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2000/2001
STRATEGIC PANORAMA

INSTITUTO ESPAÑOL DE ESTUDIOS ESTRATÉGICOS



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INTRODUCTION

INTRODUCTION

It should be pointed out that the 2000-2001 edition of the “Strategic Panorama” incorporates a new feature, in addition to the changes in its team of contributors.

The most eloquent expression of Spain’s interest in broadening and enhancing its external action is the Foreign Policy Council set up this year, 2000, on an initiative of the President of the Government, who is its head and driving force. Plans are already under way to boost Spain’s presence in Asia, and it is intended to give greater impetus to relations with sub-Saharan Africa.

This effort, which stems from the express objective of restoring Spain to its rightful place on the international scene, should be reflected in our “Strategic Panorama”, which therefore includes certain areas that were not covered specifically in previous editions, although they were partially dealt with in other areas of this study. This broadening process, which will be carried out gradually, has begun with the publication of a new chapter on sub-Saharan Africa and is intended to be followed by another addressing the situation in Asia in next year’s edition.

On presenting sub-Saharan Africa, the author of this new chapter considered it appropriate to add to the current outlook some general and historic information and considerations that provide a useful perspective and serve as an introduction to this region of the world which had hitherto not been addressed specifically.

The Spanish Institute for Strategic Studies’ concern to ensure that the “Panorama” conveys a vision of the current strategic landscape from a truly Spanish point of view and, as such, pays particular attention to the

areas of greatest interest to our nation requires us to be particularly sensitive to the development of Spanish policy, which is tending towards increasingly ambitious external action.

THE CO-ORDINATOR OF THE WORKING GROUP

CHAPTER ONE

A STRATEGIC OVERVIEW OF 2000/2001

A STRATEGIC OVERVIEW OF 2000/2001

By RAMÓN ARMENGOD LÓPEZ

Although the figure was charged with symbolism, 2000, the last year of the century and of the millennium, has proved to be another year of transition through which all the currents of this small planet flowed, providing assurances of neither peace nor the future. We actually turned into the third millennium ten years ago, although we will shortly be changing century: a tiny maladjustment between our solar calendar and the chronometer of History.

For the western collective conscious, the end and beginning of a millennium is a dramatic date, a moment for something extraordinary to happen, the experience of fast and uncontrollable movement towards something that is not necessarily indefinite progress. It is the embodiment of catastrophism, proof of which can be found in the events of recent years, which causes pessimism to spread among those who announced a “new international order” at the beginning of the nineties.

Ignacio Ramonet points out in “Le Monde Diplomatique” that our Euro-American democratic society’s fears of 2000 “are not, as before, political or military (conflicts, wars, terror of atomic weapons), but ecological (imbalances of nature, environmental upheaval), which affect the personal sphere (health, food) and identity (artificial procreation, genetic engineering), exacerbated by citizens’ concern about the priority governments attach to the interests of economic groups and to corporate egotism rather than common good and general interests”.

In the CIDOB yearbook published in 2000, Professor Pere Vilanova writes that “in a short space of time, the world wars have concentrated a huge capacity for change, mustering unthinkable energies” and we now find ourselves without widespread war though with a variety of conflicts. This gives us time to reflect on this global change which has occurred in the international system, albeit without the help of a great, total war, but is a “mutation of which neither the duration, pace or definitive direction are known” and is destroying the parameters of the other international system that shaped the world scene during the 20th century and is now in its death throes.

The interaction of ideologies during the long European civil war (the two world wars) in the first half of the century and the world-scale ideological and military confrontation in the second half spurred or prevented a historic development which is now sprawlingly pursuing another course. Many believe that this course is the famous economic globalisation of which the West is the driving force; that same West led by the United States, the origin of both advanced technology and of a single current of thought, capable of universalising through information technology, through its prestige, system of values, rules and consumption, making it compulsory both in its own area and in that of the other world civilisations.

Civilisations and peoples are reacting more or less favourably to this aim, asserting their cultural, religious and ethnic identities; this fragments, radicalises and triggers conflicts in the international situation that globalisation sets out to standardise and homogenise.

Following a period of what they perceived to be “unforeseen and unpredictable” international events, theorists of 20th century international relations find themselves not only disconcerted by the future, but also incapable of describing today’s world appropriately in terms of an international system that is “a whole, structured in accordance with a set of constant features and variables, with a manner of functioning” (Pere Vilanova).

Using the criteria of the millennium that is drawing to a close, they attempt to describe a unipolar order led by American imperial democracy, which is the centre of military supremacy, the global market and technological development, and the chief guarantor of international legality. This order may evolve towards a multipolar arrangement, with different players on the political and economic scenes. Such a framework is characterised by political and cultural fragmentation and economic and technological unification as described earlier on: midway between these tendencies are

United Nations' attempts at political and ethnic arbitration and the appeals for a "virtuous globalisation" that would entail facing up to the possibilities and risks of the third millennium with a supportive and peaceful effort from all the international players, as the United Nations Secretary-General and Pope John Paul II urge from different angles.

The globalisation of risks has, in fact, already occurred. In addition to concern about the destruction of the environment, a process which has speeded up over the past decade (environmental deterioration is a conflict factor between states and peoples; water will be the 21st century's gold; and climatic changes are the result of unsustainable economic development) another concern has arisen about our human species. What are we going to do with it? This is not the old fear of nuclear holocaust, which, although a real danger in certain regions of the world, has been pushed into the background; rather, it is the pressure that biotechnology and the manipulation of our foodstuffs and own genetic code exert on the structure of our biological selves, the possibility that genetic inequality may be added to other existing inequalities.

Equally worrying is the pressure on our cultural identity. Information and communication technology and the digital revolution are indeed ushering in a new age, irrespective of whether their emergence coincides with the start of the new millennium. The Internet is a debate at world level and can also be a means of individual isolation within natural communities. It raises as many problems as it does possibilities: to whom does the knowledge belong? How does it affect our privacy? What is the relationship between dissemination techniques, web management and the ethical and legal order of the virtual universe?

With respect to the general strategic outlook, although we do not share the trend of academic thought which hails "confusion" as the paradigm of today's world of transition, we have no choice but to recognise the growing evidence of new and generally negative currents within the formal politico-juridical structure of international affairs. These currents are like a constellation of states whose connections are growing stronger and stronger: financial crime, arms and drug trafficking, trafficking of humans and protected species, toxic waste, etc., contaminated animal feed, each with its respective mafia. Although the least presentable aspects of the global market, they largely play by its rules.

At the apex of this globalised marketplace, four economic institutions make up a sort of planetary executive with greater power to act than the

United Nations legal agencies: the International Monetary Fund, the World Bank, the OECD and the World Trade Organisation, whose criteria and recommendations continue to be the path of salvation for most governments, parliaments and political leaders. The protests that formed the backdrop to the Seattle meeting and were imitated at other summits mark the appearance in the world media of all the enemies and victims—or both—of globalisation, which is blamed for the current share-out of the planet's resources: one sixth beneficiaries; another sixth poor and needy; and four sixths who scrape to survive.

I nevertheless believe in the ability of democratic values and of the ethical values that exist in all civilisations to steer, with effort and contradiction, a process that entails the growth of human possibilities and one of which globalisation should be an instrument and not an overvalued goal.

In any event, Mankind is embarking on a new age.

THE OUTLOOK BY AREAS

The following pages contain some brief thoughts on the most significant world events and trends, following the scheme of the 2000/2001 “Strategic Panorama”.

European Union

As the year 2000 draws to a close, the outcome with respect to the building of the European Union appears to be positive.

Economic integration was, perhaps, the area in which Europe's performance was least impressive. Although the process continues and has gained some momentum, the past year has shown that economic flows are not entirely regulated by the attempted channels. The decline in value of the euro throughout the year, with ups and downs and resulting low inflation, has clearly evidenced that there is still a long way to go before it can compete with the dollar, and the conduct of the European Central Bank also proves that the institution falls far short of displaying the degree of integration and flexibility, notwithstanding its effective control, shown by the American Federal Reserve.

By contrast, the way Europe coped with the mini oil crisis, the progressive computerisation of the European countries and the good econo-

mic progress shown by the Eastern European candidates are cause for optimism.

But the most important aspect is the building of Europe. In this respect, 2000 has been a year of decision making and goal setting. Under British supervision, the Union has continued with its security and defence policy and has progressed towards shaping the defence capability and integrating the European defence industry. The Sintra Council decided to organise a European rapid reaction force and the Feira summit complemented this with a police force, designed to step in after the rapid reaction force has achieved its peacemaking objectives in future operations, on the basis of the experience gained in the Balkan crises.

On another plane, 2000 was the year of the relaunch of European Utopia. The Lisbon summit, acting on a Hispano-British initiative, approved the social goal of full employment, which is aimed at achieving levels of progress equivalent to those of the United States on the basis of three key factors: liberalisation, modernisation and dissemination of new technologies. This formula would enable Europe to enter fully the age of information or knowledge.

The Feira summit enabled another Hispano-British initiative to prosper thanks to the tension between France and Germany: to relaunch and ensure the approval of the use of “enhanced co-operation”, despite the danger of setting different speeds for Europe, in order to simplify the complicated nature of decision making in a Union with twenty seven members.

The Biarritz conference studied the “European Charter of fundamental rights”, which is designed to bring the European Union closer to its citizens in order to prevent future setbacks in the approval by parliament or by referendum of the successive legal instruments that will shape the Union in the near future. A handful of states—Britain, Ireland and Sweden—are against giving this charter legal status, whereas Germany, Italy, Spain and the Benelux countries are in favour of doing so; opinions also differ as to the content of the document with respect to social and labour rights. This is due to the difference between Anglo-Saxon tradition and the Franco-German tradition which shaped the market social economy that combines the best political and economic trends of our continent.

The text of the Charter, which is a compromise between both trends, has been rejected by the main trade unions of some member states, as they consider it insufficient. The Nice summit should adopt the Charter,

even if only as a statement of principles, postponing the task of making it a binding legal instrument to a later date.

At this point, it is appropriate to examine briefly the main internal and external political problems the European Union has faced during the year:

- The case of Austria. The arrival in power of a radical nationalist party with links to Central Europe's authoritarian past sparked the mistrust of parties and public opinion in the other member states. Fearing that the diplomatic ostracism imposed on the Austrian government would lead it to paralyse decision making within the European institutions, the European Union agreed (the commission of the three wise men) to secure from the Vienna government guarantees of the intentions of the governing conservative coalition. In exchange, the coalition was declared to be compatible with democracy.
- The fall of Mr Milosevic and Serbia's return to Europe's bosom. This came as a true relief to the European Union and proved that a combination of military action and economic isolation finally topples regimes that do not play by the European rules. This does not mean that the dismantling of the former Yugoslavia has ended: the frayed edges of Kosovo and Montenegro and instability in Bosnia still remain.
- Difficult but necessary relations with Russia. The Chechen war and Mr Putin's rise to power have proved once again how necessary it is to get on well with Russia, whose huge size and differences make it difficult to fit in with the balance and abide by the rules of the European Union. Pragmatism is required, both in applying western democratic criteria to Russian governments and in imposing on them new rules of international law, defence of minorities and intervention for humanitarian reasons. There is tacit recognition that Russia acts in an area that (for the time being) is diplomatically external but strategically, economically and historically regarded as an "internal problem" by Russia itself and by any neighbour wishing to draw a stable line between the major continental power and its own territories.
- The European Union continued to co-operate with Latin America and broadened these activities to Africa and Asia.

In order to make a definitive assessment of the year, we must take into consideration the results of the Nice summit, in which an agreement should be reached on adapting the European institutions of the Fifteen to a European Union of twenty seven member states.

Central and Eastern Europe

The Central European countries continue to build liberal-democratic political systems and free market economies and are gradually joining the western security structure (Poland, Czech Republic, Hungary) or preparing to do so without difficulties, except for the Baltic states, as it has not yet been decided whether the boundaries of the NATO system will coincide with the borders of the former Soviet Union.

The Soviet Union's heirs, mostly members of the CIS, are, in contrast, finding it very difficult to make the transition from Soviet statism to liberal democracies and the building of a free market. This is triggering the emergence of nationalist or ethnic authoritarian regimes under the guise of democracies, which mismanage the economic and political transition.

Russia is the best example of the huge cost of the change of mentality entailed by the transition from state economy to market economy, though corruption and the practice of awarding jobs in exchange for political support are a constant feature in the region. Mr Putin's arrival in power is being interpreted as an attempt to halt the disintegration of the state and Russia's relegation from superpower status to major continental power. His authoritarian style is accepted as part of Russian tradition and as a need of the time, since the Russian president's internal reforms and external action are aimed at re-establishing the country's internal cohesion and international prestige.

However, the centrifugal trends in Russia itself and in the Commonwealth of Independent States have not yet been halted: the problem of Chechnya and the unstable Caucasian and Central Asian chessboards in which nationalist ethnic groups clash with each other and Islam with Russian culture, in a territory rich in energy resources. The nearby Europe, which teaches lessons in democracy, and China, which likes to make out its economic success, take up the energy that Russia formerly devoted to its rivalry with the other superpower, the only one which has retained this status. Indeed, Russia has an outmoded atomic arsenal and a large demoralised and poorly trained army in the process of being trimmed, whereas the United States of America boasts up-to-date forces and cutting-edge technology and is preparing to expand its national missile defence, despite all the misgivings of its potential adversaries and even its own allies.

The Caucasus and Central Asia are the two areas in which political and economic restructuring and the reappearance or emergence of new iden-

tities are causing the biggest pockets of instability which Russia is still unable to control, although this is one of its permanent objectives.

Relations between the European Union and Russia are not easy, but they are currently characterised by a pragmatic approach from both sides which may end in the establishment of areas of consensus and co-operation, at least as long as Russia needs to restore order to its former domestic area.

The year 2000 saw an improvement in the situation in the Balkans, with the fall of the radical nationalist government of Belgrade and the possible end of the decomposition of the former Yugoslav Federation. Two of the states which emerged from it, Slovenia and Croatia, are moving closer to democratic Europe, whereas the Bosnian mosaic, Macedonia, and Serbia with its autonomous appendix, Kosovo, remain entrapped by their identity problems and have yet to recover from the string of wars of secession.

Neighbouring Albania is paying the price of its decades-long isolation from the rest of Europe—greater difficulty in emerging from its underdevelopment.

Mediterranean

It would be deeply distressing if 2000 were remembered as the year of the wasted opportunity for peace in the Arab-Israeli conflict. The wish to complete all tracks of the peace process, shown by Mr Barak and promoted by President Clinton, who was keen to go down in history as the peacemaker of the Middle East, and Mr Arafat's determination to achieve the proclamation of the Palestinian Estate with dignity, have so far come to nothing owing to the distance between the two sides' stances in key issues which precisely for this reason were left to the last stage of negotiation: Jewish settlements, Palestinian refugees and the final status of Jerusalem. This latter issue is equally significant to Israel and the Jewish people in general as it is to the Palestinians and the Islamic world. Indeed, it is addressed from the wrong perspective by American diplomacy, which has been unable to shift the focus from both sides' claims of territorial sovereignty back to the original question of the status of Jerusalem as an international religious entity—a view currently upheld only by the Holy See—adapted to the reality on the ground.

Bearing in mind these differences, it was hardly surprising that the in-depth examination they underwent at the Camp David summit should have ended without an agreement, though neither of the sides dared to break the peace process and the framework of negotiations. However, it took the provocative visit of Ariel Sharon to the Islamic holy sites in Jerusalem and the second Palestinian Intifada to shatter the process and, worse still, the confidence it had created, taking the whole initiative back to square one, amounting to a huge waste of time and sparking redoubled bitterness and violence on both sides.

The apparent failure of this negotiating process has furthermore highlighted two very negative realities: the fragmentation of the Israeli political class and public opinion, which undoubtedly wish for a peace that meets their requirements but fail to agree on the price; and the increasingly radical stance of the Palestinian people, who are beginning to show signs of a younger and more radical leadership than the pragmatic and experienced Mr Arafat. The Palestinians appear to entrust the defence of their cause to continued violence of varying intensity; this ends up tiring most Israelis, whose own collective mentality prevents them from either assimilating or annihilating them. The Palestinian people, who furthermore have to face armed Israeli settlers in the occupied territories, are mindful of the example of Lebanon's withdrawal without a compensatory peace agreement owing to the constant wear of the Islamic guerilla against the Israeli army.

Israel, having failed to achieve peace with its three neighbours —Syrians, Lebanese and Palestinians—thus feels isolated from the Arab world that surrounds it, though sure of its military, political and economic supremacy and of its special relationship with Washington. However, in such cases, the establishment of a Pax Americana in the Middle East also requires a special effort on the part of the Arab countries that are the United States' allies, whose reputation and stability suffer the consequences of the friendship with Israel's champion in the world.

Although, for the time being, the wave of radical Islam has yet to translate into a concerted revolutionary movement in the Arab countries, it should not be forgotten that the Arab regimes have yet to live up to the expectations of their peoples; neither has American diplomacy been able to eliminate the "bad examples" in the area, such as Saddam Hussein's Iraq and Islamist Iran, which pose risks to the moderate regimes and even to the oil market.

In addition, the changeover to a new generation of Arab leaders in two monarchies and in the “hereditary” Syrian Republic has so far entailed, more than a change of direction, an assumption of responsibility by the new governors, who need to strengthen their foothold by inspiring hope in their citizens.

On another note, as expected, the failure of the Palestinian-Israeli negotiations has had immediate repercussions on European initiatives in the area, particularly the Barcelona process. Instead of a communiqué, the Euro-Mediterranean Conference of Marseilles ended with merely a set of “conclusions of the Presidency” drawn from a compromise between the fifteen European countries and from the displeasure of the Arab states at the European Union’s equidistant stance in the Arab-Israeli conflict.

These conclusions reflect the wish to give fresh impetus to the process, recognise that it has been insufficiently implemented and announce the postponement of the approval of the “Euro-Mediterranean charter for peace and stability”, which was the main objective of the Marseilles meeting. They also express the desire to speed up the negotiations currently in progress on economic partnership agreements with the southern Mediterranean countries and the need to simplify bureaucracy in the European Union and in the partner countries, and recognise that little progress has been made in the social, cultural and human chapter of the Euro-Mediterranean partnership. They end by welcoming the Council of Europe’s financing of the MEDA II programme during 2000-2006 and the European Investment Bank’s offer of loans, which keeps European assistance to the southern and eastern Mediterranean countries alive.

Therefore, the most positive aspect is the EU’s determination to continue with the Euro-Mediterranean process and with its mediation efforts and assistance in the Middle East negotiations, in which it plays a secondary role in the political sphere and a leading part in the economic incentives for the parties involved.

Ibero-America

Over the course of 2000, this area has continued its integration into the world of stable democracies, despite its major social inequalities, different socioeconomic structures, the presence of a large number of marginalised ethnic groups, political instability and the effects of globalisation.

Economic integration is occurring at different speeds; particularly worthy of note is Mexico's progressive incorporation into the North American economic zone.

Some risk and destabilisation factors that can be cited are the marginalisation of ethnic groups, the vestiges of Marxist ideology that still governs in Cuba, the influence of the military on politics, drug and arms trafficking, and the existence of guerrillas and self-defence groups. Indeed, the civil war which was waged by Cuba and its pawns during the long years of bipolarity has ended up splintering into a series of conflicts, the most serious and representative of which is Colombia.

The countries' economies are progressing, despite the natural disasters of recent years, the structural imbalances of the rich countries and the hefty debts of the poor countries. They have come to terms with their own and external financial crises of these past years, though the situation of Argentina is worrying.

The Ibero-American countries continue to develop external relations in three areas: 1) within Ibero-America, experiencing no serious problems except for the special position of the Havana regime; 2) bilateral relations with the United States, which is the centre of the current world system and, through the OAS, the "summits of the Americas" and the network of sectorial and institutional relations, maintains privileged relations with its southern neighbours, enhanced by Ibero-America's gradual immersion in the global market and new technologies; 3) the European Union, mainly in the cultural and economic fields, on account of these countries' Spanish and Portuguese roots.

A new area of external relations is emerging for the Ibero-American countries with Pacific coasts, following the example of their northern neighbour: the establishment of new means of interrelation with the Asian countries and with the English-speaking democracies of Oceania. This trend should become more pronounced as a result of globalisation, if the Pacific maintains its relative stability.

Meanwhile, the socioeconomic development of Ibero-America is taking place in three directions: MERCOSUR (Brazil, Argentina, Paraguay and Uruguay), the Andean Community of Nations (Bolivia, Ecuador, Colombia, Peru and Venezuela) and the Central America and Caribbean group. The United States would like to guarantee Ibero-America's political and economic stability by integrating it into the Free Trade

Association of the Americas, which would then encompass the whole continent.

The existence and operation of the Ibero-American Community of Nations is particularly important to Spain. The Ibero-American conferences mark the retrieval of a cultural and historical identity that extends to the sharing of common democratic values and to the forging of new socio-economic links

The outlook for this area at the end of 2000 is thus encouraging, except for in the environmental sphere in which ecological destruction is added to natural disasters.

Africa

For the first time the IEEA's "Strategic Panorama" includes an analysis of Africa. The chapter in question deals specifically with sub-Saharan Africa and plunges the reader into a confusing and threatening reality in which almost all the negative facets of our planet are concentrated in a single continent.

Migrations, disease, inter-ethnic conflicts, civil and interstate wars, poverty, underdevelopment, environmental degradation, natural disasters and corruption of public officials, among others, are features that are repeatedly mentioned throughout this chapter, with no immediate solution or a relative improvement in the situation in sight.

Of the fifty two countries, thirty nine are presidential republics, five have military regimes and two are monarchies. Most of the poorest countries in the world are found in this area, whose foreign debt amounts to three hundred and twenty one billion dollars, despite development assistance.

The other regions of the world seem to wash their hands of sub-Saharan Africa; international organisations lack sufficient resources to address the situation and the famous globalisation seems to confine the African population to their own underdevelopment.

Few countries—mainly the South African Union—escape this fate, as the other African countries with rich natural resources (Nigeria, Congo, Zimbabwe, etc.) are to some degree plagued by internal strife and the post-colonial corruption that is often fomented by the world economic centres.

How has this situation come about? The “African revolution”, that is, the history of the African countries from their independence to the present day, has generally followed a pattern of fleeting euphoria after independence, the seizure of power by the military and formation of a single party, and establishment of a heavily centralised economy. The subsequent hopes of democratisation were followed by the re-establishment of an authoritarian rule against a backdrop of identity crises and violence, coinciding with the end of the cold war, a year before the fall of the Berlin Wall (December 1988 agreements granting Namibia independence in exchange for the withdrawal of Cuban troops from Angola).

Since then, African evolution has been characterised chiefly by the emergence of regional powers and local political strategies that filled the gap which was left when the rival powers withdrew from the cold war, the slowest being France, the main neo-colonial power. This political farewell of the major states was combined with their permanence in the economic sphere—subsoil resources, minerals and oil—and the progressive control of the infrastructure and telecommunications markets. As globalisation progressed, the capitalist world made African development out to be an indigenous problem, proposing “trade for aid”. Globalised trade competition has not weakened what the foreign powers expect and fear of Africa: Africa is more a source of turmoil that should be managed jointly than a source of wealth over which to squabble.

The move towards establishing the world focal points requires Africa, parcelled up as it is by colonialism and post-colonialism, to pursue regional integration, and this has sparked a crisis of African states, which are inefficient both politically and economically. Meanwhile, regional powers are progressively asserting themselves on the continent: Nigeria in western Africa, Uganda and its allies in central Africa, and the Republic of South Africa and Angola in the southern hemisphere.

The foregoing calls for an exercise in ethics and hope, which Spain has joined, in an attempt to rescue sub-Saharan Africa from its current situation, to which it is not irremediably doomed, however much it has itself to blame and whatever the external responsibility.

Asia

Owing to its special relevance to Spanish foreign policy, this area calls for some observations that will serve as a prologue to related studies in subsequent editions of the “Strategic Panorama”.

First, this region embodies all the current world security problems and most of the issues that the world wars and the cold war or bipolarity have failed to resolve. In short, it is a group of major powers that have yet to be reconciled. It also has four of the world's five remaining communist regimes, which are attempting to immerse themselves in the realities of the world capitalist market, and also the largest number of states with nuclear weapons: Russia, China, India, Pakistan and North Korea.

The problems of nationalism and separatism pose a challenge to central governments and to regional equilibrium (Tibet, the Islamic Central Asia, minorities in China, Philippines and the Indian subcontinent), giving rise to terrorism and the unique phenomenon of piracy in China's south sea. The impoverishment of the environment and the struggle for water add further problems to historic territorial claims. The Asian societies vary greatly in nature, ranging from those based on traditional agriculture to communities with a technological economy; a majority of authoritarian regimes co-exist with more or less western-style democracies.

Regional and multinational organisations have been set up to debate endlessly on arms control, mutual confidence-building measures and environmental problems, among other issues. Asians believe that regional solutions are best, even though they have seldom worked. Indeed, the Asian countries prefer not to talk too much about conflict, since they wish to convey an image of economic development and shared values, when in actual fact their security has so far been based on the many bilateral guarantees the United States affords most of the countries in the region. Nonetheless, there does not appear to be a global American policy for the area; rather, reactions to specific problems and crises.

The effort to achieve economic development, with its successes and failures, has added fuel to political and economic nationalism in the countries in this region. Their attempt at becoming integrated into the world economic system has brought about change in the countries' societies, though these do not generally lose their identities. Economic success has often served to strengthen states' military might.

On an opposite note, relative failure in the face of the economic globalisation that is emerging in the area has threatened to topple their regimes and, in the case of Indonesia, to upset the country's stability. However, most countries seem to have recovered now from the financial crisis of 1997.

The economic and technological development, the human potential and the territorial extension of some states in the region make them would-be superpowers of the 21st century. China is the clearest case, together with Eurasian Russia once it recovers from the current upheaval. This affects other potential first-league neighbours, such as Japan economically and India in politico-demographic terms and, to a lesser extent, Pakistan and Indonesia, not to mention the medium-size powers (Philippines, Thailand, Vietnam and reunified Korea) and the small countries and territories that have received a boost from commercial and financial capitalism, which could be the first to undergo regional readjustment based on the new balance between major powers.

Power games and balances are thus more varied and unexpected here than in other areas of the world. Therefore, economic globalisation and the relative westernisation that reaches them via the American shore of the Pacific, must operate in a vast area with well-established historical identities and a huge military power.

The first example of a shift in the balance of power will come as a result of China's economic reform and its impact on relations with the United States and Japan. China's membership of the World Trade Organisation and, accordingly, adoption of the rules of the world capitalist system, marks the beginning of a process of change within the country, which the communist government believes it can control through its political authoritarianism. The process will particularly accentuate the economic differences between the regions and populations of this vast country as a result of the uneven economic development it will witness. This will furthermore be the first large-scale experiment in economic liberalisation with no previous or concurrent political liberalisation.

The well-known effects of impoverishment and marginalisation caused by any uneven development process, together with possible changes in the authoritarian structure of the regime, may lead to a resurgence of Chinese nationalism as a new element of integration and means to social equilibrium. A radical Chinese-style nationalism would channel the feelings of those affected by economic liberalisation, giving rise to a period in which political instability would affect Chinese diplomacy, which for the time being prefers to get on with its possible adversaries, starting with Russia. Neither is it certain whether China's acceptance of economic interdependence will lead to enhanced security and military co-operation in the area; as in other cases, an increase in economic resources will provide

greater means for creating political power—a policy which China already practices.

Attacks on China's overseas colonies or interests or the problem of Taiwan could be dealt with from this angle of military power and not with China's current pragmatism. In the case of Taiwan, this would pit Washington against a major nuclear power in economic and military expansion.

Japan, as a neighbouring country with a history of bad relations with China, would be seriously affected. So far one of the major economic powers but lacking in military protection, Japan has a stagnant political system which is incapable of pulling the country out of its economic rut that is partly due to Japan's failure to adapt to the requirements of the new world market and technology. In order to do so, Japanese society would need to make a fresh attempt at opening up to the outside world at a time characterised by nationalism and the wish to free itself from the American ally that is trying to get on with China.

Hence the attempts at closer relations with Russia and India and the concern about the rapprochement of the two Koreas, which is another source of friction between China and the United States. Even if the process were to end in the reunification and denuclearisation of Korea, this would call for a readjustment of American presence in the area, making Japan the only state with US bases.

Another serious conflict is the dispute between India and Pakistan over Kashmir. What is in itself a tricky border issue has become a concern for regional and world security, since the two powers in question neither agree to mediation nor have experience of the use of the nuclear deterrence that warded off an atomic ending for the cold war. The situation is further complicated by the fact that India is attempting to establish its nuclear power in relation to a possible Chinese threat, and Pakistan continues to be a key to American deployment in the Indian Ocean towards Central Asia and around the Iranian region, the frontier with the Middle East that is also engaged in conflict. It is therefore understandable that India, in view of the waning power in the region of its traditional ally, Russia, should wish to fend for itself with the aid of nuclear power.

The Indonesian archipelago provides an example of a country thrown into political and economic instability by the 1997 crisis, with a democracy that has yet to become firmly established and which is witnessing a resurgence of centrifugal trends (separatist movements in the "outer

islands”) amid a deep social and economic malaise. Philippines, for its part, continues to be plagued by Islamic separatism in the southern islands and by the successive forms of corruption of the central government of Manila.

Thailand and Burma, and Cambodia and Vietnam, are other pairs of countries with awkward neighbourly relations, while at the opposite end of the region, Afghanistan continues to be a source of terrorism and a breeding ground for radical Islam.

SPANISH FOREIGN POLICY IN 2000

Following the election held in March, President Aznar’s second cabinet, with Josep Piqué as minister of foreign affairs, outlined Spain’s foreign policy, the implementation of which is commented and reported on throughout the “Strategic Panorama”.

In this particularly free-flowing and complex international environment in which the world order is being reshaped, Spain is a stable and dynamic member of the international society as a medium-sized power integrated into the club of western democracies.

President Aznar’s second government wishes to use the timespan of its four-year term to boost the depth of our foreign policy, which should be understood as a policy that acts as a catalyst for all energies and potentials, not only of the government, the state institutions and the different administrations, but also of Spanish society as a whole. A foreign policy with clearly defined medium- and long-term objectives and which is not limited to the management of everyday affairs. A policy that combines political aspects and economic, cultural, technological and defence aspects and which integrates and optimises the instruments of external action available to all the aforementioned domestic players.

The aim is thus to boost Spanish society’s contribution to our foreign presence, particularly through the action of the economic and business sector, through academic means, the media and NGOs, among others.

Although the immediate aim of Spain’s foreign policy is to enhance our country’s national, political, economic and cultural presence in the world, it should also contribute to “shaping a fairer and more supportive world order based on environmental sustainability and, of course, on respect for human rights and economic development, particularly in countries that are

in the process of achieving it” (The foreign minister, Mr Piqué, addressing the Foreign Affairs Committee of the Senate. September 2000).

For the above reasons, the ministry of foreign affairs is drawing up a strategy plan for Spanish foreign policy, the initial outline of which has been submitted to the recently established foreign policy council that is chaired by the head of government.

The first objective of this strategy plan is Europe, our natural framework. The European Union is embarking on, and must develop, the third and definitive stage of economic and monetary union, with the continued participation of our country, which will hold the presidency of the Union in the first half of 2002, when the new single currency, the euro, begins to circulate. Our country wishes to play an active part as one of the leaders of European integration, in the process of enlargement and in the review of the Treaty of Amsterdam to adapt the European Union institutions to the challenge of enlargement, and has already presented a proposal for extending the mechanisms of “enhanced co-operation” to the so-called second pillar, that of common defence and security.

Our government actively backs the project for a European Charter of Fundamental Rights. The main goal of this initiative is to afford visibility to European Union citizens’ rights and to consolidate the building of Europe with a project of shared values; it will likewise strive to ensure that European Union enlargement is a success and fulfils its historic mission of bringing about the political unification of Europe.

Spanish diplomacy will carry on working to play an active role in all these debates and will use the EU presidency to address the substantial issues on the European agenda, attempting to highlight the ones of particular concern to our country and to the European Union as a whole, such as, for example, the second European Union-Latin American summit.

Another priority is to continue with the important task of building Europe, to which Spain has made a significant contribution: creating a European area of security, justice and freedom. Following the entry into force of the Amsterdam Treaty and the results of the Special Tampere European Council in October 1999, our government will carry on promoting this policy of regulating migratory flows, as regards both intake of immigrants and guaranteeing their rights, and preventing illegal immigration. Spain has likewise taken the initiative within the Union in creating jobs in a global model, adopted by the Feira Council, which combines the prin-

ciples of competitiveness and social cohesion in the framework of the new information society.

A further novelty is the importance Mr Aznar's government attaches to the proper participation of the autonomous regions in community affairs that affect the areas of responsibility of the regional authorities. "The government wants the autonomous regions to continue to have a say in shaping the will of the state, within the European Union, and to this end we will strive to progressively improve internal co-operation mechanisms, the commission on community affairs and sectorial conferences" (Mr Piqué, addressing the Foreign Affairs Committee of the Congress of Deputies. June 2000).

The government will continue to strengthen relations with other European Union countries and, particularly, with its neighbours and with the countries that carry the greatest weight within the Union: Portugal, France, Germany, Italy and the United Kingdom. It will likewise deepen relations with the other EU members and with accession candidates, clearly showing that Spain is in favour of enlarging the EU. Lastly, the Spanish government intends to strengthen its bilateral relations with Russia as it is aware of the importance of this major power at both European and world level and of the need for Russian stability.

The second objective of Spanish foreign policy is Latin America. "The existence of an Ibero-American community of nations is an asset that enables Spain to play a leading role on the international stage in this century that is dawning" (Mr Piqué addressing the Senate). Our membership of this community secures us greater weight and a more powerful presence in today's world, owing to the web of common interests of all kinds—political, economic, cultural, business, etc. This was the reason for setting up the Secretariat for Ibero-American Co-operation, which is based in Madrid.

A cultural and development co-operation policy must be our essential contribution to this community. Our diplomacy will furthermore strive to boost the presence of Latin-America in Europe and on its political agendas, not only that of the European Union but those of our partners, allies and friends.

The third objective of our foreign policy necessarily entails maintaining and deepening bilateral relations with the United States. These relations, currently excellent, need to be broadened at all levels and examined and

revised in order to adapt our current commitments to the new security and defence requirements in the bilateral and multilateral spheres. Our country wishes to progress towards a status of preferential ally, as befits Spain's greater prominence in the international arena. Spain will also pay particular attention to establishing ties with the Hispanic community in the United States, which enjoys increasing political, economic and cultural influence. This will contribute to a better understanding of today's Spain in America.

The fourth objective is one of the priorities of Spain's foreign policy: to achieve peace, stability and shared prosperity in all the Mediterranean countries. In this connection, the Feira European Council approved a Spanish initiative that co-ordinates the action of the Fifteen in this area: the European Union's common strategy for the Mediterranean. Our country collaborates actively in the so-called Barcelona Process, despite all the difficulties it comes up against.

Another issue that has been and continues to be the object of Spain's diplomatic efforts is Spain's active and intense collaboration in seeking a definitive solution to the Middle East peace process, without becoming disheartened by the ups and downs.

Our country maintains important bilateral relations with Morocco, which are directed, in a constructive spirit, at resolving the existing divergencies and consolidating co-operation between the two countries. It also has ongoing relations with Algeria, Tunisia and Mauritania, and with the countries involved in the Middle East conflict.

As a result of Spanish society's renewed interest in sub-Saharan Africa, Spain played a very active role in the Africa-EU summit in Cairo, and in its follow-up.

Special mention should be made of the Spanish government's decision to enhance our presence in the Asia-Pacific area. The president of the government, accompanied by an important delegation of businessmen, has travelled to China and the Philippines, meeting the Spanish ambassadors accredited to the area in order to take stock of the situation as the basis for a regional action plan. The plan is designed to assert Spanish presence in this region of the world over the next three years and establishes a list of political and economic priorities, with a view to improving the image and knowledge of Spain in the Asian countries. Our country cannot turn its back on this continent, as Asia-Pacific as a whole accounts

for over fifty percent of the world population and a quarter of the world gross product.

On a different note, the Spanish government intends to carry on participating actively in the actions of the United Nations, continuing with our effort in peace operations. Spain supports the initiative of reforming the UN institutions, particularly the Security Council, to ensure it properly guarantees respect for human rights and international peace. Our country has presented its candidature for the Security Council for 2003-2004, has signed the convention establishing the International Criminal Court and wishes the European Union to be given a more prominent role in the United Nations, since its members contribute 36 percent of the UN budget.

Spanish participation in international security forums has increased in recent years, as we have joined the new integrated military structure of the Atlantic Alliance and have contributed actively to the Cologne and Feira Councils aimed at providing the European Union with a specific military capability at the service of international peace and stability.

Spanish diplomacy will intensify the management of our international economic relations in accordance with the economic presence of Spain, which has become a net exporter of capital for the first time in its history, seeking a conventional legal framework that provides Spanish foreign investments with maximum legal protection. It will also promote Spain's cultural presence in the world; this will contribute notably to enhancing our overseas image and will take into account the diversity and plurality of Spanish culture.

The process for approving the indicative plan for Spanish Co-operation for 2001-2004 has been set in motion. This plan will promote collaboration with NGOs and the social partners in co-operation, taking advantage of the new framework provided by the Development Co-operation Council.

Lastly, Mr Aznar's cabinet aims to table a bill on foreign service and to continue reviewing the deployment of our representation abroad, in order to boost its efficiency and adapt it to the changes in our external action (closure of consulates in Europe and opening of new embassies in recently formed states), as well giving impetus to state support for overseas operations of Spanish companies, and protecting our national interests abroad.

CHAPTER TWO

THE BUILDING OF EUROPE

THE BUILDING OF EUROPE

By JAVIER PARDO DE SANTAYANA Y COLOMA

AN ASSESSMENT OF 2000

Shortly before the all-important Nice Summit that was to draw 2000 to a close, the general impression of the process of building Europe was, on the whole, rather discouraging. Following the serious crisis of the previous year, it was hoped that 2000 would see the consolidation of new, more fruitful relations between the European Union Council of Ministers and the Commission; the appointment of Mr Prodi as president also raised hopes that the Commission would receive fresh, renewed impetus. However, the reality failed to live up to expectations, as although some headway was made towards European integration and the relationship between the two institutions became somewhat smoother, the overall impression throughout the year was that things had come to something of a standstill. The resulting situation might be symbolised by the Union's scant enthusiasm for its own fiftieth anniversary.

To cap it all, Denmark voted against joining the euro in the referendum held for this purpose. Although the circumstances were not precisely conducive to European enthusiasm, and the economic impact of the Danish people's decision in terms of the relative weight of the Danish krone is relatively insignificant, the results of the referendum nonetheless constituted a negative influence on the Union's prestige in general and a fresh obstacle for Mr Blair in his endeavour to swing British public opinion around to Europe.

In any rate, in order to take final stock of the year, we will have to wait for the results of the Intergovernmental Conference, which will come to light in December during the Nice Summit that will mark the end of the French presidency. Once again, there was confidence that, following a period of lethargy, the member states would reach a consensus on essential matters, of the kind that from time to time give fresh impetus to Europe integration and dispel previous unfavourable impressions, steering Europe towards the road of hope once more. Indeed, one field in which success seemed to be guaranteed was the establishment of the European rapid reaction force, as there were no doubts whatsoever that the famous “Headline Goal” would be met at Nice.

The process of building Europe throughout the year can be analysed by focusing our attention on three specific aspects: the results of the adoption of the single currency; institutional reform; and the development of the security and defence dimension.

Regarding the first aspect, a curious fact observed during the year was the apparent contradiction between the image the euro conveyed according to its value on the securities market and the internal repercussions of its adoption as single currency on Europe’s economic situation. The euro fell steadily against the dollar and other world currencies during 2000, staging a partial recovery halfway through the year only to plummet to below about 30 percent of its initial value. The attempts of the European Central Bank (ECB) to halt this deterioration by means of a succession of piecemeal interest-rate increases were of little avail. Only on one occasion were rates raised by half a percentage point. This succession of small rises mainly favoured Germany; Spain would have preferred a more sweeping move.

The fall in value was not due so much to the weakness of the euro as to the excessive strength of the dollar. The unwelcome decline did not initially trigger genuine alarm, as the European economy was solid and in good shape except for a slightly excessive increase in inflation, which was not particularly surprising bearing in mind factors like rising oil prices and, in the case of Spain, the added effect of the fast growth rate of the economy.

Real concern began to be felt when the weakness of the euro was further affected by the sharp rise in oil prices owing to increased demand, since the combination of these factors was beginning to jeopardise the health of the economy. In September, both President Clinton and the Euro-

pean Union itself pressed the OPEC countries to boost their production and thus bring down oil prices to more acceptable levels. However, although the increase in production agreed at Vienna that same month was a significant development and eased the situation to an extent, it was considered insufficient. The reaction of some governments to the social malaise caused by the price increase once again revealed a lack of coordination within the Union with respect to whether or not to reduce fuel taxes accordingly, made it more difficult to adopt effective solutions and hindered public understanding of the problem. To cite an example, France hastily lowered taxes, going against the opinion of the EU, which considered the measure counterproductive.

Some of the causes of the depreciation of the euro have been pointed out. The fact that this currency is still in an embryonic stage could be a further cause; if so, it can be expected to grow stronger when it begins to circulate among citizens. Nonetheless, we should not underestimate the negative effect which the impression that European integration has come to a standstill and of lack of solidarity between member states have on the degree of confidence in the new currency. In this respect, it was regarded as almost scandalous that Chancellor Schröder should have praised the benefits that the low exchange rate of the euro brought Germany, when many other European countries were becoming increasingly concerned about the rising cost of imports and the consequent repercussions on inflation. Citizens' perceptions of the EU's ability to solve a problem that should be regarded as common to all the member states were seriously damaged on this occasion.

The economy ministers had to convey the message that they were aware of the need to take measures to aid the euro's recovery—particularly through structural reforms, as pointed out at the Lisbon Summit—and the ECB had to step in to shore up the European currency by selling 2.5 billion euros. Days later, before a G7 meeting, the central banks of the three countries with the leading world currencies took concerted action to bolster the euro, on the initiative of the ECB. The president of the USA immediately issued orders for part of America's crude oil reserves to be freed up to force prices down. This unleashed a large-scale operation aimed at preventing further damage to the world economy and forcing the OPEC to listen to the consumer countries. However, the serious crisis which erupted in the peace process between Palestinians and Israelis made matters even worse, as it led to further rises in the price of oil.

By October the value of the dollar had soared to over 200 pesetas. This failed to spark the expected reaction from the president of the European Central Bank, who began to be the butt of criticism, while the United States preferred to abstain from supporting the European currency with the elections so close at hand, even though the situation could have negative repercussions on the American economy. The surprise intervention of the ECB, which acted alone, at the beginning of November was praised as representing a more belligerent attitude, though it turned out to be a fiasco in terms of practical results.

Of the institutional reform of the Union, which is necessary whichever way one looks at it but particularly as a prior and essential step to pave the way for future enlargement, it can be said that the first impressions were not overly encouraging. When Mr Jospin pointed out the three focal points of the action of the French presidency in the second half of the year, the emphasis was placed on other aspects. These were: working towards a “Europe at the service of employment”, a course of action promoted at the Lisbon special summit; progressing in “citizens’ Europe”, which should encourage Europeans to identify more closely with the Union and overcome their current distances; and achieving “a strong and efficient Europe”. This latter endeavour is more in line with our continent’s aim of securing an international role and reputation more in keeping with the aspirations of the European enterprise.

However, shortly afterwards Mr Chirac stated that France would not settle for a solution based on minimum final positions. A sign of greater willingness was needed to relaunch the sagging Franco-German axis at the bilateral summit in May; as France saw it, this could not be along the lines of the idea presented by Mr Fischer of promoting the European Union from a “hard core” of countries that would advance towards a federation. Although this idea could shake the lethargy and standstill that was criticised by many sectors of opinion, it fell outside the agenda of the Intergovernmental Conference and was not to Paris’s liking. France endeavoured not to stress this discrepancy and centred its initiative on promoting two concepts: “qualified majority” (as a solution to preventing decision-making coming to a standstill) and “enhanced co-operation” (as a source of impetus). Ruling out the idea that Spain might be opposed to the initiative of “enhanced co-operation”, our government was the first to suggest going from grand ideas to practice, proposing at the Intergovernmental Conference that it be applied to the second pillar of the Union and also to the third in some aspects, provided that votes were weighted suitably.

The debate on enlargement was rather confusing and, at times, disappointing for the aspirant countries. Some statements made by the German commissioner in charge of these affairs calling for referenda on enlargement were taken to reflect the German government's opinion of the problems that will arise from the process. The formulation of Mr Verheugen's opinion coincided with the government's new idea that it would be appropriate to delay the first accessions, which would take place in 2005 "at the very latest". Both points can be regarded as expressions of Germany's concern about the disadvantages of an operation which is essential for the building of Europe and which Mr Prodi considers his great historic mission. The European Commission's report on enlargement confirmed the delay, stating that negotiations with the most advanced candidates should be completed in 2002. These are then to be followed by the ratification by the parliaments of the Fifteen, which will take between one and a half to two years, and must previously be approved by the heads of government at a Community summit.

The negotiation schedule, inspired by Mr Verheugen and approved by the Commission, subsequently established three stages. During the first, under the Swedish presidency, the free movement of people—a particularly sensitive issue for German—would be discussed, while the second, under the Belgian presidency, would entail negotiating matters of intermediate difficulty. The thorny issue of the structural and cohesion funds would thus fall to the Spanish presidency. A considerable amount of wrestling can be expected, and there is a danger that any failure would be attributed to Spain since, apart from being responsible for the talks, as mentioned, it is particularly affected by this matter. The Spanish representatives therefore insisted that such problems should not be left to the final stage. At this point it seems appropriate to underline that our nation has proved wrong those who assumed it to be reluctant towards enlargement simply because it is bound to lose certain benefits which will logically be shared out among other countries in greater need of them. Indeed, Spain repeatedly shows it is one of the firmest advocates of letting in the candidate countries. The same cannot always be said of other nations that previously played the role of apostles of European enlargement.

The foregoing gave rise to a certain atmosphere of mistrust regarding the possible results of the Nice summit, which was also fuelled by the problems of a number of accusations levelled at Mr Chirac and certain politicians close to Mr Jospin, which clouded the political atmosphere of the neighbouring country during the French presidency and sparked fears that

it was not in the best position to spearhead and promote the Union's necessary institutional reforms.

Regarding the development of a European defence capability, it should be recalled that the European Union had set the end of 2000 as the deadline for defining the different countries' contributions to the "Headline Goal". The schedule was drawn up at the meeting of defence and foreign ministers held in Sintra at the end of February. The fact that Eurocorps assumed command of KFOR in Kosovo evidenced the seriousness of the endeavour and NATO's co-operative attitude in ceding Europe a bigger role. As for the size of the army, which should be able to assemble within 60 days and remain in operation for a year, the initial forecasts centred on a target of 15 brigades, equivalent to some 50,000 to 60,000 troops, together with the multinational capabilities and naval and air components that can be made available, which were not initially counted in terms of human resources. At this point it is appropriate to stress the controversy triggered in the United Kingdom as a result of the Conservative Party's radical position—particularly that of Mrs Thatcher—regarding this issue and the resulting situation which contradicted the role of promoter assumed by the British government.

At the so-called "Millennium Summit" held by the United Nations Organisation, the foreign minister of France—the country holding the European Union presidency at the time—stressed the expected availability of the European rapid reaction force by 2003, including 5,000 police. He thus opened up the possibility that the force could support the world organisation in the event that it intervened in an international crisis, though no reference was made to the geographical limits for its use.

The dynamic approach required to develop a security and defence policy and, particularly, to provide Europe urgently with a defence capability, creating jobs and new agencies within the Union—which in the past has not been involved in such matters—triggered some friction, though this is inevitable in the context of clashing responsibilities between the Commission and the Council. Mr Solana was criticised by commissioner Patten, who was uncomfortable about the share-out of responsibilities and keen for a clearer role in the area of external policy, and objections were raised to his initiative to protect certain information. Initiatives of this kind are common practice in defence, to which the Union so far is unaccustomed. In this case, the measure was criticised for being opaque and unilateral. However, it did not affect the ultimate aims of the organisational

process. On 13 November, the foreign and defence ministers of the European Union, gathered at Marseilles, agreed to transfer the operational functions of the WEU to the EU, as envisaged, practically doing away with the older defence organisation which came into being in 1955.

Also worthy of mention is Germany's decision to trim and restructure its armed forces, which are badly suited to new missions, to judge by the commission's Weizsäcker report. The reform, which should free up economic resources that will enable Germany to modernise its armed forces, will maintain the combined model in order to avoid an irreversible situation of full professionalisation, though the number of conscripts will be reduced.

As for the European defence industry, 2000 saw an interesting change of scene. The incorporation of the EADS group seems to have paved the way for a recommendable development, as it has provided Europe with a listed company that ranks third in the world aeronautics sector, closely behind the second-largest, and offers countries like Spain, which have lesser potential than the industrial giants, the chance to make a worthy contribution to the project. Britain's decision to acquire "Meteor" missiles, the Franco-German agreement to set up a joint programme of satellites and the two countries' common opting for the Airbus A400M transport aircraft signify an important impetus to the European defence industry. According to the sector, it is now up to the governments to rise to the occasion by creating an appropriate legislative environment.

Another appreciable change with respect to the defence industry is the growing awareness of the need to integrate the countries that generate demand into any defence initiatives, and to promote for this purpose the OCCAR (Joint Armaments Co-operation Structure), which seems to be the most suitable body. There is also a realisation that it is neither possible nor advisable to regulate and boost the European defence industry behind the American industry's back.

Throughout the year, France and Germany attempted to revive the Paris-Berlin axis, traditionally regarded as the driving force behind Europe; this mechanism has become badly deteriorated in the wake of the Köhl and Mitterand period, and on several occasions has been eclipsed by the Madrid-London partnership which derives from the good understanding between Mssrs Aznar and Blair. It is nonetheless appropriate to stress that, while Spain applauds the good understanding between countries whose specific weight enables them to contribute to the momentum and progress

of the building of Europe, Spain is reluctant not only to consider that a Anglo-Spanish axis is being formed, but also to accept the very idea of axes as driving forces.

Paradoxically, despite the impression that this process had come to a standstill, the special Lisbon summit saw the revival of the utopia, with the establishment of a set of economic objectives with far-reaching social consequences. These objectives were in line with an ambitious strategy designed to attain American levels and make Europe the most dynamic region in the world. These goals are to be achieved through liberalisation, modernisation of the economy and technology, and a specific calendar was established for some sectors.

A report by the European Bank for Reconstruction and Development (EBRD) stated that “Eastern Europe” is recovering faster than expected and is surpassing the expectations of economic development that will bring these countries nearer to joining the European institutions. Also, at Vilnius, the nine would-be NATO members again expressed their interest in joining the Alliance. Moreover, the results of the referendum held in Switzerland on implementing the bilateral agreements on economic co-operation with the EU showed that that country’s population is better disposed towards the European institutions and were indeed a historic landmark for a nation that has traditionally had its misgivings about them. On an opposite note, the spectre of the return of a totalitarian regime drove an EU country, Austria, into isolation, with the risk that the resulting humiliation would swing public opinion towards wanting to withdraw from the Union.

The Austrian problem once again brought home the fact that Europe’s personality must be underpinned, above all, by the common recognition of shared values. In this connection, it is particularly significant to cite the Charter of Fundamental Rights, which began to be drawn up in February through an “ad-hoc” convention, and the proposal for a “European Constitution”.

The plan approved by the EU executive this year, 2000, is one of the reforms designed to ensure greater restraint in expenditure and greater efficiency in development assistance programmes. The plan ties assistance to the fulfilment of political, trade and security conditions that refer to priorities of the Union. This reform, which should not affect emergency situations, is mainly intended to prevent aid being siphoned as a result of corrupt practices.

The European and Euro-Atlantic institutions' relations with Russia witnessed their usual ups and downs. As a result of the scant respect Russia showed for human rights in conducting the Chechen campaign, the parliamentary assembly of the Council of Europe voted to suspend Russian participation, depriving its delegation of the right to vote. This sparked an indignant reaction from Moscow, which felt itself humiliated once again. The European "troika" subsequently showed a more conciliatory attitude, underlining that the important thing was to maintain a "strategic alliance" between the Union and Russia and preventing Chechnya from triggering confrontation. The Council eventually backed down so as not to give the impression of wanting to "isolate" Russia. It should not be forgotten that the political management of the Chechen war and the results obtained therefrom were the basis of the popularity of President Putin, who even promised to review the treatment of human rights in that region.

At the ministerial meeting of the Atlantic Alliance in Florence in May, Russia rejoined the NATO-Russian Permanent Joint Council amid a climate of general satisfaction, despite recognition of the obvious discrepancies regarding the role of the International Criminal Court, Moscow's treatment of the Yugoslav defence minister or the revitalisation of America's missile defence project. Russia had cited the latter as one of the obstacles that was stopping the Duma from considering definitive ratification of the START II treaty. However, the promise that the USA would listen to Russia's and China's points of view before setting about building the system was enough to ward off a clash that would have marred this happy event. The EU, somewhat incredulous about the real necessity for the American endeavour, had pointed out through Mr Solana that this undertaking would jeopardise the soundness of the Transatlantic link, since the aforementioned anti-missile system excludes Europe from the protection scope. Finally, after Mr Clinton's farewell visit to Moscow, President Putin proposed expanding the missile defence project to three areas (USA, Europe and Russia)—a timely but hardly realistic initiative. In the end Mr Clinton declined from taking this momentous decision during his mandate, handing the responsibility over to his successor.

An important step in relations with Croatia was this country's accession to the Partnership for Peace programme and, accordingly, to the so-called Euro-Atlantic Council. Croatia joined with an image of responsibility, which is according it greater weight in the concert of nations. Its presence in the Partnership should constitute a stability factor and set a good example for other countries in the area, such as Bosnia-Herzegovina and Yugoslavia.

We may also consider that the European Union's Mediterranean policy, in which Spain has always shown great interest and large doses of initiative, has passed the test this year. It should be pointed out that the problem of the Middle East is not included in this context, so as to prevent as far as possible the paralysing effect it normally has on the process of enhancing political and economic co-operation. This did not prevent the European Union from playing a more prominent role in the attempts to solve the crises in that area.

The holding of the Euro-African and Euro-Asian summits this year is a good example of the European Union's wish to adapt to the new world landscape. These events, together with the first EU-Latin American summit held in 1999, constitute what are intended to be ongoing initiatives and a pattern of strategic relations which not only afford the Union greater visibility but should enable a response to be found to some of the problems posed by globalisation.

The most noteworthy aspect of the Euro-Asian summit was the support for the policy of rapprochement with North Korea, in consonance with the moves Seoul had already made in this direction. At the summit meeting, Spain, like other European nations, announced it would soon be establishing diplomatic relations with Pyongyang. It should nonetheless be said that some EU countries, judging this measure to be premature, once again drew attention to the lack of agreement among member states when it comes to making strategic decisions on external policy issues. On an opposite note, the presence of Mr Solana at the Sharm el-Sheikh conference called hurriedly in Egypt in October in an attempt to halt the escalating violence between Israelis and Palestinians, marked a step forward and reflected the evolution the EU is undergoing in this area following the creation of the figure of High Representative, who is not only responsible for assuring a European defence capability, but also for promoting a common foreign and security policy.

The OSCE summit held in November on the 25th anniversary of the Helsinki summit showed concern about the problems in the Caucasus and in some Central Asian republics and condemned the unjustifiable phenomenon of terrorism, in addition to criticising the conflict potential of exclusionist nationalism.

The news of the year, in late September, was the downfall of Mr Milosevic as a result of the elections. Although many questions have yet to be clarified regarding the future of the Yugoslav Federation, this event should

undoubtedly mark a turning point in the Balkan problem and raises hopes of a solution. On this occasion, Europe showed it has good reflexes, helping to steer the situation to a favourable outcome by announcing in mid-crisis that it was willing to withdraw immediately the main sanctions on Serbia. We should also acknowledge the timely support lent by Russia, whose president travelled decidedly to Belgrade to recognise Mr Kostunica as the country's new president, without waiting for him to be formally inaugurated. Although this move was intended to assert Russia's role in the new situation, in practice it made an important contribution to a swift and bloodless solution to the crisis, which the European Union promptly pointed in the direction of a step towards European integration by the new regime.

THE SINTRA MEETING

The meeting of European Union defence and foreign ministers held at Sintra in late February laid the foundations and set the timetable for the work that needed to be done to meet the goal by the end of the year. This task, which entailed guiding the development of the necessary defence capability in the form of organisation of a European defence capability, was a major challenge that was to require considerable willpower and co-ordination of efforts.

The salient points of this meeting were, first and foremost, the good teamwork performed by diplomats and military; the Atlantic Alliance has considerable experience of this type of partnership, which is as yet an interesting novelty within the European Union. Second, it can be said that the meeting fulfilled its objective perfectly, as a very precise timetable was agreed on, divided into four steps. The first of these steps involved evaluating the forces and equipment currently available, in order to be able to establish deficiencies at the second stage. Meanwhile, the committee of chiefs of staff would design the objectives and scenarios towards which the action of the European rapid reaction force would be geared. All these tasks were to be completed by May. The third step would then be to determine each country's contribution to the force in terms of troops, materiel and equipment, and the fourth would take the form of a conference on force generation to be held at the end of the year.

The Sintra programme was adhered to faithfully, as is only to be expected of a task entrusted to chiefs of staff. Three scenarios or "illustrative

missions” were designed as the basis for drawing up a catalogue of the forces needed, which in turn would serve as a guideline for the offers of the EU countries. Of these offers as a whole, specific elements will be chosen for the Force according to type of mission; the land component should not, in principle, exceed 60,000 troops. In addition, the possible voluntary contributions to the so-called “multinational capabilities” should to be considered, as well as contributions of assets that Europe lacks and which should be requested from NATO.

THE LISBON SPECIAL SUMMIT

The special summit held in Lisbon under the Portuguese presidency marked the revival of the European utopia. The achievement of full employment (lowering the average unemployment rate to 3 or 4 percent by 2010) was set as a goal for the next decade. Although the Spanish government had already set itself this challenge and, indeed, has recorded the highest annual job creation rate (approximately half of the European total), it starts out at a disadvantage, as Spain has the worst unemployment rate in the EU. This objective of attaining full employment within a decade stems from a strategic vision that requires an effort from Europeans to achieve similar levels of progress to North Americans, with the added benefit of the “welfare state”, that is, preserving the sense of social protection that characterises the nations in our continent.

The agreed course of action for accomplishing this goal is very interesting bearing in mind that most European countries have socialist governments, as it marks a shift away from the system of subsidies as the main instrument and places the emphasis on stirring society to action. Indeed, it appears to reflect the success of the famous “third way” and the consequent reconciliation of political parties that only a short time ago were advocating considerably different solutions according to the ideologies on which they were inspired. Proven efficacy is undoubtedly the touchstone of economic measures, and good management the most highly valued rating system for politicians. The good understanding between some leaders from political groups that are theoretically opposed yet agree on the same sense of modernity evidences the predominance of the generational factor over purely party aspects.

These efforts will be focused on three key areas: liberalisation, modernisation of the economy and technology. The European politicians showed

themselves to be forward looking, as they recognise in practical terms that our society has entered the age of information or knowledge. Accordingly, European integration places special emphasis on assimilating and making the most of the social and economic revolution unleashed by the Internet as a web of universal and multi-faceted relationships conducted in real time. With respect to employment, it cannot be ignored that there are expected to be one million two hundred thousand jobs related to new technologies in two years' time. But for this to be possible, Europe has set itself the task of liberalising telecommunications immediately.

One of the successes of the special Lisbon summit was the establishment of a short-, medium- and long-term timetable, together with the definition of a set of procedures and specific goals which have been mentioned earlier, as the combination of these three factors is generally the best guarantee of success in any undertaking. Although, admittedly, the criteria established are not "compulsory", sanctions were not established, and the emphasis was on "flexibility" that will enable each country to cope without too many constraints, there is nevertheless "no turning back" on the road on which Europe has embarked, as the president of the Spanish government pointed out.

The capacity for consensus shown at Lisbon again evidences that the idea of Europe remains strong, over and above the lethargy and lack of drive or orientation that is sometimes witnessed, and despite the disagreements that frequently arise between different countries.

In a joint statement issued during a meeting in Madrid, Messrs Blair and Aznar urged their European counterparts and the president of the Commission to step up the reforms agreed on at the special summit. These reforms would be examined at the meeting scheduled for the following spring in Stockholm, under the Swedish presidency.

The first free-trade agreement between the EU and a Latin American country, in this case Mexico, was also established at the Lisbon summit. The new treaty provides a counterweight to the free-trade agreement between Mexico, the United States and Canada (NAFTA), as a result of which Europe's trade relations with Mexico had slumped. This new agreement came into force on 1 July and there are prospects of fully liberalising trade by 2007. As is well known, the EU has still to finalise its negotiations with MERCOSUR.

Special mention should be made of Spain's role in promoting the special Lisbon summit and setting most of the agenda, including the key ideas aimed at pointing Europe firmly in the direction of modernisation in order to meet the challenges of an age characterised by technological progress and thus close the gap with the United States. In this connection, it should be stressed that on this occasion the driving force of this modernisation came from the Madrid-London alliance and not, as in the past, from the Paris-Berlin axis, though this change did not upset the consensus. Another significant phenomenon is the ideological closeness that stems from the good relationship between Mr Aznar and Mr Blair, as mentioned earlier on, together with the exemplary effect of the ease with which the leaders of two countries that are engaged in a serious quarrel are able to see eye-to-eye. It is hoped that this good feeling contributes in the long run to a better understanding by British politicians of the anachronistic situation of Gibraltar.

THE AFRICA-EU SUMMIT

The Africa-EU summit held in Cairo once again highlighted the tremendous difficulty of this intended dialogue. One of the issues on which greater hopes were pinned was the resumption of more normal relations with Libya, a country with which Mr Prodi himself had made some rapprochement. President Aznar also intended to help Colonel Qaddafi join in the Mediterranean dialogue. However, the Libyan leader, far from being receptive towards these initiatives, reacted with sharp remarks in a quaint and provocative address that included a verbal attack on each and every one of the European nations, with the sole exception of Germany.

From the European point of view, the aim of this meeting was to call for reforms to facilitate Africa's progress towards democracy and ensure that the economic aid it receives does not fall by the wayside owing to corruption and inefficiency. For its part, Africa did not show itself to be overly enthusiastic about creating a true civil society. Indeed, its priority was simply to obtain something and, while about it, encourage a commitment to nuclear non-proliferation, the sole aim of which was to place Israel in a predicament.

Bearing mind the foregoing, we should be pleased that at least—and this is no mean achievement—an agreement was reached on making an effort to eradicate poverty, with the goal of halving it in fifteen years, for

which a monitoring mechanism would be set up. The most specific measures were the pardoning by Spain and Germany of part of the sub-Saharan countries' debt, France's promise to grant debt-relief to "the poorest countries" (unspecified), and the German and British commitment to remove Second World War mines from north Africa, without compensation.

THE FEIRA SUMMIT

France's and Germany's earlier efforts to regain their leadership did not yield the desired results, and it was once more up to the Anglo-Spanish partnership, which presented an inspiring paper underlining the need to give impetus to liberalisation. The summit began with the success of Greece's joining the euro club and with the relative failure of the efforts to prevent the distorting effect of tax fraud on the single market, for which banking secrecy needs to be abolished. One of the obstacles was Austria, which pointed out that the intended objective would require it to amend its constitution: this technical problem nonetheless reminded the rest of the EU members of Vienna's dissatisfaction with the treatment it had received. The end result was rather disappointing, as although Austria eventually displayed a more accommodating stance, the issue of tax harmonisation remained subject to a long list of conditions.

In the security and defence field, the Feira summit introduced the concept that peacekeeping operations should include a civilian element in order to relieve the military forces of purely police missions and achieve greater efficiency in this field. Experience in Bosnia and Kosovo suggested that the right size for this police force, which should be established in parallel with the European Rapid Action Force, is 5,000 men. The diversity of the European law enforcement bodies and the varying needs observed point to a mixture of Gendarmes, Carabinieri and Civil Guard-type units, which are particularly suited to working in conjunction with military forces, and contingents of experienced police officers who can be used basically in training.

The most significant issue addressed at this summit—to be subsequently and definitively developed at Nice—was the inclusion of "enhanced co-operation" in the major debate opened by the Intergovernmental Conference. The appropriateness of this type of co-operation as an instrument for boosting European integration and as a counterweight to the

inevitable slow movement of the large group of countries that would result from future enlargement was generally recognised at Feira. Agreement on the final concept was therefore a question of nuances. Spain, which is not particularly fond of the idea of a Europe of different speeds, nonetheless accepts the concept of “enhanced co-operation”, provided that it does not materialise into a “hardcore” and that it is limited to matters that do not affect key issues. In any case, Spain will strive to belong to the lead group.

The Feira summit once again provided the EU with the chance to convey to Moscow a message of confidence and encouragement in the new stage of democratisation on which it has embarked under President Putin. The message recognised the difficulties inherent in this process, while pointing out some of the shortcomings observed, which were acknowledged, more or less explicitly, by the Russian leader.

THE BIARRITZ INFORMAL COUNCIL

The Biarritz informal council was intended to prepare for the Nice summit in December, which is a key event, since institutional reform is regarded as an essential basis for ensuring the feasibility of an enlarged Union. The situation was calling for an agreement to be reached without delay on a formula that would enable decisions to be made in a timely and effective manner. It was therefore important for Biarritz to smooth the way to ensure that the necessary consensus would be achieved at Nice by overcoming a fair amount of difficulties, many of them related to the adjustment of each country’s voting weights within the Union—a highly sensitive issue.

As circumstances would have it, the Biarritz informal council coincided with certain events that made it a timely occasion for addressing other problems. One was the pre-war atmosphere in the Middle East, which had been sparked by Mr Sharon’s visit to the Temple Mount esplanade in Jerusalem. The council was thus a suitable occasion for giving peace a last chance by forcing a meeting in Sharm El-Sheikh (Egypt). Spain proved its expertise as a go-between when it was required by Mr Clinton to act as an intermediary between the two sides and help arrange the meeting. The European Union, which aspires to secure a bigger role in the area, was particularly set on having an active presence in the meeting and sent Mr Solana, its high representative for foreign policy, to Egypt.

Another recent event contributed to making the Biarritz informal council an unexpected forum for political action in matters that were not pre-

cisely related to its main objective. The change of regime in Belgrade made Biarritz the most appropriate scenario for the presentation of Yugoslavia's new president to the European Union. Indeed, it gave the Union the opportunity to highlight the difference between its position with respect to Mr Milosevic and its attitude towards the Serb people, and enabled it to wield its full political influence to ensure that the events, the outcome of which was still uncertain at the time, would be steered towards a determined rapprochement from Belgrade to Europe and towards democratic orthodoxy. This political gesture was accompanied by a package of reconstruction measures, to which the Union promised to earmark some thirty three billion pesetas. The Union had previously announced it was lifting the oil sanctions and the ban on flights that had been imposed on Serbia. Therefore, on this occasion Europe did not display the lack of reflexes for which it has so often been criticised; on the contrary, it proved that creating the figure of Mr CFSP, and entrusting the task to a Spaniard, Mr Solana, had been a wise move.

The above events diverted the media's attention from the real reason for holding the council, at which the many, deep differences of opinion on institutional reform came to light. The inappropriateness of an excessively large and, therefore, cumbersome Commission made it advisable to limit the number of commissioners, upsetting the current political weighting between the different EU members. The idea of reweighting countries' votes according to their population in exchange for a reduction in the number of commissioners, and the possibility of a system of rotation for the smaller countries, triggered—understandably so—firmly negative reactions towards such solutions from the latter.

The disagreements had not been solved at the start of this informal summit, and neither were they resolved during the two-day meeting, which nonetheless ended with the hope that the importance of what would be at stake two months later at Nice would oblige the countries each to make minimum concessions in order to force an agreement which, as always, should allow each to come away with the impression of having managed to defend its interests reasonably. For Spain, it is particularly necessary to re-establish the balance and weight each country appropriately. This requires improving to an extent Spain's degree of representation, not only because it is one of Europe's big countries, but also to take into account its population.

The drawing up of a Charter of Fundamental Rights stems from the wish to afford institutional development a basis that can provide the Union with a “soul”, the lack of which is frequently criticised. The existence of the latter should bring the European institutions closer to citizens. The Charter presented at the Biarritz summit consolidates the European social and economic model and adds soundness to the common enterprise.

The wariness of some countries, such as the United Kingdom, Ireland and Sweden, which feared that certain social and economic formulas would entail excessive obligations or raise expectations that would be difficult to meet, contrasted with the interest of others like Germany, Italy, the Benelux countries and, above all, Spain, in integrating the Charter into the Treaty on European Union, in order to make it enforceable. In this regard, the intervention of the French presidency was decisive in that it postponed the issue of the legal status of the Charter to the following six-month presidency, by which time it will be the turn of Sweden. As pointed out earlier, this country is wary of incorporating the Charter into the Treaty. There is thus a risk that such an important document, which bears considerable political weight, will be left pending this decision until the Treaty is next amended in 2004. We can therefore expect to see some proposal or another for including at least a mention of the Charter in the treaty.

The start of the French presidency was marked by a fresh attempt by France to pick up the pieces of the well-known Franco-German axis and demonstrate Paris’s capacity for initiative. Mr Chirac’s proposal for drawing up a European Constitution defining the role of the different institutional levels and their relationship appeared to be a response that was at least consonant with the concern shown by Mr Fischer of Germany in his earlier proposal. However, Mr Chirac’s efforts merely underlined the weakness of the axis and his initiative brought fresh disturbance. First, because France’s initial reactions had evidenced the disagreement and, second, because the dysfunction in the Chirac-Jospin team was evident. The fact is that these two proposals by Germany and France gave rise to a background debate that, however interesting, did not seem truly productive and was untimely in that it turned attention away from the specific objectives of the Intergovernmental Conference.

Mr Chirac called for setting up a “pioneering group” of countries to further European integration, an idea that competed with the already established concept of “enhanced co-operation”. It therefore added fuel to the debate on the controversial issue of how to put this co-operation in place

without ending up with a “two-speed” Europe or forming a kind of “hard-core”. As feared, these initiatives caused concern to spread among enlargement candidates, precisely when their prospects of joining the Union had become more distant. Neither can it be said that these initiatives were comforting news to most of the current EU member states, particularly the United Kingdom. Mr Blair was soon to air his views, since his difficult task of convincing his fellow countrymen, who are so unwilling for Britain to join the euro club, was hardly eased by the proposals of his French and German counterparts. As is only logical, the idea—also expressed by Mr Chirac—of setting up a “secretariat” to support the so-called “pioneering group” was not precisely welcomed enthusiastically by the European Commission.

THE AUSTRIAN ISSUE

This issue deserves special attention, as it cast a shadow over the good neighbourly atmosphere between the members of the Union for many months. The Austrians’ solution to their government’s crisis, consisting of incorporating the Freedom party (FPÖ), whose ideas were regarded as characteristic of the extreme right, triggered an unusual situation. The European Union’s initial bewilderment, caused by the FPÖ’s presence in the Austrian government in coalition with the Popular Party (ÖVP), immediately gave way to a radical reaction, a kind of reflex spurred by historical experience, which recommended taking a firm and unequivocal stance of rejection by way of a preventive measure.

At the time it seemed preferable to think ahead and simply judge the known attitude of the above-mentioned party, particularly with respect to its xenophobia. It was thus decided to ostracise Vienna’s government and show openly that it was incompatible with those of the other partners, even though this measure lacked the clear, proper legal basis of a Council decision. It is worth stressing the importance of this fact and of the reaction it triggered on account of its significance within the process of creating a new Europe that cannot fall into past errors, and because it is a new and, indeed, worrying problem.

The Austrian government could react to this curse by vetoing the resolutions of the Nice European Council in December. Such a response would be extremely undesirable and, as well as causing serious damage to Austria itself, would also be a major stumbling block for the Union. Indeed, it

would constitute a further manifestation, albeit very important this time, of the possible consequences of what could be a particularly awkward problem given Austria's political situation and the radical stance of the rest of the EU member states. Eventually, Europe began to feel the need to find a solution that would prevent such an unpleasant prospect.

Meanwhile, serious fears began to emerge that in the long run Austrian public opinion could increasingly oppose membership of the Union. The proposal submitted by Portugal at the end of its presidency to appoint three "wise men" to judge the behaviour of the Vienna government once again clashed with the sensitivity of the latter, which announced it would be staging a referendum on relations with the Union in such a way as to elicit a rejection from the Austrian people, who were smarting from the humiliation of the European Union's attitude. However, the Austrian government eventually agreed to Portugal's proposed intervention. As was only to be expected, the anxiously awaited report recommended dropping the sanctions on Austria and eased the turbulent atmosphere, though it was accompanied by a recommendation of monitoring the situation.

Throughout the process, the Austrian government seized upon the subtle differences that were logically found in members' attitudes, presenting them as cracks in the Union and, in the end, the report of the three "wise" men was presented by Mr Haider as a just and correct rectification. But this regrettable episode showed Europe's sensitivity towards the possibility of any reawakening of the spectre of the past and was a determined "sailors' warning". The Fifteen support the idea of establishing an early warning mechanism that would provide a legal basis for the possible taking of reprisals in similar cases.

THE BALKAN CANCER

The problem of Kosovo continued to show its toughest facets. The fact that Mr Milosevic remained in power made it impossible to establish dialogue with Serbia, even though the country is absolutely crucial in order to build a secure and democratic society, since the international community has opted for a settlement of the conflict based on wide autonomy for the Kosovo region, which should nonetheless remain part of Yugoslavia. The different regional players tried to turn this contradiction to their advantage and adopted more radical courses of action, while the international community, disoriented by the uncertainty and ambiguity of the future, showed

little determination to provide the necessary means for solving the problem. Proof of the lack of a genuine, firm will to boost the normalisation of the Balkans was the European countries' reluctance to collaborate in setting up a sufficient police force to take over from the military and enable the latter to devote themselves fully to other security aspects. Neither did they come forward with all the financial resources they promised.

All this undermined the credibility of the United Nations mission (UNMIK) in its effort to fill the political, administrative, economic and security gap in the zone. It also helped corruption and insecurity take root in the area and jeopardised the stability of the whole region, including Montenegro and the neighbouring countries. The Solana-Patten report submitted at the Lisbon summit on the first anniversary of the so-called "Kosovo war" recognised this situation and put forward proposals for breaking the "stalemate". These proposals entailed, on the one hand, maintaining the sanctions on the leaders of the Milosevic regime and, on the other, increasing dialogue with other sectors of Serbian society and offering neighbouring countries favourable trade agreements, stimulating their expectations—linked to political and economic progress—of joining the EU.

On 18 April Kosovo witnessed an event that should be considered a landmark in the building of the European defence identity: the Eurocorps took over from the NATO Rapid Reaction Corps—a risky but meaningful change. For the Atlantic Alliance, it marked a gesture of confidence in the future European defence and one that speeded up its creation by involving the key element of this force in the conflict and providing it with the experience it needs to gain a good grasp of the initiatives that will need to be taken. It furthermore entailed putting into practice the complementarity and co-operation mechanisms of the European and NATO resources. The fact that this hefty responsibility should fall to a Spanish general, as head of the Eurocorps and KFOR, shows the depth of the integration of our armed forces in the European and euro-Atlantic schemes.

The key moment for settling the Balkan problem did not arrive until September: the long-awaited fall of Mr Milosevic in the election held that month. The election marked a resounding victory for the opposition, led by Mr Kostunica, who is considered a moderate nationalist. These results showed that the opposition was much stronger than was inferred from the apparent support for the parties, which had conveyed an image of lack of union and to an extent weakness. The people's reaction against Mr Milosevic's regime forced the leader to acknowledge his defeat and thwarted

his desperate attempts to conceal the true magnitude of his downfall. It is hoped that the Yugoslavian dictator's efforts to prevent himself disappearing from the political scene are also to no avail, after his successive endeavours first to disallow the elections and subsequently to become the leader of the new opposition.

The attitude of the Russian president, who was hasty to show his support for Mr Kostunica as the true winner of the elections, soon dispelled any doubts and helped steer the crisis rapidly to a positive outcome in favour of the democratisation of the Yugoslav regime. The EU, for its part, was extremely quick to react and promoted both the process itself and Belgrade's desirable rapprochement with the Union, going ahead with its intention of immediately lifting the oil sanction and ban on flights which had been imposed on Serbia, and inviting Mr Kostunica to the Biarritz informal meeting to be held a few days after Mr Milosevic was toppled from power.

Yugoslavia was also given the promise of substantial aid for reconstruction and preferential treatment as a trading partner, though since this item was not envisaged in the community budget, the announcement raised fears of negative repercussions on other programmes. Some of these programmes were of special interest to Spain, such as the programme for the southern Mediterranean countries, and talks had already taken place between Spain and other countries which wanted considerable cuts to be made. The European Parliament was to settle this issue by confirming its compliance with the overall budgetary discipline agreed on up to 2006, and urged the Fifteen to increase the resources allocated to external actions. It rejected the possibility of transferring to the Balkans part of the funds earmarked to co-operation with the northern African countries.

At the Biarritz informal summit, Europe welcomed Serbia's "prodigal son", the new president, Mr Kostunica, who announced that a referendum would shortly be held in Serbia and Montenegro to establish the future of the Yugoslav Federation—a name no longer suitable, in the opinion of the new leader. Shortly afterwards, in Moscow, Mr Kostunica was to reproach NATO for the bombings and demanded reparations, thus ensuring that his hosts would not think him excessively inclined towards the western powers. In this connection, it is appropriate to underline the intelligent stance adopted by the Atlantic Alliance, which kept a very low profile in order not to damage the image of the new Serb leader. The EU's decision

to reduce to a minimum the number of Serb military on its “blacklist” of suspect leaders can also be considered part of this aim to help Mr Kostunica handle the complicated political transition.

The year ended with grounded expectations of a substantial change in the festering problem of the Balkans. It can be said that NATO’s intervention and the isolation measures designed to uproot the source of evil, embodied by Mr Milosevic, are only just beginning to prove effective.

A STRATEGIC YEAR FOR SPAIN IN THE BUILDING OF EUROPE

The results of the election held on 23 March reflected Spanish citizens’ overall confidence in a Spain with greater hopes and awareness of its own potential, and in a European future in which the nation should play a prominent role.

The steady growth of the economy and the rigorous measures to eliminate the government deficit enabled the date for achieving this goal to be brought forward one year. Along these same lines, the Spanish government promoted a budgetary stability bill obliging all the public administrations to aim for zero deficit—an extremely important measure to prevent a contradictory situation of strict requirements for the central government but not for the regional authorities.

The increase in the price of oil and the considerable pace of economic growth caused inflation to rise excessively. The measures to liberalise the economy and stimulate competition did not yield results at quite the right time, and the year was characterised by an almost continuous stream of corporate initiatives that forced the government to be unusually active in keeping the situation under control and in guiding the liberalisation processes to prevent them giving rise to private oligopolies, and by a constant struggle against inflation.

President Aznar decided to give special impetus to Spain’s external action by means of a Foreign Service Act and by setting up a council chaired by him. This new body was intended to ensure more concentrated action, preventing, among other things, the dispersion of Spain’s economic and trade influence. This influence has been significant in recent years, particularly in Latin America, Portugal and the Maghreb countries. The minister of foreign affairs likewise recognised the close relationship between the international role to which Spain aspires and a defence effort

that will enable its armed forces to fulfil their commitments and take part in peace and conflict-prevention missions.

Spain played a particularly significant role in the initiative to hold the Lisbon summit, which had far-reaching implications, and in providing its basic content; in the support provided at the Morón and Rota bases to facilitate the United Nations' action in Sierra Leone; in continued military presence in the Balkans (Bosnia-Herzegovina and Kosovo); and in the military and civilian contribution to relief for Mozambique. Spain's role as a mediator in the Near East conflict was also recognised.

The current understanding between Madrid and London led to the settlement of one of the issues that was marring relations between the United Kingdom and Spain. The British colony's aims of attaining the status of a semi-independent territory within the EU were dashed as a result of the agreement between the Spanish and British governments recognising that the only United Kingdom has jurisdiction over this area. This agreement thus settled a thorny issue which, as well as hindering some plans, such as the idea of setting up a single area of security and justice—promoted precisely by the Spanish government—also hampered a considerable number of community issues (many apparently of minor importance such as those relating to the internal market, but which could give rise to problems affecting Spanish sovereignty) and disrupted the affairs of the European Union as a whole, in that it blocked some interesting directives. In this connection, mention should be made of the prolonged presence in Gibraltar of a crippled nuclear submarine, which caused worries in the surrounding area and one again highlighted the irksome consequences of the anachronistic and annoying presence of a foreign colony in European territory.

It is only right and fair to underline the many gestures of the European Parliament both in supporting the victims of ETA terrorism and in condemning this terrorist organisation and criticising its environment. Particularly significant was the recognition of the citizens' movement "¡Basta ya!", which was awarded the Sakharov Prize for Human Rights. Also worthy of mention is the Parliament's enthusiasm for the proposal for a European arrest warrant. This measure should speed up considerably this important aspect of the fight against terrorism, as it will enable persons charged with such actions to be tried in the country in which they have committed their most serious crime. A similar measure is the exemplary Hispano-Italian agreement to set up the first "common judicial area of justice, security and

freedom” between two community countries, establishing automatic extradition for five types of offences, one of which is terrorism.

From the defence point of view, the event of the year in Spain was the publication, for the first time in our country, of a White Paper, as until now the task of defining defence-related issues in writing had always come up against political difficulties. It is therefore a landmark achievement which reflects the maturity achieved in the conceptual and administrative aspects of Spanish defence. The open nature of this publication was stressed at the presentation, as was its usefulness in opening a debate that should enable it to be improved on in the future. The presentation of a new guidance on defence policy to the National Defence Council on 30 November should also be stressed. The main novel feature of this guidance is that it defines more specifically the current objectives of defence, which are: to safeguard Spain’s security and defence in the framework of shared security and collective defence; to contribute to humanitarian assistance missions and peace operations performed by the international organisations to which Spain belongs; and to raise society’s awareness of defence. The guidance naturally recognises that, in order to fulfil these objectives, Spain’s armed forces need capabilities that are in keeping with the requirements of the current strategic environment and allow extended sustainment of operations.

As expected, the Popular Party’s election programme included the abolishment of compulsory military service by the end of 2001, bringing it forward one year earlier than previously envisaged. However, with respect to the irreversible process of professionalising the armed forces, the Spanish government found itself obliged to seek new incentives in view of the results achieved throughout the year, since posts were not filled at the rate required in order to attain full professionalisation within the established timeframe and with sufficient guarantees of an acceptable standard of operability of the armed forces.

It should be recalled that the tight budget for guaranteeing the feasibility of the professionalisation process is cramping the desired development of another area, modernisation. It is not only hindering Spain’s response to NATO and European initiatives, which demand further improvements in the military apparatus, but even the attainment of acceptable levels required by professionalisation itself. It should also be borne in mind that the austerity of the limits imposed on our armed forces leaves little room for manoeuvre. Nonetheless, continuing along the same lines

established by the Spanish government to shift away from the tendency towards undercapitalised armed forces and to place funding gradually and sensibly on a par with the NATO countries' average, the state budget for 2001 displays some favourable changes. However, the solution to the underlying budget problem requires providing a certain long-term guarantee for the funding of the defence effort, which is currently largely entrusted to temporary sources and formulas, such as raising money by disposing of a good part of the current infrastructure.

Spain's support to Mozambique to alleviate the consequences of the serious meteorological disaster suffered by this African country proved our armed forces' organisational and logistical capability to devote their attention simultaneously to three different conflicts in three different theatres, one of them outside Europe and a considerable distance from it. However, the strict requirements of compliance with the state budget are at odds with Spain's interest in enhancing its external action and securing a more prominent role in the international arena.

The Spanish government contributed to the development of the European defence capability with concrete offers for attaining the so-called "Headline Goal", stating as a reference that it was willing to participate in the forces mustered for each particular case with a contribution of approximately 10 percent.

The beginning of March saw a significant announcement for the Spanish defence industry: a Spanish company, Bazán, was awarded the contract to build five F-85 frigates for the Norwegian navy, beating its Norwegian and German rivals. This news signified a major boost for Spanish shipyards and a certain amount of prestige.

An equally significant event was the start of the privatisation of Santa Bárbara. SEPI (the state-run holding company) was initially in favour of its being acquired by General Dynamics, since the bid submitted by this American company provided the greatest guarantees of the company's feasibility and of keeping on the workforce. This choice came as a considerable disappointment to the German company, Krauss-Maffei. Following the annual Hispano-German meeting in September, the process was put on hold to see if the German company could improve on the bid tendered by its American rival. This possibility proved unfeasible, and Germany's offer to set up a sort of Hispano-German alliance that would include the manufacture of ships and battle tanks and would thus involve Santa Bárbara and Bazán was dismissed, and the American company

strengthened its position even more by improving its offer considerably, thus leaving the solution in the hands of the highest political authorities.

The EADS, the nascent European aeronautic and defence industry to which CASA belongs, became consolidated throughout the year. It was granted authorisation from the European Commission, gained a new partner—Italy, through Finmeccanica-Alenia—and went public. Particularly satisfying for Spain was the decision to assemble the future European military transport aircraft, the A400M, at the San Pablo plant in Seville.

The United States again stressed the interest it showed the previous year in extending certain facilities at the Rota base, aware of the advantages of materialising the transatlantic link through Spain, which enjoys a truly exceptional strategic location with respect to the Mediterranean and to the Near and Middle East. A favourable response from Spain depends on recognition of this fact and calls for a new preferential relationship with Washington. The Spanish government also hopes that the renewal of the bilateral convention with the United States will establish a new framework for relations in which trade-offs “are expressed in more than strictly military terms” and that Spain’s contribution is given the due recognition and political importance that Spain’s effort deserves.

An initiative of utmost interest announced by the new defence minister is to draw up a co-operation plan with Latin America, which will focus especially on collaboration in educational and intelligence matters. It is assumed that this plan, which looks set to become one of the future focal points of our defence policy, will include co-operation by the Latin American countries in the field of military and strategic thinking and training of senior officers, and will help consolidate Spain’s initiative of establishing periodic meetings of military think-tanks and higher education establishments in the countries with which Spain has cultural links. Indeed, this project was launched with the meeting held in Madrid in 1999 at the CESEDEN headquarters. A second is scheduled for 2001 in Brazil.

CHAPTER THREE

CENTRAL AND EASTERN EUROPE

CENTRAL AND EASTERN EUROPE

By MARÍA ANGUSTIAS CARACUEL RAYA

INTRODUCTION

The geographical area analysed in this chapter is made up of a number of countries—heirs to the former Soviet system—which generally harbour grand domestic- and foreign-policy ambitions of consolidating their new political regimes.

While it is difficult to classify these states systematically into different regional groups, there are two overriding trends in this vast geographical area. On the one hand, the Eastern and Central European countries are progressing in the building of democratic political systems and free-market economies, and are calling strongly for participation in western security structures. On the other hand, other countries remain entrenched in unstable political and economic situations, particularly those bordering on southern Europe, the Caucasus and Central Asia. However, following recent events in Yugoslavia, there is a glimmer of hope that a new democratic political regime will be established in south-east Europe.

Although all the Central and Eastern European countries aspire to belong to Western Europe and to the Atlantic community, their integration into the West is not taking place uniformly or unidirectionally. In the coming years, more divergencies will be witnessed in these countries' progress towards integration into western structures. With the exception of Macedonia, those that border directly on European Union countries are politi-

cally stable and relatively developed. At the other extreme, Albania and the former Yugoslavia (except for Slovenia and Croatia) remain highly unstable, despite the changes which have taken place. Bulgaria, Romania and Slovakia are intermediate cases and could join Slovenia and the Central European countries (Poland, Hungary and the Czech Republic) on the path towards EU integration. The Baltic states display a number of special characteristics owing to their status of former Soviet republics and to their relations with Russia. Lastly, the situation of the Commonwealth of Independent States (CIS) is less stable than that of the rest of Europe. All these countries are experiencing serious economic, social and environmental problems, among others, which may trigger, or have already triggered, conflicts that are difficult to settle.

The following pages analyse developments in the political, economic and military relations of the different states and discuss different regional trends and their significance with respect to the strategies of the regional organisations, particularly the EU and NATO bodies.

THE BALTIC STATES

Lithuania, Latvia and Estonia share a clearly pro-European stance in their foreign relations, since they consider themselves culturally and historically part of Europe. In this connection, they are firmly committed to becoming fully integrated into the EU and NATO, as this would mark their definitive breakaway from Russia, with which the Baltic republics are engaged in some quarrels.

In 2000 Lithuania experienced a divide between its pro-European political elite and the progressively more Euro-sceptical population. This resulted in the return to power of former president Algirdas Brazauskas's coalition of Social Democrats in the third parliamentary elections held since this country gained its independence from the USSR.

Indeed, the government paid a high price for pursuing an economic policy that was partly driven by the country's European Union candidature and has forced Lithuanians to tighten their belts in recent years. The shut-down of the Ignalina power plant, which provides 80 percent of the country's energy, is considered a major obstacle to EU membership. Even so, the restructuring of the Lithuanian economy is attracting foreign investors and enabling the network of roads and infrastructure for rail, maritime and air transport to be developed. This also benefits Russia, with which

Lithuania enjoys good relations.

Lithuania continues to face certain problems in its relations with Latvia and Belarus. On the one hand, the risks of pollution from the new oil terminal at Buttinge, near Latvia, have upset relations with its Baltic neighbour. On the other, the trading activities of Belarussian small-scale hawkers and the purchase of electricity for which Minsk fails to pay have affected Lithuania's relations with the Slavic country.

For its part, Latvia has improved its relations with Russia on the political plane. The Russian radar station of Skrunda was closed down in 1998, and the Russians, who account for 85 percent of the population of Daugavpils, the country's second largest city, gained easier access to Latvian citizenship thanks to the referendum held in October that year. What is more, Russia is extremely interested in the development of economic activities at the port of Ventspils, which is the terminal of a Russian oil pipeline and is becoming a major pocket of prosperity in the region. Even so, Latvia has yet to finalise a border treaty with Russia. Although the talks have come to an end, the treaty has not yet entered into force because the Russian government is delaying signature. The treaty would require Latvia to relinquish for good its claims to the region of Abrene (Pilatovo in Russian), which was absorbed by the Soviet Union in 1945.

In the economic sphere, Latvia is making important macroeconomic progress with a view to joining the EU in the next few years. Factors such as the speeding up of privatisation, the overhaul of the banking sector and the reorientation of trade towards western Europe are conducive to the achievement of this goal.

Estonia, like its Baltic neighbours, is in favour of joining NATO and the EU. Estonia is taking part in the first round of negotiations with a view to EU accession. However, its membership of NATO is more complex, owing to Russia's suspicions and the complicated adaptation the Estonian armed forces are currently undergoing.

Although the country has resigned itself to never regaining the territorial areas of Petseri and Joanilinn (Ivangorod), and has given up hopes of Russia recognising the 1920 Treaty of Tartu, the two countries have still not signed the border treaty. However, it expects the reformist and liberal policies of President Vladimir Putin to signify a step forward with respect to the change-resistant sectors of the previous government.

Like the other Baltic states, Estonia is building its military forces from

scratch and therefore seeks to develop a joint military capability in the region to defray costs. In this connection, the Baltic states are shaping their forces in NATO style. Their main military assets, developed within the Partnership for Peace programme (PfP), are the Baltic Battalion (BALTBAT), the joint mine countermeasures naval squadron (BALTRON), the Baltic Air Surveillance Network (BALTNET) and the Baltic Defence College (BALTDEFCOL), the headquarters of which are in Estonia. With these measures, the Baltic states hope not only to safeguard their own security, but also to bear the weight of the responsibilities that would arise from NATO membership.

CENTRAL AND EASTERN EUROPE

The Central European countries which are NATO members—Poland, Hungary and the Czech Republic—share responsibility for the collective decisions made by the Alliance and the wish to join the EU in the near future, as they regard both organisations as the framework that provides stability and security to the whole region. They therefore consider that the two institutions should be open to new members, particularly their closest neighbours such as the Baltic states and Eastern European countries like Slovakia, Romania, Bulgaria and Slovenia, whose democratic regimes are growing progressively sound and stable.

Poland is one of the region's firmest advocates of promoting this process. Its president, Alexander Kwasniewski, has stated that "to paralyse NATO enlargement would be equivalent to questioning the logic of changes in Europe". Through reforms and historical reconciliation, he believes it is possible to overcome countries' mistrust of each other and the revanchist and even anti-European sentiments that persist in some regions of Europe and even in his country.

This message undoubtedly helped the Polish president succeed in being re-elected for a second term in the election on 8 October, in which he polled 53.9 percent of votes. In the opinion of K. S. Karol, the slogan "Poland, home for all" bolstered Mr Kwasniewski's popularity, which stemmed from several factors: first, the way he has conducted his country's negotiations on EU accession; second, his limited use of the right of veto during his loyal three-year cohabitation with the right-wing government without intervening at all in economic decisions; and third, his granting of the highest distinctions of the state to different personalities without any

type of party prejudice. The electoral defeat of the former Solidarity leader Lech Walesa, who failed to secure even one percent of the vote, also shows how the Polish people prefer a leader who represents better than anyone else reconciliation and modernity.

On the economic front, Poland has been growing steadily since 1994 and is the first Eastern European country to have surpassed 1989 production levels. The inflow of foreign investments is enabling the country to modernise its industrial structure and banking sector as well as to offset in part its flagging external accounts. However, the recent report by the weekly “Poityka” on the almost total impunity enjoyed by Polish criminal organisations and the deplorable inefficiency of Polish justice shocked the country. Although the Polish mafia do not operate at the same level as in Russia or Ukraine, Polish public opinion is starting to regard the problem as an effect of capitalism that crops up everywhere.

In the military sphere, Poland continues to strengthen relations with Germany, with which it has signed a bilateral agreement for the temporary deployment of forces. This agreement lays down regulations for the deployment of some 3,000 troops for a 30-day period to conduct military exercises, joint training and humanitarian and rescue operations. Poland and the United Kingdom signed a similar agreement in March 1999, though it was never ratified. Poland has furthermore stepped up its contacts with the USA, a country where Polish naval pilots are to be trained and which will donate equipment, particularly helicopters.

Hungary, like Poland, considers that the main problem of Central Europe does not come from the East but from within. A clear example of these problems was witnessed recently with Austria, with which the EU countries decided to slacken diplomatic relations owing the presence of the Freedom Party in the Austrian government. In the opinion of the prime minister, Viktor Orban, this had major repercussions for the European countries, which continued to maintain contact with Austria via Brussels. In contrast, Hungary had to maintain bilateral contact with this country or else it would have become isolated in Central Europe. If diplomatic relations had eventually been suspended between the two countries, not only Hungary stood to lose an important trade partner—Austria is the second largest investor in Hungary and many companies with Austro-Hungarian capital could have suffered the effects.

As a result, Hungary’s foreign policy throughout 2000 focused on three main priorities: maintaining good relations with its neighbours; integration

in the Euro-Atlantic institutions; and defence of the Magyar-speaking communities. Although the Hungarian economy was badly dented by the Kosovo crisis and by flooding, which caused serious infrastructure damage, the country's efforts were oriented towards co-operation between neighbouring countries through the Danube Committee, the only international committee of countries through which this river flows, including Mr Milosevic's Yugoslavia, in order to pull down natural barriers and stimulate trade that was physically blocked by the Balkan war. Moreover, Hungary, as the easternmost NATO member, attracts the attention of other non-members seeking Hungarian support for their candidatures. In Mr Orbán's opinion, even the Hungarians living in the Yugoslav part of Vojvodina feel more protected by the fact that Hungary is a NATO member. Although the latest report of the European Commission awards Hungary very good marks, it also highlights two fields to which the country needs to pay special attention: corruption and the social isolation of the gypsy population. Lastly, it should be stressed that Hungary is continuing to restructure its armed forces, the cost of which is expected to amount to \$138.6 million up to 2003.

The Czech Republic, for its part, faces the twofold challenge of overcoming the political instability deriving from its fragile minority government and the crisis of confidence that is preventing its economy from making the necessary recovery and may become even worse. On the one hand, the governing coalition of Social Democrats and the Civil Democratic Party may break up any moment, though the possibility of the Communist Party of Bohemia and Moravia becoming part of any future coalition seems to have been ruled out. On the other hand, industrial production and construction activity rates continued to slide in 2000. The country's GDP has fallen by as much as 2.2 percent and a considerable number of bad debts were recorded in the metallurgy, agrochemical and food production sectors. The Czech Republic's level of economic activity is furthermore heavily dependent on its main trading partners (Germany, Italy and Slovakia).

Nevertheless, the Czech Republic's progressive integration into western organisations is enhancing its prospects of stability. It is particularly aware that the true integration of the new NATO members will take place in ten years at most, as occurred with the Federal Republic of Germany after it joined the Alliance in 1955. What is more, Hungary is very satisfied with its troops' outstanding participation in international peacemaking missions, particularly in Bosnia and Kosovo, which is causing the public to perceive and value the armed forces more highly than ever before.

All in all, these three Central European countries share the view that their borders should be open to co-operation and integration, and they are accordingly working on two fronts: to increase regional co-operation with the fourth member of the Visegrad Group, Slovakia, and to promote their integration into all the western institutions.

In this connection, there is a feeling that Slovakia is a *de facto* member of NATO—although it has not yet joined the Alliance—owing to the membership of its three Central European neighbours, with which it shares a border, together with Austria and Ukraine. In addition, following the election of the new president, Rudolf Shuster, in May 1999, it has boosted relations with the western institutions and is making up for the time that was lost during the period of Vladimir Meciar, who did not precisely steer Slovakia towards the Euro-Atlantic institutions. Under the new president, the country is covering considerable ground in two crucial issues: the restructuring of the armed forces and preparations for NATO membership. What is more, Slovakia has increased its defence budget slightly in order to give fresh impetus to its military units, particularly those of the air force, and to invest in command, control and communications systems. The reforms are expected to be completed in ten years' time.

Slovakia is also one of the first countries to develop its Membership Action Plan (MAP), which is designed to make Slovakian armed forces compatible with those of the Alliance, leading eventually to NATO membership. These efforts were acknowledged in a study led by Joseph Garret, a US army general who highlighted, above all, the legislative changes concerning civilian control of the Slovakian armed forces. A clear example of regional co-operation was recently witnessed in October when the Czech and Slovakian defence ministers announced the possibility of setting up a joint peacekeeping unit which could be used under the aegis of NATO and the UN.

Bulgaria is consolidating its transition to democracy, and its government, which has guarantees of political stability until 2001, is backed by the multilateral institutions. Bulgaria can furthermore be considered a fully operative market. Although it was seriously affected by the Kosovo conflict, Bulgaria's economy is expected to grow by two percent in 2000.

As a result, Bulgaria has repeatedly stressed it is in a position to negotiate full membership of all the European forums and institutions. Its geographic position on the regional chessboard enables it to play a role of moderator in the Balkans, promoting a climate of security and stability with

all its neighbours. This policy of good neighbourly relations dates back to 26 September 1998, when an agreement was signed at Skopje (Macedonia) on the establishment of a rapid reaction Balkan force, based in Plovdiv. This multinational force, made up of troops from Albania, Bulgaria, Romania, Greece, Italy, the Former Yugoslav Republic of Macedonia and Turkey, conducted its first exercise, called "Seven Stars", in south-east Bulgaria on 27 September. On another front, Sofia recognised de facto the Macedonian language, putting an end to the linguistic dispute which had divided Bulgaria and Macedonia since 1992. Lastly, the signing of an agreement on Bulgarian electricity exports and the creation of a free-exchange zone between Sofia and Ankara confirmed the clarity of relations with Turkey.

The Romanian authorities are heading towards integration into western organisations and aim to speed up the reforms, which are more developed in political and military aspects than in the economic sphere. Indeed, Romania attaches great importance to regional co-operation under the umbrella of the two NATO initiatives—the Euro-Atlantic Partnership Council (EAPC) and the Partnership for Peace (PfP)—and also to co-operation with its neighbouring countries. Proof of this is the participation of forces from eight NATO countries and EU members in the "Co-operative Best Effort" exercise conducted in Romania between 11 and 22 September, and the role of the Central European Nations Co-operation in Peace Support (CENCOOP) initiative which includes Austria, Hungary, Slovakia, Slovenia and Switzerland. Moreover, Romania has formed strategic trilateral partnerships with the countries in the region (with Bulgaria and Turkey; Bulgaria and Greece; and Ukraine and Moldova) to address non-conventional threats to regional security, such as organised crime, international terrorism, illegal immigration and arms and drug trafficking. As for Russia, Romania considers that the Eastern European countries are better placed to convey the message to the Slavic country that NATO enlargement is not directed at any country in particular, but is aimed at enhancing security and co-operation in Europe.

In the military field, Romania has drawn up a national security strategy with its sights set on NATO membership. The strategy plan consists of two stages, the first of which involves restructuring the armed forces by 2003, reducing the number of troops from 168,000 to 112,000 and increasing the proportion of professional soldiers from 55 to 71 percent. The second phase focuses on modernising military equipment by 2007, particularly that of the rapid reaction forces and the strategic air and sea transport

capabilities, in addition to stepping up co-operation with NATO in air and sea defence. This reform was recently addressed by the chief of staff of the Romanian army and must be approved by the government.

Romania's economic situation is a trickier issue, as the country is still experiencing a serious recession owing to the delays in implementing structural reforms, which have led to tension in its relations with the International Monetary Fund (IMF). Although the country has considerable potential in terms of its diversity (agriculture, hydrocarbons and industry) and market, it has failed to attract foreign investments and still relies on public funding. Romania's short-term prospects therefore point to continuing recession and serious inflation. The recent election of Mr Iliescu, a former communist who was president for two terms from 1990 to 1992 and 1992 to 1996, more or less coincides with Romania's presidency of OSCE in 2001. Romania should make the most of its prominent role at this international forum to boost its chances of EU accession.

In short, all the Central and Eastern European countries remain set on joining the western institutions, for which they are carrying out major reforms that should not be underestimated. They are intensifying bilateral co-operation with the states in the region and regional co-operation through CEFTA (Central European Free Trade Association). Slovenia, which is increasingly moving away from the countries of the former Yugoslavia, is a member of this association.

SOUTHEAST EUROPE

Democracy seems to have finally become established on the Balkan peninsula following the appointment of Mr Kostunica as the new president of the Yugoslav Republic. However, the transition to a genuine system of freedoms will be an arduous task and many hurdles will have to be cleared before stability and security become firmly and definitively rooted in all the Southeast European states. Some of these obstacles are the persistence of religious or ethnic minorities, which can still trigger potential conflicts, and the pro-independence stance of the political leaders of the Yugoslav Federation, particularly those of Montenegro and Kosovo. These trends are absent from the northern states, which are increasingly set on co-operating with international organisations and deepening national political, economic and military reforms.

Slovenia in fact is still ahead of the other former Yugoslav republics. Unhindered by political or ethnical problems, its economy has developed, driven by the forces of the powerful Austrian and German economies. It is furthermore a firm supporter of Euro-Atlantic integration, and this stance is backed by practically all the Slovenian political forces. Both President Milan Kucan and Prime Minister Janez Drnovsek, who won the parliamentary elections on 15 October, are convinced that Slovenia meets all the requirements and military conditions for joining NATO and the EU, which should take place in 2003. Slovenia is prepared to pay the price of achieving these goals: increasing its defence budget to 2.3 percent of GNP, similar to the proportion which the new NATO members, Hungary, the Czech Republic and Poland, invest in defence.

The change of political regime in Croatia is taking place very quickly. Following the demise of Mr Tudjman in December 1999, the parliamentary elections on 3 January and the presidential election won by Stipe Mesic on the 24th, the country has emerged from its earlier isolation and has embarked on the path of reforms. In this connection, the prime minister, Ivica Racan, has relinquished Croatia's territorial claims on Bosnia-Herzegovina. He also rejects the suggestion of the leader of the Democratic Opposition of Serbia, Zoran Djindjic, of annexing the disputed Croatian peninsula of Prevlaka—which has been demilitarised and is controlled by the UN—to Montenegro. The new government has furthermore adopted measures to revive the economy, by trimming to an extent the country's massive public debt and cracking down on corruption, and is reaffirming its commitment to work with the International Criminal Tribunal for war crimes committed in the former Yugoslavia. In this connection, the Croatian police arrested over a dozen suspects on 14 September, including several generals. According to a weekly, "Globus", the tribunal also expects to try the head of the Croatian army, General Petar Stipetic.

For the time being the army is showing itself to be firmly committed to the new system of government. American support is turning out to be essential; indeed, the US Congress has authorised an increase in aid to Croatia from \$65,000 in 1995 to \$500,000 in 2000 from the fund for International Military Education and Training. In September, American and Croatian troops conducted the "Phiblex 2000" manoeuvres only a few kilometres from Montenegro. This exercise was interpreted by some analysts as a "precautionary measure" by NATO shortly before the elections in Yugoslavia.

This uncertainty is also apparent in Bosnia-Herzegovina, where the political and economic situation may worsen. The elections on 11 November showed that the two extreme nationalist parties, the Serb Democratic Party (SDS) and the Croatian Democratic Union (HDZ) are as strong as ever, while the Muslim Bosnian party suffered a resounding defeat.

As a result, it is now uncertain whether the three communities will get on in the future. Five years on from the signing of the Dayton Accords, Bosnia is still in an economic rut and ethnically divided. Despite the thousands of dollars the international community has pumped into the country and the presence of 20,000 soldiers from the NATO-led Stabilisation Force (SFOR), the country has proved unable to come up with an economic policy that can create jobs, sustain growth and attract investors. In the opinion of Madeleine Albright, it is not the conflict but corruption which has now become Bosnia's main challenge, particularly in the Srpska Republic.

Some positive trends have nonetheless been witnessed, such as, for example, the return of 30,000 displaced Bosnians to areas controlled by another ethnic group during the first eight months of the year, as compared to 14,000 or so in the same period the previous year. This return was helped by the arrest of some of the people charged with war crimes and by the effective implementation of the law on properties, though in some regions only two percent of claims have been settled.

The support of the international organisations is obviously going to be essential in the next few years in establishing co-operation between two entities, the Muslim-Croat Federation and the Srpska Republic, which are destined to get on with each other. The return of refugees will be crucial to establishing a new, feasible order in Bosnia, and the only force that can erase for good the legacy of ethnic cleansing.

Ethnic problems are also a lingering problem for the Former Yugoslav Republic of Macedonia (FYRM), which has a large Albanian minority in the west, most of whom wish to create a great Albania together with Serbian Kosovo and the Republic of Albania. Moreover, the Albanian community has increased by 40 percent since Macedonia gained its independence in 1991.

However, the Albanian parties were divided in the controversial municipal elections on 10 September, which were won by the Macedonian opposition parties that stood with Branko Crvenkovski's social democrats. According to reports by the Organisation for Security and Co-operation in

Europe, election day was marked by incidents of serious violence and intimidation and failed to fulfil many of this organisation's requirements of fairness and transparency.

Even so, the FYRM is attempting to present itself as a strategically and geopolitically crucial country to its neighbours, which have become the co-dependent sponsors of the new state. On the one hand, Yugoslavia needs its infrastructure to gain access to the Greek port of Salonika, since this Slavic country is becoming increasingly dependent on external resources. On the other, Greece and Bulgaria need Macedonia as a buffer to regional turmoil, to ensure the security of their republics. The western countries are likewise interested in a democratic Macedonia that is committed to the values of the Euro-Atlantic community.

All in all, the fragile ethnic balance of this republic and its geographical location make Macedonia a key state for regional stability. Its future largely depends on the extent to which its Albanian inhabitants are satisfied with their autonomy and on its active participation in international organisations and multilateral initiatives. In this regard, the visit of the republic's prime minister, Ljubcho Georgievski, to NATO on 27 September has helped strengthen Macedonia's ties with the Atlantic Alliance and to demonstrate it is committed to promoting security and stability in the region. Further proof of this was the fact that Skopje was the venue of a meeting of heads of state and government of all the former Yugoslav states—except Slovenia—and the Albanian, Bulgarian, Greek and Romanian leaders in October. The meeting resulted in an explicit declaration of support for all the democratic changes that are taking place in the Balkans, particularly since Mr Kostunica was elected new president of the Yugoslav Federation.

Indeed, Yugoslavia is undoubtedly witnessing a year of particularly intense political activity, since it has gone from the approval of new radical measures of Mr Milosevic's authoritarian regime to the hope of a more open and plural regime, which the new moderate nationalist leader, Vojislav Kostunica, seems to represent. Even so, the political leaders and international organisations should realise that the best recipe for addressing the transition in Yugoslavia is a good deal of patience and prudence in dealing with the issue.

The last moves made by Mr Milosevic's regime turned against him and, despite complicating the situation in Yugoslavia, they also opened the way to discussion, initiative and democracy, as the Yugoslav elections on 24 September and the Kosovo elections on 28 October drew nearer. The

election process on 23 December will be a determining factor for beginning the real transition from Europe's last standing authoritarian government to a new democratic regime.

Indeed, the last months of the Milosevic political system were marked by a number of measures that heightened the tension in relations with Montenegro, the second republic of the Federation. These included amending the Yugoslav constitution to trim the role of the federal assembly and the adoption of a new military strategy by the Yugoslav army. At the time, Mr Milosevic was thought to be playing with fire, and the West was at a loss.

Mr Milosevic aimed to use these measures to bolster his power and win the elections on 24 September. Indeed, some EU reports forecast he would be the winner in view of the division of the Serb opposition, which presented several candidates: Vuk Draskovic, the leader of the main opposition party, the Serbian Renewal Movement (SPO), presented the mayor of Belgrade, Vojislav Mihailovic, as a candidate, whereas the remaining 15 opposition parties backed the independent Vojislav Kostunica. The international community's various appeals for a united opposition were to no avail, and the opposition's expectations of winning the elections gradually faded.

As 24 September approached, the tense wrestling match between reformists and radicals ended, according to the election commission, in a slight victory for Mr Kostunica, who polled 48.2 percent to Mr Milosevic's 40.2 percent. However, the West accepted Mr Kostunica's claim of having won over 50 percent of the vote in the first round. Meanwhile, Russia did not question the opinion of the election commission, and it therefore became necessary to hold a second round on 8 October.

Various internal and external factors help explain the changes which took place in Yugoslavia and finally led Mr Kostunica to power. First, the people's discontent grew and was manifested in many riots and strikes, particularly by the miners, which were not quashed by the Yugoslav police or army. Second, the backing of the Holy Synod of the Yugoslav Orthodox Church, governed by the patriarch Pavle, for the "president elect", Mr Kostunica, undermined support for Mr Milosevic. And third, the constitutional court's decision to annul part of the presidential election unleashed the final wave of Serb liberation. The people thus stormed the federal parliament on 5 October and placed Mr Kostunica in power.

Furthermore, the international pressure, particularly from the European Union, took the form of a promise to lift the embargo on Yugoslavia if it embarked on a peaceful political change accompanied by the necessary political and economic reforms, and to support the country's return to the international community. Although the EU recognised that the final decision on a change of regime rested with the citizens of the federation, it spared no effort to strengthen and deepen dialogue with the Yugoslav civil society in order to back democratic change in the FRY. In this connection, the high representative for common foreign and security policy, Javier Solana, performed a notable task of promoting, among other measures, "city diplomacy" by holding meetings of the mayors of the Serbian towns and cities governed by the opposition to President Slobodan Milosevic.

Waiting more expectantly was NATO, which stepped up the presence of multinational KFOR troops while the presidential elections in Serbia and the local elections in Kosovo took place. The latter resulted in a win for the moderate Kosovo Albanian leader, Ibrahim Rugova, despite the new Yugoslav leader's plea for postponement of these elections owing to lack of guarantees for Serbs. Meanwhile, Montenegro continued to issue appeals for independence and has announced it will be calling a referendum on this issue before June 2001.

The work is therefore not over yet in the Balkans. Mr Kostunica, who has just formed a coalition government with the defeated President Milosevic's Serb Socialist Party (SPS), has several clouds looming on his horizon. Not only does he face the task of implementing a substantial programme of domestic-policy reforms, but he must also tighten the links with the regions of the Federation and with neighbouring countries. In this respect, Mr Kostunica has stated that he hopes to organise the state according to the Spanish model, which is flexible and decentralised. A sensible way of promoting good relations between the different entities that make up the Federation could be to seek a fresh constitutional consensus conceding Montenegro, Serbia and Kosovo equal status; an agreement with the Hungarians of Vojvodina and the Muslims of Sandjak would also have to be sought. In addition, the new government must address the succession and share-out of the assets of the former socialist Yugoslavia between the other states that emerged from its disintegration (Bosnia-Herzegovina, Croatia, Macedonia and Slovenia).

Nevertheless, Mr Kostunica's good intentions have greatly bolstered Yugoslavia's credibility in the eyes of the international organisations. The

UN has decided to readmit Yugoslavia, as have OSCE, the IMF and the Council of Europe. The EU, for its part, has allowed Yugoslavia to join the Stability Pact for Southeast Europe. The Balkan summit organised by the French presidency on 24 and 25 November was a timely occasion for welcoming Yugoslavia's return to the international community. In addition, fresh measures have been adopted that are designed to lead to national reconciliation and to laying the foundations for stability across the Balkan region.

In order for this to occur, Albania needs to play a role in the regional scene. Although it is a small country with a weak economy, Albania is making a great effort to overhaul its armed forces and forge bilateral ties with the countries in the region. One problem it faces is its ammunitions, which amount to a hefty 150,000 tonnes—three times its needs. What is more, it has yet to trim the 22 infantry divisions it had during the communist period down to seven or eight. Restructuring the armed forces will therefore require a major budgetary effort, which Albania is nonetheless prepared to make owing to the improvements in its taxation scheme. Its defence budget is expected to increase from \$40 to \$60 million. It is hoped that this will enable it to crack down more effectively on smuggling, illicit arms trading and organised crime which, in the opinion of Marko Bello, the defence minister, pose a threat not only to Albania's security but to that of the whole of Southeast Europe. According to the Albanian authorities, the armed forces should be completely overhauled within ten years.

Italy, Greece and Turkey are helping rebuild bases on their territories and to train troops. Although Albania attaches great importance to these bilateral contacts, it prefers military co-operation under the umbrella of NATO and hopes to develop its communication system with this organisation. For its part, the United States is assisting Albania through a modern radio system that meets NATO standards.

THE COMMONWEALTH OF INDEPENDENT STATES

During the course of 2000, the differences between the northern and southern CIS countries have become more pronounced, as evidenced at the Moscow Summit in June. On the economic plane, Russia showed its reluctance to establishing a free-trade zone with all the Commonwealth partners, though it maintains a customs union with Belarus, Kazakhstan, Kirgizstan and Tajikistan. Ukraine and Georgia, for their part, agreed to

conduct trade freely within the subgroup called GUUAM, to which Georgia, Ukraine, Uzbekistan, Armenia and Moldova belong. However, on the military front, only Russia seems willing to send troops to conflict zones, particularly in Central Asia, as the GUUAM is currently studying the possibility of setting up a joint peacekeeping force, which is still at discussion stage. As for political developments, relations between Russia and Belarus have been strengthened, while instability is mounting in some CIS countries, particularly those of the Caucasus and Central Asia. Let us now examine the particular characteristics of each of these republics.

The Russian Federation

Russia, a vast Eurasian territory, continues to assert its potential as a nation and to claim its status of superpower. Since the presidential election in March 2000, the political scene has been dominated by the powerful personality of the new president, Vladimir Putin, who was formerly the head of government. Indeed, the political and physiological weakness of Mr Yeltsin, who resigned on New Year's Eve in 1999, has been replaced by a reformist political leader who aims to achieve a new balance between the state institutions and powers, mainly the presidency, the Duma and the Council of the Federation, as well as to overhaul the armed forces and the economy and gain control of the media. At the same time, Russia has had to cope with major disasters that have rocked its public opinion.

Mr Putin's arrival in power has eased earlier tension with the lower house, the Duma, but has put a further strain on relations with the upper house, the Council of the Federation. Indeed, Mr Putin has the firm support of his party, "Unity", and of the speaker of the federal parliament, communist Gennady Seleznyev, who regards the new president as a statesman who wants a strong Russia. Furthermore, Mr Putin has passed an act that will considerably curb the power of the 89 regional governors in the Council of the Federation, forcing them to resign by 2002. These moves are designed to establish a vertical system of centralised power which will water down the influence of the regional governors. Some analysts have interpreted this as a return to authoritarianism in Russian politics.

The restructuring of the army is another major challenge for the Putin administration and has put the defence minister, Igor Sergeyev, at odds with the head of Russia's general staff, General Anatoly Kvashnin. Howe-

ver, the latter seems to have won the battle, as Mr Putin has followed his recommendations of promoting a well equipped, agile military organisation with considerable manoeuvrability. This reform is affecting both military commands and force composition. Indeed, the removal from office of senior defence officials in August was due, according to Mr Putin, to the “rotation of high commands”. However, this decision obviously stems from the president’s wish to step up a reform that is essential to the Russian army’s prestige and operability. In this connection, the overhaul entails trimming the army from 1.2 million to 850,000 people by 2003 and will also affect officials from the ministry of the interior, apart from personnel from the three armed forces.

However, completing the overhaul promises to be an arduous and complex task, as it will require the debilitated Russian economy to provide more financial resources for army equipment and personnel. What is more, the prospects for those who abandon the Russian forces are not hopeful, as they are ill prepared for a market economy. These factors may lead to firm resistance to the reform, which will be supervised by the government and the secretary of the National Security Council, Serguei Ivanov.

The Russian economy has in fact made a slight recovery from the serious financial crisis of August 1998. However, this has not been sufficient to attract foreign investments or the billions of dollars handled by Russian businessmen in the West, and this is greatly hindering economic regeneration. At the same time, organised crime groups continue to operate and bureaucratic corruption is still common. Even the sectors which yielded the most profits—oil, minerals and aluminium—were sold illegally to magnates for a fraction of their true value. Only Gazprom, the biggest gas exporter in the world, and the United Energy System monopoly continue to be cost effective. Mr Putin will therefore find it very difficult to sort out this mayhem.

Meanwhile, few demonstrations have been staged, as the Russians prefer to withdraw into themselves and pursue individual survival strategies. Only acts of terrorism and major national disasters have sparked public outcry and demands from the government, and the media have taken advantage of these phenomena to criticise the president. The terrorist attack on Moscow underground, the fire in the communications tower and the tragedy of the *Kursk* nuclear submarine in Moscow shook the whole of Russia.

As regards foreign policy, Russia wants its diplomacy to restore the country's status of superpower in the spheres in which Moscow's influence has waned. Russian foreign policy, which was presented in July by the foreign minister Igor Ivanov, is aimed in four directions. On the one hand, Russia is trying to maintain good relations with the countries of the "near abroad", that is, those which went from being republics of the former Soviet Union to sovereign states. On the other hand, Russia is also attempting to strengthen its relations with the major Asian powers (China, Japan, North Korea and India). The Federation furthermore aims to rebuild its relations with Eastern Europe. And lastly, Russia has resumed relations with the western organisations, chiefly NATO and the EU.

However, Russia is moving closer to these areas at a different pace. Whereas it has lost some of its influence in the countries of the Caucasus, it has boosted its role considerably in Central Asia. In the Caucasus, Russia continues to face its main problem: putting an end to the war in Chechnya. It has many reasons to want to do so, namely, Russian domestic policy (to safeguard its territorial integrity in the Caucasus); military revenge (following the Russian defeat in 1994-96); and economic interests (the issue of Caucasian oil). Despite the cease-fire ordered by the Chechen president, Aslan Maskhadov, on 23 April 2000, the fighting continued through August and Chechen pro-independence troops made forays into Dagestan. All this sparked a forceful response from Russia, which accused Georgia and Azerbaijan of allowing guerrillas to cross their territory towards the Republic.

In Central Asia, relations between the countries are developing positively on both bilateral and multilateral levels. On the one hand, the agreement between Russia and Kazakhstan on the territorial division of the Caspian sea, reached on 6 July 1998, has given way to new co-operation initiatives between the two countries, such as Kazakhstan's participation in the CIS's Integrated Air Defence System(IADS), which is also made up of Kirgizstan, Tajikistan, Uzbekistan, Armenia and Belarus. On the other, the latest summit of the Shanghai Group (Russia, China, Tajikistan, Kirgizstan and Kazakhstan), held in July in Dushanbe, the capital of Tajikistan, served to increase economic co-operation and tackle the problem of Islamic fundamentalism, as well as to reject the United States' plans to create a nuclear shield that would alter the world's balance of power.

Indeed, precisely to counter American hegemony, Russia stepped up its contact with the Asian countries during Mr Putin's tour of the region in

July. It has signed several agreements for political, educational and economic co-operation with China, one of which deals with the building of a gas pipeline to link Siberian reserves to China's most developed area, near Shanghai. With respect to strategic weapons, both countries considered that infringement of the 1972 ABM Treaty would lead to an arms race and directly opposed the United States' new plans for a missile defence system. And on 19 July, Mr Putin paid what was the first visit by a leader of the Kremlin to North Korea.

Relations between Russia and Japan are less certain. The failure of the talks on the Kuril islands reflects the "technical" state of war in which the countries have been engaged since the end of the Second World War. Despite the efforts of the Japanese prime minister, Yoshiro Mori, to recover the disputed islands (Iturup, Kunashiri, Shikotan and Habomai) and the Asian power's generous financial contributions to the area's economic development, Russia says it is still not ready to surrender sovereignty over the islands to Japan, and is making the future of the negotiations conditional upon the progress of economic co-operation between the two countries. In September, Russia and Japan signed fifteen economic co-operation agreements for the joint exploitation of the natural resources of this easternmost part of Russia. However, Mr Putin does not believe that a peace treaty can be signed before the end of 2000, as laid down in the Krasnoyarsk agreement signed by presidents Yeltsin and Hashimoto in 1997.

Mr Putin's visit to India in October served to sign a "declaration of strategic partnership" with the Indian prime minister, Atal Bihari Vajpayee. This statement not only mentions renewing political ties between the two countries, but also relaunching trade and military relations. New Delhi, which has increased its defence budget by 28 percent this year, is to purchase an aircraft carrier and 140 MIG-29 K fighters from Moscow, as well as a licence to manufacture them in India. The Indian government is also expected to finalise the purchase of 350 T-90 battle tanks to restore the balance of forces with Pakistan.

All in all, President Putin's new foreign policy is enabling Russia and other Asian nations to strengthen their strategic partnerships with the firm intention of building a "multipolar" world that limits American influence. In this connection, the Federation is prepared to press the United States to prevent it implementing the National Missile Defence (NMD) programme during the next presidency. It is particularly interesting to note that Rus-

sia's new Security Doctrine, which was passed by the Security Council on 21 April, considers that the Kremlin may exercise what used to be known by the name of the "devil's choice" during the cold war. This consists of being "first" to launch a preventive nuclear attack, even in response to a conventional threat, in the event that all the other systems used to solve a crisis should prove ineffective.

This is the Putin administration's response to the United States' wish to go ahead with its plans to install the NMD system, which would entail infringing the Anti-ballistic Missile Treaty (ABM) signed in 1972. Although the Duma ratified the Strategic Arms Reduction Treaty (START II) in April, it is not willing to exchange instruments of ratification until the US Congress commits itself definitively to respecting the ABM Treaty. Russian-American nuclear disarmament thus hinges on this treaty, since Moscow is threatening Washington to dissociate itself from disarmament if America goes ahead with the NMD programme. If, on the other hand, America respects the ABM Treaty, Russia would be prepared to conclude the START III Treaty limiting nuclear warheads to 1,500, as Igor Ivanov told the UN General Assembly in September.

But Russia knows that if it really wants to grow and regain its major power status, its future must be linked to that of the wealthiest nations, including the USA, and to the most powerful western institutions. And the opposite is also true. The western states and international organisations will give the new Russia definitive backing when the country carries out deep reforms and enhances its relations with all the countries which lie around its borders. Although Russia prevented itself being expelled from the Council of Europe over the Chechen problem and resumed economic relations with the EU, it must nevertheless continue to co-operate with the European institutions to settle this conflict and re-establish a strong, powerful economy. It is certainly not lacking in resources.

Belarus

Political life in Belarus has been dominated by the figure of the authoritarian president, Alexander Lukashenka, who was Moscow's chief ally during the organisation and holding of the parliamentary elections on 15 October. The elections were surrounded by considerable controversy. Although the Belarussians did not respond en masse to their appeal to boycott the polls, the opposition won after the voter turnout in a number of

towns and cities was less than 50 percent, the minimum required by law for an election to be valid. Nonetheless, the election commission declared that the elections were valid since over 50 percent of the electorate had voted in 82 of the 112 constituencies.

Even so, many analysts considered that the election was far from free, impartial, verifiable and transparent. The international organisations expressed a similar opinion in their statements, particularly the EU and the OSCE. Indeed, the incident reawakened spectres of the past, as a repetition of 1996 was feared, when Mr Lukashenka managed to dissolve the legislature, then dominated by the opposition, and placed his allies in Parliament.

Belarus has likewise followed a policy of rapprochement with Moscow on the economic plane, since the country depends on the willingness and, above all, on the ability of the Russian authorities and companies, particularly Gazprom, to continue to subsidise a country which represents an important strategic interest: it is a transit zone for west-bound traffic, particularly oil and gas.

Ukraine

The situation of Ukraine in 2000 was characterised by the struggle to keep internal stability problems at bay and by the pursuit of a greater international role through active participation in multilateral co-operation initiatives, particularly in the framework of NATO and the Black Sea Economic Co-operation Project. On the one hand, Ukraine foiled an attempted coup d'état mounted by conspirators who intended to topple the country's constitutional system by planning terrorist attacks on the Chernobyl nuclear power station, a gas pipeline and an artificial lake in Kiev. Ukraine also thwarted other plots to assassinate the Russian president Vladimir Putin during the CIS summit held in Crimea in mid-August. As a result, a group of plotters were arrested in the regions of Chernigov, Zaparozhye and Summi.

Ukrainian foreign policy continues to show a wish to move closer to the West through the country's participation in NATO activities, particularly the Partnership for Peace (PfP) programme. Proof of this was the conducting of the "Transcarpathia 2000" exercise on Ukrainian territory on 20 and 28 September, which was aimed at co-ordinating responses to possible floods like the ones which struck the country a year and a half ago. This

exercise followed the procedure of the Euro-Atlantic Disaster Response Co-ordinating Centre (EADRCC) and eleven EAPC countries took part.

Ukraine also co-operates at regional level with other countries, particularly in the framework of the BSEC, an initiative which arose in 1992 and became an established organisation after the Yalta meeting in 1998. Through this body, Ukraine is developing and diversifying its economic relations with other members (1). Even so, the organisation's achievements so far are considered minimum in the economic sphere and insignificant with respect to "security building". In the opinion of Yannis Vanilakis, a researcher, this is due to the economic difficulties, particularly of the CIS countries, which prevent members from committing funds to the organisation, and the lack of homogeneity of the members, who have different perceptions of history. All this makes it difficult to achieve the commitment needed to develop regional trade harmoniously and find solutions to the region's lingering territorial quarrels.

Moldova

Although not a Black Sea coastal state, Moldova belongs to the Black Sea Co-operation Organisation. The successive crises in Ukraine and Russia, which account for two thirds of Moldova's exports, have badly damaged the country's economy, plunging it into a deep recession with unsustainable debts. In addition, Moldova continues to face the problem of the separatist industrial and Russophone region of Transdniester.

The Caucasian republics

The other Caucasian republics—Georgia, Armenia and Azerbaijan—are experiencing similar problems of secession and democratic consolidation, though they are beginning to realise that common security is necessary if they are to develop their economic potential as members of western international organisations. Georgia in particular has not yet solved the problems of the nationalist regions of Abkhazia, in the north-west of the republic, Ajaria in the south-west, and Ossetia in the north. The much-announced summit between Mr Shevernadze and the president of the autonomous republic of Abkhazia has still not taken place. For his part,

(1) See appendix 1.

the president of Ajaria continues to try to form a united front with all the nationalist groups, particularly the Armenians of Javakheti.

Georgia is one of the most westward-looking countries in its foreign policy. Its objective is twofold: to seek the investments that will spur the country's economic development and to prevent it falling under Russia's sphere of influence. On the one hand, Georgia wants to develop an oil pipeline and the "Silk Route" corridor, which could link Europe directly to the Caspian region. On the other, it wishes to renegotiate the November 1999 agreement that requires Russia to withdraw from two of its four bases in 2001. Russia is opposed to this and accuses the country of becoming an access route for supporters of the Chechen rebels. Although OSCE has made several appeals for Russia to withdraw its troops, Russia wants them to remain until 2025.

Meanwhile, Georgia is working with NATO to reform and modernise its army. In fact, it is already working to conduct a military exercise in the Black Sea next year. In addition, Georgian troops are forging closer links with their Turkish and American counterparts, with whom they have carried out a demining exercise within the country together with Armenian and Azeri troops. This exercise is highly significant, since these two republics are beginning to co-operate with each other after their struggle for the control of Nagorno-Karabakh, an Armenian enclave in Azerbaijan, ended in a cease-fire in 1994.

Even so, these two Caucasian neighbours still display some differences. First, Armenia continues to be Russia's privileged ally in the region, whereas Azerbaijan has its sights set on the West. Proof of this is the signing of a protocol by Armenia and Russia, which will allow the presence of 3,100 soldiers at Armenia's Turkish border, and the proposal of Azerbaijan, the only Transcaucasian state which has no Russian bases, to set up NATO military installations on its territory. Moreover, whereas Azerbaijan has joined the GUUAM group, Armenia has not done so as it regards this initiative as an attempt to undermine Russian presence in the area. However, Armenia is part of the CIS air defence system, which, according to an announcement by the Azeri defence minister in September, will be joined by that country.

The Central Asian republics

The former Soviet republics of Central Asia—Kazakhstan, Kirgizstan, Tajikistan, Uzbekistan and Turkmenistan—continue to display a common

denominator: they are buffer states between the Afghan-Iranian and Chinese worlds. This requires them to maintain a balance between three sides: Russia, China and the Muslim countries. At the same time, most of the states are plagued by territorial, ethnopolitical and ideological problems. They are furthermore autocratic regimes, in which the figure of the leader continues to be fundamental.

This is the case of Kazakhstan, where the presidential elections that should have taken place in 2000 were brought forward one year in order to allow Nursultan Nazarbayev to extend “his” mandate beyond 2006. The country’s economic situation is improving. Kazakhstan has signed an agreement with Russia for the transport of a large proportion of its oil exports.

Turkmenistan, for its part, remains under the sway of President Nyazov and is desperately seeking to open up in order to be able to export its gas, the country’s main source of wealth, and recover from the serious economic crisis. In this connection, it has yet to sign a contract to build a gas pipeline to Turkey, and it seems that the western consortium has brought these plans to a standstill.

Other Central Asian states are sources of greater tension, particularly the Fergana Valley, which was divided among Uzbekistan, Kirgizstan and Tajikistan following the dissolution of the USSR. The fall in the standard of living and the deterioration of the economic situation in general provide plenty of fuel for ethnic nationalist strife in the region. In Tajikistan, for example, the peace agreement which put an end to the civil war is at risk, since the government has not succeeded in integrating the opposition militia into the armed forces. The start of the year saw a considerable rise in the number of killings and the power structures seem unable to control the situation. It is therefore no coincidence that there is a significant Russian presence in the country. Twenty five thousand Russians troops currently patrol Tajikistan’s porous border with Afghanistan. Amid this instability, the country continues to be financially dependent on multilateral programmes, which are helping improve its economic indicators to an extent.

Kirgizstan enjoys a slightly better situation, but extreme poverty, unemployment and drug and arms trafficking are a disruptive influence and make some regions particularly vulnerable. The Kirgiz people complain that this year over 700 Islamists have tried to cross into their country. Relations with Uzbekistan furthermore remain strained owing to the issue of control of the region of Osh.

Uzbekistan is equally concerned about the arrival of Afghan Taliban in its territory, while it is engaged in a quarrel with Kazakhstan over the exploitation of the Aral Sea. Uzbekistan reckons that the relative weakness of Kirgizstan and Tajikistan justifies its assuming responsibility for regional security, and this is not regarded as positive for stability in the area. Indeed, the size of the Uzbek community in the parts of the valley that belong to Kirgizstan and Tajikistan may make it a source of regional destabilisation.

Even so, Tajiks, Kirgiz and Uzbeks are co-ordinating their efforts to try to find a solution to their countries' problems. All three countries agreed to set up a command centre in Khodzhent (Khudzhand), in northern Tajikistan, to fight against the rebels operating in the area. These are believed to be led by Dzhuma Namangani, the leader of the Islamic Movement of Uzbekistan, who aims to overthrow President Islam Karimov and establish an Islamic state.

RELATIONS BETWEEN THE EUROPEAN UNION AND THE EURASIAN PARTNERS

Throughout 2000, the EU continued to strengthen the northern dimension of its policies, by implementing existing instruments (partnership and co-operation agreements and European agreements) and specific programmes (such as PHARE, TACIS, ETC.) at both bilateral level (partnership councils) and Community level. The top priorities of this approach continue to be transport, nuclear energy, cross-border co-operation and the fight against organised crime. A particularly significant event was the resumption of EU-Russian relations at the 6th summit meeting on 30 October. The joint declaration issued at the end of the meeting stressed the importance of this strategic partnership and recognised the need to go further, by promoting co-operation in operational crisis management. The forthcoming Nice European Council will examine how the Russian Federation can contribute to EU crisis-management operations (including civilian operations).

However, the greatest challenges for EU policies lie in southern Europe. The implementation of the Stability Plan for the Balkans is giving rise to new initiatives which should bring peace to this region of Europe for good: the final declaration of the Zagreb Summit, adopted by the heads of state and government of the member states of the Union, Slovenia, Albania, the

FYR of Macedonia, Bosnia-Herzegovina, Croatia and the Yugoslav Federation reflects the emergence of a new political climate in the region following the recent changes in Croatia and Yugoslavia. On the one hand, the latter five countries in the region have pledged to establish regional co-operation agreements in order to increase political dialogue, set up a free-trade zone and co-operate in matters of justice and domestic affairs. With the exception of Slovenia, with which the EU signed an agreement as a prior step to enlargement, the Union is to draw up association and stabilisation agreements with each of these countries, which are potential candidates for EU accession. The EU will also be launching the CARDS programme (Community Assistance for Reconstruction, Democratisation and Stabilisation) for the countries taking part in this process. The Union will earmark a total of 4.65 billion euros to this programme during 2000-2006.

All in all, the chief concern of the Eastern European countries is to join the Union as soon as possible. However, this year the accession of the EU candidates (2) has been made conditional on the debate on the reform of the Union. The Intergovernmental Conference (IGC) must, first and foremost, fill the three lacunae of the Treaty of Amsterdam (composition of the Commission, weighting of votes in the Council of Ministers, and the extension of qualified majority voting). In order to do so, the heads of state and government need to bring the IGC, to be held in early December at the Nice European Council, to a successful conclusion. The EU will then need two years for the national parliaments to ratify the institutional reform required by enlargement. In any event, to cite Günter Verheugen, the European commissioner responsible for enlargement, if these plans are delayed or fail, "we will have problems in the candidate countries". The calendar has been clearly set. The candidates will join between 2003 and 2005.

Meanwhile, these countries can contribute to the development of the Union, particularly in Common Foreign and Security Policy matters. The EU Military Capabilities Commitment Declaration, agreed on 20 November 2000, evidences the priority the Union attaches to developing the military and civilian resources and capabilities needed to implement decisions across the range of Petersberg missions. The declaration stresses that the contributions which the NATO member states and other EU candidates can make will be taken into consideration. It also states that these coun-

(2) The accession candidates are Hungary, Poland, Estonia, the Czech Republic, Romania, Slovakia, Latvia, Lithuania, Bulgaria, Cyprus, Malta and Turkey.

tries' participation in future European-led operations will be encouraged, according to the decisions of the Helsinki and Feira Councils. The Nice European Council in December will define more specifically the scope of these agreements.

NATO AND THE EUROPEAN PARTNERS

Since NATO announced its open-door policy at the Washington Summit, nine Central and Eastern European countries—Albania, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, Slovenia and the Former Yugoslav Republic of Macedonia—have been working on their respective NATO Membership Action Plans (MAP), which deal with political, economic and military aspects as well as available resources and other legal provisions.

The nine candidate countries made a collective appeal to the Atlantic Alliance at the Lithuanian capital, Vilnius, on 19 May, asking it to start negotiations for accession by 2002. The Vilnius declaration states that allowing some of these countries to join would be a success for all of them, as well as for the Euro-Atlantic community and its two pillars, NATO and the EU. In this connection, some authors object that an Alliance with a large number of members would be awkward to handle, and it would be harder to co-ordinate the positions of all the member states. They also believe that before it welcomes new members, NATO should ensure that the accession of its latest newcomers—Poland, Hungary and the Czech Republic—is successful and productive. Third, they consider that the Baltic states are too small to be useful to the Alliance and, lastly, point out that Russia, although it does not enjoy right of veto within the Atlantic Alliance, greatly influences its decisions.

These misgivings about the membership of the Baltic states are rejected by Lithuania, Estonia and Latvia, which consider they have always supported NATO's decisions on international issues and would enhance the Alliance's cohesion, by joining forces with the member states in a disciplined manner. These three countries furthermore maintain they should not subordinate their national interests to the role played by the new allied nations within NATO or to their small size, since other allied countries such as Iceland and Luxembourg are even smaller than the Baltic states. Lastly, they believe that Russian concerns should not be put before the three Baltic states' desire to join NATO, as this would make them a permanent security grey area. After all, during the cold war, the western countries

never recognised the Soviet occupation of Lithuania, Estonia and Latvia. All in all, the three Baltic states continue to call for full membership of NATO as fully-fledged allies.

Although the Alliance is mindful of these concerns, it will analyse individually the progress made by these countries and, while it advocates the “open-door” policy, continues to work on two fronts: strengthening relations with Moscow and attracting southern European countries to its multilateral co-operation initiatives.

Thanks to the Permanent Joint NATO-Russia Committee, the two sides are continuing to harmonise their doctrines and exchange impressions on the Euro-Atlantic security architecture. It is important to stress that Croatia joined the Euro-Atlantic Partnership and the Partnership for Peace in May. It remains to be seen whether Yugoslavia will join these two initiatives. If the political changes brought about by Mr Kostunica’s new regime continue, this can be expected to occur in the not too distant future.

In addition, the meetings of Balkan defence ministers continue to be held. The countries which take part in these meetings are Slovenia, Romania, Bulgaria, Albania, Greece, Italy, Macedonia, Turkey and the United States. Spain has recognised the stabilising potential of the first three countries throughout the Balkan region. Indeed, since the Washington Summit of 1999, Spain has been collaborating with Slovenia, Bulgaria and Romania in their respective MAPs.

Finally, the interests of the Atlantic Alliance also include the pursuit of stability in Central Asia. The exercise known as CENTRASBAT 2000 (Central Asian Peacekeeping Battalion), involved troops from the three Central Asian countries which make up this battalion (Kazakhstan, Kirgizstan, Uzbekistan) and forces from Azerbaijan, Georgia, Turkey, Mongolia, Russia and the United Kingdom. During the exercise the troops’ ability to conduct humanitarian and peacekeeping missions was observed.

FINAL THOUGHTS

This chapter has discussed the major political and military trends that have emerged throughout 2000 in Eastern Europe and Central Asia. The most noteworthy of these are:

- The political scene has been dominated by the holding of elections in countries regarded as “keys” to the security and stability of East-

ern Europe, particularly Russia and Yugoslavia, though elections have also taken place in Bosnia-Herzegovina, Macedonia, Slovenia, Lithuania, Poland, Georgia, Kirgizstan and Romania. As a result, some leaders, such as President Kwasniewski of Poland, have managed to remain in power, while other leaders of the “old regime” have vanished from the political scene, such as Yeltsin, Milosevic, Izerbegovic and Tudjman. Their place has been taken by new political leaders with a more reformist stance, particularly Putin and Kostanica, who will at last guide their countries along the path of democracy. There are, of course, exceptions, and other more authoritarian or nationalist political leaders retain their grip on power, such as President Lukashenka of Belarus and the leader of the Kosovo Democratic League, Ibrahim Rugova.

- Although some sources of tension in some regions of Central and Eastern Europe still persist, these countries’ commitments in security matters are generally increasing, at both bilateral and multilateral level. The Multinational Peace Force for South Eastern Europe, the Central European Nations Co-operation in Peace (CENCOOP) and the establishment of the Black Sea Naval Co-operation Group (3) are examples that reflect this reality.
- There is no single solution to all problems. These countries cannot work in isolation. They need to co-ordinate their policies, which must encourage integration. A good example of how the problem between Armenia and Azerbaijan could be solved would be for the latter to join the GUUAM. It is becoming increasingly clear that the new co-operation mechanisms will not be successful unless they bring together all the countries which can provide a solution to the conflicts that affect them most directly.

As Mary Robinson, the United Nations High Commissioner for Human Rights pointed out, “*today’s violations are tomorrow’s conflicts*”. Work must therefore continue in order to create an environment that will enable a lasting peace to be achieved.

(3) This group comprises Bulgaria, Georgia, the Russian Federation, Romania, Turkey and Ukraine. This naval force will perform search and rescue, humanitarian and environmental protection operations and will facilitate joint training.

APPENDIX 1

INTERNATIONAL ORGANISATIONS AND EUROPEAN MULTILATERAL CO-OPERATION INITIATIVES

COUNTRY	OSCE	CoE	NATO	EAPC	APP	EU	WEU	EABC	OBSS	NC	CEFTA	EFTA	CEMIN	CEI	EEA	CIS	SECI	SPSEE
Albania	X	X		X	X								X	X			X	X
Andorra	X	X																
Armenia	X	X		X	X								X			X		
Austria	X	X		X	X	X	Obs.						Obs.	X	X			
Azerbaijan	X	X		X	X								X			X		
Belarus	X	X		X	X									X		X		
Belgium	X	X	X	X		X	X								X			X
Bosnia-Herz.	X													X			X	X
Bulgaria	X	X		X	X		A.P.				X		X	X			X	X
Canada	X	X	X	X				Obs.									X	X
Croatia	X	X		X										X			X	X
Cyprus	X	X																
Czech Republic	X	X	X	X		X	A.M.				X			X				Obs.
Denmark	X	X	X	X		X	Obs.	X	X	X					X			X
Estonia	X	X		X	X		A.P.		X									
Finland	X	X		X	X	X	Obs.	X	X	X					X			X
France	X	X	X	X	X	X	X	Obs.	Obs.						X			X
FYR Macedonia	X			X	X									X			X	X
Georgia	X	X		X	X								X			X		
Germany	X	X	X	X		X	X	Obs.	X						X			X
Greece	X	X	X	X		X	X						X		X		X	X
Holy See	X																	
Hungary	X	X	X	X			A.M.				X			X			X	X
Iceland	X	X	X	X			A.M.	X	X	X		X			X			
Ireland	X	X		X		X	Obs.								X			X
Italy	X	X	X	X		X	X	Obs.	Obs.				Obs.	X	X			X
Kazakhstan	X			X	X													
Kirgizstan	X			X	X											X		
Latvia	X			X	X		A.P.		X									
Liechtenstein	X	X		X	X							X						

COUNTRY	OSCE	CoE	NATO	EAPC	APP	EU	WEU	EABC	CBSS	NC	CEFTA	EFTA	CEMN	CEI	EEA	CIS	SECI	SPSEE
Lithuania	X	X		X	X		A.P.		X						X			X
Luxembourg	X	X	X	X		X	X								X			Obs.
Malta	X	X											X			X	X	
Moldova	X	X		X	X									X				
Monaco	X																	
Netherlands	X	X	X	X	X	X	X								X			X
Norway	X	X	X	X			A.M.	X	X	X		X			X			X
Poland	X	X	X	X			A.M.	Obs.	X		X		Obs.	X				Obs.
Portugal	X	X	X	X	X	X	X								X			X
Romania	X	X		X	X		A.P.				X		X	X			X	X
Russia	X	X	X	X	X			X		X			X			X		X
San Marino	X	X																
Slovakia	X	X		X	X		A.P.				X		Obs.	X				Obs.
Slovenia	X	X		X	X		A.P.				X			X			X	X
Spain	X	X	X	X		X	X								X			X
Sweden	X	X		X	X	X	Obs.	X		X					X			X
Switzerland	X	X		X	X							X						X
Ukraine	X	X		X	X				Obs.									Obs.
United Kingdom	X	X	X	X	X	X	X	Obs.	Obs.						X			X
Uzbekistan	X			X	X											X		
USA	X		X	X				Obs.	Obs.								X	X
Tajikistan	X			X	X											X		
Turkmenistan	X			X	X											X		
Turkey	X	X	X	X	X		A.M.						X				X	X
Yugoslavia	X																	X

BSEC:	Black Sea Economic Co-operation Project (Other countries with observer status are Egypt, Israel and Tunisia)	European Free Trade Organisation
CBSS:	Council of Baltic Sea States	European Union.
CEFTA:	Central European Free Trade Organisation	North Atlantic Treaty Organisation
CEI:	Central European Initiative.	Nordic Council
CIS:	Commonwealth of Independent States.	Western European Union (A.M.: Associate Member; A.P.: Associate Partner; Obs.: Observer)
CoE:	Council of Europe	OSCE: Organisation for Security and Co-operation in Europe.
EABC:	Euro-Artic Baltic Council. The European Commission is a member and Japan an observer.	PIP: Partnership for Peace
EAPC:	Euro-Atlantic Partnership Council.	SECI: South Eastern Europe Stability Pact.
EEA:	European Economic Area	SPSEE: Montenegro, Japan, Council of Europe and OSCE; the European Parliament is an observer.

CHAPTER FOUR
THE MEDITERRANEAN

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AN OVERVIEW

2000 has been a very special year for the Mediterranean owing to developments in the different processes under way, the relationship between them and the replacement of people who have been important agents in decision making in the past decade.

Although the dark cloud that is hovering over the Mediterranean at year end does not completely obscure the rest of events, it nonetheless impairs the view of some rays of hope that have been glimpsed in these past months. The circumstances of the Middle East, particularly in the last quarter of the year, question the efforts of a whole decade. Perhaps the Barcelona Process will continue at its own pace and will not come to a halt; perhaps the other dialogues manage to achieve fresh progress; but it is clear that to prevent the evolution not only of the Mediterranean countries but of the European Union as a whole from coming to a standstill, optimism and willpower will have to overcome the pessimism of reason more than ever before.

With this aim in mind, we shall now attempt to identify positive developments in the Mediterranean over the past year; we should not examine the processes horizontally but vertically, delving deeply into events rather than scratching the surface of the strategic outlook.

This approach leads to the discovery that, despite the loss of the hope at the beginning of the year, events are following their course. Some are displaying encouraging signs—such as, for example, Jordan and Morocco, whose new rulers completed with determination the “quarantine” period of their first year. Both Abdullah II and Mohammed VI set about governing their countries as monarchs who might have shown signs of lacking the experience and criteria needed to rule a state owing to their youth, but for that very reason succeeded in introducing reforms and modernity in accordance with the best democratic values inculcated by their education.

In Syria, the feared instability and regional strife which were expected to follow the demise of the “Lion of Damascus” are so far, as in other cases, no more than speculation. The Syrians mourned the loss of their president and gave him a funeral in consonance with an historic figure of his stature. They settled the well-known power struggles which have characterised successions in the Arab world, albeit with a peculiarity hitherto unseen, but which will not take long to be repeated and surprise us in other states of the Middle East: a shift from republic to “pseudomonarchy”. This republican succession in pure dynastic style will, in time, eventually unite what today sound like us to be conflicting terms. Europe, midway between the half-heartedness of an expected farewell and the interests and benefits conceived for the future of the region, ended up singing the praises of a man who had been one of the great Arab dictators: Hafez Assad. His son Bashar was enthroned by his fellow countrymen and given the seal of approval according to the elastic yardstick with which the western world measures Arab events.

Other deaths, also of historical figures, went practically unnoticed, such as that of the former Tunisian president, Habib Bourguiba, who had been relieved of all political activities and confined to his mansion in Monastir in 1987. Scarcely a word was to be had for the man who laid the foundations of a country which has been distinguished for decades as having the most progressive of any constitution in the Arab-Islamic world.

Despite Muammar Qaddafi’s defiant attitude towards Europe’s overtures at the Cairo summit in April, Libya has gradually emerged from the isolation it has suffered since 1992. However, the lifting of sanctions has not led to the integration of the Libyan people into the Mediterranean processes. The Tripoli government continues to reject the Barcelona Process.

In the Middle East, the Peace Process has been progressively marred throughout the year. The year did not get off to a bad start. In the early months, the obstacles of the Syrian-Israeli negotiations appeared to be overcome and there was impatience to attain the promised final status for creating a Palestinian State. Progress began to come to a standstill in spring. Israel's speedy unilateral withdrawal from southern Lebanon, without consulting Syria, put a further strain on the situation. The disconcertment this sparked throughout the region took several months to show any effects, and was followed by a convergence of factors that led to the deadlock witnessed at the end of the year. These factors varied in nature: the death of Mr Assad, the Syrian interlocutor; the weakness of Mr Arafat, who failed to proclaim a State unilaterally; and internal division in Israel together with the political strength of the religious parties. All these aspects caused tension to mount in the eastern Mediterranean region until the outbreak of violence which caused the "Intifada of al-Aqsa".

This may have been the expected reaction; nobody doubted the difficulty of addressing key issues such as refugees, not to mention the sovereignty of Jerusalem. As things stand at year end, some believe the Peace Process is dead, though others are confident that this is simply the culmination of the lead-up to the proclamation of a national state for the Palestinians. An agreement of such far-reaching historic and international significance will not be achieved from negotiation; there is probably no alternative but to force and seal it "by blood and fire". Nobody will be able to see the remotest glimmer of optimism in this situation, but if we look into the distance, we will realise that the international community will not retreat as far back as the birth of this State.

At the same time, we must be aware of the consequences of this new social uprising on the Barcelona Process. It is necessary to wait some time before we can reap the fruits of the Marseilles Conference (Barcelona IV) held in November, which are currently green and unripe.

Neither are Iraq's prospects much brighter. Admittedly, some progress has been made in this country's situation and some powers have even attempted to move away from the international position with respect to the Baghdad government. However, the Iraqi people, the unfair victims of the situation, continue with their backs to the wall, awaiting internal or external changes.

By contrast, a wind of change has been blowing in Iran since February. The reformists, who gained a foothold on power, have attempted to turn

around the Islamic revolution. The Teheran government has secured a more prominent role in the Middle East process, and this will need to be analysed in depth. We will see that these developments in the most outstanding state of the Muslim world will affect the country's Arab neighbours.

THE PEACE PROCESS IN THE MIDDLE EAST

An analysis of the Mediterranean requires many factors to be studied. We have always been opposed to discussing the Middle East merely in terms of the Peace Process between Palestinians and Israelis, even though many of these factors play a part and have a bearing on the cycle of events. The Arab world of the Mashriq merits an examination from other viewpoints—economic, social, cultural, demographic, environmental, historical and even political, but from a different angle from the eternal dilemma of war and peace. However, on this occasion, the tension that has mounted in the region is considerably greater than the region is able to bear. Therefore, we must resign ourselves once again to beginning by analysing the civil strife witnessed in the past few days. When the “2000/2001 Strategic Panorama” is published, it is both obvious and logical that the reader will expect it to focus on the Peace Process, since this is the filter through which all the events of the Mediterranean basin pass.

Although it has never been easy, the Middle East Peace Process seemed to gather definitive momentum in 1999 after coming to a standstill under President Binyamin Netanyahu. Yasser Arafat had set a date, May 4th, for the birth of the Palestinian State once the issue of final status, so often postponed, had been settled. These predictions were not met. Albeit at the risk of causing even more damage to his already deteriorated leadership capability, Mr Arafat once again appealed to the patience of the Palestinian people, asking them not to proclaim a State unilaterally, as this would ruin the Peace Process. He decided to wait until the results of the Israeli general elections so as not to disappoint international mediators, whose support he had secured for his cause.

Indeed, the new prime minister, Ehud Barak, aroused hopes, even from the most incredulous and detractors of the process. Everything was conducive to a step forward. As soon as the year 2000 began, the negotiations on the Syrian-Israeli track confirmed this fresh impetus, which suggested that the process was heading for the home straight of overall peace in the region. Syria's presence in the Peace Process was not entire-

ly to the satisfaction of the Palestinian leader, who saw, after a few months, that the solution to questions such as the withdrawal of the Israeli army from southern Lebanon or the problems of the Golan Heights were diverting international attention away from his own objective.

The Palestinian question became much more fateful when Israel's unexpected withdrawal from the Lebanese security strip in May was followed by the death of Syria's President Hafez Assad in June. The international community's reaction was one of total bewilderment. The end of Israeli occupation of southern Lebanon triggered huge suspicions about Israel's true aims. It took months to understand Israel's ultimate reason for taking this step. Mr Assad, who had been suffering from ill health for years, died amid this atmosphere of uncertainty. From this point onwards all that could be hoped for was to prevent internal instability in Syria, which would have placed the region on the brink of conflict.

The Palestinian-Israeli dialogue took time to get back on track. After a series of snubs between Mr Arafat and Mr Barak, the Central Council of the PLO once again announced a date for the birth of the Palestinian State — 13 September—despite the risk of making a unilateral proclamation. This dramatic move turned attention back to the core issue of the process.

Far from providing a new opportunity, the talks that ensued merely served to highlight the differences between the two sides. Both Mr Arafat and Mr Barak had to face harsh criticism from the people they represented. The rumours of Mr Arafat's flagging leadership among Palestinians, together with the increasingly obvious disappointment of those who had placed their trust in Mr Barak, contributed to the weakening of the Peace Process. The talks ran aground at the same point as ever: return of refugees, Jewish settlements in Arab zones and the division of Jerusalem.

The international mediators from both the United States and the European Union stepped up their diplomatic efforts to a maximum. The international community thus responded to the circumstances of despair in which their actions had become entangled. Never had the external agents intervened to such an extent as in the summer negotiations. Palestinians and Israelis wielded their usual mutual accusations, blaming the other side for the obstacles to peace. Few novelties with respect to the past ten years.

The "Madrid spirit" which had crystallised the progress in mutual confidence seemed to have evaporated. The situation reached an extreme for

several days. This unfortunate situation coincided with what has been an essential element of the process up to the very end; during his last months at the White House, America's President Clinton was keen to secure a distinction before his mandate ended. He therefore gave preference to affairs in the Middle East, though this was not particularly remarkable as this had always been a priority area. He believed he would have his last chance to crown his efforts with success by persuading Mr Arafat and Mr Barak to agree to a Camp David meeting on 11 July. Latent hostility enveloped these negotiations in an atmosphere of absolute secrecy, and scarcely any details could be reported. If the meeting on American soil served any purpose, it was to enable the two leaders to meet face-to-face, but everything suggested that neither would make any concessions. President Clinton had to postpone his agenda and join the G7 Meeting in Tokyo, delegating his role to the secretary of state, Madeleine Albright, who at least managed to prevent the delegations from returning to the Middle East before the president's return.

In any event, Mr Clinton's urgency in settling the process clashed with the "question of Jerusalem", which proved to be the key to peace in the region. Not that this came as a surprise to anyone. The question had been dodged in negotiations for years, as it threatened to put paid to any understanding. The issue has been constantly distorted by the media. The major news agencies have shown no willingness to clarify stances. This has not only led to a deterioration of the talks, but has also confused international public opinion, endangering the whole of the Mediterranean. There has been constant reference to both sides' wish to make the Holy City their "capital", without explaining that this is only a half truth. When he refers to the capital, Mr Barak is refusing to divide Jerusalem—a stance which goes against the United Nations resolutions; when Mr Arafat mentions the issue, he means the part of "East Jerusalem" which the Palestinians are entitled to make their capital under the international arrangement. Mr Arafat agrees to sharing the city, to its division, but not to being given any part; rather, he demands the one established by resolution 242 of the United Nations Security Council. That is why he has rejected other alternatives and has called for the resolutions to be abided by as opposed to negotiated.

Mr Barak is entrapped by Israel's internal crisis, which had been kept quiet until only very recently. The attitude of the orthodox settlers who refuse to abandon the settlements and, what is more, to give an inch of the old part of Jerusalem has been an eye-opener for international public opi-

nion, which has been amazed to discover the fragmentation and force of the Jewish religious movement. The orthodox Shas Party, for example, withdrew its support for the executive, leaving it with a minority in the Knesset (parliament) and forcing Mr Barak to resort to the vote of Israel's Arab population, whose political position thus became more prominent.

Israeli domestic affairs have been a Dantesque spectacle in past months. The splintering of the Knesset into a host of religious parties was followed by a presidential crisis sparked by the resignation of Ezer Weizmann. To make matters worse for the Labour party, the Likud Conservative party has constantly asserted its opposition. Two facts cannot be ignored: first, that the Israeli head of state should have stepped down during the negotiations for the final status of the Palestinian State; and second, that the accusations of corruption levelled at Mr Netanyahu have not been proved, and this has enabled him to clean up his image and return to exerting pressure on the political front. This scenario has disappointed many of Mr Barak's supporters, who had previously viewed him as an opportunity to reach an understanding between Palestinians and Israelis leading to peaceful co-existence in the region. The 31 July elections were further proof that support for Labour is waning.

But if Israelis are extremely disillusioned, no less so are the Palestinians. For the second time, the president of the Palestine Authority dismissed the idea of proclaiming the State unilaterally, which was scheduled for 13 September. Palestinians and the Arab world in general were completely overcome by a feeling of powerlessness, which is progressively growing.

The most important achievement of the Peace Process evaporated amid this climate: mutual trust. This was the newest element of the process and the factor that made it different from many previous attempts. This trust had been achieved at least in the early years of the euphoria that was cut short in 1996. The atmosphere of accusations and failure to abide by the established calendar sparked off the outbreak of the "Second Intifada" or the "Al Aqsa Intifada".

On 28 September, the Israeli Conservative politician Ariel Sharon decided to enter Temple Mount esplanade, which is guarded by Israeli security forces. Nobody has dared justify this arrogant gesture, which could have no other aim but deliberate provocation. The problem, which unleashed a wave of violence that has so far claimed hundreds of lives, mostly Palestinians, has no other explanation but the internal rift of the Israeli aut-

horities. The rivalry for leadership and the difference between Mr Barak's and Mr Sharon's concept of "peace" are the true causes of this new Intifada in Gaza and the West Bank. The situation, in turn, has weakened Mr Arafat's already questioned leadership.

In this context, the most radical Arab and Israeli extremes have seized upon the opportunity to shatter the Peace Process. Perhaps the time has come to tie up loose ends. The first is the Israeli withdrawal from southern Lebanon, as mentioned earlier. This circumstance is more understandable if it is interpreted as the concentration of Israeli troops within the boundaries of its current territory. This fact has urged the gap to be filled by the rise of the Hizbullah guerrillas in southern Lebanon, who have supposedly been backed by Iran for years and are beyond Syria's control. Furthermore, in addition to the stone-throwing youths, there are the Palestinian terrorists of Hamas and Jihad, who began to procure firearms in the second half of October in areas beyond Israel's control in the West Bank and Gaza.

These circumstances have called for international mediation from all possible agents, including the Moroccan monarch Mohammed VI and the president of the Spanish government, José María Aznar, which we will discuss later on.

Mr Barak, Mr Arafat, Mr Clinton, the Egyptian president Hosni Mubarak and the European Union representative for common foreign and security policy, Javier Solana, met again at Sharm el-Sheikh in an emergency summit on 16 and 17 October. The objective was not to negotiate unfinished business but to ward off the outbreak of an open conflict in the Middle East. A few days later, on the 20th and 21st of that month, the Arab League convened but was unable to end with a unanimous position of the Arab heads of state. This setback logically did not satisfy Yasser Arafat, who went as far as insulting Mr Barak and the process as a whole.

These circumstances are not insignificant. While Jordan and Egypt condemn Israel's attacks and the trail of victims they have left, they did not show themselves to be clearly in favour of a tough policy against the Jewish state. Libya, by contrast, walked out of the meeting because no agreement was reached on a common condemnation of Israel. Saudi Arabia adopted a stance that differed considerably from its usual behaviour, involving itself considerably in Middle East events in defence of the Palestinian people, even standing up to its traditional ally, America. It should not be forgotten that no less than the third Holy City of Islam is at stake.

At the same time, the Israeli leader even took for granted that the Peace Process had died. The radical attitudes on both sides led the worst to be feared in the Eastern Mediterranean area.

Mr Barak failed in his proposal to form an emergency government with Mr Sharon, whose historical track record in the region is linked to the harsh crackdown on the Palestinian refugee camps in Sabra and Shantila in southern Lebanon. But this was not the only crack in the Israeli front, since the Labour members themselves were unable to stick together as the violence and the manner of quashing it became more extreme. The general staff of the Israeli army began to tire of this policy of “contention” pursued by Mr Barak, while the justice minister, Yosi Beilin, harshly criticised the possible decision to bring negotiations to a standstill.

Meanwhile, the United States witnessed one of the most complicated presidential elections in history. During the wait for the official results determining the new president of the leading world power, Mr Clinton continued to use his remnants of power to persuade Mr Barak and Mr Arafat to meet and return to the negotiating table. These efforts again failed to achieve any positive results.

Around the same time, the 9th summit of the Islamic Conference held in Qatar on 12 November marked an attempt at reconciling the differing positions displayed days earlier at the Arab League meeting with respect to condemning Israel. However, the agreement reached was highly ambiguous. The most radical members, Iraq and Syria, called for relations with Israel to be broken off. More moderate states like Jordan and Turkey opposed this stance. Not even Egypt managed to push through a proposal for economic support for the Intifada; this led it to abandon its moderate position a few days later and recall its ambassador in Israel.

All in all, the negotiations reached a deadlock that possibly only a much more active intervention from international players will be able to break. No Israeli leader will agree to the division of Jerusalem, since the return to Zion justifies and maintains the very existence of the state of Israel. On the other hand, for much more pragmatic reasons, the Jewish government knows it will never be able to grant the Palestinians control of Jerusalem—not even in part, because it would then be incapable of guaranteeing Israel’s security in the Middle East puzzle. It would be shameful to install an electronic system to detect infiltration into the Holy City, like the one being set up between Lebanon and Israel since the army withdrew.

Israel thus concentrated its troops and is holding on to the trump card of the Golan Heights, presumably hoping to spark a controversial decision of sending peacemaking forces, despite being apparently opposed to such a move. It is probably not the presence of foreign armies in the Middle East that concerns it, but rather the composition of these forces. The Israelis would agree to these troops being American, but they know that the rest of the states in the region would not allow this. This is precisely the opposite stance to that of the Palestinians, whose society is becoming increasingly aware that it will be difficult to survive without getting on with their Israeli neighbours. However, Mr Arafat sought the presence of a much more neutral international contingent and this is what he requested the United Nations. In Europe it was France—though Spain also expressed its wish to take an active part in such a solution should the need arise—who defended this possibility and accordingly secured itself a prominent role.

This specific issue leads us to stress the role of Spain, not throughout the whole process, as it is well known, but in this area of external action in 2000. Spain has played a major diplomatic role in the Middle East Peace Process for years. First, through Ambassador Moratinos who, though acting on behalf of the European Union, was accepted by both sides because he was a Spaniard, after other proposals were rejected. Another Spaniard with a European mission, Mr Solana, also plays an important part, though as yet there is not sufficient perspective to assess his work in the region.

However, we can discuss at length the role of President Aznar in this international issue. The head of the Spanish executive is characterised by discretion, as he has avoided taking on too prominent a role in the Middle East. This attitude has gone down very well with both sides involved in the dispute; making less noise than Mr Chirac, he has nevertheless upheld a clear and active position, promoting dialogue.

Mr Aznar's diplomatic action began with his trip to Morocco to meet the Alawite monarch Mohammed VI during the first half of May. Among other topics, they discussed giving impetus to the common Mediterranean policy.

Shortly afterwards, at the end of that same month, Yasser Arafat visited Spain, asking it to mediate in the Middle East conflict. Rather than performing this task—which is the responsibility of other European political authorities—Spain has attempted to make the most of its good rela-

tions with Arabs and Israelis. The Palestinian president had the chance to meet King Juan Carlos I, the president of the government and the minister of foreign affairs, Josep Piqué.

Some time ago Mr Aznar explained to Ehud Barak's Labour government the need to comply with the agreements according to the established timetable, since otherwise it would arouse the mistrust of the Palestinian authorities and trigger an uprising of the population in Gaza and the West Bank. The political change in Israel brought hopes that the negotiations would be resumed, though this occurred only partially as the talks came up against the same sticking-points as always.

The Madrid government scheduled Mr Arafat's visit so that it would almost coincide with that of the Egyptian president, Hosni Mubarak, in order to gain a broader view of the Middle East situation. The European summits also served to continue with the contacts with the countries more deeply involved in the region, which felt the loss of the late King Hussein of Jordan. In September King Mohammed VI paid a return visit to Mr Aznar in Madrid. Mr Aznar even travelled to Iran in October to meet President Mohammed Khatami, with the intention of getting the Iranian leader to adopt a firm but not radical stance against Israel.

Both France and Spain have blamed Israel outright since the beginning of the latest Palestinian Intifada. The two states have backed the condemnatory resolutions of the United Nations Security Council and General Assembly, clearly distancing themselves from their EU partners.

THE BARCELONA PROCESS

Of the different ongoing forums for dialogue held in the Mediterranean, the Barcelona Process and the Middle East Peace Process are undoubtedly the most important and the most advanced. Although they are separate processes, many of their characteristics make them synergetic.

The fact that they are two separate processes is due more to the international agents and to the aims of each of the latter than to geopolitical reasons. The Middle East Peace Process arose at the 1991 Madrid Conference from the obvious need to achieve a framework of mutual trust between the states in the region. It was closely linked to the world landscape after the Cold War and the Gulf War, since it was precisely the latter which evidenced the need for a new security concept with a view to

the 21st century. Security thenceforth became a conscious and determined aim of the Middle Eastern countries. This security was furthermore defined in new and different terms from those imposed by the tradition conception that was based solely on borders. Security in the Arab Eastern Mediterranean would therefore no longer be settled using new and more sophisticated weapons technology, but would have to be based on other issues, such as rectifying borders, sharing water, the return of refugees, the end of settlements and, above all, the birth of a Palestinian State that would share its territory with Israel.

At the beginning of the nineties, the two leading international actors par excellence on the world stage—the Washington and Moscow governments—were still vying with each other to mediate in the Middle East problems, though the evolution and dismemberment of the Soviet conglomerate soon put paid to Russia's chances, leaving the United States free to take the leading role. At the time, the dominating powers had no intention whatsoever of delegating or not participating in the taking of decisions to find solutions in an area of such strategic importance. They therefore arbitrated the process. In 1996, the figure of European Union Representative was created and to date this position has been held by Miguel Angel Moratinos. Neither were the European nations willing to relinquish entirely their interests in the Mediterranean, though they acknowledged the presence of Americans and Russians purely out of tradition, particularly when Moscow's sagging influence could tip the balance in favour of Israel, which was a faithful supporter of the designs of the White House. In any event, Europe's presence in the process was never intended to take the place of any of the international players; rather, it aimed to balance and complement America's intended neutrality.

Shortly before Europe joined in the Middle East Peace Process, a different but parallel dialogue had begun in the Mediterranean. This dialogue is what is known today as the Barcelona Process, as it was in that city that the first meeting of twenty seven countries, fifteen from the "north" and twelve from the "south", took place in 1995. The aim was to adopt a common Mediterranean policy through a co-operation that would take the form of a "partnership" of equals. Having signed a partnership agreement with the European Union was a requirement for joining this process. The framework was thus limited and excluded the Eastern European countries, which possessed different characteristics. Neither was the participation of the major powers envisaged. There are therefore other parallel Mediterranean dialogues (for example, that of NATO), but they all

in fact pursue a common policy based on the concept of co-operative security.

Each process runs its course in the same geographical sphere, but without adopting the artificial stance of not recognising the obvious links between them, at least as far as the two main processes are concerned. Rather than giving a detailed explanation of the dialogues that have emerged over the past decade, we will point out the salient new features of each process in 2000 and their present situation.

It is important to stress the effects of the Middle East Peace Process on the EU's Common Foreign and Security Policy. Giving substance to this policy had been a preconceived objective since the Maastricht conference in 1997. However, it was not until December 1999 that a person was appointed to transform this intention into a real action of the European Union. The former NATO secretary general, Javier Solana, was chosen for the task.

The existence of this new international post has translated over the year into a certain convergence of functions between Mr Solana and Mr Moratinos who, as pointed out earlier, is the European Union's current representative for the Middle East Peace Process. "Mr CFSP" has a much broader mission than Mr Moratinos, and it is therefore appropriate to draw a clear distinction so as to avoid confusion, though the two share some areas of responsibility, such as the Mediterranean. However, when we consider the action of Mr Solana in other geographical areas, we can appreciate the greater extension of his responsibility. Throughout 2000 a new concept has been outlined, which must be dealt with in greater depth in the future: "the European Union Arab Policy", since not all the states that make up this culture are Mediterranean. Therefore, these two foreign-policy functions are not necessarily incompatible.

The Arab Policy, which has been implemented in recent months, has led both representatives to attend international meetings designed to settle the Middle East conflicts. An example is the emergency summit held in Sharm el-Sheikh in October; Mr Solana was the European Union's main player, though Mr Moratinos was undoubtedly present in the background.

With respect to the Barcelona Process, it is appropriate to recall the ministerial conference held in Marseilles ("Barcelona IV"). The summit took place on 15 and 16 November and its objective made it particularly complex, given the situation in the southern Mediterranean in autumn. The

major contribution of the Marseilles conference should have been the approval of a Charter for Peace and Stability in the Mediterranean (common strategy planning), though this seemed impossible or at least very forced in view of the events of the “Al Aqsa Intifada” in the territories of the Palestinian Authority and all the consequences for the rest of the Arab countries. Syria and Lebanon declined to attend the Euro-Mediterranean Conference on account of Israel’s presence and because they were not totally sure that the European Union would condemn the Jewish state unanimously. Libya, although it has only enjoyed observer status since April 1999, was unclear as to whether it would attend up until the last moment. It first refused, later announcing it would be attending on the night before the summit.

The French president, Jacques Chirac, whose eagerness to play the role of master of ceremonies caused the conference to be delayed until it was France’s turn to preside over the Union, still intended the Barcelona Process to be strengthened in view of the failure of the Middle East Peace Process. This aim appeared too dazzlingly ambitious to become a reality. Indeed, in view of the adverse circumstances, the French president refrained from calling a parallel meeting of heads of state and government in addition to this conference of foreign ministers.

Security is not the only objective that will be affected by the present circumstances. The outbreak of violence in the Middle East will also undermine the plans to build an area of shared prosperity and free trade by 2010; neither will it facilitate the development of human resources or promote understanding between cultures and exchange between civil societies. Therefore, the goals on which the Barcelona Process had set its sights are now a very distant possibility.

Moving on to the Spanish example of a very different issue, this year has been characterised by the social problems arising from the new Aliens Act, which has had a “beckoning effect”. The sad result is an increasing inflow of illegal immigrants, not only from Morocco and Algeria, but also from sub-Saharan regions. These people reach the Spanish coasts in desperate conditions. The year has witnessed a huge increase in the activity of organisations that traffic in people. It seems incomprehensible that, with the Barcelona Process under way, these humanitarian problems persist, when the “north-south axis” should be a valid framework for creating confidence-building measures that help solve it.

In this connection the inefficiency of the MEDA I programme for the 1995-1999 period should be mentioned. Of the 3.435 billion euros committed to regional and bilateral aid, scarcely more than a quarter has been used. This is not only due to mistakes made in the complicated task of managing this fund, but also to the lack of economic development of the beneficiaries, which has prevented them from absorbing the money. The MEDA II programme for 2000-2006 is now running, but although the budget has been increased to 5.35 billion euros, its prospects are not very encouraging if the previous programme is anything to go by.

Returning to the French aims mentioned earlier, rather than strengthening the process, they may lead to negative consequences for the future of the European Union. If the Middle East conflict grows even worse, the United States and Russia will acquire a strength on the international scene that will render the Barcelona Process meaningless; that is why there is such insistence on the “fiction” of keeping Euro-Mediterranean co-operation afloat, despite any conflicts. Indeed, there is a committee of permanent representatives of the member states, the “coreper”. It is very likely that Europe will have to take part in peacekeeping in the region; it remains to be seen what the advantages of such an intervention are. For the time being, we are beginning to experience a financial crisis linked to the price of oil and the value of the euro has fallen considerably with respect to the dollar.

This bleak panorama even prevented the main objective of the meeting from being attained; the French minister, Hubert Védrine, eventually decided not to present the Charter of Security and Stability which foreign ministries had been working on for years. In view of the circumstances, it should come as no surprise that the conference ended with the European Union’s recognition of and support for the birth—as soon as possible—of an independent Palestinian state, increasingly further from American and Israeli positions. Even so, the document did not convince the Arab states, which, tired of this neutrality, seek a more defined and active European position towards Palestine.

If we had to sum up the outlook at the end of 2000, bearing in mind the separate developments of each of these processes, we could say that only one step forward has been taken, however paradoxical an analysis of the circumstances may seem: the international community as a whole, the moderate sectors of Israel and, of course, the Arab world have ended the millennium convinced that there is no turning back regarding the existence

of a sovereign Palestinian state. Any event that goes against this train of thought, wherever it may originate from, will seriously threaten to trigger a global conflict and will therefore have to assume the world-wide responsibility that this entails.

DEVELOPMENTS IN THE MAGHREB

Despite the difference between our Mediterranean Arab neighbours, of the Maghreb and the Mashriq, there is nevertheless a common cause that links the eastern and western points. According to this principle of cohesion (“Umma”), nothing occurring in the Middle East will fail to have repercussions on northern Africa. The reverse is also true, almost to the same extent, particularly in the case of Morocco, whose throne is occupied by a man who is not only monarch but also the “Commander of the Faithful” as a direct descendant of the prophet Mohammed. That is why the Alawite dynasty played the role of mediator in the Middle East disputes on several occasions during the reign of Hassan II, whose moral standing in the Arab world has been inherited by his son, Mohammed VI. In addition, we should not forget that Morocco has always had an important Jewish community, which makes this state specially qualified to play the part of arbiter in the Arab-Israeli conflict.

The death of King Hassan II in July 1999 ushered in a period of political transition in Morocco, which drew the attention of the whole world. The objectives set, rotation and the reconciliation of domestic forces, continued with a plan which, to an extent, had been begun by the late monarch when he surprised many by appointing the socialist Abdurrahman Yousufi as prime minister. Mohammed VI has followed the same line during his reign, creating dramatic effects such as when Abraham Serfaty returned from exile in October or, shortly afterwards, when Dris Basri, the firm-handed minister of the interior who had been responsible for political repression for years, was removed from office.

The country embarked on a period of opening that was to be decisive for its future. Since then, developments in this state throughout 2000 have been characterised by administrative reforms and political change. Modernisation in all areas is the major challenge the new monarch has faced since the first months of his reign.

In the year and a half he has held power, Mohammed VI has proved willing to show he is paving the way for a true democratic monarchy based

not only on constitutional amendment but on bolstering the rule of law. In taking this step, he has not escaped criticism from those who do not wish to break tradition or, at the opposite extreme, from those who are impatient for progress and consider that events are occurring at too slow a pace, those who demand the people responsible for past hardship be brought to justice and those who press for elections without rigging.

The monarch's eagerness for transparency extends to economic and financial affairs. Mohammed VI has carried out an audit of his father's fortune and has promised that the future privatisations will be conducted fairly.

As for the outbreaks of Islamic movements witnessed in summer, some of which were particularly eye-catching, such as the occupation of the beaches at prayer times, it is too soon to know how the new monarch will settle the issue. Hassan II had kept Islam in check by means of the very characteristics of the Moroccan throne, which combines religion and politics. But it remains to be seen how Mohammed VI will manage to make modernisation and religion compatible.

The outlook for Spain's relations with Morocco was as favourable as could be wished since Mohammed VI acceded to the throne. The young monarch is not only linked to the Spanish royal family by the personal friendship he has inherited, but furthermore, as he himself has stated, by the fact that King Juan Carlos I is his political model, more so even than the figure of his father.

Spain began a new parliamentary term in March 2000 and, according to what is becoming a highly significant tradition, the first official trip by the head of government was to Morocco. Mr Aznar visited the Kingdom of Morocco from 7 to 9 May, taking with him the foreign minister, Mr Piqué, and the government spokesman, Mr Cabanillas. This visit evidences the importance that Moncloa attaches to its relations with the Rabat government.

The salient feature of this visit was the Programme of Integrated Action for the Development and Organisation of the Mediterranean Region of Morocco (PAIDAR), which will require an investment of Ptas950 billion, on top of the 800 billion of debt which has been reconverted into private investments. The programme is designed to bolster the economy of the northern part of the country and is expected to provide a solution not only to Morocco's uncertain economic outlook, but also to the social problems

arising from unemployment, which is driving the population to emigrate whatever the price of crossing the Strait of Gibraltar or reaching the Canary Islands. Although Spain asked the Moroccan government to collaborate in solving the issue of illegal immigration, no significant progress had been observed at the time of writing this annual review. What is more, Mr Aznar had to endure prime minister Youssufi's provocative speech on Ceuta and Melilla and was reproached for the cheap labour that Spanish employers in the fruit and vegetable sector take advantage of, which is part of the problem of the clandestine trafficking in citizens.

The fishing agreement with the European Union was another sticking-point on the Hispano-Moroccan agenda, since the negotiations, at a standstill since November 1999, did not lead to a solution. Spanish fishermen kept their fleet anchored, surviving on the aid from the government and the European Union. Mention should be made of a change in the situation which will undoubtedly prove significant: for the first time, the new agriculture minister, Miguel Arias Cañete, expressed the intention of approaching the agreement by recognising Morocco's sovereignty over its waters and the needs of its fishing industry. He thus reminded Spain's fishing fleet that they have no historic right over the fishing grounds that entitles them to address the issue from any angle other than equality and a balance between the two states.

It is clear that the relationship of closeness and friendship expressed by King Mohammed VI has not yet quite found its feet with respect to the Moroccan executive.

This was the subject of the talks between the Moroccan and the Spanish monarchs during the state visit paid by Mohammed to Spain from 18-20 September, accompanied by five ministers (foreign affairs, finance, culture, justice and women's affairs). Mohammed VI expressed his concern about finding common ground, an aim still far from being realised. He spoke of the need to define a new framework for co-operation between the two governments and, as was only to be expected, asked that Spain and Morocco join forces in order to play a potentially prominent role of mediators in the Middle East Peace Process.

This statement of good intentions, which should help strengthen and deepen the historic relations with our southern neighbour, did not prevent Mohammed VI from clearly stating his position on some thorny issues, such as the sovereignty of Ceuta and Melilla and the "question of the Sahara". He did not beat about the bush, stressing that Spain lacks moral

authority over Moroccan domestic affairs—which is how Morocco views the subject of Spain’s former colony—as long as our position on the enclaves in northern Africa fails to be addressed, although the United Nations’ position on this is clear.

In short, the new sovereign brings a new mentality that will put an end to the previous regime. Mohammed VI will overhaul Moroccan domestic policy, though it remains to be seen how far the local traditional mafias will allow him to go, and it is not known whether this will be merely a superficial change. The reforms may also extend to foreign policy, though Morocco does not appear willing to abandon its carrot-and-stick policy of which Hassan II was a master in its bilateral relations with Spain. It therefore remains to establish a balance between the traditional endemic tension and the new criteria of a young monarch eager to breathe some new life into his government.

An area in which it seemed that the Moroccan monarch would go much further than normal was the “question of the Sahara”. One of the first signs of the apparent change was when a royal commission was sent to Laayoune in November last year. However, the Saharan people’s hopes were soon dashed when Morocco once again postponed the census of voters, as usual. In May Moroccans and Saharans met behind closed doors with the United Nations delegate, James Baker, as mediator. The result of the meeting was the renewal of the MINURSO (United Nations Mission in the Republic of Western Sahara) by the Security Council, which prevented an open conflict, but failed to provide any solution to the issue.

Although anticipated, in July hopes of the so often delayed referendum on self-determination faded once again, and in September the international mission was extended until the end of February 2001. The constant failure of the negotiations has ended up discrediting the United Nations, as they are drifting further and further away from the Settlement Plan the two sides signed in 1991. During the autumn, Mohammed VI set about preparing the ground for a “third way” to put an end to this historic dispute by granting the people wide autonomy though respect for “Moroccan sovereignty” and “national territorial unity”. This possibility was raised in the Berlin talks in late September and again in the monarch’s speech commemorating the twenty fifth anniversary of the Green March in November. So far, Polisario has rejected the proposal, stressing that it will opt for military confrontation rather than a political solution. Spain, for its part, remains faithful to the decisions of the UN, staying out of the entrenched Saharan issue.

Another year has thus elapsed with no progress having been made in the “Question of the Sahara”—a question that not only affects the parties disputing the territory, but the Maghreb as a whole. The Sahara is one of the main arguments that is standing in the way of relations between the governments of Rabat and Algiers. However, in view of developments in Algeria in recent years, solving his own domestic problems is greater cause for concern for President Abdelaziz Bouteflika than solving those of his neighbour. These circumstances should not be forgotten, since it was precisely this quarrel that caused the failure of the well-intentioned Arab Maghreb Union (AMU), which will be difficult to rescue without a cordial understanding between the two states which carry the greatest political and economic weight in the Maghreb region.

After years of brutal and insane violence triggered by the terrorist groups and the resulting military repression, Algeria seemed to be restored at least partly to calm following the referendum on 16 September 1999 on the re-establishment of Civil Concord. The Algerian people, exhausted by Islamic fundamentalism, overwhelmingly backed the policy of the president of the republic; in other words, they supported the bill to reintegrate repentant fundamentalists. This was followed by a number of unsettling incidents, such as the assassination of Abdelkader Hachani, who aimed to demobilise the Islamic Salvation Army (AIS), the military arm of the Islamic Salvation Front (FIS).

The year 2000 began just as President Bouteflika had predicted, without victors or vanquished, a new period of history that was to be the starting point for national renewal. However, reality has failed to live up to the good and hopeful intentions of the Algerian people. Everyone in Algeria is aware of what is unspoken: that the continuance of a latent conflict with a certain amount of permanent violence benefits the sectors that are accustomed to enjoying a pre-eminent position in politics and, of course, are opposed to allowing major reforms that would undermine their influence in society, not to mention their economic advantages. Therefore, this year may have been different from the rest, but will bear great resemblance to those to come.

The deadline for the Amnesty Law ended on 13 January 1999. It is calculated that some 6,000 terrorists who had not committed violent crimes availed themselves of the opportunity for social reintegration between the summer and the final date, leaving only 20 percent of armed Islamists. Further progress in this area was the legalisation of the FIS in this context

of reconciliation, putting an end to what has been a decade of genuine civil war. Since the deadline ended, there has been constant talk of the possibility of a second amnesty, but there is considerable division of opinion among the political circles which support Mr Bouteflika, and the differing stances of the Islamic groups have not favoured this measure.

The situation in Algeria did not prevent President Aznar from travelling to meet his counterpart in order to deepen bilateral relations between Algeria and Spain. This gesture was particularly significant bearing in mind that not only is he the first head of government to visit the country since 1992, but also, during the worst years of the internal conflict, Madrid did not close the Cervantes Institute in Algiers or its consulate in Oran. The visit took place on 17 and 18 July and was followed by another to Mauritania, thus completing the state visits to the Maghreb. It should be remembered that Mr Aznar visited Tunisia in 1999 and travelled to Morocco in May this year.

The Spanish premier had several different issues lined up. Economic affairs were the centrepiece of all the negotiations. The scanty measures to liberalise trade, which the Algerian congress approved at the end of June, have enabled the gas sector to open up. Spanish investments over the past decade have increased considerably in hydrocarbons (gas and oil), and account for 96 percent of our current supplies. The renewal of the agreement signed in 1996 will establish financial co-operation worth Ptas150 billion. Companies such as Gas Natural-Enagas already benefit from these relations, and Iberdrola, Endesa and Dragados have projects lined up.

As with neighbouring Morocco, Spain has endeavoured to follow the formula of converting Algeria's foreign debt into Spanish investment. However, this operation will take time to get under way, and will depend on future developments and on the stability that arises from Mr Bouteflika's political reforms. The time will then come to sign a treaty of friendship and co-operation similar to the ones concluded with the Latin American countries and Morocco.

Another of the issues addressed was co-operation in anti-terrorist measures. It is hoped that common objectives will be found in this field in the future. The issue of clandestine immigration was also discussed. It is important, not only because the Algerian community, together with the Moroccan community, is one of the largest groups of immigrants in Spain, but also because most sub-Saharan immigrants (particularly from Niger

and Mali) first cross Algeria, where they contact the criminal organisations that transport them to Morocco and then on to Europe. In this connection, the delicate relations between Algeria and Morocco are a hurdle that needs to be cleared.

Mr Aznar's trip merely strengthened the collaboration that has been witnessed for some time and which was specifically defined days later by the police director general, Juan Cotino. The work was performed at several meetings and was based on the principle of launching the fight against illegal immigration in African territory. Police representatives of France, Tunisia and Libya also attended the meetings. In exchange, Spain offered to train special Algerian police in combating terrorism.

As mentioned earlier, Mr Aznar also visited Mauritania. Although not a Mediterranean state, it is part of what we call the peripheral Maghreb. Its culture, halfway between that of continental Africa and North African Arabic culture, has on occasions enabled it to benefit from the Mediterranean dialogues, but also to become involved in the tensions between Morocco and Algeria, from which it freed itself some time ago, over the Sahara. Its importance for Spanish and European foreign policy currently lies in the fact that, in addition to participating in the Euro-Mediterranean dialogue, Mauritania plays a part in the NATO structure. Led by Portugal and with the backing of the United States, the Mauritanian government has come to make up one of the essential Atlantic flanks protecting the Maghreb.

During 2000, Tunisia followed the policy line adopted previously. This state makes the most of its geographic and demographic conditions, that is, the advantages of being a small territory whose Mediterranean frontage is centrally located in this sea and of having over nine million inhabitants. President Zine el-Abidine Ben Ali's third government began to serve its term at the end of November 1999. Its objectives continue to be the same as before, that is, to modernise and democratise the country, prevent the growth of Islamic movements, consolidate the economy, strengthen Tunisia's position in the Maghreb and deepen its agreements with the European Union. Tunisians are following the path towards sustained development without upheaval. President Aznar visited the country last year and the ties forged continue to strengthen Hispano-Tunisian co-operation and friendship.

An event that will go down among the vicissitudes of Tunisian history is the death of the former president, Habib Bourguiba, on April 6. His death brings back memories of events that are indelibly etched in the history of

nationalism, not only in his country but in the whole of the Maghreb. It is not insignificant that Algeria joined Tunisia, decreeing three days of national mourning for his loss.

Mr Bourguiba, who was trained in France, gained independence for his state in 1956 and was responsible for the establishment of the republic. His government was always autocratic and he tightened his dictator's grip over time; nonetheless, he provided Tunisia with the most advanced and progressive constitution that has ever existed in the Maghreb. Nobody except him in the Arab world has ever proclaimed a Family Code protecting women and granting them equal rights to those of men. He quelled Tunisian Islam and fought against it, driving those sectors to radicalism. He protected Palestinian nationalism, allowing the PLO to establish its headquarters in Tunis, and was also an advocate of the unitary Arab nation. Although ousted from power by his successor, President Ben Ali, on 7 November 1987 on the grounds of senility, he continued to make annual visits to Monastir until the end of his days. The demise of the man who was president for thirty years marks the end of one of the most important chapters of decolonisation and the self-determination of the Arab people.

Of the Maghreb countries, Libya is perhaps the one which has undergone the most changes. Not so much owing to its domestic policy as to its progressive comeback onto the international scene. The international community, including Europe, had subjected Libya, strongly underpinned by the figure of its president, Muammar Qaddafi, to isolation since 1987, when the capital, Tripoli, was bombed by the US air force. A further complication came when the bomb planted onboard the PanAm Boeing 747 exploded in December 1988 over Lockerbie, a small town in Scotland, killing 270 people, including passengers, crew and locals. During the following years until only very recently, Libya has been accused and sanctioned for encouraging Islamic terrorism in western states.

In April 1999 the Tripoli government decided to hand over the two terrorists facing charges for the "Lockerbie Case" to be tried by a Scottish court. Thenceforward the United States began to show a different attitude. Almost a year later, in March 2000, a commission from the US department of state paid an official trip to Libya in order to assess the possibility of lifting the ban on visits by US citizens to that country. The conclusion that Libya was no longer "an imminent threat" encouraged Colonel Qaddafi to expel the radical Palestinian group Abu Nidal from Libyan territory. Shortly

afterwards, on 3 May, the trial began after a year's delay, paving the way towards the establishment of normal relations with the White House.

At the end of last year, the European countries attempted to “disassociate themselves” from the sanctions that America had imposed on Libya for thirteen years. Romano Prodi, the president of the European Commission, invited Colonel Qaddafi to state his position, thus making overtures to the Arab republic. The Libyan president snubbed the European Union's offer.

The Africa-Europe summit held in Cairo in April provided a further opportunity for a rapprochement with Libya. Once again, Europe's attempts were foiled by the bizarre address of the Maghrebi leader, who did not hesitate to publicly scorn the European democracies, including Spain. Neither did he spare any disdain for the Barcelona Process. In other words, Colonel Qaddafi's eagerness to hug the limelight might have ruined Europe's diplomatic endeavours. However, despite the criticism, Europe's leaders put them down to the bedazzlement suffered by the Libyan president on his comeback to the world stage.

Although he ruled out the possibility of visiting Libya, Mr Aznar nonetheless remained confident of being able to hold talks with the intermediate Libyan authorities, who do not generally display eccentric attitudes. Indeed, in mid-June the Spanish foreign minister, Josep Piqué, held a meeting in Madrid with his Libyan counterpart, Abdel Rahman Mohammed Shalgam, with whom he was able to discuss plans for enhancing economic and trade relations between the two states in the future.

The Libyan president has clearly turned his gaze towards Africa during these years of isolation, apparently losing interest not only in Europeans but also in the Middle East Peace Process. Colonel Qaddafi has changed his foreign policy and currently seeks to exploit his role of “unifier” and “bridge” in the pan-African context, as inferred from his address at the Organisation of African Unity (OAU) held in Togo in July.

His stance towards the Barcelona Process shows the same signs. For months, Colonel Qaddafi complained more about Europe's decisions than Israel's presence, and about the imposition of European decisions. It has been mentioned earlier that after saying for months that he would not be attending the Marseilles conference, he changed his mind on the eve of the event.

Lastly, mention should be made of Egypt; despite its special geographic location in northern Africa, it is well known that the country's past and present development is more closely linked to the Middle East. Nonetheless, at times it has shown interest in joining the Great Maghreb, but owing to the scant success of his union, no opportunity has arisen for furthering this foreign-policy objective.

The Egyptian government was mentioned earlier in the context of the Middle East, which is more appropriate to its leading role in Arab diplomacy. It is no coincidence that the headquarters of the Arab League are in Cairo.

President Hosni Mubarak's stay in Madrid from 29 to 31 May 2000 completes the account of the series of visits exchanged by Arab heads of state and the Spanish government. The main purpose of the visit of the Arab leader was to discuss the Middle East Peace Process, precisely at such a critical time as the wake of Israel's withdrawal from Lebanon. The Cairo government has always played a significant role in regional events, but this year it has acquired a special prominence. The powerlessness of the habitual international mediators has turned the attention towards Egypt, a country on which Israel has pinned some hopes of an understanding. For the same reason, the Arab community is turning to Spain as a link with the European Union. Not only the Madrid and Barcelona conferences, but also the friendship that unites King Juan Carlos I and the rest of the royal family with other Arab royal families such as those of Morocco and Jordan, and even with Yasser Arafat, have endowed the Madrid government with very considerable possibilities of arbitrage that are far from Spain's own interests.

Economic aspects of bilateral relations were also discussed during Mr Mubarak's visit. The most important—though not the only—matter was Spain's participation in the construction of a high-speed train in Egypt. Mr Aznar mentioned Spain's interest in improving and increasing investments in the Arab country. Culture was also a feature of the visit, since the trip coincided with the commemoration of the fiftieth anniversary of the Egyptian Institute of Islamic Studies in Madrid. The Spanish foreign minister, Mr Piqué, paid a return visit as part of his tour of the Middle East in July.

The general election held in Egypt on 5 November resulted in a win for Mr Mubarak.

IRAQ AND IRAN

Neither of the two is a Mediterranean country; indeed, Iran is not even an Arab state. However, although the course of events in these countries may have a history and identity of its own, there is no doubt that they are also characterised by their connection with the events of the Mediterranean Middle East and their political influence on them.

It is unnecessary to give any explanation of the circumstances and consequences of the international embargo imposed by the United Nations almost a decade ago. In this connection, 2000 was scarcely an exception to previous years.

Although they are no longer a novelty or a front-page feature in newspapers, Britain and America have continued with their air strikes, which have caused civilian casualties since they were resumed in December 1998. Far from weakening, the Iraqi government has progressively bolstered itself in all areas, contrary to the predictions of the international community. On 8 November, Egypt established diplomatic relations with Baghdad. As we take stock of the year, it is too early to be able to appreciate how this step will affect Iraq and the region as a whole, but the significance of this decision should not be overlooked, since, as we have stressed earlier, this breakthrough made by Cairo may encourage other Arab nations to follow suit. At the same time, we should not forget that the United States is proving incapable of settling the Arab-Israeli problem and this is discrediting it in the eyes of the Middle East. And indeed, there can be no doubt that Saddam Hussein will not waste the opportunity to harangue and stir Arab nationalism once again, in an attempt to steer it towards triggering reactions in other countries and making the most of this.

If anyone has benefited from the enmity between Iraq and the United States it is Iran. The balance of power in Central Asia has always been an unfathomable mystery. It is no use recalling the Washington government's alliances with its loyal Saddam Hussein when the heated Iranian revolution led by Khomeini was spreading all around twenty years ago. Now the balance has tipped the other way. The feared Baghdad government has become the focus of attention of those who dictate the world order.

Teheran has restored its regional power throughout 2000 owing to the international community's positive view of the country's internal renewal. In a united front, the union of reformists snatched parliamentary control from the Conservatives. The Iranian people expressed their support for the

political opening led by President Mohammed Khatami since his previous term in office. However, this fact should not be interpreted as the disappearance of the Islamic policy line, since Iran is not willing to import a model from another civilisation. But neither does it mean that the consolidation is not going to curb radical fundamentalism, although the conservative Ali Khomeini continues to hold the office of Guide of the Revolution.

The Islamic Republic is heading for a more pluralistic system in which even the handful of opposition parties will find a place. This will allow the political development of Iran, which will not only be reflected in the state itself but in its foreign presence.

A few days after the electoral victory of the Participation Front, the United States conveyed to the Iranian president its interest in speeding up the normalisation of diplomatic relations between the Washington and Tehran governments, which had been severed in 1980. Without alluding directly to America, Iran maintained the stance already announced by Mr Khatami in his address to UNESCO at the end of October 1999. The initiative was therefore not greeted with much enthusiasm by Iran, which wants more gestures of confidence in practice and fewer laudatory declarations. The range of the foreign relations maintained by these two major powers leads them to clash over a number of international quarrels (Turkey, Israel, the Kurdish problem...), which will be dealt with later on.

The European Union established relations with Iran in 1997. Indeed, the Iranian president, who attaches particular importance to relations with Europe, is keen to forge closer links. Iran's main trading partners are Germany, Italy and France, which the Iranian opposition in exile has often accused of a "democratic masquerade", for pursuing relations with a country that displays huge reservations with respect to the United Nations Declaration of Human Rights.

The winds of change in Iran have attracted the Madrid government, leading Mr Aznar to decide to visit President Khatami from 22 to 23 October. The head of the Spanish executive had several topics of negotiation lined up regarding Europe's situation since autumn. Oil prices were the chief issue, and Mr Aznar managed to persuade the Iranian president to promise to intervene in OPEC to get it to accept prices of under 31 dollars per barrel, and also obtained an agreement on preferential treatment for Spanish businessmen. In exchange, Spain will support the Asian republic's membership of the World Trade Organisation.

Another topical issue at the time concerned Iran's alleged support for the Islamic guerrilla, Hizbullah, though the Iranian president passed this off as a Lebanese movement that has nothing to do with Iran. However, both leaders managed to join forces against the problems arising from terrorism and drug trafficking.

But the main topic on the diplomatic agenda of the meeting between the two leaders was related to the continuous human rights violations and the situation of women. Mr Aznar clearly expressed the European Union's unease and got Mr Khatami to sign a statement at least stressing the importance of the cultural and ethical values of societies and alluding to human rights as the universal principles for understanding between nations. It should be recalled that only a few days previously, Mr Khatami had proposed eliminating Israel totally as a solution to the Middle East conflict.

THE OTHER "MEDITERRANEAN" STATES: TURKEY, GREECE AND CYPRUS

Turkey has always been a "bridge"—geographically, politically, economically and culturally. During the cold war, the United States and Europe made a point of taking care over their relations with this republic. Turks and Israelis played an important role in the security of the Mediterranean vis-à-vis the Soviet bloc.

Following the change that occurred in the international context in the nineties, these two states are no longer regarded as the focus of attention of the western world. However, this perception is mistaken. Israel can continue to play an important role in the Middle East as an economic partner that can facilitate the growth and movement of the finances of its Arab neighbours, but in order to do so it will have to put up with a sovereign Palestinian state and a global peace in the region. Rather a complex issue, as we have seen.

Turkey, for its part, can also contribute essential elements: it belongs to the Atlantic Alliance, it is located between the Mediterranean, the Black Sea and the Caspian and is a transit zone for major energy resources (gas and oil); it is also an enclave of great geostrategic value between the Balkans and the Middle East... However, it should be recognised that the Ankara government has had good reason to feel irked by its relations with the European Union up until very recently.

Turkey has always opened its doors when Europe has come knocking at them, though it has not received the same treatment. Turkey has had to bear the weight of incongruity over the past decade. It has witnessed how its help was sought in security issues and, at the same time, how it received nothing in return with respect to economic and cultural aspects. In December 1997 the European Union denied it the means of becoming a full member and offered it a consolation prize—participation in the European Conference. The government of Mesut Yilmaz, which was in power at the time, interpreted this attitude as a national insult. All kinds of arguments have been put forward to justify the exclusion of the Turkish regime until the Helsinki summit in December 1999 gave the go-ahead to its aspirations: it is considered a candidate for European Union accession, although no set date has been established. In this respect, 2000 has been a year of novelty for the Turks.

In the industrial sector, Turkey had been a member of the Customs Union for five years. Its economic development is greater than that of some of the Eastern European countries, though it will have to take measures to comply with the criteria of the Copenhagen conference. Its political system is striving to be democratic, though the terrorism it has had to deal with in recent years, particularly the Kurdish groups and Hizbullah, have led the government to take a more radical stance in some areas. The coalition of centre-right and right wing social democrats which won the elections in April has afforded the country greater stability. The opposition included religious but non-fundamentalist sectors. Respect for human rights remains an unresolved matter. So is the separation of the military from politics as the democratic reforms take place.

The Spanish government has supported Turkey's wish to join the European Union. Both countries, at opposite ends of the Mediterranean, have been characterised over the past decade by their promotion of closer relations between Mediterranean states. In this respect, it seems incomprehensible that Turkey, which, more than any other country, embodies both the Muslim and the western worlds, was not given a part in the Euro-Mediterranean dialogue, while its European candidacy was pushed to a side. The results of Helsinki aroused huge interest in that country's taking an active part in the Stability Plan for the Mediterranean, which should have been successfully completed at the Marseilles Conference. In this regard, the Republic of Malta was also impatient to take part in the processes under way in order to move closer to the two Mediterranean shores.

But Turkey still has to resolve many other internal and external matters in the eastern Mediterranean region and with its Arab and Asian neighbours. Of all the quarrels it needs to settle, perhaps the issue of Cyprus is one of the trickiest. The United Nations have already stated their opinion on this case, deciding to set up a bizonal and bicomunal federation in the Republic of Cyprus. Although there are other important external problems, this one is of vital significance, since for a long time it has hindered relations with Greece, which endeavoured to veto Turkey's accession to the European Union. Apart from this unsettled quarrel, the other existing diplomatic ties between the two states are not so conflicting. Indeed, their relations have taken a new turn since Helsinki—Greece now regards Turkey's membership of the European Union as an opportunity to solve tension in Cyprus. It will also give Cyprus the chance to negotiate its own candidature.

As for Greece, Cyprus is not the only foreign-policy imbroglio. There are also problems with the Republic of Macedonia, whose denomination as a state constitutes a "casus belli" for the Athens government.

On a completely opposite note, Greece has settled its difference with Spain definitively, precisely this year. The rapprochement began with the visit of Don Juan Carlos and Doña Sofía to Greece in 1998. Later, prime minister Costas Simitis's trip to Madrid and Mr Aznar's visit to Athens on 7 June have largely smoothed the difficult path that had characterised relations between the two governments since 1982. Spain and Greece are currently attempting to settle their misgivings in the framework of the European Union, but as one of the many situations that arise within a unit that faces enlargement and the existence of big states versus smaller ones.

Lastly, returning to Turkey, it should be said that there has been tension with Iran, but more diplomatic than military. These tensions stem from the support the Shiite republic has shown for the radical religious movements in Turkey.

Where considerably more serious complications have arisen is between Ankara and Damascus. The problems are derived from the dams built on Turkish territory, which prevent water from the river Euphrates reaching Syrians. In view of these circumstances, the Syrian government reacted until the end of 1998 by supporting the terrorism of the PKK (Kurdistan Workers' Party), which operated in Turkey and was harshly repressed by the government. Relations between Turkey and Syria have progressively "improved" since the Kurdish leader Occalan was expelled from Syria and subsequently arrested and tried in Turkey.

The issue does not end here; indeed, it is considerably wider, as it also casts a shadow over Turkey's relations with Iraq, since the autonomous government of Kurdistan has become a money of exchange in the Asian region. The situation goes back a long way, though it took on particular significance at the beginning of the nineties. This territory was established between three regions of Iraq following the Gulf War and is guarded by United States and British aircraft (preventing normal air traffic over Turkey). This "democratic experiment" has led to an internal division. One side is under the sway of the Democratic Party of Kurdistan (PDK) and the other is controlled by the Patriotic Union of Kurdistan (UPK), though they identify themselves as part of the federal state of Baghdad, despite the "ethnic cleansing" that the Saddam Hussein regime appears to be carrying out. These Kurdish parties, in turn, have distanced themselves from the PKK.

Turkey, for its part, does not want to know about the issue, as it fears the situation may repeat itself on Turkish territory. And Iran could be supplying weapons to the so-called autonomous government of Kurdistan on Iraqi territory, egging on what was its rival in the eighties. There are thus many issues to be settled in this entangled knot of governments and peoples in the Asian region.

CHAPTER FIVE
IBERO-AMERICA

IBERO-AMERICA (*)

By MARCELINO DE DUEÑAS FONTÁN

GENERAL COMMENTS

There is no doubt that Ibero-America is set to occupy a prominent position in the world in the not so distant future. The nineteen countries whose culture is inherited from Spain and Portugal make up a group of peoples who, after one and a half centuries of misgivings and border disputes, appear more willing to give in to the centrifugal forces that should condition their history and lead to much higher levels of stability and prosperity.

Ibero-America has a very considerable human and economic potential. Despite its nearly 500 million inhabitants (twelve and a half times Spain's population) and 20 million square kilometres (39 times the size of Spain), it has a population density of only 24.5 inhabitants per square kilometre, that is, a third that of Spain. However, its high rate of demographic growth will lead Ibero-America to triple the population of its powerful northern neighbours within not too long.

In the economic sphere, the Ibero-American countries have so far been unable to exploit fully their wealth of natural resources; nor have they managed to extend the benefits of these resources to the most underpri-

(*) Translator's note: The IEEE opted for this term rather than the more commonly used "Latin America" in order to reflect the Iberian peninsula's special links with those countries.

vileged sectors of society to a desirable degree. The advent of the 21st century will no doubt lead to the disappearance of dictatorships and the strengthening of political systems based on firm, democratic convictions that should guide them towards the levels of justice and social wellbeing that befit a great continent.

The major social inequalities, the widely differing socioeconomic structures, the presence of a large number of ethnic groups—a considerable number of which are excluded from society—the political instability of many of the Ibero-American countries and, indeed, a number of adverse effects of globalisation herald a rather uncertain future. However, the inheritance of a common culture from Spain and Portugal and the progressive opening to democracy and market laws, the enormous determination of these peoples who have proved and continue to be capable of overcoming the harshest adversities, and the positive example they may note in other areas of the world where major concentration processes are under way, suggest that the overall view of Ibero-America should not necessarily be pessimistic.

This chapter aims to study the current situation and the most significant events of the Ibero-American countries in 2000. It thus begins with a brief analysis of the geostrategic situation, including a special mention of the Colombian conflict, followed by Ibero-American integration and foreign relations. It goes on to study *political* and *economic developments* in the Ibero-American countries and their *military effort*. The following sections deal with the *10th Ibero-American Summit* and *Spain and Ibero-America*, ending with some *final remarks* on the subjects addressed.

GEOSTRATEGIC SITUATION

The nineteen Ibero-American countries are divided into three zones. Mexico is located in North America, somewhat distanced politically and economically from the rest on account of its ties with the neighbouring United States and Canada. Eight nations (Guatemala, Honduras, Nicaragua, El Salvador, Costa Rica, Panama, Cuba and the Dominican Republic) make up Central America and the Caribbean. South America is divided into two subzones: the countries of the “enlarged” Common Market of the Southern Cone (MERCOSUR) (Brazil, Argentina, Paraguay, Uruguay and Chile) and the Andean Community of Nations (Bolivia, Ecuador, Colombia, Peru and Venezuela).

Ibero-America is hugely diverse. Owing to their origins, there are 18 Hispanic countries and only one is Portuguese speaking. The reason for this undoubtedly lies in the differences between Spain and Portugal with respect to the degree of political and administrative decentralisation of their colonies from the 16th century up to the 19th century, when all the countries gained their independence.

There are also major differences in size and population between countries such as Brazil, Mexico and Argentina, and others like Costa Rica, Uruguay or Panama, which, despite their relatively small territories and scant population, managed to maintain separate identities as nations.

The countries with the largest frontiers are Argentina, which borders on another five (9,000 km); Brazil, which borders on seven in addition to the three Guyanas (7,400 km) and Chile, which borders on five (6,300 km).

Of the 19 countries, six have Atlantic coasts (Argentina, Brazil, Cuba, the Dominican Republic, Uruguay and Venezuela), four have Pacific coasts (Chile, Ecuador, El Salvador and Peru), seven have both Atlantic and Pacific coasts (Colombia, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua and Panama), and two are land-locked (Bolivia and Paraguay).

Apart from the civil war which has been draining Colombia of its very lifeblood for years, the overall situation is one of relative stability. According to the latest studies drawn up by the conflict-prevention centre (Washington D.C.), there has been a marked decline in conflicts in the area.

It should nonetheless be remembered that there are important risk factors whose significance cannot be ignored. The main ones are terrorism, guerrillas, self-defence groups, the connections between guerrillas and self-defence groups, and drug trafficking. The related agents that generate violence often resort to extortion and kidnapping to finance their illegal activities.

Many of the aforementioned activities are controlled by, or linked to, international organised crime. This is generally true of those related to drug trafficking, money laundering, consumption of psychotropic substances, the cultivation of, and illicit trading in, chemical precursors (for refining drugs) and illegal arms dealing. In the view of the countries which suffer the effects of the foregoing, all these activities can be attributed to some extent to the developed countries. Cracking down on these activities is therefore much more delicate and much more difficult, since although their influence on health and even on national sovereignty is recognised, they

often provide substantial injections of cash into considerably impoverished economies, and it is therefore hard to replace them with other activities, which do not yield anywhere near the same amount.

The proceeds of drug trafficking are put at 300 billion dollars annually, and some 120,000 hectares are reckoned to be set aside for growing drugs. The large coca plantations of Colombia, Peru and Bolivia account for much of this area, while poppies are found only in Colombia and Peru. And the laboratories where the drugs are made are located in Mexico (synthetic drugs, cocaine and heroin), Colombia (cocaine and heroin), and Peru and Bolivia (cocaine).

There are two clearly established routes for cocaine and heroin trafficking: to the United States, mainly from Mexico, but also from Peru and Colombia via Ecuador; and to Europe, mainly from Colombia and Brazil (also a country of transit).

Furthermore, countries such as Mexico, Colombia, Guatemala and Peru suffer the scourge of paramilitary militia or rebel forces.

Security problems drastically diminish the effectiveness of social aid. More important still, they create an instability that transcends borders. Today's threats are more diffuse than those of two decades ago. There is no longer a cold war and internal, bilateral and border conflicts have almost or completely ceased to exist. However, there are still sociological, ethnic and cultural risks that require international co-operation in security matters.

In this respect, the influence of the United States is evident. The Ibero-American countries harbour many misgivings about accepting military aid from the United States to settle their own conflicts. Therefore, any assistance should be multinational. With respect to the conflict in Colombia, it seems that Spanish participation in any multinational force that could be set up, in view of the outstanding role Spain played in El Salvador and Guatemala, would be firmly supported by the countries in question.

Economic stability obviously entails security. Perhaps for this reason the United States is launching initiatives designed to contribute to the development of Ibero-America, in order to secure a southern "hinterland" that will ensure stability on the continent. The European Union—and, within it, Spain and Portugal should be Ibero-America's guarantors—can likewise help develop this region with which, apart from the obvious sentimental ties, it should come to establish a future co-operation that can be highly beneficial to both parties.

The conflict in Colombia

The two existing guerrilla groups, the Revolutionary Armed Forces of Colombia (FARC), of Marxist-Leninist leaning, and the National Liberation Army (ELN, of much lesser significance), Bolivarian in ideology, are stronger than ever before and are holding the country in the grip of civil war. Over the past few years they have repeatedly defeated the government forces and control 60 percent of the country.

Convinced it is impossible to defeat the rebels in the battle field, the government of the conservative president, Andrés Pastrana, has decided to grant the FARC guerrilla the administration of a moderately populated demilitarised zone (*zona de despeje*) in the south of the country in order to facilitate negotiations for a cease-fire and, eventually, a peace accord. This area is rich in oil, coffee, emeralds and opium plantations. Through extortion, the FARC obtain estimated annual revenues of millions of dollars. This enables them to make substantial investments in personnel, hiring new recruits, and materiel; indeed, they have better weaponry than the Colombian army and can also pay better wages.

Meanwhile, the year 2000 witnessed a series of killings, kidnappings and extortion, for which mainly the FARC were responsible. Some examples of the foregoing are: the abandonment of Colombia (11 March) by journalist Pancho Santos, the promoter of the “No más” (No more) movement, after receiving death threats; the kidnapping (for 14 months!) of the Spaniard Enrique López Franjo, who was freed on 15 April after an agreement was reached with the government; fighting between guerrillas and paramilitaries at the Cárcel Modelo (prison) in Bogota in April, which ended with a death toll of 27; the murder of Elvia Cortés in May using a collar-bomb; the vicious attack on the villages in south-east Colombia in mid-July, killing 45 and injuring 29; the kidnapping of a nine-year old girl (Clara Oliva Pantoja Mahecha), for which the FARC claimed responsibility, on 17 July; the attack on Chocó in early August, which claimed 16 lives; the death of two girls in the Caribbean town of Carmen in Bolívar department after a bomb exploded on 18 August; and the kidnapping of a Spanish couple, Eduardo Sitges and Angela Vanegas, who were freed on 24 September. This macabre selection of events is bound to continue increasing to the end of the year.

The ELN, for its part, has been pressing the government to agree to demilitarise an area of Colombia. At the end of April, President Pastrana

agreed to grant it a five thousand square kilometre *zona de despeje* in the north for nine months, to facilitate the holding of peace talks. However, the talks, which began in Geneva in July, have so far failed to yield any positive results.

The ELN also has a track record of acts of violence committed in 2000. These include the kidnapping of cyclist Oliverio Rincón (freed on 30 January); the kidnapping on 10 August of 22 researchers who were conducting an environmental study in the north-east of the country; the kidnapping on New Year's Eve 1999 of the Spaniard Ángel Blanco Vázquez, who was freed on 28 August; and the kidnapping in September of the Spanish Jesuit Alejandro Matos, who was held for a week. Once again, this is but a small section of a sinister list that seems to be endless.

The so-called United Self-Defence Forces of Colombia (AUC) were formed in 1996 on the initiative of the major landowners in response to the achievements of the guerrilla. They are in fact extreme-right paramilitaries. Their leader is 35-year old Carlos Castaño, the son of a wealthy ranch owner who was killed by the FARC in 1981. They are attempting to spread war to the areas under guerrilla control and are rougher and more fearsome than the exhausted and demoralised military forces. They have received firm support from the army, but are in no way controlled by the government. Nonetheless, it is known that, for example, the military launched 546 attacks against the FARC and only seven against the paramilitaries in 1997. Their human rights violations and close links to the drug trade may pose a serious problem with respect to international support for Colombia, particularly from the United States, given that the "Leahy amendment" is in force.

The AUC too uses similar means to the FARC and ELN. Proof of this is the kidnapping of Guillermo León Valencia Cossio, the brother of one of the negotiators with the FARC, for which Carlos Castaño claimed responsibility in June. In the first six months of 2000, the ombudsman's department estimated that 1,073 civilians had been killed in crimes involving three or more people, not including warfare. Of these killings, 512 were committed by the paramilitaries, 120 by the rebel groups and 404 by a long list of murderers: common offenders, drug traffickers, youth gangs and even "social cleansing groups".

There is very considerable unease in army circles. The military consider that the atmosphere of widespread corruption and the relatively modest means with which they are endowed to combat drug trafficking

and the guerrilla—a task which undoubtedly falls to them—are factors that clearly hinder their action. What is more, the situation of “undeclared civil war” to an extent keeps them shackled while the violence grows. Therefore, they have insistently called for a “war law” to be passed. According to General Fernando Tapias, the commander of the Colombian armed forces, the terrorists must be combated without any consideration whatsoever, with laws in consonance with the country’s situation, as otherwise society will not be able to eradicate them later. He went on to state (15 March) that the current legislation is designed for a country in peace and not one suffering from a conflict that is a mix of terrorist attacks, kidnappings and drug trafficking. These statements were made after an armed group attacked the headquarters of the 4th Army Brigade at Medellín, killing two civilians and injuring over twenty.

The way chosen by President Pastrana appears to be inspired by the peace processes in Guatemala and El Salvador, and to an extent Nicaragua, where peace fortunately was achieved and the revolutionary groups were integrated into the political system.

President Pastrana’s attempt to curb corruption in Colombian politics by dissolving Congress after a referendum intended to enable substantial reforms to be made in the political system was doomed to fail.

However, Mr Pastrana was successful in getting “Plan Colombia” off the ground, a project designed to achieve peace by combating drug trafficking. The United States is contributing 1.3 billion dollars (mainly in military aid) to this plan, which will cost 7.5 billion dollars.

At the Brasilia meeting (31 August-1 September)—the first summit of the twelve South American countries—the presidents of the bordering countries (Ecuador, Peru, Brazil and Venezuela) expressed their fear that the conflict could get out of hand owing to the magnitude of US aid. For the time being, Brazil has strengthened military and police presence along its 1,644 km border with Colombia as a precaution against the possible southward flight of drug traffickers and guerrillas. Peru, Venezuela and Ecuador are beginning to take similar measures. Hugo Chávez (Venezuela) expressed his worry about turning the region into a second Vietnam, while Gustavo Noboa (Ecuador) showed great concern and urged the United States and Europe to assume their responsibility as consumers of drugs.

President Pastrana eventually succeeded in overcoming his South American colleagues’ misgivings and secured all-round support for the

peace efforts under way in his country, though he did not manage to have any mention of Plan Colombia included in the Brasilia Declaration. However, the presidents agreed in very broad terms to closer co-operation in the fields of intelligence, police operations, control of traffic and diversion of chemical precursors and the fight against illegal arms deals and money laundering.

It seems that the peace process will be lengthy. Not only military action is needed to settle the conflict. The argument that the United States and Europe, as consumers, have a major responsibility is essentially false. However, there is no doubt that a generous attitude from both economic powers, with respect to helping the mass of population who regard the guerrilla as their salvation, can play a decisive part in ensuring greater possibilities of success.

In mid-November, after the FARC guerrilla pulled out of the peace talks, President Pastrana was forced to suspend his tour of Europe in order to deal personally with the crisis. His efforts may well not meet with immediate success, but they are certainly important and will not be in vain.

IBERO-AMERICAN INTEGRATION

The establishment of the North American Free Trade Association (NAFTA) in 1994 by means of the NAFTA Treaty, signed by Canada, the United States and Mexico, seems to have resulted in Mexico's losing a certain amount of interest in the process under way in Ibero-America.

The Ibero-American countries of Central America and the Caribbean, with the exception of Cuba and the Dominican Republic, are full members of the System of Central American Integration or Association of Caribbean States, in which the Republic and Belize enjoy observer status.

In South America, the Southern Cone Common Market (MERCOSUR) comprises Brazil, Argentina, Paraguay and Uruguay as members and Chile and Bolivia as observers (it seems that Chile will soon become a member), while the Andean Community of Nations (CAN) is made up of Bolivia, Ecuador, Colombia, Peru and Venezuela, as members, and Panama as an observer.

The three aforementioned organisations (System of Central American Integration, MERCOSUR and the Andean Community of Nations) cover Ibero-America geographically and, although their aims are, in principle,

totally divergent, they may later find themselves drawn into a new initiative which is currently taking shape clearly: the Ibero-American Community of Nations.

There is a fourth arrangement that relates to South America. On 31 August and 1 September the first summit of the twelve South American countries took place in Brasilia. The Brasilia Declaration called for the establishment of a free-trade area (the South American Free Trade Association), from 2002, by the members of “enlarged MERCOSUR” (that is, including Chile) and those of the Andean Community of Nations, to be joined by Guyana and Suriname. The declaration included a “democracy clause” which was intended as a clear warning for some countries. Amid the euphoria of the summit, Brazil’s President Cardoso imaged an “integrated South American economic area”, while President Chávez of Venezuela referred to a possible “confederation of republics” and the Peruvian president, Mr Fujimori, spoke of the “United States of South America”. The other presidents agreed that it will be difficult to integrate the Andean Community of Nations. This initiative is furthermore regarded as the formula for solving the problems besetting the area: the consolidation of democracy, drug trafficking and the expansion of trade, among others.

The idea of the Ibero-American Community of Nations (CIN) was conceived throughout the successive Ibero-American Conferences on the Centenary of the Discovery, the first of which was held in 1983. At the third (1985), it was agreed to hold annual summits of heads and state and government of the 19 Ibero-American countries, plus Spain and Portugal. The first summit took place in 1991 at Guadalajara (Mexico) and the Ibero-American Community of Nations, including Spain and Portugal, was established on this occasion. Later, at Oporto (1998), it was proposed to set up a permanent Secretariat for Ibero-American Co-operation to replace the system of rotating secretariats in subsequent summits. The secretariat was established definitively at the Havana summit (November 1999) and Jorge Alberto Lozoya, a Mexican diplomat of acknowledged prestige, was appointed to this Madrid-based post. This is considered an important step for the future of the CIN and, in practice, entails progressing from declarations to deeds.

There can be no doubt that any effort to unify the Ibero-American countries, leading in the long run to the formation of a major economic and trading power, will not garner any clear support from the United States. The Americans prefer the south of the continent to be made up of a series

of independent, politically stable countries that belong to the Free Trade Association of the Americas (FTAA), which they intend for the whole of the continent.

There would appear to be agreement over the need for any unifying enterprise to follow a certain sequence if it is to have a good chance of success. That is, it should begin by abolishing customs tariffs and establishing free trade, in order to progress towards a common market and set in motion a process of economic and monetary union. Finally, with close contact between the countries in question, and bearing very much in mind their socioeconomic situations and sensitivities towards a process that entails loss of sovereignty, they can aim for political union. The course followed by the MERCOSUR countries or, at a slower pace, by the Central American Integration System, is much more appropriate than that of the Andean Community, which is aiming directly for political union without previously establishing a sound economic and commercial base of shared interests and is likely to encounter greater difficulties.

The secretary of the CIN, who has held the post since mid-February and will serve a four-year term, considers that the Community is currently regarded as a feasible enterprise and a reality that is under way. He views it not as an “exclusionist loyalty” but rather as an “alliance of convenience” and therefore believes it will be difficult to achieve a unity stretching from Mexico to Patagonia. Since the Rio meeting in June 1999 (EU-Ibero-America and the Caribbean) the importance of the role of Spain and Portugal within the European Union, as a gateway to Ibero-America, has been evidenced. The CIN secretariat is a small and well-equipped team (Spain has provided 80 percent of the necessary budget) which aims to shy away from bureaucracy. At the Rábida meeting (21 countries), it was agreed to explore and consolidate the following areas:

- Institutional. Concerned with international commitments. An example of its activity is that 15 ministerial meetings were held only to prepare the Havana summit.
- Programmes under way in Ibero-America. Education, culture, Ibermedia, etc.
- Social organisation. This area deals with relations between groups with similar activities, in which there are hundreds of existing organisations. Although most relate to industry, there are others connected with sport, music, etc.
- Community awareness. This area is concerned with information and the dissemination thereof.

It can be said that the Ibero-American Community of Nations is undergoing a transition from an idea to a broadly shared illusion with growing confidence in its final success.

EXTERNAL RELATIONS

Relations between Ibero-America and Europe first became significant in the 70s, when the so-called First-Generation Agreements were reached. The oil crisis and its consequences aroused Europe's desire to open up to developing countries politically and economically and to help expand the trade of those with greatest growth potential. Thus, important trade agreements were signed with Argentina, Uruguay, Brazil and Mexico between 1971 and 1975. Europe also became increasingly interested in the political processes in Ibero-America, as the South American countries began to return to democracy and respect for human rights. However, the promulgation of the Single European Act and, in particular, the Falklands war, caused Europe to retreat inwards somewhat, leading to a certain lack of communication.

The first of the Second-Generation Agreements was signed with Brazil in 1980, followed by an agreement with the Andean Group (1983) and subsequently with Central America (1984 and 1985). These agreements not only give priority to trade interests, but also to political and security aspects. As the conflicts in Central America intensified, Europe became more involved in seeking peaceful and negotiated solutions. Global relations are preferred to bilateral ones. Since 1990, significant changes have been witnessed in the world landscape regarding economic and trade growth and the establishment of democracy and human rights. Ibero-America has strengthened its relations with Europe and the rest of the world and has become a more prominent player in the international arena.

The 90s brought the Third-Generation Agreements for advanced cooperation, which Europe signed with Argentina, Chile, Mexico, Uruguay, Brazil and Paraguay; these agreements focused on economic relations and the liberalisation of trade. They included a "democracy clause", which was accepted by all countries except Mexico. During this same period, Mexico signed the NAFTA Treaty (1994) with its North American neighbours.

The Fourth-Generation Agreements began in 1995, when Europe signed a framework agreement with MERCOSUR, followed with one with

Chile in 1996 and another with Mexico in 1997. That year the European Union (EU) took an important step towards integration when it signed the Treaty of Amsterdam. Led by Spain and Portugal, the EU expressed its wish to establish a separate policy for Ibero-America, which would include issues such as drug trafficking, ecology, arms control and the peaceful settlement of conflicts. The new model was based on reciprocity and on a new type of relationship: political and economic association.

The development of these agreements clearly shows, on the one hand, the new common conception of security, more global and multidirectional, and, on the other, the need to co-operate in these matters in order to face up to the new challenges. Close co-operation will therefore be increasingly important.

The European Union provides Ibero-America with major injections of funds (Official Development Assistance, ODA) every year, as established in the aforementioned agreements. The main donors of the funds that are earmarked to the region are Germany, Spain, the Netherlands and France. Spain, which sends approximately half of its development funds to Ibero-America, is the member state which attaches greatest priority to co-operation with this region, though most European ODA continues to be allocated to Asia and Africa. The groups to which most European aid is allocated, in order of importance, are the Andean Community (CAN), the System of Central American Integration (SICA) and MERCOSUR. Bolivia, Peru and Nicaragua are the countries which receive the most aid.

The European Investment Bank (EIB), which deals with long-term financing, supplements the loans Ibero-America is granted by the International Monetary Fund, the World Bank and the Inter-American Development Bank. The EIB has signed 15 framework agreements with all the Ibero-American countries except Chile, Cuba, Guatemala and the Dominican Republic, though the latter and Haiti, as members of the Lomé Convention, are also entitled to receive loans from the EIB. This bank grants loans worth a total of approximately 220 million euros to the Ibero-American countries annually.

All these funds are basically aimed at reducing poverty (which affects one third of the population), setting in motion combined development policies and expanding economic co-operation.

As a continuation of the 1995 framework agreement, the European Union, MERCOSUR and Chile maintained important contacts at the Rio

Summit (the first summit of heads of state and government of the European Union, Latin America and the Caribbean, held on 28-29 June 1999). In a joint communiqué (28 June) they agreed to set up an inter-regional association including a free-trade zone. The talks on the abolishment of trade barriers are scheduled to begin on 1 July 2001, after a two-year delay. This date should be confirmed at the Brussels meeting on 15-16 November this year. The timetable for setting this association in motion is similar to the one established for the Free Trade Area of the Americas, which is due to be completed in 2005 or 2006. For the time being, they are parallel processes which are considered compatible.

In the United States, however, the initial enthusiasm shown for the FTAA appears to have faded. This sensation has heightened in view of some of the thorny episodes of the NAFTA process. Public opinion fears that opening up will damage the national economy, owing to the effect of cheap imports on employment and on average economies. Furthermore, the country is witnessing a surge of protectionist stances which make any type of opening up, like FTAA, unpopular.

Regarding the evolution of the intended EU-“enlarged MERCOSUR” association, it is expected that sectorial differences could hinder talks. Whereas the EU aims to boost trade and investments in capital goods, automobiles, services and state contracts, the enlarged MERCOSUR is more interested in the agricultural sector.

According to a recent report by the Brazilian Gétulio Vargas foundation, establishing free trade with the European Union would lead to greater expansion of MERCOSUR than the FTAA would. Nonetheless, the sectorial repercussions would be different: MERCOSUR’s agriculture would benefit more from free trade with the EU, whereas a FTAA would bring more advantages for industry.

Ibero-America holds the view that a possible alternative to the FTAA is a three-sided relationship between MERCOSUR, the EU and the FTAA. The growing competition between the United States and the EU could thus facilitate relations between all three and be conducive to the establishment of a Transatlantic Free Trade Area (TFTA).

Following the framework agreement signed in 1997 and the negotiations begun on 9 November 1998, the EU signed a free trade agreement with Mexico on 23 March this year.

Another factor that is relevant to the opening up of Ibero-America is culture, an important element of a vast common heritage. A significant aspect of this heritage is the existence of indigenous cultures in all the countries, which must be preserved at all costs, as they are important elements of cohesion. Another aspect of this heritage is language: Spanish and Portuguese. Attention must also be paid to these two languages, which are so closely related, in order to foster their purity and development.

Spanish is enjoying a major boom and we should recognise the excellent work performed by the Cervantes Institute. It is important to note that nine out of 10 Spanish speakers live in the Americas. It is the language that has witnessed the biggest growth in the 20th century and is now the third language of the world in terms of number of speakers, after Chinese and English. It is reckoned that by 2050 there will be 500 million Spanish speakers (not including the 50 million in the United States) in the world. In countries like France, the United States and Brazil, Spanish is the most popular choice of foreign language. Enrolments at the 35 Cervantes Institutes are increasing incessantly. Brazil, which enjoys a major presence within MERCOSUR, has decided that “portuñol” (a mixture of Spanish and Portuguese) is neither sufficient nor satisfactory and is encouraging the study of Spanish, which in a few years’ time will be a compulsory part of secondary education in many Brazilian states.

It is interesting to note the interest that Hispanic culture is beginning to arouse in the United States in contrast to the monopoly of the habitual Anglo-Saxon world. An example of this is the establishment of the National Hispanic Culture Centre, sponsored by the Cervantes Institute in collaboration with the US public sector. The centre was officially opened on 21 October in Albuquerque (New Mexico), a city on the Camino Real de Tierra Adentro highway that was built by Spaniards. The centre, which stands in 16-acre grounds and cost 7 billion pesetas, will no doubt be an excellent means of promoting Hispanic arts and humanities.

Portugal, for its part, is naturally inclined towards the countries with Portuguese culture, and the work of the Camoens Institute in this field is highly praiseworthy. Perhaps it is for this reason that it feels that the Ibero-American Community of Nations will be incomplete, owing to the implicit existence of an exclusionist geographical clause. This feeling may also spring from a certain amount of fear—which is highly justified—that Portuguese may lose specific weight in international relations. Following the

Cartagena de Indias summit (1994), where the possibility of establishing the community was weighed up, the Community of Portuguese Speaking Countries (CPLP) was formed at Lisbon on 17 July 1996. Its members, in addition to Portugal, were Angola, Mozambique, Guinea Bissau and other Portuguese speaking countries.

In the Margarita Declaration (1997) the Portuguese president, Mario Soares, stressed that the CIN and CPLP would consist of over 600 million people. Later, at the Oporto Ibero-American summit (1998), much was made of the intercontinental solidarity between CIN and CPLP as a possible forum for Iberian languages, which would include other countries like Equatorial Guinea and possibly an independent Sahara, as well as East Timor.

The foregoing calls for two personal thoughts to be added. The first is the need to promote the study of Portuguese as a second language in the South American countries and, less urgently, in the rest of the Ibero-American countries. Some initiatives are already running, such as the centres in Buenos Aires and Santiago de Chile, and the courses to train Portuguese teachers, which are regularly attended by representatives of Argentina, Chile and Mexico. Also worth mentioning is the Luís de Camoens department of Portuguese Studies at the Getafe (Madrid) campus of the Carlos III University, officially opened on 31 October by King Juan Carlos. The purpose of this department is to disseminate the cultural values of Portugal in Spain. However, these initiatives seem completely insufficient and should be merely the first steps on a long road to the desirable cohesion of both communities.

The second consideration relates to transatlantic presence. Perhaps the dispersed efforts entailed in bringing the CIN and CPLP closer together could endanger the very consolidation of the CIN. This convergence could take place at a later stage. Both Spain and Portugal enjoy very special relations with the countries in question, which belong to their respective cultural spheres. The relationship advocated at the Oporto Summit seems somewhat premature at present, at least as far as its desired scope is concerned.

In any case, it is important to ensure that Spain and Portugal act in close collaboration within the European Union with respect to co-operation with Ibero-America in human and social affairs and in the three directions in which they are heading: political dialogue, financial and economic relations, and culture, education and technology.

POLITICAL DEVELOPMENTS

Political developments in Mexico were conditioned by the presidential elections in June. President Ernesto Zedillo Ponce de León had acceded to power in August 1994 as the candidate for the Institutional Revolutionary Party (PRI) in what were considered the first relatively fair elections. His mandate was marked by Mexico's joining NAFTA (1994), the recession of 1995, when the economy shrunk by 6.9 percent and inflation soared to 42 percent (giving rise to the "tequila effect" on the Ibero-American economies), a 55 million-dollar loan granted by the IMF and the United States government, and the struggle with the opposition parties, the National Action Party (PAN) and the Party of the Democratic Revolution (PRD).

A particularly delicate matter for Mr Zedillo was the situation in the southern state of Chiapas, where open confrontation was witnessed between the Zapatista National Liberation Army (EZLN), made up chiefly of rebel Mayan Indians, and the government for socioeconomic and ethnic reasons. The PRI lost its majority in Congress in 1997 and was ousted from power in the 2 July 2000 elections. The PRI (Francisco Labastida) and PRD (Cuathémoc Cárdenas) candidates were beaten in the elections by the PAN candidate (Vicente Fox). This put an end to 70 years of continuous rule by the PRI. The PRI's opponents accuse the party of corruption, authoritarianism, use of intimidation and political assassination and even of being a "narco-democratic" regime.

When dealing with this matter it is advisable to follow the recommendation of Ambassador Lozoya that no country should assume the right to express opinions on democracy-related questions that affect other Ibero-American countries. Therefore, I believe we must acknowledge that President Zedillo acted impeccably during the electoral process and marked the prelude to a totally democratic transition. The new president will face the challenge of relaunching the economy (inflation may drop sharply this year), helped by the rise in oil prices, alleviating the major social inequalities and pacifying the country, not only in Chiapas but according to the people's perception, which was clearly shaken by the events at the Autonomous University of Mexico, where students who staged a mass demonstration in the middle of the year to protest against unemployment were harshly quelled by the government. However, the activity of Mr Zedillo, who is much more sensitive to human rights than his predecessors, will undoubtedly contribute to the transformation of the PRI and, despite his

opponents within the party, will help shape a political option that will be very necessary for Mexico's future.

It is interesting to note that, during President Zedillo's mandate, Mexican justice agreed to extradite an ETA terrorist (Óscar Cárdenas Lorente) to Spain for the first time. The new president, Vicente Fox, has announced that he will continue collaborating with Spain in the fight against terrorism while he is in office.

In the Central American and Caribbean area, countries like Honduras, Nicaragua, Guatemala and El Salvador continue to make slow economic progress based on democratic systems that should enable them to overcome the recent periods of internal strife and natural disasters. It is hoped that the quarrel between Nicaragua and Honduras, after the latter announced it would be ratifying its treaty with Colombia recognising Colombian sovereignty over the island of San Andrés (which is very rich in fishing resources and claimed by Nicaragua) and the Providencia and Serranilla cays, can be settled to the satisfaction of all parties. A clear sign that Nicaragua is politically in good shape is that it now has a minister for civil defence.

Costa Rica and Panama remain politically and economically stable, while in the Dominican Republic the Social Democrat candidate, Hipólito Mejía, won the presidential election in democratically normal circumstances. The Prince of Asturias attended Mr Mejía's inaugural ceremony on 16 August.

With respect to Cuba, on whose regime and peculiar attitude to human rights we are loath to make any comments, it should nevertheless be pointed out that the United States' policy of isolation and economic sanctions is not only failing to achieve any results; it is clearly counterproductive to the effects it pursues.

Regarding the enlarged MERCOSUR, mention should be made of the political situation of Argentina, Brazil and Chile, which are clearly undergoing democratic development following the arrival in power of the radical Fernando de la Rúa (Argentina) and Socialist Ricardo Lagos (Chile), both of similar leaning to the Brazilian president, Fernando Henrique Cardoso. All three, who share a centre-left ideology, have relative majorities (the Argentine lacks parliamentary majority and the Chilean has a tight draw) that do not allow them to indulge in any populist fancy. At any rate, Chile faces the major challenge of national reconciliation, which is

undoubtedly necessary in order for it to complete the transition to democracy. The visit of the Chilean foreign minister to Spain in October marked a clear attempt to iron out the differences that have arisen over recent episodes and could be the prelude to full normalisation of relations between the two countries.

Uruguay, a year after Jorge Batlle was elected president, is experiencing a period of prosperity. A wise step in this direction was the “Peace Commission”, backed by the president and led by the archbishop of Montevideo, which has commenced its activities and will attempt to seek solutions to the problem of the missing (thirty or so) members of the Tupamaro guerrilla and the responsibility of the military involved.

The most important events of the year in Paraguay were the failed coup staged by former general Lino César Oviedo, in May, and the election for vice-president in August.

Former general Oviedo is a military man with a murky past who is held to be the driving force behind the assassination of the country’s former vice-president, Luis María Raúl Argaña. This event led to the resignation of the previous president, Raúl Cubas, who was succeeded by the current president, Luis González Macchi, also of the Colorado Party. On this occasion, the so-called “Lieutenant Colonel Fulgencio Yegros movement” was quashed and Mr Oviedo fled to Brazil, where he was arrested in Foz do Iguaçu and imprisoned in Brasília.

In a tight election for vice-president in August, the Liberal Party opposition candidate, César Franco, beat Félix Argaña of the governing Colorado Party. It should be pointed out that this is the first defeat the Colorado Party has experienced in 53 years. The political future of the country is somewhat uncertain and perhaps these doubts will not be dispelled until 2003, when Mr González Macchi’s mandate ends.

As for the countries of the Andean Community of Nations (CAN), Venezuela held its presidential election on 30 July after a two-month delay due to technical problems. President Hugo Chávez repeated the win he obtained in December 1998 and his coalition, the Fifth Republic Movement (MVR), became the leading political force after securing almost 60 percent of the votes cast.

This win enabled Mr Chávez to launch his peaceful “Bolivarian revolution” and address the major socioeconomic problems which he had so far swept under the carpet in order to centre his efforts on building a political

web that will allow him to act with sufficient room for manoeuvre over the next 6 years (or even twelve, if he is re-elected).

Mr Chávez's attitude and his neo-populism are raising many doubts about his future and the particular concept of democracy that Venezuela may witness in coming years. His overtures to the FARC and to Castro, his apparent aversion to the United States and his assumption of what is perhaps disproportionate power are creating concern. Within OPEC, his support for oil production policies that maintain prices above 30 dollars per barrel seems unlikely to earn the sympathy of either the United States or the European Union, or indeed of the non-producing Ibero-American countries. It may take two years to be able to properly fathom this new leader who, despite his past involvement in a coup, has commanded impressive support from the Venezuelan people.

In Colombia, President Andrés Pastrana completed the second year of his mandate after a period that was not without major difficulties, the most serious being the state of civil war in which the country is immersed. His achievements are undeniable and his determination worthy of the greatest praise.

On the one hand, Mr Pastrana started up the Norway talks between a delegation formed by Víctor G. Rico, as high commissioner for peace and government representative, and six members of the FARC guerrilla led by Edgar Devia (alias Raúl Reyes). These talks showed that the distance between the two sides is not insurmountable. In February, the delegation visited several European countries (Norway, Sweden, Italy, the Vatican, Switzerland and Spain) in order, according to Mr Reyes, to learn of "other economic and social experiences" and all its members agreed it was highly successful.

In addition to his indefatigable fight against corruption, Mr Pastrana triggered a crisis in July when he shuffled his cabinet to form a concentration government ranging from liberals from the opposition to a left-wing trade unionist.

The fact that the United States House of Representatives passed the *Western Hemisphere Drug Elimination Act*, which boosts the efforts aimed at combating illegal drug production at source, enabled Mr Clinton to set about granting a 1.6 billion dollar aid package to finance President Pastrana's *Southern Colombian Strategy* and bolster the efforts of the Colombian government. Plan Colombia, as it is called, has aroused misgivings in

the countries of the region, which Mr Pastrana managed to allay, while garnering the support of the bordering countries.

The most salient event witnessed in Ecuador was the civilian-military coup supported by the indigenous population, gripped by profound malaise. The coup toppled President Jamil Mahuad and ended in the appointment of Gustavo Noboa, formerly vice-president, by Congress on 22 January. This came as a deep disappointment to the Indians, and evidenced the excessively prominent role of the military. The struggle in Congress in July, as a result of which the legislature was to remain leaderless for a considerable period of time, also evidences to an extent the frailty of the democratic system.

Irrespective of its obvious economic successes and progress in the fight against the Shining Path terrorist group, the regime of neo-populist Alberto Fujimori, of the “Peru 2000” party, had progressively lost credibility owing to its autocratic tendencies. The curbing of the powers of Congress and the press, while those of the president expanded alarmingly, and his growing symbiosis with the military led to a considerable slide in Mr Fujimori’s popularity in favour of his political adversary, Alejandro Toledo, who topped the list of the “Possible Peru” party.

On 9 April, despite the irregularities in the electoral process and the obvious attempts at fraud, Alejandro Toledo enjoyed a two-point lead over Alberto Fujimori. However, as neither candidate won an absolute majority, it was necessary to hold a second round.

The OAS, which had sent a team of observers to ensure transparency, witnessed and exposed the fraudulent manoeuvres of the ONPE (electoral processes office) and recommended delaying the second round. However, Mr Fujimori refused and the OAS suspended its action. Foreseeing a repetition of the 1990 farce when Mario Vargas Llosa was defeated in irregular circumstances, Alejandro Toledo announced he would not be standing for a run-off ballot, which was held on 28 May. Naturally, the only candidate won: Mr Fujimori.

In September, the leader of the opposition Independent Moralising Front, Fernando Olivera, broadcast a videotape showing the presidential adviser, Vladimiro Montesinos, apparently bribing a congressman (Alberto Kouri) to defect to Mr Fujimori’s party. The video sparked a huge scandal and Mr Fujimori was forced to announce his resignation and the holding of new elections in mid-2001, for which he would not be standing.

Mr Montesinos, a shadowy national intelligence-service chief, fled to Panama, which denied his request for asylum. Following his surprising return to Peru, his future has yet to be determined at the time of writing this article. In the end Mr Fujimori, in a clumsy manoeuvre, aims to condition the holding of the new elections to the total exoneration of the military responsible for anti-guerrilla actions and possible human rights violations.

Mr Montesinos's return to Peru—his whereabouts within the country are currently unknown—and the broadcast of further videotapes in mid-November unequivocally showing the involvement of the army in rigging the elections were the main events that caused tension to mount to unsustainable levels in Peru. Mr Fujimori, by then acting president, who had already signed a decree bringing the general elections forward to 8 April, surprised the country by fleeing to Japan, where he was able to take refuge thanks to his dual nationality and where he announced he would be stepping down.

After the government resigned, Congress decided that its recently elected speaker, Valentín Paniagua, a member of the Popular Action party and a prestigious democrat, should be appointed caretaker president of the republic until the general elections were held. Mr Paniagua immediately appointed Javier Pérez de Cuellar, a former brilliant United Nations secretary-general, as prime minister, entrusting him with the task of forming a cabinet of consensus and national unity, to steer the nation towards the next general election and ensure this election will be fair and transparent. Democracy has fortunately arrived in Peru.

As for Bolivia, it seems that the second term of the current president, Hugo Banzer, who was elected democratically years after leading a coup d'état as a member of the army, is being characterised by slow progress towards democratisation and the establishment of independent state powers. Spain is involved in this process to an extent, through the Spanish Agency for International Co-operation (AECI), which, in conjunction with the General Council of the Judiciary, has set up the Judiciary Institute in Bolivia to train future members of the judiciary and provide on-the-job training to exercising magistrates and judges. In the not too distant future, the foregoing measures may have a significant effect on the fight against the corruption that is rife in many Bolivian institutions.

While it is true that some fifteen Ibero-American countries have abandoned dictatorial regimes and embraced democracy over the past twenty years, it is equally true that democracy has often proved unable to solve

socioeconomic problems, the high crime rate, corruption and the differences between rich and poor and between ethnic and racial groups. As a result, the inhabitants of some countries feel that authoritarian or populist regimes could be more effective, despite forsaking many of the freedoms citizens enjoy. The results of the Latinobarometro poll reflect this feeling clearly. This is currently a major hazard: several countries have already adopted such regimes and others could follow suit. It is therefore essential, in general, to strengthen the democratic institutions and for greater development assistance to be lent by countries in a position to do so. The fact that approximately half the Ibero-American countries are in good shape and enjoy excellent prospects for the future is the counterpoint to these observations. In this regard, the Ibero-American Community of Nations offers extremely attractive possibilities.

ECONOMIC DEVELOPMENTS

The Mexican economy has weathered the consequences of the international crisis relatively well, thanks to stronger demand from the United States, high oil prices and considerable payroll growth stemming both from the increase in employment and from the improvement in real wages. The year-on-year indicators and forecasts for the year as a whole have been adjusted upwards throughout 2000. The forecast for real GDP growth for the year was thus adjusted from four percent in January to 7.3 percent in November, while the estimated rate of inflation (which stood at 18.6 percent in 1994) went from 12 to 8.6 percent. Mexico's debt ratio is modest and its access to capital markets is satisfactory. The Bank of Mexico's decision to tighten its monetary policy in July had a highly beneficial effect. The balance of trade, which is expected to show a deficit of 7.3 billion dollars at year end, has continued to display a downward trend owing to the thriving economic activity and the considerable strength of the peso, which is conducive to an increase in imports.

The economies of the Central American and Caribbean countries had fared well in 1999 except for a slight downturn in Honduras and the zero growth in El Salvador, owing, among other reasons, to the influence of the buoyant US economy. It seems that 2000 will witness the consolidation of a more than acceptable rate of economic growth in this region, which is heavily dependent on agriculture and has suffered the highly adverse effects of the still recent natural disasters.

Guatemala is endowed with rich agricultural resources and a major tourist potential. It receives considerable aid from the international community and has a low debt ratio. Real GDP growth is expected to amount to 3.7 percent, similar to 1999, and inflation to fall to 6.2 percent (down from 6.8 percent in 1999). The estimated trade deficit is 1.4 billion dollars (similar to the 1999 figure) owing to the low prices its exports (mainly coffee, sugar and bananas) fetch on the international markets.

It seems that the Honduran economy, which was badly dented in 1999 by the damage caused by hurricane Mitch in 1998, will make a recovery in 2000 thanks to the reactivation of its agriculture and aid packages from the IMF and international institutions. The growth rate of real GDP is expected to amount to 2.3 percent and inflation to rise to 13.7 percent, slightly above the 1999 figure. Honduras's debt, the service of which has been postponed until 2002, could even be pardoned, although it is expected to reach 6.3 billion dollars. Despite the revival of agricultural exports, the trade balance will be negative (around 800 million dollars), owing to the increase in imports of capital goods.

El Salvador too is slowly recovering from the damage caused by hurricane Mitch, though its progress is hampered by the fall in coffee sales and cross border assembly work and helped by the currency remittances from expatriate emigrants. Real GDP growth is expected to amount to two percent and inflation appears to be stable at three percent. El Salvador has built up very considerable foreign currency reserves, which enable it to maintain the exchange rate with practically no variation.

Nicaragua did not suffer the effects of hurricane Mitch to the same extent. Thanks to the aid received from the international community and the recovery witnessed in the agricultural sector, the country's real GDP is expected to grow by 5.5 percent, while inflation should remain at around 8 percent, similar to last year's figure. Although part of Nicaragua's foreign debt has been pardoned, it is expected to increase by a certain amount to 6.4 billion dollars, though a larger proportion could be pardoned in the future.

Economic development in Costa Rica is driven by the major restructuring based on the adoption of high-tech industries (microprocessor assembly, etc.) to offset the fall in traditional banana and coffee sales. This is expected to achieve a slight trade balance of trade surplus. The forecasts for the country's real GDP growth and inflation stand at five and 10 percent, respectively, similar to the 1999 figures. Its foreign debt will remain practically the same (4.3 billion dollars).

Panama has witnessed an increase in direct foreign investment. This has enabled it to undertake a number of works on the Canal and offset the negative effects of the withdrawal of the US forces. Its real GDP is expected to grow by 3.5 percent and inflation, forecast at 1.3 percent, remains in check thanks to the adoption of the dollar. The deficit in the balance of trade will amount to 2.3 billion dollars, similar to previous years, and foreign debt, which has been increasing in recent years, will reach a hefty 6.7 billion.

The Dominican Republic is continuing to recover from the effects of hurricane George, which struck in 1998. Real GDP growth is expected to amount to 5.6 percent (compared to 7 percent in 1999), though inflation will rise to 5.6 percent (it was only 1.5 percent in 1999), mainly owing to the increase in oil prices. The country continues to display a deficit in the balance of trade (3.8 billion dollars up from 3.4 billion the previous year) and foreign debt remains stable at 4.4 billion dollars.

Lastly, the Cuban economy is continuing to open up. The country is likewise continuing to export nickel and sugar and to exploit its significant tourist industry. What is more, the United States appears to be lifting the sanctions imposed. Real GDP growth is expected to amount to 5 percent (compared to 4.2 percent in 1999) and inflation to rise to 5.1 percent (up from 5 percent in 1999). The country's foreign debt is growing moderately, though it will reach 12.9 billion dollars. The deficit in the trade balance, heavily influenced by the rise in oil prices, will increase to 4 billion dollars (as opposed to 3.4 billion in 1999). The arrangement with Venezuela to exchange medical services for oil may lead to a slight recovery in 2001.

The members of the enlarged MERCOSUR (that is, including Chile) experienced serious economic recessions in 1999. However, in 2000 this common market has proved to be a strong economic block and the macroeconomic indicators of the countries are showing good results all round.

Argentina has yet to solve serious problems and remains heavily dependent on Brazil. It has a very high level of foreign debt, the service of which eats into two thirds of the country's revenues from imports, and the unemployment rate is very high. The serious unemployment problem was precisely the cause of the general strike called by the main trade unions (the General Confederation of Labour, CGT, the Main Trade Union of Argentine Workers, CTA, and the Combative Classist Current, CCC) from 23 to 25 December, which was backed by a very considerable number of

workers. The aid package Argentina expects to receive from the IMF should be sufficient to overcome the current crisis and usher in a period of greater stability. All in all, the country's economic prospects are good, owing to the structural reforms it has carried out, the 1991 convertibility plan that enables inflation to be kept in check and its well-developed food and agriculture sector. It therefore has the backing of the international financial community.

The growth in Argentina's real GDP has been adjusted downwards throughout the year and looks likely to amount to 0.9 percent, while inflation will stand at around -0.6 percent. Foreign debt may reach 150 billion dollars—which is excessively high—while there will be only a slight deficit in the trade balance (500 million dollars).

The Brazilian economy is undergoing a period of transition and readjustment that is not yet complete, although this year has seen a considerable improvement in its macroeconomic indicators. Real GDP growth may reach 3.8 percent (compared to 0.5 percent in 1999), and inflation could drop to 6.5 percent (down from 8.6 percent in 1999). Brazil's foreign debt is likely to increase to 260 billion dollars (compared to 250 billion in 1999). The slight trade deficit recorded last year will improve even more to about 500 million dollars, owing to the beneficial effect of the devaluation of the real, despite the heavy influence of the rise in oil prices.

Chile currently faces the difficult problem of creating jobs (unemployment stands at 10.6 percent), though its economy is growing at a reasonable rate owing to the thorough reform and to the country's political stability. Real GDP growth will amount to 5.8 percent (this figure has increased slightly throughout the year) and inflation, which has risen somewhat owing to the effects of oil prices, will amount to 4.6 percent. Foreign debt, higher than in 1999 but still moderate, will stand at 40 billion dollars and the balance of trade, very heavily influenced by the prices of its copper exports and oil imports, will record a surplus of some 1.3 billion dollars. It is generally agreed that the current economic model and results are encouraging.

Despite the relatively unstable political situation that is preventing the government from undertaking the necessary reforms, Paraguay enjoys a sound economic position within MERCOSUR and has a high educational level, which is conducive to development. Real GDP growth is likely to amount to 3.5 percent and inflation to 12.7 percent, continuing the slight downturn begun in 1999 following the devaluation of the guarani. Foreign

debt will remain the same as the previous year, a moderate 2.8 billion dollars, while the deficit in the balance of trade may stand at some 700 billion dollars.

Uruguay's economy has been restructured, its primary and tertiary sectors are well developed and it is politically very stable. Real GDP growth, which has slackened throughout the year, is expected to amount to approximately 0.3 percent, and inflation may rise to 5.5 percent owing to the effect of oil prices. Its foreign debt should remain at some 14.2 billion dollars and the deficit in the balance of trade is expected to stand at one billion dollars, similar to the figures for 1999.

Of the Andean countries, only Peru witnessed some economic growth in 1999. However, the economic results for the countries in this region are going to be more than satisfactory in 2000. Political instability and convergence difficulties with MERCOSUR are holding back their definitive take-off.

Bolivia is endowed with many mineral and hydrocarbon resources and its association with MERCOSUR is facilitating its access to the Argentine and Brazilian markets. Its main problems stem from its low level of development, social tension and excessive foreign debt. Nonetheless, its economy performed satisfactorily in 2000, no doubt influenced by the effects of the structural adjustments agreed with the IMF.

Real GDP growth could amount to 2.5 percent and inflation will rise to 6.5 percent (up from 3 percent in 1999) as a result of higher food prices. Its foreign debt is excessively high and has increased; indeed, it is expected to stand at 6 billion dollars at year end. The deficit in the balance of trade has diminished to an extent over the years and the forecast for year end is 400 million dollars.

Colombia is rich in natural resources (agriculture, hydrocarbons and mining), as well as having the third largest population in Ibero-America, after Brazil and Mexico. It is carrying out considerable privatisations (Carbocol, Isagen and perhaps even public banking in 2001) and its oil exports help balance its economy. In order for the economy to properly take off, the country needs to return to peace and to sign an agreement with the IMF, which will entail embarking on the necessary structural reforms.

Colombia's economic performance in 2000 has been more than passable. Real GDP growth will amount to around three percent (compared to -4.3 percent in 1999) and inflation will stand at 9.4 percent (only two tenths

higher than in 1999). Its foreign debt is very considerable (34.5 billion dollars), though stable. The surplus in the balance of trade brought about by oil exports will amount to 3 billion dollars.

Ecuador possesses significant natural, oil, agricultural and fishing resources. It has a large foreign debt and its access to the capital market is currently impaired by its default on Brady bonds. What is more, the unstable political situation is hindering the implementation of the agreement with the IMF, as it is standing in the way of the necessary structural reforms. The sucre ceased to exist as the country's official currency on 9 September and was replaced by the dollar. "Dollarisation", which occurred without hitches, should be an important factor in bringing about economic stability in the short and medium term.

Real GDP growth may reach one percent at year end, while inflation will stand at around 75 percent, higher than in 1999. The country has a very high level of foreign debt, which amounts to over 17 billion dollars. The surplus in the balance of trade will amount to 1.6 billion dollars, despite the poor performance of banana, flower and shrimp exports, and thanks to oil exports.

Peru is endowed with substantial mining and fishing resources. The liberalisation of the economy, the policy of caution followed by its government and the resurgence of the primary sector made it the only country in the region to record positive growth in 1999. The chief adverse factors have been, and still are: political instability; unemployment, poverty and social inequality; and a high level of foreign debt, the service of which is almost unsustainable.

Real GDP growth in 2000 will amount to 4.3 percent (up from 1.4 percent in 1999), while inflation will stand at 4.2 percent (compared to 3.7 percent in 1999). Peru's foreign debt is very high and has increased slightly to 32 billion dollars. The deficit in the balance of trade is expected to amount to some 400 million dollars.

Venezuela is the third biggest oil exporter in the world and also has substantial mining and gas resources. Its policy of bolstering oil prices by cutting production has negative effects on its economic activity. The structural reforms in the oil industry and banking sector have had a certain amount of success.

Venezuela's real GDP will grow by 3.2 percent in 2000 (down from 7.2 percent in 1999) and inflation will amount to 17 percent, slightly lower than

in 1999. Its foreign debt, 32.5 billion dollars, remains stable and is considered sustainable. The surplus in the balance of trade, driven by oil price trends, will amount to 16 billion dollars.

At the Okinawa (Japan) summit which took place between 21 and 23 July, the G7 countries decided to increase the debt relief granted to certain Heavily Indebted Poor Countries from the 90 percent decided at Cologne in June 1999 to 100 percent. This will take the form of commercial loans granted by the IMF-World Bank group. Some of the beneficiaries are Bolivia, Honduras and Nicaragua.

Trends in oil prices particularly influence the economic development of the Ibero-American countries. The second summit of OPEC heads of state was held in Caracas in September. The following aspects of the 20-point joint declaration are particularly noteworthy: 1) the firm commitment to continue to supply consumers with an appropriate, timely and safe flow of oil; 2) the pursuit of stable price policies; and 3) an effective dialogue between producers and consumers in the main consumer countries. Only time will clarify these ambiguities and enable us to compare the effects of these measures on producers and consumers.

MILITARY EFFORT

The military effort of each of the Ibero-American countries can be inferred from the military yearbooks which cover the subject broadly. The logical delays in publishing these editions should not detract from the validity of the information they contain, as changes are slow to occur. The indicators shown in this chapter are taken from the Military Balance 1999-2000, which is the latest available edition, and do not bear in mind the relative size of the forces (army, navy and airforce) or the expense structure. This section will begin by examining the economic effort before going on to deal with the human effort and ending with some observations on the quality of the equipment. It should be pointed out that no data are supplied for Panama or Costa Rica, as these countries have no armed forces.

The economic effort, in absolute terms, is reflected in each country's annual defence expenditure. In this regard, the effort of a country with over 90 million inhabitants (such as Brazil or Mexico) and a high GDP logically varies enormously from that of countries with, for example, under 10 million inhabitants and consequently a much lower GDP, such as Paraguay or Nicaragua.

Countries spending over one billion dollars on defence every year may be regarded as having a high defence expenditure. Listed in descending order, these are Brazil, with an expenditure of over 10 billion dollars, Argentina and Mexico (4bn), Chile (3bn), Colombia (2.5bn) and Venezuela (1.334bn). Countries which earmark between one billion and 500 million dollars can be classified as medium level and include Peru (990m) and Cuba (750m). Lastly, countries allocating less than 500 million dollars per year fall into the low-expenditure category: Ecuador (407m), Uruguay (315m), El Salvador (160m), Guatemala (156m), Bolivia (134.4m), Paraguay (131m), Dominican Republic (120m), Honduras (97m) and Nicaragua (30m).

Relative economic effort is expressed as the percentage of GNP which each country earmarks to defence and indicates the interest each government attaches to this area compared to other commitments. The countries with a high level (over two percent) are Cuba (5.3%, though data on this country are not very reliable), Chile (3.69%), Colombia (3.16%) Uruguay (2.25%) and Ecuador (2.04%). Those with a medium level—between two and 1.5 percent—are Honduras (1.94%), Brazil (1.76%), El Salvador (1.67%), Peru and Bolivia (1.62%), and Venezuela (1.50%). Lastly, the defence effort of the following countries, which accounts for under 1.5 percent of their GNP, can be regarded as low: Paraguay (1.46%), Argentina (1.38%), Guatemala (1.17%), Nicaragua (1.11%), Dominican Republic (1.09%) and Mexico (1%).

Absolute human effort reflects the total armed forces personnel (expressed in thousands). A figure of over 100 thousand may be considered high. This is the case of Brazil (291), Mexico (179), Colombia (144) and Peru (115). Countries with between 100 and 50 thousand personnel, such as Chile (93), Venezuela (70), Argentina (70.5), Cuba (65) and Ecuador (57) can be classified as medium level. Fewer than 50 thousand armed forces personnel denotes a low level. Countries in this category are Bolivia (33), Guatemala (31.4), Uruguay (25.6), El Salvador (24.6), Dominican Republic (24.5), Paraguay (20), Nicaragua (16) and Honduras (8.3).

Relative human effort, or military personnel per thousand inhabitants, also shows to an extent the interest each government attaches to defence. Over three military personnel per thousand inhabitants may be considered a high level of effort, as is the case of Uruguay (8), Chile and Cuba (6), Peru and Ecuador (4.5), Bolivia, El Salvador and Colombia (4), Nicaragua and Venezuela (3.5) and the Dominican Republic (3). The following two coun-

tries, which have between three and two military personnel for every thousand inhabitants, can be considered to make a medium-to-high effort: Guatemala (2.5) and Argentina (2). Lastly, the following countries make—or can make, owing to their large populations— a medium effort of between two and one military per thousand inhabitants: Mexico (1.8), Brazil (1.7) and Honduras (1.3).

If we consider that, on average, one fifth of a country's annual defence expenditure is allocated to equipment—how accurate this value judgement proves does not significantly alter conclusions—dividing this amount by a country's total military personnel gives an idea of the quality of the equipment of its armed forces. A figure of over 4,000 dollars may be considered to denote high quality, as is the case of Argentina (11,000), Brazil (7,000), Chile (6,500) and Mexico (4,500). A figure of between 4,000 and 2,000 dollars may be considered medium level. Colombia and Venezuela (3,500), and Uruguay, Honduras and Cuba (2,500) fall into this category. Countries with figures below 2,000 dollars have the lowest quality military equipment: Peru: (1,700), Ecuador (1,400), Paraguay and El Salvador (1,300), Guatemala and the Dominican Republic (1,000), Bolivia (800) and Nicaragua (400).

The conclusions that can be drawn from the above information are that no excessively large weapons effort is observed on the part of any the Ibero-American countries and that, given the almost total absence of inter-regional risks and tension, the low indicators of some countries are due to the existence of other social and economic priorities which make defence budgets a secondary issue.

THE 10TH IBERO-AMERICAN SUMMIT

The 10th Ibero-American Summit of heads of state and government was held in Panama City on 18 and 19 November and was attended by HM the King.

On this occasion, the debate was mainly focused on the situation of children in Ibero-America, whose current prospects are far from satisfactory. The final declaration was entitled “United by childhood and adolescence, the basis of justice and equity in the new millennium”. Among other important objectives, the goal was set of making an effort to ensure that, by 2015 at the latest, all Ibero-American children have access to free and compulsory primary education. There are even plans for needy families to

receive economic aid to ensure their children attend school regularly. Countries which have not yet done so are urged to sign the conventions banning child labour as soon as possible.

However, there was a certain amount of disenchantment in the atmosphere of this summit, as little headway was made in the integration process. This was undoubtedly because the topic of date each year is chosen by the host country rather than decided by general consensus. This defect is very likely to be corrected in future to ensure greater efficiency. This year's topic was indeed very important, but in view of the shortness of the sessions, the opportunity cost was high, and the major issues of common interest—economic and monetary, military and political convergence, in this order—were left off the agenda.

The counterpoint to the indisputable progress achieved at the summit was the refusal of the Cuban president, Mr Castro, to back a declaration condemning ETA terrorism which was supported by the other leaders. This outrageous behaviour merely undermines even further Mr Castro's already dwindling prestige and constitutes an unnecessary insult to the Spanish people and the Cuban people, whose ties of friendship are beyond any consideration, particularly declarations of this kind that are as inopportune as they are unfortunate.

The next summit (2001) is due to be held in Peru, and the following one (2002) in the Dominican Republic.

SPAIN AND IBERO-AMERICA

Relations between Spain and Ibero-American continued to be intense in 2000.

The king and queen paid state visits to *Brazil* (9 to 15 July), *Bolivia* (15 to 19 July) and the *Dominican Republic* (14 to 17 November), continuing with their trips to all the Ibero-American countries. They likewise attended the Ibero-American Summit in *Panama* (18 and 19 November).

HRH the Prince of Asturias attended the inauguration of the president of *Guatemala* (Alfonso Portillo Cabrera), between 13 to 15 January; visited *Venezuela* and toured the areas affected by flooding from 15 to 17 January; attended the inauguration of the president of *Uruguay* (Jorge Batlle), between 29 February and 3 March; the inauguration of the president of *Chile* (Ricardo Lagos), from 9 to 12 March; the inauguration of the pre-

sident of the *Dominican Republic* (Hipólito Mejía), from 15 to 16 August; and the inauguration of the president of *Mexico* (Vicente Fox), on 1 December.

Spain received a state visit from the president of *Argentina* (Fernando de la Rúa), from 24 to 26 October, and working visits from the presidents of *Mexico* (Ernesto Zedillo), *Venezuela* (Hugo Chávez), on 22 February, the *Dominican Republic* (Hipólito Mejía), on 3 October, the president elect of *Mexico* (Vicente Fox), and the president of *El Salvador* (Francisco Flores), on 7 November. The president of *Brazil* (Henrique Cardoso) also visited Spain on 7 October to be awarded the Prince of Asturias Prize for International Co-operation.

When awarding the prize, King Juan Carlos underlined the important role President Cardoso had played in establishing and developing MERCOSUR, in solving the conflict between Ecuador and Peru and in backing the dissemination of the Spanish language in Brazil and of Portuguese in the countries in the region.

The president of the government has likewise had a busy agenda with respect to the Ibero-American countries. These activities ended in a trip to Costa Rica, the only country he had not yet visited, after taking part in the Panama summit in November.

Spain, in constant co-ordination with Portugal, makes a vigorous effort within the European Union to improve the development assistance allocated to Ibero-America and to boost foreign investment in the area.

Regarding the first aspect, Spain has been complaining to the European Commission about what it considers scant community co-operation with Ibero-America and about the EU's failure to fulfil the commitments undertaken at the Rio de Janeiro summit.

Spain is also endeavouring to get the EU to invest more in Ibero-America and is working on the factors that can allow these investments to be made, one of the most important of which is the envisaged free trade agreement with MERCOSUR and Chile.

Spanish investments in Ibero-America are increasing spectacularly in sectors such as banking, telecommunications, tourism and joint financing of small and medium-sized enterprises. In Argentina, for example, the 16 billion dollars invested last year make this country the biggest recipient of Spanish investments in the world.

Spain, which for obvious sentimental reasons is firmly committed to investing in Ibero-America, is fully aware of the risks entailed. Not long ago a prestigious Spanish economist, Juan Velarde Fuertes, warned of this danger and strongly recommended carefully monitoring investments in Ibero-America.

The 27th Assembly of the Ibero-American Association of Chambers of Commerce took place in Madrid in October and was chaired by the Prince of Asturias. Over 2,000 businessmen and representatives of 400 chambers of commerce of 22 countries took part. At the meeting, the economy minister and vice-president of the Spanish government, Rodrigo Rato, played down the risks of Spanish investments in Ibero-America, treating them as a natural aspect of all the opportunities offered by globalisation. He likewise stressed that Spanish companies also establish themselves in Ibero-America during periods of crisis and their presence at any rate is not speculative but stems from a long-term social vision.

As the Spanish secretary of state for international co-operation recently pointed out, Ibero-America is a priority area of the political, economic and cultural aspects of Spanish external action. Moreover, Spain does not seek exclusivity in its relations with Ibero-America; rather, it wants the European Union to develop as intense and close a relationship as possible with Ibero-America, both as a whole and with each of the countries.

The successive Ibero-American Summits are powerful instruments of multilateral convergence and suitable forums for addressing the major challenges Ibero-America faces. The summit meetings in Peru (2001) and the Dominican Republic (2002; under the Spanish presidency of the European Union) will provide a chance to analyse the extent to which the Rio commitments have been fulfilled and to make progress in solving major challenges, the biggest of which is undoubtedly establishing and consolidating the Ibero-American Community of Nations.

FINAL REMARKS

It has been demonstrated that political stability can only be achieved through a democracy that is based on firm principles of separation of powers, independence of the press, transparency, parliamentary control, respect for ethnic minorities and an unyielding fight against corruption. It is hoped that Ibero-America will continue to progress towards these

values, as they are the elements which underpin economic stability and social justice.

For the sake of efficiency, the fight against drug trafficking and other sources of violence, particularly in Colombia, should be addressed from the perspective of multinational collaboration. Spain is in a position to participate in any initiative in this field.

The United States and the European Union could adopt generous attitudes with respect to aid to help establish substitutes for drug crops.

Spain and Portugal continue to foster closer relations in all aspects of culture.

Spain, in conjunction with Portugal, continues to uphold Ibero-America's interests within the European Union. It likewise carries on supporting the establishment of the Ibero-American Community of Nations to ensure that it is not merely an "alliance of convenience" but a widely shared ambition.

CHAPTER SIX

AFRICA

AFRICA

By ALEJANDRO CUERDA ORTEGA

OVERVIEW

This study does not include the Maghreb countries as they are covered specifically in another chapter of the “Strategic Panorama”. This chapter will thus deal with sub-Saharan Africa, also known as Black Africa.

The situation at the beginning of 2000 displayed the same revolts, persecution, killings, coups d'état, famine and all kinds of suffering that have characterised the last decade of this 20th century, which has perhaps witnessed the worst cruelty in the history of Africa since slavery was officially abolished. Countries such as Sudan, Angola, Uganda, Rwanda, Burundi, the Democratic Republic (DR) of the Congo and Sierra Leona, like Ethiopia, Eritrea, Liberia and others before them, appear to be permanently immersed in horror and violence.

It is hard to find a workable solution for such a host of problems in this part of the continent with its 600 million inhabitants. All kinds of initiatives, measures, assistance and aid have been attempted and must sadly be considered insufficient or inappropriate, since it continues to be beset with the same ills. Africa, which has 33 of the 45 poorest countries in the world, is the continent which has received the most economic aid, and is also the most primitive and least developed; it is the part of the world where efforts have been made across a whole range of initiatives designed to alleviate its plight, from the personal, charitable and selfless devotion of Christian

missions and western non-governmental organisations (NGOs) to the application of military measures involving force. However, these initiatives have achieved only superficial improvements or momentary relief, and a way of channelling efforts towards definitive solutions has yet to be found.

The developed countries look on powerlessly, their attitudes to this constant suffering ranging from distress to indifference, as recurrent news leads to lack of interest. The idea that Africa is the cradle of mankind incites one to painful reflection.

POPULATION

Unfortunately, Africa poses many problems. Extreme poverty, the rigours of nature, ethnic and religious hatred, political instability and the lack of transport links, healthcare, agricultural, commercial and educational structures, etc., the corruption of some leaders, the neo-colonisation practised by some western nations, among other factors, have a thousand terrifying faces that require urgent action, though it is not known clearly what form or direction such action should take. Most of these ills are so widespread in sub-Saharan Africa that it is appropriate to refer to them in general, albeit briefly, and present them to the reader in this way rather than citing them repeatedly in connection with each nation.

Migrations

For Europe, and particularly for Spain, 2000 marked the arrival of massive immigration, which is difficult to assimilate and laborious to control. This “peaceful invasion of the North” entails some obvious advantages and a fair amount of disadvantages and concerns that are becoming incorporated permanently into our society. In the case of Spain, the immigrants who are entering the country are mostly African, that is, people from a different culture who are sadly lacking in everything. So extreme is their situation that they lack the minimum financial support to start a new life, a trade or training to secure them a decent job, comparable social customs or behaviour, an intelligible language and even the consolation and company of a family, whom they are forced to leave behind in their despair.

Duly exercising its sovereign responsibilities, Spain has been forced to establish strict border checks in order to be able to assimilate these immigrants properly. This entailed, in 1999, holding 3,569 illegal immigrants,

after arresting some 5,000 who had already arrived in Spain, and absorbing some 35,000. However, in the first ten months of 2000, the number of illegal immigrants held almost quadrupled (12,856), and, of the 244,377 residence applications submitted, 73,000 were refused and 127,000 granted. These figures have not yet reached worrying levels bearing in mind that a million or so immigrants have arrived in western Europe this year (253,000 settled in France and 240,700 in the United Kingdom), but the situation of those who arrive in Spain—outlined in the previous paragraphs—renders a numerical comparison with other countries invalid. In addition, the annual figure of clandestine arrivals and the growing number who finally settle in the country call for urgent measures to address the situation.

In May and June the Spanish government held negotiations with the Moroccan authorities on a Spanish-funded campaign to crack down on the “common and shared problem” of the transport mafias.

The European Commission also addressed this issue in the early months of the year, studying two different initiatives: a joint proposal from Germany and the Netherlands, habitual recipients of Eastern European nationals—whose situation is very different—which suggested that immigration quotas be established for the European Union (EU) members; by contrast, the joint proposal submitted by France and Spain, recipients of Africans and stateless persons who are difficult to integrate, was solely economic and recommended setting up a “solidarity fund” to share the extra burden of controlling and initially settling immigrants. The president of the Spanish government, J. M. Aznar, put the initial amount of this fund at 1.5 billion euros.

Immigration has become an increasingly serious concern for Spain and has had to be addressed urgently not only at Europe forums but also by assigning increasing human and material resources to the surveillance and control of immigration. It was necessary to amend the recently passed Aliens Act which was showing several cracks that desperate Africans transformed into points of entry and the right to remain in the country. For example, the provision that immigrants without identity papers cannot be repatriated led them to destroy these documents deliberately if they risked being captured; another ploy was to claim a different nationality if their country of origin refused to take them. This is not the case of Morocco, as the bilateral agreement between the two nations works reasonably well, but it does apply to the sub-Saharan African countries.

The foregoing called for a common policy of asylum and immigration that would cover the vast range of possible circumstances. For this purpose, in October 2000 the Spanish government submitted a "Global programme for aliens and immigration" (GRECO) to the Congress of Deputies. The programme is structured into four courses of action: a global and coordinated design of immigration as a desirable phenomenon; the integration of foreign residents and their families; the regulation of migratory flows in order to guarantee co-existence in Spanish society; and, lastly, maintenance of the protection system for refugees and displaced people.

In late November, the Spanish Congress finally passed the amendment to the Aliens Act, which still has to go through the Senate; according to the amendment, people entering the country illegally are no longer automatically considered as residents entitled to full rights; this is now a matter to be decided by the courts, for which legal aid will be provided.

The issue of illegal immigration has thus been summed up. This subject has been dealt with first as it is the issue of relations with Africa which has the greatest impact on public opinion in Spain, where the media report daily detentions.

Health

One of the terrible scourges of Black Africa is AIDS, which UNICEF's director general, addressing the 11th international conference in Lusaka (Zambia), described as the most terrible non-declared war, adding that the sub-Saharan area has become a death camp. In 1998, 12 million Africans were infected with the AIDS virus, two thirds of all sufferers in the world. The two million who died account for 83 percent of all deaths that year. By now, 2000, 24.5 million Africans suffer from the disease, which claims five thousand lives every day. Far from being kept in check, the pandemic is increasing and spreading. The over 13 million children who have been orphaned by this disease are soon stripped of the scant possessions their parents leave them and exploited.

The combination of circumstances that are conducive to the spread of the epidemic is such that finding a solution is very difficult, if not impossible. The continent is gripped by extreme poverty, and the rate of deaths from famine is now expressed in terms of the smallest units of time.

Furthermore, governments earmark tiny percentages of their budgets to health care, while there is a shortage of doctors and pharmacies. There is a lack of road links that would enable medical assistance to reach the large number of families, settlements and tribes scattered around the area. The massive population displacements—by the million—caused by wars, persecution, famine or movements to urban areas where large numbers of young men are required as labour (mines and plantations) facilitate the transmission of the disease. Polygamy is another common means of contagion. It should be pointed out that 75 percent of AIDS cases in Africa are due to heterosexual relations. Poor hygiene leads to deficient sterilisation and reuse of what are by rights disposable clinical materials. There are also cultural reasons: people believe they are responsible for the scourge and therefore conceal it, or that sexual intercourse with a virgin cures venereal disease and AIDS; and it is traditional practice to make incisions with unsterilised instruments. And poverty drives women to prostitution, etc.

In some areas, such as the prosperous and tranquil Botswana and the Tanzanian-Ugandan border, over 36 percent of adults are infected. In Ghana alone 400,000 people are infected with the mortal virus and 120,000 children are parentless. Here, as in eight other African nations, the disease has wiped out between 12 and 22 percent of the labour force.

The issue is now a necessary topic of debate and analysis at many forums. Of these, mention should be made first and foremost of the UN Security Council (SC) “AIDS summit” in January 2000, where it was considered that the pandemic affects international security; the 36th summit of the Organisation of African Unity at Lomé (Togo) in July; the G8 meeting at Okinawa (Japan), also in July; and the 13th International AIDS Conference of the World Health Organisation (WHO) in Durban (South Africa) in July, which was attended by 13,000 delegates.

The 10th World AIDS Conference at Abidjan (Côte d’Ivoire) in 1997 marked the start of the struggle to cut the cost of AIDS medicines for the third world. This year, 2000, the World Bank (WB), through its interregional AIDS programme for Africa, has promised to invest 500 million dollars (nearly 100 billion pesetas) over the next three years in prevention programmes, medical assistance and treatment, paying special attention to Ethiopia and Kenya.

There is a glimmer of hope in the long term, thanks to the international response and the pressure currently on science. This leads us to assume that the problem has permeated people’s consciences owing to the con-

viction that it is, for the time being, an uncontrollable disease that has been growing steadily for over 40 years. America has described it as a risk to world security and the UN Security Council shares this opinion. Regrettably, the outlook is not the same for the several million infected people whose life expectancy today is minimal.

However, it should be stressed that there are encouraging signs: the rate of infection is falling in some African countries; fear of the disease is having some effect on young people, who purposely delay their first sexual experiences and take precautions; economic support is increasing and laudable gestures have been witnessed, such as that of Boehringer-Ingelheim, a German laboratory, which informed UNAIDS at the Durban conference that it would be distributing its drug "Viramune", which prevents transmission of the virus from mother to child, free of charge for five years. Glaxo-Wellcome also intends to lower the price of the drug it produces by 85 percent, which would bring the daily cost of treatment down from 16.5 to two dollars; and four other laboratories have announced similar measures.

It is extremely interesting to note that AIDS is much more in check in the Muslim countries, since Islam forbids nonmarital sexual relations and homosexual practices. It likewise does not recommend the use of condoms and advocates abstinence and conjugal fidelity. This is also the case of the Catholic religion, but the Muslim states are confessional and Islam regards the disease as a consequence of moral disorder. Muslims suffering from AIDS are thus aware that they are exposing their families to shame, and endeavour to conceal themselves from society, while governments are reluctant to acknowledge the existence of infected people. The percentages of infected people in the Islamic countries are the lowest in Africa, though there is no uniformity. Some nations, such as Zambia and Nigeria, have expressed the wish to introduce the Shari'ah (compulsory Islamic law) in view of the increase in immorality and AIDS.

Having cited Islam, we should not fail to mention the work of the Christian churches, which organise, implement and finance over 70 percent of the projects designed to combat AIDS in Africa. Despite the campaigns waged against the Catholic Church in relation to HIV infection, the health care and welfare assistance it provides in relation to AIDS in this continent is huge and indispensable, and the effective educational work it performs with respect to information and prevention has been praised by the discoverer of the virus (Luc Montagnier) and UNAIDS, and copied and dissemi-

nated in several African and Latin American countries, as well as being translated into several languages, including Arabic.

The following figures reflect the healthcare situation: governments only invest an average of three dollars per inhabitant per year in healthcare; some 15 percent of children die during their first year of life; and there is one doctor per 20,000 inhabitants and one hospital bed per 1,000. Average life expectancy is 49 years—a considerable improvement on 1960, when it was just 38.

Poverty

Poverty, another of the scourges of sub-Saharan Africa, is widely disseminated by the media, which bring it home to us with startling crudeness and alarming frequency.

Despite some short periods of relative comfort, sub-Saharan Africa, with the exception of South Africa and little more, is experiencing an acute crisis and lower standards of living than when the countries first gained their independence. Africa's GDP accounts for a risible three percent in the world concert, while 18.2 percent of world arms purchases between 1970 and 1980 were made by this continent. According to the UN, an increase of below five percent in Africa's domestic product does not amount to development; indeed, Africa's net product stands at 1.3 percent, while its population is increasing by 2.3 percent. At the same time, its scant sources of income are diminishing, as the prices of its export products have fallen by between 25 and 50 percent since 1975.

As the president of South Africa, Thabo Mbeki, said in summer, poverty is the biggest killer in the world and the main cause of many diseases and suffering.

Thirty three of the 45 poorest countries in the world are African; of the sub-Saharan countries, 38 have an annual per capita income of less than one thousand dollars; and in 29 of them, annual income is less even than 500 dollars, which is tantamount to having nothing to live on, dire poverty. The "UN Social Summit" held in Geneva in June last year presented a tragic report on the social situation in the world: *1.5 billion people live on under one dollar a day; 150 million are unemployed; 800 million have no access to healthcare; and 1.2 billion lack drinking water.* The goal of eradicating poverty by 2015 was presented at the summit, but, unfortunately,

no specific plan was adopted for this purpose. And at the first OAS-EU summit in April (2000), at which Africa asked for debt relief and Europe stated that this would be conditional on progress in human rights (HR), the EU proposed to halve poverty in Africa in ten years.

At the time, over three million Kenyans and eight million Ethiopians were in danger of starving to death owing to the drought, one of the worst this decade, which has wiped out 80 percent of cattle, and also on account of the constant wars, which not only destroy but prevent crops from being cultivated. Last August, the UN launched an appeal for help, stating that the number of people without any food in four countries of east Africa (Ethiopia, Eritrea, Somalia and Uganda) amounted to 20 million, three more than in April. Sudan, Angola, Sierra Leone and Mozambique are also affected.

Africa has the youngest population in the world—over 500 million of its inhabitants are under 30. So many western nations, in need of labour but limited by the progressive ageing of their populations, take advantage of this huge human potential. However, these vast resources cannot be exploited properly in their countries of origin, which also constitute the poorest continent and are doomed to inactivity owing to political negligence, war, famine and lack of means and structures. Many millions of jobless and hungry young people are easily exploited and recruited for wars, drug trafficking and even to be sold as slaves in public markets for exhausting labour or sexual exploitation.

These figures and references—these facts—are a reality, though they do not fully reflect the whole truth. Africa is a very rich continent of very poor countries. There is a huge wealth of resources in the continent, “but its economic resources are controlled by foreigners, its politics influenced by neo-colonialist interventionism, subjugated by a host of tyrants, impoverished, ailing and ignorant; how can Africans be expected to develop and live their lives normally? But there is not a single poor African country”. (Donato Ndongo-Bidyogo, writer and journalist, “Mundo Negro”, June 2000).

So, is it possible to put an end to, or at least reduce, this terrible plague of famine and poverty? It appears so. The idea that there is no solution may alleviate the consciences of the powerful, but it is becoming increasingly less credible and more of a mask for insensitivity and egoism; not only because Africa is indeed endowed with rich resources (there are figures and data which bear this out) and the agricultural potential to feed

a population three times its size, and yet it is forced to import cereals and food; not only because oil continues to appear (recently in Equatorial Guinea, Angola, Gabon, Chad and Egypt), yet exploitation does not translate into improvements for the people; and not only because it is obvious that collecting water during the rainy periods would ensure a supply of this valuable element during the periods of terrible drought and famine in countries and regions where over 70 percent of the population lives off “rain-dependent agriculture” and cattle raising. Recently (September 2000), Jean Ziegler, a professor at the universities of Geneva and Paris, appointed a member of the UN Human Rights Commission and entrusted with the task of drawing up the “right to food”, released the results of five years of research. According to Professor Ziegler, the world produces food for 12 billion people every day, and overpopulation is not a problem but a Nazi idea.

DEBT

Closely linked to poverty, as both a cause and consequence, is the debt contracted by these needy countries. This section on debt does not include the substantial donations granted to the developing countries in the form of relief, mainly when emergencies and natural disasters occur; neither does it deal with the assistance and aid regularly and selflessly provided by religious organisations and NGOs in the form of relief, education, vocational training, medical and healthcare and the building of infrastructure. The aim of excluding the foregoing is to underline that, apart from the significant loans sub-Saharan Africa receives as “development co-operation and assistance”, this part of the world also receives generous sums for reasons of charity and fraternity. Consider that in the third world the Catholic Church alone has 817 hospitals, 4,381 clinics, 375 leper colonies, 504 centres for old people, the chronically ill and disabled, 1,093 educational establishments and 4,269 other institutions, which are run by 250,000 missionaries.

In the case of Spain, which is examined in this chapter, public Official Development Assistance (ODA) classified as “non-repayable operations” will not be considered when dealing with “debt”; these loans are granted to finance the development of co-operation projects, but constitute the “element of concessionality” (donation), which should account for at least 35 or 50 percent of the total cost in the case of the least developed countries. We will thus consider only “repayable co-operation”, which is provi-

ded for the same purpose but in the form of loans, and the FAD (Development Assistance Fund) loans. This ODA, which may be granted as “bilateral co-operation” directly between Spain and the recipient country or through international organisations, amounted to 208.323 billion pesetas in 1998, which is equivalent to 0.24 percent of Spain’s GNP and, as such, slightly higher than the average (0.23%) for the countries belonging to the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) (1). In 1999, this figure stood at 0.23 percent, this time slightly lower than the EU average (0.24%), though it did not signify a lower amount in absolute terms, since Spain’s GDP grew substantially. It is true that the percentage has fallen from 0.36 to 0.23 over the past decade, though it is calculated on the basis of a higher national product.

The Spanish government is determined to increase its contribution to 300 billion pesetas by the end of the current parliamentary term (2004) and a target of 306.51 billion pesetas of aid has been set for this year’s co-operation agenda. The priority areas for Spanish co-operation are Ibero-America, followed by the Maghreb and, within sub-Saharan Africa, Equatorial Guinea will continue to be a priority, followed by Angola, Mozambique, Cape Verde, Guinea-Bissau and São Tomé and Príncipe.

Mention should also be made of the Spanish aid which the government provides through the NGOs. Within a short period of time, the programme of subsidies paid to these organisations out of the Spanish Agency for International Co-operation (AECI) budget has grown from 2.005 billion to 12.012 billion pesetas in 1999.

Continuing with Spain, as of 2000 our nation was owed a total of 231.852 billion pesetas (some 1.26 billion dollars) by 27 African countries (2). In 1998, Spain collected 25 billion pesetas from the countries that are its debtors.

In terms of official co-operation and development organisations (3), sub-Saharan Africa owes the western world a total of 13.559 billion dollars, the highest figure granted to any region of the world and equivalent to two and a half times the debt of the whole of Central and South

(1) Source: Ministry of Foreign Affairs. “ABC. Economía”. 30 April 2000.

(2) Source: Ministry of Economy and the Treasury. “Alfa y Omega”. 29 June 2000.

(3) International Monetary Fund (IMF) and World Bank (WB).

America, according to the OECD (4). It is calculated that Africa's total debt, taking into account the different kinds of debts it owes to all the countries and entities in the world, stands at 320 billion dollars (5).

These figures are logically devastating compared to the poverty of the debtor nations, and nobody imagines they can repay them on their own unless almost supernatural economic transformations take place. What is more, the demand for credit continues to increase. As things stand today, these countries would have to repay the wealthy countries 10 billion pesetas every day. In many of them, debt amounts to 40 percent of the country's total resources.

The problem transcends the financial and economic sphere and weighs heavily on the western world's conscience. As is well known, there are currently several movements which are calling for debt relief, on the principle of "external debt, eternal debt". Meeting after meeting is held to discuss the situation (G7+Russia, G77, OECD, EU, WB, IMF, OAU, FAO, Paris Club, etc.) but no decisive agreements are reached. Some western leaders have decided to pardon substantial amounts of debt: at the Africa-EU Summit in April, the president of the Spanish government, J. M. Aznar, offered to pardon 200 million pesetas of African debt, Gerhard Schröder 350 million and Jacques Chirac that of the poorest countries, simply as a token of generosity, as all were aware that this will not solve the problem.

The China-Africa Co-operation Forum met in Peking in October and was attended by representatives from 44 African countries. The Chinese minister for foreign trade and economic co-operation announced he was cancelling the debt of the poorest African countries and called for the further development of trade with Africa. China has promised to cancel 1.2 billion dollars of debt over the next two years. It did not specify which countries this applied to, though it did state that the eight African nations that maintain relations with Taiwan are excluded.

A host of initiatives, but the essential issue is the objections raised to the growing demand for money; these profound considerations advise making aid conditional on transformations and changes in the recipient countries to ensure a certain guarantee of development. At the aforementioned "Africa-EU Summit", the fifteen EU members asked the countries of

(4) "ABC. Economía", 23 July 2000.

(5) Source: CIDAF bulletin "Africana de Noticias 00-10". 16 Sept-12 Oct 2000.

the neighbouring continent to establish democratic systems, to fight against corruption and liberalise their economies. It is true that G7's forecasts of reducing the debt have not been fulfilled; it is equally true that a large amount of economic aid is beneficial to the export interests of the creditor nations; and it is also true that this attitude often amounts to economic colonialism that curbs the freedom of action of the debtor nations.

But it should also be said that all these efforts and requirements are neither sufficient nor are they the whole truth; beneath these projects, proposals and official initiatives lurk shady and shameful interests of private companies, also western, which accumulate huge fortunes by pulling the strings of the web of businesses that exploit African wealth, fostering corruption (Elf Aquitaine allocated over 150 billion pesetas to commissions in the Gulf of Guinea between 1991 and 1997, to cite one of the many cases) or supplying the vast numbers of weapons that find their way into all corners of Africa. Indeed, it is reckoned that some 100 million illegal weapons are circulating in the continent. None of the players is any better than the others; it simply depends on the impunity with which they act. Faced with this outlook of egotism and unconfessable enrichment, the objections raised by official organisations, the UN Secretary-General, the Vatican and men of good faith, among others, rarely amount to anything but preaching in the wilderness.

Nonetheless, it seems that the wish to help exists and is gaining ground: the Millennium Summit, organised by the UN, took place in New York in September. One of the objectives stated in the report of the Secretary-general, Kofi Annan, was to reduce the proportion of people with a daily income of less than a dollar and of people who lack drinking water —20 percent of the world population—by 2015; to ensure that by then all the world's children complete primary school education; to cut the number of people infected with AIDS by 25 percent by 2010; and to improve the living conditions of 100 million people who live in shanty dwellings by 2020. This project deserves the applause of mankind and should involve all the nations in the world. Unfortunately, no specific measures for achieving these aims were agreed on.

Lastly, with respect to assistance in the sphere of trade, which is of great interest, it should be pointed out that on 20 September the European Commission proposed the total exemption from import duties of products from the poorest countries in the world (except for raw materials used to make weapons); 48 countries could benefit from this scheme within three

years' time. And President Clinton has announced that 34 African countries will have free access to the American market. This initiative excludes 14 African nations that are politically unstable and have not undertaken economic reforms, such as Sierra Leone—which was initially included—on account of the war.

POLITICAL ASPECTS

In 2000 sub-Saharan Africa comprises 52 independent countries—including the island-states—and one territory, Western Sahara, whose status has yet to be determined by the process led by the UN. Except for Ethiopia, which was never ruled by a foreign power, and Liberia, which was established in 1847 to provide the black people freed from slavery with a nation, all the countries have gained their independence this century. With the exception of the South African Union, which was set up in 1910—though it was not proclaimed a republic until 1961—the other 49 nations were decolonised and became sovereign states after the Second World War.

This circumstance, and their former status of colonised countries, together with the fact that they share the same race, culture and idiosyncrasies, has led to parallel developments in the political processes of shaping these nations and the conduct of their governments, which allows them to be addressed jointly in a brief, lightweight political analysis.

A common tendency of all these countries was thus to preserve the administrative structures from the colonial period, particularly when the nations that freed them did little or nothing to educate them politically and ease the transition to a system of government that was more suited to their condition and circumstances. It should be borne in mind that the colonial regimes did not cultivate democratic forms of government with political parties, legislative chambers, separation of powers, sovereignty of the people, etc.; rather, all apparent power was bound up, in a personal manner, in the governor, viceroy or representative of the home country. This idea of personal power was strengthened by the marked sense of authority in the tribal arrangement of these African peoples. The consequence of the foregoing is that of these 52 countries, 39 are authoritarian presidential republics, five have military regimes and two are tribal-style monarchies.

Political parties exist in several of the states, but few really enjoy sufficient freedom of operation. They are generally either government puppets

or parties whose actions are controlled by the power, or organisations set up to give the appearance of compliance with certain western democratic requirements on which their access to credit and loans depends.

Persecution of dissidents is common practice and too often leads to physical elimination or imprisonment. The pressure from the western nations and organisations, from which the substantial economic aid comes, advises against having political prisoners, and it is therefore common for leaders to claim alleged coups d'état in order to imprison dissidents after trying and charging them with conspiracy and constituting a serious threat to the security of the nation.

In these circumstances, bearing in mind that leaders arrive in power with the intention of remaining there for life, political rotation is very difficult if not impossible. This explains the large number of coups d'état: 74 staged by the military, overthrowing the leader in question, in 36 years (1958-1994).

It should be stressed that in this subcontinent, where millions of people suffer from poverty, famine and lack of education and culture, democracy is hard to adapt and has scant possibilities of being accepted. Unfortunately, in this part of the world, authoritarian and dictatorial regimes, which in circumstances of extreme necessity—when the only essential requirement is to feed the people and protect them from war and disease—can prove very effective, tend not to harbour this sense of responsibility and service to citizens. The traditional feeling of protecting the family and the tribe gives way all too soon, save rare exceptions, to nepotism and corruption. Man plays a central role in African life, and authority, representation and power, even spiritual and magic, are accepted. Therefore, the idea of authority being vested in organisations and institutions does not generally take root among Africans.

The result of the foregoing is mistrust of western institutions. The traditional African societies, based on agriculture or cattle raising, have retained their secular structures, which are only abandoned by the illusion of the big cities that are growing sprawlingly. It is normal for these countries to lack a proper public administration or the wish for common benefit; rather, there is a bureaucratic structure for exploitation. It should be pointed out that southern Africa is starting to emerge from this bleak situation, with democratic tendencies that are gaining ground.

A number of negative vestiges of the colonial period still survive because of favourable circumstances. One is the lack of competent leaders and professionals. The colonising nations had neither the need nor the concern to educate and train the native population in order for them to have access to the professions, since senior positions in industry, the economy, trade, justice, etc., were mainly held by Europeans. The native population were only needed to perform manual jobs and a few posts in the lower rungs of the civil service. Nowadays, it is very difficult for native Africans to train for these professions or qualify for good jobs their own countries, and very costly for them to receive this training in the West; some 20,000 Africans arrive in Europe every year to train and 70 percent do not return. A sad paradox is that Africa spends 4 billion dollars on recruiting western experts during that time. Furthermore, the important companies and mines are also owned by Europeans, who often enjoy freedom of action, at the same time, this enables African leaders to amass personal riches, generally by selling operating concessions to foreigners for enticing sums of money—also common practice in our advanced countries, despite the tough legal restrictions. This is yet another form of economic neo-colonialism by the northern powers, which leave little room for local exploitation of the natural resources of these countries and strangle their possible development.

As for the principles, rights and duties which should regulate the running of these young countries, their *constitutions*, most were drawn up in European countries and attempt to adapt western models to vastly different structures. Only four were put to referendum; the rest were approved at the relevant assemblies. As a result, the great majority of African people are oblivious to these constitutions, not only because they were not taught, but also because they did not take into account the traditional values of hospitality, solidarity, a sense of community, collective work, common ownership of the land, etc., or in other words, African socialism, not to mention the deep sense of religion, animism, which is so deeply impregnated in African culture. Atheism is thus a serious attack on their identity and the main reason for the lack of penetration of Marxism and communism.

The constitutions cite human rights, in accordance with the 1948 declaration, but frequently omit aspects relating to freedoms or elements which may compromise power. Those who fought against colonialism later subjected their political opponents to cruel persecution. There are a great many prisoners in African gaols, many of whom die before being tried. The

“African Charter on Human and People’s Rights” finally became effective in 1986, after 25 years of attempts and abandonment. It is a vast, 68-article text providing for social, economic, legal and other rights, and is based entirely on anti-colonialism and anti-racism. Only two states have failed to sign the charter: Ethiopia and Eritrea. And only 18 of the 50 signatory states have submitted reports. The African human rights protection system leaves a lot to be desired, as it is not respected by states and there is a lack of means to enforce it. The past decade has witnessed the worst, cruellest violations. The concept is not respected or has not caught on in most states. Torture and death are common practice. Many leaders signed the charter in order to be entitled to international aid, but it is patently obvious that their actions contravene it.

The political intergovernmental body is the Organisation of African Unity (OAU), which came into being at the Addis Ababa meeting in 1963, after three years of divergences and discussion. Its principles are sovereign equality, non-intervention in the territorial integrity of other states, the peaceful settlement of differences, condemnation of political assassination—regimes enforced by coups d’état are subject to expulsion from the organisation—the fight for the total emancipation of Africa and the pursuit of a policy of non-alignment.

The OAU is not an executive body, nor does it possess the means to enforce its decisions. Past attempts to do so, as in the case of the Sahara, have led to break-up. If the UN is accused of lack of effectiveness, it is hardly surprising that the OAU, given its circumstances, is considered inoperable.

What the African leaders now intend is to constitute an African Union like the EU. They stated this aim at the Dakar meeting in June, announcing that the project, which was started up in Syrte (Libya) in 1999 on the initiative of Colonel Qaddafi, would be examined at the forthcoming Lomé meeting, which took place in July. The founding act was accordingly signed unanimously, despite initial opposition from South Africa, Algeria, Kenya and Nigeria, which eventually preferred not to renounce their leadership within an intergovernmental organisation promoted by Colonel Qaddafi. The union will be definitively established when it is ratified by at least two thirds of the OAU’s 53 members, and is due to be proclaimed at Syrte in May 2001. The act establishes that the OAU will disappear within a year.

Violence

1998 saw a fresh outbreak of wars in sub-Saharan Africa, which had not been witnessed since the 60s. Some 20 nations are currently involved in armed conflict and, in some cases, internal strife has escalated into regional wars, as governments have no qualms about crossing borders.

The conflicts in this part of the world are an expression of a latent, tense situation of violence that prevails in certain areas of the dark continent; that is, bloody conflict can be triggered by almost any cause, which leads to the conclusion that violence is ever present and is a norm for many ethnic groups. It is not the existence of this permanent state of conflict, which is accepted as a condition of a good part of the African people, but rather its intensity, cruelty and capacity for destruction, which devastates and sweeps away any hope of development.

Many countries have recently been pitted against each other in cruel, widespread conflict, not to mention the violent repression the rulers of some states inflict on their citizens, or the religious persecution inflicted by Islamic fundamentalism in some countries of northern Africa, which is also extending to other sub-Saharan countries like Sudan and Nigeria.

Politics is often no more than a struggle for wealth, which in a great majority of cases is found in the abundant mineral resources and in the easy and huge profits achieved through their sale, loan or export.

Special mention should be made of diamonds, of which there are many mines in several sub-Saharan countries; their high value and the ease with which they are transported explain many wars and much violence, corruption, hypocrisy and disloyalty. There have been some world initiatives to block the trade in diamonds from guerrillas and factions involved in combat, but these attempts have enjoyed little success owing to the difficulty of identifying the provenance of diamonds once they are cut and the involvement of so many dealers, groups, nations and intermediaries who are keen to carry on and loath to lose such a source of wealth; it is similar to the case of drugs.

Originally, wars were identified with anti-colonial movements, determination to topple a dictatorship or racial hatred; however, today, in most cases the countries engage in war for economic reasons such as access to the riches of the earth; in others, in order to maintain national security.

Twelve sub-Saharan countries are currently involved in armed conflict. Let us examine some of these cases.

SOME COUNTRIES

Angola

Two and a half times the size of Spain and with 12 million inhabitants, Angola possesses vast oil, diamond and gold resources. However, its per capita income is 340 dollars. Sixty nine percent of the population lack drinking water and 76 percent have no access to health care. The country spends 180 million dollars on education and 947 million on defence.

Angola has been in the throes of civil war for 25 years (since it gained independence from Portugal in 1975) with the UNITA movement (the National Union for the Total Independence of Angola) led by Jonas Savimbi. The sides remain at war over possession of the country's vast resources, with which they finance their military activities.

Mr Dos Santos, the head of state, controls the abundant offshore oil wells through four international companies; the most recent began to be exploited in January 2000. Angola produces some 750,000 barrels daily and this supply sustains the war; its reserves are the largest in the world. The seven percent of oil which the US imports is Angolan, through the Chevron company. The French company Elf Aquitaine is established in Angola. The armed forces number 85,000, though many of these troops are young and inexperienced.

UNITA controls many of the diamond mines, which, according to the UN, have earned it revenues of between three and four billion dollars since 1992 and finance its substantial military machinery. On 2 November it shot down an Antonov-26 on government service; according to the guerrilla, "the plane was loaded with diamonds stolen from our lands". This is not the first time it has shot down aircraft. The oil companies fear that UNITA's increased military potential may eventually enable it to attack oilrigs. The guerrilla says it has 25,000 men, though it is believed that the real number is around 15,000.

Several nations are involved in this war: Luanda is threatening Zambia for supporting UNITA by allowing its troops to enter and be posted on Zambian territory; Zambia has also taken in nearly 30,000 Angolan refugees who have fled from the conflict. Both nations have stationed troops

at their common border. It appears that Zambian businessmen act as intermediaries in UNITA's diamond sales. For the same reasons, Rwanda acts as a base for airlifts of Eastern European weapons for UNITA.

The Angolan government has troops serving in the Congo war, on Mr Kabila's side. It also has forces in the neighbouring Congo-Brazzaville, in support of President Nguesso, whom Angola helped overthrow the former leader. All this with the blessings of France, whose Elf-Aquitaine operates fully with the support of Mr Nguesso.

Meanwhile, the humanitarian situation of the civilian population is alarming, verging on disaster. Many people are dying of hunger and others, according to the UN, feed on larvae and grass. Angola is strewn with anti-personnel mines, and children and young people are frequently abducted for the war. Captured UNITA troops have confessed they are ordered to steal and kill civilians. A total of two million civilians have been killed and over three million are displaced.

UNAVEM-III is the current UN mission which has been running in Angola since 1995, after the two previous ones failed. The UN has also placed sanctions on both the Luanda government and on UNITA, though seven African nations regularly violate this embargo through their arms and diamond dealings, which they all deny. It has also issued a warning to Belgium regarding its lack of control over the acquisition of diamonds from African guerrillas.

It is believed that in June the Angola government and UNITA held talks in Maputo (Mozambique)—a faint glimmer of hope as, bearing in mind the circumstances in which this war is conducted, neither of the sides stands to win a total victory.

Democratic Republic of the Congo

Equal in size to the whole of western Europe, the Congo is interestingly located in the centre of the continent and bordering on nine states. It possesses vast mineral resources—copper, cobalt, manganese, zinc, diamonds, uranium, gold and oil, of which it produces 100 million barrels per year. Its 48 million inhabitants have a per capita income of 110 dollars and inflation stands at 313 percent; 58 percent of people lack drinking water and 41 percent are without healthcare. Laurent Desiré Kabila has been president since 1997.

The war currently waged in the Congo erupted in August 1998 and involves nine sub-Saharan nations. Forces from Uganda, Rwanda and Burundi occupy almost half of the Congolese territory, fighting against Mr Kabila and the masses of Hutus who have taken refuge there, and between themselves. Troops from Namibia, Angola, Zimbabwe, Sudan and Chad are fighting on the side of the government, which is also backed by Libya. The sheer number of combatants, the intensity and particular cruelty of the actions and their considerable duration have claimed nearly two million lives and have an average daily death toll of 2,600 people. Half of these victims are women and children, who are persecuted especially viciously in order to cause more harm. These factors have also caused the country to disintegrate.

The situation came about with the fall of the previous ruler, Mobutu, in May 1997 after a 32-year dictatorship that ended in economic chaos and social malaise. Abandoned by his former defenders, Belgium, France and the United States, he plunged the country into a state of disorder and unruliness. The saviour was Mr Kabila, who had recruited a group of guerrillas, felt he was approved of, and had secured the political support of the aforementioned powers. Mr Kabila appealed for help from Uganda, Rwanda and Burundi, promising to solve their serious problem of security.

The case of these three nations of the Great Lakes region boils down to a question of ethnic hatred; as is well known, their population is made up of Hutus and Tutsis, the proportion of which is 85-15 percent. However, it is the Tutsis, who consider themselves the superior race, who govern and hold the power. The origins and circumstances of this mortal enmity are not recent, though it should be pointed out that, in the view of their leaders, the only solution is to exterminate the adversaries, which explains the dramatic genocide that occurred in Rwanda in 1994. As a result of the appalling butchery, masses of Hutus emigrated to the neighbouring Congo, where they were allowed to settle and from where they launch continuous attacks in retaliation against their nations, which are ruled by the Tutsis. Mr Kabila promised Mr Museveni (Uganda) and Paul Kagame (Rwanda) to put an end to this situation in exchange for their help in overthrowing Mobutu.

Uganda and Rwanda hastened to provide this help, not only in seizing Kinshasa, the capital, in a long, seven-month march, but also in organising Mr Kabila's forces, which at the time comprised a mixture of his own guer-

rillas (3,000), new recruits (15,000), troops from the previous army (70,000) who had passed over to his ranks and some 5,000 gendarmes.

Once in power, Mr Kabila became a prototypical African dictator and forgot his promises, causing Uganda and Rwanda to turn against him. He began to support the rebel Hutus who had settled in his country and to humiliate and kill any Tutsis within reach, mainly officers in his own army. The others regarded this as unforgivable and decided to penetrate Congo and occupied territorial extensions much larger than their own nations and prepared to march on Kinshasha. Mr Kabila appealed to Angola, Namibia and Mozambique to help him in the south and to Sudan and Chad on the northern fronts; all had in mind compensation for their participation and rich pickings. This war broke out in August 1998.

This scenario of many fronts, the accumulated hatred and thirst for vengeance and the particular characteristics of those engaged in combat in Congo have led to a dramatic situation: soldiers act with total impunity; cruelty, mercilessness and terrorism are forms of control; there is a proliferation of weapons; unexploded mines and grenades are abundant; resources are plundered; and crop-growing land is devastated, among other consequences.

The humanitarian situation is logically terrifying: there are 16 million inhabitants without food, even in Kinshasha, the capital, and 1,800,000 displaced people; and malaria and the feared outbreaks of bubonic plague.

The several fragile ceasefire agreements reached have been immediately broken. In July 1999 the bases establishing the ceasefire, the terms of peace and the conditions for the arrival of UN peace troops were signed at Lusaka (Zambia), but Kabila has not observed them. In January (2000) a meeting of the Southern Africa Development Community (SADC), which groups together 13 nations, was held at Maputo (Mozambique) and asked the UN to send peace-enforcement troops. In May a delegation of the Security Council visited Central Africa to try to find a solution to the crisis.

The SADC, of which Congo is a member, called a summit of heads of state in August. The aim was to address the war, but Mr Kabila did not attend the meeting and it therefore failed. Instead, the Congolese leader asked for a quadripartite meeting with Uganda, Rwanda and Burundi, stating that the circumstances of having his territory occupied by external forces allows him to withdraw from the meeting, according to the Vienna Convention.

UN Security Council Resolution 1291 ruled that 5,500 troops be sent to Congo on a peacekeeping mission (MONUC), though naturally, this would take place once a ceasefire had been signed. In August, Mr Kabila authorised their entry—which logically has not occurred owing to a complete lack of security conditions and because the African leader has imposed restrictive conditions that are impossible to meet; in the end, only 250 observers were sent.

Congo today is divided and has ceased to be a governable nation owing to the huge number of rebel factions (believed to be 50) that are subject to no control whatsoever and occupy zones and fight both among themselves and with troops from five other foreign states. Uganda and Rwanda have also broken off relations and are now engaged in combat. The most serious issue with respect to these Ugandan and Rwandan forces is that even if they were not fighting, they would not be willing to abandon the occupied territory: first, because it is the only way to achieve security for their nations and it was on this basis they were allowed in; second, because if they left they would be highly likely to be killed; and third, because there they face no other risks than their constant brawls, and are not in danger of defeat. A further fact to consider is that in the occupied zones they have the help of the Banyamulengue (6), whom they in turn protect. What is more, they are obtaining substantial earnings from the diamond mines in the area. The situation is reminiscent of the case of Israel in Palestine, which is so difficult to solve.

M Kabila is neither able nor willing to put an end to this situation. A settlement involving UN troops would require huge numbers of forces, in open combat, in a hostile environment and would pose major logistic support difficulties; Congo is not Kosovo. Meanwhile, the western powers appear to look the other way.

The Horn of Africa (Ethiopia, Eritrea, Somalia, Djibouti)

The Horn of Africa is an area of strategic interest which has always attracted the major powers on account of its proximity and links to the oil-rich Arabian Peninsula and its position, which inhibits the intense Red Sea traffic.

(6) Congolese Tutsis.

Ethiopia and Eritrea

Ethiopia is the second most populated nation in Africa, with 60 million inhabitants. Formerly Abyssinia, it was linked with what is today Eritrea, the only African nation never to be colonised. The country has huge social inequalities, but there are cultivated minorities educated in the US and the United Kingdom.

The fall of Haile Selassie, overthrown by in 1974 by Mr Menghistu, triggered the catastrophic events in the area. Internationally isolated, condemned by the people and harassed by Eritrean guerrillas, Mr Menghistu fled and Meles Zenawi, the current president (since 1991), came to power.

The aforementioned guerrillas—the so-called “tigers” of the Tigray region at the border between Ethiopia and Eritrea—actually began to operate in 1975. Meles Zenawi, grateful to the northern guerrilla fighters who helped his cause, answered their demands for autonomy by granting them independence. Eritrea thus came into being as a nation in 1993, with Issaias Afwerki, a former ally, as president.

In May 1998 the honeymoon period between the two presidents came to an end over a border dispute in the Tigray region, where frontiers had never been properly defined. This is the main cause of the terrible war between Ethiopia and Eritrea, which has lasted two years. Two years of exhausting combat, with a short-lived ceasefire promoted by America and Rwanda, which both sides used to rearm.

To this misfortune should be added this year’s terrible drought; eight million Ethiopians are at risk of dying of hunger. Massive international assistance has been sent, but it is very difficult to reach Ethiopia because the ports of entry are located in Eritrea. There are proposals for a neutral corridor, which Eritrea accepts and Ethiopia refuses. To cap it all, the terrible drought was followed by torrential rain that has flooded fields and roads, hindering the international distribution of foods almost to the point of impossibility; furthermore, all the land is sown with mines.

Fighting continued throughout the whole of May 2000, but on the 7th the UN Security Council sent ambassadors from the US, France, the United Kingdom, the Netherlands, Mali, Nigeria and Tunisia to Eritrea. On the 16th Ethiopia launched a major offensive, entering enemy territory and advancing on Asmara. The Eritreans fled their trenches and beat a disorderly retreat. In addition to the 250,000 combatants, the civilian population fled from the area, their lives at great risk. Many crossed the border with

Sudan, seeking refuge. UNHCR estimates that 750,000 people have been displaced by the war, almost a quarter of the population. The UN then decreed an embargo on arms trading, after two years of war; too late.

The two countries, with huge misgivings, held peace talks in Algeria in June, with the Algerian minister of justice acting as a go-between. An agreement was signed to withdraw forces from the occupied territories. However, fighting continued on Eritrean territory, where Ethiopia bombarded the area around the port of Assab and Eritrea decided to make between 70,000 and 80,000 Ethiopian soldiers imprisoned in nearby camps a kind of human shield. Ethiopia began to withdraw and on 10 June both sides agreed to the OAS's proposed ceasefire. UNHCR, the Sudan and Ethiopia signed an agreement on the return of refugees. At last, on the 18th, an armistice was signed.

The countries began peace negotiations in Washington on 3 July—still a difficult task, with mutual demands, but they addressed war reparations, demobilisation, the possibilities of shared use of the Eritrean port of Assab and, most important, boundaries. In September, the UN agreed to send 4,300 peacekeepers. In October Meles Zenawi was re-elected prime minister of Ethiopia and stated that the peace process will continue.

It is not clear which of the two leaders might be considered to have emerged victorious, though the two losers can be clearly identified: on the one hand, the civilian population and the nations themselves, which are hanging in shreds; and on the other, the US, which has failed to isolate the Sudan, as planned, since both Ethiopia and Eritrea have resumed trade relations with Khartoum.

In November the mortal remains of Haile Selassie were buried with full honours at the Trinity cathedral in Addis Ababa which he himself had had built. His body had remained hidden for 16 years on the orders of Mr Menghistu and lain in a mausoleum for a further nine.

Somalia

At a peace conference held in Djibouti in August, a Somalian national assembly was appointed and Abdiqasim Salad Hassan was elected president. He faces an almost superhuman task: to rebuild a nation that has been razed to the ground and plunged into anarchic turmoil after 10 years of internal struggles between genuine “warlords” who governed despoti-

cally from their territories into which the nation was divided. Thanks to the initiative and desperate efforts of external organisations, 12 peace conferences have been held—albeit to no avail—over the past nine years.

With this bleak outlook, the recently appointed President Hassan arrived in Mogadishu. In September, he made his debut by travelling to New York to attend the United Nations General Assembly and ask for help. Somalia's seat had been empty for many years. On returning to Mogadishu, he sat the members of his nascent government on plastic seats in two modest hotels—there were no other premises in better conditions. The country is in utter ruin; there is scarcely anything. The water pipelines and electricity and telephone lines have been pillaged, and even the oil from a former refinery. For the time being, it only has the help of the African countries, as no western state recognises the new government. The population is anxious for peace and even hopeful, despite the warlords, who are unwilling to surrender their mini-states where they have forces, police and even their own currencies. President Hassan is promising them a federal system with autonomous regions. Everything remains to be done. He is going to need much help, much effort and much imagination to rebuild a devastated nation beset with difficulties.

The Great Lakes region (Uganda, Rwanda, Burundi, Kenya and Tanzania)

Uganda

In 1997, Madeleine Albright described Uganda as a model of pacification and economic recovery. Its president, Yoweri K. Museveni, a former Marxist converted to capitalism, like so many African leaders, at the time had achieved a growth rate of 5.8 percent, freedom of the press, an original political system of “democracy without parties”, free primary education and AIDS figures that were beginning to fall; the congratulatory messages from the United States were joined by the United Kingdom and Germany. The United States has been interested in Africa for some time now and seems to be competing with France and the United Kingdom and aims to exert its influence through its NGOs and evangelistic sectors. President Clinton's friendly visit to Uganda in 1998 could be interpreted, in the context of US foreign policy, as an interest in making this nation another buffer state to halt the spread of Islam from Sudan.

Today, Uganda is experiencing difficulties; inflation is rising, the shilling is falling, several banks have closed down, sales of coffee—the country's main export—are sagging; poverty is the predominant characteristic, over half the population lack drinking water and life expectancy is less than 40 years. The main cause for this sad state of affairs is the war against Congo and its costly financing; the Ugandan army is pitted against Mr Kabila and its former ally, Rwanda, over the control of Kisangani. The fighting has claimed hundreds of lives, mostly civilians, and the country faces threat of sanctions both from the UN Security Council and from the EU. It is furthermore engaged in a complex war in the north against groups of nations who have fled to Sudan and, also in the north, endures the action of dozens of thousands of armed shepherds who harass and kill their neighbours during the dry season in December, while the few troops posted there look on impassively.

Like most of the African conflicts, the war in the north has been dragging on for very many years and started in 1986, the year Mr Museveni came to power. He became head of state following the victory of his guerrilla with the support of Bantus from the south and Rwandan Tutsis who had settled in Uganda in the 50s. Since then, the north, similar in size to the Spanish region of Galicia, with 800,000 inhabitants, has been hostile to the government, to which the latter retaliates with vengeance.

Many military from the previous regime then fled to southern Sudan, where they formed the Lord's Resistance Army (LRA) and launch continuous attacks on northern Uganda by setting villages on fire, sowing mines, ambushes, etc. Fourteen years of futile war. All Mr Museveni has done for the northern people is confine them to camps as a form of protection; over 200,000 people—almost half the population—are crammed into these camps in truly appalling conditions.

The EU has condemned Sudan several times for its cruelty towards child slaves and warriors, but always in words, even though an embargo on the country's oil trade, the mainstay of its development, would be a powerful weapon. The Catholic, Anglican and Muslim religious leaders and several NGOs have set up the "Forum for Peace" in an attempt to end the war and its atrocities. A truce was almost reached in November 1999, when the Ugandan and Sudanese presidents signed a peace accord in Nairobi (Kenya) in the presence of America's former president Carter—whose action did not seem to be very much to the liking of the US administration—agreeing on an amnesty for the guerrillas who laid down their

arms, and also an exchange of Sudanese prisoners for Ugandan children. Uganda returned 72 prisoners and Sudan only 30 children who were not even those who had been abducted for the war but abandoned in the streets. The guerrillas resumed their attacks shortly before Christmas, thus putting paid to the precarious peace. The situation continues.

Angola recently sent a delegation to Uganda to try to restore confidence between the two nations, although they are fighting on different sides in the Congo war. Uganda today has been abandoned by Rwanda, is pitted against Mr Kabila, opposed by the western powers on account of its involvement in Congo, beset with internal security problems and at permanent loggerheads with Sudan. Mr Museveni is a skilful politician, speaker and negotiator, and in September he travelled to Kigali, in Rwanda, to discuss the Congo war and attempt to join forces. He also signed an agreement with Sudan on 27 September whereby the latter promises to withdraw the bases of the LRA guerrillas to over a thousand kilometres from the common border and return the abducted children. However, days later (9-10 October), 600 guerrillas entered Uganda, where they launched an alarming attack. A further episode of butchery was witnessed in April, when over ten thousand members of the "Restoration of the Ten Commandments" sect were killed by their leaders.

Rwanda

The recent history of this country is marked by the appalling genocide of 1994, one of the most horrifying events of the 20th century, caused by the permanent conflict between the country's two main ethnic groups: the Hutus, who outnumber their rivals considerably, and the Tutsis, fuelled by racist tendencies, who hold the power. Events were unleashed by the assassination of the presidents of Rwanda and Burundi in an air attack in 1994. It seems that Paul Kagame, the current Tutsi president, directed and took part in the operation.

According to a report by one of the religious organisations that endures continual harassment, the current situation of the country is even worse than in the time of the other dictator.

In December 1999, the UN recognised its responsibility for mistaken and passive neutrality in the Rwandan genocide. It admitted to having failed to prevent and halt the genocide of some 800,000 people, Hutus and moderate Tutsis, in a nation that lacks strategic interest. Last July, the

OAU asked the UN, Belgium, the US and France for compensation. An “International Criminal Tribunal for Rwanda” has been set up. Like Ethiopia and Eritrea, both Uganda and Rwanda have been US pawns, used to isolate Sudan. Even in October, Mr Clinton announced that Rwanda will enjoy trade privileges and be granted 4.3 million dollars for the democracy programme and a total of 21.4 million dollars for 2000.

Burundi

All that has been said of Rwanda applies also to Burundi. Indeed, so great are the similarities between these two countries that this section could be summed up with the word “idem”. Similar in area (some 27,000 square km), number of inhabitants (Burundi’s population is 6.5 million and Rwanda’s 8.5 million), ethnic makeup (85% Hutu-15% Tutsi) and poverty level (income per capita is 140 and 230 dollars, respectively), with the same date of independence (1 July 1962), principal language, French, life expectancy (40 years), they are both governed by military dictatorships and share a recent history of persecution, cruelty, mass murder, confusion and misery.

Burundi has been immersed in civil war for seven years (Rwanda for six), since the current president, Pierre Buyoya, overthrew the previous ruler (Ndadaye), a Hutu, killing his soldiers, a few weeks after he acceded to power by democratic means. Since then, there has been no peace between Hutus and Tutsis and over 200,000 people have been killed and thousands of refugees have fled into Tanzania. Mr Buyoya has 50 concentration camps into which some 300,000 civilians are crammed, mostly Hutus, under the pretext of protection.

International efforts have been deployed in the difficult peace process since 1999. All these negotiations have involved an outstanding man who has devoted all his patience, skills and prestige to pursuing a ceasefire and reconciliation between the two sides: Nelson Mandela, the former South African leader. His grief at the spectacle of death and destruction he witnessed on his arrival and the ruthless arrogance of the Tutsis drove him to consider giving up, but he continued. At the initial meetings with the military in Bujumbura (the capital), he addressed them harshly, calling them “the devil’s assassins” and telling them they would never have peace of mind. He also criticised the international community at the UN Security Council for failing to stop this war. Mr Mandela’s first intention and

demand was for the regrouping camps to be immediately dismantled, even though their inmates would have nowhere to go, as their homes and possessions had been destroyed. At a meeting with Mr Buyoya in Johannesburg in June, he established this as a condition for Burundi's being able to receive any international assistance.

In July, Kenya, Uganda, Rwanda, Zambia, Ethiopia, the OAU and the leader of the main rebel movement in Burundi attended a mini-summit in Tanzania, which ended in failure. In August, 14 of the 19 conflicting parties signed initial peace accords in Arusha (Tanzania), in the presence of Mr Mandela and President Clinton; however, the Tutsis did not sign, and the fighting and slaughters continued. Under constant pressure from Mr Clinton and Mr Mandela, almost all the Tutsis and Hutus gradually signed agreements at the intense rounds of talks held between 2 and 13 September, when the last of them eventually signed. But two days later the fighting and artillery attacks from the refugees in Tanzania continued.

The clashes, plundering and deaths continued unabated into the last days of September, but so did the intense negotiations, after the possibility of reaching an agreement was glimpsed despite what were still seemingly uncompromising stances. The Kenyan, Rwandan and Tanzanian heads of state pressed their demands in what appeared to be a dead end. The future of 500,000 displaced people and 340,000 refugees in a distressing situation was at stake. The UN offered 100 million dollars to aid their return; Belgium also promised assistance, while France made an advance of 10 of the 40 million francs announced.

Several more conflicts could be described in this section of hostilities and horrors in sub-Saharan Africa, but the limited space available only allows us to cite briefly a couple of examples. *Sudan*: a radical Islamic republic, like its ally Iran, an enemy of the West, particularly the US, which grants it preferential attention and is trying to isolate it using all means as a refuge for terrorists. Seventeen years of continuous aggressions and atrocities in the north, where the Shar'iah prevails, against the predominately Christian south, where the armed SPLA holds out and strikes back. Over a million people have been killed and over two million displaced, starving masses and slavery. The EU has been forced to suspend humanitarian assistance owing to insufficient conditions and lack of guarantees. The country has substantial oil, its main and almost only resource, of which 500,000 barrels are obtained daily. This oil interests the West, and is exploited by technical experts from China, a nation with which it has close ties.

Mention should also be made of *Sierra Leone*, a nation of diamonds and squalor, nine years of civil war, a hornet's nest of violence, where sadism manifests itself in a thousand different ways, including amputations and the capture of children who are drugged and sent to combat. In May the guerrilla leader Foday Sankoh was arrested; he headed a force of some 45,000 men, the "West Side Boys", and controlled 90 percent of diamonds; he had also captured 500 UN peacekeepers. The UN Security Council has set up a Special Tribunal to try the crimes committed in this war; a thousand of so child soldiers, the oldest aged 14, will be appearing at the request of the Secretary-General, in view of the atrocities they have committed. It appears that since June these minors have been disarmed and relieved from their fighting duties. Liberia is embroiled in the war and in the diamond trade. The United Kingdom has sent forces to its former colony, initially 700 parachutists who freed 230 of the imprisoned peacekeepers in their first operation, though 11 were captured; six Royal Navy ships are also stationed in nearby waters. In November the UN Security Council placed the head of the British detachment in charge of the 12,500-strong mission, MINUSIL.

Before ending this section on Black Africa, we will mention Equatorial Guinea, not because it is a nation at war, but because it is Spain's only former colony in Africa, which gained its independence on 12 October 1968.

Equatorial Guinea

A small nation (28,000 square km) located in the bulge of Africa with 440,000 inhabitants, most of whom are Catholics (86%), Equatorial Guinea lives in peace though with internal tensions for political reasons and restricted freedoms. It has enjoyed a relative material wellbeing within the group of developing countries throughout almost all its history. Its per capita income stood at 1,500 dollars in 1996; that year its oil production rose significantly and it is set to boost its per capita income to nearly 2,500 dollars. Regrettably, since the nation gained its independence in 1968, its relations with Spain have progressively cooled off and deteriorated.

The following paragraphs briefly examine these three aspects: politics, oil and relations with Spain.

Politics: The president of Equatorial Guinea—hereinafter "Guinea"—is Teodoro Obiang Nguema, who came to power in 1979 by means of a coup and governs a theoretically multiparty presidential republic, though this is

hardly credible given that 12 of the 18 existing parties support and obey the power, another three are close and only three, tightly controlled parties can be considered opposition.

The people remain docile except for the *Bubi*, who neither supported the Constitution of the President (1991) nor voted for him in the 1996 elections; 80 of them are currently imprisoned, such as the former president of the assembly and the former finance minister, for dissenting; others chose exile. Reports of the IMF, Amnesty International and the UN Human Rights Commission frequently speak of violation of freedoms and siphoning of funds. In 1991 the people were given a new Constitution containing an article that makes it impossible for the president to be impeached, be it before, during or after his mandate.

The municipal elections last May were characterised by a high rate of abstention, including that of the three opposition parties, which claimed insufficient guarantees. The President's party, the PDGE, won 230 of the 244 seats, while the rest went to the moderate opposition. The African Committee of the Socialist International criticised the procedure used by the regime to reduce democratic representation to a minimum and denounced the composition of the National Assembly, 99 percent of whose members hail from the PDGE.

Médecins Sans Frontières pulled out of Guinea in January, claiming that the government was interfering with international aid. In August, the "Christian Science Monitor" of Boston published an extract from the department of state's report on human rights in the world, which levelled accusations at Mr Obiang Ngema's government. In September, the EU withheld the 12 million-euro aid package it had negotiated with Mr Obiang Ngema owing to irregularities in his application of human rights. The leader answered that "there are no political prisoners in Guinea" and submitted a "governance plan" for wider democracy, the successful implementation of which will depend on the promised aid.

Over the past ten years, Mr Obiang seems to have reached a state of almost total isolation, surrounded as he is only by his supporters. His fear of a possible coup and of being deprived of his Moroccan guard has led him to seek an alliance with the Angola's President Dos Santos, whom he has entrusted with his security. Also, on returning from the South Summit in Havana (G77, April 2000), he travelled to the United States to sign a contract with Military Professional Resources, Inc. on the availability of "military advisers".

Changes are expected to take place soon. Mr Obiang appears to be suffering from a serious illness, and it is likely that neither Guinea nor the foreign powers will allow a family dictatorship in which power is handed down to his son. He has enemies at home, in his own party, the PDGE. There is talk that a cousin of his, Agustin Ndong Ona, whom Mr Obiang is promoting, will be a likely successor.

Oil was discovered in 1992. At the time, Spain did not wish to involve itself in exploiting these resources, owing to legal misgivings, and lost any chances for good. A former US ambassador with fewer reservations agreed to the conditions and today Mobil Oil (US) extracts 500,000 barrels daily, some of which are bought by Spain. Since 1996-96 Guinea has been the second biggest exporter of western and central Africa, after Nigeria, and doubled its GDP between 1994 and 1997. Oil prospecting interests Cameroon and Gabon, which have been asking for territorial waters to be clearly delimited for years. Last October, the private US agency OPIC granted a 173 million-dollar loan for the construction of a methanol plant on the island of Bioko, which will be one of the leading ten in the world. Since receiving these concessions, the United States has changed its opinion about Guinea; it is no longer considered a country “governed by a tribal oligarchy that does not respect human rights”; rather, it “has made real progress in human rights and enjoys political stability”.

Spanish policy in Africa has been overly “soft” with the regimes of the past two leaders, Macías and Obiang Ngema, aggrieved by what it considers to be Guinea’s ingratitude towards Spain.

Guinea has certainly received much aid from Spain. To cite production figures during the colonial period and today, the country has gone from producing 40,000 tonnes per year to under 8,000; from 6,000 tonnes of coffee to under 600; and Spain left it 2,200 km of roads in a good state which are today almost impassable. There is scarcely any industry, apart from oil and a couple of sawmills for the abusive tree felling.

France has taken advantage of this distancing to penetrate different fields, such as telecommunications, trade, energy, services and finance, establishing CFA, though its influence has dwindled in recent years.

Spain is currently attempting a greater rapprochement with Africa in general and with Guinea in particular. The Spanish ministry of foreign affairs has recently drawn 20 ambassadors from sub-Saharan Africa into this attempt. There are also plans for the Prince of Asturias to visit these

countries. Last October, a meeting of the Spanish premier, Mr Aznar, was planned with Mr Obiang Ngema at the UN headquarters, on the occasion of the General Assembly.

FINAL THOUGHTS

Sub-Saharan Africa has faced three main, permanent problems since the beginning of decolonisation: *economic*, underdevelopment together with dependence on the West and on neo-colonialism; *political*, dictatorships and single parties; and *in the social sphere*, armed conflicts and widespread violence, a situation of permanent crisis.

Black Africa has come to be a genuine “fourth world” where decades of international aid have served practically no purpose in any field. Today, it is indebted, almost an outsider to the world trade scene, and with a sprawling demography, widespread corruption and serious ethnic rivalry. In view of such great difficulty and failure, one might wonder whether Africa has relinquished development.

Africa’s real problem is that it is not the leading player in its own history—it depends on other countries for everything. That dependence is very difficult to sever and it is not advisable for it to be isolated from the western world, though it should be oriented solely and exclusively to obtaining benefits for Africa, condemning any attempt and exploitation and channelling the West’s efforts towards the achievement of solidarity between Africans; only then will it be respected.

Africa is a challenge to mankind’s conscience and to the West’s intelligence. The developed world should ask itself whether its categorical condemnation of Black Africa’s backwardness, idleness, its different customs and practices is the only valid yardstick for despising this world that is so remote and different from our own. For it does not behave in this way towards the Eastern world, equally remote and different, yet respected.

Western ways of thinking have arisen from different societies, and over the centuries the African people have shown that they prefer their own ways and beliefs. But this should not lead them to be abandoned on the consideration that any efforts are futile; such an attitude would not amount to respecting their ways and traditions, but rather to arrogance at their failure. If we are truly concerned about their great suffering, we must seek the right way of addressing it. These cultures have been alive for centu-

ries—the same cannot be said of the western world. The current *globalisation*, for example, and the improvement in the world economy could end up marginalising the African continent if, in the task sharing that these movements advocate, it is relegated for ever to the role of provider of raw materials and cheap labour.

As for the constant violence, this permanent instability discourages the West, inviting it to abandon Africa to its fate, as it is easy to conclude that “Africa does not want peace and thrives in a climate of permanent war”. In some cases aid, support and peace forces have been withdrawn or delayed. Admittedly, this has sometimes been as a result of certain attitudes shown by the African leaders, but it has also caused bitterness and an uneasy conscience.

The UN has witnessed a good number of fiascos in Africa and has seldom solved any conflicts; it has recently intervened in fifteen cases—unsuccessfully—despite the good will. This is mainly due to the fact that the organisation is influenced by the interests of the major powers, countries that habitually supply arms and furthermore control the resources and commodities they need to maintain their high level of development. They prefer not to intervene and, without them, the UN is unable to put an end to so much cruelty. This flagrant injustice is a reality which, apart from rendering any official assistance initiative useless, causes the suffering and death of millions of humans, as the authors of the book “Greed and Grievance” (by the directors of the London IISS and the International Peace Academy) point out. Intervention by the UN, which today has 31,300 peacekeeping troops, is the only option in these cases if we are not to abandon Black Africa to its unhappy fate, or allow the western nations to intervene freely as they wish—a frightening thought, bearing in mind that there are so many interests at stake.

What will Africa’s future be? A historical analysis does not allow us to be overly hopeful. Any attempt at predicting the 21st century is difficult. The only new indicator is the growing influence during President Clinton’s mandate of the United States, which is taking over from France. This might perhaps give us an idea.

EPILOGUE

EPILOGUE

(December 2000-January 2001)

A STRATEGIC OVERVIEW OF 2000-2001

By RAMÓN ARMENGOD LÓPEZ

On the international front, 2000 ended with the hard-fought presidential elections in the United States. As we turn into a new millennium, these elections affect international society as a whole, steered and arbitrated as it is by American imperial democracy.

Indeed, the last decade of the 20th century has witnessed the consolidation of American leadership. The “new order” proclaimed by President Bush senior after the Gulf war ended has become a reality under the presidency of Mr Clinton, though in a different way: through economic and technological globalisation rather than by means of a new international legal framework.

President Clinton has been accused of having allowed a certain amount of disorder through lack of international planning and foresight. It would be more accurate to say that Mr Clinton has preferred to channel all the United States’ energies into leading an economic and cultural revolution in which, at this precise moment, the United States is invincible.

Neither is it accurate to say that Mr Clinton has distracted America’s public opinion with international problems; rather, he has paid attention to them, conditioned by the country’s domestic problems and those of his own.

His successor, the second President Bush—”W”, as he is known—comes with no experience in the international sphere, though his team

became well versed in foreign affairs during his father's mandate: vice-president Dick Cheney, secretary of state Colin Powell, security advisor Condoleezza Rice, and defence secretary Donald Rumsfeld, who held the post under President Ford. After stepping down from their posts, these experts continued to play a role in US public affairs and are therefore aware of the different world landscape before and after the Cold War.

The president elect's electoral speeches and declarations give a basic idea of the outlines of his policy:

1. America's primary temptation is isolationism, driven by lack of confidence in its own possibilities; the second is to allow itself to be swept along by international crises like a cork by the tide: foreign policy must therefore be active but amount to more than controlling these crises. It is necessary to transform this time of American influence in the world into generations of peace.
2. Washington's international action will therefore not be a mere response to emergencies, but a strategy based on lasting national interests, such as:
 - A) joint action with its democratic allies in Europe and Asia to broaden the areas of peace.
 - B) promoting a fully democratic American continent, united by free trade.
 - C) defending American interests in the Persian Gulf and promoting peace in the Middle East, on the basis of Israeli security.
 - D) halting the spread of weapons of mass destruction and the means of launching them.
 - E) orienting the world towards free trade, since America will prosper if it supports free trade, which entails putting an end to subsidies for national industries and opening up agricultural markets.
 - F) Europe and Asia are the priorities of this American strategy, as areas of democracy and freedom of movement for individuals, capital and knowledge. The danger lies in the fact that two major states in the region, Russia and China, are powers undergoing transition: it is difficult to guess their intentions when they themselves do not know what their own future will be; only if they are friends of America will there be world peace.
 - G) it is necessary for America to maintain its commitments to allied defence, but American forces must be used according to well-defined American objectives.
 - H) America must defend itself from the threats of the 21st century with an anti-ballistic missile system that protects its territory, its forces

overseas and its friends and allies. The ABM treaty must not hinder technologies and experiments that can help deploy this system.

I) It is necessary and possible to trim the nuclear arsenal to below the requirements of SALT II and to reduce the early warning troops, a vestige of the Cold War.

J) NATO: in order to trust the allies when they are used, they must be respected when they are not needed.

America must guide it in its proposals, in military conflicts and towards a greater European contribution. America's allies who share the major opportunities in Eurasia must share the burdens and risks of peacekeeping.

This help will enable America to keep its decision-making power for defending vital shared interests.

From the foregoing one infers primarily the assertion of the Republican party philosophy in the international scene: more trade and more freedom, not in the sense of more political rights, but greater economic deregulation. Second, the United States is not the "indispensable nation" in any conflict, not even for the humanitarian reasons that justified the interventionism practised by Mr Clinton and also by President Bush senior, who dreamt of a new world order; American soldiers are not programmed to "build nations".

Therefore, military intervention abroad will be based on defending the vital interests of the United States and its allies, but not also on defending common values; the new American government will propose to its European allies an ordered withdrawal of its troops in the Balkans, agreed by consensus, and will help set up "regional police forces" in the different continents.

However, President G. W. Bush wants the United States to be invulnerable in its own territory by means of the national missile shield (NMD), which is going to trigger adverse reactions not only from Russia and China but from its own allies, because it partially contradicts the current military balance. What is more, the president elect has not concealed his opposition to certain multilateral political and military agreements (the total nuclear test-ban treaty, the Kyoto protocol on climatic change and the International Criminal Court): that is, he is not willing for the network of international agreements to inhibit the American democracy's imperial freedom.

Describing this policy in greater detail in his address to the Senate, the new defence secretary, Mr Rumsfeld, said that if it is assumed that the

deterrence of possible enemies cannot be based solely on a massive nuclear response, this deterrence should then consist of nuclear offensive weapons and other non-nuclear defensive weapons, preventing the threat or use of weapons of mass destruction (WMD), the proliferation of which would thus be halted.

Therefore, it is necessary to modernise the whole military machinery, which is geared to Cold War needs, adapting it to the defence of a new national security area in the face of new threats, since the centrifugal forces of international society have created a more disperse and less identifiable set of potential adversaries whose aspirations of dominating a region of the world may challenge the vital interests of Washington and its allies.

In order to do so, it is necessary to boost the armed forces' morale, develop a defence capability against missiles, terrorism and the new threats to American space deployment and information systems, and to apply the advances of the current technological revolution to military ends.

The specific objectives Mr Rumsfeld has stated are: a new national security environment; to ensure the preparation and sustainability of deployed forces; modernisation of the United States military infrastructure; the prompt application of new technologies to American military power, to prevent work being continued on outdated projects; and the reform of the defence organisation, processes and structure, to make them less costly and more efficient.

This is an ambitious programme for a time of economic slowdown but relative world calm in the political and military spheres. Washington wants to make the most of this period, equipping itself to face future global and regional challenges from a position of military strength and technological superiority.

THE BUILDING OF EUROPE

By JAVIER PARDO DE SANTAYANA Y COLOMA

As often occurs with European summits, the results of Nice were considerably better than predicted, as willingness to negotiate and the pressing need to ensure Europeans were not disappointed led expectations to be surpassed. The importance of what was at stake obliged the partici-

pants to reach a difficult, final consensus, which was achieved at the last minute.

We could rightly object, as Mr Prodi did, that the general spirit of negotiations revealed an eagerness to ensure the ability to veto decisions rather than apparently more constructive goals. It could also be criticised that the talks focused primarily on power quotas, but we should not forget that on this occasion it was no less than the feasibility of an enlarged Union that was being discussed, and this called unavoidably for assigning each member state (current or future) a part of the whole in terms of votes and seats. It is therefore hardly surprising that each endeavoured to secure the most favourable conditions as possible with respect to power and influence, and tried to guarantee the security mechanisms that would afford some reassurance in view of the changes that lie ahead.

Harsh confrontation was only to be expected over two obvious issues: Germany's interest in giving substance to its demographic superiority over France, and the misgivings of the "small countries" concerned about the hegemony their larger partners could exert on them.

Germany's attempt to break away from France came up against resistance from the French, based on the principle that the founding fathers had established a sort of equilibrium between these two countries that ought to be respected. It ended in a compromise solution that maintained an apparent parity, though this balance, which translated into the same number of votes within the Council, was then tipped considerably in Berlin's favour by means of a technical formula (the population "check"), by the fact that it is to retain its current number of seats in Parliament—in striking contrast to the other countries, whose seats are to be reduced, and by the acceptance of Mr Schröder's proposal for a new amendment to the Treaty by 2004.

The "small countries'" complaints of the worsening of their relative situation were addressed by sharing out some additional votes that were deducted from the "big countries". The final share-out of seats considerably surpassed the mandate established at Amsterdam. These measures did not fully satisfy the "small" countries, but they at least enabled a last-minute agreement to be reached.

The fact that certain contradictions requiring a subsequent solution were observed when the resulting documents were revised gives an idea of the difficulties encountered and the extent to which the negotiations

continued up until the very last minute of the time available. This solution altered some of the forecasts, but was considered acceptable so as not to damage the image of the summit. With respect to Spain, its possible disadvantages regarding its ability to block decisions would only be relevant to circumstances that are unlikely to arise and did not mar the good results obtained.

As a whole, it can be said that the most significant results of Nice are as follows:

The new European order is becoming consolidated, since despite its limited objectives, the summit served the purpose of shaping, even in practical terms, the Europe of the future, that is, the European Union after enlargement. Indeed, the candidate countries are considered part of the European institution, their situation having been defined in organisational terms: they can now “see” themselves as part of the club; they know what and where their place is within the institutional bodies. Many of their doubts and fears have been assuaged. The Europe of Yalta has thus been relegated for good to the past.

Germany is emerging in practice as Europe’s leader or, at least as the “*primus inter pares*”. The arrangement consolidated at Nice will furthermore increase its responsibility, since it shifts the European centre of gravity eastwards. It remains to be seen whether the new situation will affect the “Franco-German motor”.

The future Union is to be structured into two clearly differentiated categories: the “big” and “small” countries. This would seem to favour the idea of a need for a system of “enhanced co-operation” enabling impetus to be given to such a large and complex entity.

As almost always occurs at summits of this kind, there was a clash of interests. No country attained exactly its maximum aspirations, but all of them came away with some achievements. In this respect, Spain was one of the nations that did particularly well out of the negotiations, as the specialised media have pointed out. Whereas Spain previously occupied an intermediate position between the “big” and “small” countries, in the new arrangement it has only two fewer votes than Germany, France, the United Kingdom and Italy within the Council, in a group that stands out by far from the result. It shares the same status as Poland, which has only a slightly smaller population. It has thus multiplied its votes within the Council by 3.37, whereas the “big” countries only have 2.9 times more votes

and the rest 2.4 times. Spain has thus achieved one of its major goals: to be part of the European lead group, as befits not only its population but also its history, culture and capabilities and certain realities, such as the fact that it is the sixth biggest investor in the world and the eighth biggest contributor to the United Nations development assistance system.

The second major objective was to ensure an appropriate transition from the current situation, in which Spain is a recipient of European structural and cohesion funds, to the post-accession scenario that calls for these funds to be transferred to the new countries with weaker economies. For although it is to be hoped that by this time Spain will have achieved real convergence, this cannot be fully guaranteed.

In this case Spain also achieved its aims, as it will be able to exercise its right of veto on these matters in the event that a decision regarding the distribution of funds for the 2007-2013 period is not reached by 2007.

As for the building of European defence, as expected, the chiefs of staff had completed their task in time for Nice, according to the programme established at Sintra. Nonetheless, the project came up against a number of difficulties which may halt its progress: one of these is the condition, imposed by the United Kingdom and subsequently seconded by France, that before it is definitively approved, the EU-NATO mechanism for allowing the use of certain Atlantic Alliance assets which Europe lacks should be formally determined. The fact that the presidency during the first half of 2001 falls to Sweden, a non-NATO country, does not arouse great hopes that these difficulties will be sorted out in the immediate future, and it would not be surprising if some of them drag on unsolved until the Spanish presidency.

An important step taken at the Nice summit was the definitive approval of the European Charter of Fundamental Rights. But it should be pointed out that such a significant achievement was not greeted with the same enthusiasm in all countries, and that those which, like Spain, wanted to have the Charter included in the Treaty on European Union, were disappointed and will have to wait to see if their wishes are realised in a more or less near future.

Two particularly positive events were witnessed at the end of 2000: the euro picked up against the dollar as the EU economy began to slow down; and oil prices dropped, owing to the appreciation of the European currency and also to the increase in oil production. These developments

raise certain hopes that inflationary pressure will ease and that confidence in the single currency will be restored. For Spain, these facts, as well as the latest statistics of job creation and growth (which, at four percent, has surpassed official forecasts) enabled us to end 2000 with good prospects and have partly dispelled emerging concern about some aspects of the economy.

We should also regard as positive the results of the Serbian elections in December, which powerfully reinforced the position of the reformist platform and marked a major fiasco for Mr Milosevic and his party. The political change was thus consolidated by the polls. The future will hinge on the stability of the winning coalition, which may end up giving way to the current president's party, to Mr Milosevic's ability to make a comeback, and to a good understanding between President Kostunica and Mr Djindjic, the head of government.

December witnessed a fresh offer from General Dynamics, which boosted its bid for the sale of Santa Bárbara with the possibility of manufacturing the US LAV-III armoured vehicle. This offer is the latest of several that have emerged in recent months, such as the "Weatherby" sporting rifle and participation in the "Abrams" battle tank.

Also worthy of mention is the agreement of principle to set up a Spanish company specifically for missiles, which will take advantage of the development of the "Meteor" and help shape the unified European missile sector, which stands to become the second biggest in the world and a competitor for Raytheon. The Franco-British company MBD will hold a substantial stake in this enterprise.

CENTRAL AND EASTERN EUROPE

By MARÍA ANGUSTIAS CARACUEL RAYA

On the threshold of the 21st century, the Central and Eastern European states are securing a progressively larger role in the process of building Europe. The Nice summit, which took place between 7 and 10 December, marked the approval of a new Treaty on the European Union and other reports drawn up by the French presidency and the secretary-general/high representative, Mr Solana. These not only fill the lacunae of the Treaty of Amsterdam, but also consider the national aspirations of the European countries wishing to join the Union.

Indeed, the *European Union Enlargement Protocol*, contained in Annex 1 of the new EU Treaty, lays down the new weighting of the candidate countries' votes within the European Parliament, the Economic and Social Council, the Committee of the Regions and the Council of Ministers. The candidate with the most weighted votes in the Council is Poland with 27, the same number of Spain. It is followed by Romania with 14, the Czech Republic and Hungary with 12, Bulgaria with 10, Slovakia and Lithuania with seven, Latvia, Slovenia, Estonia, Cyprus with four and Malta with three. In order for a decision to be adopted, it must secure at least 258 Council votes (out of a total of 345 in a EU of 27 countries) representing a majority of member states. The new Treaty on the Union likewise incorporates a "population threshold" for the adoption of decisions by qualified majority, meaning that the member states who make up this majority must represent at least 62 percent of the Union's total population. The Union's institutions and decision-making processes are thus preparing to face enlargement.

Furthermore, the *Report of the French presidency on the European Security and Defence Policy*, dated 4 December 2000, refers to agreements with non-European NATO members and other countries which are candidates to EU accession. In this framework, the Union envisages agreements on permanent consultations during "non-crisis" periods, which would take the form of EU+15 (accession candidates plus Norway, Iceland and Turkey) and EU-6 (with the European NATO countries). In addition, during crisis periods, dialogue and consultations are to be stepped up at all levels and the *Committee of Contributors* will play a key role in operations management.

However, the south-eastern flank of the EU poses greater integration problems. There are still many factors that threaten the transition process Yugoslavia has begun, which could lead the country to a new break-up. On the one hand, the president of Montenegro continues to claim independence for this republic, and has proposed forming a "soft" union of sovereign republics, such as the one between Russia and Belarus.

On the other hand, a new guerrilla group has emerged: the so-called Army for the Liberation of Presevo, Bujanovac and Medvedja (UCPBM) which acts along the same lines as the Kosovo Liberation Army (UCK). This group is taking advantage of the technical-military agreement of Kumanovo that put an end to the Kosovo war to harass Serb troops and free eastern Kosovo. The UCPBM operates in an area of 200 square

kilometres on Serbian territory where, according to the Kumanovo agreement, the Serb police may not enter with heavy weapons, only light weapons. For the time being, the Serb authorities have not responded to the provocation of the new guerrilla, but the situation could be complicated even further if it continues with its activities. This would cause huge problems both for Serbia and for the NATO-led KFOR peacekeeping force.

Despite these difficulties, the parliamentary elections held in Serbia on 22 December resulted in a win for President Kostunica's Democratic Opposition of Serbia, which secured 176 of the 250 seats. It was followed by Slobodan Milosevic's Socialist Party, which won 37 seats, the Serbian Radical Party (SRS) led by ultra-nationalist Vojislav Seselj, with 23 seats, and the Party for Serbian Unity (SJJ), led by Mr Arkan, which won 14 seats. It should be stressed that Vuk Draskovic's Serbian Renewal Movement and the neo-communist party, the Yugoslav Left (JUL) led by Mr Milosevic's wife, Mirjana Markovic, did not manage to scrape even five percent of the vote. Serbia's democratic government still has to prove to the international community that the coalition is strong enough to break away for good from the methods of Mr Milosevic's despotic regime and take a peaceful approach to the future of the federation—a future that is set to be unpredictable.

Another Balkan state, Romania, will continue to follow the course mapped out by the former communist Ion Iliescu, who was re-elected president in the December polls.

By contrast, another Caucasian country, Georgia, remains entrenched in a deep political and economic crisis. Common delinquency and the "kidnapping industry" are growing as a means of exerting pressure on Moscow over the Chechen war. On 1 December, two Spanish citizens were kidnapped and are still (January 2001) being held captive.

Finally, Russia and the USA continue with their talks to set up a joint data-exchange centre in Moscow, which will provide information about ballistic missiles and bilateral talks in the context of the US National Missile Defence, as well as on the development and exportation by Russia of missile technology. This country has also announced it will be establishing a rapid reaction force for Central Asia.

THE MEDITERRANEAN

By MARÍA DOLORES ALGORA WEBER

The Middle East Peace Process ended the 20th century without solutions to the most topical issues. The return of much of the West Bank and Gaza led us to imagine that the process would yield results. However, major hurdles remain which appear an impenetrable wall between peace and conflict: the return of refugees and the division of Jerusalem.

Since the Intifada broke out in autumn, the violence has steadily increased. Despite insistence that there is an agreement, despite the media's talk that peace is near, the reality—at least, so it seems—provides no ground for such hopes.

President Clinton has not ceased in his efforts to reach an understanding between Palestinians and Israelis up to the last days of his term in office. In December, his agenda was focused on meetings with both sides, but on 20 January we shall see him leave the White House without having achieved his dream of peace in the Middle East.

As expected, the Peace Process cast a shadow over the Marseilles conference in mid-November. This came as a harsh blow to the “Barcelona Process”, which also saw projects that Mediterranean foreign ministries have been working on for years slip away. The Arab representatives of Syria and Lebanon failed to attend, and the rest came away dissatisfied with the rather vague position of the European members. A novelty, if any, was that for the first time Mr Ben Ami agreed to the sending of an international force, though he made this conditional on the prior signature of a peace agreement.

The chances of achieving such a peace agreement have become weighed under with increasingly complex circumstances that Israel's government has been unable to survive. Ehud Barak was forced to resign and call early elections, to be held at the beginning of February 2001.

Although the Labour leader remains convinced of a new victory, the fact is that Mr Netanyahu's comeback to the political scene and, in particular, the popularity Ariel Sharon has earned since his provocative visit to the Temple Mount esplanade, suggest that the Likud will return to government.

Perhaps the most delicate aspect of this situation is not the comeback

of the Conservative Party, which furthermore has the backing of the most radical Jewish orthodox sectors. After all, the major agreements in the Middle East have always been achieved while the Likud was in power. What is more dramatic and disheartening is seeing the effects that this weakening may have on the population. The gap in Israel between those prepared to yield to the conditions in order to achieve peace and those who reject any possibility of a divided Jerusalem is widening by the day.

The risk this new circumstance may entail is loss of confidence and, with it, loss of control over society. The mediators in the process have been highly aware of this fact. It is becoming increasingly difficult for both the Israeli and Palestinian leaders to keep their people united. The radical sectors are beginning to act on the fringes of the principles upheld by both Mr Barak and Mr Arafat.

Mr Clinton made a fresh attempt to persuade the two leaders to meet once again in mid-December, but a face-to-face meeting was impossible to achieve. Yasser Arafat has expressed his huge disappointment at what is now called the "Clinton Plan". The Palestinians have opted for a change of scenery and have replaced American mediation by Egyptian. Mr Mubarak and Mr Arafat met again at Sharm el-Sheikh, but the Peace Process has come to an almost total standstill.

Over the past month of the year, Spain has been increasingly sought after as an arbiter, especially by the Arab side, though we should also stress that Schlomo Ben Ami, minister of foreign affairs and former ambassador to Madrid, has visited this city to seek an even greater effort from President Aznar.

The outlook as the year ends is very bleak, yet the Peace Process is still alive. The prolongation of the Intifada on Palestinian territory and resulting death toll, the scenes of Israeli soldiers firing at civilians and the demonstrations that ushered in the new year are not giving way to optimism, yet the talks continue in the Middle East even though the images cause us to doubt. The situation will probably drag on without sudden changes until the Israeli elections, which are bound to trigger some social unrest until the results are established. Then we will have to wait for the international reaction, particularly that of America's new president, Mr Bush, whose characteristics at the helm of the United States' external action over the next few years are as yet unknown.

Iraq was another focus of attention in December. Egypt has made a

definitive breakthrough by resuming diplomatic relations with Baghdad—a significant move considering Cairo’s role in the Arab context. In the middle of the month, Spain surprised us when, for the first time in years, a flight took off from Madrid bound for this Asian capital.

But it is not on account of these aspects, which are undoubtedly highly significant, that attention is centred on Iraq. It has made the headlines owing to the crisis that the rise in oil prices can trigger. The first news came at the beginning of the month, when Iraq announced a possible interruption in crude oil exports and the suspension of the “oil for food” programme. The initial reaction of the oil companies was a steady rise in price per barrel, which set the alarm bells ringing in the European economies, which have already witnessed the substantial fall in value of the euro against the dollar. Citizens’ household economies have also been affected adversely, and in Spain the opposition has heaped pressure on the government of Mr Aznar’s Popular Party, which has stood its ground and has not pursued a policy of intervention in reaction to the improved bargaining power of the OPEC countries. In the end, Saudi Arabia decided to boost its production if Iraq were to go ahead with its threat. This has enabled the balance between the European and American currencies to be restored.

Lastly, the Maghreb has also had the European Union economy on the rack. Talks on the fishing agreement have continued throughout the month but no conclusions have been reached. Spanish fishing vessels have been moored, unable to venture to the fishing grounds while the negotiations were in progress. The central government has had to deal with the situation by subsidising the idle fleet and has launched its campaign to convert the sector.

Furthermore immigration, which particularly affects Morocco, has continued to grow although the deadline for legalisation is past. The amendment to the Aliens Act was published in the Official State Gazette in December, and will enter into force in January 2001.

IBERO-AMERICA

By MARCELINO DE DUEÑAS FONTÁN

The trends witnessed throughout the year generally continued in December. The only exception was perhaps the beginning of a slight fall in

oil prices, which, if consolidated, will benefit the non-producing countries.

The inauguration of the Mexican president, Vicente Fox, on 1 December, which was attended by the Prince of Asturias and most Ibero-American leaders, appeared to usher in an age of modernisation and encouraging prospects for this great country.

After paying a symbolic visit to the shrine of Our Lady of Guadalupe, Mr Fox began his term in office by showing signs that the fight against poverty and corruption is going to be the main thrust of his political action, in addition to granting high priority to the achievement of a solid and lasting peace in the state of Chiapas. For this purpose, he gave instructions for the conditions demanded by Deputy Commander Marcos, of the Zapatista National Liberation Army, to be carefully studied in order to begin negotiations immediately, and, as a sign of goodwill, ordered the withdrawal of 150,000 troops stationed in the area. On Friday 8 December he attended the swearing-in ceremony of the new governor of Chiapas, Pablo Salazar, who stated his willingness to do everything in his power to facilitate negotiations, beginning with the release of all the Zapatista prisoners. Another of Mr Fox's initiatives is to push through the bill on indigenous culture and rights, which can contribute very favourably to a process which, it is hoped, should lead to the EZLN laying down their arms and becoming a political group.

President Fox is certainly going to experience huge difficulties, as his party will initially be a minority in Congress and the Senate; but there is no doubt that the modernisation of Mexico has got off to a good start.

Argentina at last received the expected aid package of approximately 37 billion dollars from the International Monetary Fund (14bn) and other international and national organisations (the rest). These organisations include the World Bank, the Inter-American Development Bank, local and foreign banks, the Spanish government (1bn) and private retirement and pension funds. Argentina will thus be able to pay its foreign creditors (19.5bn dollars in 2001) and undertake a number of reforms that should contribute in the medium term to reducing its huge external debt, which amounts to 150 billion dollars, equivalent to half its annual GDP.

In Chile, General Pinochet, who had been stripped of his immunity in August, has been charged by Judge Juan Guzmán with serious offences. His trial will depend on the results of the medical examinations recommended by the Supreme Court and his own statement. On this delicate

issue, President Lagos, whose socialism bears little resemblance to that of Salvador Allende, has stated that “there were no innocent in the destruction of Chilean democracy”. His statesman’s vision no doubt prompts him to seek the means—which are difficult—of enabling the Chilean people to lay the foundations of true national reconciliation.

The attack on 13 December causing Ecuador’s only oil pipeline to explode at several points caused at least eight deaths and injured thirty or so people. The seriousness of this incident is obvious, particularly as the pipeline is the country’s main source of income.

In Colombia, the slight optimism arising from the progress in the government’s negotiations with the FARC and ELN was dashed on 29 December, when the FARC murdered the congressman Diego Turbay Cote, his mother and four more people. This is an obvious gesture of terrorism directed at democracy itself with the intention of trading lives for advantages in the negotiations through blackmail. Its only effect should be to secure greater international support for President Pastrana and for the implementation of Plan Colombia.

Democratic normality appears to be gaining a foothold in the new Peru. It seems that Mr Fujimori does not have the slightest intention to return to his country after he stated officially in Japan that he has dual nationality. He is currently being investigated for possible acquisition of wealth by illegal means and for his connection with a group of military who, according to reports by Colonel Oscar Córdova, protected drug traffickers in exchange for substantial sums of money.

There appears to be no trace of Vladimiro Montesinos after he fled to Costa Rica in strange circumstances, apparently stopping off on the island of Aruba and perhaps Venezuela, where he may be now located after undergoing cosmetic surgery. In any case, everything indicates that the net is tightening around him and it will only be a matter of time before he is tracked down.

Two important events have also occurred in Peru. The first is the voluntary surrender, after 48 days of insurrection, and subsequent pardon of Lieutenant Colonel Ollanta Humala, who had staged an uprising against Mr Fujimori with 68 soldiers in the southern city of Tacna. The second is the return of businessman Baruch Ivster Bronstein, whose Peruvian nationality and television channel—snatched from him during Alberto Fujimori’s regime—were restored by Valentín Paniagua’s government.

The initiative of Venezuela's President Hugo Chávez to replace existing trade unions with vertically structured organisations is worrying. Mr Chávez won the referendum called for this purpose, which, unlike former polls, had a high rate of voter abstention. It would appear that Mr Chávez's small achievements in his efforts to secure greater power, ostensibly to ensure greater efficiency, will soon clash with his popularity, which is likely to start to wane. The first signs of disillusionment among the people were witnessed at the municipal elections on 10 December. The question mark over the future of the Venezuelan people seems to be growing.

AFRICA

By ALEJANDRO CUERDA ORTEGA

With respect to sub-Saharan Africa, at the end of 2000 the continent is ravaged by one war less; *Ethiopia and Eritrea* signed a peace agreement in Algiers on 12 December. The agreement is the culmination of six months of intense diplomatic activity that began with the "ceasefire" established in June, and marks the end of a devastating war that has lasted two years.

Unfortunately, to restore its economic situation, Ethiopia has signed a trade agreement with Somaliland, a self-proclaimed independent region (internationally rejected) of a broken *Somalia* that is endeavouring to restore its unity.

Also in *Somalia*, Salad Hassan's new government is continuing with its efforts to pick up the pieces of the nation. Its greatest aspiration is the demobilisation and disarmament of some 75,000 militiamen, for whom it has proposed a programme of vocational training or incorporation into the new army, providing them with food and wages in exchange for their laying down their arms. The UN supports this initiative and is asking the international community for help. If this plan were successful, it would signify the end of violence throughout the Horn of Africa.

Another encouraging piece of year-end news comes from Senegal. On 2 December the press announced peace talks after 19 years of fratricidal war, between the government and separatist province of Casamance, though the latter continues to ask for independence and the probabilities of reaching a final agreement are scant.

In this section of encouraging news we should also include the initiative

taken by *Burkina Fasso* to put an end to illicit arms dealing, after it was accused of encouraging arms smuggling with groups and forces that are hostile to the governments of Sierra Leone and Angola. Its government has set up an agency which will be responsible for controlling weapons imports for three years. It has also banned its subjects from trading in illegal diamonds and even from travelling to the aforementioned two countries. This decision was taken in Bamako (Mali), at a four-day meeting in which the African foreign ministers present agreed to support this measure.

On the same issue, at the end of the year the press confirmed that Jean Christophe Mitterand, the son of the former French president, was connected to this illicit trading. Mitterand was imprisoned on charges of illicit arms deals with Angola.

Regarding the *debt* of the underdeveloped nations, at the beginning of December London announced its intention to pardon the debt of the 20 poorest countries in the world provided they meet the criteria established for this purpose. The United Kingdom considers that 12 of these countries comply with the necessary conditions, among them Cameroon, Tanzania, Mozambique, Chad and Malawi.

In *Côte d'Ivoire*, contrary to all the pessimistic forecasts and amid a huge police deployment, legislative elections took place on 10 December in a fairly calm atmosphere with only one irregularity, which was expected and eventually accepted: the elections could not be held in the seven northern departments owing to the problems and uprisings during the whole of the previous month after the Supreme Court, on the request of President Gbagbo, disqualified Mr Ouatarra from standing as a candidate. One hundred and ninety six of the 225 seats on the new parliament have been filled. The president's Popular Front has won 96 seats compared to the 77 secured by the Democratic Party (PDC), formerly the only party. The elections are expected to be completed shortly.

Other elections which took place in normal conditions and proved to be surprising were the ones held in *Ghana* (19 million inhabitants). The Ghanaians went to the polls on 7 December to elect a new president after the man who has governed the country for 19 years, 53-year old Jerry John Rawlings, said he was stepping down at the end of his term in office, which is unusual in Africa. The two favourites secured almost half of the votes each, and a run-off will be necessary.

In *Rwanda*, on a UNICEF-funded initiative, the authorities have sent the

children who took part in the 1994 genocide and were under 14 at the time to rehabilitation camps.

Also, on 13 December, the prosecutor of the International Criminal Tribunal for Rwanda, Carla Del Ponte calmly announced she was preparing charges against soldiers of the Tutsi-dominated Rwandan Patriotic Front who are allegedly responsible for the atrocities committed in 1994. The surprising fact—and the news—is that she made this decision after a meeting with the Tutsi president of Rwanda, Paul Kagame, who had offered to collaborate. Such a possibility is considered highly unlikely.

In *Burundi*, the fragile peace agreement adopted on 28 August in Arusha (Tanzania) has not yet been implemented. Nelson Mandela continues with his intensive peacemaking efforts and has managed to get all the parties to hold a further meeting. The rebels continue to reject everything that was agreed at Arusha and president Buyoya refuses to allow the peacekeeping forces that Mr Mandela proposes. On 13 and 14 December an international conference of donors was held to try to rescue the country from war and remedy its economic situation. Belgium announced it would donate 25 million euros. Four hundred and forty million dollars of official aid were granted.

In the *Democratic Republic of the Congo* the fighting, deaths and the whole host of calamities that characterise the situation of overall chaos continued. Representatives of the political and social opposition forces met in Brussels, where they asked the international community to isolate Kinshasa and the states involved in war, and called for the UN Security Council to implement without delay the resolutions adopted and go ahead with the arms and energy embargo against the Congo (DR). The UN has stated that this is one of the biggest humanitarian crises in the world and has asked for 140 million dollars of urgent international aid to help the population, who are in dire need.

On 7 December, Kofi Annan asked the Security Council to extend the UN mission a further six months; he also spoke of encouraging prospects after the leaders of the DR of the Congo, their allies (Angola, Namibia and Zimbabwe) and the rebel factions and their allies (Uganda and Rwanda) agreed to withdraw their troops from a 15 kilometre-stretch of front to enable the peacekeeping troops to supervise the fragile ceasefire.

Zimbabwe, the last country to be dealt with in this epilogue, witnessed a continuation of the internal incidents which have been taking place for

months owing to the attitude of Robert Mugabe and his party, the ZANU, against the white farmers whose lands have been expropriated. President Mugabe is becoming increasingly radical in his ways as his political isolation grows, and there is a risk this may trigger a serious internal conflict. The opposition parties are growing stronger and have greater external backing.

In December, Robert Mugabe refused to agree to the requests of the presidents of Nigeria and South Africa, who joined forces with the United Kingdom in an attempt to make him see reason. The Supreme Court in Harare had ruled that the programme of expropriating lands from whites was illegal, though Mr Mugabe has refused to acknowledge this. With the hearing on the agricultural reform about to take place, supporters of Mr Mugabe and the ZANU, backed by the police, burst into the Supreme Court, causing judges and collaborators to flee. The whites whose 3,000 farms have been expropriated continue to be at risk of expulsion from the country if they take their cases to court. Parliament is going to study a motion tabled by the opposition to remove Mr Mugabe from office, though it is unlikely to succeed and entails substantial risks.

COMPOSITION OF THE WORKING GROUP

<i>Co-ordinator</i>	JAVIER PARDO DE SANTAYANA Y COLOMA <i>Army Lieutenant General (Rve.)</i>
<i>Secretary</i>	FERNANDO DE LA GUARDIA SALVETTI <i>Captain (Rve.)</i>
<i>Members</i>	RAMÓN ARMENGOD LÓPEZ <i>Ambassador</i>
	MARÍA ANGUSTIAS CARACUEL RAYA <i>Doctor of political sciences and sociology</i>
	MARÍA DOLORES ALGORA WEBER <i>Doctor of contemporary history</i>
	MARCELINO DUEÑAS FONTÁN <i>Rear Admiral (Rve.)</i>
	ALEJANDRO CUERDA ORTEGA <i>Captain (Retd.)</i>

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Country	OSCE	CoE	NATO	EAPC	APP	EU	WEU	EABC	CBSS	NC	CEFTA	EFTA	CEMN	CEI	EEA	CIS	SECI	SPSEE
Albania	X	X		X	X								X	X			X	X
Germany	X	X	X	X		X	X	Obs.	X						X			X
Andorra	X	X																
Armenia	X	X		X	X								X			X		
FYR Macedonia	X			X	X									X			X	X
Austria	X	X		X	X	X	Obs.						Obs.	X	X			
Azerbaijan	X	X		X	X								X			X		
Belgium	X	X	X	X		X	X								X			X
Belarus	X			X	X									X		X		
Bosnia-Herz.	X													X			X	X
Bulgaria	X	X		X	X		A.P.				X		X	X			X	X
Canada	X		X	X				Obs.										X
Cyprus	X	X																
Croatia	X	X		X										X			X	X
Denmark	X	X	X	X		X	Obs.	X	X	X					X			X
Slovakia	X	X		X	X		A.P.				X		Obs.	X				Obs.
Slovenia	X	X		X	X		A.P.				X			X			X	X
Spain	X	X	X	X		X	X								X			X
Estonia	X	X		X	X		A.P.		X									
USA	X		X	X				Obs.	Obs.								X	X
Finland	X	X		X	X	X	Obs.	X	X	X					X			X
France	X	X	X	X		X	X	Obs.	Obs.						X			X
Georgia	X	X		X	X								X			X		
Greece	X	X	X	X		X	X						X		X		X	X
Hungary	X	X	X	X			A.M.				X			X			X	X
Ireland	X	X		X		X	Obs.								X			X
Iceland	X	X	X	X			A.M.	X	X	X		X			X			
Italy	X	X	X	X		X	X	Obs.	Obs.				Obs.	X	X			X
Kazakhstan	X			X	X											X		
Kirgizstan	X			X	X											X		
Latvia	X			X	X		A.P.		X									
Liechtenstein	X	X										X			X			
Lithuania	X	X		X	X		A.P.		X									
Luxembourg	X	X	X	X		X	X								X			X
Malta	X	X																Obs.
Moldova	X	X		X	X								X	X		X	X	
Monaco	X																	
Norway	X	X	X	X			A.M.	X	X	X		X			X			X
Netherlands	X	X	X	X		X	X								X			X
Poland	X	X	X	X			A.M.	Obs.	X		X		Obs.	X				Obs.
Portugal	X	X	X	X		X	X								X			X
Czech Republic	X	X	X	X			A.M.				X			X				Obs.
United Kingdom	X	X	X	X		X	X	Obs.	Obs.						X			X
Romania	X	X		X	X		A.P.				X		X	X			X	X
Russia	X	X		X	X			X	X				X			X		X
San Marino	X	X																
Holy See	X																	
Sweden	X	X		X	X	X	Obs.	X	X	X					X			X
Switzerland	X	X		X	X							X						
Tajikistan	X			X	X											X		
Turkmenistan	X			X	X											X		
Turkey	X	X	X	X			A.M.						X				X	X
Ukraine	X	X		X	X				Obs.				X	X		X		Obs.
Uzbekistan	X			X	X											X		
Yugoslavia	X																	X

EFTA	COUNTRY CEMN	OSCE CEI	CoE EEA	NATO CIS	EAPC SECI	APP SPSEE	EU	WEU	EABC	CBSS	NC	CEFTA
	Lithuania	X	X		X	X		A.P.		X		
	Luxembourg	X	X	X	X		X	X				
	Malta	X	X									
					Obs.							
	Moldova	X	X		X	X						
XX	Monaco	X	X	X								
	Netherlands	X	X	X	X		X	X				
	Norway	X	X	X	X			A.M.	X	X	X	X
	Poland	X	X	X	X			A.M.	Obs.	X		X
	Obs.	X				Obs.						
	Portugal	X	X	X	X		X	X				
	Romania	X	X		X	X		A.P.				X
XX	Russia	X	X	X	X	X			X	X		
X	San Marino	X	X		X							
	Slovakia	X	X		X	X		A.P.				X
	Obs.	X				Obs.						
	Slovenia	X	X		X	X		A.P.				X
X	Spain	X	X	X	X		X	X				
	Sweden	X	X		X	X	X	Obs.	X	X	X	
	Switzerland	X	X		X	X						X
	Ukraine	X	X		X	X				Obs.		
XX	United Kingdom	X	X	X	X		X	X	Obs.	Obs.		
	Uzbekistan	X			X	X						
	USA	X		X	X				Obs.	Obs.		
	Tajikistan	X			X	X						
	Turkmenistan	X			X	X						
	Turkey	X	X	X	X			A.M.				
X	Yugoslavia	X		X	X							