

WHAT ROLE SHOULD OUTERMOST REGIONS IN THE EU HAVE?

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Notre Europe - Jacques Delors Institute and the European Movement - France organised the seventh debate in the cycle entitled “Right of inventory - Right to invent: 60 years of Europe, successes worth keeping - solutions yet to be invented” in Saint-Denis (La Réunion) on 23 April 2014, allowing the audience of citizens to address the following issue: “Employment and globalisation: challenges for the European Union (EU)”.

Virginie Timmerman, project manager Citizenship and democracy at Notre Europe - Jacques Delors Institute presented the “Right of Inventory - Right to Invent” cycle for which citizen debates were held in eight French Euro-constituencies on four major issues: democracy, employment, the euro and globalisation. Philippe Jean-Pierre, a representative of La Réunion, introduced the debate and talked about the special conditions of outermost regions (OMR) that influence their integration into the EU and globalisation.

The dialogue was then held with the audience and following participants in two round tables:

What role should outermost regions (OMR) play in the EU's internal market?

Moderated by Thierry Durigneux, journalist and editor-in-chief of the newspaper, *Le Quotidien*

With the participation of:

- Jocelyn Jalton, president of the Regional Economic, Social and Environmental Council (CESER) of Guadeloupe;
- Philippe Jean-Pierre, president of the Regional Committee for Innovation, representative of La Réunion;
- Martin Wittenberg, member of the citizens' committee of the One Single Tariff European Citizens' Initiative.



How can EU policies help the OMRs meet the challenge of globalisation?

Moderated by Jean-Raymond Mondon, president of the CESER for La Réunion

With the participation of:

- Gilles Couapel, president of Club Export;
- Michel Crispin, president of CESER for Martinique;
- Philippe Leyssène, former ambassador responsible for regional cooperation in the Indian Ocean;
- David Leon Gimenez, honorary vice-consul of Spain in La Réunion.

1. Citizenship: what role should OMR citizens have in the EU?

Philippe Jean-Pierre began by pointing out that internal challenges of OMRs are different from those of metropolitan France and the EU. They include remoteness, insularity, a limited industrial fabric, unemployment, the need for and cost of imports and a population explosion, David Leon Gimenez explained, and he made a parallel with the Canary Islands, OMRs of Spain.

The single market was created to reach a critical size, as opposed to continental countries, in order to experience the economic prosperity necessary for job creation, explains Jocelyn Jalton. OMRs have trouble integrating into the EU, which is often synonymous with advantages related to funds, but constraints as well, related to standards that are often far removed from the realities of these territories (P. Jean-Pierre). OMRs offer several products such as bananas and sugar that should have a preferential place in the single market due to compensation mechanisms like the threatened dock dues. In remote territories, free

competition has created distortions due to disadvantages related to remoteness. Martin Wittenberg cited the example of the telecommunications market to illustrate this. OMRs suffer a dual penalty with the increase in international and national roaming. This hinders trade between Europeans and the development of a feeling of European identity.

The EU has always assisted OMRs, like other regions, to converge towards EU growth rates and standards of living. To do so, they have obtained funds and tangible assistance and have also benefited from the EU's intangible heritage with the development of peaceful relations with their neighbours (P. Jean-Pierre).

Citizens feel this remoteness and it is difficult to feel close to the EU although it must already establish connections with France, as a *Métis mag* writer stressed. The history of La Réunion was written with Madagascar and India and not with Italy or Germany. For citizens, the EU and the single market are not real, located 11,000 km from metropolitan France, and where rules create competition distortions. It is therefore important to present the EU with concrete ideas such as roaming, one citizen said. Another citizen also stressed that although OMRs do not have a clear vision of the EU - and most likely vice versa -, it is necessary to define a European project with common ambitions, integrating OMRs. It is important to increase symbols, like the euro, but especially important to revitalise the intangible project and European ambition, not with the calendar of elections and the economy, but with a long-term project that brings together all the dimensions including social and societal ones (P. Jean-Pierre). Another citizen thought that the EU suffers three major problems, which are especially felt in OMRs: a democratic deficit that enables appointed or elected people, lobbies and markets to have the power; insufficient coordination of social policies; and neo-liberalism.

To change that, citizen solutions exist. In the case of mobile phone service for example, a European Citizens' Initiative (ECI)¹ was launched to obtain a single tariff, above the limit in force, for mobile phone calls in the EU. Although only 155,000 signatures out one million required were collected, the citizens' committee used the weight of these citizens to urge the commissioner in charge of telecoms to introduce this principle in legislation on telecoms. Citizens have tools they can use, including first and foremost the vote of 25 May 2014. These elections

are especially crucial because the next elected officials will shape the post-crisis EU (V. Timmerman). And a common vision of OMRs is forcibly political (J. Jalton).



2. Employment: What solutions are needed for better integration into the internal market?

While La Réunion has an unemployment rate of about 30%, 60% of whom are young people², and in Martinique, 63% of young people do not have a future in their territory (M. Crispin), one citizen asked what possibilities the EU has to offer young people in La Réunion: how can today's youth who have been sacrificed and forgotten be helped? Another asked that faced with unemployment, offshoring and social declines, what is the EU waiting for to conduct projects, assist regions to develop, and restore hope? Lastly, a citizen asked how to address the fact that the EU is competing against itself as can be seen with the euro and social matters.

Gilles Couapel recalled that employment is everyone's responsibility: the EU, member states, regions, companies and employees. La Réunion is unable to absorb the island's labour capacity. There is a need to turn to exportation where EU standards, which cause constraints on a daily basis, become advantages because they guarantee security and expertise. To do so, companies need to be adapted, as do banks. A citizen raised the issue of banks not giving loans, while they are the leading partners of companies (G. Couapel). In La Réunion, they are beginning to become more open to projects of companies. Even though they conduct regional risk analyses, OMRs are experiencing problems (P. Leysse). The biggest danger for companies is the instability of standards. For example, the EU introduced logistics support with export subsidies to help companies export to the rest of the world, and then overnight, this support was only applicable to exports to the EU. Michel

Crispin stressed the fact that OMRs need EU support to continue modernising production tools and sustainable development strategies.

A citizen asked how existing tools could be better used. European funds enabled investments in infrastructures and training; OMRs have also benefitted from mobility programmes (P. Jean-Pierre). There is not much to be done if it is not through the EU, because mobility is an immediate solution to youth unemployment. The EU process creates jobs, however it was designed for hundreds of millions of people and not only for OMRs (P. Jean-Pierre). Therefore OMRs still need funds, but they must also work on their structures and rethink standards with their neighbours (P. Leyssène). That is why OMRs need to have more power to be able to adapt standards to their environment (M. Crispin).

The next steps for the EU are social and tax integrations, which require a real European political project (P. Jean-Pierre). However these areas are intimately linked to the legitimacy of states, therefore it is important to put the project into perspective and in an appropriate timeframe. Indeed, there are as many social systems as there are member states, and the European project cannot only be based on the French vision. The European project is not complete, it needs to continue to be equipped, establish networks and provide the means for it to participate in the single market. It is important to turn towards research and innovation, today's economy. Major projects can be undertaken in the areas of defence, energy and health, which are equally sources of investment. In the mobile phone sector, the fragmentation of markets is preventing the emergence of major European stakeholders such as Facebook or Google, which could generate jobs (M. Wittenberg). If products are less expensive today, it is because their production has been offshored. Compromises need to be made between unemployment, growth and purchasing power. The EU must position itself in high added-value industries.

However, another citizen pointed out that social and tax policies of countries are linked to their heritage. The EU has gradually moved away from the project of the founding fathers and the human aspect has completely disappeared from the European project in favour of finance and profit. To move forward, projects are needed that are consistent with the EU's original purpose.



3. Globalisation: could OMRs be EU ambassadors in the world?

A citizen raised the question of regional integration of OMRs since the EU does not have a clear policy regarding this topic.

Philippe Leyssène noted that globalisation is now a reality and tools to adapt to it are European. Faced with a development model for OMRs that is reaching the end of its effectiveness, the solution includes better regional integration. OMR support measures must be rethought, for example, European - and French - agricultural standards do not take into account the tropical nature of overseas projects or technical competence in tropical constructions.

OMRs must reconcile their belonging to the EU with belonging to their neighbourhood. They enable the EU to be present in three oceans with an opening to the Caribbean, Pacific and Indian Oceans. (J. Jalton). Young people especially feel this need because they grew up in an EU which has provided them peace and security; they would therefore like to go further and move beyond the barriers that are currently intangible (M. Wittenberg). OMRs could thus become ambassadors of European standards and values. These territories are genuine EU borders (P. Jean-Pierre).

The EU must come up with an overall regional policy by coordinating its internal policies, concerning OMRs, and external policies, concerning third countries benefiting from development assistance (P. Leyssène). Currently tools and funds available for different countries in the area depend on the legal status.

Another citizen considered that the EU does not provide enough means to genuinely integrate OMRs and uses them for globalisation, and explained that

the world will not wait for the EU. Also, Southeast Asian countries area opened a Consulate General in Reunion (J.-R. Mondon). Trade unions have existed for years, but this cooperation requires regional strategies, one citizen pointed out, for industry for example. Are OMRs organised to have clear ideas about what they want? Who should they target? Concrete solutions exist; drawers of regional, national and European governments are full of reports (P. Leyssène). Treaties must be applied in real life (M. Crispin). In Guadeloupe for example, that is what is happening when it comes to fishing. Another citizen raised the question of inappropriate calls for tender for the European Framework Programmes for Research and Development that require partnership with two other European countries. It is more difficult to have rules change when they exist than when

they are being drafted. The message needs to be sent at the right time, when the rules are being drafted, but currently, OMRs are not sufficiently organised. In 2014 new rules are being defined for the next financial programming up until 2020. So now is the time to send the message (P. Leyssène). But OMRs must become organised to have a common message, identify what they need to do and send all this to the right people (J.-R. Mondon). They are starting to become organised with, for La Réunion, opening a Permanent Representation of the Region in institutions, and the organisation of a civil society platform.

Photos and podcast of the debates are available on our website.

1. The European Citizens' Initiatives allow citizens to propose legislation to the European Commission on matters where the EU has competence to legislate and in compliance the Charter of Fundamental Rights. A million signatures from seven European countries are needed for the European Commission to examine it.
1. December 2012.

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