

TUESDAY 12 JANUARY 2010

Present

Bowness, L
Carter of Coles, L
Dear, L
Dykes, L
Hannay of Chiswick, L
Howarth of Breckland, B
Jopling, L
Kerr of Kinlochard, L
Paul, L
Powell of Bayswater, L
Richard, L
Roper, L (Chairman)
Sewel, L
Symons of Vernham Dean, B
Teverson, L
Trimble, L

Witnesses: **Chris Bryant**, a Member of the House of Commons, Minister for Europe, **Mr Andrew Dalglish**, Head of Europe Strategy Group and **Mr David Slater**, Deputy Head of CITI Group – Communications, Institutions, Treaty and Iberia, FCO, on the December European Council, examined.

Q1 Chairman: Minister, it is very good to see you again, and to see you with Mr Dalglish and Mr Slater. I wonder whether I could just start by asking one or two questions about the Lisbon Treaty. When you last appeared before this Committee you told us that at that stage the United Kingdom did not have a candidate for High Representative. I wonder what changed between that session and the very welcome appointment of Baroness Ashton of Upholland as High Representative. Would it, as some people have argued in the press, have been more in the UK's interest to nominate a commissioner who could have been given responsibility perhaps by the President of the Commission for financial services?

Chris Bryant: Events changed. It is certainly true that when I sat before you we did not have a candidate for High Representative because we had a candidate for President of the European Council and we were keen still to secure that place for Tony Blair. When it became apparent that that was not going to happen we changed our position and I would hope - certainly following yesterday's hearings in the European Parliament which I think went very well, the second set of hearings now for Cathy Ashton - people will see the quality of Cathy's work which is probably better known to most of you than to many down at my end of the building since you had her as Leader of the Lords, and anything that is good enough for the Lords is undoubtedly good enough for the Commission. On the other point you raised, I have long felt that there is a misunderstanding that some people enter into about what the role of the commissioner is and good commissioners are not those who advance the cause of the country of their origin; they are people who act as members of the College of Commissioners and act in the interests of the whole of Europe in implementing the treaties. I think Monsieur Barnier has already acknowledge the vital importance of the City of London for the whole of Europe, not just for the UK but obviously very significant for the UK. I had a breakfast meeting in Paris last week with Jacques De Larosière and I found him to be one of the most engaging, interesting and pragmatic people that I have met in banking or in politics. Some of the characterisation of him and his report has been very wide of the mark. I think that just because somebody is a Frenchman does not necessarily mean that they are bad for financial services in London.

Q2 Lord Hannay of Chiswick: Minister, I wonder if we could ask you about the procedural arrangements for the calling of meetings of the European Council and also summits with third countries. There seems to be a certain amount of confusion judging from the press about this. What is our attitude about the decision by the President of the European Council to call a European Council on 11 February and how does this fit in with the Spanish Presidency's

plans? Are we also satisfied that the summit meetings with the United States and various other third countries are being properly handled under the authority of the President of the Council?

Chris Bryant: Speaking to my Spanish counterparts they have made it absolutely clear that they want to be very good Europeans; they believe that the treaty has been agreed and that therefore we should be abiding by the treaty. They have placed their Presidency at the disposal of the President of the European Council. I had a joint meeting last week and another one before Christmas with my French and German counterparts and it is very clear from them – and many others as well – that the key issue that everybody is engaged in is the question of fiscal stimulus, the state of deficits in different countries and exit strategies associated with that. That is the one thing that everyone wants to talk about, in particular on a European level, because we are aware that if the fiscal stimulus that has been injected in Germany or France is withdrawn much earlier than in the UK then that may have direct implications for us and vice versa. We are very pleased that there is going to be a Special Council in February to look specifically at jobs and growth and these issues in relation to exit strategies. We are quite happy with the way that has moved forward. One other thing that would be important when we come to the Foreign Affairs Council is that that will be the first time that it is chaired by Cathy Ashton and I think that that will see her first *imprimatias*, as it were.

Q3 Lord Teverson: More generally, paragraph two of the Conclusions mentions Mr Van Rompuy whose appointment the British Government has welcomed. I was just wondering if you could remind me of anything he has said since the date he was appointed.

Chris Bryant: He said quite a lot of things about Turkey because I think some people were very anxious that his appointment, because of historic positions that he has adopted, would mean that he would be vetoing Turkish accession to the European Union. As you know – and

I think you agree – we are very keen that Turkey should eventually become a member of the European Union and we would not have been happy if someone had become president of the European Council who was hell bent on preventing that from happening. We are grateful that one of the things that he has made clear is that he is, in a sense, a servant of the Council and is not going to be determining its policy.

Q4 Lord Sewel: I suppose there was always the risk that no matter how weak and patched up the Copenhagen Agreement was it would be declared a success. We never even got to that stage, did we? Lord Hunt of Kings Heath in our House has described the outcome of Copenhagen as being disappointing and I think that is generally recognised. I think there are two questions that flow from that; one is, looking back, have you any comments on the EU's preparation for Copenhagen? Could we have done better? Secondly, what should happen next in terms of the EU advancing its own position and agenda on climate change?

Chris Bryant: I think there are some problems in general for the UNFCCC process which actually are generics of the UN as well. If you just sit an awful lot of people around a table and let everybody talk until they have finished, you do not necessarily come to a satisfactory set of decisions. The EU undoubtedly led a lot of the debate and it was only when France and Britain put money on the table that others were prepared to follow suit. I think perhaps we could have done that a little bit earlier. We obviously would have preferred the EU earlier to have come to a position of more ambitious targets and a clearer idea of precisely how much money was going to be on the table from Europe. I think that the coordination of lobbying that was done by the Danes around the world was pretty effective; it got us to a better place than some had feared but not as good a place as we would like to get to. I am more in the half full category, but there are those who criticise me for always being in the half full category of people in the world. I thought it was a sadness that some other countries – in particular some of the Latin American countries – did not pull their weight in a helpful direction.

Q5 Lord Sewel: There are commitments which are supposed to be clarified by the end of this month, are there not? Do you have any indication on what is happening there?

Chris Bryant: I do not know actually.

Mr Dalgleish: That is right. By the end of January parties are invited to make further clarification as to what they are prepared to do. That discussion needs to be carried out within the European Union again. You will know that we have already committed to a 20 per cent reduction; that is on the table. The question is, will there be sufficient movement in the European Union to take that to a 30 per cent commitment? Those discussions are underway and I think the UK has made clear our level of ambition, but clearly that is a discussion that needs to be had in the EU too.

Chris Bryant: We hope we will still get to a treaty in the next six months and certainly this year.

Q6 Lord Teverson: Can I ask a factual question about Copenhagen in terms of no-one has yet signed the Copenhagen Accord; it is supposed to be done with pledges by 31 January. Could I ask whether the European Union will be signing on behalf of its Member States or will all 27 Member States be signing individually and putting their own offering in terms of the percentage which presumably has to tie up with the 20 and 30 per cent that has indicatively been agreed?

Mr Dalgleish: That is right. Each Member State is a party and a signatory to the United Nations Framework Convention on Climate Change and therefore I think – but I need to check this for sure - be a signatory to the Copenhagen Agreement, but the rules allow that parties can group themselves in a way that makes a combined effort to the 20 per cent that you have identified, so that there would be an individual Member State signatory and commitment but also a European Union overall commitment for the overall total to be reached.

Chris Bryant: I will write to you on that.

Lord Teverson: I would be very interested if you could write to us.

Q7 Baroness Howarth of Breckland: Turning to the Stockholm Programme, Minister, the Commission is expected in the first half of the year to produce an action plan on the Programme. Could you say a little about the issues, focussing on the interests and needs of the citizens, the government would like to see the Commission include in that action plan?

Chris Bryant: One will undoubtedly be child protection. There is an issue around the child abduction network that we want to see brought forward. We also think that it is only right and proper that if somebody is barred from working with children in one state within the Union then they should be barred from working with children in all the states within the Union. We also think that we need to do more work on serious and organised crime. I know that the Spanish Presidency is very keen to move forward the internal security strategy as one of their priorities during their Presidency. The third thing where we would like to see further work is in European Union coordination with other countries in the world on combating crime, drugs and illegal immigration, in particular Pakistan, Afghanistan and, as we have seen over the last six to nine months, West Africa.

Q8 Baroness Howarth of Breckland: It is quite clear that these areas of coordination are absolutely crucial for the protection of citizens as well as their enhancement. It happens in health too. I just wondered what your view was about how we ensure that there is not a subsidiarity creep, how we police the boundaries of what we should be doing in our own nations as against the need for strong coordination across Europe.

Chris Bryant: I hate to re-open old wounds but to my mind that was one of the great benefits of the Lisbon Treaty. I remember when I worked for the BBC in Brussels one of the great problems was that the Commission seemed to think of a new pie to poke its finger into every

day of the week and actually I felt that it was appropriate that we ended up with a treaty which rather more clearly delineates the powers, the responsibilities and the areas of concern for the Commission. In the end we have to make a completely pragmatic decision, I would argue, on what is in the interests of British citizens and where we need to pool our sovereignty in order to achieve the protection of our citizens and then we should do so. Where we think that the bureaucratic processes that have been set up are actually not commensurate with the threat that has been posed, then we should not cooperate.

Q9 Lord Jopling: Minister, continuing on the Stockholm Programme where there is a good deal of emphasis on solidarity among Member States concerning asylum issues, do you think that quest for solidarity might be undermined if the United Kingdom does not opt in to major elements of the Common European Asylum Policy's second phase?

Chris Bryant: I still think we need to be entirely pragmatic about what works for the UK; we should not just be engaging in a kind of test of bravura about whether or not we sign up. There are several ways in which we can make sure that asylum is guaranteed to those who absolutely need it; is not a means of people subverting legal immigration rules. Obviously the most important thing we can do is to try to make sure that fewer people need to seek asylum within Europe because the country in which they live is not barbarised by dictators or ravaged by war. That is the first thing we need to do. We would not want to simply sign up because we thought that otherwise we would not be able to hold our head high in discussions about solidarity. We think that solidarity is often best measured in this area by the practical measures of cooperation that can be taken which do not require legalising at all.

Q10 Lord Jopling: Could you apply yourself to the second part of my question with regard to the merits or not of opting into major elements of the Common Europe Asylum Policy's

second phase? You said we must be pragmatic; this is your moment to be pragmatic about that issue.

Chris Bryant: I was trying to be pragmatic and we will opt in where we think it is in our interests so to do, but I do not think that the argument about solidarity is one that really will carry the day with us. I do not know whether either of my colleagues wants to pitch in.

Mr Dagleish: I think that says it. At the December European Council the UK signed up very wholeheartedly to the Stockholm Programme. This policy is part of the Stockholm Programme; we now wait to find out the specifics of the proposals under it and, as the Minister says, we will react pragmatically, considering whether or not it is appropriate to opt in.

Q11 Lord Jopling: You have less than a fortnight to make your minds up.

Chris Bryant: I am not going to be told by anybody in Europe that you are not a good enough European because you have not signed up to this element and therefore you cannot really take part in discussions about asylum. That is not is part of our thinking. What is part of our thinking is how can we make sure that asylum is proper asylum - which we all acknowledge is an important part of international treaty obligations and establishing a fair and just world – and is not subverted by people essentially trying to bypass immigration laws.

Q12 Lord Jopling: I am still no wiser, but let me perhaps continue, if I might. Subcommittee F did an inquiry recently on the Stockholm Programme and the Minister, Mr Woolas, came to us. He pointed out that with regard to a European Asylum Support Office there was no office yet set up and there was as yet no headquarters and no director. I wonder if you could tell us whether there is any progress on that matter since the Minister kindly came to give evidence to us on 14 October.

Chris Bryant: I am afraid I am not sighted on those details at all. I am very happy to write to the Chairman or to yourself.

Q13 Lord Hannay of Chiswick: Could I go back to the previous issue of the asylum policy, not on the issue of solidarity but on the issue of opting in? Would you not recognise that the pragmatic choice is not helped greatly if you opt out because you have to decide that at the beginning of the process and you then lose any influence Britain has on the rules that will be adopted for the rest of the European Union. So the choice is basically between opting in and trying to shape and change any proposals we do not like, or opting out and leaving them to take effect in a way that we do not like. Is the issue of pragmatism therefore not slightly more complex than you have suggested?

Chris Bryant: Pragmatism is always complex but if you were to think that the system that was probably going to be advanced was one that would make it possible for the UK to implement the fast track system that we have presently and seems to be much more effectively operational than what we had two or three years ago, then you might to be forced into a position where you decided that we could not opt in.

Q14 Lord Hannay of Chiswick: Do you mean because the rest of the European Union was being more restrictive than us?

Chris Bryant: Yes.

Q15 Lord Hannay of Chiswick: I will watch with interest to see when we reach that position.

Chris Bryant: If the set of proposals that are coming down the line, before they get formalised, are ones that would make it impossible for the legal system that we have adopted here to remain in place and that is when I think we have to take a pragmatic decision.

Q16 Lord Dykes: Opting in to directives, for example on these subjects, does not mean that the official negotiations on actual details are affected at all; that can be done after an opt in has taken place. Do you agree with that?

Chris Bryant: Yes, and for that matter we are not in the Eurozone and yet we still take part in discussions about the economy.

Q17 Lord Dykes: That is not exactly the same but there are some similarities but not perhaps a total one.

Chris Bryant: I think point I am trying to make is that whilst I accept of course Lord Hannay's point that if you decided to absent yourself from the discussion it is a bit difficult to affect what happens in other Members States and the pattern that develops, nonetheless, if one were to feel that the system that would therefore end up being implemented in the UK was not as effective as the system that we presently have, then you would have to come to the decision – maybe reluctantly - that opting in was not the right thing to do and that is where I think a pragmatic rather than ideological decision is what has to take precedence.

Q18 Lord Dykes: Are you saying in respect of these two directives being debated?

Chris Bryant: I am talking in generality but I can foresee that this is an area where we are going to have to resolve that as well.

Q19 Lord Dear: Minister, I think I am right in saying that the government supports the Stockholm recommendation that there should be an increase in information and intelligence exchange between law enforcement agencies and third countries. Could you tell us how you intend to ensure that citizens' rights to privacy and data protection are respected?

Chris Bryant: It is a very complex balancing act that we have to achieve here. For instance, if we want to make sure that somebody who is on a child sex register in Romania and then

comes to live in the UK that that information is available to the British police and all the relevant agencies how can we do that without, to some extent, infringing the rights to privacy of that individual. I think everybody accepts in that situation that is a right way for us to move forward. It is far more difficult in relation to other elements, but I think sometimes the amount of information we are talking about exchanging between the police and other agencies is not so significant as to impinge on the legal rights to privacy which of course vary in different countries. We have very robust legislation in this country which I think would make sure that any information that was being provided would be protected.

Q20 Lord Dear: Some would turn the argument on its head and say that in the world of law enforcement, particularly intelligence, since knowledge and information is power you keep as much to yourself as possible and you do not want to share it. I wonder how you can encourage, certainly in the UK, agencies of various sorts to share as much as possible rather than being restrained. One has the example of the Christmas Day bombing attempt in the USA where there was quite clearly a lot of information but it was not shared and the worst nearly happen. That would be the obverse of your reverse, would it not?

Chris Bryant: Indeed, but the overarching priority must be to protect the citizens of the European Union and by providing information to other countries about all these issues we protect our own citizens when they travel abroad and also we protect them because we get the information coming from other countries as well. I think that that exchange of information, just like the European arrest warrant, is a vital part of the world as it moves forward. There are a million British people living in Spain, I do not know how many living in Cyprus, and if we are to achieve a decent protection of our citizens then we have to be able to move towards a much greater exchange of information.

Q21 Lord Bowness: Minister, is there not a problem with the Stockholm Programme in that it is so ambitious? Is this action plan that is going to be produced now going to actually establish some priorities? I am supportive of many of the aims and objectives of trying to improve a citizen's rights and access to justice and all these sorts of protections you are talking about but they are extremely complicated. Just by coincidence we have before the Law and Institutions Sub-committee tomorrow the working document for the feasibility of an index of third country nationals convicted in the European Union. We actually cleared that and supported it in 2008. The reality is that it has not gone anywhere because I do not think anybody has actually agreed even the basis of the information that is going to be exchanged. Is it going to be based on fingerprints or is it going to be based on something else? There has not been any great progress. There is now a feasibility study underway but indeed we still do not know what this thing is going to cost and we have not established a basis on which the index would be established. Do you not agree that we have to establish the priorities and actually choose the things that you can implement practically?

Chris Bryant: Absolutely. I am not opposed to ambition but I am also keen on us prioritising and that is one of the things we have tried very hard to do. We have tried to push what we believe to be our priorities to become the priorities in the Stockholm action plan. That is why, for instance, child abduction and protection of children are at the top of our list because we think that that is something where action is achievable and can make a significant difference.

Q22 Lord Teverson: I accept the point entirely that information about people in regards to security, particularly of people who are a potential threat, has to be distributed, but is the real problem in terms of data and privacy that European information is given abroad where we have little control of it (as shown in the agreement between Europe and the United States over the airline data; we have very little control over that after it goes outside) but also in the justice and home affairs area what used to be the Pillar 1 data protection regime used to be

pretty strong in Europe, but Pillar 3 is extremely weak. Now they have come together, how are we going to make sure that data protection regime remains strong for the right reasons in terms of privacy of every day information which I think is what really concerns the citizens as well as the security angle. I am pleased to see that the Council in the Stockholm Programme are saying that the enlargement of the Schengen area must continue. Is the British Government not in a position rather of hear what we say not what we do?

Chris Bryant: If you are asking me whether I think whether Britain is going to join Schengen I think I can safely say it is not, certainly not under this government and since there is not going to be a change of government it is not going to happen. You are absolutely right in saying that when we give over information we want to know how it is going to be used, by whom it is going to be used, how it is going to be held, how secure it is going to be. These are all very important parts of the regime that we have to move forward with but that is why it is important that we discuss this. That is why it is important that the European Union takes action on it because if that information can be shared it can save people's lives; it can make a significant difference to people's protection.

Q23 Lord Teverson: I get the impression, Minister, from the data protection officer equivalent in Brussels that that area is being more and more marginalised because of the security concerns which we understand and the balance is starting to go wrong while we want to make sure that we share the important intelligence that protects our citizens. Is that something the British Government is concerned about and are we going to make sure that that balance is correct?

Chris Bryant: It is certainly something we have to watch, but I remember a few years ago having a child safety issue in my own constituency which related to somebody from Estonia and being able to exchange that information and do it effectively between different police forces I think is vital. Some of these issues have not just arisen because of the international

terrorism situation; they have also arisen because of on-going situations that we have never been able to address in the past and we now, because of technological change, have an opportunity to address.

Q24 Baroness Howarth of Breckland: Pretty much on the same point, being someone who deals fairly regularly with international issues about child abduction, abuse and all those difficulties, I absolutely agree that the sharing of information is crucial and there is the point that we do not have it perfect in one country, never mind across Europe. My concern is about the balance you were describing between having a bureaucratic set of rules and pragmatism, clarity and choice, if you like, because it seems to me that if we do not have more clarity then countries are going to be able to interpret as they will. I give another example which is the need for lists of GPs who have been struck off the list in other countries. At the moment they are finding it very difficult to get those lists in this country which puts the health of our members in danger. You talked about being very keen on implementation, how do you envisage the Commission really getting a grip on these very complex and quite detailed issues?

Chris Bryant: I have not visited Europol but those who have tell me it is a very impressive operation and some of the work they have done has been very effective in the last couple of years. It is one of the things I would like to do later on this year. You are absolutely right, this is not just a matter about the European Union. I was talking about child abduction cases earlier this year in Australia and within the Commonwealth we have advanced to some fair degree proposals to be able to exchange information effectively. You are absolutely right about the issue in relation to GPs, also about chemists and other people who are in positions of authority and responsibility. However, you do still always come up against the problem of if I give information to you, how do I know what you are going to do with it? Within the

European Union where you have the *acquis* we should be able to reach a more reliable end result; in other countries of the world I think there is still further work to do.

Q25 Lord Jopling: Minister, if you are going to visit Europol I hope you will take the trouble to have a look at the report which Sub-committee F did on Europol last year. However, reverting to the citizens' rights of privacy, when Mr Woolas came to Sub-committee F on 14 October he told us there had as yet been no assessment of the additional advantages to be derived from a comprehensive data protection scheme from the coming into force of the Treaty of Lisbon. He also said (and I quote here), "We have also said that before any other new initiative, the European Union should" (end quote) and then he goes on to list a number of things one of which (again I quote) is: "From January 2010 what the impacts on people's privacy should be and how we could assess that". Could you tell us what has been done since October in order to implement these matters which clearly need to be implemented from the coming into force of the Treaty of Lisbon and, as he says, new arrangements from January 2010?

Chris Bryant: To be honest, Phil Woolas very much takes the lead on these issues so I think probably the best I am able to do is to get him to write to you about that. I am not sighted on the specifics of that I am afraid and neither are my colleagues.

Q26 Lord Richard: Can I just follow up what Lord Jopling said because I am in that area too, I am afraid. It does seem to me that you cannot work out what data should be transmitted and the circumstances in which it should be transmitted unless there is at least a commonality of approach on privacy regulations and privacy laws throughout the countries of the Community. There is no point in getting data from Romania if you cannot use it because you are infringing somebody's privacy rights. Are we getting anywhere in discussion on this?

Are there any movements to try to coordinate privacy and freedom of information regulations in all the Member States?

Chris Bryant: I do not think you have to have identical systems in every Member State.

Q27 Lord Richard: You have to have the same approach.

Chris Bryant: I think you have to have a fundamental set of principles which is adhered to by everybody; we have been arguing that very strongly and it is broadly accepted. With the different legal systems that we have across the Union it is always a complicated matter to arrive at a precise commonality of approach. For instance, in the UK there are many more CCTV cameras than France or Spain would think would be acceptable. I think that you are bound to face a difficult process in trying to establish commonality. However, as I say, you do have to have a basic set of principles about how information is stored, about what information is kept, how long the information is kept for, which further agencies information can be provided to; all of that is work that is on-going.

Q28 Lord Dear: This is not so much a question as a statement. Having inhabited that world of intelligence and information for a very long time, the one word which I had hoped to hear – and perhaps it was implicit in what you said – was the word “trust”. I think if organisations trust each other they will pass information and they will do it properly. I do not know whether it is ever going to be possible, certainly in the shorter term, to get various organisations in the different countries to be trusted to the extent that one would want for the more sensitive information, and if trust is not there no matter what Stockholm says or whatever any government says about it, then it just will not happen. So long as your department is seized of that, if I might be so bold as to say so, then I think you can go forward with eyes wide open rather than with a pious hope.

Chris Bryant: I think you are absolutely right; trust is a vital part of what establishes good relationships between organisations and enables them to exchange and to share. However, trust can be very rapidly lost on the basis of a single incident going wrong and sometimes it is much more difficult to gain it. Clearly there are countries that we have been long used to dealing with and sharing information with; that is a very long standing relationship and when there are problems we know how to overcome them because there is such a longevity of that relationship. However, I think across the European Union now with 27 members all the way from Romania to Denmark, the Netherlands and Spain, with very different criminal justice systems, with very different legal systems and so on and, for that matter, very different IT systems which make it difficult to mesh information so that it is information in any useable form. Sometimes if you have half the information that is more dangerous than having no information at all because you believe that you have the whole information. That is why we are, as I said earlier, keen on having a set of principles which do apply to everybody so that we feel much more confident about providing information to others and we can feel much more confident about the information we are receiving, so that that flow of information can happen as swiftly and as frequently as is necessary to protect citizens.

Q29 Lord Dykes: Can we consider the Lisbon Agenda and if you take paragraphs 17 to 20 of the Presidency Conclusions in December there is obviously the admission that after ten years it has really not worked out and it has been disappointing. Is that because the institutions dealt with it in a very dilatory or slow manner, inefficiently, or is it because they were too ambitious in the content and unrealistic? How do we take it from here?

Chris Bryant: The honest truth is that I think the European Union over the last eight years has been far too focussed on constitutional internal rows and has not focussed enough on the issues that most matter to its constituents, ranked top of which is probably jobs and the future economy; ensuring Europe's competitiveness against the background of the rising economic

might of India, China, Brazil and Mexico is vital part of what we need to do. The fact that we still spend far too much of the EU budget on 19th century policy areas rather than 21st century policy areas is a problem and we need to do far more. That is why the prime minister wrote to all his counterparts before the December Council and we are very keen that there should be a common pact across Europe on growth and on jobs. As I said earlier, that is why we are delighted that there is going to be this special council meeting in February because we think that we need to focus on these issues very clearly. You are absolutely right in saying that for the last ten years on these issues Europe has not particularly covered itself in glory.

Q30 Lord Powell: Following on from Lord Dykes' question, if you ask most people which economy is likely to be the most competitive and dynamic knowledge based economy in the world they would probably say the United States or possibly these days China. What makes you confident that actually it will be Europe in accordance with the European Council conclusions?

Chris Bryant: I am not absolutely confident that it will be and that is why we need to do much greater work. As I said, the fact that we still spend 40 per cent of the EU budget – I understand all the reasons that we do - on the common agriculture policy is not the sensible policy that is sustainable for the future if we want to have a Europe that competes on the basis of added value rather than on protectionism or on the basis of trying to compete in the bargain basement. That cannot be Europe's future. The fact that we have such wide economic divergence between the industrial heartlands of Germany, the financial centre in the UK and other parts of the European economy which are almost entirely dominated by agriculture or tourism means there is a very significant challenge for us here, but I think we, the Brits, need to win a series of arguments in Europe, one of those is around this question of what kind of economy we want for the future and whether we can best achieve that by protectionist

measures, whether protectionist in terms of labour law or protectionist in terms of agriculture or fisheries or whatever.

Q31 Lord Kerr of Kinlochard: In talking about the 2020 strategy, the European Council called for reflection on methodology, on more efficient and transparent governance, geared towards reaching tangible results, with monitoring and evaluation of policy measures. The Lisbon Agenda is not a disaster story but it is not nearly as good a story as one had hoped it would be. The principal reason for that, I think, is the absence of peer pressure. Clearly traditional “Community method” instruments are not available; this is an area outside competence, outside qualified majority voting, outside the jurisdiction of the Court. When the Commission set up an inquiry under Wim Kok, the former Dutch prime minister, he recommended the publication of league tables and performance monitoring, in the hope of encouraging peer pressure. The Council thought that a step too far and did not support it. Would the British Government support it now? Is there some way in which the British Government could suggest giving teeth to the open method of coordination which so far seems to be rather a failure?

Chris Bryant: I preface what I am about to say by saying I am not an economist - this may become obvious - and I am not quite sure what you mean by peer pressure, but I think the last 18 months economically in Europe, Europe has faced an economic and financial crisis which has impacted slightly differently in different countries but to be honest has affected all and each country has taken remarkably similar action on the basis of coordination as well. We have had to stretch the rules within the treaty in order to allow people to do so; we have to stretch the rules of the euro; we had to do a lot of things which the crisis, in a sense, has enabled Europe to do. If Europe had not done that I think we would have been facing a much more prolonged recession, if not depression and slump. I think that we have learned a lesson thereby in terms of how Europe needs to manage, whilst always preserving the fiscal

independence and autonomy of each of the Member States, the process of ensuring that we have a strong united economy for the future.

Q32 Lord Kerr of Kinlochard: Minister, I do not disagree at all, but the Lisbon Agenda was specifically about trying to become a stronger, knowledge-based, innovative economy and, for example, set various benchmarks in terms of expenditure on research, which nobody has met. As fiscal stimuli are applied it seems a great pity that in Europe very little of that stimulus is going to innovation and research. European Councils regularly set targets in this area and the Lisbon Agenda set it for ten years with great fanfare; but nothing much happens because it is outside the compulsive mechanisms of the Union - in my view quite rightly – and nobody has as yet devised some other means of concentrating minds. People agree the text but they go away and do not actually do what they signed up to. Is that an insoluble problem, in your view?

Chris Bryant: It is certainly a problem because unless you want to move to qualified majority voting on these issues then of course it is going to be and I do not think anybody is proposing that because that impinges on fiscal and economic autonomy within the Member States. That is not the direction of travel that anybody wants to move in. When it comes to the next financial perspective this will be a significant issue that the Union will have to address because if there is to be less money spent on the Common Agricultural Policy and we want to concentrate our efforts more on research and development so that the European Union is a clean, green economy at the forefront of technology with added value there, then it may well be that that is where the money that we are cutting from the Common Agricultural Policy will have to be spent but that would then have to be on a shared policy basis.

Q33 Lord Richard: When I read paragraphs 17, 18 and 19 of the European Council Conclusions my heart sank just a little. Against the background of paragraph two of these

Conclusions which congratulates the Swedish Presidency on the smooth entry into force of the Lisbon Treaty, we then look at these which are in effect calling for a totally new strategy, the evidence of which apparently has to be ready for the Spring Council this year and the time leading up to that should be used to define the elements of such a strategy. What elements does the British Government want to see in that strategy?

Chris Bryant: The most important elements, we believe, to follow on from the Copenhagen conference are that we need to have a strategy towards a greener economy for Europe. We want to be able to seize first player advantage in a whole series of green economies and we see this as an opportune time to do that. I think it is difficult to have some of these conversations without setting them against the discussions that were going on about exit strategies and how different countries around Europe reduce their fiscal deficit. Those are the kind of priorities. Whilst nearly every country in Europe still has growing unemployment figures, trying to make sure that we have a strategy for jobs is key to that.

Q34 Lord Richard: So greening Europe is something you want. Secondly it is a more employed Europe. Having been at one stage a commissioner for social affairs and employment at the time of the last slump, how the European Union is going to be in a position to deal with unemployment throughout the community was beyond me then and is beyond me now, but that is an area you want in the strategy. The third element you want in the strategy, as I understand it, is agreement on exit strategies from the present economic troubles. That sums it up.

Chris Bryant: Pretty much.

Q35 Lord Richard: Good luck.

Chris Bryant: Two very big things have changed over the years. One is obviously the number of members in the European Union, but secondly the experience across Europe of the

financial crisis over the last 18 months has dramatically changed people's understanding of how they need to cooperate for the financial protection of the Union. That means that there is a greater willpower towards working together because I think people have seen that it has worked. That may completely dissipate once the whole of Europe is out of recession, but I suspect it will not.

Q36 Lord Trimble: I have to say, Minister, I think the problem is very acute. It is not just that we have failed to achieve the Lisbon objectives in terms of competitiveness, it is that in part of the Union competitiveness has been declining for a long time and that declining competitiveness is exacerbating the impact of certain countries of the current recession. This is most acute of course in the ones that are referred to sometimes as the PIGS (Portugal, Italy, Greece and Spain). You will note that I am leaving Ireland out of that list but I am doing so for the reason that alone with the countries that are in this condition of declining competitiveness the Irish Government is making a very brave attempt to regain competitiveness by aggressively driving down wages. If we turn to look at Greece which has an enormous fiscal problem which the Union is not making any coherent response to, but with its underlying problem about declining competitiveness they are never going to get themselves back on track within the present framework. This is bad now; it is just simply going to get worse and worse without a really radical change. I do not see anywhere in the Union and I do not see anything in these competitors and I do not see anything in what you have said today that shows any glimmering of the state of the problem.

Chris Bryant: I am very much aware of the problem for instance in Spain with unemployment reaching the 20 per cent level. The housing boom that was partly exacerbated by tourism and by a lot of foreign nationals from elsewhere in the European Union going to live in Spain and people seeing an enormous economic opportunity and a fair amount of greed and, for that matter, corruption as well, you have an economy that is going to find it very

difficult to come out of recession for some time as most Spanish commentators will agree. In Greece the problems are further exacerbated. I completely agree with you about the need for us to ensure our competitive advantage because otherwise we will not be the leading economies in the world in ten, let alone 50 years' time. That is why we have wanted to keep a flexible labour market, far more flexible than some have argued that we should have. I note that although it has been very tough that people have lost their jobs in the last year in the UK, nonetheless a very high proportion of them are finding a new job within three months. That is not true in many other countries in the European Union and that is why we have wanted to constantly assert that whilst of course you have to have social protection for people in their jobs, that has to be proportionate with trying to achieve competitiveness in the economy as well.

Q37 Lord Trimble: We are achieving competitiveness by devaluation in the short term.

Chris Bryant: It is certainly true, as all my French friends point out, that it is quite nice to come to London at the moment; you can actually afford to stay in a hotel.

Q38 Lord Trimble: The only hope for Greece and other countries is to reduce the labour costs. Is there any likelihood of them doing this in the foreseeable future? What on earth is going to happen because without an improvement in their underlying economic situation they will not be able to cope with their fiscal problems and this train wreck is going to occur quite soon?

Chris Bryant: I do not think it is for me to tell Spain and Greece precisely what they should do with their labour costs and their economies, but I take the point about competitiveness across the whole of Europe.

Q39 Lord Sewel: I think there is very little evidence that many Member States took the Lisbon Strategy all that seriously to begin with quite honestly. Can I continue the quotation that Lord Kerr started from paragraph 19 of the conclusions? The last sentence reads: “Further reflection is also necessary on how to improve coordination of economic policies and on the best way of using country recommendations to strengthen the link between national and EU measures, and enhance national ownership through more active involvement of social partners as well as of regional and local authorities”. In substance and context what does that mean and is it the basis for a more competitive economy?

Chris Bryant: I do not think sentences from conclusions are normally the basis for economic recovery.

Q40 Lord Sewel: That is common sense really.

Chris Bryant: It is a piece of Europe-ese.

Q41 Lord Paul: Are you concerned by recent developments in Bosnia and its lack of progress towards EU membership? How will the presidential and parliamentary elections in October affect progress? Then we move to the High Representative, what is the British Government’s view on that?

Chris Bryant: Yes, we are very concerned about the situation in Bosnia Herzegovina. The foreign secretary visited Sarajevo just before Christmas and had meetings with all the interested parties. We are concerned. We do not believe it would be appropriate either to draw down troop levels in Bosnia until such time as there is much more significant political advance, and we think it would be wrong to remove the OHR without the conditions five plus two having been met. It seems very clear to us. I think it is worth saying that although we have many others who agree with us within the Union, not all countries agree with us on all of those points.

Q42 Lord Hannay of Chiswick: Looking at other aspects of enlargement, do you think there is any prospect for a slightly more helpful attitude being taken towards Ukraine after their elections and some possible crack of an accession perspective being open to them? Do you think it would be of value? On Turkey, what are the prospects for taking the negotiations forward in the rather unpromising circumstances we have been in for the last few months? What thought is the government giving to what help the European Union could give to the effort to negotiate a solution in Cyprus, in particular are you thinking of ways in which the European Union could financially underpin such a settlement in a more substantial way than they have offered to do in the past?

Chris Bryant: In the Ukraine the first round of elections are on Sunday and then probably a second round in February; I think 7 February is a date that has been talked about. I signed a letter and I have done an article jointly with my French and German counterparts to make it absolutely clear that we are not supporting any one candidate. We and the rest of the Union stand ready to work with whoever is elected. There are important things that the Ukraine needs to do, however, to be able to prove that it is serious in relation to some of the laws parliament passed before Christmas which dramatically increased their cost at the same as they were trying to borrow money from the IMF. A lot of that internal posturing has not been very helpful but maybe after the elections some of that will pass away. I think it was good to see the agreement with Russia; I very much hope there will not be a Ukrainian gas switch off this year. We are hopeful for that relationship to move forward. There is still some work to be done on human rights as well in the Ukraine. In relation to Turkey, I am going to Istanbul on Friday to have meetings with my counterpart. The Turkish foreign secretary is here today and has just meetings with our foreign secretary. As I said earlier, we are still strong supporters of Turkey's accession to the European Union. They had quite a tough time in the discussions in December because people want to see the Ankara Protocol adopted and they

want to see a resolution to the situation in Cyprus. I was glad that we did not end up with the door being closed. I think it is vital for Turkey now not to just work on the energy chapter and the environment chapter which has now been opened, but to work on other areas which are perhaps politically more difficult for them but chapters that are not blocked by not implementing the Ankara Protocol. In relation to Cyprus, in the end it has to be a Cypriot solution. Anything that looks like anything else will not carry the day in a referendum either in the north or in the south. I visited before Christmas, as you know, and I hope that the meetings that are starting today, which are much more intense meetings between Mr Talat and President Christofias will be more successful because it has just got to that point where they actually need to up the tempo to get to the point where they actually start making concessions and not just sitting talking within one particular silo about governance or about property or territory or whatever, but actually making a deal between the different elements of the discussions. Yes, I certainly agree that one of the answers is going to be to do with financial settlement and I am absolutely certain that the European Union will have to make a significant contribution towards that.

Q43 Lord Teverson: Minister, looking at the Eastern Partnerships – which is coming up to its first birthday – what sort of benefits do you feel it has delivered and at what cost? I would be interested to hear if you think it has more momentum maybe than the Mediterranean Union. Do you detect an improvement in EU-Russia relations in recent months, and will this improve the prospects for the Eastern Partnership?

Chris Bryant: I think EU-Russia is going to be one of the key issues that the High Representative is going to have to look at, how we achieve a more disciplined, coordinated, consistent approach towards Russia because it is far too easy for any individual Member State just to say, “We’ll forget about that part of the agenda whilst we are pursuing our own commercial interest”. I am hoping to visit Russia in February and I know that my German

counterpart is keen to visit either at the same time or round about that time as well and we are working on things we can do jointly in our bilateral relationships with Russia which I think would help the EU relationship with Russia as well. I had a long discussion with Cathy Ashton last Friday and I know that is one of the things very much on her plate. The Eastern Partnership has not been particularly costly at all – virtually no cost - but there has been some success. There certainly is a great sense of momentum about association agreements; there is a much better coordination of our approach around energy security and I think in its first year it has been, broadly speaking, a success.

Q44 Lord Teverson: Just coming back briefly on the Russia side, we are now quite a way from the Russia-Georgia war and yet we are still left with a situation which is becoming very rapidly a status quo where the agreement agreed by President Sarkozy has not been fully implemented at all and we seem to be in the situation of Abkhazia and South Ossetia being left as satellite so-called sovereign nations of Russia to add to all these other unresolved conflicts. Is there any real chance of really trying to get some of those pushed forward on those so-called frozen conflicts?

Chris Bryant: You are absolutely right that the Sarkozy Medvedev agreement has not been fully implemented and it should be. I have said this quite clearly to my Russian counterpart. I am glad that we still have the EU monitoring missions – a vital part of what we are doing - and it is now a key part of trying to make sure that normality returns. I think it is important that the Georgians do not just put up a kind of rhetorical barrier against the Abkazians and the South Ossetians; they need to do a degree of wooing as well because otherwise there is a danger that they will be de facto independent states and we do not want that to be the case.

Q45 Baroness Symons of Vernham Dean: On the question of external relations in general, it is a long time I have read European Council conclusions which made no reference

whatsoever to the Middle East Peace Process. Was that simply because it was not considered important enough to have on the agenda or is it because the EU is doing what it used to do in the 1990s and leaving it all to the Americans at the moment?

Chris Bryant: What do I think about that? Since I have been in this job I have not been involved in any discussions on the Middle East Peace Process.

Q46 Baroness Symons of Vernham Dean: Really?

Chris Bryant: Apart from answering a debate today in Westminster Hall on the Goldstone Report and that has been a very clear focus of a lot of discussions in Europe. Our prime minister and President Sarkozy have worked very closely on a lot of the issues around that. There was a statement on East Jerusalem before Christmas and on the settlements because we believe that the East Jerusalem settlements are illegal and the UK and the European Union have made our position very clear. No, I think it is wrong to say that we are simply leaving it to the Americans but it is impossible to have a conversation about the Middle East Peace Process without engaging the Americans and, for that matter, the Russians. You look terribly disconsolate with that reply.

Q47 Baroness Symons of Vernham Dean: I think it is remarkable that the EU seems not to have focussed on what has happened in the Peace Process, particularly when there has been so much effort put in by the European Union in recent years.

Chris Bryant: I am not saying that there have not been and discussions; I am just saying that I have not been involved in any.

Baroness Symons of Vernham Dean: It is interesting that the conclusions in the external relations part make no reference to it, but that is the way it is.

Q48 Chairman: Minister, can I thank you very much indeed for having come and replied to the Committee's questions this evening. There was one question on energy which we would have liked to ask you and have not been able to, can we ask you to reply to that one in writing please?

Chris Bryant: I am not aware that I have to go anywhere; my office may have a completely different view but so far as I am aware I run my office.

Q49 Chairman: They still seem to be smiling so I will ask the question. The Spanish Presidency plans to improve the European Union's energy security, especially as it relates to gas supplies. Are you satisfied with progress in this area and what do you see as the major obstacles?

Chris Bryant: I should have said no to that one; my exit strategy was before me! Personally my impression is that we certainly did a good job in making sure that discussions between Ukraine and Russia were put on a sensible footing this autumn. That was vital. Whilst only two per cent of British gas comes from Russia, it is some 40 per cent for the rest of the Union so that has been an absolutely vital part of the equation. One of the other reasons why we are ardent supporters of Turkey's accession to the Union is because I think diversity of gas and oil supplies are a vital part of ensuring our energy security.

Q50 Lord Hannay of Chiswick: Could I refer to a question which arose when we last spoke about energy security at one of these meetings, which was the issue of gas storage which is under consideration, I gather, in the European Union at the moment. At the time you were a bit unsighted I think but I wonder if we have got any further in our consideration first of all on how we can increase our own gas storage (which might have been a little bit useful in the last two weeks, I would have thought, if we had had some), and secondly whether we are giving any consideration at all to the desirability of an obligation existing within the European Union

to have minimum amounts of gas storage which would make us less vulnerable to interruptions of supply from Russia or anywhere else.

Chris Bryant: The amount of gas storage that you need in an individual country depends on a whole series of different things, one on how many different sources of gas in short supply you can have. In the UK we are relatively well served because we have quick supply from Norway and we have quick supply of our own indigenous gas which most other countries in the European Union do not have which is why in ordinary time we do not require the same level of gas storage as others do. You are absolutely right, however, in saying that this is something we have to constantly keep under review, especially as our indigenous supply dwindles. The other point is that it is something that is being considered across the whole of the Union, not least because when the first Ukraine-Russia row first erupted people suddenly realised how vulnerable the European Union was. I have been openly critical before of the fact that at the time the Union said that we must have a council solely devoted to energy security but we have never even had a very substantial discussion.

Q51 Lord Sewel: When we talk about energy security we do tend to look east but surely Spain in a way would be looking south, particularly towards Algeria, where you have a regime that is sort of dominated by the independence generation and you have a significant rising problems there and tension in the relatively near future and a degree of political instability. That dependence that the southern European states has on northern Africa for energy supplies to an extent that I do not think we can appreciate must be a cause for concern.

Chris Bryant: You are completely right, and Spanish, Italian and Maltese colleagues have regularly said to me that one of the problems of the Union is that it tends to focus on everything that northern Europe thinks is important and therefore focuses north east or east and very rarely bothers to look south. There is a bit of my memory that is failing me, but was there not a Lisbon strategy which was about the Maghreb as well and not much ended up

being done about that either. Clearly this is one of the things which is increasingly important for security, not just in terms of energy security but in terms of terrorism and international criminality. Again I think the borders of Europe are important. There is one other area where I think the Spanish Presidency have said they want to do work this year which is in relation to Latin America. I think it has been a shame that over the last ten years that the European Union has more or less sub-contracted its relationship with Latin America solely to Spain. Perhaps Spain, because it has such significant commercial interests, feels it can hold sway there without too much interference from any other issues. I think that is something that Germany, France and the UK are very keen to have a much tighter hold on.

Q52 Baroness Symons of Vernham Dean: May I ask you a very quick question on Iran?

Chris Bryant: You may; I may not know the answer.

Q53 Baroness Symons of Vernham Dean: I have the most appalling sense of déjà vu on the declaration on Iran. It was one of those statements that urges, that regrets, that meets with concern and says, “Let’s see what happens next” in essence. I just wondered whether there was any suggestion of there being a renewal of the direct approach that there was under Jack Straw to get the foreign ministers of France, Germany and the United Kingdom together to have a face to face discussion about this, or is this another one of those statements that is full of good intentions that our eyes glaze over when we read them and think “Well, this is just more of the same and we will wait for the inevitable confrontation”.

Chris Bryant: I guess the sense of déjà vu all over again is not least because you spent time writing these things yourself when you were at the Foreign Office.

Q54 Baroness Symons of Vernham Dean: No-one has ever let me write them, alas.

Chris Bryant: Agree to them, then. Yes, this is going to be a critical time and I think we need to think very carefully about what sanctions might look like. Undoubtedly the relationship with the three key powers – Britain, France and Germany – is vital in this. It is one of the things I do want to discuss very closely with my Russian counterparts when I go. Similarly I have been depressed to hear of Brazil's instinct that we are overstating the case on Iran.

Q55 Baroness Symons of Vernham Dean: The point about human rights violations is mentioned obviously. Can I just hope that there is specific mention of the fact that the Iranians are still hanging young people under the age of 18, particularly girls, for alleged sexual misdemeanours. I do hope that is something that will be focussed upon quite specifically when this is revisited.

Chris Bryant: In the debate this morning on Kurdistan we obviously referred to Kurdish communities in Iran, in Iraq and Turkey. I made very clearly the point that you just made which is that Iran is a signatory to every treaty in relation to protection of children and human rights and it is not standing by its own commitments because it is still hanging young people or executing them. I saw not long ago a *You Tube* piece of two young lads who were being executed for having sex together and human rights is understood in a very different way in Iran. We always make this case very strongly. In the last year I know we have made this specific point on at least 20 occasions to our Iranian counterparts.

Q56 Chairman: Minister, can I thank you very much indeed. You really have given us a great deal of your time and have covered a great deal of ground. Thank you again very much.

Chris Bryant: Thank you.