

Teachers and students strike in Spain over spending cuts

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Students got the ball rolling with a two-day classroom walkout and on Thursday, teachers and parents in Spain will join strike action in protest at education cutbacks and reforms.

Mariano Rajoy's centre-right government has slashed public spending to try to bring Spain's deficit under control. But reports that the economy may have turned a corner mean little to those who claim their future is the price being paid.

Teachers and students from every level of Spain's education system went on strike Tuesday to protest wide-ranging government spending cuts. Union officials reported that 80 percent of the country's teachers took part. All but three of Spain's 17 regions participated in the strike, the biggest in a series of strikes so far this year that had until now been scattered around the country.

The central government has ordered Spain's 17 autonomous regions to cut 3 billion Euros (\$3.84 billion) from education spending this year as part of a program to trim the public deficit to an EU-agreed level of 5.3 percent of gross domestic product.

Begonia Sanchez, a long-time school teacher noted, "This strike is necessary because we have to tell everyone what it means to cut



Thousands of teachers and students are on strike in Spain

spending in a country where education is not as good as in other countries."

According to the Organisation for Economic Co-operation and Development, Spain's high school graduation rate (the percentage of students who complete secondary

education) is 74 percent compared with an 85 percent average in the European Union.

Several more events around the country are planned for the protest including an evening march in Madrid. With the cuts teachers will see class sizes increase, they will have

to work more hours for the same pay and university tuition fees will increase by up to 25 percent. Voro Benavent, spokesman for the Teaching Workers Union said, "Quality public education is in danger of dying. They are sacrificing our youths' learning because of the crisis."

Spy scandal challenges US-EU ties

It has been a bad time recently for America's spies. Firstly, the Le Monde reported that the US had dipped into the phone calls of millions of French citizens.

The revelations were swiftly followed by allegations that the USA had bugged the phone of German Chancellor Angela Merkel. The robust response of both Paris and Berlin has caused acute embarrassment for the Obama administration, in both cases the US ambassadors were summoned by the irate allies to explain.

Annette Heuser, Executive Director of the Washington based Bertelsmann Foundation, a German-American think tank believes the fall out from the scandal will linger for some time to come, "The fact that the German Chancellor obviously had so much evidence to feel comfortable calling up the US President and complain is very serious. It is a scandal that will not go away overnight and that will keep tarnishing transatlantic relations for quite some time." Washington is gearing up for yet more cringing revelations with reports in a British newspaper suggesting that the US had access to the phones of some 35 world leaders.

Overcapacity claims Peugeot Citroen

Car workers chanted their anger at the PSA Peugeot Citroen assembly line at Aulnay on the outskirts of Paris

Amid falling new car sales and massive overcapacity in the industry, the last vehicle has just been produced there and many of the employees face an uncertain future. The struggling French company believes

it has found alternative jobs for most of them. The workers dispute those numbers. The end of production follows months of confrontation between unions and management there.

The workers there continued their protests, even as the fight was over, but elsewhere a number of unions at Peugeot Citroen have just

agreed to a wages freeze next year in return for a company pledge to keep plants open. That is a sign that reality is taking hold as workers realise such collaborative deals are needed to save French jobs in an increasingly tough global economy. The carmaker said the deal would save it 100 million Euros a year thanks to trade union concessions.

Closing the digital divide

Europe is bridging the divide between the digital haves and the have-nots

According to the European Commission, some three million people do not have access to traditional broadband networks because they live in rural or isolated areas. But satellite-based broadband is changing this. Speaking at the launch of a new website (broadbandforall.eu) to facilitate access to satellite broadband services, EU Vice President and digital tsar Neelie Kroes explained just why it was so important for the continent to be connected. Satellite technology is already in use in many areas, including bringing wifi services to some train passengers. Now the technology is available in all 28 EU countries. Bringing basic broadband to everyone in Europe was one of the main goals of the Digital Agenda for Europe.

Michel de Rosen is Chairman of



Bringing basic broadband to everyone in Europe

the European Satellite Operators Association and CEO of Eutelsat. He said, "The services provided by satellites change the lives of people. Let me

give you a few examples — a graphic designer can have access to a file, get a file, send a file and therefore grow his or her business.

ECB hopes to boost bank confidence with tougher health tests

The European Central Bank has promised tough testing times for the Eurozone's top lenders to make sure they can withstand any future economic shocks

ECB President Mario Draghi said it was expected the 'assessment will strengthen private sector confidence in the soundness of Euro area banks and in the quality of their balance sheets.' A total of 128 financial institutions will be scrutinised over the next year, that is about 85 percent of the currency bloc's banking system. The stress testing is designed to discover any risks hidden in bank's balance sheets — such as loans that are not likely to be paid back — so they can raise extra capital and cover that.

It will use tougher new measures set out by Europe's regulator — the European Banking Authority (EBA). The EBA defines non-performing loans as those that are more than 90 days overdue. Some analysts said if that review is too strict and reveals unexpectedly large problems with some lenders it could undermine the very confidence it is intended to bolster. Shares in Eurozone banks fell nearly three percent on concerns the tests could put them under pressure to plug capital holes, with Spanish lenders down four percent on average and Italian bank stocks down three percent.

EU, Canada agree free trade deal

The EU and Canada have tentatively agreed a free trade deal after more than four years of negotiations

It is expected to increase bilateral trade in goods and services by a fifth to 25.7 billion Euros a year, according to the latest EU estimates. The EU and Canada did more than 80 billion Euros in such trade in 2012, according to Commission figures. European Commission President José Manuel Barroso said it could set the tone for a similar deal planned with the US. "Certainly, on our side, that we expect this agreement to set some standards also for other negotiations, including those with our American, United States friends."

Canadian Prime Minister Stephen Harper said the agreement would also be good news for consumers on both sides of the Atlantic. "Ninety eight percent of tariffs both ways will be removed immediately upon implementation of this agreement," he said, referring to the cut in duties on goods. Differences over agriculture hampered the talks. Canada demanded increased market access in Europe for its beef and pork, while boosting exports of Europe's cheeses had been another of the main stumbling blocks.