conditions.” Relations between the European Union and Syria are now governed by a more limited co-operation agreement signed in 1997. The European Union has allocated Syria more than 280 million euros of aid since 1995.

DIPLOMACY

Spain and Lebanon want closer relations after official visit

Lebanon's President Michel Suleiman has stressed his country's interest in boosting relations with Spain after going there to meet with Spanish leaders. Spain's European Union presidency in the first half of 2010 and Lebanon's simultaneous membership in the United Nations Security Council offered an additional opportunity for dialogue and cooperation, Suleiman said during a visit to Spanish senate. Suleiman visited the senate after King Juan Carlos and Queen Sofia welcomed him on the first state visit by a Lebanese president to Spain since 1957. Suleiman then had lunch with the royal couple, as well as Crown Prince Felipe and Princess Letizia. Senate president Javier Rojo praised Suleiman's “enormous efforts” to consolidate political stability in Lebanon. The United Nations' Alliance of Civilizations project and the Mediterranean Union were key instruments to create a better future, Rojo said.

MARITIME LAW

Spanish judge releases one of detained Somali “pirates”

A Spanish judge has released one of two suspected Somali pirates brought to Spain after it turned out he could be a minor, judicial sources said. National Court judge Santiago Pedraz ordered the release of Cabdiweli Cabdullahi, alias Abdou Willy, after the final results of a medical investigation indicated he could be under 18 years old. Initial results had indicated he was 19. Cabdullahi was placed under the authority of prosecutors who were responsible for minors. The prosecutors would now decide what would be done with him, the sources said. Investigating judge Baltasar Garzon had ordered Cabdullahi and Raagegeesey Hassan Haji to be remanded in custody after they were flown to Spain. The pair were suspected of participating in the hijacking of Spanish fishing vessel MS Alakrana on October 2. The vessel is currently being held off Somalia while Spanish negotiators are trying to obtain the release of its 36-member crew.

DIPLOMACY

Solana says Palestinian state should follow 1967 lines

It was is sure to be a contentious idea that could rile Israel, European Union foreign policy chief Javier Solana said that the future Palestinian state should be established along the 1967 borders, following the geographical lines at time of a war between Israel and Mideast countries. He said in Ramallah after ending a day of meetings with Palestinian President Mahmoud Abbas and Prime Minister Salam Fayyad that the sooner a Palestinian state is established the better. “Our dream is to have a Palestinian state and the sooner the better,” he said. This state, he said, “will be constructed on territory marked by the borders of 1967,” the date Israel occupied the West Bank and Gaza Strip. “It may be necessary to swap some territory, but not to disturb the nature and continuity of the territory,” he added. Solana expressed support for a plan Fayyad had put forth last month which foresees the establishment of the foundations of a fully fledged state within two years. He said, however, that the details and implementation of this plan should be concluded in negotiations between the Palestinians and Israel, which he hoped will resume soon following the process started in New York in September when Abbas had his first meeting with Israeli Premier Benjamin Netanyahu in the presence of US President Barack Obama. Solana said he supports efforts by Abbas to reunite the Palestinian people following their split after the Islamist Hamas movement took over control of the Gaza Strip from forces loyal to Abbas in June 2007. He said that the EU supports Abbas' definition of government once a unity rule is established, which he said “can be acceptable by everybody in the international community.”

Abbas, leader of the Fatah Party, said he wants a Palestinian government that accepts his moderate program, which calls for a peace settlement with Israel only through negotiations. The United States has already said that it will not recognize a Palestinian government that does not accept conditions of the so-called Quartet of the US, Russia, the European Union and the United Nations.

These include recognition of Israel and previously signed agreements and renouncing all forms of violence. Hamas does not accept the conditions. Abbas traveled to Cairo following his meeting with Solana to follow up on Egyptian efforts to reconcile Hamas and Fatah. Solana also said that the EU will support presence of a force on the ground in the Palestinian territory other than the EU Police Co-ordinating Office for Palestinian Police Support (EUPOL COPPs) which currently helps in training the police force.

“We cannot have a democratic state



Javier Solana, the EU's chief diplomat (L) embraces Palestinian President Mahmoud Abbas in the Palestinian Authority's headquarters in the West Bank town of Ramallah, Oct. 19 > | (ANA/ EPA/THAER GANAIME)

without the presence of a police force and the rule of law,” he said.

Meanwhile, European Commission Vice-President Gunter Verheugen said that the EU cannot affect a breakthrough in the Israeli-Palestinian peace process, but by offering economic incentives it can make it easier for the sides to come to an understanding. He told the German Press Agency Deutsche-Press-Agentur (dpa) that internal divisions within the EU on the Israeli-Palestinian issue make it difficult to come up with a unified strategy acceptable to both sides.

Acknowledging that many Israelis don't fully trust the EU, Verheugen, European Commissioner for Enterprise and Industry, said that “Europeans must send a clear message that Israel has a right to exist within secure borders.” Once the EU makes this acknowledgement, he said, it would be in a position to be a broker.

Verheugen acknowledged that the EU can only offer what he termed “soft power,” but the economic advantages the EU can offer Israel would give the feeling that the Europeans are doing something for the country's economic future. He said boycotts of Israeli products were “not justified.” Saying they were an “easy solution,” he said he did not believe they could improve the situation.

Israel's former ambassador to Germany, Avi Primor, criticised his country's response to the Goldstone report on the Gaza conflict in a newspaper interview. Israel got another blow when he said the Israeli government was wrong to boycott the investigation led by South African war crimes prosecutor Richard Goldstone, Primor told German daily Neue Osnabruecker Zeitung. “We should submit our position, our arguments and not stay away,” Primor said. The Goldstone report accused both Israel and Hamas of committing war crimes against civilians during this year's 22-day conflict that ended January 18. The for-

mer diplomat said that, while everybody in Israel rejected the report, nobody dared to ignore it. “People speak out vehemently against it, but know it can't be disregarded,” he told the paper. Primor said that Goldstone also took the wrong approach in his report, presented to the UN Human Rights Council. “(Goldstone) would more likely be accepted in Israel if he had tried to be more balanced,” Primor said, adding that Hamas had unleashed the Gaza war by firing missiles Israel for weeks on end. “If Mr Goldstone had described Hamas as war criminals and then criticized the way that Israel conducted this war, it would have been received differently by us,” Primor added. He said a Middle East peace deal was possible, but not realistic in coming years, since “Palestinians and Israelis are far too weak to dare to make concessions.” The only way a peace deal could be implemented was if the international community became involved to a far greater extent than it had done to date, Primor said.

The UN General Assembly plans to hold a debate on the controversial report on war crimes in the Gaza Strip following adoption of the document by the Human Rights Council in Geneva, a UN spokesman said. The assembly president, Ali Treki, will consult with UN members to decide on a date for the debate and its purposes, said Jean-Victor Nkolo. The Goldstone report resulted from a four-member panel's probe of the December-January fighting between Israel and Hamas in Gaza.

The UN Security Council in New York held a debate on the Middle East last at which Arab and Islamic states showed up in force to discuss the report and condemn Israel. But the 15-nation council took no action. The report charged both Israel and the Palestinian militants with war crimes and acts that amounted to crimes against humanity.

FOREIGN AFFAIRS

Fewer EU monitors for second Afghan presidential vote

The European Union has welcomed the news that Afghanistan was to hold a run-off presidential election, noting that “the safeguards of the electoral system have worked” after massive fraud led to the first round results being thrown out by the United Nations. A statement issued by Sweden, current holder of the rotating EU presidency, commended the Electoral Complaints Commission and the Independent Election Commission on “identifying, investigating and ruling on the fraud and irregularities during the elections.” The EU also urged “all parties and institutions to ensure a transparent, credible and secure process.” The run-off vote is due November 7 between Afghan President Hamid Karzai and Abdullah Abdullah.

But the EU would find it difficult to send observers for the Afghan presidential runoff, the Swedish Foreign Minister Carl Bildt. In an interview on Swedish radio, Bildt, whose country currently holds the rotating EU presidency, said it would be impossible to mobilize a large number of observers by November 7. The runoff has been scheduled after election fraud marred the first round of voting in August, in which President Karzai finished first despite reports the fraud was so massive that he won every vote in some places and that there were more voters and people living there.

Bildt said the EU member states would likely send fewer election monitors than in the first round and added the security situation in southern and eastern Afghanistan was “extraordinarily difficult.”

“Everyone who was part of the electoral process (should) fully respect all parts of the agreed procedures, including the work of the Election Complaints Commission (ECC) ... If these results point towards the need for a second round, a second round must be held,” Bildt said after talks with his



A worker of the Afghan Independent Election Commission (IEC) carries one of the ballot boxes to be transported to polling stations across the country, in Kabu for the Nov. 7 run-off election after the first vote was thrown out because of massive fraud | ANA/EPA/S. SABAWOON

Russian counterpart, Sergei Lavrov.

Information about the results of the ECC's findings leaked to the media put Karzai's share of the vote below 50 per cent, even with the fraud, which would force him to take part in a run-off with his top challenger and former foreign minister, Abdullah. At a separate briefing in Brussels, NATO Secretary General Anders Fogh Rasmussen said that the credibility of the Afghan election process was critical to the West's engagement there. “There is a strong need for the international community to have a credible and accountable government in Kabul (...) with which we can engage and make sure the government is considered credible by the Afghan people,” he said.

A group of Afghan parliamentarians warned that the fraud that marred the August 20 election will be repeated in the runoff unless top members of election commission are replaced. Around one million phony ballots cast in the first round of the election were thrown out of Karzai's tally, pushing his share of vote to below the 50 percent needed for an outright victory and forcing him into

a runoff election with his top rival Abdullah.

A group of a dozen parliamentarians, who represent The New Way Political Party, that the same level of fraud would take place during the runoff, unless there is a change in the leadership of the IEC, whose six-member-panel has been appointed by Karzai. “Everybody knows that they are loyal to Karzai and were involved in fraud,” Ahmad Behzad, one of the legislators, told a press conference in Kabul. “With the current combination in (IEC's) leadership, we will not have a just election and the fraud will take place again.” Behzad said that the group supported Abdullah's candidacy in the first round of the elections, and consulted Abdullah about their new stance on the IEC, but insisted that he was not speaking on behalf of the former foreign minister.

Abdullah, who had repeatedly accused the IEC of co-engineering the fraud during the first round, also said that his team will set certain conditions “to avoid widespread fraud” during the second round.

INTELLECTUAL PROPERTY

EU gives ASEAN €166 mln for IPR project

The European Commission has provided 4.5 million € (\$6.7 million) to the Association of South-East Asian Nations (ASEAN) to help protect intellectual property in the region, where piracy is rampant. “This is laying down some fundamental elements that would move us further towards the eventual goal of a free trade agreement with the EU,” ASEAN secretary-general Surin Pitsuwan said after accepting the European Commission (EC) funding. The European Union has put on “pause” negotiations to sign a free trade agreement (FTA) with ASEAN after failing to reach a commitment from the regional bloc for a comprehensive and “ambitious” pact. The EU has decided to pursue bilateral FTAs with ASEAN member states instead, with the first likely to be implemented with Singapore. ASEAN includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. ASEAN has signed partial FTAs with Australia, China, India, New Zealand, Japan and South Korea. Last week South Korea signed an FTA with the EU. Weak protection of intellectual property rights is just one of many issues that have hindered more European investment and trade in ASEAN.

MERGERS

EU okays Panasonic-Sanyo deal if battery plants sold

Japanese electronics giant Panasonic can take over its rival Sanyo as long as the two companies sell certain battery-making plants, the European Union's executive said. “The decision is conditional upon the divestment of certain battery production facilities in markets where the (European) Commission identified competition concerns,” the Brussels-based body said in a statement. EU regulators had feared that a tie-up between Panasonic and Sony would give the merged company too great a share of the market for batteries for products such as mobile phones, power tools and digital cameras. That could have led to market abuse, the commission, which oversees the EU's strict competition laws, said. Panasonic and Sanyo have therefore promised to sell off two battery production plants to keep competition strong. The commission had also worried that the merged company would gain an unfair advantage over the market for camcorders and flat-screen TVs, but an in-depth study concluded that that would not happen, the commission statement said.

JUSTICE

EU court overturns asset freeze on alleged Filipino terrorist

The European Union was wrong to freeze the assets of Jose Maria Sison, a Filipino national accused of heading a terrorist group in the Philippines, the EU's court ruled. Sison has lived in the Netherlands since 1987, but the authorities there have repeatedly refused to grant him asylum or a residence permit, saying that he is the head of Communist terrorist group the New People's Army in his homeland. Basing itself on the Dutch verdicts, the EU placed Sison on its list of terrorists and ordered that his assets be frozen. After repeated legal challenges, the EU's court in Luxembourg ruled that the Dutch verdicts “clearly do not involve any ‘conviction’ of Mr Sison, nor do they amount to decisions to ‘instigate ... investigations or prosecute for a terrorist act’ - the legal grounds for an asset freeze.

IMMIGRATION

EU says Afghan expulsions must follow set policies

European Union member states must follow strict rules if they want to forcibly repatriate illegal Afghan immigrants, the EU's justice commissioner said. Jacques Barrot was speaking a day after France controversially flew three illegal Afghan migrants back to Kabul, arguing that they would not be in danger in the city. National authorities have to make sure that Afghan migrants either do not want asylum or have had an asylum application rejected, and ensure that their lives will not be in danger if they are sent home, Barrot said in a statement.

“The (European) Commission attaches great importance to the strict respect of these three conditions and will remain vigilant to assure the respect of EU rules,” Barrot said.

France and Britain chartered a joint flight to send illegal immigrants back to Afghanistan. Immigration Minister Eric Besson said that the Afghans would be flown to Kabul, “where there is no threat to their physical safety.” But charities working with immigrants said the flights contravened the European Declaration of Human Rights because they exposed the returning Afghans to war and terrorism. Commission officials said that the French move appeared to have followed EU rules.

“According to what (Besson) said, the conditions were met for the first three expellees. We will keep an eye on the situation,” Barrot's spokesman, Michele Cercone, told the German Press Agency Deutsche-Press-Agentur (dpa.)

DIPLOMACY

China, EU preparing for next leaders' meeting

China and the European Union are making preparations for the next leaders' meeting, a Chinese Foreign Ministry spokesman said. "In accordance with Premier Wen Jiabao and EU leaders' consensus, China and the EU are actively preparing for the 12th China-EU summit," Ma Zhaoxu told a regular briefing here. Ma did not release details such as when and where the meeting will take place. Initiated in 1998, the summit is the highest-ranking dialogue platform between China and the EU.

SOCIETY

China, EU focus on social security schemes

Establishing a multi-tier pension system may be better at reducing investment risks of pensioners, especially during a financial crisis, experts at the two-day European Union-China high-level roundtable on social security, China Mail reported. The roundtable, organized by the EU-China Social Security Project, is one of the flagship cooperation projects between the two sides. At the fourth roundtable talks in Stockholm last week, officials and experts discussed how to manage social security in periods of economic uncertainty, especially the impact of the global economic downturn on the labor markets and on individual pension accounts. "Social policies should be seen as a productive factor, not as a luxury we can afford only during the good years," said Xavier Prats Monne, Director for Employment, Lisbon Strategy and International Affairs, European Commission.

DIPLOMACY

Chinese State Councilor meets French FM, President's advisor

Chinese State Councillor Dai Bingguo met separately with French Foreign Minister Bernard Kouchner and the French president's diplomatic advisor Jean-David Levitte in Paris. During the meetings, the two sides exchanged views on bilateral ties, as well as on major international and regional issues of common concern. Under the new international circumstances, China and France shoulder a more important responsibility for world peace, development and stability, Dai said, Xinhua reported. Dai said the two sides should make serious efforts to implement the important consensus reached by the top leaders of the two countries, cement the China-France comprehensive strategic partnership and push forward the sound and steady development of bilateral ties.

SECURITY

EU naval force says Chinese pirate hostages are okay

A spokesman for the European Union (EU) naval force John Harbour confirmed that 25 Chinese were taken hostages by Somali pirates in the Indian Ocean and they seemed to be fine. Harbour said "the total number held hostages along Somali coast is 146. I can confirm on board the carrier, there are 25 Chinese "personnel." He said: I know that the UK Maritime Trade Office has spoken to the owner of the ship, to confirm the figure and they are trying to get in touch with the pirates, at the moment to see what their next intentions are. Harbour said they send a helicopter to investigate the event. It has detected the bulk carrier and has taken photographs that "there were a number of other people seeing on the dock.

DIPLOMACY

China, Hungary sign 14 deals to improve ties, trade

Chinese Vice President Xi Jinping signed 14 bilateral agreements with Hungary on a visit to the European Union country aimed at improving relations and increasing trade opportunities for both. Five of the documents were cooperation agreements between the Hungarian and Chinese governments, while nine dealt with strengthening trade links, the local news agency MTI reported. The signing followed discussions between Prime Minister Gordon Bajnai and the Chinese delegation in the Hungarian parliament.

Meanwhile, outside parliament, a handful of demonstrators waving Tibetan flags protested against Chinese policy towards the disputed province. Xi Jinping visited a bilingual Chinese school in the Hungarian capital and met President Laszlo Solyom for talks earlier. The Chinese vice president set aside four days for his visit to Hungary, and also visited Belgium, Germany, Bulgaria, and Romania.

Xi said the year 2009 is of great significance for both China and the Chinese-Hungarian relations, as it marked the 60th anniversary of the founding of the People's Republic of China as well as the establishment of diplomatic ties between the two countries. Xi expressed the hope that his visit would further strengthen the traditional friendship, upgrade mutually beneficial cooperation and push forward the friendly and cooperative partnership between the two countries.

Since the establishment of the friendly and cooperative partnership between China and Hungary in 2004, bilateral ties have turned to a new page, marked with frequent high-level contacts, enhanced mutual political trust, fruitful economic and trade cooperation, strengthened personnel and cultural exchanges, and close coordination on international and regional issues, said the vice president. The friendship be-



Chinese Vice President Xi Jinping (L) walks in the Dome Hall, next to the Hungarian crown as he tours the Parliament building in Budapest, Oct. 16, 2009 during a four-day official visit. |ANA/EPA/LASZLO BELICZAY

tween China and Hungary has stood the test of time and the two countries are good friends and partners joined together in sincere cooperation, Xi added. The Chinese side appreciates the fact that the new Hungarian government treasures its ties with China and makes developing these ties one of the priorities in its foreign policy, he continued. Xi said China also values its relations with Hungary, and is willing to take the opportunity of the 60th anniversary of bilateral diplomatic relations, to push forward the bilateral mutually beneficial cooperation in various fields so as to bring benefit to the people of both countries.

The Chinese government will continue encouraging Chinese enterprises to invest in Hungary and welcomes Hungarian companies to exploit the Chinese market, so as to further promote the mutually beneficial cooperation in fields like finance, tourism, agricultural technology and infrastructure construction, he said. The Chinese side welcomed Hungary's decision to set up a consulate general in southwest

China's Chongqing city and Hungarian companies to take part in the China High-Tech Fair scheduled for November in Shenzhen. China also appreciates Hungary's support for and active participation in the Shanghai World Expo 2010, he said.

Xi also voiced China's appreciation to Hungary's efforts to enhance the relations between China and the European Union, and expressed hope that the Hungarian side would continue to play an active role within the European Union to push forward the China-EU relations. Bajnai said the two countries have enjoyed good relations in the past 60 years, which he said has laid a solid foundation for further development of bilateral ties.

The prime minister said China is currently Hungary's most important economic partner in Asia, and that amid the current complicated global financial and economic situation, Hungary is ready to become a firm partner of China and to join hands with China in opposing trade and investment protectionism.

ECONOMY

Iran's secret nuclear cloud overshadows the G20 Summit

In developments closely watched in the European Union, China's gross domestic product (GDP) rose 8.9 % year-on-year in the third quarter of 2009, the government said, meaning full-year growth is expected to reach eight percent despite a slowdown earlier in the year. The economy was boosted by strong retail sales from July to September, with a rise of 15.1 % year-on-year, while the consumer price index, the main gauge of inflation, fell 1.1 % in the same period, the National Bureau of Statistics said. The new figures meant that China's GDP grew 7.7 % year-on-year to 21.78 trillion yuan (\$3.18 trillion) in the first three quarters of the year, the bureau said. The rise showed China's overall economic situation was "turning favorable" and that China would meet its annual growth target of eight percent, bureau spokesman Li Xiaochao told reporters. GDP rose 7.9 % in the second quarter after slowing to 6.1 percent in the first quarter, the lowest quarterly rise since 1999. The State Council, or cabinet, said China's economic development this year was

"soundly beyond expectations" with a "consolidated" recovery from the effects of the global financial crisis. After a meeting chaired by Premier Wen Jiabao, the State Council said the rebound was "thanks to the timely and all-round implementation of the government's economic stimulus package and other policies." The government's four trillion yuan (\$590 billion) infrastructure-centred spending package had promoted government-related investment this year, accompanied by a surge in new bank lending and continuing growth in domestic consumption, the World Bank said in a recent report. Some international analysts have forecast full-year growth as high as nine percent in China's GDP this year. The EU is counting on China's growth to help propel trade with struggling European markets who are continuing to suffer significantly from the worldwide recession and Chinese developments are being used as a gauge to help determine when the rest of the world could take advantage of it.

VEHICLE INDUSTRY

Rising Tata Motors takes over a Spanish bus maker

India's Tata Motors, making noises about becoming one of the world's biggest makers of cars and buses, has made a move into the European Union with the acquisition of the remaining 79 percent stake in Spanish bus maker Hispano Carrocera, one of Europe's main bus and coach manufacturers. Tata Motors, which is India's largest automobile company by sales, said it bought the additional stake by exercising an existing call option with the other shareholder, Spain's Investalia. The Mumbai-based firm had purchased a 21 percent stake in Hispano in February 2005.

"After the acquisition, the company will further strengthen the ongoing initiatives to improve operational efficiencies such as productivity improvement, cost reduction and new product development to improve market share of the company and enhance brand value," Tata Motors said. "Tata Motors is confident that Hispano will now emerge as an even stronger force in the Spanish as well as global bus and coach markets," it added. Tata had consolidated revenues of \$14 billion in the financial year up to March 31, 2009. The company, which produces ultra-cheap cars like Nano and has luxury brands like Jaguar and Land Rover in its stable, has operations in Britain, South Korea, Thailand and Spain.

The company, part of the giant tea-to-steel Tata Group, lifted its stake in Hispano to 100 percent from 21 percent by exercising a call option or right to purchase, the statement by Tata Motors said. No details were disclosed about the price paid. "Tata Motors is confident that Hispano will now emerge as an even stronger force in the Spanish as well as global bus and coach markets," Tata Motors said. "This acquisition demonstrates Tata Motors' ongoing commitment to Hispano Carrocera," Tata Motors said, adding that the acquisition will help strengthen its ongoing initiatives to improve operational efficiencies such as productivity, cost reduction and development of new products, to increase market share and enhance brand value.

Tata had paid \$12 million in 2005 for buying a 21 percent stake in the Spanish company. Ravi Kant, now non-executive vice-chairman and then executive director of TM, was appointed chairman of Hispano. The stake buy gave TM the access to Hispano's design and technology in bus building. It also acquired the license for brand rights of the Spanish company.

It was widely expected in the automotive industry that TM would eventually increase its stake in Hispano, mainly to reinforce itself as one of the world's largest bus makers. The company cur-



Ratan Tata, chairman, Tata Motors, during the Tata Motors annual general meeting in Mumbai, India, August 25, 2009 | .ANA/EPA/STRINGER

“Tata Motors is confident that Hispano will now emerge as an even stronger force in the Spanish as well as global bus and coach markets

rently ranks second in the world in bus making. "After the acquisition, the company will further strengthen the ongoing initiatives to improve operational efficiencies such as productivity improvement, cost reduction, and new product development, to improve market share of the company and enhance brand value. Tata Motors is confident that Hispano will now emerge as an even stronger force in the Spanish as well as global bus and coach markets," a press release said.

The Spanish company currently manufactures a variety of city and intercity touring coaches from two of its facilities located in Zaragoza in Spain and Casablanca in Morocco, North Africa. It also has commercial relations with more than 50 countries and a capacity to make almost 2,000 units every year. Earlier this year, Tata started commercial production at its newest plant in Dharwad, Karnataka, which is also the world's biggest bus making facility, spread across 123 acres and a capacity to make 30,000 a year. The plant is owned by Tata Marcopolo Motors, a 51:49 joint venture of Tata Motors and Marcopolo Motors, the Brazil-based, global leader in body building for buses and coaches.

A BUS STRATEGY

In response to a query from the Financial Express, a company spokesperson said, "The acquisition of the 79 percent stake in Hispano Carrocera has been internally funded. It is a minuscule amount. Hispano has been converted into a

wholly owned subsidiary to close integration with the company's bus market strategy in all relevant markets." The acquisition will help the company in further strengthening the ongoing initiatives, to improve operational efficiencies such as productivity improvement, cost reduction, new product development, help it improve market share, and enhance brand value. Positioned in the premium end in the city's bus and coach market, currently has a 10 percent market share in Spain and the acquisition will help it integrate with Tata Motors better and grow the share in that market, said company's spokesman. Hispano has two manufacturing units - one in Spain addressing the European market and the other in Casablanca that caters to the North African and Moroccan markets.

The company had been holding on the choice of increasing its stake in the Spanish company for a long time. But now after making Hispano Carrocera SA a fully owned subsidiary, Tata Motors will work on improving the operating efficiencies, production volumes, cost reduction, product innovation and development. This acquisition will not only help it in strengthening the market share but will also enhance its brand value. The company had, quite time back contemplated on the idea of increasing its stake so as to establish itself as the country's largest bus makers. Currently the company is ranked second in the bus making industry.

AN AMERICAN IN INDIA EU business lesson: Tata means trust

By Andy Dabilis



MUMBAI, India – For a man who took his business from a new player into the top tier of the world's best consulting companies, Subramanian Ramadorai lives and speaks a life without the braggadocio he could easily elicit, but don't confuse his humility with his ability to manage people and get results. Ramadorai

just turned over the reins of Tata Consultancy Services to his hand-picked successor N. Chandrasekaran, but not before taking it from a \$140 million business with 7,000 employees when he became the CEO in 1996 to a \$6.1 billion world-class business with 140,000 workers. How he did it is a textbook case of how to achieve market share and the unshakeable loyalty of workers without the bombast and dripping greed that almost sank American and European banks and drove the world into a death-grip recession that has put millions of people out of work and millions more on the streets after losing their homes.

The obscene obsession with bonuses they didn't earn that nearly destroyed banks like UBS in Switzerland and Northern Rock in the United Kingdom, that humbled giants like Societe Generale in France, and the unparalleled avarice of American companies now being repeated on Wall Street won't be seen in the halls of TCS, where you have to earn your keep, a lesson passed down from Ramadorai's desk, along with genuine corporate social responsibility and not the phony anti-bono attitude of Americans and Europeans. TCS is under the umbrella of India's Tata Group, led by Ratan Tata, whose pedigree includes Harvard and Cornell, and who has put his imprimatur on his companies by hiring people like Ramadorai and letting them guide people toward performing instead of wanting bonuses for incompetence. The Tata Group, with operations including steel, cars, chemicals, has 350,000 employees worldwide, including in the EU, including people like Abhinav Kumar of TCS's Paris office (disclosure: I know him and like him) who exemplify the code of ethics Tata requires of its workers. Kumar is smart in the quiet, well-mannered way of Tata executives. A survey this year by the Reputation Institute ranked Tata Group as the 11th most reputable company in the world among 600 analyzed. Ramadorai made a dent as well in the corrosive atmosphere of some EU business dealings when he came to Brussels in June for a discussion at a university where he quietly made the point that while other companies were hiding in foxholes to avoid the fallout of the recession they created with greed, he was snapping up their business by being bold and optimistic, without the false swagger that nearly drove so many EU and American banks and businesses off a cliff. He may talk like Gandhi, but gets the same results and it's his textbook that should be on the desk of EU and American business schools.

Ramadorai, 56, was educated in India but got his master's degree from UCLA and attended the Executive Development Program at the Sloan School of Management at MIT, where he should probably go back to teach Americans some lessons. "At the end of the day you are still dealing with people and they can be taught excellence," he said. Tata has engendered loyalty from its staff and its customers, because he said, it believes in a word has than has been lost in the buzz of business in Europe and the United States in too many companies, unless you're talking about a bank like USAA of San Antonio, Texas, the best in the country, and which operates the same way as Tata. You'd have to look long and hard in the EU to find one. "It's really all about trust," he said. If you work for an EU or American business, look it up.

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HUMAN RIGHTS

Russian human-rights activists win EU's Sakharov prize

Three Russian human rights activists who campaigned to shed light on the crimes of the Soviet Union have won the European Parliament's Sakharov Prize for freedom of thought, parliament president Jerzy Buzek announced on 22 October.

The award of the prize to Oleg Orlov, Sergei Kovalev and Lyudmila Alexeyeva "on behalf of (non-governmental organization) Memorial and all other human rights defenders in Russia" is likely to provoke fierce criticism in Russia, where the Memorial group is regularly accused of falsifying history by highlighting Soviet crimes, Deutsche Presse-Agentur (dpa) reported.

Memorial, whose first leader was Russian dissident Andrei Sakharov, after whom the prize is named, "promotes the truth about the political repression of the USSR and fights against current human rights abuses in post-Soviet states," the parliament nomination ran.

The group was founded in the late 1980s to create a memorial complex to victims of Stalinist repression. It later expanded into a human rights organization focusing on democratic developments in states such as Russia, Ukraine and the South Caucasus.

Its stance on Soviet crimes has put it on a collision course with the Russian government, which portrays the Soviet era as a period of national greatness and sees those who accuse the USSR of crimes as betraying Russia and falsifying history.



Human rights activist Lyudmila Alexeyeva (C) attends an opposition march in central Moscow, Russia on 31 August. Alexeyeva, Oleg Orlov, Sergei Kovalev won the European Parliament's Sakharov Prize for freedom of thought on 22 October. | ANA/EPA/SERGEI ILNITSKY

Reacting to the announcement, Memorial said the prize was an "honour for Russia's civil rights movement as a whole."

However, a "bitter feeling" remained because the quest to ensure rule of law in Rus-

sia was being "sabotaged," Orlov was quoted as saying by the Interfax news agency. Despite the efforts of many activists in the field of human rights, Russia was moving "in the opposite direction," he said. "In this regard, our

efforts over the last year have not been fruitful."

Peter Franck, Russia expert at the Berlin office of international human rights watch Amnesty International said: "The award recognizes the outstanding work of human rights activists in an ever threatening situation in the Russian Federation."

A quarter of the 736 members of the European Parliament (MEPs) come from countries which were formerly dominated by the USSR. They have regularly criticized what they see as Russia's approval of Soviet crimes committed against their country.

Memorial was nominated for the prize by the head of the Polish conservative delegation in the parliament, Jacek Saryusz-Wolski, and a mixture of conservative, left-wing and Green MEPs.

"Memorial's actions to fight for human rights and freedom are wide in scope and it groups together people of great courage, who are ready to sacrifice their lives. By giving this reward to Memorial, we are helping it continue its fight for fundamental freedoms and democracy," Saryusz-Wolski said in a statement.

The three Russians won the prize ahead of Swedish-Eritrean political prisoner Dawit Isaak and Palestinian doctor and peace activist Izzeldin Abuelaish.

The prize is worth €50,000 (\$75,000). It will be presented on December 16.

POLITICS

Ukraine should be a neutral state, says Yanukovich



Former Prime Minister Viktor Yanukovich | ANA/EPA/SERGEY DOLZHENKO

Former Prime Minister Viktor Yanukovich announced his candidacy for the Ukrainian Presidency on 23 October, saying the ex-Soviet republic should remain neutral between Russia and western nations. "I will give Ukraine a new foreign policy: Ukraine will be an unaligned state," Yanukovich said. Reconciliation with Russia, and improved trade relations with the European Union, would be the top foreign policy priorities of a Yanukovich administration, he said. Yankovich's announcement, made at a rally in the capital Kiev, marked a visible shift in the veteran politician's formal position, moving away from a past call by the veteran politician for Kiev to maintain close relations with Moscow at all costs. Other top policy goals listed by Yanukovich during a speech to mem-

bers of Regions Ukraine, the political party he heads, included increased status for the Russian language, and improving living standards of lower income Ukrainians. Yanukovich hails from Ukraine's Russian-speaking East, and during his failed 2004 Presidential bid received open support from the Kremlin. His political base remains strongest in ethnic Russian provinces, and with steel and energy magnates operating in Ukraine's industrial Donbass region. Now leader of Ukraine's opposition, Yanukovich said Ukraine should become a "new common market" between the European Union, and CIS nations. Polling surveys currently give Yanukovich a strong lead, with a 25 - 28% popularity rating, against 18-22% predicted for his closest rival Prime Minister Yulia Tymoshenko.

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CLIMATE | GLOBAL WARMING

Time runs out for climate

By Kostis Geropoulos



The Holgate Glacier along the southern coast of Alaska as a cruise ship examines the melting glacier amidst floating blocks of ice, on 24 July 2007. In Alaska climate change is happening at such an expedited rate there is no transition period to adapt quickly to the changes | ANA/EPA/GARY KEMPER

In Alaska climate change is happening at such an expedited rate there is no transition period, Greenpeace's George Pletnikoff told New Europe on 23 October from Anchorage. "There is no transition period. We don't have time to make the transition and adapt quickly enough to the changes," he said.

Pletnikoff called for a world-wide ban on exploration and drilling for fossil fuels in the poles. He said it is not too late for action. "What we have to do is fulfill a limit on oil and gas exploration in the Arctic and Antarctic Oceans," he said. "The region is in dire straits and in need for humanity's respect and protection. If we don't do that then we will have destroyed the world's oceans and that's our legacy," he said by phone.

Pletnikoff, a senior oceans campaigner with Greenpeace who grew up on St. George Island

and our homes are being destroyed and there is nothing we can do," he said.

Worried over the possibility of failure in the Copenhagen climate change summit in December, Pletnikoff urged more commitments from world leaders to cut CO2 emissions. "It has to be brought down more. It's a very difficult issue because you're talking about developed and undeveloped nations. How we define what's developed? It's a difficult issue, but CO2 emissions have to be brought down. If that's not done, then everything else that we're going to do to deal with climate change is not going to be effective," the Greenpeace campaigner said.

His comments come just two days after EU environmental ministers have agreed to a set of demands for the upcoming United Nations cli-

mate negotiations in Copenhagen. The agreement commits the EU to cutting its emissions of greenhouse gases by 80-95% by 2050 compared to 1990 levels, as recommended by UN experts. But that pledge will only hold if other developed economies make similar efforts, since it is in the context of necessary reductions by developed countries as a group. It also commits the EU to pushing for global emissions limits on airlines and shipping companies of 10% and 20% respectively below 2005 levels.

Environment Commissioner Stavros Dimas said. Swedish Environment Minister Andreas Carlgren, who brokered it as current holder of the EU's rotating presidency, agreed. The deal "makes us the key to reaching an agreement in

Copenhagen," he said.

The agreement also puts off a fight between Eastern and Western member states over the issue of up to \$150 billion worth of emissions permits which Eastern states gained under the Kyoto Protocol. A row between Eastern and Western member states on 20 October deadlocked talks between finance ministers.

According to EU officials, former-Communist states such as Russia, Ukraine, Poland and the Baltic States currently hold between 7.5 billion and 10 billion AAUs, with an estimated market value of €75-100 billion (\$112-150 billion). The EU's eastern members are fighting for the right to sell the permits. But Western states say that using the permits would undo efforts to battle global warming because other governments would buy the permits and use them to pay fines for excess emissions, rather than trying to reduce their emissions.

As the December deadline nears, Swedish Prime Minister Fredrik Reinfeldt on October 22 called on nations to "put national interests aside" in order to secure a global deal in Copenhagen.

As Greenpeace campaigner Pletnikoff pointedly told New Europe from Alaska if countries do not effectively cut CO2 emissions, "We're just putting a band aid on the problem. It'll get worse and worse until God knows what happens."

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“We’re seeing stress amongst Alaskan native peoples who have survived in this environment for over 10,000 years, our cultures are being eroded and our homes are being destroyed and there is nothing we can do

in the Bering Sea, has experienced first hand the devastating effects of climate change.

“Some of our villages are being flooded because of the rise of the ocean’s waters; some of them are being destroyed by coastal erosion caused by the lack of sea cliffs that work as the buffer zone between the ocean and the land,” Pletnikoff said. He explained that sea cliffs work as a breakwater, limiting the amount of the destructive erosion caused by the ocean and the waves.

“We’re seeing our foods moving further and further away from our homes. It’s more difficult to capture food for our nutritional needs; we’re seeing ice that is causing habitat loss for polar bears and seals that need ice for their survival. We’re seeing stress amongst Alaskan native peoples who have survived in this environment for over 10,000 years, our cultures are being eroded

mate negotiations in Copenhagen. The agreement commits the EU to cutting its emissions of greenhouse gases by 80-95% by 2050 compared to 1990 levels, as recommended by UN experts. But that pledge will only hold if other developed economies make similar efforts, since it is in the context of necessary reductions by developed countries as a group. It also commits the EU to pushing for global emissions limits on airlines and shipping companies of 10% and 20% respectively below 2005 levels.

The agreement stresses that the EU is not planning to bring in unilateral limits on the two sectors, since its stance is only for negotiating purposes and any agreement should be enforced globally, in a manner that ensures a level playing field.

“The EU will maintain its leadership role in the world” because of the agreement, EU Envi-

ENERGY|GAS

Azerbaijan mulls Iranian, Russian gas markets

Azerbaijan is ready to sell its gas to Iran and Russia amid lingering disputes over the sale price for its natural gas to Turkey, state oil company of Azerbaijan (SOCAR) President Rovnag Abdullayev said. He noted that his country had the technology in place to export natural gas to Iranian customers, the Azeri Press Agency reported. "Currently, the pipeline between Iran and Azerbaijan is being repaired," he said. "Compressors are being upgraded to allow as much as possible gas exports to Iran." He did not indicate the price Azerbaijan would charge Iran for natural gas. Abdullayev indicated gas exports to Russia could reach 247 billion cubic feet of natural gas each year with the reconstruction of gas infrastructure. His comments come as Turkey and Azerbaijan wrangle over gas prices. Azerbaijan currently charges Turkey about 30% of the market price for natural gas, and Abdullayev said he was waiting for Ankara to respond. On October 16, President Ilham Aliyev complained that Turkey received a 70% discount on Azerbaijani gas when compared to world prices. He also blamed Turkey for delaying Azerbaijani gas exports to Europe for the past two years.

ENERGY|OIL

Slovakia to secure oil supply from the Adriatic

Slovaks and Austrians will construct a pipeline that should secure oil from the Adriatic for Slovakia as of 2012, Radio Slovakia reported on October 19. The construction of a pipeline by oil companies Transpetrol and OMV is set to be launched in 2011. The length of the pipeline should be 62 kilometres, of which 12 kilometres will be laid down in Slovakia. The project will be carried out by joint venture Bratislava Schwechat Pipeline, in which Slovakia's state-owned Transpetrol will have a 74% stake and OMV the remaining 26%. The costs are estimated at 28 million euro. The pipeline should allow flows in both directions, enabling Austria to connect up to oil supplies from Russia, while Slovakia will gain access to oil from the Adriatic flowing via the Italian city of Trieste.

ENERGY|OIL

HELPE-Edison merger through absorption of Thisvi

Hellenic Petroleum S.A. announced on 23 October, within the framework of the agreement to form a strategic alliance with Italy's Edison SpA that was signed on 3 July 2008, the merger through absorption of Thisvi SA (which was 65%-owned by Elpedison BV and 35%-owned by Hellenic Energy & Development SA and Halcors SA) with Energiaki Thessalonikis SA, which has been renamed to Elpedison Power Generation SA (was 100%-owned by Elpedison BV). Energiaki Thessalonikis SA owns a 390MW CCGT power plant (in operation) in Thessaloniki, Greece, while Thisvi SA owns a 420MW CCGT power plant (under construction) in Thisvi, Greece. Following the merger and pursuant to the agreement, 21% of Elpedison Power Generation SA was transferred by Elpedison BV (a 50/50 joint venture between Hellenic Petroleum and Edison) to Hellenic Energy & Development SA and Halcors SA. The consideration amounts to €30.7 million. Currently, and in line with the strategic alliance agreement, Elpedison BV owns a 75% stake in Elpedison Power Generation SA, with the remainder owned by Hellenic Energy & Development SA (22.5%) and Halcors SA (2.5%).

ENERGY|GAS PIPELINE

Putin sees South Stream ready earlier than planned



Russian Prime Minister Vladimir Putin (R) speaks with his Italian counterpart Silvio Berlusconi during a meeting with top managers of Russian companies in St Petersburg, Russia, 22 October. | ANA/EPA/ALEXEY NIKOLSKY/RIA NOVOSTI

Russian Prime Minister Vladimir Putin believes that the South Stream pipeline, which would transport Russian gas to Europe via the Black Sea, could be ready earlier than planned, Interfax reported on 22 October. Putin met in St Petersburg with Italian Prime Minister Silvio Berlusconi, whose country would be one of the end points for the supply line.

Putin said that he saw "positive movement" from the Turkish government on work for the pipeline, meaning that the project could be delivered earlier than the scheduled 2013 date.

Earlier last week Russia, Turkey and Italy agreed upon a deal to carry out geological exploration work in the Black Sea. Turkish President Abdullah Gül had a telephone conversation with Russian President Dmitry Medvedev on October 19. "In accordance with the earlier understandings reached at the top and high levels, the Turkish government has made all the necessary decisions to issue permissions for geological exploration in Turkey's exclusive economic zone in the Black Sea for the sake of the South

Stream gas pipeline project," Gül told Medvedev. In response to Gül, Medvedev said the decision will facilitate the further strengthening of the strategic relations between Russia and Turkey.

Russia's Kommersant daily reported that Turkish Energy Minister Taner Yildiz informed Russian Deputy Prime Minister Igor Ivanovich Sechin of Turkey's decision "unofficially" in Milan on October 19, prior to the signing of a memorandum of understanding on the Samsun-Ceyhan oil pipeline by Turkey, Russia and Italy.

On August 6, Russia and Turkey signed agreements on cooperation in the gas sphere, envisioning in particular Turkish consent for the construction of the South Stream pipeline, in its territorial waters.

The South Stream gas project is to be built by a joint venture between Russia's Gazprom and Italy's ENI. The €25 billion (\$36.5 billion), 900-kilometre-long undersea section of the pipeline will run from the gas compressor facility at Beregovaya, on Russia's Black Sea coast, near Arkhipo-Osipovka, towards the city of

Burgas, in Bulgaria. The sea's maximum depth on this route is 2,000 metres. South Stream is designed to annually pump 31 billion cubic metres of Central Asian and Russian gas. The pipeline's capacity is expected to be eventually increased to 63 billion cubic metres.

Russia, which supplies more than a quarter of the European Union's gas, is in a race to build South Stream under the Black Sea bypassing Ukraine ahead of the EU-supported Nabucco pipeline which is meant to reduce reliance on Russia by securing gas from the Caspian. Payment disputes between Russia and Ukraine, through which much of Russian gas destined for Europe flows, have blocked gas shipments to Europe in the past, making some question Russian reliability.

Bypassing Ukraine with the South Stream pipeline should resolve that problem, argue Russian officials. Nonetheless, some European leaders would like an alternate, worrying that they are too dependent on Russia, which provides the bulk of gas for European consumption.

ENERGY|GAS

Gas production from Azerbaijan increases

Azerbaijan in the first nine months of the year produced significantly more oil than expected, Minister of Industries and Energy Natig Aliyev said.

Azerbaijan produced 277 million barrels of oil, which was significantly higher than anticipated, Trend news agency quoted Aliyev as telling members of Azerbaijan's parliament during a socioeconomic review of the first nine months of the year. Azerbaijan expects to produce more than 300 billion

cubic feet of natural gas per year in the coming years from its Shah Deniz field, he said.

Baku said two weeks ago, however, that production at the offshore field was down because of delays at one of the wells operated by the Azeri division of BP.

Aliyev said the former Soviet republic was able to meet the needs of domestic consumers as well as its customers in Georgia, Turkey, Russia, Iran and Europe.

ENERGY|GAS PIPELINE

Denmark approves Nord Stream route, Finland is due next



Steel pipelines at Sassnitz-Mukran ferry harbour on the Baltic Sea island of Ruegen being loaded onto a cargo vessel for the construction of the Nord Stream gas pipeline, on 7 October. | ANA/EPA/STEFAN SAUER

Denmark on 20 October granted a permit to an international consortium to bring natural gas from Russia to Germany via an underwater pipeline under the Baltic Sea. In total 137 kilometres of the 1,200-kilometre-long pipeline through the Baltic Sea will pass through Danish territorial waters and its economic zone, the Danish Energy Agency said. The route will pass east and south of the Danish island of Bornholm. Factors considered in the decision included effects on fisheries, chemical munitions dumps, and cultural heritage, the Danish agency said.

Sebastian Sass, head of Nord Stream's representation to the EU, on 22 October hailed Denmark's decision. "That was particularly good news because on one hand Denmark has very strict environmental standards, on the other hand they

have very sophisticated off-shore technology from the North Sea, so that combination for us is also a great vote of confidence," he told New Europe.

Nord Stream said it was "in advanced discussions" with authorities in Russia, Finland, Sweden and Germany whose waters the pipeline was also envisaged to pass through. Sass said that Finland's government was due to take a decision either on 29 October or 5 November. "We believe the Finnish government will be the next one making a decision on the project."

The pipeline is envisaged to run from Vyborg in Russia to Greifswald, Germany. "We are very pleased that this permit has now been granted. The project is firmly on schedule," pipeline construction company Nord Stream Managing Direc-

tor Matthias Warnig said in a statement.

Partners in the consortium include Russian gas monopoly Gazprom, German energy companies E.ON, BASF/Wintershall and Dutch company Gasunie.

Meanwhile, Nord Stream said 22 October that they would hold on to their ambitious plan on the pipeline construction. The pipes will be lowered onto the Baltic Sea seabed starting in the spring of 2010. "First of all we have to wait for the permissions. We believe we're going to get them by the end of the year," Sass said. "We could start constructing in the spring and then adapt the progress of the construction to the environmental factors that have to be taken into account," he added. He cited as an example the spawning of cod in the Swedish section.

ENERGY INSIDER

Gaz de France: Nabucco's lucky number seven

By Kostis Geropoulos



In line with President Nicolas Sarkozy's expanding diplomatic energy policy, French company GDF Suez is interested in Gazprom's Nord Stream and EU-backed Nabucco gas pipelines while domestic competitor EDF Group is interested in the Russia-backed South Stream gas project.

"We've always said that we're in principle open for a seventh partner if this new partner brings any value into the consortium," Nabucco Gas Pipeline International spokesman Christian Dolezal told New Europe on 22 October. "The consortium at this time is not in negotiations with a potential new shareholder but if a concrete proposal comes on the table, the shareholders will, of course, discuss this offer," he said.

During talks with Turkish President Abdullah Gul, Sarkozy said France is interested in joining Nabucco. Moreover, shareholders OMV and RWE have reacted positively to the idea. "In principle I would say we appreciate of course this interest," Dolezal said.

Turkey cut off talks in 2007 with GDF, which merged with Suez in 2008, over joining the project because of a French law that termed the killing of ethnic Armenians under the Turkey's former Ottoman Empire as genocide. Dolezal reminded that all six Nabucco shareholders – Austria's OMV, Germany's RWE, Hungary's Mol, Bulgargaz, Romania's Transgaz and Turkey's Botas would have to agree on adding a new partner. Hungary's Parliament ratified an intergovernmental agreement on the construction of the Nabucco pipeline on 19 October.

Meanwhile, EDF is set to throw its weight behind Gazprom's competing gas pipeline project in southern Europe. The French utility giant said it was ready to take a stake in the subsea section of the South Stream project. Gazprom and Italy's ENI have created a 50-50 joint venture to build South Stream.

In addition to Nabucco, GDF Suez has been in talks with leading shareholder Gazprom, German companies E.ON Ruhrgas and BASF/Wintershall, and Dutch Gasunie to take a stake in the Nord Stream gas pipeline, which will carry gas from Russia to Germany and northern Europe via the Baltic Sea. "It confirms our confidence in the project that a large European company like GDF at this point in time would be willing to commit to the project," Sebastian Sass, head of Nord Stream's representation to the EU, told New Europe on 22 October.

France is looking at every possible way to secure gas supplies in the long term. Sarkozy oversaw a huge deal with energy-rich Kazakhstan earlier in October. Moreover, French energy companies seek to secure gas supplies by investing in new delivery routes like Nord Stream, South Stream and Nabucco. "It is a question of energy security," a French diplomat abroad told New Europe smiling when asked about Paris expressing interest in all these energy projects.

Obviously French companies are trying to expand and see which project is more realistic and which is going to be implemented first. "It is very sober thinking," a source working for Gazprom in Brussels told New Europe. So far, projects are moving at different speeds and Nord Stream looks like it is leading the race. "They are planning to start construction so it is a very real thing, but they are negotiating intensely together," the source said. "If you put yourself in the shoes of GDF, you want to join a project that has actually started."

KGeropoulos@NEurope.eu

ENERGY|GAS

EU, Russia eye "early-warning" deal soon

The European Union and Russia want to set up an alarm system to warn of future gas and oil cut-offs at a summit in November, EU Foreign Affairs Commissioner Benita Ferrero-Waldner said 19 October. Supplies of Russian gas to Europe have been cut off in the depth of winter twice in the last four years because of rows between Russia and Ukraine, the main transit state for westward-bound gas.

The EU and Russia hope to sign a number of accords when they meet for a summit in Stockholm on November 18, and "the most important would certainly be the early-warning mechanism on energy," Ferrero-Waldner said after talks with Russian Foreign Minister Sergei Lavrov.

Such a system would cover oil, gas and electricity supplies. It would allow the parties to notify one another of impending cut-offs, consult on the best way to deal with them and then make sure that solutions were implemented as agreed, she said.

The EU and Russia still have to finalize the details of a deal,

but they hope to do so in time for the summit. "We do see possibilities to sign it," Ferrero-Waldner said.

The European Commission proposed the early-warning system after this January's row over gas supplies between Russia and Ukraine, which resulted in two weeks of gas shortages in Eastern Europe.

The EU is keen to avoid further shut-offs to its member states, while Russia wants to shake off the impression that it is using its energy reserves to put political pressure on its neighbours.

Lavrov said that it was "very important" to set up the early-warning mechanism to include transit countries. "The break in supplies occurred in the territory of a transit country," he stressed. Russia has always said that Ukraine was to blame for the recent cut-off and a similar one in 2006. "We can guarantee that all our contractual obligations with regard to supplies to Europe will be met (...) We will take all the necessary measures to make sure this is not repeated," Lavrov said.

Brussels Accessible Art fair – EU quarter



"Bottles"
Watercolour on paper
Carola Bremkamp
Germany



BELGIUM – BRUSSELS - Hotel Silken Berlaymont, November 20 to 22, 2009

The Brussels Accessible Art fair is getting ready for its next event: From November 20-22, 2009 "Brussels Accessible Art Fair EU Quarter" will take place in the Hotel Silken Berlaymont, centrally located by Schuman. During the weekend around 30 international artists will show and sell their works - paintings, photography, print and sculptures - priced between €50- €3,000.

"Come in, meet the artists, take the art home".

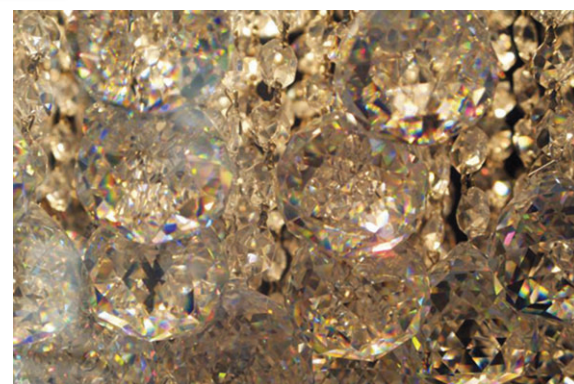
The Brussels Accessible Art Fair is different to other fairs.

They showcase over 30 artists from the Belgian and international communities; including Belgians - Areti Gontras and Hannes D'Haese, American - Gordon Hopkins and many others. The artists are at the stands during the fair to talk to buyers.

It is the art fair for experienced collectors as well as regular people who want good quality art for their homes. It is for people who want more from the experience of buying art - they want to meet the artist behind the work.

It is the premier art fair in the EU Quarter and attracted over 3,000 visitors in June 2009. We have a Facebook following of over 3,500 people. We're in local press, international press, on-line and in the community.

"Brussels Accessible Art Fair EU Quarter" brings art closer to Schuman and the heart of the EU in an effort to open the doors of inter-European culture and art to a Belgian and international public.



Carla Arocha - Stéphane Schraenen Gloria

UNITED KINGDOM – LONDON
- Vegas Gallery, until November 22, 2009

Vegas Gallery is proud to present 'Gloria', the first London solo exhibition by Carla Arocha (°1961, Caracas) and Stéphane Schraenen (° 1971, Antwerp). The art of Carla Arocha and Stéphane Schraenen evokes many relationships with preceding movements in art. Almost all of these associations relate to the umbrella of Modernism and the graduated ontology of its progeny later in the twentieth century; it evokes the formal qualities of Minimalism as much as the optical illusions of Op Art. And yet, it is actually neither. It is not what it is and it is not what it seems. Hidden beneath the outward layers of immediate similarity is a practice that, while never denying what it admires about or has learned from these movements, remains fundamentally post-modernist; post-modern not as a visual facsimile of the received vernacular from the 1980's.

Boldini - Nella Parigi Degli Impressionisti



ITALY - FERRARA - Palazzo dei Diamanti, until 10 January 2010

Giovanni Boldini (December 31, 1842 – July 11, 1931) was an Italian genre and portrait painter, belonging to the Parisian school. According to a

1933 article in Time magazine, he was known as the "Master of Swish" because of his flowing style of painting.

Boldini was born in Ferrara, the son of a painter of religious subjects, and went to Florence in 1862 to

study painting, meeting there the realist painters known as the Macchiaioli. Their influence is seen in Boldini's landscapes which show his spontaneous response to nature, although it is for his portraits that he became best known. He attained great success in London as a portraitist. From 1872 Boldini lived in Paris, where he became a friend of Edgar Degas. He also became the most fashionable portrait painter in Paris in the late 19th century, with a dashing style of painting which shows some Impressionist influence but which most closely resembles the work of his contemporaries John Singer Sargent and Paul Helleu. He was nominated commissioner of the Italian section of the Paris Exposition in 1889, and received the Légion d'honneur for this appointment. He died in Paris in 1931.

Michael Koch - forever more

GERMANY – DUSSELDORF
- Galerie voss, until November 21, 2009

"Forever More", those words express a highly promising but in reality a rather futile hope: "Forever more" - definitely not a vow for the mortal, but still, Michael Koch makes this promise with his collection of photographs, showing the balancing act between the staging and psychological analysis of the models. This exhibition focuses on the veering between control and loss of control, not only between model and artist. Michael Koch detects artificial moments, depicting this interplay in a most eldritch way: in disclosing the artist, they cover the model, in divesting the model, they hide the artist. The artificial seems to be natural and vice versa. A key piece for



this method is "Eldur": A glaring flash light rips the sunburned skin as well as a stigma on the neck of the depicted man out of the dark.

STEVE McCURRY SUD-EST



ITALY – MILAN, Palazzo della Ragione, November 11, 2009 to January 31, 2010

Steve McCurry (Philadelphia, 1950), one of the great documentary photographers of our time, is at Palazzo della Ragione, in the center of Milan, from 11 November 2009 to 31 January 2010, with a unique exhibition, devoted to 30 years of his career. The exhibition - promoted by the Municipal Authority of Milan, produced by Palazzo Reale and Civita, conceived and directed by Tanja Solci - proposes an exceptional collection of more than 200 photographs. Created for Milan by a Milanese team, the exhibition is a series of the journeys that Steve McCurry has undertaken over the past 3 decades. "The sequence of images presented in the SUD-EST exhibition" - says Steve McCurry - "is suggestive of the vast tapestry of human experience and my chance encounters with silhouette and shadow, water and light, spire and sky."



Making garments for a fair pay

The garment industry around the world has been notorious for its sweatshops, these factories that maintain a modern form of slavery in developing countries, characterized by low wages, excessive overtime and inhuman working conditions, especially endured by women, who make up most of the workforce.

Being opposed to the spreading of sweatshops all over the world, **Ethical Fashion** followers, who belong to the environmentalist movement, advocate for fairer labour, and a better-protected environment. Their coherent but limited programme proposes to help develop small communities through the preservation of traditional crafts and the use of natural raw or recycled materials, as stated by Lionel Astruc in his book, "Voyages aux Sources de la Mode Ethique" (Paris, Eugen Ulmer Editions, 2009). For instance, the Indian NGO, **Conserve India**, helps fight poverty and pollution in New Delhi, by recycling plastic bags that are then transformed into trendy bags and purses sold in Europe. In Brazil, the sportswear brand, **Veja**, provides jobs to workers employed in collecting latex all the while protecting the Amazon rainforest. Other development initiatives include: weaving traditional silk in Cambodia and Alpaca wool in Bolivia, or jewellery made out of Zebu horn, in Madagascar.

Workers would improve their conditions if their trade were recognized – the Indian government considers recycling, so important to shantytowns, illegal, when Delhi's fifteen million inhabitants produce eight thousand tones of garbage each day! Furthermore, small producers like Cambodian silk weavers would gain international and legal recognition if they could only afford the \$5000 monthly fee needed to obtain a label guaranteeing quality and authenticity.

However, the **Clean Clothes Campaign**, present since 1989, aims to act at a different scale, with their 200 partner organizations worldwide and offices in 12 European countries.

The **World Day for Decent Work**, on October 7th, 2009, brought up the desperate conditions of workers in Asia, which accounts for 60% of global garment production and employs millions of people across the continent. Once more, giant retailers such as Carrefour, Tesco, Aldi, Lidl and Wal-Mart, the latter counting for 1/3 of all US retail apparel sales, are suspected of taking advantage of their huge buying power to unfairly push harder and harder on prices. The same goes for big clothing brands like Gap, Nike and H & M. All these companies have made sure that consumers become used to buying clothes at unrealistically low prices, thus encouraging unfair trade.

It's clear that lower prices equal lower revenue for the countries that export their goods, which don't benefit from reinvestment of profits in their local economy or workforces. Instead, profits are



used to finance marketing and advertising efforts to expand the companies market share, to buy out competitors, to pay huge managerial salaries and bigger dividends to shareholders. This model relies on the false assumption that the Northern countries' demand for garments will continue to increase exponentially. The fact is that "Southern" workers are making more and more goods destined to already saturated "Northern" markets.

The current financial and economic crisis has re-emphasized the issue of the unequal distribution of gains from global production. As George Wehrfritz argues, in Newsweek (26 January, 2009), "Setting a minimum wage for Asia's poorest workers could help speed the world out of recession" because "...in today's global economy, one plagued by overcapacity and a shortfall in demand, Asia's ultralow factory wages are a big part of the problem – labourers there simply can't afford to buy much."

This concept has been promoted and supported by the Clean Clothes Campaign that came up with a new proposal for an **Asia Floor Wage (AFW)**. National unions (from India, Bangladesh, Cambodia, Indonesia, Sri Lanka, Thailand, China and Hong Kong) and NGO's in Asia make up the Asia Floor Wage Alliance based on a common wage demand to protect themselves from the threat of relocation and competition between garment-exporting countries. Debt, malnutrition, health problems and disability are only a few of the consequences of poverty wages. Minimum legal wages are unrealistic – they don't take under account the rising cost of living. Furthermore, trade unions and collective bargaining rights are suppressed, undermined or restricted by governments of overpopulated countries that fear to lose what they still consider being their only advantage, on the harshly competitive international market. Gender discrimination also contributes to keeping wages low since women make up 80% of the workforce.

Taking all these factors under account, the AFW pleads for a standardised minimum living wage based on the income needed by a single adult to support a family of four (2 adults and 2 children) when working a legal maximum of up to 48 hours per week, ex-



"Growing Public Concern"
Islington, Great Britain, painted mural depicting three children pledging allegiance to a Tesco bag, by graffiti artist, Banksy
(03/08/2008, Clean Clothes Campaign)

cluding overtime and bonuses. This amount would also include a "food basket" adding up to 3000 calories on a daily basis, health-care, housing, clothing, transportation, fuel and education. The so-called 'Purchasing Power Parity' (PPP) has been set at 475 PPP\$ per week by the Asia Floor Wage for 2009.

As Ashim Roy, General Secretary of the **New Trade Union Initiative**, (India) put it: "The Asia Floor Wage is an industrial level collective bargaining strategy..." An active proposal that would 'clean' the unethical aspects of the clothing industry while sparing us the charity-self-pity outlook on the 'poor South'!

Louise Kissa
lkissa@neurope.eu

Follow Louise on her blog www.neurope.eu/fashion
to watch her upcoming videos



Savin Phal, a garment worker from the Philippines, visiting Wal-Mart and examining the price tag on a shirt produced by her own factory. (04/05/2008, Clean Clothes Campaign)



Jhumur 16, and Rupa, 14, garment workers in Dhaka, Bangladesh (August 2009, photo: Talisma Akhter, Clean Clothes Campaign)

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BRUSSELS AGENDA

LA PHOTOGRAPHIE N'EST PAS L'ART

Photography has a long relationship with Brussels and a new exhibition is giving an insight into one of the finest collections of pictures.



Man Ray famously declared that photography is not art and this is the provocative title for a challenging exhibition of photographs, collected by Antwerp diamond merchant and jeweler, Sylvio Perlstein. The collection is in three main themes; photography of the 1920's and 1930's, conceptual photography from the 1960's and 1970's as well as contemporary photography. All are key moments in the development and include seminal photos from Weegee, who photographed New York's darker side, Andy Warhol and founders of modern photography like Henri Cartier-Bresson.

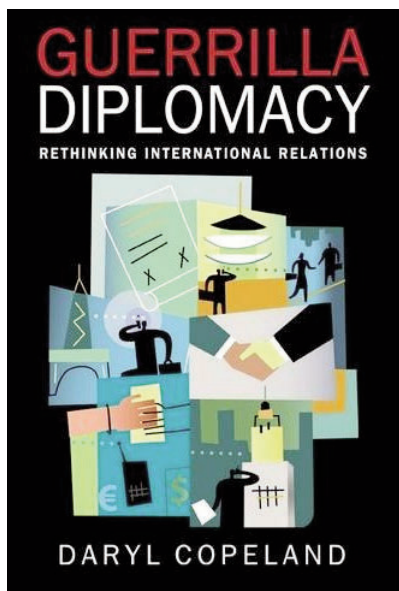
This is the first time the collection has been displayed to the public and amongst the famous images there are many little known gems to be discovered. Is it art? that's for the visitor to decide, but experts would agree that this collection is a powerful argument for saying yes, this is art, and not only that, but it is a vital historical record of times past.

Guerrillas In The Midst

On 28 October, The Royal Institute for International Relations will launch a new book, *Guerrilla Diplomacy* by Canadian analyst Daryl Copeland in which he argues that "diplomats must be empowered to manage globalization, but to do that successfully, diplomacy itself will have to be re-invented. In that respect, diplomacy's inherent dedication to dialogue, whether through open communication or more discreet channels, has great appeal, especially as an alternative to the threat or use of force." Indeed, he goes further to say that "diplomacy, re-imagined and linked integrally to development and security, can, and should, displace defence at the center of international policy and global relations."

As institutions like NATO undergo a thorough policy review and the European Union prepares its own diplomatic arm, this is a timely contribution to the debate on the future of diplomacy.

More: www.guerrilladiplomacy.com



TAKE A LOOK

De Vaartkapoen

De Vaartkapoen by Tom Franzen, outside the Communauté Française in Molenbeek, is an irreverent tribute to the anarchic side of the Bruxeloise. The title is a slang term for people born in Molenbeek; "de vaart" means "the canal" and "kapoen" means cheeky. The subject is not the tripping policeman (and how often can you say that!), but the young scallywag reaching out from under the street to topple a figure of authority, for no apparent reason but for the hell of it.



Brussels Agenda

26 Oct - Mapping European Integration Through Its Cities

19:00 - 20:00, The Centre, Avenue Marnix 22

Launch of a new book that examines the European integration process through the cities, which have played a symbolic role in the construction of the European Union and which have become closely associated with EU treaties, institutions, policies and processes. Cities, where two thirds of European population lives, are at the heart of the economic and social development.

29 Oct - Conference on 'Poverty: Perceptions and Reality - the Communication Challenge'

Charlemagne Building, rue de la Loi 170

Almost 80 million people are currently living in poverty in the EU. Despite an improvement in overall living standards in Europe over the past decade, poverty and social exclusion remain major issues in most countries, although with substantial differences across the EU. This event addresses these issues and includes a press conference with Commissioner Špidla and bilateral interviews with journalists.

4 Nov - Smart Politics: Digital Policy Priorities for the EU

08:00 - 09:30, Members Salon, European Parliament

The European Internet Foundation is holding a breakfast debate for a strategic discussion on the key digitally driven priorities for Europe in the new legislature. The EIF is determined to raise awareness and drive digital world thinking across the broad range of EU policies.

4 Nov - Implementing the EU's Renewable Energy Targets for 2020

13:15 - 14:30, Centre for European Policy Studies (CEPS), Place du Congrès 1

2020 is just around the corner: What kind of energy mix should Member States strive for and how best can they attain their renewable energy targets? What kind of policy mix - fiscal, regulatory and other measures - should governments put in place to bring about the necessary changes?

5 November

The Curse of Resources and Challenges for State Capacity Building in the Conflict Prone Great Lakes Region

Representation of the State of Baden-Württemberg to the European Union, 60-62 Rue Belliard

The Great Lakes Region and particularly the DRC have not yet found lasting peace, since overlapping conflict layers seem to make it impossible to come up with a coherent and concrete solution. It has long been argued that DR Congo's "scandalous" wealth of mineral resources, such as tin ore, coltan and gold, was "undermining peace" (Global Witness, 2005). But if the links between guerrilla and geology, between "dirty welfare for a few and dirty warfare for all" are well established, it is indispensable to assess international, bilateral and national initiatives against this backdrop: Do we do enough?

WORK

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NEW EUROPE

BRUSSELS AGENDA

a 26/10 - 06/11

26 Oct - Django Jazz

19:30, Art Base, 29 rue des sables

The legendary Django Reinhardt returns to Brussels with his SwingàJo Trio provide the melodic swing and the improvisations of his compositions in an authentic mixture of two guitars and a double bass.

28 Oct - The Birth of the Comic Strip

12:00 - 18:00, Maison Autrique, Chaussée de Haecht 266

The exhibition takes a fresh look at the origins of the comic strip. The visitor will discover numerous documents on Rodolphe Töpffer, Wilhelm Busch, Nadar, Frost, Christophe, Outcault, Dirks and many others; but also, many draughtsmen unfairly forgotten to this day. There will be original boards, very rare editions, small films, etc.

29 Oct - Brussels Philharmonic 'A New World'

20:15, Flagey Studio 4, Place Sainte-Croix

Under the direction of Carlos Kalmar, the orchestra present Mozart Symphonie N.38, Chopin Concerto pour piano N.2 and finish with Dvorák's New World Symphony, all highlighting the talented pianist, Wu Qian

29 Oct - 7 Nov - Theatre Improvisation World Cup

Various locations, Brussels

FBIA organizing the 18th World Amateur Theatrical Improvisation in Belgium. As in previous years, this World Cup will bring together the best teams from Quebec, France, Switzerland, Italy and Belgium.

This event will host once again the people driven by a passion for improvisation and a desire to defend the colours of their country. More: www.fbiam.be/mondial

29 Oct - Photography is not Art

11:30 - 17:00, Museum of Elsen, rue Jean Van Volsem 71

Antwerp diamond merchant and jeweler, Sylvio Perlstein belongs to that group of art collectors who are as famous as they are discrete. He opens his collection for this exhibition for the first time, gathering together more than two hundred original prints from 1920 to the present day including many masterpieces and unknown treasures

30 Oct - Woomen On Top

20:00 till Late, BMW Showroom, Boulevard de Waterloo 23-24

Fancy a girls night out? Her you can have cocktails, a buffet whilst being entertainments including make-up by Givenchy, photo shoots, test drive by bmw fashion shows. At 23:00 Men are admitted for an after - party.

30 Oct - Reena C. Shrivastava & Kousic Sen

Art Base, 29 rue des sables

Introduce yourself to the world of Indian classical music as these two musicians, regarded as the finest, visit Brussels after decades touring the world, promoting their music

31 Oct - 8 Nov - Halloween at Scientastic

10:30 - 17:30, Scientastic, Boulevard Anspach

Celebrate this year by visiting the museum and their exhibitions on fear. How scared are you?

PLAY

suggest your event for our agenda: agenda@neurope.eu

TAKE A BREAK

In Strasbourg



The ebb and flow of the European Parliament between Brussels and Strasbourg is as unpopular with MEP's and those who follow the parliament as it is with the European taxpayers. Although Strasbourg is a lovely town, many of the hotels are a little corporate, more functional than charming. One piece of advice is to take a break, instead of staying for the last night in the city, before the long drive north. One place to recommend is the Hotel Du Parc in the spa town of Niederbronn des Bains. It offers bed and breakfast for €55 - €80 in comfortable rooms with bathrooms and TV. There is a large and popular restaurant, in several rooms, from the traditional to the light and spacious. The cuisine is very good and focuses on local specialties and produce. A main course will cost between €14 and €30. Nearby, there is the spa and a casino for those

who like a little risk, but there is something that makes this place stand out as something special; the wines. By buying from small local producers, the hotel offers



some excellent wines at very affordable prices. A tasting session can easily be arranged, from their experienced wine expert Dennis Hanns, to help you plan your meal and to see if you would like to buy a bottle or two of their good, but undiscovered wines. There is also some excellent Alsace whiskey to try that is a delight. So after a hard week working in Strasbourg, this hotel and its owner Francine Messai, offer something relaxing and friendly where you can unwind in a warm and friendly setting, whilst paying less than you would in Strasbourg.

Hôtel Du Parc Niederbronn Les Bains - 33 rue de la République 67110 Niederbronn Les Bains. Tel 0033 3 88 09 01 42 E-mail: parchotel1@orange.fr Web: www.parchotel.net



DINNER TIME

Ambelis - a taste of Cyprus

Dressed in wood, cosy and warm, Ambelis restaurant brings you traditional Cypriot food, high quality, and taste-bud fulfilling. Hidden away, just off av. Tervuren, give it a try today.

Where: Avenue de l'Armée 41B - 1040 Etterbeek
T: +32(0)732 25 35

What we order: A bit of everything - don't miss the pork brochettes, traditional Cypriot halloumi cheese, and their wonderful mini cheese- and spinach- pies.

Cuisine: Cypriot Price: €25

Comments: You won't regret eating at Ambelis, but ordering a variety of plates and doing it the way it should be done can be expensive if you're with a hungry group, affecting our rating.

Rating: 3.5/5



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A round up of interesting blog posts of the last week. Because bloggers have deserve, and have earned their voice.

NEW EUROPE IN THE BLOGS

Read a blog post that you want to suggest for our new 'In The Blogs' section? Send us an email: intheblogs@neurope.eu

EU Treaty of Lisbon: 26 ratifications final?

By Ralf Grahn,
<http://grahnlaw.blogspot.com/>

The Wikipedia article "Ratification of the Treaty of Lisbon" (tinyurl.com/neurope29) has been updated with final ratification by Ireland yesterday, 23 October 2009. There remain gaping holes only with regard to the Czech Republic: "Presidential Assent" and "Deposited".

Today's Irish Times reports that "Minister for European Affairs Dick Roche travelled to Rome yesterday to deposit the instruments of ratification with the Italian government – a formality that all governments must complete before Lisbon can enter into force". This is an indication that the ratification instrument has been deposited.

However, the Council does not seem to live in real time. Its web page with ratification details for the Treaty of Lisbon (tinyurl.com/neurope30) still has a gaping hole where the notification date of Ireland should be.

Among others, AFP reports (tinyurl.com/neurope31) that the Czech President Vaclav Klaus has accepted the solution presented by the Swedish Presidency of the EU Council with regard to the Charter of Fundamental Rights.

This means that three member states have seceded from the community of values enshrined in the Charter of Fundamental Rights of the European Union, namely Britain and Poland as well as the Czech Republic, each in order to nurture its own phobias.

The Czech Constitutional Court in Brno hears the complaints regarding the Lisbon Treaty on 27 October 2009.

Celebrating free expression 20 years after the fall of the Berlin Wall

<http://googlepolicyeurope.blogspot.com/>

(Cross-posted from the YouTube Blog tinyurl.com/neurope32)

In 1989, the fall of the Berlin Wall became a striking symbol for free expression far beyond the borders of Germany. Just 20 years later, Iranian citizens used online tools like YouTube and Twitter to share first-hand accounts (tinyurl.com/neurope33) of the brutal government crackdown waged against protesters disputing the country's election results. Many Iranians risked their lives (tinyurl.com/neurope34) to document the violence, despite the government's attempts to expel journalists and stifle any voices of dissent.

The democratizing power of the Internet has enabled individuals to share their stories with a global audience in ways never before possible, and given a voice to those who wouldn't otherwise be heard.

To commemorate the twentieth anniversary of the fall of the Berlin Wall, we're launching a YouTube channel — youtube.com/GoogleFreeExpression — to highlight and celebrate free expression around the world, and we want to hear from you.

This channel is designed to feature your stories and reflections on free expression. Tell us about how you or someone you know has taken a stand for free expression. Perhaps you've protested against (tinyurl.com/neurope37) something you didn't agree with, taken action (tinyurl.com/neurope35) when someone else's free speech was being suppressed or been inspired (tinyurl.com/neurope36) by someone who has stood up for the right to speak out. Make a short video sharing your experience, upload it to YouTube, and add it as a reply to this one: (tinyurl.com/neurope38)

The new High Representative of the Union for Foreign Affairs and Security Policy

By Kosmopolito 23 October 2009
<http://www.kosmopolito.org>

Yes, this is really the official title of the position that will be created once the Lisbon treaty is in force. Why not "EU Foreign minister" you may ask – well, the British delegation successfully managed to lobby against the title of "EU Foreign Minister" in the negotiations (supported by quite a few others). Strange, that they did not try to rename this "European Council President" into "Chairman of the European Council" – that would have made sense! Anyway, Global Europe has a good overview about the "job description" (tinyurl.com/neurope39)

and the various unclear provisions in the Lisbon treaty. However, despite all the talk:

(tinyurl.com/neurope40) about the European Council President, this is actually the more important position for one single reason: The High Rep will be able to use the EU foreign policy machinery including (post EEAS) – Commission staff (RELEX), Council Secretariat staff (including ESDP and CFSP tools plus all the 'Special Representatives') and the newly created European External Action Service.

Moreover the new High Rep will be a Vice-President of the European Commission and chair the Foreign Affairs Councils. Therefore I agree with Simon Hix

(tinyurl.com/neurope41) who said "The president could end up being all prestige and no power, while the high representative is real power and little prestige." The European Council President only chairs a couple of summits and has no job description – it is not even clear whether he will get office staff... Well, one sentence in the Lisbon treaty could become problematic

(tinyurl.com/neurope39): "It is the Council President (President of the European Council) who will ensure the external representation of the Union on issues concerning its common foreign and security policy". He shall do that, however: "without prejudice to the

powers of the High Representative of the Union for Foreign Affairs and Security Policy."

So, team play will be necessary at least to a certain extent. However, it is very unfortunate that the question of who becomes High Rep depends on who will be chosen as European Council President – and not the other way round!

So let's have a quick round of possible candidates:

Today, speculations (tinyurl.com/neurope41) included David Miliband (UK Foreign Secretary - ruled himself out on twitter!)

(tinyurl.com/neurope42), frequently mentioned is also Olli Rehn (EU enlargement commissioner)

(tinyurl.com/neurope43) as well as Ursula Plassnik (former Foreign Minister of Austria)

(tinyurl.com/neurope44) and Dora Bakoyannis (former Foreign Minister of Greece)

(tinyurl.com/neurope45). Several other names have been mentioned in the last couple of months: former External Relations Commissioner Chris Patten

(tinyurl.com/neurope46), former Austrian Chancellor Wolfgang Schüssel (tinyurl.com/neurope47) and former NATO Secretary-General, Jaap de Hoop Scheffer

(tinyurl.com/neurope48).

Anyone in there who could be the next High Rep? I think David Miliband could be a good candidate but he might not be experienced enough – and, given his ambition to become the next leader of the Labour party, I doubt whether he is a serious candidate. Let's ask him in 5 years again! What about the rest? They all seem rather boring with a lack vision for EU foreign policy. Unfortunately I do not know much about Ursula Plassnik and Dora Bakoyannis. Chris Patten and Jaap de Hoop Scheffer are certainly well respected in Brussels. Especially Jaap de Hoop Scheffer could be a serious candidate given his NATO experience – he would be a solid and diplomatic High Rep without being too demanding towards member states. Olli Rehn

lacks experience and being EU enlargement Commissioner may not be enough to get the job. However, a High Rep without political ambition (de Hoop Scheffer) or lack of experience (Rehn) could exactly be the sort of person the European Council is looking for...

But is that everything we can come up with?

The High Rep should be THE foreign policy authority of the EU, with the ability to negotiate deals in the Foreign Affairs Council – so the person needs to be high profile and should have considerable foreign policy experience. European Foreign Policy is one policy in which citizens want to see a stronger EU.

The new High Rep needs to be able to communicate this clearly and passionately. Moreover, the person is expected to negotiate worldwide – so there we need someone recognizable with a proven track record in international negotiation. (If Tony Blair was serious about a EU job – he should go for that one and not the one with prestige and the misleading title). So who else could be doing this kind of job:

Joschka Fischer

(tinyurl.com/neurope49) – a former German foreign minister. He would certainly tick all the boxes. He has huge foreign policy experience, is known internationally and with good connections in the Middle East and in the US (after being a Visiting Fellow at Princeton and working in Madeleine Albright's consultancy tinyurl.com/neurope50). Recently, he started working in support of the Nabucco pipeline. He has been a very charismatic and popular politician – and can still fill conference centres in London, Brussels or Washington! He would certainly be able to give the EU a real voice in foreign affairs. That unfortunately rules him out – exactly that is not wanted by our dear politicians.

Martti Ahtisaari (tinyurl.com/neurope51) – a former president of Finland.

Wouldn't it be great if

Obama and Ahtisaari met and the press could have a headline like "Two Nobel peace prize winners demand..." – certainly Ahtisaari is very knowledgeable and respected internationally. He has an excellent reputation as a conflict mediator

(tinyurl.com/neurope52) (he got the Nobel peace prize for that!) and has been an active advocate (tinyurl.com/neurope53) of a more powerful EU foreign policy. Again not the best thing to do in the present political climate. He might lack a bit of charisma (compared to Fischer...) which could be seen as an asset by the European Council...

Carl Bildt

(tinyurl.com/neurope54) – the current Swedish foreign minister. Another strong candidate judging on his vast foreign policy experience. He is the only serving foreign minister of all the candidates which is an advantage because connections are important! However, some (France, Germany) often claim he is too outspoken on Russia.

(tinyurl.com/neurope55)

He is a well known blogger (tinyurl.com/neurope56) and often grabs media attention with some bold statements. Moreover, being in the spotlight of EU politics due to the Swedish Council Presidency

(tinyurl.com/neurope57) might be helpful (although the bold statement could ruin it...).

So, who has realistic chances? At the moment the race seems very open (or the secret is being kept well...) – Jaap de Hoop Scheffer, Chris Patten and Olli Rehn could be realistic candidates, the joker could be Carl Bildt. Chances are that we get someone that has not been subject of any rumours lately. (The French are suspiciously silent...) And obviously it always depends a lot on who will become European Council President in terms of political and geographical balance...

But one thing is certain: unfortunately the best candidates will have absolutely no chance of getting the job!



Cameron's Kaminski Problem Goes Global

The issue of Michal Kaminski and Robert Zile is becoming a huge problem for Britain's Prime Minister in waiting. His Foreign Secretary, William Hague has just returned from meeting Hillary Clinton and others in the Obama administration and all did not go well. The State Department is growing more concerned with the Tories, especially in relation to Europe. Previously the Brits have loudly trumpeted their 'special relationship' with the US and positioned themselves as a bridge over the Atlantic, but this is unraveling. Hague maintains he reassured Clinton that his fellow travelers in the ECR groups are "mainstream right wing parties" and that "I have explained to her and others that she will be find a Conservative government very active and activist from the very beginning in European affairs." Few find that comment convincing.

Very active? This from a party whose response to the ratification of the Lisbon treaty is, well, what is their response? To think about it later? No wonder that the Americans, who want a strong and unified Europe to help them in dealing with China, terrorism, climate change etc are not impressed with the Conservatives slide towards irrelevance. An American official explained their thoughts on the ECR group by saying, "I do not see any upsides in the new grouping. I can only see downsides. In life it is normally best to do things when they have an upside."

Indeed, where is the upside? It's hard to see Angela Merkel warmly embracing a group that has members who celebrate the Waffen SS, the centre right throughout Europe are shunning the Tories and the US is sniffily dismissive. Could it be that the Americans best friends will not be the British, but the Germans? How will that affect Anglo-US relations? The 'special relationship' between Blair and Bush turned out to be more akin to the relationship between a dog and a lamppost. Privately many Tories are disparately thinking of ways out of the hole they've dug for themselves, including toppling Kaminski, but whatever course they follow there is likely to be considerable infighting and that will leave them, and their Party Leader, David 'Call me Dave' Cameron looking like damaged goods. Not what they want in a run up to a general election. A short while they looked a certainty for winning the imminent election, but now that is looking less certain.

Meanwhile Labour have got their team in place, with Peter Mandelson's repeated rise from the political grave being so complete he's even being mentioned as a possible party leader and Alistair Campbell back on form, whilst John 'One punch' Prescott is putting some fighting spirit back in the party, they look ready for a fight. Blair's bid for the Presidency is looking like failing, but there is a sweetener for the Brits as David Milliband is looking good for the High Representative position, and he has a very good reputation within the UK Foreign Office, one that is being noticed throughout Europe. There are rumours of Brown standing down at the end of the year, one step the party must take if it wants to win and one person being touted as the next Prime Minister is Ed Milliband, David's brother. You see, Europe is a family after all.

Berlusconi Wins in Strasbourg

The plenary of the European Parliament, in Strasbourg, last Wednesday rejected with 338 votes against 335 a motion for a resolution criticizing the Italian Prime Minister Silvio Berlusconi for his entrepreneurial involvement in printed media. The resolution was proposed by four groups, ALDE, S&D, GUE and the Greens. Protagonist of the rejection of the ALDE proposal by the European Parliament in Strasbourg was MEP Mario Mauro, leader of the "Il Popolo della Liberta" group in the European Parliament. After the result was announced, the Italian Prime Minister interrupted his meeting in Quirinale and called Mario Mauro to congratulate him.

The leader of the EPP group in the European Parliament Joseph Daul said after the vote that the European Parliament was neither the "appropriate place to discuss national issues, nor to make a case against any government of an EU member state". Daul added that "the EPP has worked in recent weeks to make this argument. At the same time we demonstrated the bad faith of certain political groups, who tried to hide behind the principle of freedom of information to attack their political opponents. The EPP stands for freedom and independence of information, in Europe and outside Europe. Yet this principle cannot be an instrument for the benefit of anyone. As I have stressed to the press, my group will take the initiative to quickly organize such a debate in



Silvio Berlusconi (L) and Mario Mauro defeated ALDE, S&D, GUE and the Greens in Strasbourg



parliament, in an orderly fashion."

The outcome of the vote drove to political hysteria the supporters of the resolution and Greens/EFA leader Rebecca Harms and Dutch Green MEP Judith Sargentini, reacted in a manner reflecting disappointment and anger by stating that, "This is a black day for press freedom in Europe."

No mention was made, however by the MEPs of the anti-Berlusconi coalition, a politically heterogeneous mix of Liberals, Communists and sympathizers, to the real threat of the free press in

Europe. That is the concentration of media ownership and the concentration of ownership of the printed press distribution networks. In both cases, we are in front of flagrant violations of the European law of which nobody, in ALDE, GUE and associates, speaks about.

For Silvio Berlusconi and his "Il Popolo della Liberta" party, the rejection of the proposed resolution by a small gruppuscolo from within ALDE, the "Italia dei Valori" of Antonio Di Pietro group was a great victory. In this context, speaking of the "freedom of Press" in Italy it is worth mentioning that no newspaper, among those strongly criticizing Berlusconi every day, made a proper service to the outcome of the Strasbourg vote.

The political conclusion of this exercise is that European institutions cannot be used by occasional coalitions and small groups in the European Parliament, to bring national confrontations they cannot manage nationally, on the European level.

License to Kill by... polluting

A row between Eastern and Western member states over the issue of up to \$150 billion worth of emissions permits which Eastern states gained under the Kyoto Protocol has been postponed for a while and EU environmental ministers agreed last week to a set of demands for the upcoming United Nations climate negotiations in Copenhagen. The agreement commits the EU to cutting its emissions of greenhouse gases by 80-95% by 2050 compared to 1990 levels, as recommended by UN experts. A compromise has been reached, but the issue of emissions permits has only been shoved under carpet. According to EU officials, former-Communist states such as Russia, Ukraine, Poland and the Baltic States currently hold between 7.5 billion and 10 billion emission permits or "Assigned Amount Units" (AAUs) with an estimated market value of €75-100 billion.

Under the Kyoto Protocol, countries which cut their emissions by more than a certain amount below 1990 levels can sell AAUs - based on those cuts to countries which emit too much, so that the latter do not have to pay fines for excess emissions.

The EU's eastern members are fighting for the right to sell these permits. But using the permits would undo efforts to battle global warming because other governments would buy the permits and use them to pay fines for excess emissions, rather than trying to reduce their emissions. After all, we're talking about the same ozone layer.

The permits should remain in the eastern members and not use them to make a buck to help their economies. If countries do not effectively cut CO2 emissions, we're just putting a band aid on the victim, but ultimately the patient will bleed to death.

Tajani Goes Green

(continued from page 1)

Action is to concentrate on many fields, including promoting low carbon transport, but there will be a push for electric cars. This would also require massive changes to infrastructure and the planning for the working group notes that "the issue of funding for transport research and infrastructure will be crucial".

TEN-T is undergoing a policy review and decarbonising of transport is expected to be the main theme of the next White Paper on transport policy. The Commission has just announced €500 million of funding for TEN-T projects. Initially this was to be spread over several years, but as part of the EU response to the financial crisis, the monies were released earlier, as transport is considered vital to economic recovery. The funded projects include dredging estuaries, motorway improvements and increasing capacity at sea ports.

On financing, a recent position paper for TEN-T states "The polluter pays principle is an accepted principle throughout the European Union. In practice it is far from implemented. It is difficult for governments to confront lobbies of various road users, transporters and producers using fossil fuels when it comes to, for instance, fair excise duties on fuel. In times of economic downturn, the pressure is nearly impossible to withstand, leading to delayed implementation of the polluter pays principle." It will also be hard to resist the protests from citizens, who are attached to their cars and would need to be persuaded to pay higher taxes and tolls. It won't be a surprise to learn that the Taxation and Customs Union is part of the new working group. What will raise eyebrows is that the group will explicitly be looking at taxation, something considered to be a competence of member states.