



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

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

**Dydd Mawrth, 9 Chwefror 2010
Tuesday, 9 February 2010**

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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
Jeff Cuthbert	Llafur Labour
Michael German	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Rhodri Morgan	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

His Excellency, Mr Carles Casajuana	Llysgennad Sbaen Ambassador of Spain
Maria Lledo	Cwnsler Gwleidyddol, Llysgenhadaeth Sbaen Political Counsellor, the Spanish Embassy

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

Jonathan Baxter	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Keith Bush	Pennaeth y Gwasanaethau Cyfreithiol Head of Legal Services
Lara Date	Clerc Clerk
Gwyn Griffiths	Cynghorydd Cyfreithiol Legal Adviser
Gregg Jones	Pennaeth Swyddfa UE Cymru, Gwasanaeth Ymchwil yr Aelodau Head of Wales EU Office, Members' Research Service
Sarita Marshall	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 9.45 a.m.
The meeting began at 9.45 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Rhodri Morgan:** Croeso cynnes i **Rhodri Morgan:** A warm welcome to bawb—i Aelodau, swyddogion a phawb yn everyone—Members, officials and everyone yr oriel gyhoeddus. in the public gallery.

[2] Headsets are available in the room for translation and amplification. The translation is on channel 1 and amplification on channel 0. Please ensure that all mobile phones and any other electronic devices are switched off completely. Even if they are on 'silent' mode, they

can still interfere with the microphones. In the event of an emergency, an alarm will sound and ushers will direct everyone to the nearest safe exit and assembly point.

[3] We have received no apologies. However, I have received a partial apology from Nick Bourne, who will be here for the first part of the meeting but has to leave at 10.20 a.m..

[4] With regard to declarations of interest, I have been thinking about something since last week. Among the ragbag of different employment that I have had during my life, I have worked for the European Commission. As that is a non-transferable employment—as is the House of Commons—my ragbag of pensions includes a pension from the European Commission, the House of Commons, Cardiff Council and so on. Anyone who has worked for 40 years will know the pattern, but my pattern is particularly untidy because none of these pensions would transfer from one to the other. Instead of having one continuous pension, I am probably going to finish up with four. However, that cannot be helped. That is sort of a declaration of interest; although it is not really relevant under Standing Order No. 31.6, I just thought that I should remind people of that, although they probably know it already.

9.46 a.m.

Blwyddyn Ewropeaidd 2010 dros Frwydro yn Erbyn Tlodi ac Allgáu
Cymdeithasol: Trafod y Materion Allweddol
European Year for Combating Poverty and Social Exclusion 2010:
Consideration of Key Issues

[5] **Rhodri Morgan:** We will move on to the first substantive item. This is, on my part, a carry over from work that was done almost entirely when Sandy was the Chair of this committee, apart from the last meeting, when we received evidence from the European Anti-Poverty Network in Brussels.

[6] We have had four evidence sessions. You have a paper before you that summarises the key issues that arose during the evidence sessions and which presents a number of draft recommendations and key conclusions for the committee to consider. Jonathan Baxter is here from the Members' research service, and Gregg joins us from Brussels. Welcome to the meeting, Gregg, via video-conference equipment. They are available to assist us with any technical questions on the paper.

[7] This morning, we need to discuss and agree—or disagree, or whatever—on the key issues that will form the basis of the recommendations and conclusions for the inquiry report. I will then be able to get Lara, as the clerk, and researchers to proceed with drafting it so that we can consider it at a future meeting. Welcome, Nick.

[8] There is one issue that I would like to emphasise, but, obviously, this is subject to the views of the committee and I am conscious of the fact that I was present as a member of the committee for only the last of the evidence-taking sessions. For a European year of almost anything, and especially one on such a subject as combating poverty and social exclusion, you have to ask what its purpose is. You can say that it will raise awareness, but no-one thinks that a European year of combating poverty will effect a redistribution of income from rich to poor or anything like that, as a European year will simply never achieve that kind of objective. However, it has to have a purpose. As we heard from Siân Jones in the last session, the European year for combating poverty does not set out one standard measuring rod for poverty across Europe; each member state has its own measuring rod, because poverty is measured as relative to the member state, not across the European Union.

9.50 a.m.

[9] Nevertheless, it must have a purpose. In the main, it seems that the purpose of the European Year for Combating Poverty and Social Exclusion is to discover that some things will work better than others. Although different countries in Europe have different levels of relative prosperity and poverty, if someone else has discovered not the holy grail of abolishing poverty—that would be very unlikely—but at least a reasonably successful method of abolishing or combating poverty, it is possible to learn from that experience and not have to be quite so experimental in your own country and try to reinvent the wheel. You may think ‘That seems to work’, and therefore the exchange of knowledge about relative success and failure in combating poverty makes a European year potentially quite useful.

[10] In particular, one piece of evidence caught my eye, although I was not here to hear it—it was before my time on this committee. It was evidence given about the fact that the earlier the intervention takes place, the more successful it is. Therefore, combating child poverty or even poverty among babies is essential. I even heard in Finland—although this was not in evidence taken in this committee—that trying to equalise life chances by assisting during the antenatal phase is the most useful thing of all. The earlier you intervene, the more successful your intervention will be, per pound spent. That is the kind of thing that, if true, and if we all agree on it, we could highlight and say, ‘That is something that everyone should learn from the European year of poverty, by exchanging views on best practice’.

[11] Those are my views, so I will now open it to the committee. Who would like to come in? Jeff, I see that you are indicating.

[12] **Jeff Cuthbert:** There is no doubt in my mind that, as you have highlighted, and as mentioned in the paper, the various European years of whatever are mostly about raising awareness, which is a very necessary thing. They could certainly help to inform relevant policy across Europe, at a national level or a regional parliament level. So, it should be viewed in a systematic way, and this committee is the appropriate one to do that in terms of the Assembly, by linking with the Welsh Assembly Government to ensure that European issues are understood and taken into account as far as possible in terms of policy deliberation. More specifically, I was interested to note the reference at the bottom of page 3 of my copy of the paper, to evidence from Dr Brian Gibbons, who was the Minister for Social Justice and Local Government at the time, on 17 November. He said

[13] ‘following up on Jeff’s question’.

[14] Whatever my question was, I am sure that it was a very good question, but for the life of me, I cannot remember what it was.

[15] **Nick Bourne:** They are always good, Jeff. [*Laughter.*]

[16] **Jeff Cuthbert:** Some clarity on that would be great, if I could have it.

[17] The particular point that I want to mention, which was quite rightly attributed to me, and I remember it, was about ensuring that on the issue of poverty, it seems sensible that we find some way of linking it to European structural funds. I need to declare an interest as Chair of the Programme Monitoring Committee, but because I have that WAG position, I have some advantages. I can say, without fear of contradiction, that the issue of poverty across Europe, and Wales in this case, has not been explicitly included in any of the PMC’s deliberations on the approach to the spending of structural funds. It seems logical that that ought to change, and that the PMC could be a vehicle for considering that as part of its programme, which is mainly focused on skills and jobs. However, there is no contradiction here; as I said, the best way out of poverty is through better jobs and better employment, as opposed to just receiving benefits or something like that. So, there seems to be a clear link,

and I think that that is a recommendation that we ought to take forward.

[18] **Nick Bourne:** I do not disagree with Jeff at all on that. I have a couple of points to make. Perhaps the most important and telling recommendation was the last one in the draft recommendations, namely an early warning system, which is to be found on page 12. Here we are at the start of 2010 saying what we want out of this year when we should have thought of doing that halfway through 2009 or perhaps earlier. We need to agree what we expect from European years, but it seems to me that it is a bit late in the day on this occasion, although it is better late than never. That is important. As to what we want out of the year, I would favour a longer scale rather than a shorter one. We must be realistic; I am a glass half full, rather than a glass half empty, kind of person. So, we must be realistic about what we are going to get out of it immediately. It is perhaps more about altering attitudes than about making a massive alteration to the way that we deal with poverty, although early intervention, as the Chair said, is right. The earlier the better and I am sure that there are messages that we can derive from it. If there is a plea that we can make so that we get these things started earlier it is flagging up the European years earlier. Perhaps Gregg can comment on that.

[19] **Rhodri Morgan:** Gregg, do you have any comments on that?

[20] **Mr Jones:** We can certainly find out from the European Commission what its plans are for future European years. Getting that onto the agenda is fairly straightforward. The point about having a more co-ordinated approach in Wales, perhaps a year before the actual European year, as Nick suggested, is another point.

[21] **Rhodri Morgan:** The next questions are from Rhodri and then Mike.

[22] **Rhodri Glyn Thomas:** There are two things leading on from Nick's suggestion or the reference to the recommendation about early intervention and preparing for these years. The first is the question of ensuring a legacy. We do not want a situation where we have a year that is focusing on poverty and we all forget about it subsequently. So, there is a question of the engagement of the Welsh Assembly Government and how it ensures that that legacy exists. Pages 4 and 5 of my papers—which do not co-ordinate with Nick's papers—include sections B.1 and B.2, which cover the engagement of the Welsh Assembly Government, which came out in evidence. It was not very clear from the evidence that we received how the Welsh Assembly Government engaged with stakeholders who were participating in this European year. I was unclear as to whether it was facilitating or co-ordinating and how that engagement took place. There are a number of questions there that raise the possibility of recommendations to do with engagement and legacy, which is based on clarity and transparency in terms of the Government's role.

[23] **Michael German:** I have two points to make on sections B.6 and B.7. The first point is about what we are measuring—apples and pears or cheese and biscuits or whatever—and whether they go together or not. Common indicators of poverty are used but they only give an inter-member state view. You cannot currently get relative measures of poverty across the whole of the EU and measure one country against another to see what the benchmark is. One thing that needs to be done is to get some sense during the year of whether there is a measure that could be used to see what poverty is relatively like across the EU. Logic will tell you that Romania will probably have the highest degree of poverty in the EU, but that could then be compared with poverty levels in Wales and the UK as a whole. We do not currently measure that and there is no scale to measure it. We only measure what the poverty levels are between the richest and poorest inside each member state.

10.00 a.m.

[24] The second area, which is in section B.7, is about what the Assembly could do. There

are two suggestions, which I think are very useful; one of which is that, if we are to have a European year of anything, the Assembly, as the focal point of what is happening in Wales, could well be active in producing or hosting some sort of event during the year to highlight it in the Assembly, inviting all of the relative partners along, or looking at it in some way or another, particularly now that we have our enhanced facility next door in the Pierhead building. We could also follow that up with a Plenary debate. I think that there would be an opportunity to do that. This all goes back to Nick's point: early planning needs to happen so that we know what is coming up, and so that we can plan the year and look at it well in advance rather than at the end.

[25] **Rhodri Morgan:** I am very much in your hands as I came to this late in the day. I was not a member of the committee at the time that you were all discussing whether to have this investigation into the European year of combating poverty. I have noticed that some of the evidence gets into what you call comparative policy solutions stuff about whether good quality and effective childcare in Wales is the best answer to poverty because that is what is done in Scandinavia or the Nordic countries and so forth. The critical question for this committee is: do we get involved in policy nostrums of that nature—that childcare is terribly effective in combating poverty because that is what works so well in the Nordic countries—or do we restrict ourselves to the non-policy related issues of how to raise awareness, engage with stakeholders, and decide whether to have a Plenary debate on the European year of combating poverty or European year of anything else? In order to guide Lara and Co and the researchers in drawing up a report, we want to know whether we step over that threshold, which could be interpreted as getting involved with other committees' work that take a policy lead on childcare or whatever, or we should feel free to get involved in discussing evidence about childcare, empowerment, best practice and what is the best practice, and what children in Wales have said on this and so on. That is what we need to know.

[26] **Rhodri Glyn Thomas:** On the evidence that we have received, my feeling is that our role is to see how the Assembly and the Assembly Government engages in the year of combating poverty, what lessons are learned, and what the best practices are that can be passed on to other European years. I do not see that we have a role in terms of formulating policy because I do not think that we had enough evidence on that.

[27] **Rhodri Morgan:** It is quite sketchy, but on the other hand it is terribly thin if you stay completely clear of policy-related issues. I will now call on Mike and then Nick.

[28] **Michael German:** I think that we are talking about process, are we not? Are we getting the best out of a European year, and if we are not, what are we not doing that we should be doing? Perhaps we should be ensuring that there is best practice, whether that is on a Wales or European basis, and that it is transferred between people. Therefore that is a process issue which we could be perfectly entitled to talk about. Perhaps it is the case that, when we know that there is a year of something or another coming up, we should be drawing the attention of the other committees that have a responsibility in these matters to it. If they do not wish to take part, which is what we frequently find—committees will say 'We do not have time; it is not on our agenda' or whatever—we may well have to pick up some of the policy issues. If we do not do so, no-one else will do it. It comes back again to pre-planning, knowing what you are doing in advance, and getting the process right at the beginning. In this case, we should simply highlight this problem of transferring best practice, which I think is crucial and can be then passed to the other committee as a recommendation to follow through.

[29] **Nick Bourne:** There is a middle way, dare I say. It is not just a case of setting up a debate and an event, or getting involved in detailed policy work. I do not think that we have the time to do that and we would be treading on toes if we did so. However, we have to give it some focus if we are to have a debate. I do not think that it can be as simple as committing ourselves to the European year of combating poverty. It must have some more focus; ditto

any events. Perhaps we have to narrow it down, hone it a little and say, ‘This is what we think should be looked at’, and then, as Mike says, see whether the relevant committee is interested in doing that. There is probably a third way, dare I say.

[30] **Rhodri Morgan:** This ‘middle way’, which is a very useful phrase, is not to get overly involved in the detail, as that is a matter for a subject committee, and, instead, trying to focus on key issues, which the European year of combating poverty should highlight. There was one such issue in the evidence that I read—although I did not hear most of it directly—on whether early intervention is better than later intervention. Second, there is the question of empowerment, stakeholder engagement, how it can be a case of not doing things to the poor to make their condition better, but rather enabling them to do things for themselves, as it were, and how you transfer the responsibility to the people involved and empower them. There is some evidence on whether that works or not. There is also an issue about childcare. So, a few key themes of that kind are emerging, which we can try to focus on, but we can say, ‘We cannot take it forward in detail, as we are not a policy committee,’ if we are reasonably happy with steering our research and clerks to focus the report in that way.

[31] **Rhodri Glyn Thomas:** I am happy with that. I was not suggesting that we should steer clear of policy altogether. The priority has to be on the process rather than the policy, but parts of policy will come into that.

10.06 a.m.

Cytuniad Lisbon a Phrotocol Sybsidiaredd: Goblygiadau i Gymru The Lisbon Treaty and Subsidiarity Protocol: Implications for Wales

[32] **Rhodri Morgan:** We shall move on to the delicate issue of the Lisbon treaty subsidiarity protocol and, in particular, the double subsidiarity part of it, by which the treaty introduces a traffic-lights system, whereby national, or member-state, Parliaments—two Houses or one House, if there is only one—can send a warning to the European Commission about a draft piece of legislation and say, ‘It would be better if this were left to national Governments and Parliaments to deal with. Steer clear.’ If enough member states do that, the thing gets strangled at birth. We at the Assembly Government—when I was in my old function—had a major hand in drafting the second leg of the additional protocol for the Foreign Office, which was then accepted, miraculously. If a subject is, in the main, devolved, the responsibility for putting up the warning light should involve the devolved Parliaments.

[33] It is worded in the Lisbon treaty in a funny kind of way, which is not crystal clear. There is an argument about whether it imposes a duty on the member state’s Parliament to consult, which in the UK consists of two Houses, the Lords and the Commons, or whether it is a permissive encouragement to consult devolved Parliaments or Assemblies within member states—and I do mean Assemblies, not Governments. The European scrutiny committees of the House of Commons and the House of Lords have the job of operating the traffic-lights system, but the question of how they would involve the Scottish Parliament, us, and the Northern Ireland Assembly, is rather delicate. As I understand, the House of Lords appears to have said that it is happy to alert us if it thinks that something will be of interest to us as a devolved lead on certain issues such as health, education, a large number of aspects to do with the environment, and so on. The House of Commons has taken a different view, namely that it has so much work that it does not want to get involved in alerting us, and it does not see it as a duty.

[34] I have had a long conversation with Mick Connarty, who is the chair of the European Scrutiny Committee of the House of Commons. I have not yet spoken to Lord Roper, his opposite number in the House of Lords, who appears to be taking a different view. It is about how the words of the Lisbon treaty are interpreted, that is, whether they are interpreted as

saying that there is a duty to consult, or as saying that you can consult if you feel like it. If there is no duty, it is up to the devolved Parliaments themselves to alert the House of Commons and to say, ‘Hands up. We think that this is a devolved lead; we have read this and we think that you should be passing on our suggestion of a red light’—or an amber light, or whatever. It is not very satisfactory if the two houses of the United Kingdom legislature are interpreting the provisions of this second leg of subsidiarity involving a matter that is a devolved responsibility differently from each other, but that is where we are. I do not know whether Lara or Keith want to add anything to that.

10.10 a.m.

[35] **Ms Date:** I do not think so; the paper is fairly comprehensive in terms of where we are on this, and the front page tries to pick up some areas where Members might want to consider how to take this forward. I do not know if Keith has anything to add.

[36] **Rhodri Morgan:** Keith, do you want to add anything?

[37] **Mr Bush:** I could not have put it better myself. There is an ambiguity in relation to the meaning of article 6 of the protocol. I have drawn attention to the fact that there are at least two different interpretations, and that article 6 can be interpreted as placing an obligation on national parliaments to consult formally with regional parliaments. I have also drawn attention to the fact that all organs of Government of the United Kingdom, including both Houses of Parliament and ourselves, are bound by the treaty, and therefore have an implicit duty to give effect to the principle of subsidiarity in whatever way is practical.

[38] **Rhodri Morgan:** I have one last comment to make before I bring Members in. Roughly speaking, the message from Michael Connarty was that this committee should ask the Assembly Government to assist in this process. The Assembly Government will know whether the United Kingdom Government has been consulting with it on a particular issue, which would imply a strong devolved involvement—possibly a devolved lead. If that is the case, the Assembly Government would be able to tell us which matters we should be reading through and putting our hands up and saying, ‘Yes, let’s read this’. That would mean that we would not have to read the mass of draft European legislation, 95 per cent of which, at the very least, if not 99 per cent of which, will not involve any subsidiarity issues, and certainly no devolved subsidiarity issues. To save yourself the work of having to read through masses of draft legislation, ask the Assembly Government, ‘Were you consulted? If you were consulted, did you think that there was substantial devolved interest in this?’. In the Lisbon treaty, there is a duty on the national parliament to consult and you could therefore establish a much more efficient modus operandi with the Assembly Government. That is not quite what the Lisbon treaty says, but Michael Connarty suggests that that is a much better way of dealing with it, than expecting us to alert the Government. However, the House of Lords takes a different view.

[39] **Michael German:** I think that we need a combination of approaches that best suit our purpose. This is slightly tricky for you because you told us in your previous role that it would be too much trouble for the Assembly Government to do precisely what you were just talking about. However, I notice that Carwyn Jones stated in the paper that he submitted to us last week that he was prepared to help with this. Given that there is an obligation on the Welsh Assembly Government to respond to UKRep, we can get a marker from the Welsh Assembly Government as to whether it has given various items a green, orange or red light, and then we could look at the worst cases.

[40] We could also use the House of Lords. Neither Michael Connarty nor the House of Lords believe that this is an obligation; they believe it to be permissive. We could therefore either fight our corner or accept the best offer, which at the moment is that of the House of

Lords, which has said that, when it sees something relevant, it will refer it to us as well. That would give us an additional backstop, if we could get the Welsh Assembly Government to do so as well, because it will receive any referred legislation first, before it appears publicly.

[41] **Rhodri Morgan:** I do not recognise the words that you attribute to me. You may be confusing what I said about this work being too much for this committee's resources. We would need about 10 Gregg Joneses in Brussels and another 10 Gregg Joneses over here, reading through vast swathes of documents in order to see which ones involve a double subsidiarity peril. However, I was certainly not implying that the Assembly Government could not operate a system of alerting us if it had been consulted by the UK Government, so that, in effect, it had been alerted, and if it took the view that we might have an interest in it. I would be more than happy with that.

[42] **Michael German:** The third prong in this approach could well be a concerted effort—because we all share the same agenda in Northern Ireland, Scotland and Wales in this matter—to have some form of discussion between the clerks or the lawyers. If someone spots something or someone has an alert, there would be a need to work that up. They could also help with what is mentioned here, that is, some sort of guide as an indicator to the House of Lords of the sorts of things that might be useful. We could cover all the bases and what we would end up studying, as a committee, would be those that have either scored a red or an amber light from the Government here or have come down from the House of Lords.

[43] **Nick Bourne:** Pragmatically, what you say is probably the best idea, that is, that we rely on the Assembly Government to pass stuff to us that has been flagged up by the UK Government. There is, potentially, a slight issue there about the separation of powers. There is the Montesquieu point, but I cannot think of an example. There may be circumstances in which the Assembly would have a different view from the Government, whatever the latter's complexion. However, until that happens, I suppose that it is difficult to pinpoint it. Given the resources that we have, I think that what you say is sensible, and I agree with Mike about using the House of Lords, as it seems to be a very willing dancing partner, and from what you said earlier, Rhodri, it is probably more effective than the House of Commons in this regard, so that is probably what we should do.

[44] **Jeff Cuthbert:** There is little to add. I share the observations that Mike and Nick have made. I think that the points that you have made, Chair, are right, under the circumstances. There is a need for greater understanding. On that point, I want to clarify something, to make sure that what I have here is right. In the paper that I have, paragraph 4.8 includes the quote from the protocol. What I have in before me says that it

[45] 'will be for each national parliament or each chamber of a national parliament or each chamber of a national parliament to consult, where appropriate, national parliaments with legislative powers.'

[46] Should that not be 'regional'?

[47] **Mr Bush:** It should be 'regional'.

[48] **Jeff Cuthbert:** Right, thank you.

[49] **Rhodri Morgan:** That is a typo. Well spotted, Jeff.

[50] **Rhodri Glyn Thomas:** I think that it comes down to capacity, does it not? We do not have the capacity to do this in an ideal way, and we therefore have to make the best of things. The House of Lords is being co-operative in this matter, and we have to take advantage of that. I seem to remember that we had this discussion 10 years ago, about how we should deal

with these issues, and we have been grappling with the matter ever since. It is about making the best of it.

[51] **Michael German:** The debate 10 years ago, as Rhodri and I remember, was to get this paragraph inserted, and, first of all, to get the UK Government to support it and then to get the Council of Ministers to support it, for it to be picked up. This is the fruit of 10 years of labour—with a small ‘L’. [*Laughter.*]

[52] **Rhodri Morgan:** That is right. The Foreign and Commonwealth Office really did not want to do this and it found itself afflicted by a loss of its power to write when it came to righting this double subsidy. So, Peter Hain asked us to provide him with draft paragraphs that he could give to his civil servants, to which they said, ‘Fair enough’. They swallowed their pride and put in the paragraphs that we had drafted for them. Those paragraphs then appeared in the Lisbon treaty, by some miracle.

[53] The issue in relation to the House of Commons seems to be about some sort of a turf war with the Scottish Parliament and its European and External Relations Committee, with the House of Commons’ European Scrutiny Committee not feeling obliged to do the Scottish Parliament’s European committee’s work for it. We are caught in the backwash of that. So, the resources issue means that we will try to come to an understanding with the Assembly Government so that it will help us to get an alert, combined with the House of Lords’ alert system, which it has offered, and we will try to tighten that up as best we can.

[54] **Michael German:** We could also work jointly through the lawyers of the three devolved administrations.

[55] **Rhodri Morgan:** Yes. Indeed, it is a matter that we can put to the Spanish ambassador in a second or two, to see how they are managing with the Catalans, the Basques, the Galicians and some of the other regional parliaments, or whatever they are called—I think they call them *generalitat*—and to see if they have found a solution. We want a European year of subsidiarity in 2011 in which best practice will be exchanged between the different regional and national parliaments.

10.20 a.m.

[56] **Michael German:** This committee had a discussion in Edinburgh with representatives from Catalonia, so there is background paperwork on that if you need to see it.

[57] **Rhodri Morgan:** Good. Okay.

10.21 a.m.

Blaenoriaethau Llywyddiaeth Sbaen dros yr UE Priorities of the Spanish Presidency of the EU

[58] **Rhodri Morgan:** We welcome the ambassador; Your Excellency, you are very welcome. Welcome to Wales, to our capital city of Cardiff and to the National Assembly. I am not sure if it is your first visit to the Assembly.

[59] **His Excellency, Mr Casajuana:** No, it is my second visit.

[60] **Rhodri Morgan:** I remember meeting you, but I cannot remember if it was just an Assembly Government visit or whether you also came to the Assembly per se. I welcome your political counsellor, Maria Lledo. Thank you very much for your paper, Your Excellency. I invite you to make some brief introductory remarks, and then we will open it up for questions from Members.

[61] **HE Mr Casajuana:** Thank you very much. It is a pleasure and honour for me to be here today and to have this opportunity to discuss our priorities. As you know, Spain is deeply committed to European ideals. For us, the presidency is a great opportunity to prove it. We see the presidency as a service to the European Union, its member states and citizens, and that is why opportunities like this one are very important to us, not only to explain what we intend to do, but to listen to the views of representatives of the citizen.

[62] The presidency of the union is particularly important at the moment because we have a new treaty, and we will have a new commission in a few days. We will have a new role, because the role of the rotating presidency has changed—it is now quite a limited role. We are very happy with that. We are keen to have the Lisbon treaty adopted as soon as possible, and we are very happy that we now have a limited role, and that we have a permanent president of the union.

[63] We have made supporting this permanent presidency the main priority of our presidency. In some things, we have to work together; there are many fields in which the work of the union has to be prepared in advance. We did not know if the Lisbon treaty would be in force or not, and that is why we had to prepare for bilateral summits, and so on. We had to make sure that they would take place in Brussels or Madrid, but we had to prepare them without knowing if we would be represented in those summits by a permanent president or someone from the rotating presidency. Now, there is no doubt, because we have these institutions in place. The person who represents the union in dealing with heads of Government and heads of state outside the union is the permanent president. Even if some of the bilateral summits of the union will be in Madrid for practical reasons, the Spanish presidency will be just the host and the representation of the union will fall upon Mr van Rompuy and Baroness Ashton. We will also support them in putting the external action service of the union in place, and also help them to build their teams so that they can build their roles.

[64] We also had to prepare some priorities for the union, just in case the Lisbon treaty was not in place. The rotating presidency still has a role even with Lisbon, in defining the priorities of the union. It is quite limited, not only because of the new institutions, but also because we now have the arrangement of a trio of presidencies. That compels the country that has the rotating presidency to discuss its priorities with the next two presidencies. So, there is a trio of presidencies for each year and a half. That scheme is to ensure that there is some continuity in the presidencies' priorities.

[65] In practical terms, we have discussed our priorities with them and ensured that they can go along with them, because they will have to continue the work on them. However, at the end of the day, the priorities are defined not by the presidency but by the situation. After so many years of discussing institutional affairs, what the union must do now is concentrate on the problems of our citizens. The main one is the economic downturn, and therefore that is our biggest priority. I am sure that some of your questions will point in that direction, and we can discuss afterwards what we see the union doing with regard to the EU 2020 strategy or some of the issues that are widely discussed in the press at present.

[66] We will also pay attention to social concerns, such as the role of women. If we still can make our mark on the work of the union, we want to do so in the field of gender equality. There are a couple of issues on which we are very keen, such as the creation of an observatory relating to domestic violence. We feel that the union can play a role in helping all members to fight against domestic violence. Also in this field is one issue that is important for us, which is a European protection warrant for victims and witnesses of crimes. That is mainly directed at domestic violence crime. The increase in international marriages in the union means that it is important to have an arrangement that allows our judges to ensure that their protection orders

and warrants have international effect in all the union's member states. That will also be very useful for witnesses of crimes such as organised crime, who also need protection. There are also some important implications for several member states. For instance, we have very good co-operation between Spain and the United Kingdom in fighting organised crime in the south of Spain for instance, or here in the United Kingdom, because there are some links. It will be useful to have these kinds of arrangements, and I can elaborate on that later, if you wish.

[67] I do not know whether you also have an interest in the financial questions. We will have to deal with them, and we know that they are very important for the United Kingdom. Our job in the embassy in London is to ensure that Madrid knows the views of the United Kingdom on these very delicate issues, which are the key to the future of your financial sector.

[68] The fields on which we must work are energy, which is extremely important, and exit strategies for our stimulus packages in fighting the downturn. I am prepared to take your questions. Allow me to say again that I am glad to be here and am thankful for this opportunity to discuss the priorities and objectives with you.

10.30 a.m.

[69] **Rhodri Morgan:** I will ask two questions to begin with. You have told us that we should not be too obsessed with institutional issues and should try to get onto the practical issues, and so, as I always do what I am told, I will ask one institutional question and one practical question.

[70] The institutional question is this. From your very early experience of the new system, how much difference does it make that you now operate as a trio of presidencies, linked for the purposes of continuity, compared with the old days when either you held the presidency or you did not, and you had to wait your turn? You also have the new system with van Rompuy as President of the European Council and Catherine Ashton as the nominated representative on foreign policy, which we did not have before. How much difference does that make?

[71] I now turn to the practical side. Given the economic downturn and the need to discuss and co-ordinate exit strategies from stimulus packages and so on, will it be easy to hold the line for the period of the Spanish presidency of concentrating on the long-term objectives of the Lisbon agenda, such as improving skills, technology, and enterprise levels, or are we all just desperately trying to seek short-term ways—never mind the long term—of getting the economy, the banking system and the construction sector functioning again?

[72] **HE Mr Casajuana:** They were two very interesting questions. On the first, it does make a difference. We have to consult and we had to discuss with Belgium and Hungary what we thought the priorities of the union should be, and we were very pleased to do so. However, it is a limited difference. The biggest difference is with the institution, with the permanent presidency of the European Council. Perhaps in our case, the change was not enormous, because Lisbon came into force only a month before Spain took up the presidency, but, for the next presidencies, it will make a world of difference. With a permanent president who will lead the European Council and set its priorities, the European Council is now a real institutional unit. Up until now, although it was the main body for issuing instructions and guidelines, it was still playing that role informally. Now, it has a formal role and a permanent president who will make sure that the agenda of the council keeps working along the same priorities. For the next presidencies, their roles will be more limited than ours has been.

[73] On the second question, we will have a good example in the extraordinary meeting of the European Council that is to be held the day after tomorrow. That meeting has been

convened by Mr van Rompuy. He made the decision. He wanted the European Council to give clear instructions to the Ministers on how to proceed with the EU 2020 strategy. The meeting has not been prepared for with any previous meeting at ministerial level, not even at a meeting of the Economic and Financial Affairs Council, the economic Ministers, because his idea was to have a first meeting at the level of heads of Government to issue guidelines, and then the Ministers will work on those guidelines. In many ways, that is a wise way in which to proceed. Now we see that they will concentrate on EU 2020, but they will also have to pay some attention to current issues concerning the situation in the eurozone and the situation of some member states because that is in the nature of such meetings. If heads of Government meet, they are expected to make decisions on the issues of the day. We will now see how they divide their time between the current issues—the pressing, urgent issues—and the long-term important issues concerning EU 2020, and how to prepare for the long-term, sustainable growth of our economy.

[74] **Jeff Cuthbert:** Thank you, Your Excellency, for the written paper, the oral statement and your answers to the questions. My question touches at least in part on the Chair's second question, namely the future of cohesion policy, but I will return to it, if I may. As I am sure you are aware, at the moment, all of Wales benefits from either convergence or competitiveness funding. We are concerned about the future of cohesion policy post 2013. A committee that I chair is considering what we will do should we qualify for the transitional moneys, or, as we call them, the tapering-off moneys. Do you have views on the future of cohesion policy? I fully understand that an eye needs to be kept on the current situation and on the shorter-term measures that we can take to get people back into employment and to get the economy strong again. However, as the Chair has remarked, we also need to keep an eye on the medium to longer term. For us, convergence and competitiveness funding and their future is very much about building up the skills levels of working people in Wales so that we can compete. Do you have any views on the future of cohesion policy? Should it continue after 2013, or is it too early to say?

[75] **HE Mr Casajuana:** Let me first say that we attach great importance to cohesion funds. We have benefited enormously from cohesion and structural funds. As you know, Spain is among the countries at the receiving end of those funds and we are thankful for them. This is probably one reason why almost everyone in Spain considers our accession to the European Union to be a success story. We are very happy with our membership of the European Union, and that is shared by the majority of Spanish citizens. That is why I fully understand that this is an important question here.

[76] We will now be net contributors, because we have reached a level—particularly following the last enlargement—at which we have to be. We are prepared to be net contributors. We believe in solidarity in the union. So, from that point of view, you can be sure that we will always support cohesion and structural funds. We think that solidarity is one of the most necessary elements of the union. Without solidarity, we would not be what we are.

[77] That said, as you know, cohesion and structural funds are discussed when discussing the financial perspectives. We have a calendar for discussing the financial perspectives, and no important meetings will take place on them during Spain's six months of the rotating presidency. If I am not wrong, after that, in the second half of this year, we will seriously start discussing the financial perspectives after 2013.

[78] You are right, as we have to make sure that we do not lose sight of the main objectives of cohesion and structural funds. We will have to pay attention to new objectives, particularly innovation. Technological progress will be important for the union. If we want to be able to keep our welfare state we will need to increase our productivity and to innovate and to be able to continue innovating. Of course, some of the union's funds will have to be

devoted to this, but, having said that, we should not rob Peter to pay Paul; we have to keep our funds for cohesion and structural purposes and to ensure that solidarity continues to be one of the pillars of the union.

10.40 a.m.

[79] **Michael German:** I will follow the example at the beginning and take an institutional and practical view of things. One of the emphases that you rightly put in your letter is the role of national parliaments according to the subsidiarity principle for the Lisbon treaty. Could you illustrate what difficulties that is causing you in respect of your own autonomous regions and how they will work with that subsidiarity principle? Do you have any messages for us about that principle of the Lisbon treaty working effectively?

[80] Secondly, on the short-term measures in relation to the exit strategies, it would appear to me that member states are having difficulty in maintaining their financial balances, and the Greek problem would highlight that. There might be the tendency for the European Union to think only in terms of those countries that are operating in the eurozone to try to resolve those problems. Will it be difficult, in the shorter term, to make the more general principles about cohesion a practical reality during this presidency, or will it all be a focus on how we solve the Greek problem?

[81] **HE Mr Casajuana:** I do not know if I completely understood what you meant in your second question, so I will address your first question on the role of national parliaments. The Lisbon treaty slightly changes how we are going to have to play in the union and the interplay between the institutions. The Lisbon treaty is giving a bigger role to the European Parliament; we see that now and we will have to discuss many more things with the European Parliament, which will be subject to a process of co-decision in the European Council and Parliament. For example, during the Swedish presidency, we approved the excellent Larosière package on financial regulation, but that would now have to be discussed with the European Parliament and be approved through a process of co-decision.

[82] The role of national parliaments, both national parliaments and devolved regions or parliaments, is very important. We need to bring the union closer to its citizens and they have to feel that what happens in Brussels depends on what they want, and the only way to ensure that is to ensure that Government representatives in Brussels have to explain what they are doing to their national or devolved Parliament. That is very important—there is a key role to play.

[83] You also mentioned the subsidiarity clause. We have to continue to insist that what can be decided at this level is decided at this level. That needs to happen because we need citizens to be involved and we want them to have a sense of closeness not only with their representatives, but with the decisions that they are making; we want them to have a sense of ownership. That is extremely important. Normally, our problem is the opposite, unfortunately, which is that some of the problems that we need to address can only be addressed at a European level. They are the bigger problems that we are facing now. Not only do we have climate change or the fight against terrorism, for instance, but we also have, as you mentioned, the economic situation, and we need to act together. I do not know if I got exactly—

[84] **Michael German:** Given the difficulties with the eurozone—posed by the Greek problem more than anything else—will the focus on the short-term financial regime for Europe be about solving that problem, or will you be able to look beyond the eurozone, to those member states, such as the UK, which are not a part of it?

[85] **HE Mr Casajuana:** The solidarity principle binds all of us. The one thing will have

nothing to do with the other. We need to keep all the cohesion funds and the structural funds. They belong to what we have already achieved, which we will not give up. That said, we now have some problems in the eurozone that will have to be addressed, mainly by those in the eurozone, but also by the rest of the member states, because, in the end, we are all member states of the union and what happens in one member state will affect all the others. How that will play out in practice remains to be seen. We are stepping into uncharted territory there. My feeling is that, first, all the chapters on cohesion and structural funds will not be affected by the current problems and that, second, whatever happens in the euro group will immediately affect the rest of the union. Therefore, it is in the interests of all the members of the union to ensure that they take part in the search for a solution. In the end, we have a big economic downturn from which we are all suffering, perhaps in somewhat different ways, but it is clear to everyone that it will be easier for all of us to solve the problems if we act together.

[86] **Rhodri Morgan:** If your house is about to flood, you stop worrying about what colour paint you should use on the front door. That is the issue.

[87] **Rhodri Glyn Thomas:** You will need the translation equipment for the next question, which I will ask in Welsh.

[88] Diolch am eich presenoldeb yma, Eich Ardderchowgrwydd, a hefyd am eich papur. Soniwyd gennych yn eich sylwadau agoriadol am y modd y mae natur y llywyddiaeth yn newid rhwng y llywyddiaeth barhaol a'r llywyddiaeth sy'n cael ei gylchredeg rhwng yr aelod wladwriaethau. Yn eich papur, yr ydych yn nodi pedwar maes, sydd yn feysydd enfawr o ran eu goblygiadau. Drwy godi'r pynciau hyn, ai dweud yr ydych mai rôl y llywyddiaeth sydd yn cael ei chylchredeg yw hyrwyddo a thynnu sylw at y materion mawr hyn a sicrhau eu bod ar agenda'r Undeb Ewropeaidd, tra bod yr undeb, wrth reswm, yn ymwneud yn fwy manwl â materion penodol? Hynny yw, ai eich rôl chi yn eich llywyddiaeth yw dweud 'Mae'r rhain yn faterion o bwys i'r holl aelod wladwriaethau, ac maent yn bethau y dylem gadw llygad arnynt yn ystod ein tymor llywyddu ni'?

Thank you for your attendance, Your Excellency, and also for your paper. You mentioned in your opening remarks the way that the nature of the presidency changes between the permanent presidency and the presidency that is rotated between the member states. In your paper, you identify four areas that have massive implications. By raising these issues, are you saying that the role of this rotational presidency is to promote and draw attention to these big issues and to ensure that they are on the European Union agenda, while, of course, it is more closely concerned with specific matters? That is, is it your role, during your presidency, to say 'These are important issues for all the member states, and they are matters that we should keep an eye on during the term of our presidency'?

10.50 a.m.

[89] **HE Mr Casajuana:** Thank you for that question. Perhaps the role of the presidency is to point out some issues that are important for all member states and the way that the country that holds the presidency sees them. In this case, I have to say that we needed to prepare the presidency without knowing whether the Lisbon treaty would be in place. That is the first thing. Secondly, one of the Lisbon treaty objectives is to establish a permanent presidency and the trio presidency, to ensure continuity. However, this continuity will start after the Spanish presidency; it could not start before. We had to prepare our presidency without knowing whether we would have a trio presidency or just a national rotating presidency or whether we would have the permanent institutions.

[90] The main issues were in everyone's minds. There was no need for any Spanish

Minister to reinvent the wheel and say that the main issue we had to deal with was the economic downturn. We felt that we had to continue the excellent work that the Swedes had done on that. We knew that we had to continue concentrating on the biggest issues for our citizens.

[91] There are two elements about of the rotating presidency that I think it would be very good to preserve. One is that the presidency can put its stamp on the European agenda by saying that a particular issue is very important. As you know, the Spanish Government has made a point of trying to achieve gender equality. We have a Government in which we have an equal number of men and women. That is one of our biggest objectives, and it was logical that this Government tried to put its stamp on the European agenda on this issue. I think that that is very good because it is an answer to a concern of some citizens. The citizens of Spain want gender equality, and it is good for them and for all of us to see that these objectives are carried by the Government into the European agenda.

[92] The second element is that the mechanism of a national government putting its stamp on the European agenda brings the union much closer to the European citizens because it emphasises a principle of ownership of what is happening in Brussels, which is very important. We need to work to strengthen the identification of what the European institutions are doing with our citizens' wishes. We believe that the rotating European presidency has a role to play in this field. Perhaps this was the wish of our wise forefathers when they drafted the Lisbon treaty. Perhaps that is why they wanted to keep a limited role for the rotating presidency. We have it, and this will probably allow different national governments to continue to put their stamp on the agenda.

[93] **Rhodri Morgan:** I have one last question, which is really more a request for a favour. Just before you came in, we had been discussing an issue in relation to the implementation of the Lisbon treaty in terms of article 6, protocol 2, which is the second leg of subsidiarity in which it says, with regard to a potential subsidiarity challenge to a draft piece of commission legislation:

[94] 'It will be for each national Parliament or each chamber of a national parliament to consult, where appropriate, regional parliaments with legislative powers.'

[95] We are still in the middle of discussing exactly how the House of Lords and the House of Commons European scrutiny committees will consult, 'where appropriate', the Scottish Parliament, the Welsh Assembly—and we would be the committee to receive this consultation if it takes place—and the Northern Ireland Assembly. We do not have to read every piece of draft legislation coming from Europe, but we would find out which bits are potentially quite important in a devolved context. Is it possible for you to supply us with whatever *modus operandi* the Cortes is currently either discussing, or has already agreed, with the Generalitat in Catalonia and the equivalent of the Generalitat in the Basque Country, Galicia and so on, and let us have a paper on this issue? Are they having the same struggles to establish a satisfactory, practical *modus operandi*? It is beyond the resources of any one regional parliament to read all of this legislation, so the Cortes will be reading all of it, and when it is devolved, it will need to refer it to it to Catalonia. Do you want to challenge this on subsidiarity grounds, or not? Do you think that you might be able to find out for us whether it has established a *modus operandi*, or whether it is having the same difficulties as we are having?

[96] **HE Mr Casajuana:** I will be glad to do some research on this and try to find out how we are addressing these very important concerns.

[97] **Rhodri Morgan:** That would be wonderful. Spain is the nearest analogy to the United Kingdom in constitutional terms at the moment with regard to regional devolution.

[98] **HE Mr Casajuana:** I am sure that this will be an important issue for Spain. As you know, most of our devolved parliaments will have important powers in many areas concerning health, transport—

[99] **Rhodri Morgan:** The environment.

[100] **HE Mr Casajuana:** The environment, yes. Therefore, these will have to be applied. I am sure that they are trying to work out a mechanism, but I am not sure that this will be easy.

[101] **Rhodri Morgan:** It is not easy for us; we can assure you of that.

[102] **HE Mr Casajuana:** I will check and to keep you informed. I am happy to try to find the answer and get back to you on this.

[103] **Rhodri Morgan:** We would be enormously grateful. Thank you very much for all your answers to all the other questions, and thank you very much for coming to Wales today.

[104] **HE Mr Casajuana:** Thank you very much for this opportunity.

[105] **Rhodri Morgan:** It is our pleasure.

[106] **HE Mr Casajuana:** This is just another paper to pass on to you. One of our powers, within the very limited powers that the presidency has, is that we can still choose the colours of the ties, which we have brought as gifts.

[107] **Ms Lledo:** These are for the female members of the committee. We will leave them with Lara.

[108] **Rhodri Morgan:** Thank you very much for that. I am always looking for a new tie.

[109] Papers to note are the President Barosso letter from the European Commission, the letter from Commissioner Špidla and the cohesion policy interim report, as well as the minutes of the previous meeting. Are Members happy with the minutes? I see that they are. Thank you very much for your attendance.

*Daeth y cyfarfod i ben am 10.59 a.m.
The meeting ended at 10.59 a.m.*