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I. EU Competitiveness

1. Eastern states 'ignored' by EU innovation policy

In short:

Europe's innovation and research policies were designed for developed Western European countries and do little to help boost the developing economies of the Union's eastern members, according to Czech Prime Minister Mirek Topolánek.

Key aspects of the EU's research framework, including the Lisbon Agenda, were drawn up prior to enlargement, Topolánek said at a Prague conference on 22 January, stressing that more should be done to tap into the dormant potential of newer member states.

The focus on building a pan-European knowledge economy fits neatly into the Czech Republic's priorities of the economy, energy and external relations: dubbed the 'three Es' by Topolánek. He said the EU includes some of the world's top ranking economies while others are "only now getting rid of their communist heritage," and different economic models are required to cater for the variation between countries.

More on: <http://www.euractiv.com/en/innovation/eastern-states-ignored-eu-innovation-policy/article-178904>

2. Investing in innovation 'key to economic recovery'

In short:

The EU will pump additional funds into research as part of its budget for 2013-2021 in a bid to innovate its way out of economic decline, according to European Parliament President Hans-Gert Pöttering.

Speaking on 28 January at a conference on the role of technological development in Europe's economic recovery, Pöttering said the EU will have to earmark a larger proportion of its funds for innovation if it is going to secure new investment from industry.

"I have always been a strong supporter of the 7th EU Research and Technology programme. I can assure you all here today that this programme is here to stay and I would be confident that for the next EU Financial Perspective 2013-2021, the European Union will allocate an even greater proportion of the EU annual budget for research, technology and research programmes," said the Parliament president. EU Commissioner for Science, Research and Technology Janez Potočnik said now would be the wrong time to slow investment in innovation. "Investment is vital if Europe wants to emerge stronger from the economic crisis and if it wants to address the challenges of climate change and globalisation."

More on: <http://www.euractiv.com/en/innovation/investing-innovation-key-economic-recovery/article-178964>

3. Commission report highlights slow progress on Lisbon Strategy

In short:

Despite their best efforts and some encouraging employment figures, most EU countries have not lived up to the challenge of keeping Europe competitive in the long-term, the EU executive found on 27 January. The bloc's goal of becoming "the world's most dynamic knowledge-based economy by 2010" is thus no more than an "illusion", experts noted, especially in the wake of the financial and economic crises.

Higher employment in all member states, except the UK, and a 2.8% increase in the bloc's GDP at the end of 2007 are "significant steps forward," a European Commission

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spokesperson told EurActiv following the presentation of annual progress reports on member states' implementation of the Lisbon Growth and Jobs Strategy. In reality, the EU's ambitious target of making sure that 70% of Europeans take part in the labour market appears out of reach (the current rate is 65.5%), and may even prove impossible to achieve given the current crisis, as a result of which unemployment is expected to rise by 2.5 percentage points across the EU.

The Commission's positive assessment also fails to take account of the lack of progress, and in some cases even stagnation, in fields like R&D investment and high-speed Internet access, which are seen as key to keeping Europe competitive.

More on: <http://www.euractiv.com/en/innovation/commission-report-highlights-slow-progress-lisbon-strategy/article-178967>

4. Slovenia threatens to end Croatia's EU hopes

In short:

Slovenia may block Croatia's EU entry bid entirely if no progress is made soon on a long-standing border dispute between the two Balkan neighbours, Slovenia's foreign minister told the German edition of the Financial Times.

"I cannot see Croatia continuing its negotiations without prior resolution of the border dispute, or at least without having a process in place to resolve it," Slovenian Foreign Minister Samuel Zbogar said. "If there is no progress, I don't see Croatia joining the EU," he added.

Zbogar admitted that bilateral talks had failed, welcoming the EU's offer to mediate between the two sides. The bloc's efforts include EU enlargement chief Olli Rehn's decision to set up an expert group chaired by former Finnish president and veteran diplomat Martti Ahtisaari. The Slovenian minister described the move as a "step in the right direction". Croatia has also welcomed the EU initiative.

More on: <http://www.euractiv.com/en/enlargement/slovenia-threatens-croatia-eu-hopes/article-178877>

5. Turkey calls for free movement of scientists

In short:

Scientists should be free to move between the EU and Turkey, according to Turkish Minister of State Mehmet Aydin.

Speaking at a meeting in Brussels on January 29, Aydin said Turkey wants to become more attractive to researchers and has eased the administrative and legal restrictions on foreign scientists. "We would like to see the abolition of barriers to the freedom of movement of researchers, which is also considered to be the Fifth Freedom of the EU. Turkey is open to this and we strongly encourage the EU to implement necessary regulations in this respect," he said.

More on: <http://www.euractiv.com/en/science/turkey-calls-free-movement-scientists/article-179006>

6. "Base of the pyramid" innovations offer growth opportunities for business and communities

In short:

Despite the economic downturn, companies can find growth opportunities among the 3.7 billion people at the "base of the pyramid" (BOP) by adopting innovative strategies that benefit local communities, according to two reports released today by the World Economic Forum. The companion reports, entitled *The Next Billions*, present examples of successful BOP business ventures based on a year-long survey – drawn from consultation with over 150 business leaders and stakeholders, and a review of over 200 case studies. The reports were developed by the Forum in partnership with The Boston Consulting Group and with support from the Bill & Melinda Gates Foundation.

One report, entitled *The Next Billions: Unleashing Business Potential in Untapped Markets*, outlines business strategies for effectively engaging the BOP across all industry sectors, noting the potential of a market that has seen 8% growth rates in recent years.

The other, entitled *The Next Billions: Business Strategies to Enhance Food Value Chains and Empower the Poor*, focuses on business models along the food value chain – from agricultural production through food processing, retailing and consumption. Food value chains provide the main source of economic activity for 70% of the BOP, and capture the majority of spending (over US\$ 1.3 trillion per year on food).

More on: http://www.weforum.org/en/media/Latest%20Press%20Releases/PR_BSSFP

7. Global job losses could rise by 50 million in 2009

In short:

The global economic crisis could claim up to 50 million jobs worldwide by the end of this year, according to a report presented by the UN's International Labour Organisation (ILO) on 28 January.

"Based on new developments in the labour market and depending on the timeliness and effectiveness of recovery efforts ...global unemployment in 2009 could increase over 2007 by a range of 18 million to 30 million workers, and more than 50 million if the situation continues to deteriorate," says the document.

In terms of percentages, that would mean the world's unemployment rate would reach 7.1 percent by the end of the year, compared with 6 percent in 2008 and 5.7 percent in 2007. "The ILO message is realistic, not alarmist. We are now facing a global jobs crisis. Many governments are aware and acting, but more decisive and coordinated international action is needed to avert a global social recession," ILO Director-General, Juan Somavia said in a statement.

"Progress in poverty reduction is unravelling and middle classes worldwide are weakening. The political and security implications are daunting," he added.

More on: <http://euobserver.com/851/27491/?rk=1>

8. Norway tops the World Economic Forum's Gender Gap Index

In short:

Norway leads the world in closing the gender gap between men and women, according to the overall ranking in the World Economic Forum's Global Gender Gap Report 2008. Three other Nordic countries - Finland (2), Sweden (3) and Iceland (4) - also top the Report's Gender Gap Index. Previously higher ranking countries such as Germany (11), United Kingdom (13) and Spain (17) slipped down the Index but stayed in the top 20,

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while Netherlands (9), Latvia (10), Sri Lanka (12) and France (15) made significant gains.

The Global Gender Gap Index scores can be interpreted as the percentage of the gap between women and men that has been closed. The three highest ranking countries have closed a little over 80% of their gender gaps, while the lowest ranking country has closed only a little over 45% of its gender gap. Out of the 128 countries covered in both 2007 and 2008, more than two-thirds have posted gains in overall index scores, indicating that the world in general has made progress towards equality between men and women. Additionally, taking averages across the subindexes for these 128 countries reveals that, globally, progress has been made on narrowing the gaps in educational attainment, political empowerment and economic participation, while the gap in health has widened.

More on: http://www.weforum.org/docs/pnl/0901/WorldEconomicForumNewsletter-January2009.html#article_110

9. Better regulation – a European success story

In short:

The strategic review on Better Regulation in the European Union tabled by the European Commission today, shows that better regulation is a core component of Europe's response to the economic and financial crisis. The review shows that citizens and companies, in particular small and medium sized enterprises (SMEs), already benefit from simplified measures and administrative costs savings.

The Commission's leadership on administrative burdens has inspired most Member States and 21 of them have put in place at national level ambitious national programmes to reduce administrative burdens. Finally the Commission will continue to improve the quality of all new legislation it produces by further upgrading the quality of its impact assessments. It will do this by strengthening the subsidiarity check, improving the consultation of stakeholders, and by assessing more thoroughly impacts on, for example, SMEs, administrative burdens, fundamental rights, consumers and regions.

By simplifying and codifying legislation, this Commission has taken action which once all agreed by Council and Parliament will reduce the acquis of EU legislation by almost 10% - about 1,300 legal acts and 7,800 pages of the Official Journal.

More on: http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=2111

II. Other

1. Clinton calls for urgent economic intervention

In short:

William J. Clinton, Founder, William Jefferson Clinton Foundation; President of the United States (1993-2001), called for urgent US leadership to stem the current financial crisis and restore the global economy. Addressing the World Economic Forum Annual Meeting 2009, Clinton highlighted the opportunities afforded by a fundamental review of the global financial system, predicting an explosion of jobs from government stimulus-fuelled investments in alternative energy technologies. However, “the main thing is to get through this as fast as we can,” said Clinton.

Clinton also stressed the interdependence in the world economy, reminding governments that when they finance the US recovery by buying US Treasuries they are investing in their own export economies. “This financial crisis proves, as nothing else should – or could, the fundamental fact that global interdependence is more important than anything else in the world today. We cannot escape each other. Divorce is not an option.” And the former president applauded what he predicted would be a coming reassessment of global trading and development policies, in particular a return to supporting agricultural programmes in the developing world.

More on: http://www.weforum.org/en/media/Latest%20Press%20Releases/AM09_PR_Clinton

2. Key assistant to Obama says we must enter a "new era of global financial responsibility"

In short:

Valerie Jarrett, fresh from her first week in the new administration of US President Obama, reinforced the president’s call on leaders from all nations to “seize gladly” the duties of collaborating and boldly embrace “a new era of global financial responsibility” - to each other, to our families, to our communities, to our country and to the world.”

Jarrett, Assistant to the President for Intergovernmental Relations and Public Liaison, asserted that the spirit of her “hometown” of Chicago shaped the outlook of President Obama and the First Lady through four underlying principles – timeless values, diversity, opportunity and hope – which inform all decisions that will be coming from the White House. She said the US President was determined that while “our challenges may be new. The instruments with which we meet them may be new. But those values upon which our success depends - honesty and hard work, courage and fair play, tolerance and curiosity, loyalty and patriotism - these things are old. These things are true.”

More on: http://www.weforum.org/en/media/Latest%20Press%20Releases/PR_obamanewera

3. World Economic Forum launches global cooperation project with three governments

In short:

The World Economic Forum, under the patronage of the governments of Qatar, Singapore and Switzerland, today announced the creation of the Global Cooperation Project – an unprecedented multistakeholder, multimedia dialogue to develop a 21st century vision of a wider global cooperation system.

“There is a serious deficit in global cooperation when compared to the wide range of pressing challenges such as climate change, energy security, food security, terrorism and proliferation of nuclear weapons. With new players emerging on the world stage and a continuing

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mismatch between 20th century institutions and 21st century challenges, the international system needs to intensify collaboration and develop innovative solutions,” said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. The World Economic Forum in 2009 will generate an unprecedented process of discussion and deliberation among business, government, academic, civil society, scientific and media leaders with the purpose of developing a set of principles and guidelines for the adaptation of global economic institutions and arrangements to contemporary circumstances. It will also generate recommendations on a range of specific problems of global governance, encompassing new structures, strategies and actions.

More on:

http://www.weforum.org/en/media/Latest%20Press%20Releases/AM09_PR_GlobalCooperation