



Consideration of EU

- **Removing tariff restrictions**

The EU believes that further liberalisation of trade for agricultural products is an important contribution to sustainable economic growth for both exporting and importing countries. The EU is also the world's biggest importer of agricultural goods from the developing world. Recognising the crucial role that agriculture plays in many developing countries, the EU has granted extensive market access to agricultural imports from developing countries and, with the initiative '[Everything but Arms](#)', full duty free quota free access to products from the world's poorest countries. Countries from [Africa, Caribbean and Pacific regions](#) which have signed [Economic Partnership Agreements](#) also benefit from free access of their agricultural products to the EU.

However, trade policy for agriculture should also reflect the wider role of farming in European societies and the need to maintain high quality standards, as well as the environmental and health standards that are required by European consumers. Furthermore, the EU has a diverse rural landscape that has been deeply shaped by farming and forestry, and by the crafts and industries associated with such activities. The EU's common agricultural policy (CAP) has been developed in recognition of these special characteristics.

- **Foreign exchange rates**

The efforts of European union at the EU-Asia summit in October 2010 in stabilizing foreign exchange rates and revaluating Yuan were rebuffed by China, despite of that EU is hoping to achieve the multilateral foreign exchange cooperation and an agreement in cooperation in dialogue on currencies (within the Forum for the 21st century in 2010 or within the G20 global economic forum during Paris presidency in 2011 under the guidance of France)

- **Nuclear energy and alternative sources of energy**

There are strong economic and environmental arguments for building more nuclear power plants in Europe and other regions of the world. There are more than 140 power reactors in the European Union, producing around 35% of all the Community's electricity. Nuclear is the EU's largest single energy source for power generation, ahead of coal at 29% and gas at 15%. The power plants operate safely and reliably, producing large amounts of electricity at competitive prices. They are environmentally friendly, as they emit no greenhouse or acid rain gases and their waste is safely managed. The nuclear industry thereby makes a valuable contribution towards achieving Europe's economic, energy supply and environmental objectives. The nuclear energy option should be kept open and nuclear expertise should be retained, in order to: achieve a viable and diverse energy mix, control airborne pollution and hold down emissions of CO₂ – the main greenhouse gas, maintain security of energy supply and energy independence, promote economic development and employment.

Each country needs an appropriate energy strategy, reflecting its natural resources and its energy needs. Nuclear energy enables countries to reduce their reliance on imported



fossil fuels and electricity imports, increase their energy independence, strengthen security of energy supply.

With greater reliance on nuclear energy, countries are less likely to be seriously affected by fossil fuel shortages and sudden rises in fossil fuel prices.

For the generation of bulk electricity, nuclear remains the only non-fossil energy source capable of expansion within Europe in the foreseeable future. The potential for expanding large-scale hydro is extremely limited, and nuclear fusion is still a long way off.

Wind farms and solar can play a supporting role, but the amount of power these sources can provide is extremely low compared to nuclear. They are also dependent on changeable factors, such as wind strength and sunshine. This makes them unsuitable for baseload generation, the power needed round-the-clock, day and night. Nuclear power plants, meanwhile, are an excellent source of baseload power.

[<http://www.euronuclear.org/info/energy-mixes.htm>]

- **Euro to replace dollar as a world's reserve currency**

With the dollar seemingly in terminal decline, there is little stopping the euro from becoming the world's premier reserve currency. Study concludes that the euro will overtake the dollar within the next 10-15 years. Sterling held the position of reserve currency until the Second World War, but lost it due to imperial overreach. This, could happen to the dollar for a variety of reasons, perhaps including multiple US interventions abroad. Continual budget deficits under the Bush Administration and the emergence of an indisputable alternative currency are also pressing reasons for the international deterioration of the dollar. The US Federal Reserve, has further accelerated the dollar's decline by following a "reckless monetary policy," which could cause a rise in US inflation once the current recession ends. This weakness of the US financial sector will play into the hands of the Europeans, whose economies are better suited to overcoming the current credit crisis. However, despite gloomy predictions for the dollar, the euro is not in a position to overtake it at the moment, pointing out that the euro holds one-third of global reserves compared to the dollar's two-thirds. Europe has yet to prove that it can shoulder the responsibility of handling the world's primary currency.

Given that European policymakers are concerned about today's euro exchange rate, the prospect of a permanently stronger euro is likely to be unattractive. Perhaps unsurprisingly, in a November 2009 interview with *Le Monde*, European Central Bank president Jean-Claude Trichet said that the euro was not designed to be a global reserve currency.

- **Brain Drain phenomenon**

Europe's strategy must respond to these challenges and is, therefore, multi-faceted. On the one hand, the phenomenon of illegal immigration is being tackled by improving border controls, but also by promoting cooperation with third countries in many areas. These include negotiating readmission agreements and return policies, but also working together on issues such as the



prevention of illegal migration and minimising the effects of the brain drain. We therefore have to look at how we can turn this latter phenomenon into more of a circular process.

Suggestions to Counteract the Impact of Brain Drain

True as the Draft Issue Paper stipulates “the best way to address brain drain is of course the socio-economic development of a country.” However, socioeconomic development requires highly skilled professionals. Hence, there is a need to look at additional measures to counter act brain drain and speed up the socio-economic development of developing countries.

Migration and development: some concrete orientations

The Commission has put forward some initiatives to improve the impact of migration on development. It has developed a package of practical measures to make remittances easier, enhance the role of diasporas in the Member States as actors of home country development, encourage circular migration and return to the country of origin and, lastly, mitigate the adverse effects of brain drain.

Commission Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 1 September 2005 -Migration and Development: some concrete orientations .

The Commission has put forward some new initiatives to improve the impact of migration on development. It has developed a package of practical measures based on various themes, namely:

- ❖ remittances;
- ❖ enhancing the role of diasporas in the Member States;
- ❖ encouraging circular migration * and facilitating return to the country of origin;
- ❖ mitigating the adverse effects of brain drain.

Mitigating the adverse effects of brain drain:

Brain drain has negative consequences for developing regions. To counter its effects, the Commission has proposed:

- ⇒ setting up databases for developing countries wishing to improve their knowledge of the labor market;
- ⇒ disciplining recruitment. It encourages the Member States to develop mechanisms such as codes of conduct to limit recruitment which could generate a brain drain;
- ⇒ fostering institutional partnerships (research institutes, universities, hospitals, etc.) between the European Union and developing countries.