



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Materion Ewropeaidd ac Allanol
The Committee on European and External Affairs**

**Dydd Mawrth, 1 Chwefror 2011
Tuesday, 1 February 2011**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Nick Bourne	Ceidwadwyr Cymreig Welsh Conservatives
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jeff Cuthbert	Llafur Labour
Rhodri Morgan	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Bob Bright	Pwyllgor y Rhanbarthau Committee of the Regions
Rosemary Butler	Aelod Cynulliad, Llafur (y Dirprwy Lywydd) Assembly Member, Labour (the Deputy Presiding Officer)
Christine Chapman	Aelod Cynulliad, Llafur Assembly Member, Labour
Aled Eirug	Ymgynghorydd Cyfansoddiadol i'r Llywydd Constitutional Advisor to the Presiding Officer
Yr Athro/Professor Janusz Lewandowski	Y Comisiynydd dros Raglennu Ariannol a'r Gyllideb, Y Comisiwn Ewropeaidd The Commissioner for Financial Programming and the Budget, the European Commission

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Lara Date	Clerc Clerk
Gregg Jones	Pennaeth Swyddfa UE Cymru, Gwasanaeth Ymchwil yr Aelodau Head of Wales EU Office, Members' Research Service
Sarita Marshall	Dirprwy Glerc Deputy Clerk
Rachel O'Toole	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

Dechreuodd y cyfarfod am 9.18 a.m.
The meeting began at 9.18 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Rhodri Morgan:** Welcome to members of the committee, officials and anybody in the public gallery. I remind everybody that headsets are available for translation, on channel 1, and sound amplification, on channel 0. Please switch off any mobile phones, BlackBerrys or anything else, because they can interfere with the sound equipment. In the event of an emergency, an alarm will sound and ushers will direct everybody to the nearest safe exit and

assembly point. I believe that we have a full house this morning, with no apologies received. Are there any relevant declarations of interest under Standing Order No. 31.6? I see that there are none.

[2] Before we come to our distinguished guests, I will mention that, as we are coming to the end of the third Assembly, most committees are planning to produce a legacy report on their work to pass on to their successors from May onwards. Any significant points arising from the committee's remaining business this term can be highlighted in a legacy report, should we wish to produce one. Time has been scheduled to consider a draft report at the 8 March meeting. Are there any views on whether we want to produce such a report? We have a time slot and the officials are ready to draft a report for us to consider on 8 March. Do I assume that we want to produce a legacy report? I see that we do.

9.20 a.m.

[3] On the question of our counterpart committees in the House of Lords, House of Commons, Northern Ireland Assembly and Scottish Parliament—the five European scrutiny and consideration committees—Lord John Roper, who, despite all the turmoil in the Lords, remains as chair of its European Union Select Committee, has written to invite evidence for its inquiry into the EU budget review, and anything of interest or concern in the European Commission's work. We have followed the EU budget review closely in this committee in the context of cohesion policy. A written submission to the Lords committee inquiry will shortly be circulated to Members for consideration, which will take account of our discussions with Commissioner Lewandowski later this morning.

[4] On the European Commission's work programme for this calendar year, not the financial year, the committee has been considering the most significant proposals in the course of its work. We will be discussing their relevance to the work programme for Wales with the four Welsh Members of the European Parliament, including any omissions and so on. That is scheduled for the 8 March meeting.

[5] Finally, on the five legislatures forum, at the EC/UK forum of European committee chairs hosted by Bill Cash at the House of Commons on Monday 7 February, I will be able to update my counterparts in the other UK legislatures on issues of concern regarding how to consider issues of subsidiarity in Wales. I will report back to Members on what the other committee chairs are saying—the two at the UK level and the three at the regional tier. That is enough from me; are there any questions on what I have just said? I see not.

9.22 a.m.

Y Wybodaeth Ddiweddaraf am CALRE Update on CALRE

[6] **Rhodri Morgan:** We last had an update on CALRE from Rosemary and Aled, I presume; anyway, it is certainly Rosemary and Aled today. We have not had an update since 8 June last year, which was seven months ago, so today's session is an opportunity to hear about developments since then. I welcome the Dirprwy Lywydd, Rosemary Butler, Assembly Member, and Aled Eurig, constitutional adviser to the National Assembly for Wales. Rosemary, do you wish to make any introductory comments before I throw it open for questioning?

[7] **Eleanor Burnham:** In case there are some interested parties listening or watching, can we remind everyone what CALRE stands for?

[8] **Rhodri Morgan:** That could be part of Rosemary's opening remarks,

[9] **Eleanor Burnham:** Fine. Some people who are listening get in touch to ask what we are talking about.

[10] **Rhodri Morgan:** It is a fair point.

[11] **Rosemary Butler:** I cannot believe it is seven months since I was last before the committee. CALRE is the Conference of European Regional Legislative Assemblies, which is the next layer down from national Governments. There is a very good synopsis of the activities during the past year in the report that you have before you, Chair. I wish to concentrate on paragraph 16, which discusses the nitty-gritty of what we have been doing. E-democracy is the big thing on which we can have an input, and we are a member of the e-democracy working group. In a survey on e-democracy that was carried out across the members of CALRE, we came third, which was quite impressive.

[12] **Rhodri Morgan:** Third out of how many?

[13] **Mr Eurig:** The total membership of CALRE is about 55. The response rate to the survey was 50 to 60 per cent.

[14] **Rosemary Butler:** That is quite interesting. Some countries are taking on e-democracy, particularly the Basque Country, because they can see the benefits. Other countries are hanging back and cannot really see the benefit of it, but they are beginning to get the message that e-democracy is the way forward.

[15] The other interesting thing is the subsidiarity monitoring group, which I know Jeff is interested in. It looks at the relationship between national and regional Governments in how subsidiarity is being rolled out across Europe. Again, things vary across the board there. What is interesting this year is how we are linking much more closely with the Committee of the Regions, Regleg and CALRE. The Committee of the Regions, obviously, covers legislative bodies at regional level, and Regleg covers the governmental arms of Assemblies with legislative competence across Europe; the Welsh Assembly Government is a member. In fact, an agreement of co-operation has been signed this week by Regleg and CALRE. The Committee of the Regions has offered us the use of committee facilities at its office in Brussels, which is good, because last year's president, from Trento, was keen that CALRE should have a presence in Brussels, which would of course cost a lot of money. At the moment, the president of CALRE funds everything: the administrative work and so on. So it is expensive to become president. It was felt that CALRE should be more businesslike and up-front with what it is doing, and that is why it wanted this presence in Brussels. When we said that Wales already had a presence, other members were really quite envious—we are the only one that has a presence in Brussels. What I want to know is how much it will cost, and what the benefits are, because some regions have a lot of money, and others do not. However, the issue about the presidency being too expensive needs to be taken on board.

[16] That is all that I wanted to say. Would anyone like to ask questions?

[17] **Rhodri Morgan:** A question from me first, and I have Rhodri Glyn Thomas, Nick Bourne and Jeff also wanting to ask questions. My question is this: when you talk to your fellow CALRE members, do they evince the same level of understanding of the distinction between a Government and a legislature that we frequently find the press moaning about—that is, being unable to see the difference between the Welsh Assembly Government and the National Assembly for Wales—or does everyone in Baden-Württemberg and Trento understand the difference?

[18] **Rosemary Butler:** I am not sure that members of CALRE understand the difference.

It is often difficult to get governmental issues off the agenda. They want to undertake investigations that are really for the Governments of the regions as opposed to the assemblies. They like to try to influence or get involved in governmental issues, whereas we are keen that that does not happen. It is a difficult question to answer, as regards the perception—

[19] **Rhodri Morgan:** I just wondered whether, because some of the regional-tier legislatures have been around for so long—such as Baden-Württemberg in Germany, which has been there since 1949—the distinction might be hard-wired into everyone’s brains, so they do not fuss about it. However, because we are new, and because we made a gradual change from the 1999 model to the model that we operate today, the level of confusion is greater in Wales. However, from what you are saying, I am not certain that it is all that much greater.

[20] **Rosemary Butler:** I could not answer, other than to say that many of the representatives have been in Government.

[21] **Rhodri Morgan:** That is why I was asking—I have seen it from both sides.

[22] **Mr Eurig:** Partly because they have a settled federal or devolved system in places like Spain, Italy and Germany, I think that they have a better understanding of the differences. However, there are issues at a practical level whereby certain Assemblies that we have come across—Extremadura, for example, in Spain—are represented by a president, or deputy president, but the staff supporting them are Government people. One of the reasons for that is a lack of resources for Parliaments generally, and for representing Parliaments at a European level. For example, we have Gregg Jones in Brussels as an official, and a number of other Parliaments have officials in Brussels as well, but many of those Parliaments use their Government officials to represent them in various meetings, which can sometimes cause confusion.

9.30 a.m.

[23] **Rhodri Morgan:** That would be quite interesting for us from the point of view of legacy. One reason for the change that we made in Brussels was that the British Government will communicate with and show diplomatic telegrams of relatively sensitive material—although not national-security-type issues—to civil servants who work for a regional-tier Government such as the Welsh Assembly Government, but they would not show them to Gregg Jones, say. Before we made the split, it would not have shown them to anyone, because it wanted there to be an oak door between the Welsh Assembly Government and the National Assembly for Wales in relation to the sharing of diplomatic telegrams or information, and if there was no oak door there, there would have been one between Her Majesty’s Government and the whole of the Welsh set-up in Brussels. You are saying that other countries do not seem to make a fuss about that sort of thing.

[24] **Rosemary Butler:** It is blurred.

[25] **Rhodri Morgan:** The next two questions are from Jeff Cuthbert and Eleanor Burnham.

[26] **Nick Bourne:** I think that Rhodri was going to ask a question first.

[27] **Rhodri Morgan:** Sorry; yes, that is right.

[28] **Rhodri Glyn Thomas:** Hoffwn ofyn **Rhodri Glyn Thomas:** I would like to ask cwestiwn am gynrychiolaeth y Cynulliad ar about the representation of the Assembly on bwyllgorau CALRE. Ai’r Llywydd a’r CALRE committees. Is it only the Presiding

Dirprwy Lywydd yn unig sy'n ein cynrychioli? Tybiaf mai'r Dirprwy Lywydd sy'n weithredol yn hynny o beth. A oes cyfleoedd ychwanegol o ran cynrychioli Cynulliad Cenedlaethol Cymru?

Officer and Deputy Presiding Officer who represent us? I presume that it is the Deputy Presiding Officer who is most active in that respect. Are there additional opportunities with regard to representing the National Assembly for Wales?

[29] **Rosemary Butler:** The Presiding Officer asked me to take the front spot on international matters. If I cannot go, either Aled Eirug or Gregg Jones goes—in fact, he is going to Brussels in February on our behalf. No other Members deputise on our behalf.

[30] **Nick Bourne:** Thank you, Rose and Aled, for the paper and the presentation. My question is on a matter that is a little more across the board. You mentioned the number of members—90 or whatever it is; it is a significant number. To what extent do we learn about best practice from the other devolved bodies with regard to how they handle European affairs, in the case of those who are in the EU, and other things that we can perhaps feed into committees and structures here, such as how they deal with different areas of governance?

[31] **Rosemary Butler:** The reports that we produce are fed into the committee system. We are learning a lot about e-democracy, and, as you said, subsidiarity. It is also a question of what we can bring to the table. I raised the issue of Members' expenses a couple of years ago, which went down very well with the Italians, I seem to recall. [*Laughter.*]

[32] **Nick Bourne:** That sounds interesting.

[33] **Rosemary Butler:** We can learn something about subsidiarity. Perhaps Aled would like to say something, because he has attended a few of the working party meetings on that.

[34] **Mr Eirug:** It has been particularly useful to learn about e-democracy, because we have been able to compare what we do with what others do and pick up on good practice. It has been useful on subsidiarity because that has led to our involvement in lobbying for greater recognition for the regional element in relation to Europe 2020. We were instrumental—as was Gregg Jones in particular—in drafting the CALRE response to Barroso on the regional view, as it were, because there was not sufficient recognition of that. There have been two other working groups, one of which was on regional government, but it has not met very often. It has been led by Venice, and it has been of rather more interest to those who are involved from Italy and Spain, in relation to the very formal arrangements that they have between the national and regional levels. So, that has been slightly less useful to us. Another group has just been established to look at rural issues. This is an interesting area. Rosemary made the point that there is a tendency for CALRE to wander into governmental issues and policy issues that are perhaps not the best issues for us to discuss. That has been set up and much of the momentum for that has come from the southern Mediterranean regions, as this is their biggest interest. So, when they talk about rural issues, they may be very different to the rural issues that we have.

[35] Of greatest concern in the last CALRE meeting was the level of internal focus. In the last meeting, it spent two days talking about the standing orders and the revision of the standing orders. This is fine, but it is incredibly time-consuming and a missed opportunity.

[36] **Jeff Cuthbert:** You have anticipated my question in the answers that you gave to Nick. On subsidiarity, I think that you used the word 'variation'. I assume that that means that there are different interpretations in the different regions. Could you highlight some of those interpretations of the definition of 'subsidiarity'?

[37] You have just referred to the Europe 2020 strategy and representations that have been

made to President Barroso; has there been any response or feedback?

[38] **Rosemary Butler:** I assume that that would come at the next meeting. I have not received anything. Have you, Aled?

[39] **Mr Eurig:** That was sent off before Christmas. We have not seen a copy of any response.

[40] **Jeff Cuthbert:** There was also a question on the variations in the interpretation of 'subsidiarity'.

[41] **Rosemary Butler:** There are as many different interpretations as there are countries. It depends whether the regions are rural areas or, for example, in which area of Spain they are, because there may be four or five different interpretations among the Spanish regions. It is fascinating trying to get an interpretation and to decide where we are going. However, I think that we are getting there.

[42] **Mr Eurig:** Interestingly, because of the constitutional nature of, for example, federalism in Germany or the constitutional relationship between the regional parliaments in Italy with the central Government there, the way in which subsidiarity is dealt with is much more formal—in fact, it is dealt with on a legal basis. So, when they talk about subsidiarity, they are talking about formalised legal relationships and arrangements between the institutions, which is in huge contrast to what we have in this country. Due to the fact that we do not have such arrangements in this country, much more depends on the goodwill or otherwise of UK Parliaments.

[43] **Eleanor Burnham:** I wish that I had been a member of this committee years ago as it is absolutely fascinating. I am intrigued by the constant negative outlook towards Europe and our present status, so to speak, in many parts of the media. I wonder how many, or few, are watching our discussion this morning.

[44] **Rosemary Butler:** That is not a question for me, is it?

[45] **Eleanor Burnham:** No. I am sorry; that was tangential.

[46] I realise that we will be discussing the Committee of the Regions with Christine later, and I am fascinated by the relationships that exist. I imagine that it must take a long time to develop these relationships. It was quite sad really—and I hope that it is okay to say this, Chair—that when, only a couple of years ago, the Tory group went to Brussels, quite rightly, to do some fact-finding, all that appeared in the paper was negativity. In fact, as a group, I do not think that we have been to Brussels in five years or more. It is sad, because there is so much to learn about what we can do. What is your view regarding the way in which we can beef up these relationships so that we can get the best out of what is available in Europe? It is a huge question and I suspect that we could be here all morning answering it, but I think that you understand why I ask it.

9.40 a.m.

[47] **Rosemary Butler:** As far as the Welsh Assembly Government is concerned—I cannot speak on behalf of the Government, but I can make an observation—the office in Brussels is incredibly effective. The fact that Assembly Members have an official in there who is their official is quite innovative as far as other Brussels offices are concerned. You cannot just go to Brussels, you need to know why you are going there, because it is huge. You have good representation on the Committee of the Regions; Rhodri Glyn is a member now, along with Christine Chapman. I was a member previously, and the support that you get from

your officials is amazing. With Europe, the more that you put in, the more that you get out, not just in terms of finance, but in experience and best practice. The Government itself belongs to Regleg. There is a range of organisations at a regional and principality level, in addition to the member state level of the UK Government.

[48] **Rhodri Morgan:** That is the last question for this session. I am sorry, Eleanor, you wanted to ask another.

[49] **Eleanor Burnham:** How do we encourage the media to see our visiting Brussels as a positive rather than—I will not use the words that they might use—a negative? As you rightly said, developing relations—

[50] **Rhodri Morgan:** Eleanor, I do not think that that is a fair question. It is not a matter for CALRE.

[51] To ask a final question, we are happy that CALRE members should share Gregg Jones with us as a committee, but do we also share him with the Presiding Officer of Scotland and the Speaker of Northern Ireland? What is meant by the following?

[52] ‘Our role as the lead regional parliamentary body from the UK, representing the interests of our Northern Ireland and Scottish colleagues, has led to further collaboration between the offices of the Presiding Officers for Scotland, Northern Ireland and Wales.’

[53] **Rosemary Butler:** It means that I go and, perhaps, next year Scotland’s representative will go and, the year after, Northern Ireland’s representative will go. It is a watching brief—

[54] **Rhodri Morgan:** It is rotating.

[55] **Rosemary Butler:** It is, but we do the rotating, if you see what I mean.

[56] **Rhodri Morgan:** I am not sure that I do now. Do you mean that you have this job on behalf of Scotland and Northern Ireland or that you are doing it now, then Scotland will do it and then Northern Ireland?

[57] **Rosemary Butler:** It has evolved, in that Scotland had a problem with Members being able to get away because of the balance of power in Scotland. They could not get away, so we kept a watching brief. Northern Ireland had its own issues and they were comfortable for us to go and keep a watching brief.

[58] **Rhodri Morgan:** Does Gregg have to support Northern Ireland or Scottish Members or are you supported by his equivalent for the Scottish Parliament or the Northern Ireland Assembly?

[59] **Rosemary Butler:** No, he supports me and then I report what happens to Scotland and Northern Ireland.

[60] **Rhodri Morgan:** I thank Rosemary and Aled, and I make the usual point that you will be supplied with a copy of the transcript for checking for accuracy. Thank you very much for your contribution and your coverage of the issues that have arisen over the past seven or even eight months.

9.44 a.m.

**Y Wybodaeth Ddiweddaraf am Bwyllgor y Rhanbarthau
Committee of the Regions Update**

[61] **Rhodri Morgan:** I welcome Christine Chapman, Assembly Member, and Rhodri Glyn, who are the member and the alternate member of the Committee of the Regions for a five-year term from 26 January 2010. I ask you to speak to your paper and make any introductory remarks that you wish to make. We will then open it up for questions.

[62] **Christine Chapman:** Thank you, Chair. I wish to make three points before Rhodri Glyn comes in. First, Rhodri Glyn and I are seeking clarification on our role, given the dissolution of the Assembly, which has not happened before.

[63] **Rhodri Morgan:** You had better get re-elected. [*Laughter.*]

[64] **Christine Chapman:** I have met Welsh Assembly Government officials, and I am awaiting confirmation of what will happen. It is hoped that we do not have to resign formally, because there is a long, protracted appointment procedure—compared with other regions—which is reflected in the paper. That would give us a problem, as Wales would be left without a voice. However, I am awaiting confirmation on what the Welsh Assembly Government will do about that.

[65] The second point relates to the opinion that I have drafted. This is my second opinion since I have been on the Committee of the Regions—I had one last year.

[66] **Rhodri Morgan:** You are being greedy. [*Laughter.*]

[67] **Christine Chapman:** This is in response to the European Commission's publication of its proposals for a European platform against poverty and social exclusion. I was nominated by my political group to write this opinion. The timescale is tight on this; I will be in Brussels next week. You will have seen the paper, which will hopefully be adopted next week, at the first stage, at the Commission for Economic and Social Policy meeting. It will then hopefully be adopted at the Plenary meeting on 31 March. We have done some preparatory work on this. I am grateful to Gregg Jones, who acted as my expert; we worked together on this. Before Christmas, there was a series of meetings in Brussels on the European anti-poverty network. However, Gregg also had a series of meetings with organisations such as Eurochild, EUROCITIES, the Local Government Association and the Welsh Local Government Association. The European Union 2020 monitoring platform has done a quick survey of its members, so there was intense preparation and research on this.

[68] I will just comment on the substance of the opinion. It broadly welcomes an EU initiative that is aimed at raising the visibility and the priority of tackling poverty and social exclusion on the EU and national agendas. It also welcomes the commitment to reduce poverty by 20 million by 2020. Poverty is an important issue; I have called the high level of poverty in Wales, the UK, and across Europe, a badge of shame. However, I have some concerns with the EU's paper, and, again, I have responded to this in my opinion.

[69] First, I have stated that not enough priority has been given to tackling child poverty, and have noted that the child poverty recommendation is to be delayed until 2012—not this year. In doing this work, we have highlighted the excellent work that is being done in Wales, under Huw Lewis's portfolio. The opinion also poses broader questions about the level of political will in the context of austerity measures and high public deficits, to prioritise actions in this area. We also need to address inequality, as part of a broader framework, aimed at achieving a high quality of life and wellbeing for the EU citizen. I started to pick up on this in

my previous opinion. That is the substance of the opinion, and next week will be its first adoption. A few amendments have been tabled, but I have not had a chance to look at those yet. However, we will be debating it next week.

[70] The third point, which is in the paper, refers to my continuing role as one of the EU political co-ordinators of the EU 2020 strategy, alongside Mr Nichi Vendola, the First Minister of the Puglia region. We have overseen the production of the first Committee of the Regions monitoring report on the EU 2020 strategy. The main point of this role is to try to get much more of a buy-in from political members of the Committee of the Regions, rather than just officials. That has been an interesting discussion.

[71] **Rhodri Morgan:** I have a quick question on that. You will have heard what Rosemary said earlier about Gregg Jones providing support. Does that apply to you as well, or are you supported by COR officials?

9.50 a.m.

[72] **Christine Chapman:** I am supported by Gregg, in the main. He has provided tremendous support because he is very good at networking, which is a skill that you really need out there. I work very closely with officials at a political level in the public expenditure survey group and in the Commission for Economic and Social Policy group, for example. Therefore, a number of different people are involved.

[73] **Rhodri Morgan:** However, these are not Assembly Government officials. Do you have access to Assembly Government officials?

[74] **Christine Chapman:** I have meetings with them at the Brussels office.

[75] **Rhodri Morgan:** However, they do not support you.

[76] **Christine Chapman:** No.

[77] **Rhodri Morgan:** Diolch yn fawr. **Rhodri Morgan:** Thank you very much. I turn now to Rhodri Glyn.

[78] **Rhodri Glyn Thomas:** Yn gyntaf, hoffwn ategu'r hyn a ddywedodd Christine am Gregg Jones. Mae Gregg wedi rhoi cefnogaeth ryfeddol inni ac wedi sicrhau bod gennym yr holl wybodaeth gyfredol sydd ei hangen arnom. **Rhodri Glyn Thomas:** First, I would like to endorse what Christine said about Gregg Jones. Gregg has given us incredible support and has ensured that we have all of the current information that we need.

[79] Yn ogystal â'r gefnogaeth yr ydym yn ei chael gan y pwyllgorau, yr ydym yn cael cefnogaeth gan ein grwpiau gwleidyddol. Yr wyf yn rhan o grŵp y Gynghair Ewropeaidd ac yn cael cefnogaeth ganddo. Credaf fod Christine a minnau, rhyngom ni, wedi llwyddo i fynychu pob cyfarfod a gynhaliwyd hyd yn hyn er mwyn sicrhau bod llais Cymru'n cael ei glywed yn y pwyllgorau hynny. Yr wyf wedi canolbwyntio ar Gomisiwn Adnoddau Naturiol Pwyllgor y Rhanbarthau. As well as the support that we receive from the committees, we receive support from our political groups. I am a part of the European Alliance group and am supported by it. I believe that Christine and I, between us, have managed to attend every meeting that has been held so far in order to ensure that Wales's voice is heard at those committees. I have focused on the Commission for Natural Resources of the Committee of the Regions. A statement was published by the commission regarding the common agricultural policy, which is extremely

ynglŷn â'r polisi amaethyddol cyffredin, sy'n eithriadol o bwysig i Gymru. Llwyddais i fwydo i mewn i'r broses honno y materion hynny y teimlwn sy'n bwysig yng Nghymru. Yr oeddwn hefyd yn aelod o'r pwyllgor dros dro sy'n ymdrin â chyllideb yr Undeb Ewropeaidd. Llwyddais unwaith eto i fwydo i mewn i'r broses hwnnw nifer o faterion a godwyd gan y pwyllgor hwn, o ran anghenion Cymru a'r hyn fydd yn digwydd i Gymru ar ôl 2013.

important to Wales. I succeeded in feeding into that process the issues that we feel are important in Wales. I was also a member of the ad hoc committee that considered the budget of the European Union. Once again, I succeeded in feeding into that process a number of issues that have been raised by this committee, in terms of Wales's needs and what will happen to Wales post-2013.

[80] **Rhodri Morgan:** Diolch yn fawr. Hoffwn ofyn un cwestiwn i'r ddau ohonoch. Pa fath o statws sydd gan Gymru ymhlith rhanbarthau Ewrop? Sylwaf fod Christine wedi cynnig gwneud llwyth o waith ac yn llunio un opiniwn ar ôl y llall. A yw hynny'n golygu bod gan Gymru statws uchel o'i gymharu â statws yr Alban, Gogledd Iwerddon, rhanbarthau Lloegr, rhanbarthau Sbaen a rhanbarthau'r Almaen? Yn eich barn chi, beth yw canfyddiad rhanbarthau Ewrop o statws Cymru fel rhanbarth?

Rhodri Morgan: Thank you very much. I now have a question for both of you. What status does Wales have among the European regions? I note that Christine has offered to do lots of work and has compiled one opinion after another. Does that mean that Wales has a relatively high status in comparison with Scotland, Northern Ireland, the English regions, the Spanish regions and the German regions? In your view, what is the European regions' perception of Wales's status as a region?

[81] **Christine Chapman:** I think that our status is high. As Rosemary said, this is about what we can put into the process. As a member of the Committee of the Regions, you are there to fulfil a role. However, we both see our role as giving Wales a profile. It is about what we do in that context. There is a certain technique to it. In the work that I have done, I have drawn as much as possible on the good work that has been done by the Welsh Assembly Government and the Assembly. I would therefore say that our status is high.

[82] **Rhodri Morgan:** A hoffech ychwanegu unrhyw sylwadau, Rhodri Glyn?

Rhodri Morgan: Would you like to add anything, Rhodri Glyn?

[83] **Rhodri Glyn Thomas:** Byddwn yn cytuno'n llwyr a'r hyn a ddywedodd Chris.

Rhodri Glyn Thomas: I agree completely with what Chris has said.

[84] **Rhodri Morgan:** Llwyth o waith, felly. Da iawn.

Rhodri Morgan: Lots of work, then. Good.

[85] Nick Bourne and Jeff Cuthbert have questions. However, we are running a little late because I was talking earlier about my family's health problems, so we need to take a break sometime before 10 a.m. in order to set up the video-conference for Commissioner Lewandowski. Therefore, if we have a break in about three minutes' time, in order to have a two-minute break for the video link to be set up for Commissioner Lewandowski at 10 a.m.—assuming that he is available, which is something that we need to check—Christine and Rhodri Glyn, would you both be available to come back after we have had our session with Commissioner Lewandowski, which you are welcome to listen to? We can then continue with this discussion, as Nick, Jeff and Eleanor all wish to ask questions. Is that okay with you? I see that it is. Good; we will therefore start with a question from Nick.

[86] **Nick Bourne:** My first point is a perhaps more of a comment than a question: I hope that we are valuing Gregg in terms of his salary package. We have all seen organisations where someone is taken out and the whole deck of cards collapses. Gregg must be high up on

the list.

[87] **Rhodri Morgan:** Bureaucrats' bonuses. [*Laughter.*]

[88] **Nick Bourne:** I would like to thank you both, Christine and Rhodri, for all the work that you do. It really is appreciated. The question is less on the excellent work that you have done on the poverty and social inclusion and more on the possible interregnum that there may be. What have we done in previous Assemblies? I cannot remember this being an issue before.

[89] **Rhodri Morgan:** It has been a nightmare. [*Laughter.*]

[90] **Nick Bourne:** A nightmare of which I was unaware.

[91] **Rhodri Glyn Thomas:** We have not had dissolution before.

[92] **Christine Chapman:** No, we have not.

[93] **Nick Bourne:** I see.

[94] **Rhodri Morgan:** Not disillusion, but dissolution. Dissolution leads to disillusion.

[95] **Nick Bourne:** Okay, that is the answer.

[96] **Christine Chapman:** There is ambiguity. As I said, I have had a meeting with an official from the Welsh Assembly Government. The Committee of the Regions is slightly ambiguous at the moment regarding whether my status remains the same due to the fact that, during April, I will not be a Member. It is all slightly up in the air at the moment, but we hope to have some clarification soon.

[97] **Rhodri Glyn Thomas:** Credaf iddo gymryd dros flwyddyn imi gael fy mabwysiadu fel yr Aelod sydd yn dirprwyo dros Chris ar Bwyllgor y Rhanbarthau. Mae'r broses yn cynnwys Llywodraeth Cymru a Llywodraeth San Steffan. Dyna pryd y cawn ein mabwysiadu fel aelodau. Mae fy aelodaeth i—ac aelodaeth Chris, yr wyf yn credu—yn parhau tan 2015. Petai inni orfod ymddiswyddo, byddai'n rhaid inni fynd drwy'r broses honno unwaith eto. Mae'n bosibl iawn na fyddai gan Gymru aelodaeth o Bwyllgor y Rhanbarthau am flwyddyn gyfan ar adeg bwysig, nid yn unig o ran datganiad Chris, ond hefyd fy ngwaith ar y polisi amaethyddol cyffredin a chyllideb yr Undeb Ewropeaidd, sydd yn eithriadol o bwysig o ran sicrhau bod llais Cymru yn cael ei glywed.

Rhodri Glyn Thomas: I think that it took over a year for me to be adopted as the substitute for Chris on the Committee of the Regions. The process involves the Welsh Government and the Westminster Government. That is when we are adopted as members. My membership—and Chris's membership, I think—runs until 2015. Should we have to resign, we would have to go through that process a second time. It is possible that Wales would not have membership of the Committee of the Regions for a whole year at an important time, not only in terms of Chris's statement, but also my work on the common agricultural policy and the European Union budget, which is extremely important in terms of ensuring that Wales's voice is heard.

[98] **Rhodri Morgan:** I will allow you back very quickly, Nick, before the break because we will have to break very shortly in order to set up the video link.

[99] **Nick Bourne:** I just want to try to determine whether this is a political issue or a legal one. That might make a difference.

[100] **Rhodri Glyn Thomas:** I do not think that it is either; it is a matter of protocol. If the Government of Wales were to say that Chris and I were the nominated members until the election and after the election—and, hopefully, we will both be re-elected—it is possible that the Government of Wales could choose other nominees. However, our membership would continue until it did so.

[101] **Nick Bourne:** Therefore, it rests with this Government, in other words.

[102] **Rhodri Glyn Thomas:** Yes. That is my understanding.

[103] **Nick Bourne:** I cannot understand why it cannot be sorted. I might be missing something.

[104] **Christine Chapman:** It should be sorted.

[105] **Rhodri Morgan:** We will now take a two-minute break to set up the video link, and we will also have a comfort break to refill our coffees and so on. I propose that we return by 10.00 a.m. for our discussion with Commissioner Lewandowski.

*Gohiriwyd y cyfarfod rhwng 9.57 a.m. a 10.04 a.m.
The meeting adjourned between 9.57 a.m. and 10.04 a.m.*

Adolygiad o Gyllideb yr UE: Comisiynydd Ewrop dros Raglennu Ariannol a'r Gyllideb (drwy Gynhadledd Fideo)

EU Budget Review: European Commissioner for Financial Programming and Budget (via Video-conference)

[106] **Rhodri Morgan:** We are now in public session, having established the video-conferencing link with Brussels, which is nice and clear this morning. I welcome Commissioner Janusz Lewandowski to the committee—in spirit if not in body, given that you are in Brussels and we are in Cardiff. We are glad to be able to have you speak to the committee and respond to our questions. Do you want to say a few words so that we are absolutely sure that we can hear you loud and clear?

[107] **Professor Lewandowski:** Good morning. Thank you for this opportunity to speak to you. It is a good time to discuss the ongoing projects and the future of the European budget, given that we are in the decisive phase of the preparations, not only for the next annual budget, which is part of our routine in Brussels, but also for what should be the vision of European finances post-2013. This is also important for the community of Welsh local government. It is my pleasure to meet you.

[108] **Rhodri Morgan:** Thank you very much. Would you like to make any initial comments on the budget, with regard to the key points, namely whether the budget increase of 2.9 per cent, if I understand the figures correctly, which has now been agreed, is sufficient to meet the demands of all stakeholders—the European Parliament and so on—for 1 January 2014 to the end of 2020, or is it going to require an enormous amount of negotiating and budget-setting skill on your part to deliver what everybody in Europe wants within that increase?

[109] **Professor Lewandowski:** The 2011 negotiations were a foretaste of the deteriorating spirit in the European Union as, for the first time since 1984, the conciliation failed. Only after the second attempt—after the second draft budget—did we succeed with an agreement, a compromise. Otherwise, we could have entered 2011 with so-called provisional twelfths,

which is a clear disadvantage for many beneficiaries. I do not know yet whether 2.9 per cent is sufficient to cover all of the bills that will come to Brussels throughout 2011, as our forecasts for 2011 for invoices to be paid was somewhat higher. However, let us hope that this is sufficient. We have one more budget, for 2013, and this is a point of reference in discussing the future post-2013.

[110] So, the level of payments in the 2013 budget is important as a point of reference to discuss what the volume should be of a European budget in the next financial framework between 2014 and 2020, assuming that it will be for seven years again. The formal position of the European Parliament is that it should be for five years. However, I hope that, again, it will be for seven years. I believe that, given the new ambitions and politics delegated to the European level under the Lisbon treaty, the amount negotiated for 2011 is *minimum minimorum* to cover all the needs of the 27 countries.

[111] **Rhodri Morgan:** Thank you for that. I have one last question before I throw it open to other committee members. With regard to the UK Government's position, it has said that, with regard to the next financial framework from 2014 onwards, it wants to see a 'real-terms reduction' compared to the 2007-13 framework. Does that mean a real-terms reduction full stop, or does it mean a real-terms reduction compared to the annual rate of increase if you average out the current financial framework period of 2007-13? What is your understanding of that, and how does that relate to your answer to my previous question?

10.10 a.m.

[112] **Professor Lewandowski:** For me, the position of the Prime Minister of the UK is important as a parameter in my calculations for future. We have a letter from five of the 27 countries. Those five countries contribute more or less 50 per cent of the European budget, and therefore it is a meaningful letter. Fortunately, in the case of Mr Cameron's statement, we could have some flexibility in interpretation. If the budget is to be frozen or cut in nominal terms, it is absolutely not sufficient to cover the needs of a growing Europe between 2014 and 2020. If this is about real figures, I think it will be very difficult, but we could live somehow with a budget that does not grow much in real terms over the next seven years. However, we need to remember that we have new duties in external, immigration and security policy—energy comes under security as well, but it needs cross-border interconnections. I think that we have to take the position, not only of Prime Minister Cameron, but the five countries that have signed the letter, of being flexible. We cannot afford cuts, because if you go down below 1 per cent of GDP as the level of European budget, this is almost comparable to the ambitions of the European Union as regards external aid. The external aid ambitions of the European Union are at the level of 0.7 per cent of GDP. This has never been attained, but it is the level of ambition. We cannot build the European structure in the twenty-first century at the same level of expenditure. So, I believe that the flexible interpretation for the future is that we should not grow substantially in real terms, but we have to grow in nominal terms.

[113] **Rhodri Morgan:** It is about that distinction. Okay. I will now pass the questioning to Nick Bourne.

[114] **Nick Bourne:** Good morning, Gregg and Commissioner Lewandowski. My questions are on the budget, not about particular amounts, but about general principles. Two areas are perhaps more vital to Wales than any other area in the European budget; one is agriculture, the other is the social cohesion funding. I just want to get a feel for where they are going. I have spoken to Caroline Spelman of the UK Government, and she says that direct payments will continue in more or less the form they are now, at least until 2020 and probably beyond that. How do you feel about that?

[115] Do you feel that it is likely that we will have a continuation of assistance for poorer

regions of richer member states—west Wales and the Valleys, from our perspective—into the next round of cohesion funding?

[116] **Professor Lewandowski:** I am monitoring the development of regional policy in Wales. I have recent figures for consumption in Wales; for 2006 it was very good, at almost 100 per cent, whereas now it is more or less at the level of the European average. Our plans are now very close; we will make an announcement on communication in the future in the last weekend of June. So, we are already drawing these scenarios for the future. Of course, cohesion policy should not only address the so-called poverty eligible areas, but also some areas of old Europe, enabling them to continue their projects. I am not ready to disclose the volume of the cohesion policy to address competitiveness in transitional regions now, but the principle is that cohesion policy cannot just be a charity for the poor; it should be the European development policy, addressing issues not only in eastern Europe, but also in many areas of western Europe, such as eastern Germany, many areas of Spain that are theoretically no longer eligible, and Wales. So, this is the principle: cohesion should be the European development policy and not a charity for the poor, because that could mean the end of the cohesion.

[117] As for direct payments in agriculture being part of the common agricultural policy, apart from the rural development fund—this is also essential—they account for around €400 million annually. We do not plan the flat rate for all 27 countries: there are now big differences between, for example, Belgium and Greece on the one side, and the Baltic states, with less than €100 per hectare, on the other. Our aim is convergence, not a flat rate. It is to be continued as a direct payment per hectare, but the difference between countries should be much narrower than it is at present. It is not attainable for every country to achieve a flat rate.

[118] **Jeff Cuthbert:** Good morning, Commissioner and Gregg. My question flows, in part, from one of the points that Nick made about the future of cohesion policy. I appreciate that you cannot comment on the size of any transitional funding, as you made quite clear, but, in Wales, we do not know yet whether we will qualify under the current criteria for another round of convergence funding, or whether it would be transitional funding, at least. Can you confirm that there are no plans to remove the notion of transitional funding, and that there will be something for regions such as Wales? As regards the issue of conditionality, I understand that there is a threat that regions of member states, like Wales, could lose that money if the member state itself does not deliver on its commitments on growth and stability. Is that a danger for us?

[119] **Professor Lewandowski:** In order to defend cohesion as a pan-European policy—I am in full agreement with Commissioner Hahn, who is responsible for regional policy, on this—we have to address the areas that are above the level of 75 per cent of the European average. That applies to many parts of Wales, because this level varies greatly between different areas. As for conditionality, we are probably going to introduce two different types of conditionality. One could be seen as a tool of economic governance and economic discipline for the member states, which is a carrot-and-stick methodology for disciplining public finances. However, this has not yet been agreed. This is already possible under the treaty, but has never been tried. In the first round, this is about the suspension of funds, rather than cancelling funds, but this has not yet been agreed. The other type of conditionality, which was partly applied within the ongoing financial framework, complies with environmental goals and the 2020 strategy. However, this has its limits, because the establishment of too many criteria will produce red tape and bureaucratic discretionary power for Eurocrats like me in Brussels. There should be a balance between conditionality and addressing some of the goals of the 2020 strategy and the wisdom of regional local authorities—both should be in balance; otherwise we will have too much red tape and funds that are theoretically available will not be available practically.

[120] **Eleanor Burnham:** Pa effaith mae'r argyfwng yn ardal yr ewro yn ei chael ar y ddadl ynghylch cyllideb yr Undeb Ewropeaidd yn y dyfodol? A fydd y cytundeb ynghylch adnodd newydd i sicrhau sefydlogrwydd ariannol yn Ewrop yn golygu y bydd llai o arian ar gael dan gyllideb yr Undeb Ewropeaidd ar gyfer meysydd eraill sy'n flaenoriaeth? A oes gennych ryw syniad o hyd a lled y cyllid a fydd yn cael ei neilltuo, yn ôl pob tebyg, i'r adnodd hwn, a sut y bwriedir dod o hyd i'r cyllid hwnnw?

Eleanor Burnham: What impact is the eurozone crisis having on the debate over the future European Union budget? Will the agreement on a new European financial stability mechanism mean that less money is available under the European Union budget for other priority areas? Do you have a sense of the scale of funding that is likely to go into this mechanism, and how this will be found?

10.20 a.m.

[121] **Professor Lewandowski:** There is a direct link between the financial climate in Europe—which is not good—and the rational discussion over the future of the European budget. The European budget is without deficit or debt and, normally, due to the multi-annual programming, there is an acceleration in spending within the seven-year period. So now there is a problem of bills to be paid in 2011, 2012 and 2013, and also, for you in Wales, this is about the maturity of the programmes. They are more mature now than they were in 2007 or 2008. The European budget is already involved in the stability mechanism as collateral for non-eurozone countries by providing a guarantee of up to €50 billion. This has already been activated for Romania, Hungary and Latvia, up to the level of €14.6 billion. We also provide collateral for eventual loans to the eurozone countries. The first experiment was with Irish placement. The European budget provided collateral of around €5 billion for the, fortunately, successful placement of the bonds.

[122] In the future, the permanent mechanisms—rather than the temporary installations that are now bilateral and that involve the European budget—are to be bilateral in their nature and will not involve the European budget as collateral. This resembles the present installation of the European financial stabilisation mechanism of up to €440 billion. This is about inter-governmental arrangements, not involving the European budget. As far as I know, the future permanent mechanism, to be launched by 2013, should be inter-governmental and not involve the European budget. However, the climate of the discussion over money and solidarity, vis-à-vis Greece, Ireland or the Mediterranean area, is, of course, not advantageous in terms of a rational discussion over the future of the European budget.

[123] **Rhodri Glyn Thomas:** Mae gennyf ddau gwestiwn cyffredinol ac un penodol. Yr wyf yn derbyn yr hyn yr ydych wedi ei ddweud ynghylch sut mae dosbarthu'r arian, ond a ydych yn cytuno â Chomisynydd Hahn y dylid cadw lefel bresennol y gwariant ar y polisi cydlyniant? Ynghylch taliadau uniongyrchol, a'r cwestiwn a ofynnodd Nick Bourne, fy nealltwriaeth i yw bod Llywodraeth y Deyrnas Unedig yn ceisio lobbio a phwyso am ddileu'r taliadau uniongyrchol. Ai dyna'ch dealltwriaeth chi? A oes cefnogaeth gyffredinol i hynny o fewn yr Undeb Ewropeaidd?

Rhodri Glyn Thomas: I have two general questions, and one specific question. I accept what you have said about how the money should be distributed, but do you agree with Commissioner Hahn that the current level of expenditure on the cohesion policy should be maintained? Regarding direct payments, and the question asked by Nick Bourne, my understanding is that the United Kingdom Government is trying to lobby and press for abolishing direct payments. Is that your understanding? Is there general support for that within the EU?

[124] **Professor Lewandowski:** I am in full agreement with Mr Hahn and we share more or less the same vision. We are also in full agreement about defending cohesion policy.

Yesterday, there was a cohesion forum here in Brussels, chaired by two prime ministers. There was a clear conclusion that cohesion is an expression in monetary terms of European solidarity and development policy and a very important pillar of a future European budget. If we are to address the problems of our regions, not only those eligible under convergence—this is mainly about eastern Europe—we have to at least preserve the existing volume of the cohesion policy. There is agreement with Commissioner Hahn on defending cohesion as a European policy, and not just as a selective policy for the poorest areas of Europe, because it might also be an anti-crisis policy. Cohesion policy is about structural investment funds, not consumption. With the multiplier effect, cohesion in many areas of Europe could be seen as an anti-crisis package, which is good for growth and jobs.

[125] On direct payments, as far as I know there is no official position by the UK Government. The prevailing mood is to narrow the differences, but to preserve the system as the communal policy and not nationalised policy. This is very much a communal policy, which is not always understood in many parts of Europe. It makes up 40 per cent of the current budget, which seems to be a lot. However, this is purely Brussels expenditure. In the other areas of research, people find that Brussels expenditure comes on top of national expenditure. The principle of direct payments, decoupled from production, should be preserved in the next financial perspective. The differences cannot be eliminated, but should be much less between, for example, countries like Greece and Lithuania.

[126] **Rhodri Glyn Thomas:** O ran y contractau partneriaeth datblygu a buddsoddi, a fydd Cymru yn gallu cadw ei rheolaeth o'r contractau hynny o fewn y drefn a fydd yn datblygu, ynteu a fydd yn rhaid inni geisio dadlau'r achos—

Rhodri Glyn Thomas: With regard to the development and investment partnership contracts, will Wales be able to maintain control of those contracts within the regime that will develop, or will we have to try to argue the case—

[127] **Professor Lewandowski:** It is a new idea. The intention is not to eliminate but to preserve multi-level governance, and not centralisation of structural funding. For me and Commissioner Hahn, the value of the structural policy is its multi-level governance, involving local and regional governments in the exercise, and not pure centralisation, as was mentioned in one paper that was anonymously leaked in 2009. However, no-one is advocating that sort of concept, fortunately.

[128] **Rhodri Morgan:** I have a final strategic level question. Can you give us your overall view of the EU's budget and where it sits in the context of the financial catastrophe that we have lived through since 2008, and the fact that some countries have made a very rapid recovery—Germany, in particular, is leading the pack—that some countries are in very serious crisis, such as Greece and Ireland, and that the UK is somewhere in the middle? If there is very slow economic recovery, it affects the tax buoyancy of national Government, which, in turn, puts pressure on the contributions made to the EU budget. What is your view on the speed of economic recovery across the board in Europe, and the impact that that has on the job that Europe has to do and the budget that you have to get hold of in order to deliver the objectives that the European Parliament and member states want to achieve?

10.30 a.m.

[129] **Professor Lewandowski:** This is a strategic question. I aim to defend the different logic of the European budget, which is without deficit or debt, and is multi-annual and investment in nature with a multiplier effect, amidst a European crisis that is placing enormous pressure on finance ministries throughout Europe. Whatever the speed of the recovery may be—it is greater in Germany than in my country of origin, where it is still quite decent—the pressure on public finances is more or less the same, and has a direct impact on the discussion on annual budgets and on the future of European finances. That is one more

reason why we are almost obliged to seek additional resources from the European budget, apart from national contributions. However, I am personally against taxation, therefore I know how controversial this is. I am not so naïve as to think that we can find anything very efficient as a supplement to the national contributions coming from London, Paris, Warsaw and mainly from Berlin. I am afraid of the deterioration of the climate and a slow economic recovery, because it is creating this very Eurosceptic, pessimistic and sometimes egoistic mentality throughout Europe. The democratic leaders have to respond to this; they are democratically elected and have to respond to this mood, which is not so much about solidarity as it used to be in the 1990s or 1980s.

[130] **Rhodri Morgan:** When you say ‘egotistic’, do you mean a ‘beggar my neighbour’ attitude? Is that a phrase that you would recognise?

[131] **Professor Lewandowski:** Yes; it is, however, difficult to exercise that sort of policy for eurozone countries, because you cannot devalue your currency because there is the euro. There are limits to egoistic political policy in monetary terms, but I see more protectionism around Europe and greater fear about the future for the labour market, security and immigration. If you want to find optimists, you should go to Tallinn, for example, and possibly to Warsaw. It is much more difficult to find optimism in the founding countries of the European Union.

[132] **Rhodri Morgan:** Commissioner Lewandowski, thank you very much for your contribution this morning. I wish you well with your very difficult work as the European Union’s Commissioner for Financial Programming and Budget.

[133] Diolch yn fawr am eich cyfraniad. Thank you very much for your contribution.

[134] **Professor Lewandowski:** Thank you for the opportunity to contribute.

10.34 a.m.

Y Wybodaeth Ddiweddaraf am Bwyllgor y Rhanbarthau: Parhad Committee of the Regions Update: Continued

[135] **Rhodri Morgan:** I invite Chris and Bob Bright back to the table. We will try to finish this session at 10.45 a.m., or earlier, then move on to the report and try to finish at 10.55 a.m., if that is okay.

[136] **Eleanor Burnham:** A allaf ofyn **Eleanor Burnham:** May I ask a question in cwestiwn yn y sesiwn hon, os gwelwch yn this session, please?
dda?

[137] **Rhodri Morgan:** Gallwch, ar bob **Rhodri Morgan:** Yes, by all means.
cyfrif.

[138] We welcome Bob Bright for the first time and Chris for the second, and continue with the questions that we began asking earlier. Jeff, you had asked your question, had you not?

[139] **Jeff Cuthbert:** No, I had not; it was Nick who asked a question. The questions that I was going to put to Christine were covered in the previous session, so—if I may, Chair—I have a question for Bob Bright. Bob, I read your paper on behalf of the Welsh Local Government Association with interest, and I am particularly interested in vocational education and training, for which you are the rapporteur. I notice at the bottom of the first page that you referred to the need across Europe to recognise the role of vocational education and training to help speed up economic recovery; I agree with you on that, but does it include

the notion of some sort of framework or qualifications structure so that people coming here from other parts of the EU are not required to retake qualifications, or vice versa, so that there is some recognition of skills, in particular?

[140] **Mr Bright:** That is a very relevant point and, yes, it was very much in our mind when we wrote the opinion that if we could have this and move the vocational training forward in Europe, and model our systems on the Finnish and particularly the German ones, then we would need to refine educational qualifications. In fact, if you read the paper, it makes that point. It is very relevant. I know that it happens even when people move to Australia, for instance. My son is a doctor; he went there, and they have a system whereby they do a check even if you are a member of the Royal College of Physicians, as he is. You have to validate your qualifications, and there is a general standard. So, yes, that point was certainly was discussed.

[141] **Rhodri Morgan:** That is what the American and Canadians call a trade test; they check whether you are competent.

[142] **Mr Bright:** That is protectionism, is it not? I will not go into the evils of protectionism in the professions, but I think that it is alive and kicking in the States.

[143] **Eleanor Burnham:** Mae fy nghwestiwn i Christine. Yr wyf yn meddwl y dylem ddiolch i Christine ac wrth gwrs i Rhodri Glyn, yn ogystal ag i'r cynghorwyr, Bob Bright and Chris Holley. Mae fy nghwestiwn yn ymwneud â'r ffaith bod pwysau ar Christine i fod yma, fel sydd ar Rhodri Glyn, i wneud y gwaith hwn. Sut yn union y gallem gael mwy o ddylanwad yn Ewrop drwy bobl fel chi, Rhodri Glyn a'r cynghorwyr? Yr ydym yn gwneud adroddiad arall yn y pwyllgor ar ba mor effeithiol yr ydym wrth ddefnyddio'r adnoddau ac arian sydd ar gael o Ewrop.

Eleanor Burnham: My question is to Christine. I think that we need to offer great thanks to Christine and to Rhodri Glyn of course, as well as to the councillors, Bob Bright and Chris Holley. My question is on the fact that there is pressure on Christine to be here, as there is on Rhodri Glyn, to do this work. How exactly could we have more influence in Europe through people like you, Rhodri Glyn and the councillors? We are doing another report in the committee on how effective we are in using the resources and funding that is available from Europe.

[144] **Rhodri Morgan:** Did you get that, Bob?

[145] **Mr Bright:** No—there is no connection.

[146] **Eleanor Burnham:** I was just being kind and saying how wonderful you all are for doing this good work. I was particularly commending Christine and Rhodri Glyn because I know how difficult it is for them, as well as for you, as councillors, to be in Europe in addition to doing your work here. We are doing a report on how effective and efficient we are in using resources as well as having an influence in Europe. My concern is that there is such a lot of negativity—which we discussed with the Deputy Presiding Officer earlier—from the media about anything European that we almost dare not go to Europe, because we are seen as being on a jolly rather than doing important work. My real issue is how we improve our networking and influence to make the best use of all the possibilities in Europe.

[147] **Christine Chapman:** If I may start, the Committee of the Regions is pretty vast, and covers a huge area. There is a danger that you could go there and not do an awful lot. I made it my commitment from day 1 to get involved, particularly through the ECOS group, which is the economic and social policy committee. I have homed in on that particular portfolio. Obviously, there is an opportunity to network and bring back good practice, but also to raise our profile, which is the point that I made earlier. It is also about using those networks for

relevant meetings, and I commend Gregg, because he is able to set those meetings up—for example, I have a meeting next week with Commissioner Andor.

[148] **Rhodri Morgan:** I think that enough people have thanked Gregg this morning to last a lifetime. Take that as read.

[149] **Eleanor Burnham:** That is why I also wanted to commend Christine.

[150] **Christine Chapman:** It is important to home in on the substance of what we are doing.

[151] **Mr Bright:** May I come in here? I would like to look at this in a wider context—not just the Committee of the Regions, but the whole issue of Europe, which is very much understated in Wales. There is almost a phobia about it. If you talk to Andy Klom, the permanent representative of the Commission, he finds it rather negative and depressing and, in fact, he has closed some of his offices because they were not getting enough people through the door. If we accept that, then that is rather a negative attitude.

10.40 a.m.

[152] We must make people in Wales aware that we are part of Europe and that, as a small, bilingual country, we have a lot to gain from being part of Europe. The Assembly could do more in promoting Europe. We need to home in on the funding that is available—and I watched the video link—and we need a small team to simplify and break through the structures to make things more accessible. We recently did the opinions in the Committee of the Regions, which has 322 representatives. The committee has quite a high profile within Europe because 60 per cent of legislation is implemented by regional government. It is valued. There is a legal requirement to consult regional government, but, in Wales, we do not seem to have an interest—

[153] **Rhodri Morgan:** All right, Bob; we are running out of time. May I ask you one specific question about your report in order to measure the value of it? Vocational training is an incredibly fascinating topic, particularly given that the simple way of measuring in regional league tables—and if we call Wales a region for the sake of comparison with other European regions—is to measure what proportion of 18 or 19-year-olds go to university. No other question counts at all. So, if you reach 50 per cent, that is great, but if you reach 60 per cent or you are ahead of Finland, then that is wonderful. However, the other question is where all the electricians and plumbers will come from under such a dispensation. You will have to import them from some other country or you will have to train them yourselves.

[154] Your vocational training report acknowledged that there is an obsession with what percentage of 18 and 19-year-olds go to university, which is important, but that you must also consider how many people are set to gain vocational-type qualifications, such as those for electricians and plumbers. Where is the balance of that argument in Europe? Are people worried about where the electricians and plumbers will come from, or is there a view that they will just arrive somehow? Is the percentage of a region's 19-year-olds who go to university the only concern?

[155] **Mr Bright:** You must look at the results in Europe, and you mentioned Finland, which is very successful in vocational training. We must get away from this mania of academia being the only thing that matters. I know that you are conscious of the time, but if you look at the German model, you will see that vocational and technical education is valued.

[156] **Rhodri Morgan:** It is a national obsession.

[157] **Mr Bright:** Germany is successful; it manufactures and bucks the trend. Its order books are full and it trains four times as many technicians as we do. Technical education is valued and it has a successful economy. We need to replicate that in Wales. We are heavily dependent on the public sector—we are the second most heavily dependent country on the public sector. We must diversify and value vocational training. The Assembly could do more about the perception that everyone must go to university and that it does not matter what you go to university to study, that it could be social sciences or whatever. Vocational education does matter.

[158] **Rhodri Morgan:** Fine; you are talking to the converted here. My last question is to Chris. How or why do you get appointed to do all of these opinions? Is it because it is thought that most Brits, and certainly the Welsh, are very good chairs and are fair in leading an opinion, or it is because they see that you are from the Cynon valley and that you will therefore know an awful lot about child poverty or whatever? What is the reason that you get chosen for this sort of thing?

[159] **Christine Chapman:** I think that I was chosen for this one because of the work that I did last year. It is not just about doing the opinion, you get the opinion adopted, but, on top of that, there is a whole range of other activities, such as dialogues and conferences. I chaired one of the sessions in the open days on innovation. It does work like that. There are different levels to the Committee of the Regions. You are busy working across political groups, but you are also working across other regions. So, it is about trying to build that consensus, particularly with other stakeholders—

[160] **Rhodri Morgan:** Is it because you are very good at chairing things, or because you know a lot about the subject?

[161] **Christine Chapman:** I am obviously very interested in poverty as an issue, but I am not an expert. We have drawn other experts into this.

[162] **Mr Bright:** It is like everything else in politics. The major political parties have a points system. So, let us not get carried away; let us look at the realistic situation, which is that it is controlled from a political aspect and the political parties get points. When they have enough points, they can appoint a rapporteur. I hope that, when they appoint a rapporteur, the rapporteur is articulate and knows his subject. I spent 30 years in vocational education.

[163] **Rhodri Morgan:** Thank you very much for your contributions this morning. That was a very good update. I will now propose that we go into private session in order to discuss our scrutiny inquiry into Welsh participation in the less well known EU funding programmes; that is, not the common agricultural policy or structural funds.

10.46 a.m.

Cynnig Trefniadol Procedural Motion

[164] **Rhodri Morgan:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).

[165] I see that the committee is in agreement.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 10.46 a.m.
The public part of the meeting ended at 10.46 a.m.