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Mapping Out A High-Tech Economy



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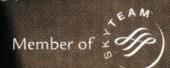

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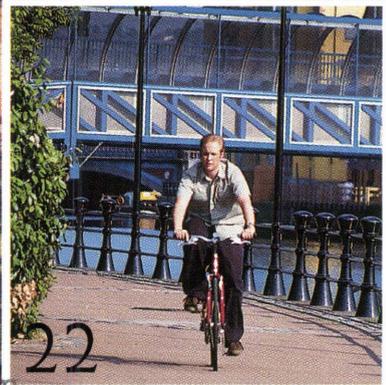
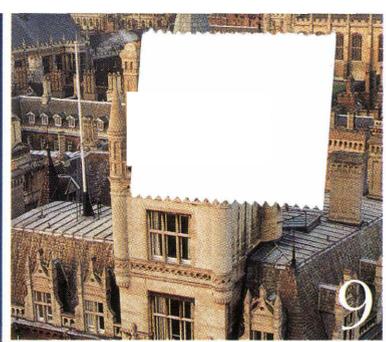
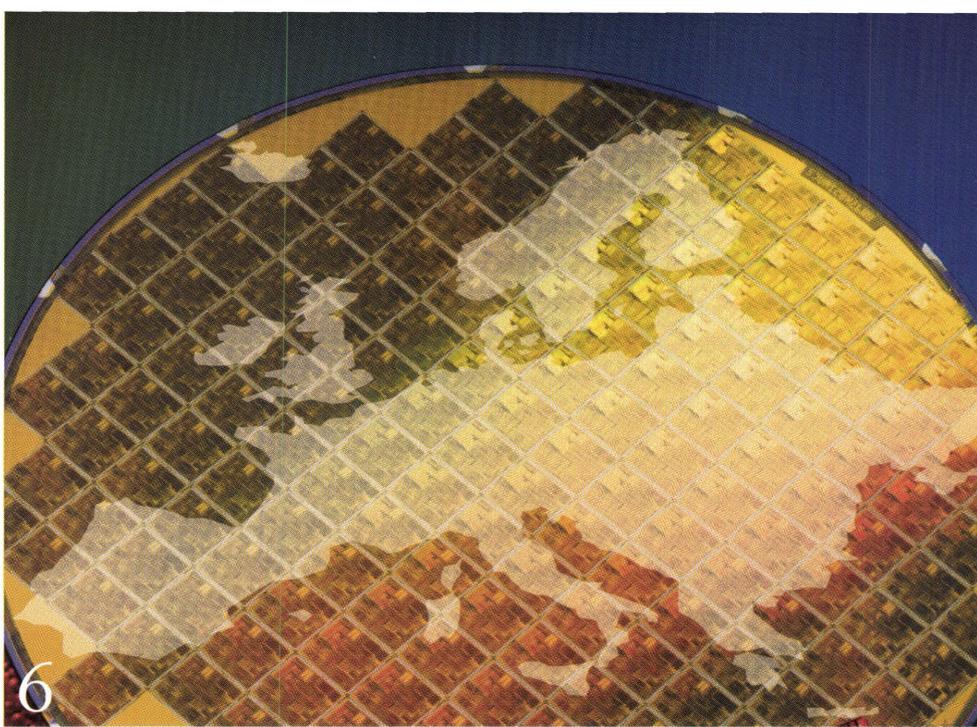


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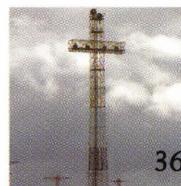
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LETTER FROM THE EDITOR

“From the frozen reaches of Oulu, Finland, to the balmy climes of the Mediterranean, Europe’s digital map continues to expand,” writes Bruce Barnard in our article “High Tech Europe.” From Internet software provider Tiscali based in Sardinia to computer chip maker Intel’s European headquarters outside of Dublin, Barnard reports that Europe is starting to look like “a giant high-tech laboratory” as innovative, cutting-edge companies spring up across the Continent and in the United Kingdom and Ireland. *EUROPE* looks in detail at these emerging high-tech clusters that are mushrooming across the European Union.

No country has embraced technology and the New Economy more than Ireland. According to our Ireland correspondent Mike Burns, the “Celtic Tiger” as the Emerald Isle is now called has become a “technology driven economy that overtook the United States as the world’s leading computer software exporter in 1999.” Burns, writing from Dublin, looks at the massive wave of investments from US high-tech firms like Intel, Dell, IBM, Xerox, Boston Scientific, and Hewlett-Packard that has transformed Ireland in the past decade. Burns also discusses what the current slowdown in the US high-tech sector means for the Irish economy.

Irish President Mary McAleese provides *EUROPE* with an exclusive interview talking about the future enlargement of the European Union and what that will mean to smaller members like Ireland, her nation’s role as a broker between the United States and the European Union, and her vision of Europe in the twenty-first century.

EUROPE reports on how Ireland has taken unprecedented precautions to make certain foot-and-mouth disease does not pose a major problem for the farmers across the island nation. So far, “Irish agriculture seems to have been spared the worst,” writes Maeve O’Beirne, who details the efforts that government and farmers are taking to protect Ireland’s meat and dairy industry.

Former European Commission president Jacques Delors spoke with *EUROPE* on his recent visit to the United States and presents his views on the future of Europe. Delors, who served as Commission president from 1985–1995, talks about a “vanguard” of nations in an enlarged Europe, Europe’s role in the era of globalization, and the future role of the European Commission.

Lionel Barber, writing from London, looks at Europe’s future from the perspective of German Foreign Minister Joschka Fischer, French President Jacques Chirac, British Prime Minister Tony Blair, and European Commission President Romano Prodi.

In June, Gothenburg will host the European Council meeting marking the end of Sweden’s European Union presidency and welcome President George W. Bush, who will visit the city, the first time a sitting US president has traveled to Sweden. *EUROPE*’s Stockholm correspondent Ariane Sains profiles Gothenburg.

Finally, for visitors coming to Washington, DC, we present a view of the new European Union sculpture exhibit now on display at the Kennedy Center.



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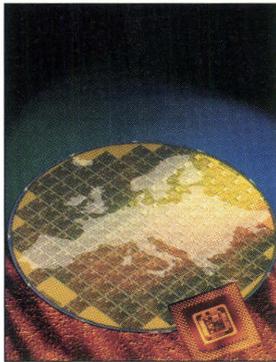
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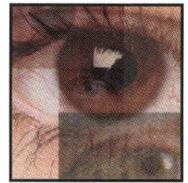
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Mapping out a high-tech economy

EYE ON THE EU

Profiling personalities
and developments
within the European
Union



STOCKHOLM SUMMIT AND LISBON FOLLOWUP

The highlight of the EU summit in Stockholm on March 23–24 was undoubtedly the three-hour session with Russian President Vladimir Putin. This came in the middle of the tit-for-tat expulsions by the US and Russia of each other's diplomats, but that minor storm did not impinge on the exchanges at the meeting.

The EU leaders did, however, seize the occasion to reiterate their concern about human rights abuses in Chechnya, though in other respects they went out of their way to adopt a welcoming tone. Conditional European Investment Loans were extended to Russia, with the priority to help clean up the environment both in the St. Petersburg region and in the Kaliningrad enclave, which will be entirely surrounded by EU territory when Poland and Lithuania join the Union. The fifteen EU heads of government also welcomed Putin's renewed commitment to economic reform and offered their support for Russia's bid to join the World Trade Organization.

Yet the main business of the summit concerned the EU's own economic future. It was the first follow-up of last year's meeting in Lisbon, which agreed on an ambitious ten-year agenda to make the EU "the most competitive and dynamic knowledge-based economy in the world by 2010, capable of sustainable economic growth,

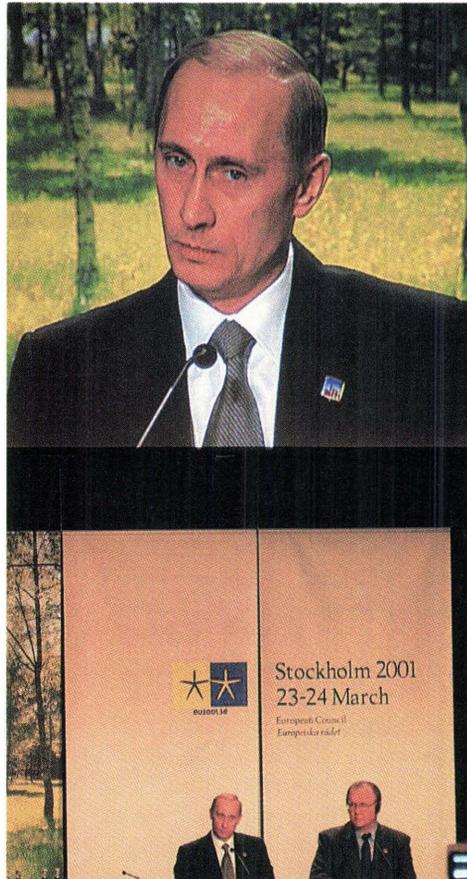
with more and better jobs and greater social cohesion."

The Lisbon summit had agreed that the key mechanism for achieving economic reform would be the "open method of coordination." Instead of a maze of rules and directives, there would be great emphasis on benchmarking and the establishment of best practices among the member states, with the Commission instructed to keep a scorecard of the progress made. There would, however, be a necessary minimum of directives and regulations proposed by the Commission and adopted in the normal way by the Council of Ministers and the European Parliament.

It was agreed at Lisbon that economic summits should henceforth be held each spring to review progress.

Stockholm itself got off to a good start with agreement on the main proposals of the so-called "committee of wise men," led by the former banker Alexandre Lamfalussy. This will provide for a common market in financial services for the EU, beginning in 2002 and completed by 2005.

The summit was less successful, however, in bringing forward the target date for a single market in energy, which most member states



Russian President Vladimir Putin (left) joined Swedish Prime Minister Göran Persson (right) and other EU leaders at the Stockholm summit in March.

wished to do. The French government was unwilling to accelerate the liberalization of gas and electricity, both public sector monopolies, and the full opening up of the energy market will probably have to wait until next year's presidential and parliamentary elections in France are out of the way.

There was a similar holdup over an 'open skies' agreement for Europe, due to disagreements between Spain and the UK over the status of Gibraltar airport. Swedish Prime Minister Göran Pers-

son expressed confidence, however, that there would be a final agreement no later than the next summit, at Gothenburg, in June.

The Commission submitted a report at Stockholm on progress during the past year on each of the separate targets set at Lisbon. A more detailed, and perhaps more objective, assessment has been published by the London-based think tank, the Center for European Reform. In a pamphlet by Edward Bannerman, entitled *The Lisbon Scorecard: The Status of Economic Reform in Europe*, marks are awarded on a five-point scale on overall progress and on each of a large number of subdivisions. In addition, the author identifies the "heroes" of economic reform as well as the "villains"

who are holding up progress.

The overall mark awarded for the first year's progress is only moderately good—C+. The CER reckons, however, that progress has recently accelerated and concludes on a more optimistic note: "The European supertanker has now turned itself round to face in the right direction. We are confident that by the time of the Barcelona summit in the spring of 2002, a similar report would conclude that it is steaming steadily ahead." We shall see.

—Dick Leonard

EURO NOTES

Reporting news,
notes, and numbers
from Europe's
financial centers



SLOWING GROWTH RAISES QUESTIONS

Growth is slowing in Europe. The signs are unmistakable, but no less unwelcome for the European Central Bank. Earlier this year, ECB President Wim Duisenberg seemed content to shrug off the effects of the slowdown in the United States. EU finance ministers took the same position. They argued that the euro offered a measure of protection because of the high proportion of intra-EU trade and the lack of exposure to Wall Street.

But this spring, the mood of relative confidence has turned to concern as policymakers in Brussels, Frankfurt, and Paris have started to utter the previously taboo word: "contagion." Alongside the endemic weakness of the Japanese economy, the slowdown across the other side of the Atlantic looks much more serious.

The French government has admitted that growth will most likely fail to reach its previously forecast goal of 3 percent. The German government is preparing to scale back its growth forecast for 2001 to 2.2 percent or lower. Indeed, senior officials concede that they would have acted before Christmas, but Chancellor Gerhard Schröder overruled the more cautious finance ministry.

Slower growth is cause for broader concern. Over the past decade, Europe has experienced little of the technology-driven growth of the US. Only once—in 2000—did annual growth top 3 percent. For most of the second half of the 1990s, the US regarded 3

percent-plus growth as the norm.

Slower growth therefore spells lower tax revenues and higher unemployment. This is bad news for the fifteen EU governments for three reasons. First, there is a risk that several governments will have to revise their "convergence programs," the commitments to budget discipline and macroeconomic virtue entered into with the European Commission in Brussels and other EU governments. Unless they do so, they risk verbal censure that could affect their standing in the financial markets. Second, the sharp fall in European stocks—particularly in the technology-heavy Neuer Markt and the Nouveau Marché—has hurt European investors, many of whom are first-time buyers. The growth of the equity culture in Europe has helped boost confidence in the euro zone. Third, the economic difficulties come at a sensitive point in the political calendar. More than half of the fifteen EU governments face general elections in the next eighteen months. In particular, President Jacques Chirac of France is running for re-election in 2002, most likely against Lionel Jospin, the Socialist prime minister. Chancellor Schröder faces the polls in the autumn next year.

Chirac, Jospin, and Schröder have had their differences in the past year or so, but they have agreed on one thing: The solid growth performance following the launch of the euro has restored confidence. Both governments, therefore, have tended to ease off on reforms likely to upset the trade



In November, traders saw the Neuer Markt fall to its lowest point ever.

unions or traditional constituencies such as farmers.

Now the policy of sitting back no longer looks so clever. If growth does slow, the pressure will increase for further structural reforms, particularly in labor markets. This is because the margin for maneuver in fiscal and monetary policy seems much more limited and because the financial markets expect more to be done.

Since the launch of the euro, a tacit bargain has existed between the European Central Bank and the politicians. The ECB would respond to calls for lower interest rates on condition that inflation was subdued and that governments took seriously their commitment to increase flexibility.

This tacit bargain remains in effect. But the record on structural economic reform looks mixed. The German government has pressed ahead in financial services and corporate tax reform; but the recent extension of works councils and the timid pension reforms goes in the opposite direction.

At the March summit in Stockholm, EU leaders achieved only modest success. France continued to block moves to set a timetable for faster energy and gas liberalization. There was no agreement on a common EU patent. A deal to create a single EU air-traffic control system depends on the British and Spanish resolving differences over Gibraltar. The only bright spots were support for liberalization of the postal market and an agreement to back the Lamfalussy committee's strategy for creating a single market in financial services in four years. No one wants to write off the process of peer review that started in Stockholm, but the limitations of a "soft" process were exposed.

The conclusion seems clear. Europe's leaders cannot continue to look at the world economy through the prism of the euro. The single currency should be a catalyst for deeper and faster economic reform—not a cause for political celebration.

—Lionel Barber

e-EUROPE

Tracking the news
and trends shaping
Europe's technology
sector



WEB AUCTIONEERS BATTLE FOR EUROPE

I nearly imperiled my parents' thirty-eight-year marriage last Christmas when I introduced my father to web auctions. A former engineering student, he had been searching unsuccessfully through pawnshops and art supply stores for antique German slide rules when I had the brilliant idea of showing him how he could find dozens for sale on web auction sites. I left him cyber-browsing in front of the family computer, and a few hours later he triumphantly announced that he had bid on "about twenty" items. My mother uttered a quick prayer of thanks that his nostalgia centered on the smallest tools of the engineering trade.

Clearly, e-auctions have tapped into the human zeitgeist for poking through bazaars, flea markets, and tag sales; however, now you don't have to get up early on a Saturday morning to have a shot at the best stuff—it's all right there on-line, 24-7, awaiting your bid.

Launched in the US in 1995, eBay was the first to maximize the potential of the Internet auction. Users log on to www.ebay.com, peruse digital images of merchandise from thousands of categories—from collectibles and clothes to electronics and garden furniture, not to mention cars, fine art, and real estate—and bid on the items they're interested in. Over a period of days the bids are recorded until the auction ends (bidders are notified by e-mail if their bid has been

topped) and the highest bidder is declared. The seller pays eBay a nominal fee for posting the item plus a small percentage of the final sale price. eBay leaves it up to the buyer and seller to settle their transaction and arrange shipping.

From a business perspective, web auctioneering may be the perfect Internet business model. The auctioneer carries no inventory, doesn't have to print or mail a catalog, and doesn't even have to worry about shipping merchandise or conducting the final sales transactions. Furthermore, sellers from around the world—individuals as well as small businesses—have used the auctions to enter vast markets far beyond their local environs. For example, a rare record dealer in Omaha using a web auction can get top dollar for his hard-to-find Frank Sinatra LPs from bidders in Paris or Moscow or Hong Kong, or a Belgian camera dealer can auction his antique lenses to a photography buff in London or Atlanta or Manila. Moreover, these e-markets are growing as the worldwide ranks of web surfers continue to swell.

In the late 1990s, several auction sites sprang onto the Internet; however, the recent dot.com doldrums have culled the sector, leaving a few heavyweights to duke it out. The battle for supremacy

in Europe's on-line auction market may have been decided this spring when eBay agreed to pay up to \$112 million in stock for iBazar (www.ibazar.com), the privately held, Paris-based web auctioneer.

The deal brings together two established web auction sites under a single strong brand in Europe. In the fourth quarter of 2000, eBay, with 18.9 million registered users, generated more than \$137 million in gross



merchandise sales, and iBazar, with 2.4 million users, sold \$95 million worth of gross merchandise. Soon after the deal was announced, the firms' executives enthused that the merged company was on course for the hallowed p-word (profitability).

Meanwhile, the UK's QXL Ricardo (www.qxl.com) is struggling mightily. Founded in 1997, QXL used its stock to go on a buying binge of smaller auction sites in an effort to establish itself as the dominant web auctioneer in Europe. At the end of last year, it counted 2.6 million registered members doing business on its sites. However, the gains came at a tremendous cost. QXL's biggest acquisition, last year's

takeover of the German site www.Ricardo.de, proved to be its most expensive, leading QXL to post a \$60 million loss for the quarter ended December 31. Since last year, the dot.com-negative market has reclaimed 98 percent of the stock's value.

QXL has responded by cutting operating expenses and increasing the value of the goods auctioned and gross margins, but the company is averaging a cash burn of close to \$15 million per quarter. Although QXL began 2001 with a significant amount of cash and had raised an additional \$45 million from investors, chief executive Jim Rose knows it's a race against time to reach profitability.

He downplayed the eBay-iBazar merger's impact. "We're already competing with both companies, so it makes no difference if they are together," he told the UK's *Telegraph* newspaper.

Market analysts, however, see the deal as a major obstacle for QXL, especially in France, the world's third-biggest on-line auction market, where iBazar has a dominant position. Some see QXL as a ripe takeover target for an Internet service provider, which could use the firm's auctions to boost e-commerce revenues.

Whatever the outcome of the current dot.com consolidation, one thing remains clear: Cyberspace auctions will continue to grow in popularity. Just ask my mother, who recently discovered web auctions for antique china. Sorry, Pop.

—Peter Gwin

High-Tech

By Bruce Barnard

IRELAND:

Features high-tech heavy weights Dell Computer, Intel, Gateway, Hewlett-Packard, IBM, and Motorola

ICELAND:

Has more than 350 software companies; boasts the world's highest per capita mobile phone and Internet usage; and has a growing number of biotech, telecom, and genetic research firms. Some are world-class

NETHERLANDS

University of Twente in the Netherlands is attempting to create Europe's first virtual and mobile university. It has also co-founded a neighboring business and science park that has attracted more than 175 firms, including Lucent Technologies, Ericsson, and Sweden's Telfon.

SWEDEN:

Gothenburg: Site of Ericsson's world headquarters

UNITED KINGDOM:

Cambridge: Microsoft research center, software house Autonomy, chip designer Arm Holdings, and communications equipment developer, Virata

Oxford: a business incubator Isis Innovation

Scotland: The Silicon Glen, a high-tech corridor stretching from Glasgow to Edinburgh that hosts hundreds of tech firms

Newbury: corporate headquarters of Vodafone

Wales: Japanese firms including Sony and Matsushita

Isle of Man: rolling out the world's first third generation mobile phone service

FRANCE

Nice: Sophia Antipolis

Europe

From the frozen reaches of Scandinavia to the balmy climes of the Mediterranean, Europe's digital map continues to expand

Europe is starting to look like a giant high-tech laboratory as innovative cutting edge companies spring up across the continent, from the frozen wilderness of northern Finland to the hills overlooking France's Mediterranean shoreline. To be sure, Europe hasn't created anything to rival Silicon Valley yet, but it boasts a burgeoning base of world-class technology, Internet, and telecommunication companies that have transformed their hometowns and surrounding regions into "new economy" hubs. It is the performance of those companies that will decide whether or not Europe closes the yawning transatlantic technology gap that threatens to condemn it to lag permanently behind the powerful Internet-driven American economy.

Until fairly recently, the contours of Europe's high-tech map were drawn by American firms investing in new plants and sales, marketing, and distribution centers. Waves of investments by US firms since the 1960s have turned once rural Ireland into a technology-driven economy that overtook the US as the world's leading computer software exporter in 1999. American money also transformed Scotland's former rustbelt into the Silicon Glen, a hive of electronics, computer, and semiconductor plants. The world's first cloned animal, Dolly the sheep, was "born" nearby.

The United Kingdom and Ireland won the lion's share of US high-tech investments thanks to their early start in wooing foreign investors. But a few enterprising regional authorities on the European mainland also moved quickly to estab-

FINLAND

Oulu: Boasts a bustling science and business park.

Espoo: Nokia's corporate home

GERMANY:

Walldorf: Home to software giant SAP

ITALY:

Sardinia: Home to Tiscali, Europe's second-largest Internet service provider

lish science parks to attract electronics and computer firms, both local and foreign. One of the pioneers, Sophia Antipolis, north of Nice, is still growing rapidly as firms are seduced by a winning combination of a first-rate infrastructure, a high concentration of world-class companies, and a California-like climate.

All European governments have gotten into the act now, dangling incentives to attract high-tech investment especially in declining, industrial areas like the formerly communist eastern Germany, which is being populated by startups as well as large electronics and computer plants built by established players.

High-tech is proving to be a lifeline for regions that are losing their competitive edge to emerging low-cost labor markets in East European countries that will most likely start joining the EU within four to five years.

The Welsh Development Agency, which has persuaded nearly eighty Japanese firms, including Sony and Matsushita, to build assembly plants by offering corporate taxes and wages far below the EU average, is now competing on the skill of its workers and a small but thriving technology base to woo aerospace, electronics, optoelectronics, and medical equipment manufacturers.

Sometimes a single successful company can create a high-tech "cluster" around a town or region. Walldorf, a small German village close to Heidelberg, features on the global high-tech map because it is home to SAP, one of the world's biggest business software suppliers. Newbury, a modest-sized English market town with a racetrack in rolling countryside fifty miles west of London, is the corporate headquarters of Vodafone, the world's largest mobile phone operator.

Some of most successful high-tech towns are located in sparsely populated regions on Europe's periphery like Oulu, in northern Finland, which boasts a bustling science and business park. Gothenburg, the seaport on Sweden's western coast that faced meltdown when its shipyards closed in the 1970s, is now a thriving "new economy" hub centered around Ericsson, the world's number-one telecommunications equipment manufacturer. Lulea, the isolated steel town in northern Swe-

den, has become a telecom center too and can lay claim to be the birthplace of the cell phone where one Osten Maktalo, developed the GSM standard that connects most of the world's mobile phones.

The Isle of Man, a small independent island in the Irish Sea that's known for its cats without tails, is also vying for a place on the global high-tech map by rolling out the world's first third-generation (3G) mobile phone service in May, edging out Japan's NTTDoCoMo.

Iceland, Europe's most isolated nation, is also its most wired. An island just below the Arctic Circle with 285,000 citizens, it has more than 350 software companies; boasts the world's highest per capita mobile phone and Internet usage; and has a growing number of biotech, telecom, and genetic research firms. Some are world class, like deCODE Genetics, a firm that uses the nation's gene database to research into more than fifty diseases, and Prokaria, which is mining the unique thermophilic bacteria in the country's famed hot springs in a bid to engineer new drugs.

High-tech clusters are mushrooming across Europe as increasing numbers of companies are staying put in the towns where they grew up rather than emigrate to the big cities. Vodafone's hometown Newbury is no longer an isolated rural high-tech outpost but part of a thriving "new economy" corridor that has grown up alongside the M4 highway from London to the west of England. Startups are avoiding congested expensive London for towns like Swindon to capitalize on affordable housing, lower factory and office rents, a large pool of skilled labor, easy access to London's Heathrow and Gatwick airports, and, just as important, a superior "quality of life."

Northern Italy is one of Europe's richest industrial regions, but it has yet to embrace the "new economy." In fact, one of the country's most successful companies, Tiscali, Europe's second-largest Internet service provider, was established in Sardinia in 1997. The firm is growing rapidly with operations around the world, but its founder Renato Soru vows to keep the headquarters of the three-man startup in a villa in

High-tech clusters are mushrooming across Europe as increasing numbers of companies are staying put in the towns where they grew up rather than emigrate to the big cities.

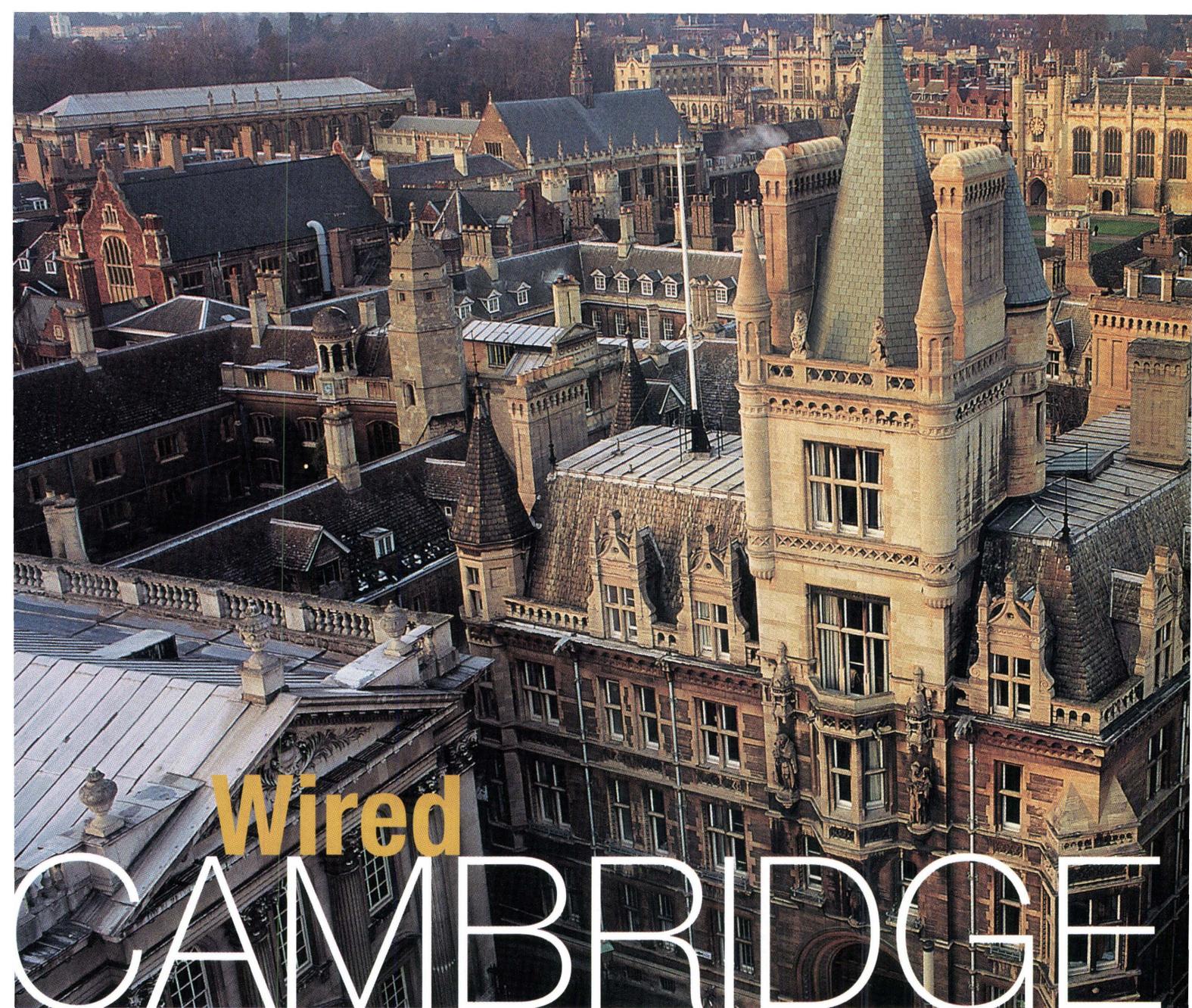
Cagliari, the island's capital.

Europe has yet to produce a city or region that's synonymous with high-tech like Silicon Valley or Seattle, Microsoft's hometown. But Espoo, Nokia's corporate home, is a candidate, as the world's leading manufacturer of mobile phones strives for Microsoft-style dominance of its market—it already sells nearly one in every three mobile phones worldwide, boasts twice the market share of its nearest rival Motorola, and overtook Microsoft in sales last year.

Europe's universities, which once shunned the commercialism of their US counterparts, are setting up science parks and offering their services to high-tech firms. Cambridge is home to hundreds of startups and established companies attracted by the university's scientific prowess. Four years ago, its ancient rival, Oxford, created a business incubator, Isis Innovation, to create companies from the discoveries of its researchers and plans to take public some of the sixteen firms it has backed in the past two years. Meanwhile, the University of Twente in the Netherlands is attempting to create Europe's first virtual and mobile university. It has also co-founded a neighboring business and science park that has attracted more than 175 firms, including Lucent Technologies, Ericsson, and Sweden's Telfon.

The spread of US-style high tech clusters across Europe has been accompanied by an embrace of America's "can do" business philosophy and acceptance of risk and supported by deregulation of former monopolies and to a lesser extent, labor markets. But despite its lead in mobile telephony, Europe is still running a poor second to the US in information and computer technology (ICT). It spent 7 percent of its gross domestic product on ICT in 1999 compared with 8 percent in the US, and its ICT output lagged at just 4 percent of GDP against 7 percent across the Atlantic. Closing this gap remains the key challenge facing Europe and the thousands of high-tech startups dotting Europe's landscape. ☹

Bruce Barnard, based outside London, is a EUROPE contributing editor.



Ancient city embraces technology

By Bruce Barnard

Cambridge leads a double life: Its center dominated by medieval buildings, hidden quadrangles, and narrow streets; its spreading suburbs jammed with gleaming glass buildings housing some of the world's top high-tech companies.

The ancient university city wouldn't be out of place in Silicon Valley with its three leading firms, software house Autonomy, chip designer Arm Holdings, and communications equipment developer, Virata worth billions of dollars. Later in the year, they will be joined by Microsoft, which is waiting to move

into its first foreign outpost, an \$80 million research center on the western outskirts of the city. Microsoft's Bill Gates also gave the university \$200 million to endow 225 international scholarships.

The university is reaping the dividends from its decision nearly three decades ago to use the worldwide repu-

tation of its science labs to attract established high-tech firms and startups to the business parks it was building speculatively on the periphery of the city. Cambridge now boasts more than 1,500 new technology companies, the biggest concentration anywhere in Europe.

The locals have made a bigger splash than the outsiders, and their histories are the stuff of Silicon Valley success stories. Mike Lynch set up Autonomy with a \$3,000 loan from a stranger he met in a Cambridge pub and went on to become Britain's first Internet billionaire. ARM began life in a barn near the city in 1990 and last year supplied microprocessors for 400 million devices, ranging from mobile phones and



Microsoft president Bill Gates (center) tours the grounds of Cambridge University with Professor Alec Broers (left), the university's vice-chancellor, and Professor Roger Needham (right), who will head the \$80 million research center funded by Microsoft.

Cambridge's high-tech

success has created more than 400 multimillionaires out of a population of only 110,000, and many of these are likely to become angel investors, financing their friends to become entrepreneurs.

airbags to printers and automobile braking systems.

US firms are buying into the Cambridge success story. Broadcom of Irvine, California, paid \$594 million for Element-14, a microchip developer. General Electric picked up Smallworld, a computer networking firm, for \$210 million. Convergys, a telecommunications services group, acquired Geneva Technology, a billing software company, for \$692 million, and Microsoft took over Entropic, a speech synthesis specialist, for an undisclosed sum.

But these are only the tip of a broadening base of successful Cambridge startups that are beating the established players to key contracts. For example, Peptide Therapeutics, a small biotechnology firm, recently won an order from the US government to produce 40 million doses of vaccine against smallpox, a disease that was eradicated more than twenty years ago

but which Washington fears could be released by bio-terrorists.

Cambridge's high-tech success has created more than 400 multimillionaires out of a population of only 110,000, and many of these are likely to become angel investors, financing their friends to become entrepreneurs.

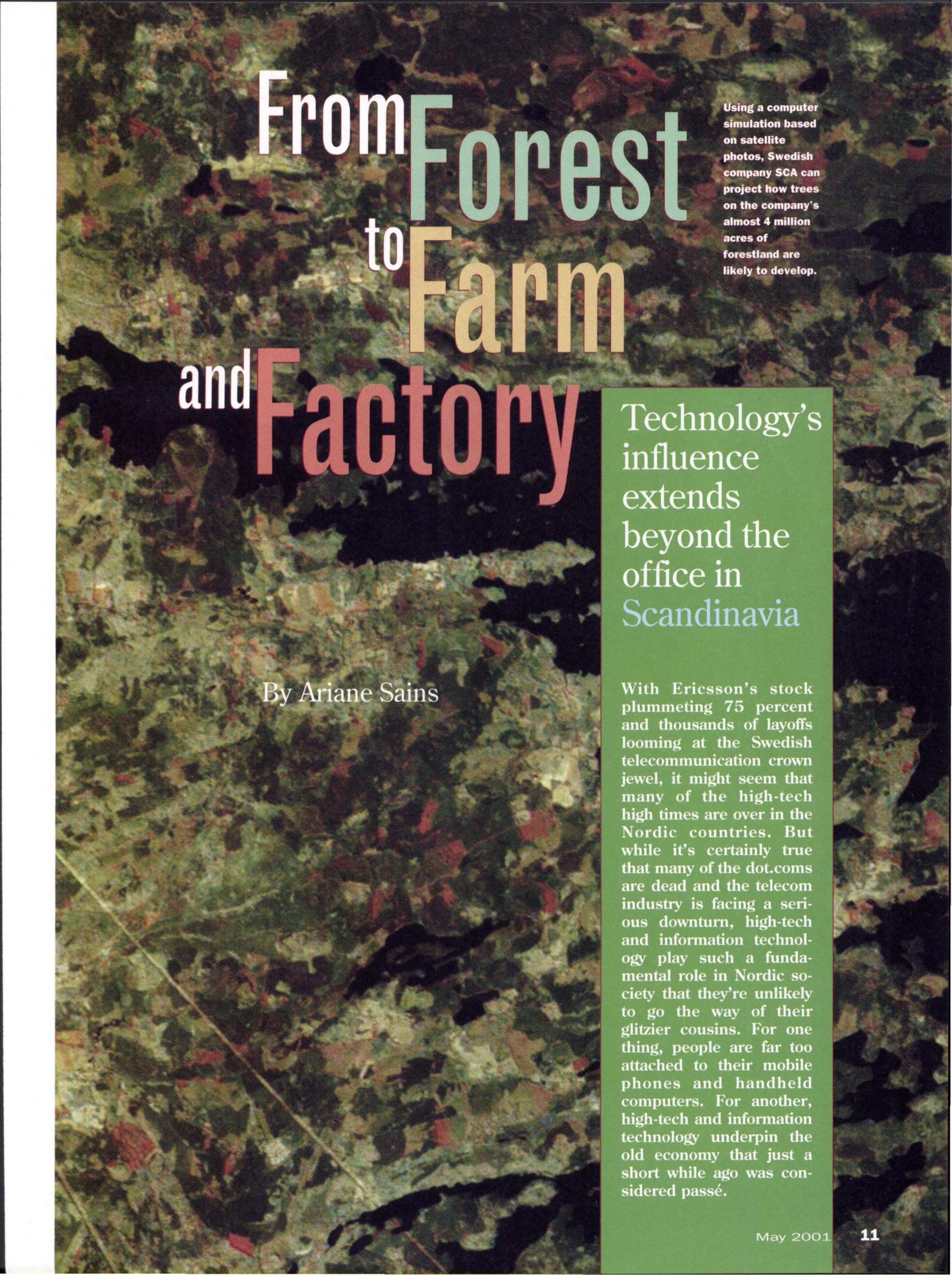
Cambridge is now facing up to the danger that it may be testing the limits of success. Rigid zoning rules; lack of space for offices, plants, and houses; and horrific traffic jams are eroding the city's appeal. To be sure, the prestigious Cambridge zip code, the proximity of world-famous labs, and a pool of skilled labor will attract an abundance of companies. But there are worrying signs that some firms, including the most successful startups, are looking to grow elsewhere, and that is forcing the city to ponder how to balance the conflicting demands of an ancient university and a twenty-first century high-tech

hub so that it can continue to lead a double life.

A decision by central and local government officials to deny planning permission in 1999 to the Wellcome Trust, which wanted to expand its world famous human genome center in a village on the outskirts of the city, stunned the high-tech industry and forced the authorities to re-examine their priorities.

Cambridge officials are now rethinking tight "downtown" planning restrictions that were drawn up by their predecessors fifty years ago to ensure the city should remain small and preserve its medieval atmosphere. They are also reviewing the so-called "Green Belt" around the city to allow growth in the western suburbs and in a north-eastern corridor and mulling plans to build a smaller new town within a radius of fifteen to twenty miles.

But not everyone is sold on the vision of CyberCambridge, even the local startups that have put the city on the high-tech map. "Many are more interested in lifestyle than making money," according to Robin Saxby, chairman of ARM Holdings. ☐



From Forest to Farm and Factory

Using a computer simulation based on satellite photos, Swedish company SCA can project how trees on the company's almost 4 million acres of forestland are likely to develop.

By Ariane Sains

Technology's influence extends beyond the office in Scandinavia

With Ericsson's stock plummeting 75 percent and thousands of layoffs looming at the Swedish telecommunication crown jewel, it might seem that many of the high-tech high times are over in the Nordic countries. But while it's certainly true that many of the dot.coms are dead and the telecom industry is facing a serious downturn, high-tech and information technology play such a fundamental role in Nordic society that they're unlikely to go the way of their glitzy cousins. For one thing, people are far too attached to their mobile phones and handheld computers. For another, high-tech and information technology underpin the old economy that just a short while ago was considered passé.



Finnish company Timberjack uses high-tech robotic equipment to cut down trees.

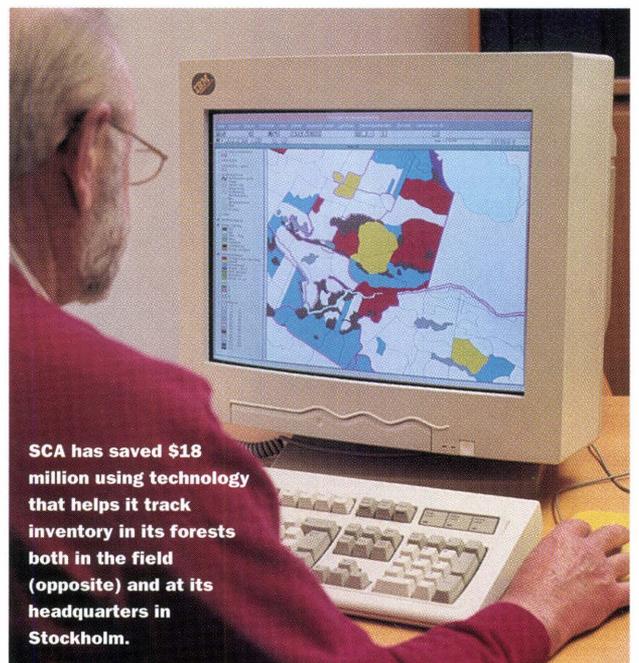
About 70 percent of Finns, closely followed by Swedes, have mobile phones. (Danes lag far behind here.) Throughout the Nordic countries, personal computers are in about 50 percent of all homes. The pan-Nordic financial group Nordea has about 2 million Internet banking customers and is adding new ones every day. A small but growing group chooses to bank using WAP-enabled mobile phones.

Those are the statistics bandied around in stories about northern Europe's high-tech, IT miracle. But what isn't often reported is the way high-tech steers traditional industry. Forest products companies, car manufacturers and Volvo, Saab, ball-bearing maker SKF, and the mining industry all have highly automated operations. A visit to Saab's car factory in Trollhättan, Sweden, near Gothenburg, provides a glimpse into a world full of the latest in

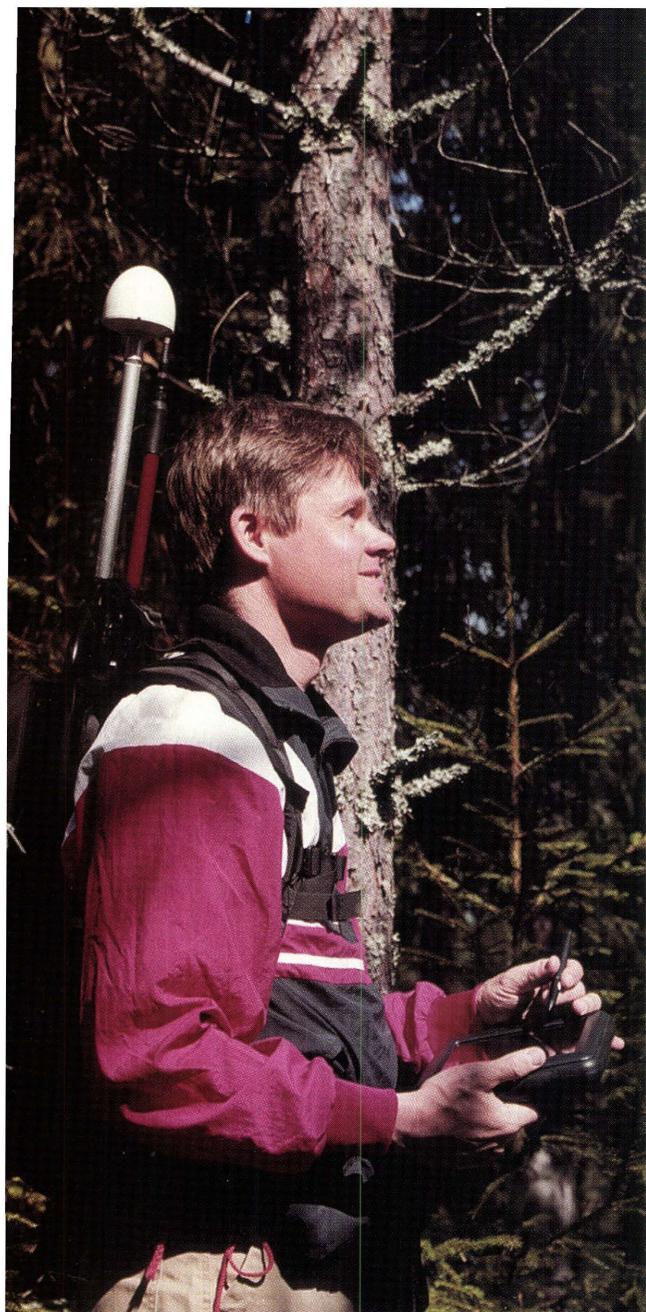
robotic equipment and computerized process management.

Volvo, Saab, and a group of other companies are also planning to start a university for information technology this year. The aim is to focus on research and development of IT for vehicle safety and emissions control. The Saab Group also has a high-tech research center at the Massachusetts Institute of Technology.

That kind of development pleases Swedish Trade Minister Leif Pagrotsky, who also warns that



SCA has saved \$18 million using technology that helps it track inventory in its forests both in the field (opposite) and at its headquarters in Stockholm.



retrieve the information and make calculations about the rate of growth, how it might affect nearby areas, and when thinning might be needed.

He does all this from a control room in Stockholm, in the middle of the trendy area that was dominated by dot.com companies and IT consultants not long ago.

SCA estimates that its focus on technology has saved the company the equivalent of about \$18 million over the past three years. Backudd thinks the programs have worked because they've been built slowly, have been extensively tested, and have had to show profitability, unlike many of the high-flying technology companies.

"No shareholder would accept our operating like a startup Internet

Sweden can't afford to rest on its high-tech laurels. "We need to go on," says Pagrotsky. "We have no time to lose. We need constant change and improvement," especially now when IT times are tougher.

One area where there's been almost constant change and improvement using information technology is the Nordic forest products industry. Companies such as Sweden's SCA not only use computerized manufacturing and computers to track inventory but follow their forests on line.

Using a computer simulation with satellite photos, Kjell Backudd, the IT controller at SCA, can project how trees on the company's 1.6 million hectares of forestland are likely to develop. Information about the trees, from the time they're planted, is gathered in a database. By clicking on an area of forest on a computer map, Backudd can

company," he says bluntly.

Finnish forest products company Timberjack uses a just-in-time tree felling system. When a customer places an order, the information is relayed from the main office to the computers in the foresters' trucks. They're told what types of trees to cut with their robotic equipment, what length to cut, where to leave the wood for pickup, and when it's needed. In effect, a custom order can be created on the forest floor, which means it gets to the customer faster. And if foresters have any questions, they just call the home office on their mobile phones.

In fact, while Nokia may epitomize today's high-tech society, mobile phones in Finland got their start in the forests. Lumberjacks using walkie-talkies needed a better way to communicate, and Finnish engineers began working on what eventually became the

NMT mobile phone system.

Beyond industry and forest products, high-tech is vital for Nordic agri-

The Saab factory near Gothenburg utilizes the latest robotic equipment and computerized process management systems.



culture. Former Swedish prime minister Carl Bildt, one of the country's leading technology champions, once remarked that you couldn't walk into a dairy barn anywhere in the country without seeing a computer. When a weeklong power outage struck southern Sweden, the agricultural heart of the country, it was farmers who were among the hardest hit. Computers were off-line, automated milking machines and separators didn't work, and even electrified fences were out of commission.

High-tech has come to rural areas in other ways. In the heart of the Finnish countryside, vacation cottage owners no longer bother about having telephones installed. They simply use their mobile phones. ☺

Ariane Sains is EUROPE's Stockholm correspondent.

High-Tech Shudders for the Celtic Tiger

By Mike Burns

Ireland's Industrial Development Authority (IDA), set up forty-two years ago to spearhead the Republic's economic development, proudly promotes the country as "the competitive location in Europe." With good reason. Since its creation, the IDA has succeeded in attracting to Ireland some of the world's leading industrial firms—major contributors to the incredible growth of the so-called "Celtic Tiger" economy—and now boasts that the country is the largest software exporter in the world. Furthermore, almost a third of personal computers sold in Europe come from companies based in Ireland.

Part of that success can be attributed to the youngest and fastest-growing population in Europe—with 40 percent of the population younger than twenty-five years old—and enhanced by a highly skilled, productive, and flexible workforce.

The country's economic growth rates over recent years have been consistently among the highest of OECD countries. It has fully liberalized its telecommunications market, with more than seventy-four licensed operators. The Irish government has invested heavily in projects aimed at righting infrastructural shortcomings, and Ireland is one of the first countries in the world to have introduced comprehensive e-commerce legislation in support of its objective of becoming a global leader in e-business.

It also will boast the lowest corporate tax rate in Europe (10 percent) until December next year, and from 2003, a new rate of 12.5 percent will apply to all trading profits, coupled with a range of other incentives. This has

meant that US companies in Ireland have achieved the highest European after-tax returns on investment, on average 25 percent.

Not surprising, then, that US companies provide the largest single source of inward investment. There are now some 580 plants established by American investors, giving direct employment to some 88,000 employees and accounting for \$24 billion of Irish exports. Exports to the US account for \$9.2 billion against US imports of \$6.5 billion—everything from electronics, pharmaceuticals, healthcare, and software to e-business, teleservices, and financial services.

President Mary McAleese credits much of Ireland's economic miracle to corporate America, an involvement partly due to the second and third-generation of penniless Irish immigrants who labored in the United States to provide for their families and give them an education.

"You look at their children and grandchildren. Who are they now?" she asks. "They are corporate America. And what are they doing in corporate America? They're saying we know the Irish people; we know they are hard working. We are making investments in Europe. The Irish are English-speaking, highly educated, very flexible, easy to get on with...and it's a good place for investment." However, she is quick to add, "Nostalgia might open a door for you, but corporate America, like every other corporate body, wants to see the bottom line, to see that the money stacks up. They come here, the culture's right, the ethic's right, the money is right, the story is right, and they invest."

Neither has the investment trickled into Ireland, rather billions of dollars have flowed across the Atlantic from companies based all across the United States. That's why the current downturn in the American economy has created its own wash in Ireland, which, like Europe, is not an economic island. The direct impact of the US economic slowdown has brought with it uncertainties and has highlighted worrying concerns about future growth prospects: a cold for the "Celtic Tiger" which, without early treatment, could turn in to crippling pneumonia—or worse.

A series of profit warnings from US high-tech firms were a sharp reminder of Ireland's vulnerability to outside pressures, over which it may have little or no control. Last December, Xerox, the company that invented the photocopier, appeared on the verge of bankruptcy as it published debts of \$17 billion and said it needed to raise \$4 billion by selling parts of its empire. It employs almost 3,000 at its two plants in Dublin and Dundalk, County Louth.

In January, Microsoft said profits were virtually unchanged, lowered forecasts, and cautioned that a tough road lay ahead. It has 2,000 Irish employees. During February, other warnings emerged from Cisco Systems, VA Linux systems, Oracle, Motorola, and Trintech. March brought news of staff cutbacks by WorldCom. Gateway, which employs 1,500 in the Republic, issued a second profits warning in two months. But the biggest shock was still to come.

Intel, the world's largest computer chip maker and manufacturer of personal computer, networking, and communications products, with 4,500 em-

ployees in Ireland, announced in March that it was scaling back its \$2.2-billion expansion at its Irish headquarters on the outskirts of Dublin. The project was only sanctioned in June of last year so the decision to postpone plans for its new wafer fabrication plant, which it planned to bring into operation in 2003, sent shockwaves throughout the Irish business community. Not panic, despite Intel's proposed shedding of 5,000 jobs from its global workforce. That may come later.

There was some consolation that Intel, like most of the major US companies located in Ireland, is generally serving European markets, where the outlook is healthier than in the US. But the very fact that one of Ireland's major high-tech success stories was cutting back on its operations created an unwelcome shudder.

The immediate impact was felt by the roughly 1,400 construction workers engaged by contractors to build the new plant—although most of those will probably find other work in a booming construction market. The postponement will save the company an estimated \$200 million this year, although it says it is committed to the project and will “accelerate” it again next year.

From Intel's Santa Clara headquarters, vice-president Chuck Molloy said, “The current economic climate is a contributing factor” and called the delay “normal.” The decision may have made good business sense, but it was the clearest, painful indicator to date of massive difficulties in the current economic climate.

In the middle of all this, Newt Gingrich stepped up at an American Chamber of Commerce luncheon in Dublin to launch a broadside against the European Union and, in particular, “the statist, timid, and risk averse” Brussels bureaucracy. The former speaker of the US House of Representatives claimed the EU was trying to slow down the Irish economy “to a pace which makes it feel comfortable.”

But even he appeared pessimistic about future growth, cautioning that, despite Ireland's success in the past ten years, the country should be wary “in the current uncertain global economic climate, particularly with the slowdown being experienced in the US.” Hardly warming words for those already assessing a small part of that fallout.



An Intel worker suits up at the company's factory in Leixlip, Ireland.

Not that it's all gloom and doom. Deputy Prime Minister Mary Harney was surprisingly upbeat about future prospects during visits to the United States and Japan two months ago. Japan, suffering its own economic woes, seemed an unlikely location for Harney to lead Ireland's first trade mission. But the size of the large delegation highlighted the growing importance of bilateral trade. Japan is now Ireland's seventh-largest trading partner and the largest export market for Irish goods and services in Asia.

The deputy prime minister told Japanese business leaders in Tokyo that “developing partnerships and global linkages” has been “a key element” in Ireland's trading success. Ireland, said Harney, was known more than 1,200 years ago as the “Island of Saints and Scholars,” and Irish monks and teachers traveled throughout Europe establishing seats of learning that, eventually, paved the way for Europe's renaissance. Today, she said, it has once again established its place in the forefront of learning and development,

this time in the new knowledge-based industries and the growth of the information society.

Industrialists who made the trip said the prospects for trade and investment seemed likely to lead to a number of new partnerships between Irish and Japanese companies. But the overall feeling here is that much will depend on any Japanese recovery following the introduction of lower interest rates and, more importantly, on what happens in the wake of new US economic stimulants, such as further cuts in short-term interest rates and their effects on other economies.

The Irish economy is heavily reliant on what happens in the US and it is vitally important for Ireland that the US manages to avoid a nasty recession. Despite the US Federal Reserve Board's efforts, it is still too early to say that this will be the case. ☹

Mike Burns, based in Dublin, is EUROPE's Dublin correspondent and a former journalist for RTE, Ireland's national broadcasting service.

Charting Europe's Future Through Irish Eyes

than four years, McAleese has succeeded in putting her own particular stamp on the office.

She was born in Northern Ireland, where her high school years were spent in the nationalist Falls Road district. She later graduated from Queen's University in Belfast with a law degree, got her master's degree at Trinity College in Dublin where she was appointed for two terms as Reid Professor of Criminal Law, Criminology, and Penology at Trinity College. She also earned a diploma in Spanish at the Institute of Linguists before practicing as a barrister. In 1976, she married Martin McAleese, a dentist, and they have three children, Emma, Sara-mai, and Justin.

She went on to spend two years with Radio Telefís Éireann, the Irish national broadcasting service, as a current affairs journalist and anchorperson before returning to academia as director of the Institute of Professional Legal Studies at Queen's University and later becoming the university's pro vice-chancellor. Then came the Irish presidency in 1997, when she was elected for a seven-year term with the possibility of serving a second term in 2004.

Over tea and biscuits in Áras an Uachtaráin, her official residence in Dublin's Phoenix Park, McAleese, now forty-nine, gave EUROPE's Dublin correspondent Mike Burns her views on European Union enlargement, the hurdles facing new applicants, her vision of Europe in the twenty-first century, and the ongoing problems encountered by refugees and asylum-seekers.

In the recent past you have visited both Hungary and the Czech Republic, and you will visit Estonia later this month. How do they view their potential for membership of the European Union?

A bit like many people in Ireland, I would be very excited by the concept of enlargement of the European Union,

because the Irish experience of membership was that of a relatively very weak country, economically and politically, going into what looked like a club of much stronger people, much stronger associations.

We went in with all the anxieties, all the worries, all the introspection and concerns—and also the hopes—that I

heard expressed quite vociferously in both the Czech Republic and Hungary.

We are now almost thirty years down the road of membership, which has been very good to us, has been a lived experience, has been one that has brought us, along with other things of course, a very significant degree of economic success. It has also brought us a phenomenal degree of political success in terms of the kind of contribution we have been able to make in Europe and, through Europe, globally. It has given us a showcase for our culture, a showcase for our political genius, a showcase for ourselves to ourselves and to others. It has helped us to throw our shoulders back, to look outward to the world with a very, very different kind of look from that of Ireland twenty, thirty, forty, fifty years ago.

We are probably in a position to say better than a lot of people, "Look at the hope that its membership offers to countries which have suffered, whose people are entitled to hope, whose people are entitled to believe that the future might offer them better than the past has done, people who have come through as champions in the face of all sorts of oppression, aggression, and suffering."

These are our European cousins. These are part of our shared, broad European patrimony, our European heritage, and why would we want any less for them than we would want for ourselves? The truth is that we would, in justice and fairness, want what is good for them precisely because it has been good for us and because we also know that when these countries meet the standards and the criteria for admission and when they are admitted, not only will they be afforded the same opportunities that we were offered but that those opportunities will bring them the same kind of successes it has brought to Ireland.

We also know that we, too, will be enriched. One of the most extraordinary things that has happened out of our experience of EU membership is that all the worries and concerns that were expressed prior to our admission—in relation to a small island with a culture that had known what it was like to feel the heavy hand of colonialism, to know what it was like to have our culture under threat—have been overcome. People thought we would be sim-



President Mary McAleese discusses the evolution of Ireland and the EU

In 1997 Mary McAleese became Ireland's second female president, succeeding Mary Robinson, who became the United Nations' high commissioner for Human Rights. It was a difficult task to follow Robinson, who was probably the best-loved holder of that office in the Irish Republic's history, but in less

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INTERVIEW**

ply overwhelmed, our culture and language would be obliterated. Our sense of identity would be thrown into a stew-pot, and we just come out like some kind of amorphous clone. We have lived through those arguments, and we've lived through the experience of being members of the European Union. Here we are able to say, "No, that's not what happened." What happened was that we were provided with this extraordinary showcase. It has sharpened our consciousness and our confidence in what it is to be Irish and, in a curious kind of way, instead of making us proud of being Irish in an exclusive sense, it's actually made us proud of being Irish but in a sense that's been able to embrace our European partners and say, "We're proud of the things that we bring to the table precisely because they come out of our experience of being Irish, our historic and our present experience of being Irish."

Our young people go to Europe now and take their place as mainstream Europeans. They've learned to think twin and triple-track. Unlike the old days, they don't have to make choices about whether they were Irish or British or either Irish or European. We've learned in this generation that you can carry parallel tracks of identity. They can crisscross each other in very fluent and complex ways, but they don't cancel each other out. They augment and compliment each other.

So I think the Irish experience has something special to offer these applicant countries.

When you met Czech Republic President Vaclav Havel and other Eastern European leaders, did they understand the criteria being applied? Are they impatient with the rate of progress toward enlargement? Do they understand the bureaucracy involved?

My experience of meeting President Havel and the then-president of Hungary [Arpad Goncz] was fascinating. Both seemed to me to be people who knew exactly, absolutely, to the nth degree, what was required, where their countries stood in relation to the queue, where they stood in relation to "making the grade" for European admission. They were people with a most educated view of their own country's position on that journey toward Europe. But they also, of course, are people who not only

know the scene inside Europe and the demands that EU membership makes on those applying, but they also have their own constituencies to deal with.

That constituency has its own tensions, as we saw in Hungary and perhaps even more markedly in the Czech Republic, where many people said to us, "Look, we are European anyway, why should we have to queue up to join the European Union? Why should these people set agendas that we have to meet? Look at what we've suffered, look at what we've come through?" And you did meet quite an amount of resentment that a country which had fought and won such a battle against communism, in the way that the velvet revolution did, some resentment that their reward for taking on all the oppression and suffering they did that they now had to apply for membership of Europe. Our reply to that would be, "Look, no one can ever deny you your European patrimony." If they were never to join the EU, they are still part of our common European homeland, they are still part and parcel of the human experience of what it is to be European. Nobody can deprive anybody, whether they live in Russia, Latvia, Lithuania, Estonia, Slovenia, in the Czech Republic, or wherever, no one can deprive them of their European patrimony. It is precisely because of the richness of that European patrimony, and it's also because of the scandal of that European patrimony. It has its good side; it has its leprous side.

The European Union, as a construct, emerged out of an attempt to permanently transcend that leprous, horrendous side that showed its worst in the twentieth century in two ridiculous wars, two appalling scenarios which ate up, demolished life, hope, dignity, and drew us into a vortex of hatred and violence and contempt which threatened that European patrimony in perpetuity. So, ironically, here you had those that were closest to that conflict, both the vanquished and the victor, trying to construct a transcendent way forward which wasn't just about great ideas—though it was founded on a great idea—but about great ideas that would be lived out in the day-to-day lives of people and would have an impact on their jobs, on how they lived their lives, with dignity, with respect and with opportunity.

Now, I think when you buy into that EU construct, it is entitled to set thresholds because it's a very profound journey. It has clear goalposts; it has a clear destination; it has profound altruism and generosity at its heart, where the bigger countries help the smaller, where the weaker help those who are even weaker, where there is a transfer of resources, and where there is a common brother and sisterhood of endeavor. At the same time, this is not the politics of colonialism. This is drawn out of all the experiences of colonialism; this is a distillation of all the things that haven't worked; and this is with the wisdom of experience. It's a collegial endeavor; it's a new kind of construct; it involves new thinking; it involves radically rethinking; it involves deconstructing ways in which we've looked at the world, ways in which we've shaped up to each other.

To take one very good example close to home: if we look at the historic way in which we as an island have engaged with the United Kingdom, yet it has not always been a happy form of engagement, to put it mildly. Yet, because we were going into Europe as colleagues with the British, that made demands on both of us in the terms of the temper with which we would engage with each other. Now that temper has changed quite dramatically over the last twenty-seven years. Not only has it changed dramatically, but also out of that changed temper, out of that new language of engagement, we have been able to squeeze so much more added value. You look at the peace process [in Northern Ireland], which you could say has in part at least a direct line of ownership. That changed dynamic started when we sat down as equal partners in Europe, equal partners with our former colonial masters. All of that is a learning process. I don't think that you can sign on a dotted line and that [new relationship] just happens in your head overnight. I think the preparatory and growing process is one of the most important dynamics at the heart of the Union.

The leaders may understand that these hurdles have to be cleared, but do the people understand that things cannot be fast-tracked?

Some of them do and some of them don't. You pick up different strands, as

you would expect. You could detect that impatience, even among some of the politicians we met. However, I wouldn't get too upset about that impatience. I think it has a kind of energy behind it. What you wouldn't want is that people would get so impatient that they just give up, that they lose energy. Because there's a certain creative tension in impatience that can become the driver. If you use the impatience well, if you let it do its work inside your own constituency, you can drive forward changes.

Admittedly, membership of the European Union, at this stage in its development, does require of a legislature the most formidable absorption of huge new tranches of legislation, and we talked at length about that in both Hungary and the Czech Republic. It's not the easiest thing in the world to adapt legislatures, particularly legislatures that are coming out of the communist experience. It's a difficult thing for them to absorb speedily, and yet we know that the EU from time to time has chided the applicants, for instance, shortly before we arrived the Czech Republic was chided for a certain degree of slowness. We heard the other side of the story from them, explaining their historic context and why it should be so.

So I think that what you want to do with that impatience is to see it first of all as evidence of an ambition to join. That's a good thing. To see it as a creative tension that, used well, can help a country to begin to understand the back and front stops in its own culture which may be getting in the way of realizing that ambition in the time-scale they would wish.

Where do you see the eventual boundaries of the New Europe in the twenty-first century? Do you share the late President Charles de Gaulle's vision of a united Europe from the Atlantic to the Urals, taking in Russia?

Somewhere in all our hearts that ambition lurks, doesn't it? Would there be anything wrong with it? Wouldn't there be something extraordinarily wonderful about it? When you think what the European Union is about, De Gaulle's vision, that unity of purpose, isn't it something more than just a simple accident of history that lands us all within the one continental landmass? His ex-

perience was of that historic sharing of the landmass, a very uncomfortable sharing and, at times, a conflict-ridden sharing. The vision that drives the European Union is of a comfortable sharing, a consensus-based sharing, a curiosity about each other, which is joyful, not fearful, a level of friendship, of partnership and common resolve. I can see nothing about that vision that is anything less than wonderful, anything less than reassuring to my children, my grandchildren, and their great-grandchildren. That's the kind of legacy I think most of us would wish for our children, having come out of a legacy that is in many ways the complete obverse of that. I see nothing wrong with having that ambition and working toward that ambition within the great adventure that is the EU.

My fear is that my children and grandchildren may lose a grip on why this dream came to be so important. I hope, please God, they live in a world where, when it is explained to them what happened in the Europe of the twentieth century, they'll just be so shocked and horrified because it will have been so many light years away from their experience but nonetheless that they will still feel the passion for the purpose. Because, human nature being what it is, there's always the capacity for that vortex of the ugly side of human nature to drag us back to a place where we do not want to be.

So I think that vision is something well worth working for. We should not make the mistake of assuming that a "Europe that is united in itself" is necessarily a United States of Europe but rather discreet countries with their own identities, their own histories, their own secure geographic boundaries, sure of themselves, confident in themselves, not aggrandizing, not pompous or vain, not worried about their neighbors on the left or on the right, not looking over their backs, not armed to the teeth, but a bunch of comfortable neighbors working well together like a gigantic community action group, where everybody is working with everybody else in order that, out of their common endeavor, all of their peoples prosper and know who they are, what they are, why they are what they are, and are comfortable with that. That's a tremendous ambition for Europe.

You referred to the United States of Europe. Given what seems like constant sparring on trade issues, how do you think Europe's relations with the United States stand?

I suppose that's to be expected. They are two major world competitors, yet we look at our own small island's experience, a huge amount of the inward investment that we've been able to attract, which is played out inside the European Union, is actually American money. The politics of competition will always create spats. You have to take it; that's part and parcel of the modern market place. In many ways, I think we as an island with this extraordinary relationship with our American neighbors and this common European patrimony that we share with our European neighbors, makes us singularly well equipped to cope with engagement between these two mighty blocs. I suspect that, of all the countries in Europe, we are perhaps the most comfortably placed to straddle those two worlds.

Given the European Union's economic muscle, do you think it addresses other matters correctly?

The European Union as a concept has a lot to offer, particularly in relation to refugees. This is a common struggle. There are very few countries within the European Union that are not facing this phenomenon and dealing with it. In Ireland, for example, we have been struggling to cope with what is for us a relatively new phenomenon of people coming to Ireland out of economic or political desperation in circumstances which are incredibly familiar to us historically. We, above all peoples on the earth, should know what it is like to be driven from your homeland by economic necessity, what it is like to go to a place where you're not wanted, where you have to struggle, where you have to start at the lowest point in the most rotten jobs. Then you look one, two, three, four, five generations down the line, and we are able to say, hand on heart, what an extraordinary contribution those people have made, have enriched a culture, have more than vindicated the chances that very often were not offered to them but that they had to struggle to carve out for themselves.

Here in Ireland, some of the debate would have you think that we are the only country experiencing this phe-

nomenon. Yet all we have to do is to turn to any single one of our European neighbors and see they are experiencing the same phenomenon. It is provoking the same kind of rancor and, at the other end of the spectrum, producing the same kind of altruism, the same kind of issues for government as to how you control and deal with the problem. Because many of these countries, like ourselves, are in this curious bind of, on the one hand, wanting to discourage illegal asylum-seekers and, on the other, being in the ironic position of actually recruiting around the world for people to migrate to our country.

It's very important that we have this debate, not on the basis that, God help us, this is an Irish problem, but rather that this is a problem in which there is a growing body of distilled wisdom and experience. We have a lot to learn from each other, to listen to our European neighbors who are all struggling to cope with the same issues: What is the trajectory of this issue in their country, what are we to learn from their experience, and importantly, what have we, out of our historic experience as a migrating people, to offer to the debate at home in Ireland and in Europe? Many other European countries share with us a migrating experience, but few of them have the same centuries of outward migrating experience that we have, right up to the 1980s, right up to this present generation.

So those who come to our country seeking an opportunity and who are then given that legitimate opportunity, these are human beings, created in God's image and likeness, with talents, with gifts, and with skills they bring with them—and that we deeply need. I think we need to be part of this European-wide debate that helps us to move away from the outrageous exclusivity of daring to look at any member of God's creation as a lesser human being than you or I, as a



President of Ireland Mary McAleese with her husband, Martin McAleese.

person worthy only of contempt, as a person to be spat on. Above all peoples in Europe, the Irish should have no place for that because we know how hurtful it has been to our own people, and we know how mischievous, how lacking in integrity and in truth it is.

Finally, your predecessor, Mary Robinson, left office before her first term as expired to become UN high commissioner for human rights. Do you plan to run for a second term as Ireland's president?

To be honest, it's not something to which I have given an awful lot of thought. I was elected for seven years, and I feel deeply privileged that the people resided their trust in me for those seven years. Please God, I hope to enjoy the health and the energy to live out those seven years. I'm in office now almost exactly half the time, nearly three-and-a-half years. It's been so short, it's been so quick, so fast in some ways and yet I have lived long enough to see things that, if someone had said to me that this would happen, that would happen, I'd have said I don't really think so. What miracle is going to produce a new parliament in Northern Ireland, Sinn Féin in government in Northern Ireland sitting down with members of an executive drawn from virtually every party in Northern Ire-

land, the development of a "Yes" constituency in Northern Ireland? Who would have thought that the Reverend Ian Paisley would be in Washington for the St. Patrick's Day celebrations in the White House? That senior members of the Orange Order would have come to Árus an Uachtaráin to commemorate the twelfth of July as both a Jacobite and Williamite celebration, as they have done for the last three years? Yet all of those things have happened. If you had said to me four years ago that the language of political discourse between the British government and the Irish government would have reached the level of maturity that it has, I would have thought that was pie in the sky.

The point is, a lot has changed. In the next three-and-a-half years, a lot will also change, and it would be very wrong of me to make a hard and fast decision about what I might do then and to overly dwell on it because I may or may not be here in three-and-a-half years' time. That's life. I don't know. I really don't know what circumstances will prevail. I don't know what tensions there will be. I don't know what the pressures will be, whether they be personal or out in the community. I just don't know. I tend to leave an awful lot of things, to be perfectly honest, in the hands of God. ☺

Facing the Farm Crisis

Why Irish eyes aren't smiling

It's spring 2001 and the country has been holding its breath for weeks, waiting for word that foot-and-mouth disease (FMD) no longer poses a grave risk to Ireland's meat and dairy industry. Finally, some good news on April 19, when EU protective measures for Ireland expired because of no new outbreaks since the country's only case was confirmed on March 22. Irish livestock and meat exports to the rest of Europe can resume, horseracing is back on, and life is slowly returning to normal.

While Irish agriculture seems to have been spared the worst—only one confirmed case and 40,000 animals destroyed from a national herd and flock of 20 million—tourism officials put potential losses to Irish tourism are a staggering \$568 million this year. In April, Aer Lingus, the national airline, said it feared a drop of 20 percent in traffic in the coming months, and bed-and-breakfast (B&B) operators in rural Ireland wondered how they could recover some of the lost earnings from a slow spring.

With Ireland now in the clear, officials and representatives are pulling out all the stops to dispel confusion and rescue the summer season. Irish President Mary McAleese recently reassured Americans in Dallas, Texas, that Ireland is open for their business, and Bord Fáilte, the Irish tourist board, is counting on the strong US dollar and newly hired celebrity pitchman Martin Sheen, who currently stars on television's *West Wing*, to sell Americans on the idea that a trip to the Emerald Isle never made more sense. The bottom line is: Ireland's traditional *céad míle fáilte* or 'one hundred thousand welcomes' will be especially heartfelt this year.

Keane O'Hara, a farmer in Ireland's northwestern County Sligo, 120 miles away from the country's only outbreak,

says the scare has dealt some Irish farmers a double blow. "People are making holiday plans at this time of year. Farmers who have diversified into B&B, horse trekking, walking tours, and holiday cottages are facing a very uncertain summer, even if there are no more outbreaks."

Confirmation of the Republic's only FMD case was like a national defeat. Ireland had taken unprecedented precautions since February, sacrificing revelry and revenue from the annual March 17 St. Patrick's Day parade in Dublin, an international rugby match, and major horseracing events around the country. A host of other tourist attractions also fell victim, and even Sunday mass wasn't sacred in some rural areas where churchgoers were advised to heed FMD movement restrictions to halt the spread of the virus rather than attend the religious service.

For all Ireland's new and deserved image as a high-tech mecca, city dwellers were far from indifferent to the plight of the country's farmers, and this was a major factor in Ireland's successful containment of the livestock disease. John Sinclair, an Irishman who works in the European Commission's Food and Veterinary Office in Dublin, says: "People all over the country took this very seriously and felt great empathy with farmers. In Ireland, the bond between city people and the land is still very strong, with only a generation or two separating most people from a farming background. That's why people put up with having to step in disinfectant ten or more times a day. They want to do their bit."

Because the Irish government took FMD so seriously from the start—livestock marts have been stopped since February 26 and disinfectant mats are still a fixture in every public entrance—the EU response to the Irish outbreak

was regionalized: Export of susceptible animals (cattle, sheep, pigs, and goats) from Ireland were stopped but exports of meat and dairy products were allowed to continue from all but the affected zone. Notwithstanding the severity of both Irish and EU restrictions, some trading partners including the US imposed a blanket ban on all EU meat and animal exports, drawing criticism from Irish farming organizations and the country's important agri-food industry.

Farmers in northwest Ireland, about 120 miles away from where the outbreak occurred, are still taking nothing for granted. "The outbreak hasn't affected us in a major way, apart from restricting access to the farm, putting down disinfectant mats and so on," says Keane O'Hara, whose County Sligo farm has 650 sheep, thirty-five cows, forestry, and horses. "It's a different story for dairy farmers," he adds. "They often sell off calves within days of calving, but due to animal movement restrictions, there's a backlog on farms, which means more work and feeding, shortage of housing, and animal welfare concerns. Also, many small farmers supplement their income by dealing in livestock, but this has all stopped since the livestock marts are all closed."

Most Irish farmers feel that the authorities—whether in Dublin or at the European Commission in Brussels—have done a good job containing the disease. "European authorities handled the crisis well," says O'Hara, "especially in respect to regionalizing [its response] to the outbreak in Louth so as



By Maeve O'Beirne

yet



not to paralyze the whole country. National authorities acted quickly and assertively, keeping the public well informed with bulletins and advice on precautions, and continue to do so in light of the continuation of the problem in England.”

With the EU restrictions now being lifted, O'Hara said the prospects for Irish farming appear good for the rest of this year as long as there are no more outbreaks. In the wake of the huge cull of sheep in Britain, demand for Irish lamb could increase on the British and Paris market, although New Zealand is among the contenders for the slack left by halted British exports. ☹

Maeve O'Beirne profiled her native western Ireland in last year's April issue.



(top) Irish farmer Michael Dooley from Dundalk leads his sheep out for feeding on the Louth Mountains. **(bottom)** Joe Walsh, Ireland's agriculture minister (left), talks with Prime Minister Bertie Ahern during a meeting of a special task force to deal with the foot-and-mouth crisis.

Belfast Emerging

Adapting a New York slogan for a rather gray city, rent by decades of violence and sectarian bigotry, always seemed inappropriate for Ireland's northern capital, but "Belfast—so good they named it once" became the currency of stand-up comics and others extracting maximum humor from a depressing background of neglect and decay.

Terraced, redbrick housing of a bygone era, with minimal facilities, and high-rise apartments of more recent vintage dominated the inner city. Newer social housing projects littered the outer suburbs. Unemployment was rife, with thousands joining the dole queues as the once-thriving Harland and Wolf shipyard—for more than sixty years the biggest employer in Northern Ireland—suffered against a background of outdated work practices and aggressive international competition.

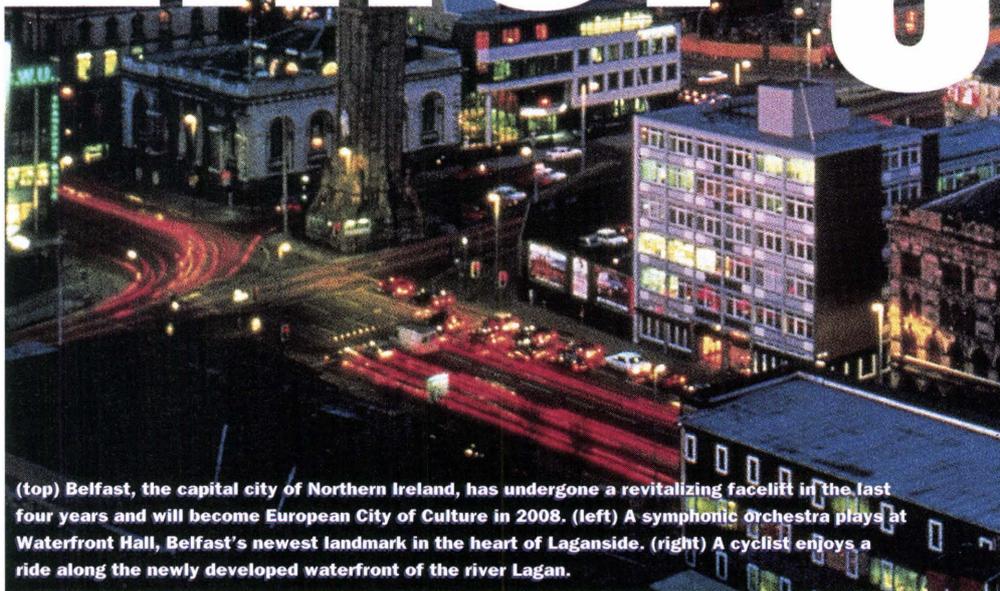
IRA bombs had demolished the city's prime business heartland. Multi-story retail developments and office blocks owing little to architectural style or environmental loveliness rapidly replaced the scarred remains.

Now—more than three years since the signing of the Northern Ireland Good Friday peace agreement—all that has changed, and the city has recently applied to become the European City of Culture in 2008.

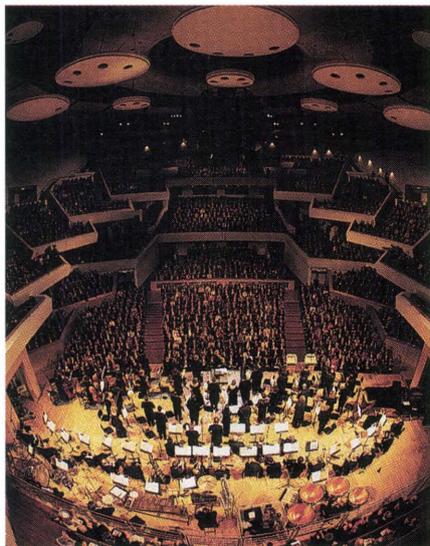
The peace agreement has played a major role in changing the city's face and outlook. So, too, has the establishment of the Laganside Corporation, which has transformed a 140-acre area straddling the once-smelly river Lagan.

Urban decay has been halted, although not yet erased, as \$900 million in public and private money has been plowed into a series of developments aimed at rejuvenating the Cathedral Quarter, one of Belfast's oldest districts.

Change had been forecast when the Department of the Environment took



(top) Belfast, the capital city of Northern Ireland, has undergone a revitalizing facelift in the last four years and will become European City of Culture in 2008. (left) A symphonic orchestra plays at Waterfront Hall, Belfast's newest landmark in the heart of Laganside. (right) A cyclist enjoys a ride along the newly developed waterfront of the river Lagan.



charge of the area for a brief period in the early 1990s. But handing out government tax breaks and grants like snuff at old-style funeral wakes only encouraged more office space, leaving the area devoid of activity or people at night or weekends.

Mike Smith, chief executive of the Laganside Corporation, puts it bluntly,

"Offices alone don't add value to an area after early evening. The locality is dead at night, there is antisocial behavior, and it becomes simply a thoroughfare for traffic."

The Environment Department policy failed—miserably. So, four years ago, shortly before the peace agreement was signed, the Laganside Corporation was appointed to take over the refurbishment task.

One of the first things to strike Mike Smith was that, although the district has a thriving arts college, not a single student lived in the Cathedral Quarter. Most tended to live farther away on the city's south side, near Queen's University.

Now the Laganside Corporation has promoted a philosophy of more mixed use of residential properties and, at the same time, encouraged arts, crafts, and culture, new hotels and cafes, and retail development.

Laganside also frowned on the tax breaks and grants structure. "We don't have a grants structure," explains Smith, "because we believe it's a waste of public money. We put our finances

AS



into roads, good public lighting, good landscaping. It also demonstrates our belief in the area to developers and shows we are prepared to be entrepreneurial in our approach.”

Belfast’s newest landmark is the large cultural icon named Waterfront Hall, at the heart of Laganside, which is used for everything from symphony concerts, stage shows, pop concerts, business events, and a variety of other important social gatherings—and political party conferences. A \$21-million weir has stabilized the river Lagan and eliminated the smell from its once rubbish-littered banks.

Six thousand people live and work in the area. Three-bedroom apartments—with a parking space—were bought three years ago for \$75,000. They now can fetch up to five times that figure, with a new luxury two-bedroom apartment now costing more than half a million dollars.

There’s a trendy nightclub, and the British Telecom tower and Hilton Hotel rise over the horizon. A Dublin-based property company is developing a \$22.5



million hotel, apartments, and retail units.

P.J. Daly, a prominent County Clare businessman who, with his partner Barry Wyse, owns a number of five-star hotels and a golf course in the Irish Republic, moved north to Belfast three years ago to unveil the luxurious McCausland Hotel—developed within the

stone walls of an old warehouse. He says the venture has been “highly successful” and is now considering plans for other ventures.

Laganside, once a scene of dereliction and decay and the butt of innumerable jokes, is now the jewel in Belfast’s crown.

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EUROPE update

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VOLUME IX / NUMBER 5

WHAT THEY SAID: IRISH FOREIGN MINISTER BRIAN COWEN

When Brian Cowen was appointed Ireland's minister for foreign affairs in January 2000 at the age of forty, it marked yet another step in an already distinguished political career. Since 1992, the Fianna Fail Party member has headed three Irish ministries—labor; transport, energy, and communications; and health and children. Although Cowen holds a law degree from Dublin's University College, some might say he was born to the political trade. His father served in Ireland's legislature, the Dáil, for more than a decade, and upon his death in 1984, Cowen won a special election to replace his father as the representative of his native district in County Offaly.

In his first year as foreign minister, Cowen became the first Irish minister to visit the Slovak Republic. Earlier this year, he visited the United States, meeting with several congressional and administration leaders, including his US counterpart Colin Powell, with whom he discussed continuing efforts to secure full implementation of the Good Friday peace agreement in Northern Ireland.

In the following exclusive interview with EUROPE, Cowen discusses Ireland's preparations for implementing euro notes and coins next year, the EU's ongoing enlargement negotiations, as well as the Northern Irish peace process.

Is Ireland ready for the introduction of the euro in January 2002?

Preparations are well advanced on Ireland's campaign to ensure that our citizens are fully aware of the euro in advance of January 2002. Our primary aim is to make everyone aware of when the euro notes and coins are coming and that an Irish pound will be worth €1.27.

But in fact, Ireland has been using the euro as a parallel currency for non-cash transactions since the euro first came into existence on January 1, 1999. The exceptional openness of the Irish economy means that it can be considered, in many senses, as a regional economy within the European Union economy. The introduction of the euro has already brought benefits for the Irish economy. The resulting competitiveness of our exports has contributed to the remarkable growth of our economy. And Ireland's participation in European monetary union has also increased Ireland's attractiveness as a destination for foreign direct investment.

Will enlargement of the European Union be a positive or negative event for Ireland?

Surely the most exciting development for the European Union in the years immediately ahead is the enlargement process. What we are undertaking is truly historic. Enlargement is now central to

our continent's future. The benefits of enlargement to the future of Europe in terms of economic prosperity, stability, and security cannot be overstated. Ireland is therefore strongly in favor of enlargement. Ireland shares the hopes of all those who wish to see the candidate countries at last gaining their full and rightful place in Europe and participating successfully in the community of free and democratic states of the European Union.

As with past enlargements, the next enlargement, with the addition of over 100 million new European citizens, will bring its own dynamic for economic growth and development in new and old member states alike. Enlargement will also give us the opportunity to address outstanding problems on our continent, including such vital issues as organized crime and a better functioning relationship with Russia and the states of the former Soviet Union.

For Ireland nationally, the impending enlargement of the European Union brings with it the opportunity to build deeper relationships with countries, which though geographically somewhat distant, share many similar experiences and perspectives.

Will Ireland contribute troops to the proposed rapid reaction force of the European Union?

Ireland's contribution to the pool of capabilities for the vol-

untary EU Headline Goal, referred to as the rapid reaction force, will consist of up to 850 members of the defense forces, comprising a light infantry battalion of up to 750 personnel, an Army ranger platoon of around forty, as well as small numbers in headquarters, national support, and observer elements. Participation in any humanitarian or crisis management task will remain a sovereign decision by the government in every instance and on a case-by-case basis. Also, in line with national legislation, Ireland would only participate in a mission authorized by the UN.

How confident are you that peace now prevails in Northern Ireland and that the violence has stopped?

In our efforts to implement the Good Friday Agreement we have been very conscious that, in many ways, it represents a beginning rather than an end. It maps out an agreed way forward in which both communities on the island can build a future in peace and partnership together, but it does not build that future—that is for us to achieve.

A great deal has been achieved, particularly in building the new institutions. However, you don't have to look very long or very hard at how matters stand in Northern Ireland to see that the conflict has left a legacy of mistrust and deep division between the two communities that we must continually strive to

WHAT THEY SAID (CONTINUED)

overcome. Genuine and lasting peace can only grow in a climate of trust, respect, and mutual tolerance.

There is also a very small minority of people who would seek to overturn the agreement and to return us to the

pointless violence of the past. They will not be allowed to succeed. They do, however, have the capacity to cause carnage—as they did in Omagh—and we will never be complacent about their activities. While we will con-

tinue to be resolute in our efforts to thwart their activities, I firmly believe that the best way to ensure that they become a thing of the past is to demonstrate that politics can, and do, work for us all.

This means continuing our

efforts to complete the implementation of the agreement, including bringing about a new beginning in policing, ensuring the full and inclusive operation of the institutions, and dealing finally and definitively with the question of arms.

REPORTER'S NOTEBOOK: MANDELSON OUT, REID IN

The late British prime minister Harold Wilson once acidly remarked that “a week is a long time in politics.” Peter Mandelson has good reason to reflect, even more bitterly, that eight days is much longer.

In mid-January he was entertaining the Northern Ireland media, celebrating a belated New Year with editors and correspondents and their partners in the lush surroundings of Hillsborough Castle, Queen Elizabeth’s official residence in Northern Ireland that once housed her appointed governors and, for almost a quarter century, has been occupied by a succession of British secretaries of state.

Mandelson, appointed secretary of state for Northern Ireland just fifteen months before, was obviously enjoying his role amid the splendors of Hillsborough.

Eight days later, ruffled and dejected, he stood outside Number 10 Downing Street announcing his dramatic departure from office and denouncing the “constant media pressure” that had forced him out of office. Even his old friend, Prime Minister Tony Blair, had deserted him at the last moment over a “did he or didn’t he” political spat about intervening on behalf of a wealthy Indian businessman requiring ministerial help in obtaining a British passport (an inquiry later found Mandelson did not act with impropriety).

In Belfast, little attention had been paid to his personal and private affairs. In London, it was a very different matter.

In his resignation speech, he insisted it had been the “greatest privilege of my political life to play a part in the peace process in Northern Ireland” and thanked profusely the people of Northern Ireland “for their kindness to me.”

Few will deny Mandelson’s seminal role in forwarding the Irish peace process, although nationalists—in particular Sinn Féin, the political wing of the IRA, and the mainly Roman Catholic Social Democratic and Labor Party—disagreed with his approach toward implementation of the report on future policing in Northern Ireland by the last UK governor of Hong Kong, Chris Patten (now an EU commissioner), and the timetable for decommissioning of paramilitary arms.

Both parties—and the Irish government—also disagreed sharply with Mandelson over his temporary suspension of the Northern Ireland institutions in February of last year.

Some commentators saw Mandelson’s abrupt departure as a severe blow to Ireland’s body politic. But in politics no vacuum is allowed to remain for long. Within hours, Blair had announced his successor, John Reid, a Scottish member of Parliament and Scottish secretary with a considerable track record and an antenna finely attuned to his bridge-building role. Now, Northern Ireland is getting used to the new man in Hillsborough Castle.

Reid, fifty-four this month, has taken on the most chal-

lenging job of his political career. He is the thirteenth British secretary of state in Northern Ireland and the first Roman Catholic to hold the post—his fourth British government job in as many years.

Following Labor’s general election victory in 1997, he was made armed forces minister, before moving to transport. Then he was promoted to Scottish secretary last year, following devolution and the first elections to the Scottish parliament in Edinburgh—a difficult task both professionally and personally.

Personal tragedy struck him three years ago when his wife Cathy died after a heart attack. They had met at a teenage school party and had two sons.

He now enjoys a new relationship with his present partner, the Brazilian-born filmmaker Karine Adler.

Reid graduated from Stirling University with an honors degree in history and a PhD in economic history. He also has strong Irish roots, having spent much of his early childhood on summer holidays at his grandmother’s home near Daingean, County Offaly, in the Irish midlands. He is now said to enjoy “a warm relationship” with Irish foreign minister, Brian Cowen, who represents the County Offaly constituency in the Irish parliament.

He is also widely regarded as a “safe pair of hands,” “quick-witted,” and “extremely popular” with fellow MPs. Reid himself, on his first official visit to Dublin in February, described his new posting as that of “a volun-

teer, not a conscript.”

The Northern Ireland job has frequently been described as “the poisoned chalice” of British politics. Reid must now rapidly adjust to the local nuances of Irish political life, although his “utter commitment to the Good Friday peace agreement” of 1998 has been well received.

Paramilitary decommissioning, demilitarization, policing, and the continued presence of the British Army in sensitive nationalist areas are four of the key issues facing both British and Irish governments, with Reid a key player. But the impending British general election has forced resolution of these matters to be put on ice, with a form of compromise agreement allowing the existing institutions in Northern Ireland to carry on at their current pace until later this summer, when the pro-agreement parties can hopefully get together and agree how to achieve its full implementation.

Both governments fear a breakdown in politics will be quickly followed by new violence, particularly as the dissident “Real IRA”—a small breakaway group from the Provisional IRA—is recruiting new members and becoming increasingly organized and active. Their taxi bomb—in March—outside the BBC television headquarters in London showed that they have the mobility and capacity to strike at key targets in Britain. A very worrying prospect for the British security forces—and the British government.

—Mike Burns

EU NEWS

FYROM Leader Agrees to Talks

Boris Trajkovski, president of the Former Yugoslav Republic of Macedonia (FYROM), has been thrust into the international spotlight after agreeing—under EU pressure—to launch substantive talks on ending discrimination against the republic's large ethnic Albanian minority. The international community has set June as an unofficial deadline for resolving the main issues: constitutional reforms that would upgrade the ethnic Albanians' political status; the use of Albanian as the country's second official language; and approval by the parliament of legislation that would give mayors around the country powers to raise taxes and launch infrastructure improvements.

Trajkovski has little room for maneuver. Arben Xhaferi, leader of the moderate Democratic Party of Albanians—a partner in the country's pro-European coalition government—warns that if reforms are delayed, armed rebels from the ethnic Albanian National Liberation Army will resume their attacks. The FYROM army and police have driven some guerrillas back into Kosovo, but an estimated 500 members of the NLA are believed to be still in FYROM. The army is due to receive several million dollars' worth of counterinsurgency equipment from the US and the UK but would still be inadequately equipped for a prolonged anti-terrorist campaign. Unless the talks make swift progress, the rebels may try to launch attacks in ethnically mixed cities like Skopje, the capital.

Can Trajkovski pull off a deal? A lawyer who trained in the US as a Methodist minister, he has comparatively little experience in the minefield of inter-ethnic politics. But as a member of a religious minority who suffered discrimination himself, he sympathizes with the ethnic Albanians' predicament. Moreover, he won the presi-

dency—a largely ceremonial post—in a closely fought contest thanks to votes from ethnic Albanians. While the EU is not expected to mediate in the talks, Trajkovski, who speaks English fluently, will have support and regular advice from Javier Solana, the EU's foreign policy chief. That, say analysts, will help prevent hardliners in Prime Minister Ljubco Georgievski's government from blocking progress.

Political reform in FYROM has so far been a top-down process. Ethnic Albanian and Slav politicians have cooperated in government since FYROM, the poorest of the former Yugoslav republics became independent in 1991. But the two ethnic communities still lead parallel lives. Ethnic Albanians are estimated to make up about 35 percent of the population but are poorly represented in the civil service and police. Until

recently, ethnic Albanian businesses found it hard to get building permits or bank loans.

The economic outlook is brightening, thanks to increased trade with Kosovo, and the reopening of markets in Serbia. In April, FYROM became the first country in the Balkans to sign a stabilization and association pact with the EU, a groundbreaking agreement that opens the way for FYROM's eventual accession. The EU will increase funding this year for FYROM to \$36.6 million and has also undertaken to help finance the rebuilding of homes in the west of the country that were destroyed in the two-week conflict with rebels in March.

Apart from Trajkovski's agenda for the inter-ethnic talks, there are two other priorities for the FYROM government. One is to hold a new census, set for June but still

unconfirmed, that would be monitored by the Organization for Security and Cooperation in Europe. The government says it will record the presence of all ethnic Albanians, including immigrants from Kosovo.

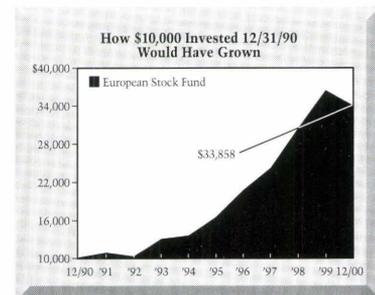
The other priority is for the government to ensure that the new international university at Tetovo, the main ethnic Albanian center, opens on schedule in October this year. The university, financed by the EU and the US, along with bilateral donors, will teach some courses in Albanian, meeting a longstanding demand by ethnic Albanians for higher education in their own language. About 3,000 students are due to be accepted for courses ranging from business studies to Balkan history. If the process goes smoothly, inter-ethnic relations in FYROM would take a big step forward.

—Kerin Hope

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BUSINESS BRIEFS

Allianz, the German insurance giant, is set to go on a spending binge in the US and Japan after whetting its appetite with a \$19.7 billion cash and stock acquisition of **Dresdner Bank**, a top German bank. Allianz remains "capable of action and [is] thirsty for deeds," according to Henning Schulte-Noelle, chairman of the Munich-based company. "We won't make the mistake of turning our attention inward."

Allianz, Europe's biggest insurer by market capitalization and revenues, aims to be among the top-five firms in all the major regional markets, but it has a long way to go in the US where it ranks number fifty-one in life insurance. It missed a potential US acquisition in March when its British rival **Prudential** made a \$24.6 billion tender offer for **American General Corp.**, which prompted an immediate counter bid by **AIG**, the American insurance giant.

The Dresdner deal—creating a banking, insurance, and asset-management behemoth with 20 million customers and a market capitalization of about \$97 billion—is expected to unleash a wave of mergers in Germany and across Europe. **Deutsche Bank**, Germany's largest bank, whose bid to merge with Dresdner, collapsed in acrimony last year, is expected to make the first move, with analysts speculating about a link up with **Axa**, the French insurance giant.

E.ON, Germany's second-largest power company, has finally broken into the US market with the \$7.3 billion acquisition of **Powergen**, the British utility that owns **LG&E**, a Kentucky electricity company. The deal, creating the world's second-largest electricity supplier after **Electricité de France**, was the latest in a series of mergers and acquisitions that have reshaped Europe's deregulating energy markets in the past two years—E.ON itself was formed in late 1999 by the merger of two German utili-

ties, **Viag** and **Veba**. "We are now getting ready for a double jump, across the [English] Channel and the Atlantic ocean," said E.ON chief executive Ulrich Hartmann.

E.ON said it has a further \$35.2 billion to finance acquisitions, with the bulk of the spending likely to be in the US, the world's largest power market. "Our goal is to achieve a leading position in the US," according to Hartmann.

The company said it will sell **Degussa**, its chemicals unit, and some real estate assets to satisfy US regulators.

E.ON said it turned to the US because political obstacles prevent it from moving into France, Italy, and Spain where it recently withdrew a \$2.4 billion bid for **Hidrocontabrico**, the country's fourth-largest utility. While E.ON looks beyond Europe's borders, **Enel**, Italy's state-controlled electricity group, says it plans to spend up to \$17.6 billion on continental acquisitions to lessen its dependence on its domestic market. Main targets are water utilities and power trading companies in Spain and Germany, said chief executive Franco Toto. Meanwhile, **Duke Energy** is the latest US company to enter Europe's energy markets saying it plans to spend up to \$1 billion on power generators this year.

Société Générale, France's second-largest bank, stepped up its overseas expansion, taking control of a US fund manager and buying the vehicle financing and leasing activities of Germany's **Deutsche Bank**. The \$1.23 billion all stock acquisition of a 70 percent stake in Los Angeles-based **TCW Group** will boost the US share of Société Générale's \$221.8 billion of managed assets from 2 percent to 34 percent. "This allows us to become a global player and an important player in the US market," according to Philippe Collas, chief executive of Société Générale Asset Management.

Earlier, Société Générale snapped up Deutsche Bank's

vehicle financing business in an \$862.4 million deal that expanded its international reach into Central and Eastern Europe and nearly quadrupled the number of vehicles under management to 270,000, making it Europe's fourth-largest car rental company.

The **European Bank for Reconstruction and Development** plans to shift lending from Central Europe toward Russia, the former Soviet republics, and southeast Europe, particularly Yugoslavia. The London-based bank, which is owned by sixty governments including the US, intends to cap loans to more advanced former communist economies like Poland at last year's level of \$880 million while lifting finance to the rest of the region from \$1.5 billion to around \$2.2 billion.

The key role of the bank, which is celebrating its tenth anniversary, is to invest in private sector projects alongside foreign and local companies. Jean Lemierre, the EBRD president, said the bank still has an important role in Central European nations like Poland, the Czech Republic, and Hungary, which are negotiating accession to the EU. But many of the risks of doing business with them will diminish and so will the need for the bank's presence. The EBRD's investment in Russia, which fell sharply after the 1998 financial crisis, recovered to more than \$440 million in 2000 and is set to rise to \$616 million this year.

KPN, the once high-flying Dutch telecom company that is now drowning in debt, said it is willing to be taken over by a rival to ensure its survival. "We're open to new combinations, even when they mean the end of the independence of KPN," said chief executive Paul Smits, rekindling speculation that **Telecom Italia Mobile**, or **TIM**, Italy's largest mobile phone company, will make a friendly takeover bid. **TIM** became a leading takeover contender in January after it

formed a mobile venture with KPN and Japan's **NTTDoCoMo**.

KPN tried to link up with Spain's **Telefonica** last May but the deal was scuppered by the Madrid government. KPN's debt more than quadrupled last year to around \$19.4 billion after it acquired control of **E-Plus Mobilefunk**, Germany's third-largest mobile phone company, and bought licenses to offer so-called third generation mobile-Internet services.

KPN is planning to cut its debt by at least \$4.4 billion by selling stakes in phone companies in several countries, including Hungary and the Czech Republic.

Germany's **SAP**, the world's biggest business software group, bucked the "new" economy trend of tumbling profits and massive layoffs with a sharp rise in first quarter earnings that exceeded market expectations by a wide margin. Earnings before interest and tax soared 82 percent to \$205 million from \$112.6 million a year ago, beating average analysts' forecasts of around \$133.8 million. The company also predicted higher revenues and profits in the first nine months of the year. **SAP** fared better than its American rivals like **I2 Technologies**, which is forecasting losses for the second and third quarters, because it generates a higher proportion of its revenues in Europe where corporate spending on information technology is holding up better than in the US.

—Bruce Barnard



Correspondents

Bruce Barnard reporting from London
Mike Burns reporting from Dublin
Kerin Hope reporting from Skopje

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Almost a year ago, Joschka Fischer, the former street revolutionary who has risen to become Germany's foreign minister, delivered a speech in Berlin on the future of Europe. The impact of his address in the imposing setting of the Humboldt University continues to reverberate in diplomatic corridors from Brussels to Bucharest. Fischer stressed that he was speaking in a personal capacity only, but his speech was in fact a calculated attempt to trigger a constitutional debate. His sweeping analysis covered the legitimacy of EU institutions, the EU's planned enlargement, and the future of the nation-state in the twenty-first century. ★ In quarters such as the European Parliament, where members have long clamored for such a debate, the speech came like a breath of fresh air. But for some political leaders with unsettled domestic electorates, notably President Jacques Chirac of France, the speech was regarded as unhelpful. ★ One year on, however, Fischer's plea for an open debate on how best to strengthen the legitimacy of the EU is as relevant as ever. Although not everyone agrees with his prescriptions, leaders such as UK Prime Minister Tony Blair and European Commission President Romano Prodi have taken their cue to present their own visions of Europe.

Europe's F

Four leaders
to build the

The central argument Fischer presented was that the EU has reached a point in its near fifty-year-long development where it is time to define a political endgame. This is what the French call *la finalité politique*—a kind of final destination.

The case for such an endgame rests on the fact that over the last decade the EU has steadily accumulated new responsibilities that go far beyond the original customs union based on the 1957 Treaty of Rome. These new responsibilities include the launch of the single market, the euro, and a new system for regulating justice and immigration.

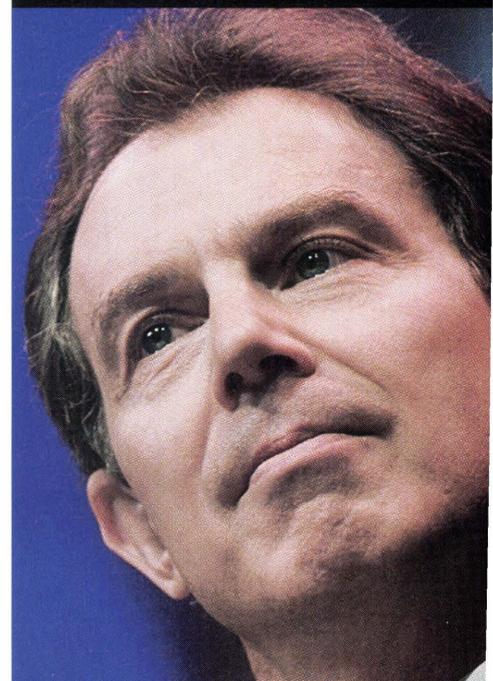
The difficulty is that the EU is *sui generis*. It is a union of states and peoples; it has supranational characteristics (the European Commission's role in antitrust enforcement and the European Central Bank). However, it also operates with loose "intergovernmental" cooperation in areas such as for-

eign policy, which remain strictly within the remit of nation-states.

Another difficulty is that the EU has obstinately refused to follow historical precedent. For example, it has launched a monetary union without a political union. This is the reverse of the US model, which saw the creation of a central bank (the Federal Reserve) more than 130 years after the agreement on a US constitution among the original thirteen founding states.

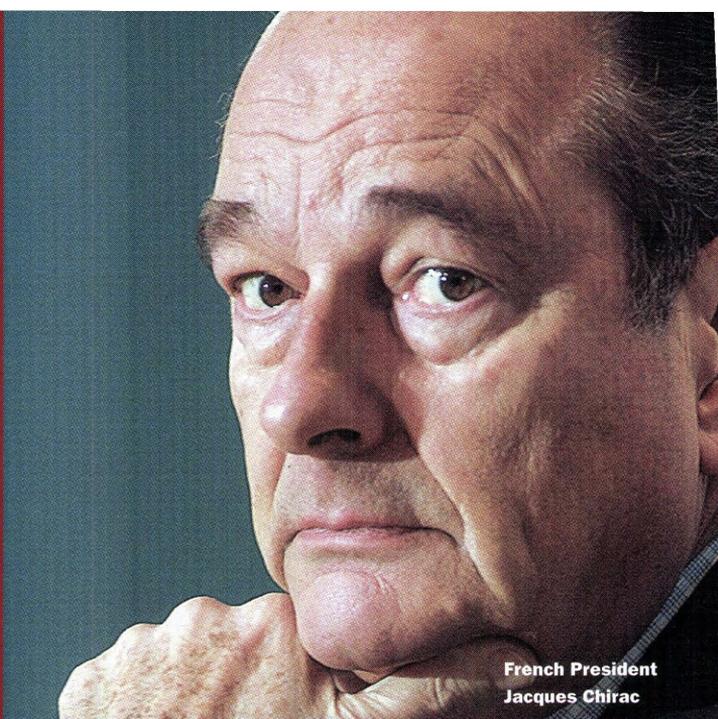
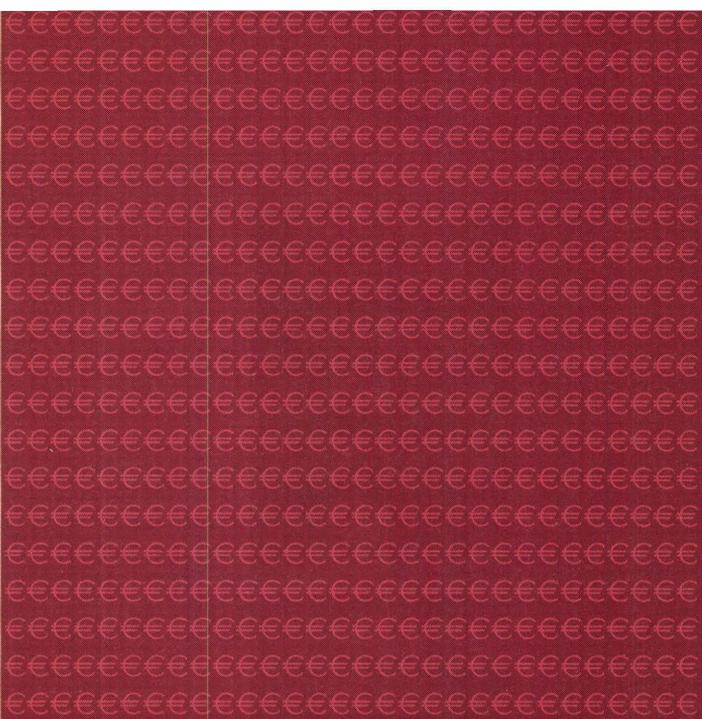
There is also a growing tension between the desire for efficiency and legitimacy in Europe. Dick Benschop, the Dutch minister for European affairs, has said that the answer does not necessarily solely lie in more streamlined decision-making through reforms such as more majority voting. Accountability matters too.

Fischer's speech cast these issues in a historical perspective that drew on the German political tradition. In effect,





Foreign Minister
Fischer



French President
Jacques Chirac

By Lionel Barber

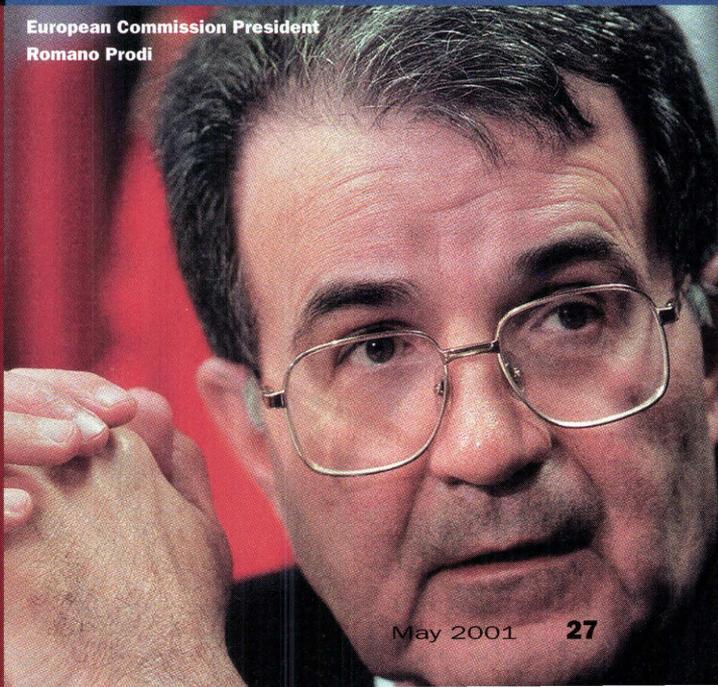
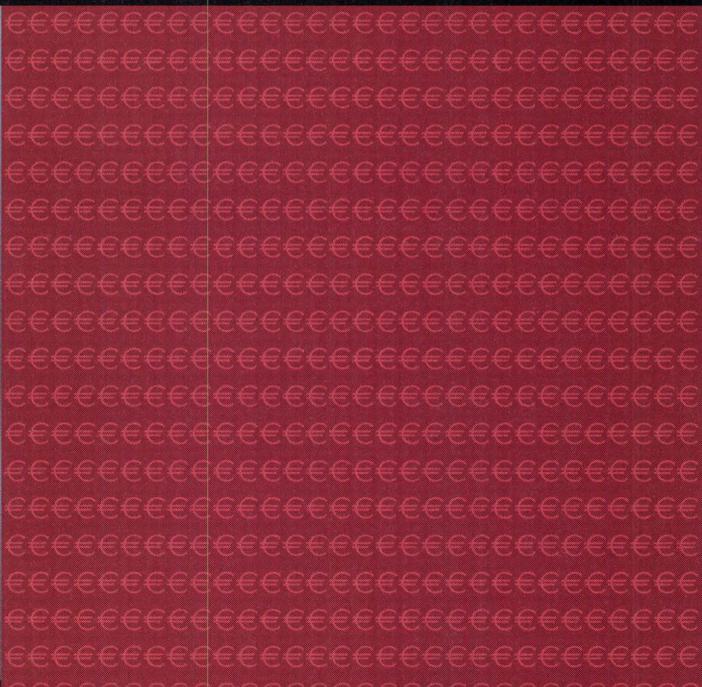
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speak out on how

UNION



Prime Minister
Tony Blair



European Commission President
Romano Prodi

he put forward a German federalist model where the powers awarded to supra-national authorities and to national and regional bodies are clearly delineated, possibly through a “catalogue of competences” based around a fundamental law or quasi-constitution.

Fischer also recast the European Commission in Brussels as a full-blown executive body with a powerful president, while turning the current decision-making Council of Ministers into a second legislative chamber operating in tandem with the European Parliament.

For politicians such as Chirac who believe that legitimacy lies mainly in the nation state, Fischer’s speech was a bridge too far. Chirac invited himself to the German Bundestag shortly afterwards. His speech put far more weight on the role of the Council of Ministers at the expense of the Commission, even suggesting that the Council could set up a rival secretariat. He spoke only vaguely about a future constitution.

Blair, speaking in Warsaw, steered slightly closer to the French tradition. His main goal was to put the case for early enlargement, but he made some concessions to the camp of those who believe that some rethinking of EU institutions is necessary to operate in a Union of twenty-five plus members. One interesting idea was to create a new second chamber comprised of European and national parliamentarians to scrutinize legislation.

Finally, Prodi set out a more orthodox vision in the spirit of Jean Monnet in a speech to the European Parliament in October. He bemoaned the trend toward intergovernmentalism rather than the traditional “community method,” which emphasizes “common policies,” with the Commission acting as initiator rather than flexible cooperation among diverse groups of states.

Prodi’s speech proved prophetic. The summit at Nice in December would have sent EU founding father Jean Monnet spinning in his grave. The Commission was sidelined during the marathon negotiations, and the final result pleased next to no one. Chirac’s reputation was dented, not least because he spent much of his political capital on insisting on voting parity with Germany.

The price extracted by Chancellor Gerhard Schröder was an agreement to review the results of Nice at a later con-

ference in 2004. Schröder is interested in pressing for a “catalogue of competences,” partly to ward off pressure from his regional governments. As a former prime minister of Lower Saxony, he has some sympathy for the view that the regions are losing power steadily to Brussels.

It will fall to the Belgian presidency, which takes over from Sweden on July 1, to begin preparations for the conference in 2004. Already, there is a view that the groundwork should be laid by drawing in a wider circle of people than the customary group of expert diplomats acting on narrow instructions from ministers.

One possible model is to build on the Charter of Fundamental Rights, which was agreed upon last year. The negotiations involved the personal emissaries of prime ministers as well as a bigger role for the European Parliament. Although the charter does not have legal force, it could serve as the basis for extending the broad statement of political values to something more like a quasi-constitution for the European Union.

Paradoxically, some British Euroskeptics would welcome moves toward a constitution—if only because they believe that it would help to clarify what Brussels could do and what would be left to the nation-state. Certainly, William Hague, the Conservative Party opposition leader, would look favorably on discussions about “repatriating” powers from Brussels.

But long-standing EU experts warn that a constitution would not be a panacea. As Jim Cloos, former chief of staff to former Commission president Jacques Santer, says, “It is true that the current position is complicated and hard to sell in our mediatized society, but the idea that you have people sitting round the table and agree on a final construction is naïve.”

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Others warn that there are risks in arguing too forcefully for legitimacy because it is often an indirect way of securing more powers for the European Parliament, which suffers from low participation rates and no uniform election procedure. In reality, there are several different sources of legitimacy—the European Parliament, the Council, and a technocratic Commission.

Still, it is a fair bet that that the EU will move slowly toward a clearer definition of powers for its various institutions. The Commission, which is struggling to recapture the political authority it enjoyed a decade ago, will likely continue its evolution as an enforcer of rules, with special powers reserved to the areas of competition and trade policy.

Meanwhile, the individual member states are likely to resist any radical moves toward a greater harmonization of policy in sensitive areas such as tax. The model seems more to be an advanced economic competition between countries.

This situation may change, however, as enlargement becomes a reality. Countries such as the Benelux group (Belgium, the Netherlands, and Luxembourg) continue to toy with the notion of a more flexible “multispeed Europe” where some countries could move ahead without being held back by those who are either unable or unwilling.

Whether this all adds up to a constitution is doubtful. For several decades, it has suited most European countries to preserve a degree of ambiguity about the precise amount of power they have ceded to a central authority. As the British have discovered, there is much greater flexibility in an unwritten constitution that relies on common law. ☐

Lionel Barber is the European editor of the Financial Times of London.

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Jacques Delors



EU pioneer sees a 'large Europe' anchored by a 'vanguard' group of nations

Jacques Delors served as European Commission president from 1985–1995 and led the European Union's 1992 Single Market initiative, which saw the elimination of internal trade barriers. He then oversaw the implementation of the Maastricht Treaty, paving the way for the euro, which goes into public circulation next year as the single currency of twelve of the EU member countries. After leaving office, Delors founded the think tank Notre Europe. He recently traveled to Washington, DC and was interviewed by EUROPE editor-in-chief Robert J. Guttman.

Looking ahead to the year 2020, where do you see the European Union? How will it be governed?

If in 2020 we have succeeded in enlarging Europe, with a Union composed by

EUROPE INTERVIEW

more than thirty countries, it seems to me that the best institutional framework for this large Union is to come back to the communitarian method. That means to have a Commission which has the right of initiative, the duty to control the well functioning of the common space. We will have a Council of Ministers which decides under the proposal of the Commission and with the power of the European Parliament, a co-legislator. The more [member states] we have the more we need to come back to the communitarian method for Europe at large. I will speak afterward, if you agree, about the vanguard. But for the large Union, the communitarian method is the best method to rule a Europe with more than thirty members.

But to improve the decision-making process, the duty of the Commission and the Council of Ministers is to select the main question put by the future of Europe to facilitate the task of the European Council to submit the shift of state and government. This European Council must have a clear agenda with two or three questions on this agenda—no more—and discuss options. Without that, it is impossible to govern a Union with more than thirty members. Perhaps...it is necessary to leave the system of the rotating presidency (under which the member states take turns holding the presidency for six-month terms) and to have a president of the Union for three or four years. This president could be elected by the European Council, by the chief of state or government [of each member country], to have a permanent figure, a 'personalization' of the Union vis-à-vis our partners. Another possibility is to give this role to the president of the Commission.

Do you see a popularly elected president of Europe in the near future?

It is not possible to think in terms of an analogy with the American system. This is another story.

Do you think you would have had more power as Commission president if you had been elected by the people?

If I can go back to 'large Europe' on the necessity of the vanguard, which is composed of six, seven, or eight countries who want to deepen the European integration, it is possible for this vanguard to have a president elected perhaps by the people. But this is because of the ties between the members of the vanguard, who are more closely linked than the members of the 'large Europe'.

Former national security advisor Zbigniew Brzezinski has said that we are not at the point where Europeans have an identity where they are willing to die for Europe. Rather they are willing to die for France, Germany, and so on. Do you see a European identity developing today?

It seems to me that, with full economic and monetary integration the users of the same currency in Europe, the free circulation of people, the cooperation between universities and schools, the young generation will have another approach to Europe. They feel that they

are naturally Italian, British, German, or French, but they are also European, and it is realistic to expect such progress in twenty years.

It is realistic?

Yes, in twenty years. The feeling to belong to Europe was first before the radical change of the institution.

German Foreign Minister Joschka Fischer, French President Jacques Chirac, and others have given speeches detailing their views of what Europe should be. How are your views different from Fischer and Chirac?

In January 2000, I proposed precisely the creation of a vanguard, or hard core if you prefer, and Joschka Fischer followed me in this way. We have had lengthy discussions together, and perhaps we have a different view on technicalities, but the general objective is the same, to create a group of countries which want to, and are capable of, deepening the political integration of the group. The approach and the objective are the same for Mr. Fischer and myself.

Is this like a two-speed Europe—some countries can move ahead with deeper integration while others move slower?

No, it is not a two-speed Europe because if many countries want to remain in the 'large Europe' this is not a new fact. Take, for example, the economic and monetary hard core or vanguard: If we had waited for the agreement of the fifteen member states to create the euro, the euro would not yet be born. This is not a new fact, but there is the possibility to combine enlargement and deepening the European integration.

Looking 'ahead' just a few months to 2002, do you think the European citizens are ready for the euro to replace their national currencies? For example, are the French prepared to give up the franc?

You remember perhaps that in 1991 there was a collapse in the economic growth in Europe because of the inflationary pressure from German reunification. It was a very tough period for the government because of many factors. During this period we took regular polls to put the question of the euro to the French, and during this difficult period two-thirds of the French said they

were in favor of a strong currency and in favor of a single currency for Europe. This is the reason that I hope that when we have the circulation of euro coins and paper bills the feeling of belonging to a common society will grow.

What is the EU's greatest weakness right now?

It seems to me that presently, without being too critical, we lack vision at the expense of the future of Europe. Pragmatism is not sufficient. A vision bears

If we had waited for the agreement of the fifteen member states to create the euro, the euro would not yet be born.

on moral values as the full respect of the dignity of each person, the feeling to have a common adventure and so on.

Do you need a constitution in Europe?

If a constitution is a means to reinforce the citizenship of Europeans, I agree. But frankly it is better to have a good treaty than a bad constitution, but I repeat that it is possible to have a democratic process with a large discussion about what do we want together, by what means, and so on. I am in favor of opening the process to discuss the future of a constitution.

Everyone talks about the post-cold war era of the last decade or so. Do you have a term for the era in which we are now living, other than post-cold war. Is there any definition you would give to it?

This is an era when mankind makes the choice between convergence or fragmentation, and the economic globaliza-

tion means that we are capable of reinforcing the solidarity between the people of the world and creating a sort of global village with priority for the global public good as a security aspect, with full respect of human rights and also solidarity.

There is much discussion about European integration. What are the forces pulling Europe apart? What are the forces against integration?

The lack of vision, a hesitant pragmatism. EU leaders need to suppress the temptation to give in to short-term national interests. To overcome those obstacles, it is necessary to have a full and very clear discussion about what we want together, what is our ideal, what will be the place of Europe in the future world.

Why do you think most Americans don't fully understand the nature of the European Union?

I understand fully why they don't understand it. The institutional framework is too complex. It is too complex for the European citizen, and we must invent more simplicity and more transparency.

Would you say the main goal of the EU is as a peace organization in its fullest sense?

I hope that 'large Europe', composed of more than thirty members, will be a good example for the rest of the world at this stage of globalization. If we succeed, we will create a space of full peace with all the conditions of sustainable development, with respect for the natural environment, and a place to share the fundamental values with respect for human dignity for each person.

You mentioned the Ukraine, how far does Europe extend? Is Europe an ideology or is it related to geography?

If you accept my definition of the objective for the 'large Europe', there is no contradiction to accepting Ukraine in the 'large Europe'. This is a question of what are our common objectives. If our common objectives are to create a space for peace, a good framework for sustainable development, common values with respect, it is not inconvenient to accept a very close country to Europe such as the Ukraine. ☺

Gothenb

By Ariane Sains

Grinning from ear to ear, Gothenburg Municipal Commissioner Göran Johansson welcomes his Stockholm guests to lunch, a smörgåsbord of specialties prepared by chefs from his city on Sweden's west coast.

Lunch is being served in Stockholm, where Johansson may easily find himself three times a week. But, like most Gothenburgers, his heart is firmly in the city its residents call Little London.

In mid-June, Gothenburg will host the European Council meeting that marks the end of Sweden's European Union presidency. At the same time, President George W. Bush will visit the city, the first time a sitting US president has traveled to Sweden. In all, about

5,000 people will be coming to Gothenburg, and the city is gearing up to showcase itself.

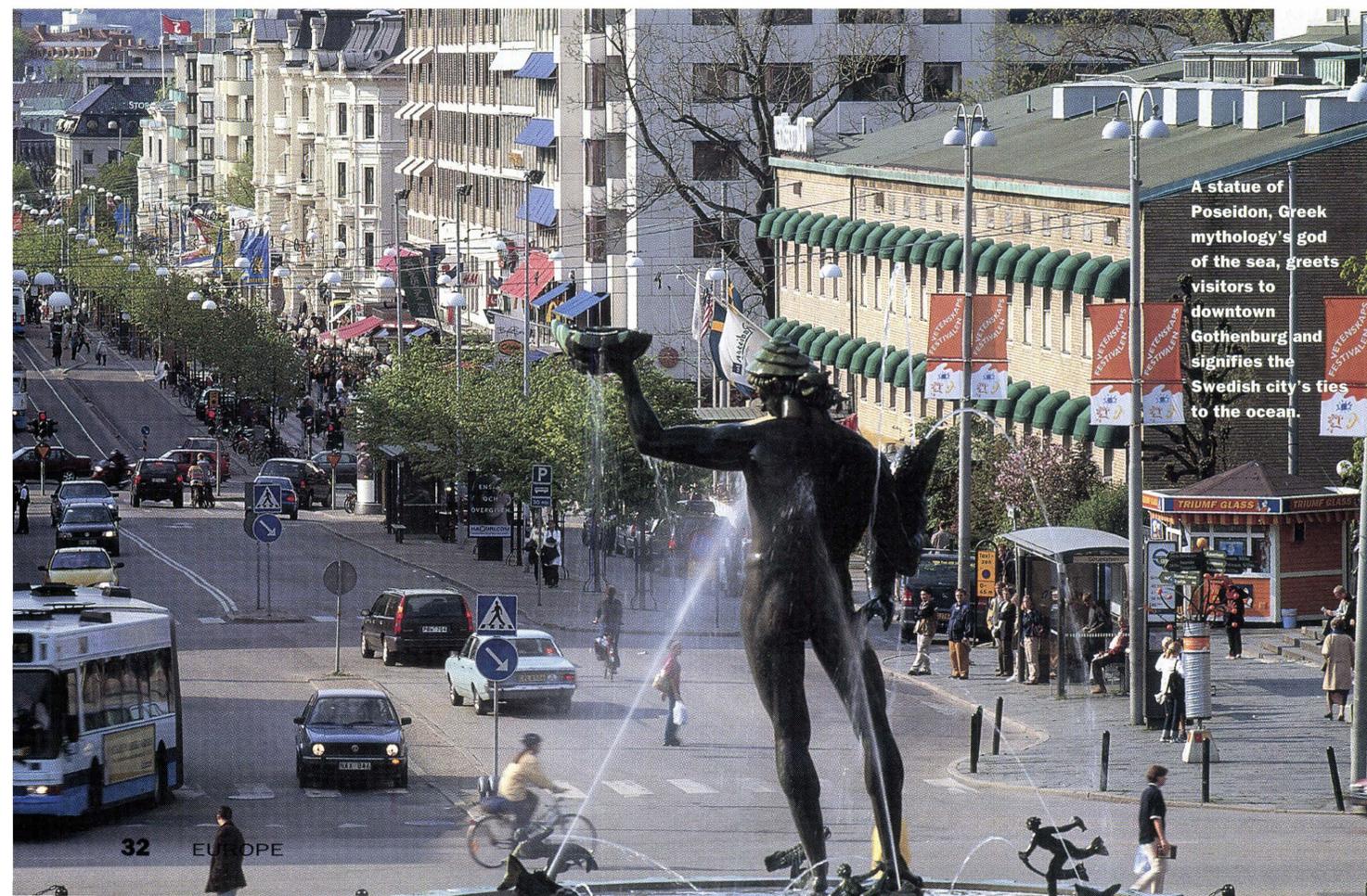
The visitors will find a city very different from the Stockholm capital. With slightly more than 430,000 people, Gothenburg is considerably smaller than Stockholm, and the pace is less hurried. Built on its current site by the Atlantic in 1621, the city's architecture is much more continental, as are its wide boulevards and city parks. The influence of the Dutch, English, Germans, and Scots who came there to trade and ship is clear.

Gothenburgers are different too. They're known throughout Sweden for their sense of humor and ability to spin a good yarn. They're also known for

being picky about their fish. At *Feskekörka*—literally translated the fish church (spelled Gothenburg style), actually the hall where fresh fish is auctioned—it's said that the way to tell if the mackerel is fresh is to hold it up by its tail. If it stays up, it is. If it falls over, the fishmonger won't be making a sale.

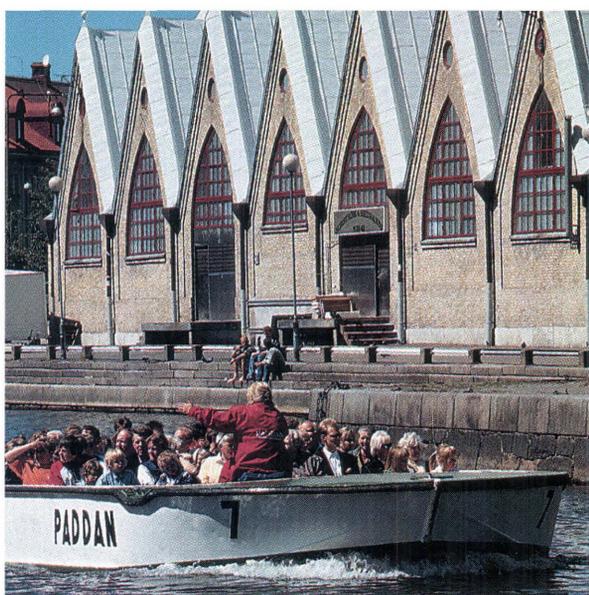
Gothenburgers take fish very seriously. They call it the west coast's fast food and believe that it can only be considered fresh if it comes from true salt water. That means any fish from Stockholm, on the brackish Baltic, or from Stockholm's Lake Mälaren, is automatically inferior.

In fact, Gothenburgers think pretty much anything to do with Stockholm is



The famous *Feskekörka* (top) is where fresh fish is auctioned. (bottom) Fresh lobster for sale in the *Feskekörka*.

Urg



inferior, and vice versa. The two cities have a friendly rivalry, with each dismissing the other as "Sweden's backside."

The competition extends to the Chalmers Technical Institute, which Gothenburgers consider far superior to the Royal Technical Institute in Stockholm. With 45,000 students, Chalmers has close ties to Gothenburg's extensive business community.

Despite being surrounded by farmland, Gothenburg is one of Sweden's major business and industrial centers, with a mix of traditional indus-

Gothenburg, as is its former subsidiary, Volvo Cars, now owned by Ford Motor Company. Gothenburgers still haven't quite gotten over the shock of Volvo Cars being sold to Ford, especially since Volvo chief executive Leif Johansson is a Gothenburg boy himself.

Although the car company is no longer Swedish, Volvo AB maintains the Volvo museum, which traces the car's development. Models including the famed "Saint Car," the P1800 sports car driven by Roger Moore in the television series of the same name. Many of the models on display were never exported to the United States, so a visit there is a unique chance to see Volvos the way Swedes do.

Other major employers include Swedish Match, the tobacco company that no longer produces cigarettes but makes Swedes' much-loved snuff; ball-bearing maker SKF, which recently opened a new research center in the city; and Ericsson Microwave, the cause of

some concern, given that Ericsson is planning large layoffs, which will in turn affect local Gothenburg subcontractors.

Gothenburg's industrial base has helped it become environmentally conscious. At

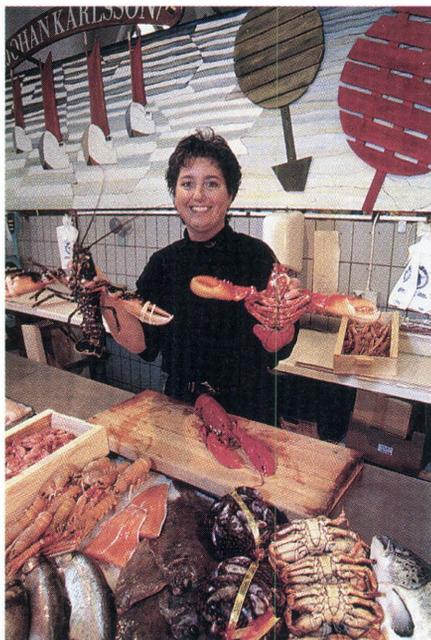
the end of the 1980s, it was one of the first cities in Sweden to develop a comprehensive environment policy, in part to help reduce emissions from its industries into the Atlantic.

A visitor taking a taxi from the central train station is apt to hear about the program from the taxi driver since cabs using environmentally friendly fuel, in some cases made from local rapeseed oil, have special dispensation to park closest to the building's exit, where they're the first to be seen by prospective passengers.

A group from Gothenburg's Public Environment Administration has also begun auditing the environmental friendliness and awareness of two divisions of the European Commission Directorate General for Environment and Energy. The project is aimed at giving them an environmental certification similar to what 300 Gothenburg companies have been awarded.

Gothenburg politicians are understandably proud of their system being chosen. "This really lends credibility to our environmental work," says Johansson. And, with the European Council meeting coming up, politicians are also hoping that their city will win an even higher profile. ☺

Ariane Sains, based in Stockholm, is EUROPE's Stockholm correspondent.



try, high-tech, and biotech. The shipbuilding industry that developed in the 1800s went bust in the 1980s, but the city has succeeded in maintaining a strong economic base. Volvo AB is headquartered in

WHAT TO SEE AND DO IN GOTHENBURG

Liseberg amusement park: Gothenburg's answer to Copenhagen's Tivoli Gardens. Right in the city, with rides, shows, and good (if expensive) restaurants. Open April–September.

Restaurants: While eating fish is a must in Gothenburg, if you long for real American pizza, check out Peppes. It's part of a Norwegian chain run by an American-Norwegian couple and features pizza-in-a-basket, enormous pies laden with cheese and inventive toppings. There's also a good choice of both lighter food and main dishes. For fish, try Fiskekrogan or Gabriel Fisk & Skaldjursbar.

The Volvo Museum: Run by Volvo AB, although Volvo Cars is now a division of Ford. Many Volvo models are on display, as well as historical information about the company.

Take a walk: Gothenburg has beautiful and varied architecture in the city center, a number of historic preservation buildings and a well-preserved Old City. It's worth exploring the back streets to get a sense of the city's style.

Feskekörka: The original building opened in 1874 and was Gothenburg's first market hall. It was replaced by a new building twenty years later, and today, there are still regular public fish auctions there.

For further information, www.gothenburg.com.

Ireland's New Lit

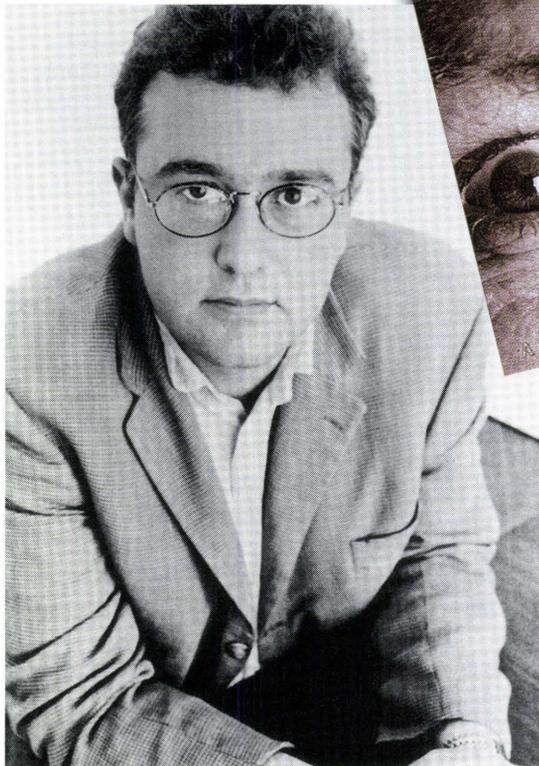
For the Irish literati, May is the coolest month

A casual trawl through any Dublin bookstore will happily illustrate, if such were needed, the impressive scope of Irish writing and international literary achievement. Not just the books of an older generation led by James Joyce, William Butler Yeats, George Bernard Shaw, Oscar Wilde, Richard Brinsley Sheridan, and Sheridan le Fanu but also, much more recently, the works of Samuel Beckett, John McGahern, Sebastian Barry, Séamus Deane, Brian Friel, Maeve Binchy, Déirdre Purcell, John Connolly, and Marion Keyes—plus the poetry of Séamus Heaney, Edna Longley, and Paul Durcan.

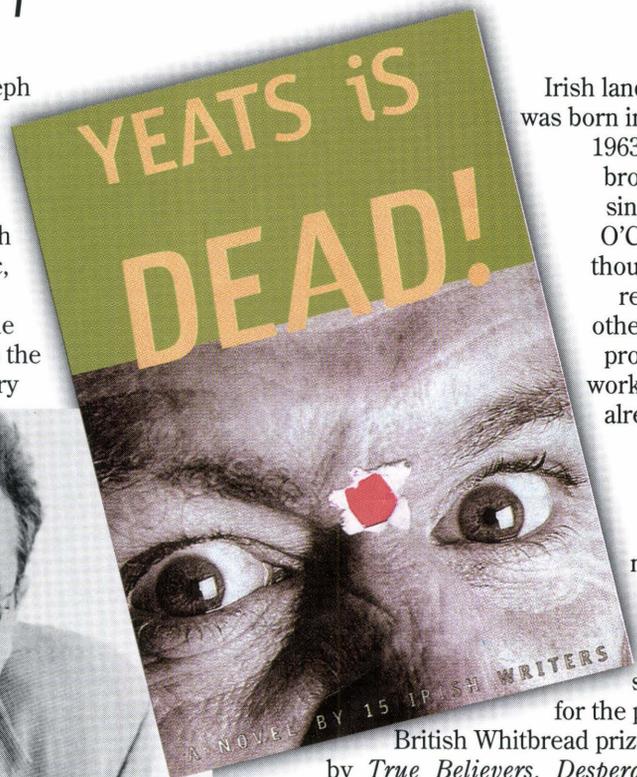
Each week, it seems, a new author appears on the scene—and not always without Celtic world criticism. Willy Maley, professor of English literature at Glasgow University, claims that Scottish writers are “parochial, which is universal,” while the Irish are “simply provincial.” They use the Irish accent, he claims, to get laughs.

Certainly one of the new breed of Irish

writers, Joseph O'Connor, almost always plays it for laughs—with wildly comic, rib-cracking success as he crisscrosses the contemporary



Irish writer Joseph O'Connor edited the forthcoming *Yeats Is Dead*, a novel composed of chapters contributed by fifteen famous authors.



Irish landscape. He was born in Dublin in 1963 and is the brother of the singer Sinéad O'Connor, (although neither relies on the other's fame to promote their works) and has already won a number of awards. O'Connor's first novel, *Cowboys and Indians*, was

short-listed for the prestigious British Whitbread prize, followed by *True Believers*, *Desperadoes*, *The Salesman*, *Inishowen*, a number of non-fiction works (including *The Irish Male at Home and Abroad*), and several stage and screenplays.

Now O'Connor is engaged on the final edit of a work to be published by Knopf this month in New York and the proceeds of which will go to Amnesty International. O'Connor describes it as “a comic thriller set in contemporary Dublin” titled *Yeats Is Dead*. Booker prize-winner Roddy Doyle kicks off the first chapter, then fourteen other Irish authors—including O'Connor—contribute the remaining chapters, each building their particular section on the

Scene

By Mike Burns

preceding contributions, with Frank McCourt (*Angela's Ashes*) wrapping up the book in the final chapter.

O'Connor says it's a "fun work" that given the book's wacky genesis, could become an international bestseller for Amnesty.

But, this month, the Irish literary spotlight is beamed on another glittering prize—the annual international American-funded IMPAC Award, with a prize of \$114,000 (\$85,500 to the author and \$28,500 to the translator).

It is the world's richest literary award for a single work of fiction—dwarfing the British Booker (\$29,000) and Whitbread (\$30,000) prizes put together—and the only one in the world that simultaneously recognizes the work of the translator.

The winner will be announced later this month and the prize will be presented in Dublin next month. The award was first established in 1994 by the Florida-based IMPAC firm of consultants, headed by Irish-American businessman James B. Irwin, Sr.

Although IMPAC is headquartered in the US, it chooses to administer the prize through Dublin Corporation, with the Irish capital's Lord Mayor as patron. The Irish connection comes through its Dublin office, headquarters of its European regional training center.

The prize is unusual in many respects. First, it is awarded annually for a work of fiction in the English language, whether published in Ireland, the United States, the United Kingdom, Australia, New Zealand, India, South

Africa—or any other Anglophone territory. Secondly, foreign works published in English are also eligible. Thirdly, more than 100 public librarians in major cities in fifty countries conduct the initial judging, with their nominations going forward to a six-member judging panel.

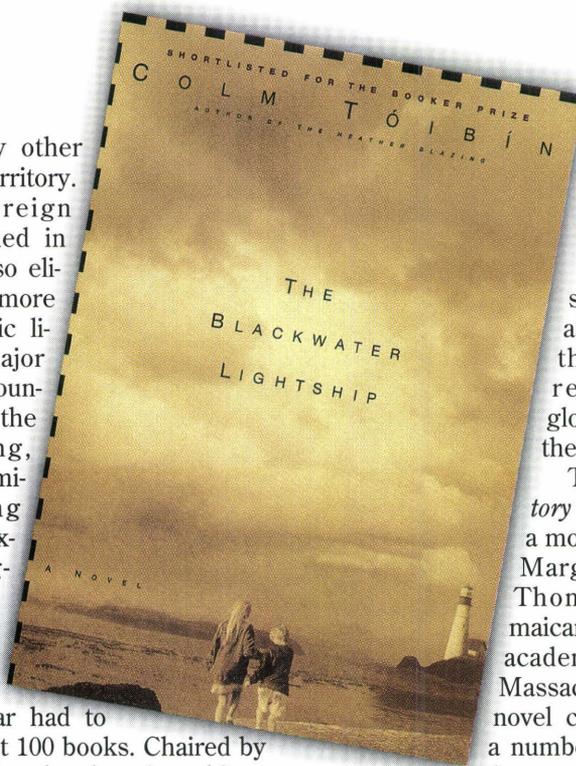
It's an impressive list of adjudicators, which this year had to consider almost 100 books. Chaired by Allen Weinstein, the American historian and president of the Washington, DC Center for Democracy, the panel comprises the Northern Ireland poet Méabh McGuckian, the London-based Guyanese poet Fred D'Aguiar, the Irish author based in New York Colum McCann, Indian author Amit Chaudhuri, and Nigerian novelist Buchi Emecheta.

McCann says that these days there is often an outcry against literary awards: They are too serious; they plow the wrong territory; the comic novels get shunted aside; genre fiction suffers. And, he says, it all becomes dark and dreary and diseased by literary politics.

The adjudicator's role? "Perhaps it's the duty of a judge to try to find the fragrance of meaning that posterity might also discern," says McCann. He adds, "Fiction is like an affirmation of life. As Rilke says, only the man who has raised his strings around the dark ghosts should feel his way towards the endless praise."

Irish President Mary McAleese says the award brings to our attention the work of very different cultures and environments, "works that can not only express the creative genius of a people but also give us an insight and understanding of their lives, histories, and wisdom."

That British bible of books, *The Bookseller*, says one of the great things about the prize "is precisely the fact that it is chosen by libraries from all over the world." And *The Times* of London says the celebratory award deserves to flourish "through affording us



all a view on what's available in other countries."

This year's six short-listed authors—and their works—reflect the global nature of the awards:

The *True History of Paradise* is a moving debut by Margaret Cezair-Thompson, a Jamaican novelist and academic based in Massachusetts. The novel captures, from a number of perspectives, the grace,

beauty, and brutality of life in Jamaica in 1981. It is the story of three women born in to a divided and troubled paradise.

No Great Mischief by the Canadian writer Alistair McLeod is a fictionalized memoir of his Scots-Canadian clansmen's journey from the Scottish Highlands to the Canadian wilderness of the 1770s.

The Love You Promised Me by the Mexican writer Silvia Molina, translated by David Unger, tells the story of Marcela, a professional, modern woman in her forties, disappointed after a brief but intense extramarital affair. In the Mexican town of San Lazaro, she sets out to piece her life together and discover the secret past of her parents.

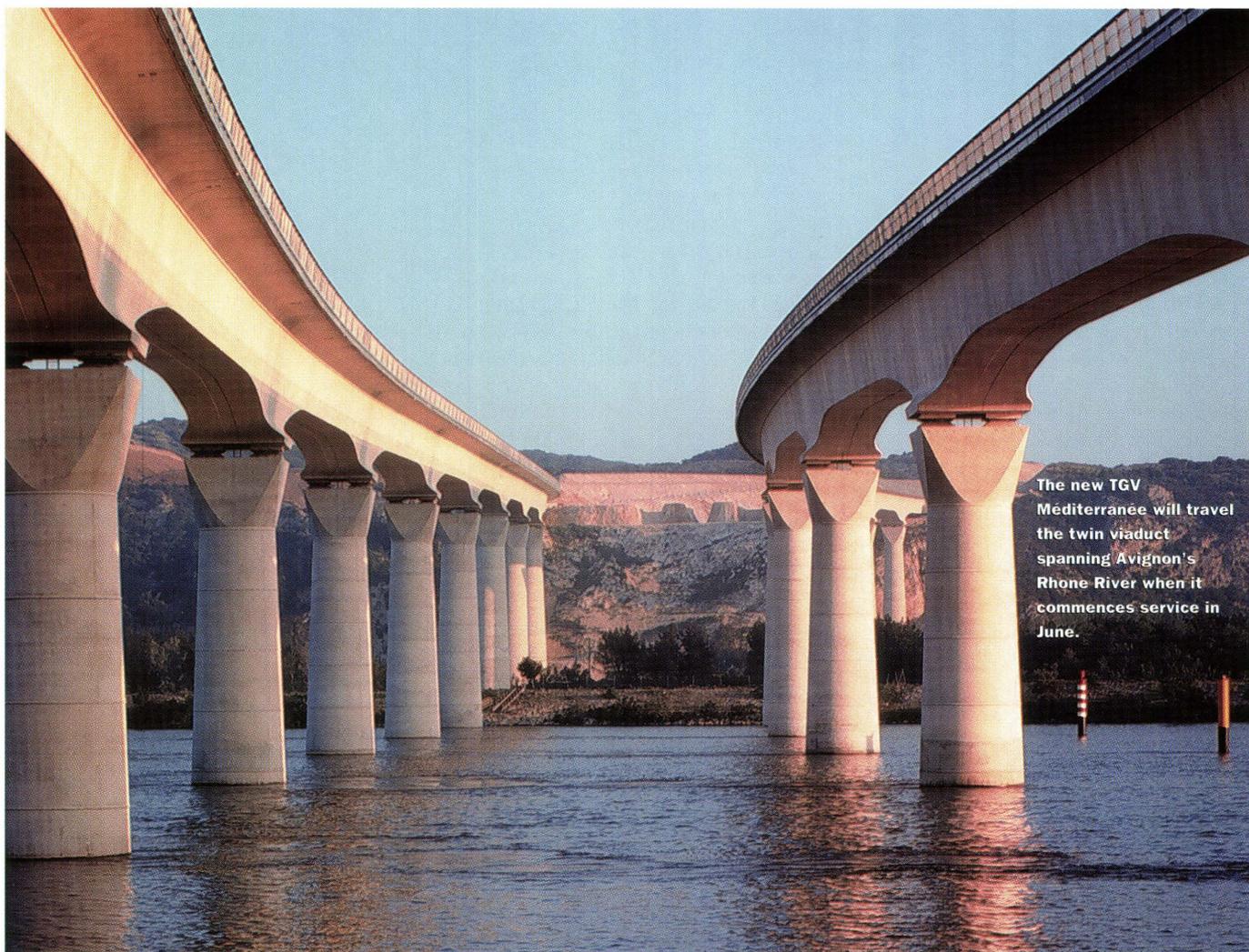
Our Fathers is the first novel by the Glasgow-born Andrew O'Hagan, who has previously written non-fiction. It is a powerful study of a Scottish family torn by idealism and despair in which a dying Socialist dreamer mulls over his life and the decline of political rigor in Scotland.

Clay Machine-Gun by the reigning wonder boy of Russian literature, Victor Pelevin, translated by Andrew Bromfield, is a manic satire about Russian history and identity told through the eyes of a leading St. Petersburg poet.

And the Irish entry? It's *The Blackwater Lightship* by Colum Toibín, set in County Wexford (Toibín's home county) in the early nineties, which tells the story of three generations of women confronted by terminal illness. ☺

CAPITALS

An overview of current events and trends in Europe's capitals



The new TGV Méditerranée will travel the twin viaduct spanning Avignon's Rhone River when it commences service in June.

PARIS

HIGH-SPEED TRAIN MAKES TRACKS

It began a decade ago, as a mission impossible, in a harsh climate of hostility and almost daily confrontations. It is nearing completion, in the first balmy days of spring, as one of the greatest public works projects ever undertaken in France, and its opponents have fallen silent.

On June 10, the TGV Méditerranée will start running: a high-speed train

whizzing along 140 miles of new tracks at top speeds in excess of 185 mph. It will link Marseille, on the shores of the Mediterranean Sea, to Paris in three hours flat and connect with other high-speed train lines already in service to bring London within seven hours of Marseille and Brussels within five.

The TGV Méditerranée is the fifth high-speed train line in France, going into operation just twenty years after the inauguration of the first Paris-Lyon link. With a total of 800 miles of lines, France now has the most extensive high-speed rail network in the world, all created in

the space of just one generation. Further lines to the west and east are already on the drawing boards, to join the south of France with Spain and Italy.

If the French have every cause to be proud of the entire TGV system, it is this latest Mediterranean line that can make Gallic chests come dangerously close to bursting. It broke completely new ground in civil engineering by marrying the highly technical demands of its construction to an almost lyrical purity of design. Architects, engineers, and landscape designers worked together in a rare symbiosis to ensure that, along the entire

route, it is the landscape that dominates the train, instead of the reverse.

To arrive at that result was a long, hard struggle. No sooner had the French National Railroad (SNCF) launched the first feasibility studies in 1989, when word spread of the plans to carve a railway through the midst of the beautiful scenery, historic sites, vineyards, and farmlands of southern France. The public outcry was immediate and deafening.

SNCF sent a brave and persuasive team into the field to try to swing public opinion their way. They met with local politicians, business leaders, and residents and listened to a flood of objections and demands. During the course of 2,000 public meetings, they encountered everything from harsh words to hostage takings and brandished shotguns. In Avignon, a flotilla of black coffins was launched onto the Rhone River by protesters, and the SNCF team received ominous little crosses in the mail.

Before the final route was chosen in 1994, so many changes were made that they added up to ten times the length of the actual line. The press took delight in publishing every proposed route, with the result that all of southern France imagined the TGV roaring right past their front door.

Not just local residents, but the physical terrain as well, made this line more of an obstacle course than any of the others. It follows the meanderings of the Rhone and Durance river valleys, through flood, fire, and earthquake-prone areas, and is never very far from human habitation, which in these parts reaches back to Neolithic times. A small army of 12,000 people worked on the project: not just the engineers, architects, technicians, and construction workers you would expect but specialists in seismic risk, archeologists, gardeners, and wildlife experts. Three new railway stations, more than 500 bridges, and other rail structures were built; 80 million tons of earth was moved; a million trees were planted; a local beaver colony was relocated; and special precautions were taken to protect a rare spade-footed species of toad.

The entire line is a dazzling feat of modern engineering, but seven viaducts stand out as glorious examples of how to bridge the gap between architecture and art. Each is grandly beautiful, yet fits into the surrounding landscape as inevitably as if it had always existed. The luminous white concrete of the twin viaduct spanning the Rhone River at Avignon was

carefully chosen to echo the color of the town's Gothic masterpiece, the Popes' Palace. The steel girders of the double bowstring bridge at Mondragon were painted light blue to blend with the Provençal sky.

At Ventabren, the most majestic rail bridge of the seven (more than a mile in length) is held aloft by a sweeping colonnade of thirty-six concrete piers, shaded to match the surrounding limestone and shaped to have each side take on a slightly different hue in the light. It straddles the autoroute, yet it was built without ever disrupting the traffic flow. Two cantilevered beams were constructed, parallel to the highway, to be later swung across to meet in the middle. While the bridge was still unfinished, filmmaker Luc Besson used it for a stunt in the comedy *Taxi*, sending a car flying across the gap. The kamikaze stunt driver wanted to do it for real, with no strings attached. Cooler heads prevailed and it was done with the help of a helicopter, perhaps preventing the first casualty of the TGV Méditerranée.

On the night of September 23, 1997, a large crowd gathered to watch as the first of the two beams was rotated into place. It took four hours, went without a hitch, and the applause that rang out when it was finished marked another turning point. It was the moment when public opinion finally, wholeheartedly, also swung in favor of the TGV Méditerranée.

Soon the trains, all painted blue now, in tribute to the Mediterranean Sea, will start rushing along the new line, through a land that has been permanently

marked, but not marred, by its construction. Daniel Tardy, chairman of the French Federation of Public Works, believes that the TGV Méditerranée is as much a landmark in French construction history as the Eiffel Tower. "I look on this achievement as I would a fine painting or a piece of music. It is beautiful, and in my mind's eye, I can already see TGVs speeding along this magnificent balcony overlooking Provence."

—Ester Laushway

BRUSSELS

BELGIUM BUILDING TIES WITH NEW CONGO PRESIDENT

A new chapter seems to be opening in the long and largely tragic relationship between Belgium and its former colony, the Democratic Republic of the Congo (DRC), previously known as Zaire. This is largely due to Belgium's hyperactive foreign minister, Louis Michel.

Michel was the first westerner to set foot in the DRC following the assassination of former dictator Laurent Kabila in mid-January. He attended Kabila's funeral, had extensive talks with his son and successor, Joseph Kabila, and then embarked on a tour of the five neighboring states that have armed forces involved in the DRC's civil war—Uganda, Rwanda, Angola, Zimbabwe, and Namibia.

Like others, Michel had concluded that there was now a window of opportunity to move forward with the peace settlement reached in Lusaka in 1999, which

In February, new Congolese President Joseph Kabila visited Brussels, where he held a press conference with Belgian Foreign Affairs minister Louis Michel.



had remained dormant, mainly due to obstruction by the elder Kabila. Michel told the Belgian parliament at the time. “I will remobilize myself, as well as the European and international authorities. Beyond this political fact is a particular momentum—that we cannot allow to pass—to relaunch the Lusaka agreements.”

Michel was clearly offering himself as the main international mediator to get the peace agreement back on the rails, despite the fact that the Organization of African Unity had already nominated former Botswana President Ketumile Masire to fill this role. Michel followed up his initiative by inviting Joseph Kabila to Brussels, where he received the red carpet treatment, including an interview with King Albert, who had never agreed to meet his father, as well as extensive talks with Prime Minister Guy Verhofstadt. Michel undertook to lobby the European Union to provide logistical and financial support, and Kabila returned three weeks later for a meeting with European Commission President Romano Prodi, who promised conditional aid of \$106.2 million, while Belgium and the DRC set up four interministerial contact groups to plan future Belgo-Congolese cooperation.

It is now nearly 120 years since Belgium first became involved in the Congo, when King Leopold II established a private colony there that became notorious for its rapacity and cruelty. Following an international outcry, the Belgian state annexed the colony in 1908 and presided over the economic development of a potentially enormously rich country, while providing a paternalistic regime that made no provision for self-government. The abrupt granting of independence in 1960 led to forty years of anarchy and sporadic civil war, mostly presided over by the deeply corrupt dictator Mobutu Sese Seko, who was chased out by forces led by the elder Kabila in 1997.

Throughout this time, Belgium attempted to maintain its links with the former Belgian Congo providing a considerable amount of financial aid and endeavoring to maintain some, at least, of its economic investments. It met a series of rebuffs—both under the regimes of Mobutu and the elder Kabila. The younger Kabila, by contrast, seems to welcome a continuing Belgian role in his country. Asked by the Brussels newspaper *Le Soir*, whether Belgium should play an important role in new negotiations to

end the civil war, he replied, “Why not? The Belgians ought to get involved. It’s not only a question of goodwill but a duty imposed by our historic links. Belgium cannot remain a spectator to what happens in the Congo.”

—Dick Leonard

BERLIN

FISCHER’S BLAST FROM THE PAST

In the United States they are remembered affectionately as the Flower Power generation—the longhaired, bell-bottomed youth of the sixties and seventies who listened to rock music, experimented with drugs, and thumbed their noses at the establishment. In Germany they’re known simply as the “68ers”—a reference to the year the anti-war protest movement came of age. Like their French counterparts, the 68ers were angry, highly political, and sometimes violent. Germany’s Foreign Minister Joschka Fischer was among them. And for the past few months, new details about his militant past have fueled a very public debate about his worthiness for office. With most of the country’s leading political and cultural figures weighing in on that debate, it’s turned into a referendum on the political integrity of his entire generation.

Fischer’s connection with extreme elements in the leftist movement became the subject of media attention back in January when the minister testified as a character witness for Hans-Joachim Klein. Klein, a former comrade of Fischer’s, was convicted of murder in connection with the 1975 attack on OPEC oil ministers in Vienna. During the 1970s, Fischer and Klein both lived in Frankfurt and belonged to a loose association of anti-authoritarian leftists who occupied derelict buildings and regularly clashed with police in street demonstrations. Klein said Fischer had served as a friend and model for him. But while Klein and other radicals turned to terrorist tactics, Fischer stuck to his largely pacifist principles.

Or so it was thought. Just days before Fischer was to testify on Klein’s behalf, photographs emerged showing him and his associates in the act of beating a policeman at a demonstration in Frankfurt in 1973. Those pictures, which dominated the press for weeks, threw a new light on the character of Germany’s top foreign policy official. When confronted with the photographs, Fischer was forced to admit that he had not always adhered to a code

of peaceful conduct. “Yes, I was militant,” he told Germany’s *Stern* magazine. “I have never been a pacifist and never will be.” Justifying this position, Fischer noted, “There are sometimes very good reasons to defend yourself.” The foreign minister’s support for NATO military intervention in the Balkans showed he’s also prepared to defend others.

The focus on Fischer’s deviant past has led some to call for his resignation. Members of the conservative opposition argue that his association with terrorists and reputation as a street fighter make him unfit to represent Germany abroad. They claim these qualities also compromise his ability to serve as role model in a country trying to deter violence among young people. This point—that Fischer’s youthful follies could set a bad example—was illustrated in a billboard advertising campaign for *Stern*. The ad depicted a chaotic street scene with three menacing youths in the foreground wearing black ski masks. A caption above one of the masked faces read, “Future Foreign Minister?”

Still, the negative publicity has done nothing to erode Fischer’s popularity in opinion polls. Surveys consistently show him to be the second-most respected politician in the country, just behind Chancellor Gerhard Schröder. Schröder himself has fiercely defended his foreign minister and criticized the opposition for trying to put “a whole generation on the same level as a minority that slipped into terrorism.” Indeed, Schröder—who also participated in demonstrations as a law student—has proved a vocal apologist for the protest movement. “This republic would be quite different without the 68ers,” he said. “It would lack the general openness with regard to many social-political questions, including questions as to the causes of fascism.” Far from damaging Germany’s democratic development, Fischer’s generation would appear to have made it stronger.

Backed by Schröder, the Green Party, and public opinion, Fischer continues to perform well on the international stage. During his February visit to Washington, Germany’s top diplomat succeeded in establishing a good rapport with Colin Powell, a man who for decades stood for much of what Fischer was against. While the peace activist rallied against the Vietnam War, US missiles in Germany, and the Gulf War, Powell served in Vietnam, commanded US troops in the former West Germany, and led the American military during Desert Storm. The two

men have obviously put their differences behind them. Commenting on his first talks with Fischer, the secretary of state said, "We are now the best of friends between nations, and I think the best of friends between men." Cognizant of the changes that have occurred since 1968, Powell added, "Amazing, isn't it?"

—Terry Martin

LONDON

REDISCOVERING MANCHESTER

Londoners are often accused of ignoring the rest of England, of visiting Paris more frequently than Manchester, of facing the sun to the south, and turning our backs on the nation's hinterland.

Well, I have to confess that in my case it's certainly true. It just never sounded appealing.

I visited Manchester for the first time a few weeks ago, and what a surprise, it wasn't nearly as grim as my preconceived notions had led me to believe.

My knowledge of the city had been restricted to a vague notion that it had lost all its great industries and that all it had left was one of the world's most famous soccer teams (Manchester United). Oh yes, and one of the songs in the 1960s musical *Hair* is "Manchester, England, England."

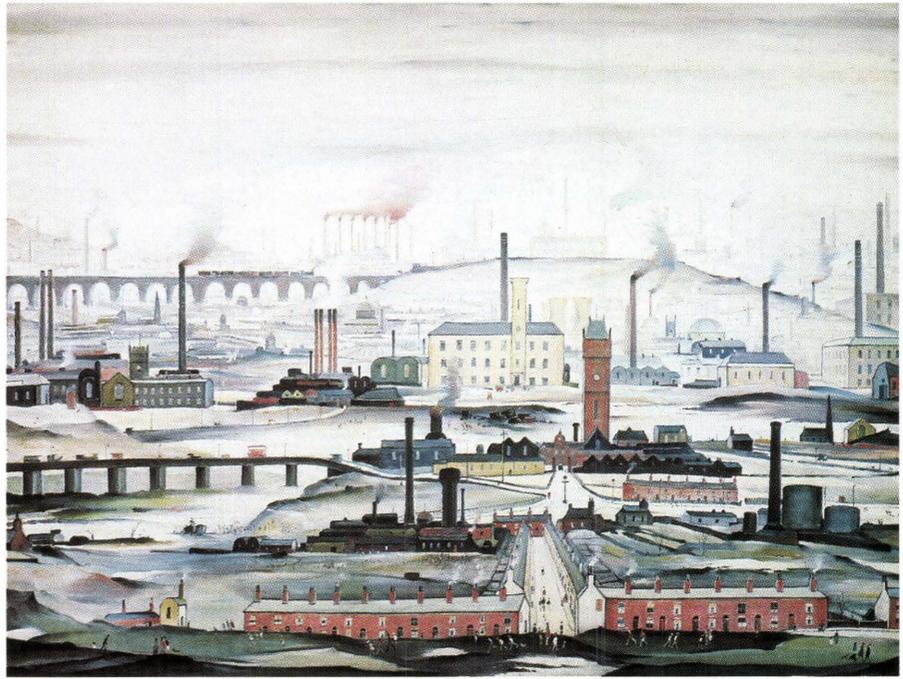
The "north-south" divide is a commonly used phrase, especially by people in the south of the country who have forgotten that during the nineteenth century much of the country's dynamism and drive came from the provincial cities.

My metropolitan introversion received a rude shock when I drove around the center of Manchester and discovered that its heart was dominated by a solid granite town hall and other civic buildings that oozed power and pride.

The city fathers knew, even if most people down south still don't, that the first ever passenger railway station was built in Manchester. They could also gaze with pride on the city's major dock for seagoing ships.

Manchester is not on the coast, indeed, it is far inland, so how come it has a dockland? Very simple, the enterprising industrialists of the nineteenth century built a canal, the Manchester Ship Canal, so that trade to and from the world could come into the heart of the city.

Like most other ports in the UK, Manchester's fell into decline but is now being revived and rebuilt in a modern



Mancunian artist L.S. Lowry (1887–1976) recorded his surroundings in this painting entitled *Industrial Landscape, 1955*, which hangs in London's Tate Gallery.

idiom. In addition to offices for information technology companies and offices for departments of the UK's central government devolved to the provinces, there is also a gallery celebrating the city's most famous artist.

It's simply called "The Lowry," that's all. Rightly, its progenitors decided that Laurence Stephen Lowry had become sufficiently well known, at least in the UK, that his could be ranked with Picasso or Rembrandt as a name you instantly recognized.

Painting in the first half of the last century, Lowry recorded the grim industrial environment of Manchester with its factories and smoking chimneystacks. He peopled his paintings with myriad "matchstick" figures that became his instantly recognizable signature.

There is little beautiful about his industrial painting. They are bleak, stark reproductions of the cityscape in which the human form is reduced, minuscule, and repetitive. Man overwhelmed by industry.

The factories are now gone, derelict or converted to some other use. The air is no longer smog-laden. Manchester like so many once-powerful provincial cities is trying to find a new identity.

I found the city fascinating and the people warm, open, and helpful in a way that would cause amazement in London, the capital that thinks it dominates the United Kingdom. I do hope that this discovery will not be forgotten too soon and

that I don't immediately revert to metropolitan bias.

I bought a small reproduction of a Lowry, just to remind me.

—David Lennon

COPENHAGEN

DANES TRACK TECH SECTOR WITH NEW IT BAROMETER

Birte Weiss, Denmark's minister for information technology and research, has had it. The IT industry continues to cry for manpower even as more than half the young Danes who obtained certain information technology degrees last year still haven't found a job. Nevertheless, Weiss has come up with a tool that could help her balance the IT labor supply and demand.

It is untenable to make decisions when the forecasted demand for IT workers varies wildly between no jobs for new workers and a labor shortage of some 60,000 people, Weiss recently told *EUROPE*.

Therefore, the government will post on the web a national "IT barometer," which will measure the real need for information technology workers at any time by counting how many workers the industry lacks and identifying which specific skills are needed.

In today's high-tech work force, the term "IT labor" encompasses a vast range

of jobs and skills. An “IT employee” could be someone with an advanced degree in information technology, a software designer, a computer programmer, a web master, or a person who maintains the computers in an office. In order to respond to the needs of the labor market, says Weis, “we must puncture the myth that everybody who works with IT is by definition an ‘information technology specialist’ and instead focus on what the industry actually needs.”

The aim of the IT barometer is not solely to fulfill the needs of the labor market. It is also an important steering tool for the Danish government and its stated mission to make Denmark the world’s leading IT nation. Social Democratic Prime Minister Poul Nyrup Rasmussen challenged Danes with this ambitious goal during his New Year’s speech, which was received with slight contempt by both the opposition and the media.

However, according to the president of the Danish IT Industry Association, Jakob Lyngsø, the prime minister may see his goal realized. “The government has already implemented a number of important initiatives, and in general, we detect a noticeable change in attitude within the public sector. For example, the ministries now compete to make the optimum utilization of IT—each within their field. And that could very well lead us to the goal,” says Lyngsø.

The Confederation of Danish Industries also supports this argument. In order to make the best possible use of IT in all areas of Danish society, the industry’s support is crucial to Denmark’s center-left government. To this end, the IT barometer will also measure how well information technology is integrated into schools and public institutions.

“We cannot reach the goal by solo performances,” says Weiss. “We need to form partnerships between the public sector and the business community, encouraging the business community to live up to its share of the responsibility.”

—*Maria Bernbom*

HELSINKI

SOUNDSCAPES OF SILENCE

One of the most appreciated qualities of Finnish life is silence. Finns will commend their workplaces, homes, summer cottages especially, and the environment in general, for the virtue of silence.

As foreigners have often noted, Finns

can be difficult in conversation because if they have nothing to say there is no garrulous impulse to disguise the gap with a rush of words. Being mute is socially acceptable, even admired in some circumstances.

Two strangers approaching each other from opposite directions on a lonely track as a rule do not feel obliged to greet each other just because they happen to be in the same place at the same moment. They look at their feet or else observe, as they put it, “the nature”—and pass without a word.

You may not be surprised, therefore, that a new discipline is developing that seeks to analyze “soundscapes.” This isn’t an exercise in noise abatement—for instance, it is illegal in many manual and industrial jobs not to wear ear mufflers—but is intended to take account of all ambient sound no matter how slight. The study of soundscapes is being pioneered by a researcher at Helsinki University, Marjukka Peltonen, who wrote a master’s thesis on noise in libraries—so the calibrations in her “sound journals” can be minute.

She and her colleagues have produced such a portrait of Helsinki at night and find that “all sounds have their own stories and contents, and that decides which sounds different people find pleasant or annoying. Sounds can mean different things to different people.”

Her work is not only pure science but will, in time, raise people’s consciousness about sound and its beneficent as well as the more familiar destructive effects. Of course, all sound is relative (attitudes toward noise are one of Europe’s biggest north/south cultural divides), but during the summer months in Helsinki when the birds tune up at 4:00 a.m. and the sun pokes shining fingers through the curtains, it’s hard not to add to the noise with a cry of one’s own for lost sleep that will not return.

In the last century, noise was generally approved of because it was a sign of economic activity, though rural silence remained greatly appreciated. Later, there were anxieties about noise. Writing in the 1960s of the new suburbs surrounded by woods, the poet Pentti Saarikoski wrote, “I put my ear against the wall / and listen to the slow / erosion of concrete / everybody is building shelters and vaults.”

These days it’s the warble of the mobile phone that signifies prosperity, and people complain bitterly of its public ear

bashing. Despite this social menace, or perhaps because of it, silence remains one of the benchmarks of Finland’s quality of life; rather, one should say, the sounds that silence emphasizes since a soundscape reveals that true quiet is exceptionally rare.

The ponderous momentum of a pendulum clock is still one of the nation’s most iconic sounds, particularly in country houses. I commend the *pott-pott-pott* of rain running down those old-fashioned drains on central buildings and find thrilling the curlew’s call over the Lapland tundra; the squeak of snow in deeply cold weather, and the susurrations of reeds on a Finnish lakeside are also acoustics that calm the spirit; however, the uproar of snowmobiles does not.

But Peltonen isn’t a crank; indeed, she is critical of the authorities closing down “moderately noisy concerts” too early in the evening because they represent celebration, and no celebration is a silent thing.

“The key word here is tolerance,” she says, “Always, when somebody gets angry about a sound, the annoyance is not caused by the sound itself, but the feeling that the sound should not be there.”

For all its granite cobbles and the drumming of snow tires on them in winter months, this is a quiet city whose center is informed by water and by forest on the outskirts—places held by the townies to being “beyond the wolf line.”

Yes, barely thirty-one miles from the heart of the capital, wolf howls can be picked up from a rural silence that is otherwise deafening. Even for a noise-conscious nation like Finland, this is reassuring is it not?

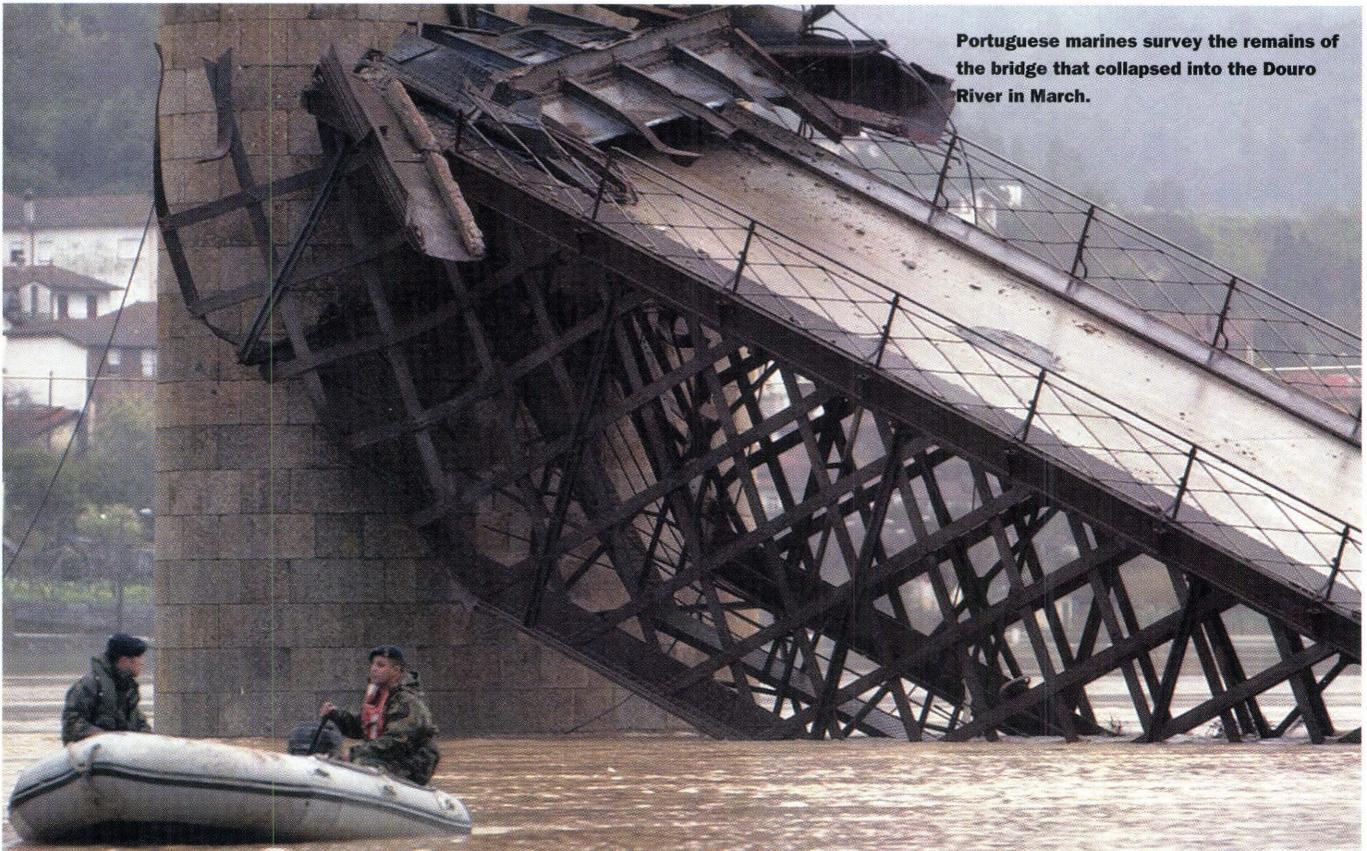
—*David Haworth*

LISBON

POLITICAL CRISIS FOLLOWS BRIDGE COLLAPSE

Portugal hit the headlines worldwide in the worst possible way in March, when a bridge collapsed into a swollen river, taking with it a bus carrying sixty-seven day-trippers. At least two other cars also fell 150 feet into the fast-flowing Douro River in northern Portugal, bringing the likely death toll to more than seventy.

The political fallout was immediate, with Infrastructure Minister Jorge Coelho and five other top ministry officials resigning within hours of the acci-



Portuguese marines survey the remains of the bridge that collapsed into the Douro River in March.

dent. Even before declaring two days of national mourning, the government opened an official inquiry into the accident's causes and pledged compensation to victims' families. But while one minister's swift admission of political responsibility may have limited the damage to the government, far-reaching questions were soon being asked.

The main focus was on the monitoring—or lack of it—of the condition of basic infrastructure, at a time when billions of dollars are being spent on grand EU-funded public works such as the Vasco da Gama Bridge over the Tagus River in Lisbon. Such prestige projects are no doubt necessary, but harder to justify if bridges such as the one that collapsed—a fraction of the Vasco da Gama's size but nevertheless used by thousands of people each day—are not fit to do so.

The strong current of the Douro that night—the winter had been the wettest in a century and the river was thirty feet higher than its normal maximum—was the immediate cause of the accident, but that is clearly not the whole story. The mayor of the nearby town of Castelo de Paiva, where most of the victims lived, said he had repeatedly asked the central government to repair or replace the structure, to no avail. A new bridge was

planned, but there seemed to be little sense of urgency, and work wasn't due to start for many months.

A large part of the problem seems to lie with the fact that the three institutions that together are charged with looking after roads, bridges, and other important parts of Portugal's infrastructure were only set up in 1999. That year, the government decided to dismantle the long-established highways authority, the Junta Autónoma de Estradas (JAE), amid evidence of corruption within it. Some commentators argue that the expertise and knowledge that the JAE built up were not effectively transferred to its successor organizations or were too thinly spread between them.

Road safety campaigners are demanding legislation to make government officials legally accountable for the design and condition of infrastructure, a surprising move in a country where private citizens rarely sue the authorities.

"It's not enough for politicians to say they accept political responsibility for tragedies on roads caused by poor construction and maintenance of infrastructure," said Manuel João Ramos of the Association of Auto-Mobilized Citizens. "Our association has long said that it's necessary to make legally accountable

the state's representatives."

In any case, the government has its work cut out to prove that it has the capability to tackle the problem and restore confidence in a country that markets itself as one of the world's safest tourist destinations.

—Alison Roberts

LUXEMBOURG

NEW EU AGENCY?

I can remember once looking out of a window in the twenty-two-floor De Gasperi Tower on the Kirchberg Plateau in Luxembourg and being struck by the way the European Union—or the Common Market as it was known then—seemed to be taking real physical shape around me. It's not all talk then, these politicians really do mean business after all, one thought.

The tower, built in the early 1960s, stood for many years as the Union's most conspicuous symbol. I don't suppose many Americans would think it a very daring construction, but it was Luxembourg's first skyscraper and a highly visible reminder of the fact that for a time this small country rather than Brussels was the headquarters of the EU institutions.

People sometimes just say “Brussels” when they mean the European Commission, but even today more than 3,000 of the Commission’s employees live and work in Luxembourg. Back in the fifties when the Union was being created, the six founding countries decided that Brussels, Luxembourg, and Strasbourg should be the provisional sites for its institutions.

More than 8,000 EU officials are now based in Luxembourg. They work for the Commission, the European Parliament, the Council of Ministers, the Court of Justice, the Court of Auditors, the European Investment Bank, and the Office for Official Publications. For three months of the year, the Council of government ministers hold all their meetings in Luxembourg.

It’s hardly an ideal arrangement. Why on earth, for instance, should the European Parliament have its secretariat and library in Luxembourg but hold all its meetings in Brussels or Strasbourg? The monthly “traveling circus” between the cities is a constant target for ridicule by the EU’s critics.

That may or may not change in coming years, but what is certain is that the rights of the “provisional” sites have now become ironclad. You may think it would make perfect sense to locate everything in Brussels (or Luxembourg), but it won’t happen—various treaty agreements over the years have ensured that.

But that’s not the same as saying that all these institutions have to be maintained at their existing strengths. There was a time for instance when Luxembourg shared the sittings of the European Parliament with Strasbourg but then lost that right for a number of practical reasons.

Few internal battles in the EU are fought with more tenacity than those concerning the institutional sites. The consequences, however, are far more important to Luxembourg than to other countries. The presence of some 8,000 highly paid EU officials is clearly significant in a country where the total workforce is just 240,000. So when the Commission starts talking about “consolidating” its presence in Luxembourg, people here listen very carefully.

In January, Neil Kinnock, European commissioner for administrative reform, said the Commission “intends to develop its presence in Luxembourg, taking into account its obligations to the Grand Duchy, the coherence and cost-effective-

ness of its services, and the career development of its staff.”

He explained that Commission staff in small units in Luxembourg who were experiencing “operational difficulties” because of their distance from Brussels were to be moved to the Belgian capital. However, this would only be done in agreement with the Luxembourg authorities, and by way of compensation Luxembourg would be considered as the site for a major new EU agency. The new European Food Safety Agency, which would employ roughly as many people (150 to 200) as would be transferred out of Luxembourg, is being mentioned.

But hang on a minute, say some critics. It’s not for the Commission to hand out agencies, they argue; it’s a matter for agreement by member governments. And there are other contenders for the new food agency including Helsinki, Parma, Lille, and Barcelona. This one won’t be rushed through.

Luxembourg Prime Minister Jean-Claude Juncker has pledged his government will spend the equivalent of more than \$2 billion on new buildings for the European institutions over the next few years.

—Alan Osborn

MADRID

IBERIA’S IPO

It’s taken five years and four false starts, but the Spanish government is finally fully privatizing its flagship air carrier, Iberia Airlines, through an initial public offering amid turbulence in the company itself and rough weather forecast for the stock market. It will be the last of the state’s big enterprises to be shed.

When the process was begun in mid-March, the company was valued at between \$1.3–1.7 billion, which some analysts said was probably too high. Market expectations were that the value would be set at around \$1.17 billion.

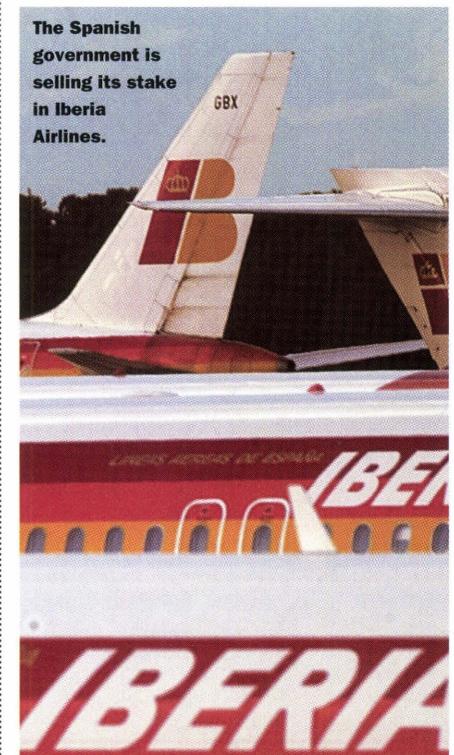
Shares were to go on sale in early April after those coordinating the sale, Merrill Lynch and BSCH Investments, went on a two-week-long road show around the United States and Europe to promote the offering. Among other highlights, they emphasized Iberia’s profit increase last year of 31 percent to \$180 million and its 15 percent revenue jump to \$3.86 billion.

In the offering, state holding company SEPI, which is in charge of shedding gov-

ernment-owned enterprises, will sell off its 53.8 percent stake in the airline. British Airways and American Airlines own 10 percent of the airline; savings bank Caja Madrid holds another 10 percent; Banco Bilbao Vizcaya Argentaria controls 7.3 percent; and institutional investors and employees hold the rest of the shares.

Of the SEPI shares on offer, 50 percent were destined for small investors, 50 percent for employees, 20 percent for Spanish institutional investors, and 25 percent for international institutions.

While the government clearly felt it was high time to privatize the carrier that had previously suffered years of losses before a marked turnaround beginning in 1996, many analysts questioned the timing given that the slowdown in the US economy was harming airline shares. The privatization move also came just as stock markets around the world were plunging and investors were shying from risk. Just days before the company’s



value was announced, Iberia’s nearly 2,000 pilots went on strike over a number of salary and other demands. More walkouts are threatened.

However, SEPI chairman Pedro Sereras defended the timing, saying that while the stock market was not at its best, “it’s not especially bad right now either.”

Iberia maintains a strong presence in Europe and is the major European carrier

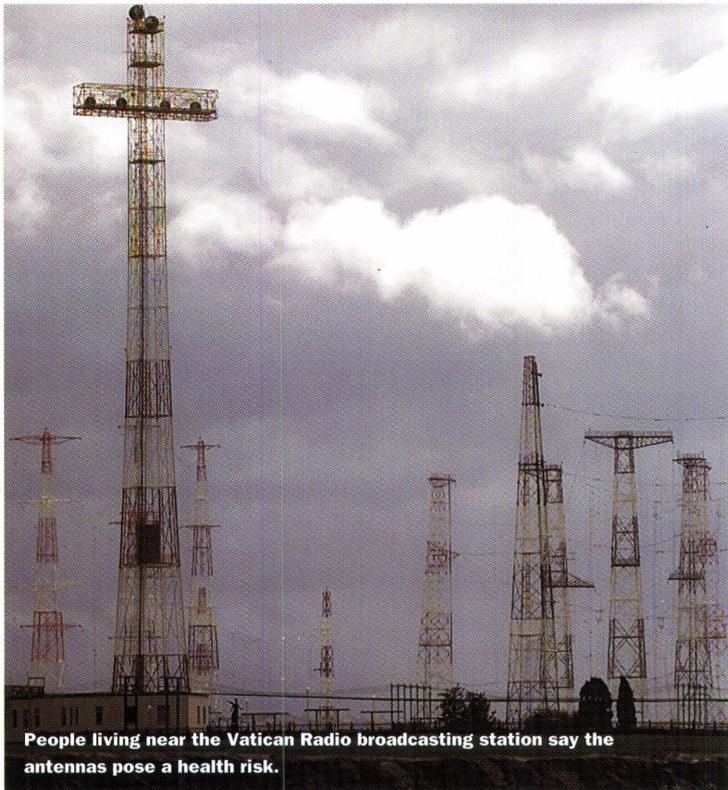
to Latin America. Its 217 passenger planes serve ninety-eight destinations in forty-two countries and another forty-four in code sharing arrangements with other airlines.

—Benjamin Jones

R O M E

HOLY ANTENNAS

An embarrassing tug-of-war is going on between Radio Vaticana and various organizations and neighborhood committees in Rome. The content of the Holy See broadcasting center's transmissions aren't being criticized, however. Its programming schedule is widely hailed, airing not only sung masses and the Pope's speeches but also classical and easy-listening music concerts, debates, news, and features in various languages. In fact, the controversy has nothing to do with religion or ideology at all, focusing instead on matters of health.



People living near the Vatican Radio broadcasting station say the antennas pose a health risk.

The flap stems from the small forest of Radio Vaticana antennas, which are located in one of Rome's municipal districts, and the belief of many local residents that the powerful electromagnetic emissions are causing cancer, especially in young people. Locals cite various area children who have contracted leukemia and died.

Until now, the citizens' appeals and

protests, headed by the parents of some of the young victims, have come to naught. Radio Vaticana's management has turned down their requests that the antennas be dismantled and moved to open countryside far from inhabited centers.

This delicate situation is further complicated by the legal strategy that the station's lawyers have adopted, which is that since the radio station belongs to a state other than Italy, the question should not be resolved by the Italian court system. The fact is that Vatican City, which covers little more than one-quarter square mile with the Saint Peter's Basilica as its center, is recognized as an independent state by every foreign government and the United Nations.

Therefore, the issue has some fairly important diplomatic repercussions for the Italian government—partly because of the traditional special relationship between the Catholic Church and the Italian government. The government's other major concern is the

effect on the May 13 elections, which promise to be some of the most difficult since the end of World War II, with the right wing coalition headed by media tycoon Silvio Berlusconi, post-fascist Gianfranco Fini, and the leader of the separatist movement of the North Umberto Bossi leading in late polls.

It is truly a delicate affair that could quickly degenerate into something worse. Reporters for a satirical television program made a foray to the antenna installation and attached a sign to the gates reading: "Radio Vaticana, the radio which brings children closer to God. Too close." The sign was promptly removed. But it had already been filmed and aired.

—Niccolò d'Aquino

V I E N N A

TV CHANNEL TO BE PRIVATIZED

According to a controversial and eagerly awaited government decision, the Austrian television channel ORF will be privatized. The new ORF law is being configured by both parties in the governing coalition, the OVP and FPÖ, and is due to be finalized this summer.

Under the new law, the station will become a private foundation. The current board of trustees is to be replaced by a politician-free council. This council will be accountable to an *Arbeitsgemeinschaft*, a business organization. According to the plan, the ORF is supposed to reduce special advertising, such as product placement and sponsoring. The ORF is also to become more openly aligned with EU financial laws. The ORF law is expected to be approved by the council of ministers this month.

Furthermore, the law will likely include a motion to open up local stations to other networks. Lawmakers have proposed that private television stations should be allowed space on ORF channels in Vienna, Salzburg, and Linz. In these Austrian cities, ORF controls certain local stations although they only use them for one half-hour news segment per day. Media analyst Kurt Lukasek recently confirmed this change in an interview with the Austrian newspaper *Die Presse*. "In Vienna, Salzburg, and Linz, it will be written into the law that the ORF must allow private stations access to these local channels for twenty-three and a half hours per day," he said. "At seven o'clock p.m., ORF can continue to show its program *Bundesland Heute* (Austria Today)."

He went on to say these local channels are to be treated as national channels, meaning that they cannot be taken over by a station that already owns a national channel. "Criteria such as pluralism and a range of opinions and ideas" should be considered in the channel turnover process, he added.

ORF spokesperson Rainer Scheuer called this portion of the ORF law "very problematic," pointing to potential technical problems. However, "one can't make conjectures yet," he said. "One has to wait and see what the law entails."

In a push for quality programming, the government assigned a four-person consulting team to analyze ORF-TV. They came up with several suggestions,

stressing the importance of viewer choice. They said that the yearly and monthly programming plans of ORF should be arranged so that prime time at least includes a balanced program of interesting shows.

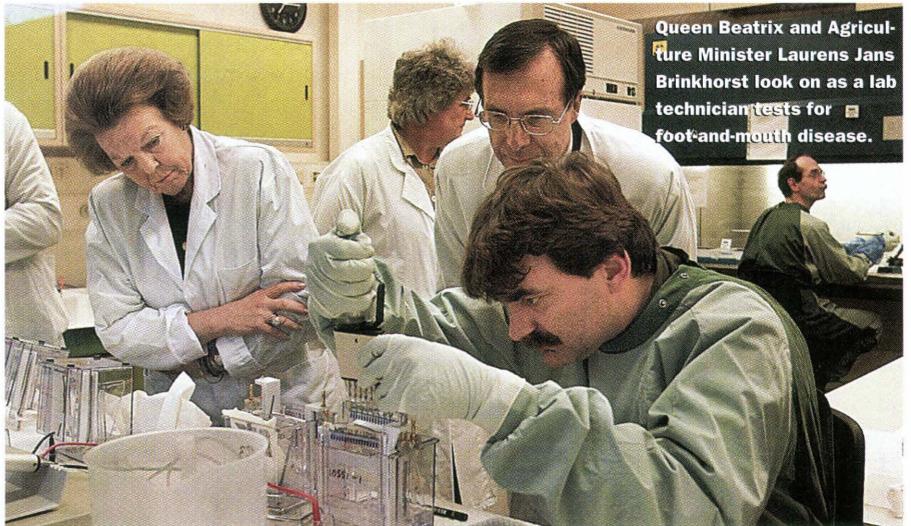
—Alexandra Hergesell

THE HAGUE

FOOT-AND-MOUTH NIGHTMARE CONTINUES

General panic struck the Netherlands in late March when the much-feared foot-and-mouth disease (FMD) was detected in some of its livestock herds. A month after the first outbreak of the disease in the UK and shortly after its discovery on a farm in France, several dairy farms in the Netherlands were struck with the highly contagious disease, which is no threat to humans but severely debilitates cloven hoofed animals, such as cows, sheep, pigs, goats, and deer. The Netherlands, with its high population density and intensive farming, is particularly susceptible to the spreading of the virus that causes FMD, which is very hard to control and can move swiftly, particularly in a country with 122 million cattle, hogs, sheep, and chickens.

The Dutch secretary of agriculture, Laurens Jan Brinkhorst, a veteran politician and former high-ranking EU official, immediately declared a 'war scenario' in effect. It contained the most radical steps ever taken to try to contain further spreading of the virus. All the cattle at the affected farms and in the immediate vicinity were culled, some 20,000 animals. Furthermore, the affected farms were totally isolated; a total ban on all transport of all livestock animals, including horses and poultry (although neither is affected by FMD, both can transport it), and manure was imposed; the collection of milk from all farms was completely halted; all exports of livestock and part of the export of dairy products was banned. Horseraces and agricultural fairs were postponed, and even walking trails in nature parks were closed off. Agricultural colleges closed their doors in order to prevent contagion through human contact. There was even talk of a complete ban on all public movements in the affected areas and the possibility that zoo animals would have to be destroyed. Within days, supermarkets began to experience



Queen Beatrix and Agriculture Minister Laurens Jans Brinkhorst look on as a lab technician tests for foot-and-mouth disease.

shortages of milk and meat, and people started hoarding food.

Of course, farmers, some of whom lost their entire herds, took the biggest hits. However, all related industries suffered. Slaughterhouses and milk and cheese factories were idle, and cattle and milk transporters came to a standstill. Regional economies suffered badly. Many consumers have turned away entirely from meat consumption, causing further economic problems for local butcher shops.

One solution is to apply a vaccination against FMD, but once vaccinated it becomes impossible to distinguish a vaccinated animal from one that is carrying the live virus. Therefore, many nations (including the US and EU) do not allow the importation of vaccinated animals.

Despite its small size, the Netherlands ranks among the world's major agricultural producers. Its small-scale farming is highly sophisticated and renowned for the quality of its products. The country accounts for 20 percent of the meat and dairy exports in the EU, is the second-biggest pork exporter (after Denmark), and the third-largest beef exporter (after Ireland and Germany). Meat and dairy products primarily ship to Germany, the UK, Italy, and France. In total, livestock exports account for about \$4.4 billion a year.

The outbreak of FMD is the third catastrophe in the past four years to torment the Dutch countryside. In 1997, swine fever ravaged the hog-raising farms, and last year BSE, the virus that causes mad cow disease, was detected. Although it had serious consequences for the affected areas and accelerated a much needed shakeout process in the Dutch agriculture sector, it did not cause an atmosphere of panic, as happened in Germany and the United Kingdom. Now,

with foot-and-mouth disease hitting the vulnerable Dutch meat and dairy industry, a new nightmare scenario has become a reality.

—Roel Janssen

STOCKHOLM

CHARTING THE PAPA INDEX

When Jesper Lundell, a claims adjuster at insurer Skandia Liv, took paternity leave, he didn't realize it was going to improve his job performance.

"When I'm with the kids, I have to be able to do five things at once," he says. "That means I can now keep a lot of balls in the air at work."

In Sweden, paternity leave isn't just the latest yuppie trend. By law, fathers are *required* to stay home for 30 of the 450 days of parental leave to which families with children are entitled or else forfeit one of the government's monthly parental leave subsidy payments. Leave can be taken any time before the child turns eight years old. Although the same rule applies to women, the 'father clause' generates much more controversy.

When the law was changed several years ago to include fathers, there was sharp criticism that forcing men to stay home with newborns wasn't going to make them better fathers. The change also created an economic paradox for two-income families. While the monthly government subsidy for parental leave often covers the bulk of a woman's salary, it frequently doesn't come anywhere close to covering a man's. As a result, many families are willing to forgo a month's payment because they make out better economically if the male half of a couple continues to work.

Despite that, however, paternity leave in Sweden is increasing slightly. The Papa Index, an annual survey done by the Confederation of Professional Employees (known by its Swedish acronym TCO), shows that based on an index of 100, paternity leave went from 16.7 in 1999 to 18.7 last year.

But the amount of time men take off is still much less than what women take. TCO Chairman Sture Nordh says that to really stimulate paternity leave, subsidies have to be increased to cover a greater percentage of salary. He admits that he didn't take all his leave when his children were born because "it would have been too expensive." If a subsidy increase is approved, Nordh thinks men should also be required to take a total of three months off.

The Swedish government has a proposal before the Riksdag to extend parental leave by thirty days. At the same time, fathers and mothers would be required to take sixty days leave each or lose two months' subsidy.

Regardless of the question about whether parents should be forced to spend time with their children, the length of time parents can take with at least some compensation may well seem like a dream to Americans who get just a few weeks at the expense of their employers, time that is almost invariably taken by mothers. Even other Europeans are envious of Swedish policy. In the UK, for instance, Prime Minister Tony Blair is hoping to win voters by promising two to four weeks of paid leave for new fathers.

While the political and economic debate about paternity leave continues, some Swedish companies are taking a different approach. In the coming sixteen months, representatives from a group of major employers will be working on a handbook for male equality in the workplace. One of the things they'll look at will be parental leave, with the help of social scientist Ingemar Olsson, who recently surveyed men on the subject.

Olsson says that many of the men he talked with wish they could take leave but can't afford it. Some companies have already taken that to heart, making up the difference between what the government pays for parental leave and male employees' salaries.

Management sees that as good business. "We want to be an attractive employer. Today, men are involved with their children and want to be with them when the kids are small," says Louise

Heime, in charge of equality issues at Ericsson Microwave. The company pays men 80 percent of the difference between what they get in state subsidy and their salaries when they take leave.

Skandia Liv also sweetens employees' parental leave allowances. And Jesper Lundell definitely appreciates that the company doesn't just give lip service to parental leave but respects that leave means you're not working, period.

While he was on paternity leave from his former job, "they called when I was sitting in the sandbox and wanted me to come in," he recalls. "I quit."

—Ariane Sains

ATHENS

GREEK MARKET IMPROVES INVESTOR INFORMATION

As obstacles to Greek membership in the euro zone fell away, local investors rushed to buy shares. Prices on the small Athens stock exchange surged to record levels, and companies—among them state-controlled banks, telecommunication companies, and energy giants—lined up to raise fresh capital through flotations. But the moment Greece's application to join the single currency was accepted, the boom turned to a bust.

Last year Greece was one of the world's weakest performers among emerging markets. Prices of small capitalization shares, the focus of attention among first-time investors, fell almost 80 percent. Trading volume shrank fourfold. Far from putting the stock market on a firm footing, it looked as though the country's experiment with popular capitalism had ended in disaster.

Not so, says Lito Ioannidou, a former Citibank executive who became the ASE's deputy president earlier this year with a brief to restore investor confidence. Now that the bourse itself is listed on the stock exchange as a privatized company, there is plenty of scope for savvy managers from the private sector to carry out long-awaited reforms.

Ioannidou's priority is to make as much information as possible available to investors. At the height of the bull market, one Greek family in three owned shares. When the collapse came, small investors living outside the cities were hardest hit because their investment decisions were made on the basis of café

gossip rather than sound analysis of companies' prospects.

To improve transparency, the stock exchange has set up a free telephone help-line that operates late into the evening. About 5,000 callers use it monthly, with about 60 percent of calls coming from outside Athens. The help-line operators also respond to queries sent by fax and e-mail. Most questions—and complaints—concern listed companies, but callers also ask about brokerage operations, institutional investors, and newspaper coverage of the market.

Ioannidou has also put the ASE website (www.ase.gr) on the investor map. It is used to post increasing amounts of information, in Greek and English, about administrative changes as well as share prices and corporate activities.

"While the bull market was running, a casino mentality prevailed. That's changed, but we still have lots of work to do on reassuring investors and equipping them to make sound decisions," she says.

It will take a while, Ioannidou admits, to persuade investors to return to the bourse. But interest rates on savings deposits and government bonds have fallen to levels prevailing in the euro zone, and there are some attractive opportunities for earning a higher return by investing in shares of Greek companies that have expanded into international markets.

At the same time, Greece's recent upgrade from emerging to developed market status—a another benefit of joining the EU's single currency group—is expected to bring sizeable inflows from international investment funds that will help reduce the market's volatility. The benefits may come slowly—the market is still quiet, for example, in Portugal, a founding member of the euro—but Greece's blue-chip companies will gain in the medium-term from being ranked alongside their EU counterparts, analysts say.

To protect investors, the bourse authorities have already tightened up regulations for listed companies. Among other reforms, they are required to set up investor relations departments and make timely announcements of strategic decisions. Greece's eighty-odd brokerage houses are being monitored more closely. Furthermore, the capital markets, the bourse watchdog, recently signaled a tougher approach by suspending trading in shares of a half dozen companies that appeared to be racking up unsustainable losses.

—Kerin Hope

ARTS & LEISURE

Reviewing the new & noteworthy in books, film, and beyond



ART

CONNECTING WORLDS: CONTEMPORARY SCULPTURE FROM THE EUROPEAN UNION

The Kennedy Center; Washington, DC; through June 3

During the last week of March, I visited the Kennedy Center's roof terrace to watch the installation of the *Connecting Worlds: Contemporary Sculpture from the European Union*, which comprises works by thirty artists from the fifteen EU countries. An icy wind snapped across the terrace, and the sky threatened to drizzle on the artists as they installed their sculptures on this perch overlooking Washington's gray winter skyline. Actually, most of the artists had sought shelter inside, and I had the sculptures—some only half-assembled, others still to arrive—to myself. Or so I thought until I literally almost stumbled over Italian sculptor Enrica Borghi, who was sitting on the ground bundled in a raincoat, gluing ovals of colored glass onto plastic bottle caps. I walked around the terrace alone noting the installations in progress—the wind whistling over some unidentified carved stones and rattling what appeared to be a corrugated shed. I hurried around packing crates and empty spaces and took the elevator to the ground, wondering if the “connecting worlds” of the title referred to grim themes of lonely isolation and enduring the elements...

Fast forward to April, I have returned to the top of the Kennedy Center and notice the new green creeping back into the Washington landscape. Gulls glide up the Potomac, and the sun bathes the terrace in warmth not felt since October. The sculptures cast long shadows on the wide terrace, mini new additions to the capital's skyline, which, I note, is dotted with its own ‘sculptures.’

As I move from one to the next, I take mental notes, again looking for the “connecting worlds.” None are readily apparent. I begin with Greek sculptor Christina Saradopolou's ‘machine’ piece, *The Myth of Sisyphus*, which consists of a beach ball-size steel sphere with the swirls and loops of a human fingerprint cut out of its surface. The sphere is set atop a

small red ramp, and a mechanical track guides it up and down the ramp, recreating the action of the mythological rock roller.

I move on to consider Austrian Alfred Haberpointner's *Beaten Group*, a field of large balls of wood encased in lead, and then stroll past Italian artist Maria Dompé's installa-

tion of nylon bands wrapped around the building's columns, forming a sort of police line blocking off the entire west side of the terrace. Randomly tucked in the bands are long-stem roses, their dried petals fluttering across the ground.

As I continue my circuit around the terrace, I catego-



Ambassador Günter Burghardt examines a sculpture by Elle Klarskov Jørgensen.



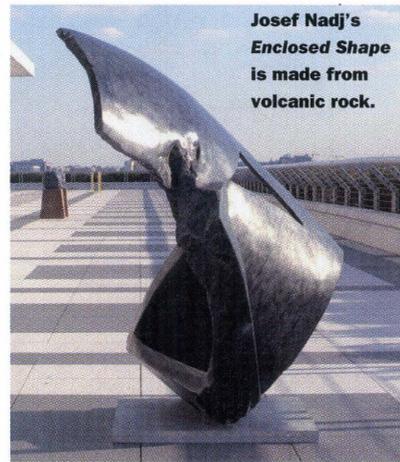
Sculptor Christina Saradopolou draws from mythology for her work entitled *The Myth of Sisyphus*.

rize the works: those that strike me as especially inventive (such as German Josef Nadj's shard of cut and polished volcanic rock, resembling a broken piece from a spacecraft); as bizarre (Belgian Johan Tahon's plaster figures that conjure images of genetically altered wax children from Madame Tussaud's); as sensual (British artist Peter Randall-Page's curvaceous "folded" limestone); as funny (Swede Ebba Matz's litter of mop dogs tied to a column, straining at their leashes in anticipation of their owner's return); and as moving (Irish sculptor Jackie McKenna's life-size wood carving of a thin, huddled figure).

I end my tour in front of Borghi's brightly colored mosaic of bottle caps and glass ovals, each reflecting a tiny spark of light. Viewed as a whole, the piece reminds me of a science fiction creature with hundreds of eyes, each blinking in the brightness of the afternoon sun. As I return to the cool environs of the Kennedy Center, I still don't see the "connecting worlds." The pieces are scattered up



Luxembourg artist Bertrand Ney's untitled work framed by the "sculptures" of Washington's skyline.



Josef Nadj's *Enclosed Shape* is made from volcanic rock.

trum: stone and steel versus plastic and nylon; abstract juxtaposed with representational; avant-garde next to traditional; humor beside solemnity. Then, it strikes me that Borghi's "eyes" offer a metaphor for the connecting worlds. The connection lies in how the works are viewed—by both their creators and their au-

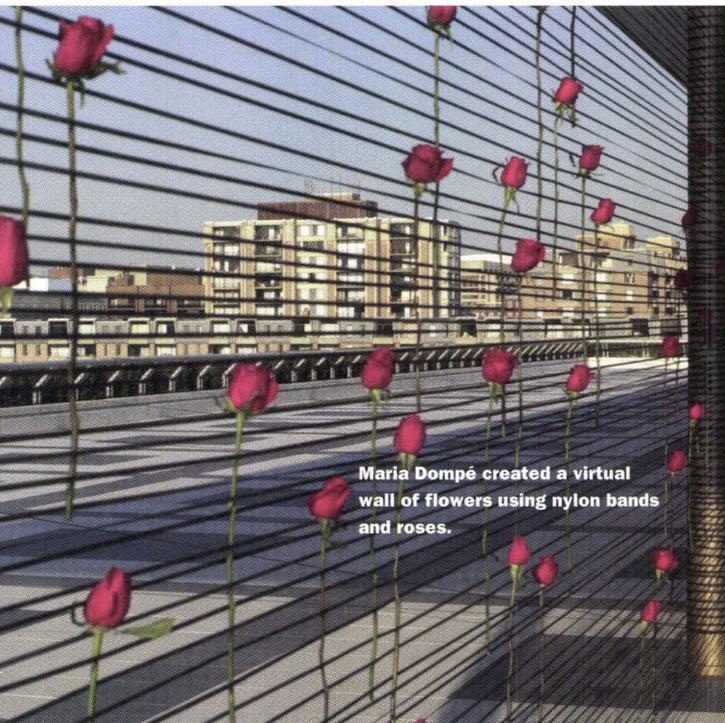
diences. Each sculptor sees space, dimension, texture, and emotion; constructs a work that represents this vision; and shares it with others. It is through sharing these visions and discussing them that we as humans connect.

Ambassador Günter Burghardt, head of the European Commission's Washington Delegation, touched on this theme at the exhibit's opening. Noting the variety of the works, he said, "This is what Europe is all about—unity in diversity...

There is no one European culture, but several cultures that are Europe."

Laura Coyle, the Corcoran Gallery's curator of European Art, believes Americans are "woefully ignorant" of these cultures as reflected in contemporary art. Hopefully, Coyle writes in the exhibit catalogue, "[*Connecting Worlds*] provides an opportunity to see, learn about, and compare what is happening in contemporary sculpture across the European Union...recognizing connections but also appreciating differences."

—Peter Gwin



Maria Dompé created a virtual wall of flowers using nylon bands and roses.

BOOKS

MY DREAM OF YOU

By Nuala O'Faolain; Riverhead Books; 500 pages; \$26

When Nuala O'Faolain came to Washington, DC, to launch her new novel, *My Dream of You*, I couldn't wait to meet the author of *Are You Somebody?*, her best-selling autobiography, which she subtitled *The Accidental Memoir of a Dublin Woman*. I had been enthralled by the honesty of O'Faolain's writing and her story, which, despite painful episodes and a melancholic undercurrent, was quite entertaining. Although it was clearly her story—of disappointment with Ireland, family estrangement, and various romantic upsets stemming from her inability to get a grip—it spoke to a generation of Irish people, especially women, who left the country in the 1960s and 1970s when it couldn't provide much in the way of career, let alone any escape from the pervasive and often oppressive influence of the church.

As O'Faolain tells it, *Are You Somebody?* was the product of a couple of months, sparked by her decision to write an introduction for her soon to be published collection of *Irish Times* opinion columns. Although the book covers her whole life, as well as those who came into it by fate or design, it has an immediacy that keeps you absorbed, interested, and sympathetic to the last sentence.

My Dream of You, while heavily autobiographical, is a different book altogether. It is O'Faolain's first novel, the story of Kathleen De Burca, a middle-aged Irish woman who has spent most of her adult life in London, estranged from her family, but a successful travel writer who, according to O'Faolain, can even make Rwanda sound good. Her private life is somewhat stunted—

few real friends, a basement apartment she never brings people to, and episodic intimacy in the form of anonymous one-night-stands.

All this changes when her best friend and colleague, an American gay man, dies suddenly, casting her into a period of introspection. This conjures up the memory of her first real boyfriend, an English student called Hugo, who during their cohabitation decades earlier had told her about the Talbot Affair, a 150-year-old divorce case involving an English landlord in famine-stricken Ireland. The story had fascinated her because, amid all the hunger and death, it was, she thought, a story of incredible and unlikely passion between the English landlord's wife, Marianne Talbot, and an Irish stable hand, William Mullan.

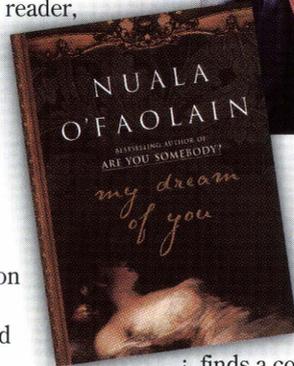
O'Faolain says *My Dream of You* is about passion, or even a hunger for passion, and makes the link between passion, and Ireland's Great Hunger (1845–1850) right at the start. As the narrator of the story, De Burca tells the reader,

"I was interested in any story about passion, so I was interested in Mrs. Talbot and William Mullan. I believed in passion the way other people believed in God: everything fell into place around it. Even before I started mooching around after boys when I was fourteen, I'd understood, watching my mother, that passion was the name of the thing that she was pursuing, as she trawled through novel after novel. And it was extraordinary to me that the Talbot Affair happened when it did—just after the very worst year of the potato famine.... So I put the two things together, home and the Famine, and used to wonder whether some-

thing that had happened more than 100 years ago could have been so terrible that it knocked all the happiness out of people."

Kathleen decides to take some time off, returns to Ireland to write a book about the Talbot Affair. Wisely, O'Faolain has one of her characters, Kathleen's boss at Travel-Write, scoff, "not another bloody book about Ireland" so you can put your own reservations aside and get on with the story. Back in Ireland, Kathleen's research into the Talbot case raises more questions than it answers, but her own life comes more sharply into focus as she is forced to

Irish author Nuala O'Faolain has published her first novel.



confront her past. When she meets Shay, an ordinary-looking Irishman who is overweight, married, and lives in England, she finds a comfort that helps her to make a difficult decision about the future she wants—this is where, O'Faolain says, she and her character part company. "I was really mad with her," O'Faolain said during her Washington book launch. "If I'd been offered the same deal, I'd have decided differently."

I really wanted to like this novel, and at times I did. Despite echoes of clarity that made *Are You Somebody?* so memorable, despite sympathy for *My Dream of You*'s not-so-

leading lady, despite O'Faolain's often brilliant observations about life and situations and her choice of Sligo, my hometown, to explain the novel's leading lover, I cannot help feeling that this first novel suffers from disjointedness that makes it hard to absorb. The bouncing backwards and forwards from Kathleen's past and present life, told in contemporary style, to the Talbot's marital breakdown told mainly through archaic court documents are testimony to O'Faolain's considerable writing talent but ultimately detract from the story and its credibility.

I am not quite sure why O'Faolain chose an historic angle for her novel; my theory is that she knew how strong her autobiographical tendency is outside of journalistic writing. It seems as though, in order to write her first novel, she had to put on her journalist's head and discipline and pick something from the last century to curb that temptation and to make the point: 'This is not an autobiography.' For me the result was a certain artificiality that left me with a distinct hunger for some more real, vintage O'Faolain.

—Maeve O'Beirne

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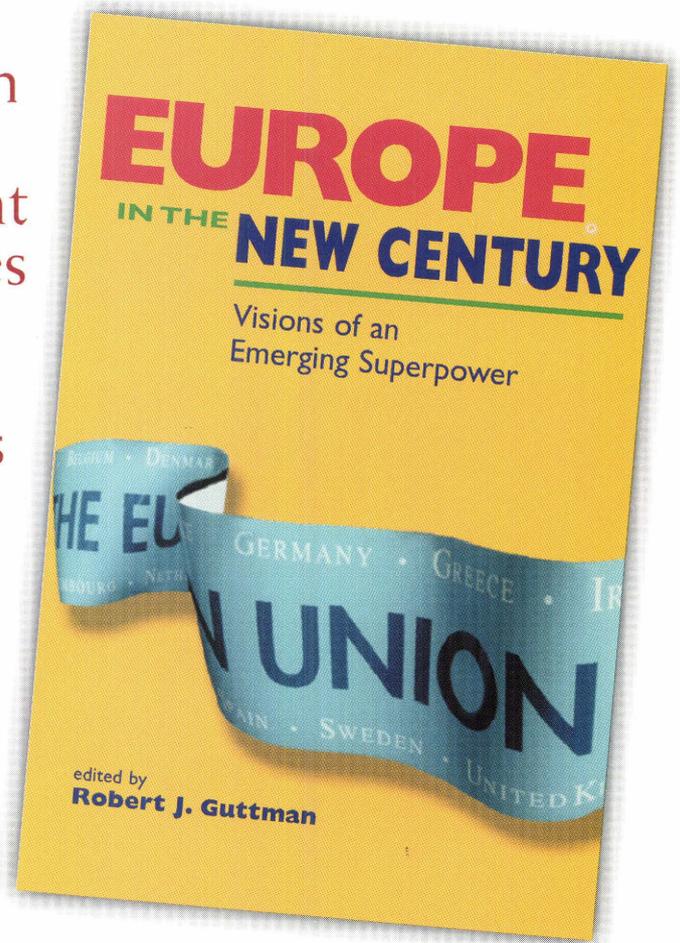
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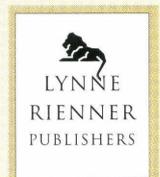
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Robert J. Guttman, editor-in-chief of *EUROPE* magazine, has been an adjunct professor of political communications at The George Washington University and of politics and communications at The American University.

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