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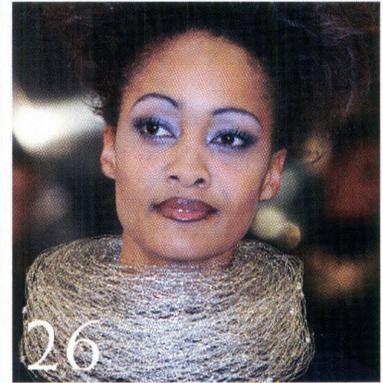


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Magazine of the European Union

JULY/AUGUST 2001

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LETTER FROM THE EDITOR

Belgium moved to the front of Europe's political stage on July 1, when it took the helm as the president of the European Union. Through the end of this year, its leaders will guide the EU agenda through a range of difficult challenges, not least of which is the final run-up to the issuing of euro notes and coins next January. It just so happens that this small nation's moment in the political spotlight happens to coincide with its growing popularity on the cultural front. "This year Belgium is causing a buzz in the always-changing world of pop culture," writes Suzy Hendriks, a Belgian television reporter, who profiles this ongoing Belgian renaissance.



For more than two decades, Alan Osborn has written about Luxembourg and Brussels in the pages of *EUROPE*. A veteran reporter of European and international affairs, Osborn covered Brussels from 1972-1989 for the British newspaper the *Daily Telegraph*. In 1989, he moved to London where he served as the paper's political correspondent, covering the House of Commons until 1994. Osborn has also worked for Reuters news agency and served a stint at the World Bank as a speechwriter in Washington, DC. In his spare time, he is an avid cyclist and an amateur pianist.

The attention isn't necessarily new: Belgians have long been known for their beer and chocolates, however, now more than ever, they are making their name in the world of high fashion. Belgian designers are filling the shelves with their fashions at exclusive boutiques and department stores throughout the world's style capitals.

On the political front, Dick Leonard, writing from Brussels, outlines the Belgian presidency's three main goals for the next six months: "preparing for the introduction of euro notes and coins in January 2002; pushing forward the 'social agenda,' and setting the parameters for the 2004 intergovernmental conference (IGC) on the future shape of the European Union."

Leonard also profiles the Belgian finance minister Didier Reynders, who, he writes, "will be the person most responsible for overseeing the introduction of euro notes and coins for the whole twelve months prior to January 2002."

Meanwhile, Alan Osborn profiles another EU institution, the European Parliament, of which he writes, "There is no other institution like it anywhere in the world." He describes how this assembly of 626 parliamentarians—who hail from fifteen countries and numerous political parties and use eleven different languages—continues to grow and develop as an integral part of the European Union.

This month, *EUROPE* also looks at European efforts to expand political and business ties with Latin America. Contributing editor Axel Krause reports on the EU's efforts, which include a number of new programs in the region with special emphasis on helping to combat terrorism and money laundering as well as a campaign to abolish the death penalty. Contributor Shaazka Beyerle considers the EU's relationship with Mexico and the "compelling economic and political reasons" Mexico is looking toward Europe, especially since the election of Mexican President Vicente Fox.

Benjamin Jones, *EUROPE* contributing editor based in Madrid, surveys the European companies who are investing in a number of sectors throughout the region. He writes that since 1986 "the Spanish have led the European investment invasion pouring more than \$40 billion into the region."

In September, our focus will be on European entrepreneurs, Italy under the new Berlusconi government, and EU-US relations.

Robert J. Guttman
Editor-in-Chief

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EUROPE, Magazine of the European Union (ISSN 0191-4545), is published on the 15th of each month, except January and August, by the Delegation of the European Commission, 2300 M Street, NW, Washington, DC 20037. © The European Commission, 2001. The magazine encourages reproduction of its contents, but any such reproduction without permission is prohibited. *EUROPE*, published 10 times per year, is available by subscription for \$19.95 per year; \$34.95 for 2 years; \$46.95 for three years. Add \$10.00 to non-U.S. subscriptions for postage and handling. Student rate (with proof of enrollment): \$14.95 per year; \$25.95 for 2 years; \$35.95 for 3 years. Bulk rate also available. **Editorial, permissions, advertising, and circulation offices:** 2300 M Street, NW, Washington, DC 20037; Telephone (202) 862-9555. Available in microform from UMI, 300 N. Zeeb Rd., Ann Arbor, MI 48106; (313) 761-4700

World Wide Web: www.eurunion.org

Newsstand distribution: Eastern News 1-800-221-3148

Subscriber services: 1-800-627-7961.

(In Canada call 303-604-1464.)

Periodicals class postage paid at Washington, DC and additional entry.

Postmaster: Please send change of address forms to *EUROPE*, P.O. Box

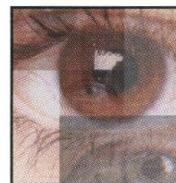
55935, Boulder, CO 80328-5935.

PRINTED IN THE U.S.A.

The magazine is a forum for discussion, and therefore its contents do not necessarily reflect the views of European Union institutions or of the member states.

EYE ON THE EU

Profiling personalities
and developments
within the European
Union



ENLARGEMENT TALKS FOCUS ON IMMIGRATION WORRIES

Perhaps the trickiest chapter in the ongoing membership negotiations with twelve applicant states in eastern and southern Europe addresses the free movement of workers. Several of the existing member states are under pressure from public opinion that is fearful of a tidal wave of immigrants East who would undercut wage rates and push up unemployment among the native population.

These fears are particularly strong in Germany and Austria, which immediately abut several of the applicant states and have hitherto been the frontline targets for would-be immigrants, not only from the candidate countries but from further east, from Belarus, Ukraine, and Russia. This pressure has led the EU to put forward relatively hard-line terms in their negotiations with the candidate members.

The negotiating mandate agreed upon by the Commission on April 11 proposed that full freedom of movement should be postponed until seven years after the admission of the new members. The mandate lays down a "general transition period" of five years, during which the member states will continue to operate their own national measures on accepting workers from the new member states. This means that they can apply their own restrictions or de-

cide to go further than others in opening their labor markets, according to local needs and circumstances.

The transition period would be reviewed after no more than two years, but it would require a unanimous vote of the member states to shorten or lift the transition or to agree on particular safeguards for exceptional circumstances. In any event, individual member states would be able to continue with national measures. One further optional review per country may be held at the request of a member state with a view to a further relaxation of controls.

The general transition would end after five years, but any member state would be able to maintain its national provisions for a further maximum period of two years. The announcement of these terms caused dismay in the candidate countries, particularly in Poland, and they are certain to seek some amelioration when the free movement chapter reaches the negotiation table.

A recent report, entitled *The Impact of Eastern Enlargement on Employment and Labor Markets in the EU Member States*, by a consortium of five leading economic think tanks, led by the German Institute for Economic Research (DIW), strongly suggests that the EU may have overestimated the likely level of migration of workers from the East if the present stringent restrictions were to be removed and proposes a different approach to the negotiations

from that suggested by the Commission.

The study found that the accession countries have a GDP per capita of less than 50 percent of the EU average and a wage level that is 10–15 percent of the EU average. Such income differentials, it concedes, are an important determinant of migration, in addition to unemployment rates.

The core of the research was a study of migration flows of Southern Europeans to Germany over the period from 1967 to 2000. A particular focus was on migration from Portugal and Spain, when free movement was conceded following the end of a transition period after their accession. The numbers seeking entry proved to be far lower than previously predicted.

The authors of the report conclude that—given freedom of movement from all ten Eastern European accession states—some two-thirds of the migrants would be likely to settle in Germany. In the first year around 200,000 might come to Germany. Not all of them would be workers, so some 100,000 jobs might be filled. In the long run—until 2030—between 2.2 and 2.6 million people could be expected to immigrate to

Germany. The long-run impact on the labor market, the authors argue, would be negligible, as there would be time for adjustments.

The report suggests that postponement of accession for five or ten years would not reduce the migration potential, but accession by waves, however, would lower initial flows, especially if Bulgaria and Romania (where the wage differential with Germany is very high) were not part of the first wave. The report predicted that transition periods with suspension of free movement would just postpone the flows, not alter the potential.

The report goes on to propose that quotas should be established during the transitional period, rather than the effective ban currently in force. The authors say this would smooth the migration flows and also give more information on the actual size of the migration potential. Initially, they suggest, 100,000 work permits could be issued in Germany.

It was actually the Commission that financed this major research project. It remains to be seen whether they will be willing to amend their proposals in the light of its findings.

—Dick Leonard

The
negotiating mandate
agreed upon by the Commission
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until seven years after the
admission of the new
members.

EURO NOTES

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



ELECTIONS WON'T SPEED UK'S EURO TIMETABLE

Gordon Brown, the brooding British chancellor of the exchequer, has done it again. Within days of the Labor government's crushing election victory, Brown seized control of the strategy regarding future British entry into the euro.

For a few days after the June election, City analysts and traders bet heavily on Tony Blair accelerating the timetable for British entry. They sold sterling on the foreign exchange markets, on the assumption that the pound would have to depreciate against the dollar and euro ahead of joining the single currency zone.

Yet the questions about the precise timing of British entry remain as open as ever. The reason: Brown delivered a keynote speech a few days later at Mansion House in the heart of the City of London. In the speech, he made it clearer than ever that he would not countenance a headlong rush into the euro, let alone an early referendum on the issue.

This was, he declared, a time for euro-realism. Once again, he listed five economic tests that had to be met ahead of British entry into the euro. These include the impact on inward investment and employment; the effect on the City of London; and the degree of sustainable convergence between the United Kingdom and the rest of the euro zone.

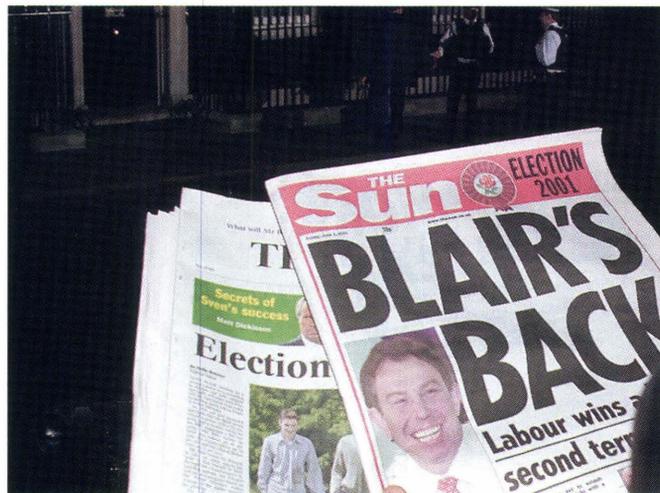
Nothing much new here, but the political context was

crucial. Brown spoke after he had met with Blair and two cabinet ministers to discuss post-election euro policy. Moreover, his mildly skeptical speech—supported by Sir Edward George, governor of the Bank of England—went against the tone of election comments by Blair, both in a speech in Edinburgh and in an interview with the *Financial Times*.

In each case, the prime minister sought to create a margin of maneuverability on the timetable for British membership in the euro. He indicated that he would determine the timing of the Treasury study of the five tests, rather than allowing Brown to have an exclusive prerogative; and he stressed again that there were no intrinsic political obstacles to membership.

How does Brown get away with it? The answer lies partly in his complicated relationship with Blair. He desperately wants to be prime minister, but he knows that if he forces the issue he could destroy the government. On the other hand, he is determined to keep control of policy toward British membership in the euro. He knows that a failure to win a referendum could break the government.

Brown's tactics have proven masterly—and they have so far tested entirely consistent with the course of the European economy. Having witnessed the slowdown in the United States, he has seen persistent downgrading of growth prospects both in France and Germany. The chancellor has calculated that the euro zone is no longer going to match the impressive 3 percent-plus performances



Many analysts predicted the re-election of Tony Blair's Labor Party would set the UK on course to join the euro sooner rather than later.

of 1999 and 2000; it may be lucky to hit an average of 2.0 percent.

Brown understands that the British are only likely to support joining the euro if the single currency is a success story. Slower growth means higher unemployment in Europe. It also increases pressure for further liberalization of labor, capital, and product markets. Yet these reforms remain politically painful—and more difficult in the run-up to next year's general elections in France and Germany.

Some commentators such as David Marsh of London-based Hawkpoint Partners, an investment firm, are suggesting that it may be more realistic to rule out British membership in the euro for five years. He cites three reasons.

First, Blair's instinct is to expend capital on tackling domestic issues, notably the decline in public services such as health, transport, and education. Second, Brown's experiment in giving the Bank of England independence through a new Monetary Policy Committee has worked

much more effectively than the nascent European Central Bank. Third, the British economy since 1999 has not suffered obviously from being outside the single currency zone, despite having what many regard as an overvalued exchange rate.

This may be too pessimistic. The introduction of euro notes and coins in January will be a momentous political and psychological event. Twelve countries will exchange their national currencies for the euro, which will for the first time enter the pocket of the ordinary citizen. It will also enter circulation in the United Kingdom as travelers and businesses exchange euros for pounds.

The British are nothing if not realists. The physical presence of the euro ought to persuade even the biggest doubters that the single currency is here to stay. It could help to tee up a referendum in the UK in, say, early 2003. But nobody would wager a bet on such an outcome—not even a newly minted euro.

—Lionel Barber

e-EUROPE

Tracking the news and trends shaping Europe's technology sector



BMW FILMS PUT 'E' IN ENTERTAINMENT

It has long been standard practice for companies to pay filmmakers to feature products in blockbuster movies, but this summer, German car maker BMW is reversing that process by hiring successful filmmakers to make movies starring their cars. The company, which has paid big bucks to have its cars appear in recent James Bond films, is promoting a series of six-minute films entitled *The Hire* available free at www.bmwfilms.com.

BMW recruited five big-name directors, paying them each about \$2 million to make an installment in the series. The films feature a shadowy chauffeur played by British actor Clive Owen (most recently seen by American audiences in *The Croupier*) driving the company's latest 7 and 5 series sports sedans on particularly edgy assignments.

The five directors hail from all over the world and represent a variety of approaches to filmmaking. The series begins with American director John Frankenheimer's *Ambush*, in which Owen unflinchingly delivers a diamond courier from masked gunmen amid a hail of screeching tires and automatic weapons fire. The second installment comes from Taiwan's Ang Lee (whose *Crouching Tiger, Hidden Dragon* won last year's Best Foreign Language Film Oscar) and stars his six-year-old son, Mason, as a Tibetan golden child whom Owen must safely transport from a gritty New York harbor to a house in the country. Hong Kong director Wong Kar-Wai

crafts the series' most haunting segment, *The Follow*, which features a voiceover of Owen discoursing on the rules for trailing a mark as we watch him follow a beautiful woman through the streets of Los Angeles. The fourth installment comes from British filmmaker Guy Ritchie, who blends humor and action in *Star* in which his wife, Madonna, portrays a pop diva whom Owen is charged with driving to her next engagement. The final segment, entitled *Powder Keg*, is directed by Mexican filmmaker Alejandro González Iñárritu and is set for release July 18.

BMW decided to release the films—at least initially—on the Internet (they have also been scheduled to run later on various cable channels) and ran a series of TV commercials promoting them during events such as the NBA Finals. However, all the hype and notoriety aside, says executive producer David Fincher, “you need to give people a reason to watch.”

To that end, BMW gave the directors full creative license to bring their visions to the screen, as well as several cars to use in the filming. “We demolished a few BMWs doing this,” said Frankenheimer. They “let us really shoot the car full of holes.”

Ritchie's crew totaled a 540i during a spectacular jump scene on the very first day of shooting. “[BMW] must have thought I was going to do that to all the other cars by the end of the five days,” he laughs.

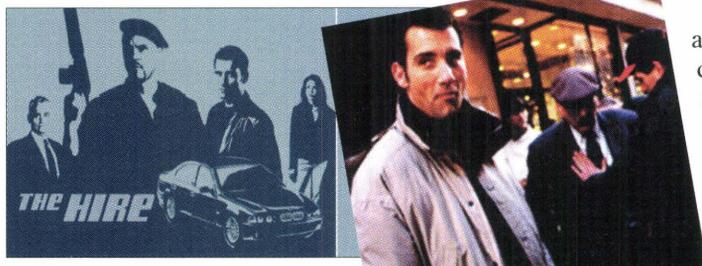
In addition to the five main segments, the Web site includes five “Sub-Stories,” which are two-minute vignettes shot by Ben Younger (director of the independent film *Boiler Room*). These introduce additional characters who further thicken the plot and, presumably, help tie the whole story together in the last episode. The site also offers a behind-the-scenes look

the films, including a downloadable “BMW player” that boasts DVD like features. I opted for the plain streaming video version, which took about twelve minutes to download each film using a dial-up connection.

Of course, the cars are the real stars. In true summer blockbuster fashion, the series essentially turns on the theme: how many hot cars



Clive Owen and Adriana Lima get to drive the newest BMW's models in the company's Internet film series *The Hire*.



and cool chase scenes can we show? In lesser hands, the series

would quickly have become a repetitious cliché, but Owen's reserved performances combined with the striking creativity of some of the world's best filmmakers creates captivating entertainment—or is it



at how the films were made, including interviews with some of the stunt drivers who worked on the films and extensive commentaries by each of the directors detailing their individual shoots.

Users can choose among several options for viewing

advertising? Either way, the project has gained at least one new customer for BMW. “I drive a '95 minivan,” says director Ang Lee, “but the first time I drove [the 540i] I just go crazy.”

You and me both, Ang.
—Peter Guin

By Dick Leonard



The Belgian Presidency

Prime Minister Guy Verhofstadt has definite views about the EU's future

As one of the six founding members of the European Union, Belgium has assumed the six-month presidency of the Council of Ministers on many occasions since the 1957 creation of the European Economic Community, as the EU was originally known. In the past, it has seldom, if ever, had an agenda of its own. Its ambitions were confined to transacting the Union's ongoing business as effectively as possible and employing the well-known Belgian genius for compromise to resolve differences among the other member states.

It will follow much the same path in the six months following July 1, when it takes over the presidency from Sweden. Yet this turn at the EU helm will be different. The "rainbow" coalition government (Liberals, Socialists, and Greens) of Guy Verhofstadt has definite views of its own concerning the future development of the European Union and will use its presidency to try to carry them forward.

Verhofstadt and his colleagues had meticulously prepared for the presidency over the preceding twelve months, but this did not prevent them from making a serious error of judgment at the very outset. On May 2—two months before the end of the Swedish term—the Belgian prime minister gave a major press conference, outlining his government's plans.

This was an unprecedented act of presumption—normally a presidency is

publicly launched only a day or two before it begins, and the Swedes were not amused that Verhofstadt had jumped the gun. Nor did they appreciate his listing of items for his presidency agenda that they hoped to have settled before the end of their term.

This was not the only criticism of Verhofstadt. He had announced no fewer than sixteen "priorities" for his presidency, a number generally regarded as too many for a focused approach. In reality, Belgium has three main goals: preparing for the introduction of euro notes and coins in January 2002; pushing forward the "social agenda;" and setting the parameters for the 2004 intergovernmental conference (IGC) on the future shape of the European Union.

The preparations for the euro are largely the responsibility of Didier Reynders, Belgium's finance minister. He has already been presiding over the EU's key euro committee during the past six months, as Sweden is a non-euro state. By all accounts, he has proved a determined and effective goad to his fellow finance ministers.

On the social agenda, the Belgian aim is to supplement the Union's recent significant progress on job creation with legislation to extend worker participation in decision-making and the furtherance of equal opportunities. These objectives are supported by a big majority of member states, and pressure for a change has built up because of a number of recent closures announced with-

out any worker consultation, notably the abrupt decision of the British firm Marks & Spencer to close all its retail stores on the European continent. The Belgian plans are, however, likely to be resisted by the business friendly Blair administration, which is still reluctant to legislate on workers' representation.

Blair is also likely to have reservations over Verhofstadt's plans to set the agenda for the 2004 IGC. This is due to be agreed at the summit at Laeken, a Brussels suburb, toward the end of the presidency in December. Verhofstadt, who emerged as the main spokesman for the smaller EU member states at last year's Nice summit, is determined to resist the tendency toward intergovernmental decision-making, which has been evident since the time of the Maastricht Treaty in 1991.

That treaty set up two separate 'pillars'—pillar two on foreign and security policy, and pillar three on judicial, immigration, and police cooperation. Under these pillars European Community institutions—such as the Commission, the European Parliament, and the Court of Justice—were effectively excluded from participating. The result was that nobody was specifically responsible for proposing policies or implementing decisions, which in any case had to be by unanimity, a sure recipe for deadlock.

Fortunately, under the Amsterdam Treaty in 1997, some of the pillar-three powers were transferred back to the community pillar, with obvious benefi-

THE EU PRESIDENCY

Each member state in turn holds the presidency of the EU on a six-monthly basis. At present, a member state holds the presidency every seven and a half years.

Schedule of Presidencies

BELGIUM July 1–December 31, 2001

SPAIN January 1–June 31, 2002

DENMARK July 1–December 31, 2002

GREECE January 1–June 31, 2003

cial effects. The Belgians would like to complete this process and wind up pillar three altogether.

Verhofstadt went out of his way to welcome a speech by Gerhard Schröder in which the German chancellor mapped out a scenario including a greatly strengthened European Commission and a downgraded Council of Ministers, which would become the second chamber of the European Parliament. It is early days yet, but the

prospect looms for a mighty battle at the Laeken summit, where the Belgians, Germans, Italians, Dutch, Finns, and Portuguese are likely to be arguing for a more 'federal' and integrated Europe, while the United Kingdom and France, backed by the Swedes and Danes, will try to slam on the brakes.

Following up the commitment at the special Tampere summit on justice and home affairs to create an "area of freedom, justice, and security," Verhofstadt announced plans to set up Eurojust, the judicial equivalent of the police cooperation body, Europol, to strengthen cooperation in criminal justice matters through a permanent body of EU magistrates. Other priorities listed included a review of pension systems within the EU in the face of ageing populations and talks with third countries, such as Switzerland, on implementing an exchange of information or a withholding tax on the interest on non-residents' savings.

On the environment, Belgium aims to achieve a common position among member states on waste management, environment friendly produce promotion, and labeling genetically modified food. The planned European Food Authority should be in place by the end of

the year, he said, and an agreement should finally be reached on implementing a single European patent.

Two of his projects for the presidency could only be obtained through close cooperation with the US administration. One was "to get the Kyoto process once again on a smooth path" after President Bush's rejection of the climate treaty. The other will be to help launch a WTO trade round, for which the ministerial meeting in Qatar in November is likely to prove crucial. Finally, the Belgian presidency hopes to make decisive progress in the ongoing enlargement talks with ten candidate countries in eastern and southern Europe, in the hope that at least some of them will become members in time to take part in the 2004 IGC.

It is a tall order, but Verhofstadt and his team appear brimming with confidence. They will need it along with a great deal of skill and luck if their final press conference at the end of the year is to prove a cause for celebration and an altogether happier occasion than the opening one last May. ☺

Dick Leonard is a EUROPE contributing editor based in Brussels.



Belgium's Prime Minister Guy Verhofstadt (center) and Foreign Minister Louis Michel (right) accompany President George W. Bush during his visit to Belgium in June.



Belgium's Ambassador to the United States

EUROPE INTERVIEW

Alex Reyn, the Belgian ambassador to the US, recently sat down with EUROPE editor-in-chief Robert J. Guttman to discuss Belgium's presidency of the European Union, which begins July 1 and runs through the end of the year. Ambassador Reyn, who previously served as his country's permanent representative to the United Nations in Geneva and New York, also discusses EU enlargement, the euro, and Belgium's growing profile as a food and fashion capital.

Is there an overall theme for the Belgian presidency of the European Union?

The work of the presidency is a continuing process. It's true every presidency wants to focus on certain themes and put emphasis on priorities, but on the other hand, we have to realize that the presidency is six months in the whole process, and it's more and more a focus on this continuing process.

The best example for me in these times is the process of the enlargement of the European Union. It's a whole process. You can't do [the whole thing] in six months. One of the priorities of the Swedish presidency was enlargement. One of the priorities of the Belgian presidency is enlargement. One of the priorities of the Spanish presidency after us will also be enlargement. And all of us will contribute to this process. It's important to underline that. Let's hope that after the Spanish presidency we will be far enough to really know where we are in terms of enlargement. But our period, our six months, are important in continuing the process

and the negotiations. That's one of the big themes—enlargement.

An overall theme is also the domestic policy of the European Union. Our prime min-

ister will focus a lot on what he will call the "Declaration of Laeken," named after a suburb of Brussels where the royal palace is located. The European Council will take place there in December. He will focus on the Declaration of Laeken, which is based on last year's mandatory European Council and will be an opportunity to see where the European Union stands at this moment. We are fifteen nations, and at a certain moment, we will be twenty-eight countries. Where do we stand in terms of our domestic European policy, in terms of our relations with the Third World and the third countries, as well as the United States, Russia, and countries in Africa and Latin America?

There will be no solutions. There will essentially be questions. And that will be one of the main themes during our presidency—questions. Where do we have to go in the next years and even decades?

Getting the domestic policy of the fifteen EU countries in order is the theme of the Belgian presidency?

Yes, we hope to start a serious debate during the following months by asking the right questions and trying to find out what orientations the European Union will have to take. What kind of direction are we going in—the one proposed in a speech by [UK] Prime Min-

ister Blair or by [German] Chancellor Schröder or [Belgian] Prime Minister Verhofstadt or [French] President Chirac or [French Prime Minister Lionel] Jospin? We think we will have the necessary preparation to bring the goals together and to have real insight where we will have to go for the future of the European Union, taking into account that we will be more than fifteen nations.

So your theme is: Where does Europe go from here?

Yes. The European Union is saying we have to deepen before we enlarge, but we haven't done that enough. We cannot continue on the same basis as we did when we were six or nine nations. We are aware that there will be an enlargement, let's say, in the next five to ten years or perhaps less than five years. That means we are talking about thirteen countries which are, on different levels, waiting to join the EU. In the past, we went from six to nine to ten to twelve to fifteen nations. Now it will be a huge increase, even if you do it in different phases.

Will there be any other themes of your presidency?

If you take that global theme you can put in whatever, of course. I have given just an example, but in six months, you can't do that much. You can just try to continue or to prepare a new process. But we are a country with a rather developed system in the social field—social security and so on. We will try to continue the harmonization process as much as possible because that's the whole ballgame in the European Union. We integrate where we can, and we harmonize where we can, and that's what we are going to do.

Is the euro coming in smoothly?

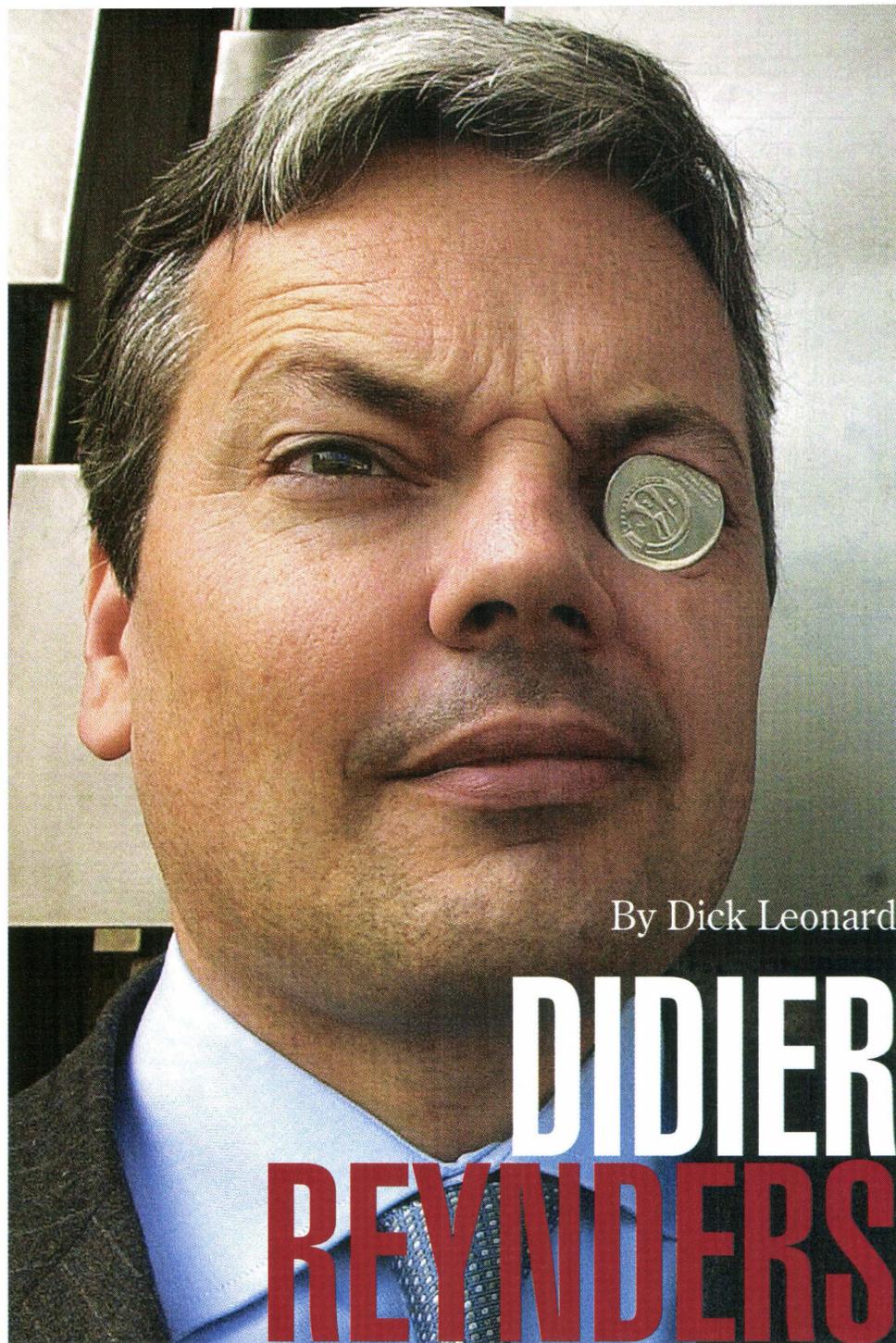
It will come in smoothly. We are working on all of that. But we have to be prepared for the first months to be a difficult period in terms of human reactions. After a couple of weeks or a couple of months, people will get used to it, and then it will be fine. And that's one of the big boosts we will get through the euro in this integration process. As you know we have this domestic internal market, the single market. But there is still, in the whole global economic field, a lot to do in terms of harmonizing. But the

euro will also give a political boost to that. Even if, on the international market, the euro is probably undervalued. But the main aim of the euro in terms of economic and monetary union is to bring stability in the European domestic market. We are realistic enough that it's not the idea to become an international currency tomorrow compared to the dollar, but we can't control capital flows; we can't avoid speculation in the New York Stock Exchange.

Is Belgium getting better known beyond Europe?

Belgium is better known. We were already known for our famous chocolates, and we can say we are very proud of that. And we will continue to be known for that. All the people coming to Brussels for the European Union and NATO agree that the restaurants and food are good, and we have famous Belgian beer. But we try at least to show Belgium in a little bit of a broader context. Food, chocolate, and beer, it's all fine. But we have a cultural heritage you can't simply deny. We were at the crossroads in European history. And you see, a lot of history in Belgium, you go to different cities going back to the fifteenth, sixteenth centuries. We have a cultural heritage in painting going back to the fourteenth century. You just have to go to the famous American museums, the Metropolitan in New York and the National Gallery in Washington, to see what we have in terms of painting heritage, artists like Rubens and the Flemish Primitives going back to the fourteenth century.

We would like Americans to see that we have more than food. It's also true, in modern terms, that we are successful in the fashion world. That is because we have two world-class fashion schools in Antwerp and in Brussels. Go to New York and you find Belgian names in the fashion industry. We can be very proud of that. ☺



By Dick Leonard

DIDIER REYNDERS

Belgium's finance minister has his eye on the euro

Long before he became Belgium's finance minister at the age of forty, in 1999, Didier Reynders had established an extraordinary reputation as a whiz kid. When Jean Gol, the then leader of the right-wing French-speaking Liberal Party (PRL), became a vice-premier in 1981, he asked the professor of constitutional law at Liège University who was the most brilliant of his recent students. Without hesita-

tion, he named Reynders, who, he said, combined an exceptionally sharp mind with an enormous appetite for hard work.

Reynders joined Gol's private office at the age of twenty-three, was promoted to be its head at twenty-five, and at twenty-seven was appointed president of the Belgian railways. He held this post for five years before leaving to head the Belgian airline Sabena for two years from 1991-93. Since then he

has pursued a full-time political career.

Pushing him forward at every stage was Gol, who acted as a father figure to his young protégé and was clearly grooming him as his successor to lead the PRL. Had Gol lived a few years longer this plan might well have come to fruition, but his sudden death in 1995, at the age of fifty-three, came at a bad moment for Reynders.

Regarded as a cold and overly cerebral figure, he was passed over by his party in favor of Louis Michel, now foreign minister. Michel, a shambling, somewhat disorga-

nized character, was greatly his superior in glad-handing party activists. The disappointed Reynders nevertheless buckled down to working as Michel's deputy, and they formed a highly effective partnership—Michel enthusing the voters while Reynders was put in charge of party policy.

A father of four, Reynders is a much warmer character than is suggested by his public image. Still a keen golfer, he was a fine swimmer in his youth, and his childhood hero was American swimmer Mark Spitz, who won seven Olympic gold medals.

The election of June 1999 was a triumph for the Liberals, who returned to share power (in a coalition with the Socialists and the Greens) after spending nearly twelve years in opposition. It was the first time for nearly a century that the Liberals formed the largest group in the Chamber of Representatives, and the Flemish Liberal leader, Guy Verhofstadt, became prime minister.

Reynders became finance minister at a fortunate time, as the Belgian economy was in good shape, the formerly large budget deficits having been brought down to manageable proportions by the previous government in its successful efforts to qualify Belgium for economic and monetary union. This meant that Reynders was in a position to give effect to what a col-



Belgian Finance Minister Didier Reynders (center), Wim Duisenberg, president of the European Central Bank (left), and Pedro Solbes, European Commissioner for monetary affairs, answer questions at a press conference in Washington, DC in April.

league had described as “his single obsession: to become the first minister for dozens of years to reduce the tax burden.” Belgium remains a heavily taxed country, but Reynders has begun a five-year process that he hopes will bring the burden down to nearer the level of its closest neighbors, notably France and Germany. Still a glutton for work, he has mastered the complex dossiers of his large ministry and impresses everybody with his command of detail.

His high reputation in Belgium is now mirrored in other European countries, where he has been seen as one of the most effective members of the EU Council of Finance Ministers (Ecofin). Even French journalists, who tend to take a patronizing attitude to Belgian politicians, are impressed. One recently wrote that he had “revalued the image of Belgium” and was the equal of French Finance Minister Laurent Fabius, “who is himself a fan of his Belgian colleague.”

It was no surprise when the other Ecofin members unanimously invited Reynders to chair the euro committee last January, when the Swedish minister was ineligible since his country is still a non-euro state. He will continue to chair the committee under the Belgian presidency and will be the person

most responsible for overseeing the introduction of euro notes and coins for the whole twelve months prior to January 2002.

If this operation goes smoothly, he will rightly be able to claim much of the credit. Where will he go from there? Already people are speculating that he might be pursued by headhunters for a top job in an international organization, like his Belgian predecessor, Philippe Maystadt, now the president of the European Investment Bank. More likely, he is already regarded as the front-runner to become the Belgian member of the European Commission in 2005.

Yet Reynders may prefer to stay in Belgian politics, where it is not inconceivable that he may one day become prime minister. All the recent holders of this office have been Flemish speakers, and there is a heavy presumption that the post will go to a Fleming. It is certainly the case that only those few French-speakers who also have a good command of Dutch would have any chance at all of being chosen.

Brought up monolingually in Liège, Reynders set himself a twelve-month timetable to become fluent in Flemish a few years back. Why he should have done that if he does not aspire to the top job no one knows. ☺

Genocide on Trial

By Dick Leonard

An extraordinary trial opened on April 18 before a packed auditorium in Brussels' Palace of Justice. Four Rwandans stood accused of participating in the 1994 genocide of an estimated 800,000 Tutsis and moderate Hutus in the former Belgian colony. A jury of seven men and five women (together with twelve reserves) was sworn in from among the pool of 150 Belgian citizens who had been convened for the proceeding.

The trial was of historic significance. It was the first time—anywhere in the world—that a trial by jury in a national court has been held for foreign citizens accused of crimes against humanity committed in a foreign country. The authority for the trial was derived from two acts passed by the Belgian Parliament in 1993 and 1999, which interpreted the Geneva conventions on human rights as providing a universal competence to signatory states to uphold their provisions.

These laws had already been applied in the cases of two former presidents, Augusto Pinochet of Chile and Ali Akbar Rafsanjani of Iran, both of whom were the subjects of unsuccessful extradition

attempts by the Belgian authorities. This was the first case actually to come to trial, thanks to the extraordinary perseverance shown by the investigating magistrate, Daniel Vandermeersch, who had been working on it for six years.

The four accused all sought refuge in Belgium shortly after the genocide took place, and it is for this reason—and the fact that many of their accusers are also now resident in Belgium—that the cases have been brought in Brussels rather than in Rwanda or before the International Tribunal in Arusha, Tanzania. The defendants all came from the Butare region, and the charges, set out in a forty-one-page document that was read out loud to the court, concern massacres that took place in that area.

They were: Vincent Ntezimana, a former university professor, charged directly with nine murders, with drawing up lists of university colleagues to be executed, and of being the author of an extremist manifesto; Alphonse Higaniro, the former managing director of a match factory, accused of inciting his employees to participate in the massacres; Two nuns, Sister Gertrude (Consolata Mukangango) and Sister Maria

Kisito (Julienne Mukabutera), both formerly of the Sovu convent in Butare, accused of handing over thousands of Tutsi fugitives to be executed and of supplying petrol with which many of the victims were burned alive.

All four of the accused pleaded not guilty, and Higaniro challenged the competence of the court on the grounds that his case had already been rejected by the International Tribunal because of insufficient evidence. Altogether 170 witnesses, most of whom were flown in specially from Rwanda, gave evidence, much of it of a most harrowing nature. The trial ended on June 8 with guilty verdicts for all four defendants, who were given prison sentences ranging from twelve to twenty years.

That the trial took place at all was yet another sign of the heightened Belgian sensitivity to human rights issues. This had already been evidenced by the government's energetic attempt to secure the extradition of Pinochet and by the Belgian-led EU boycott of the Austrian government after the extreme right-wing Freedom Party of Jörg Haider, widely accused of racism, joined Austria's governing coalition. ☹



The defense table for the four Rwandans on trial for genocide in Brussels.

EU BUILDS POLITIC

For more than a decade, the European Union has focused its Latin America strategy on expanding trade and investments while building closer relations with the Mercosur economic bloc. Despite recent setbacks, the four-nation trading bloc, which includes Argentina, Brazil, Paraguay, and Uruguay, still aspires to someday emerge as the EU of Latin America.

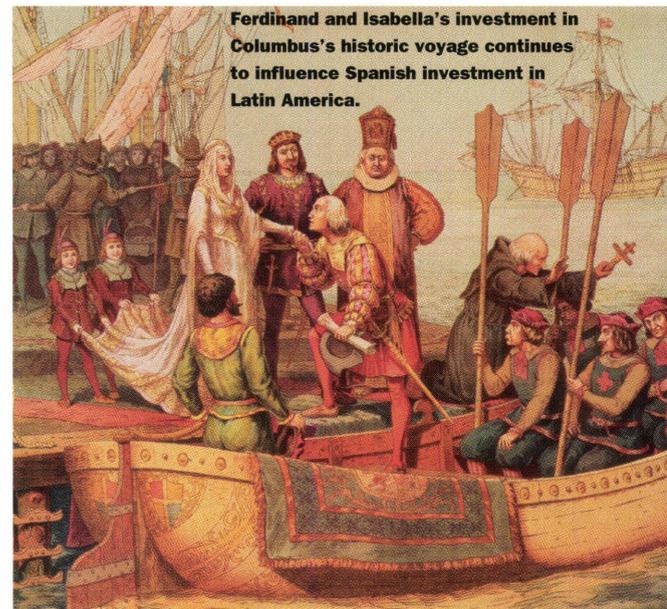
However, with EU-Latin America trade and investment flows stagnating; with Argentina wading through the double whammy of a recession combined with a debt crisis; and with Brazil struggling under a California-like energy crunch that could endanger its economic recovery, the European Commission is pursuing a new, broader strategy.

Mainly, it is aimed at building political ties with not only Mercosur but other countries in the region, notably Colombia, Chile, and even Mexico, whose strongest traditional ally has been the United States.

The immediate purpose is to establish what Chris Patten, the commissioner for foreign relations leading the EU initiative, describes as “a strategic political partnership,” which has targeted a wide range of areas for cooperation. These include actively supporting the peace process in beleaguered Colombia; helping establish human-rights safeguards (including in the labor sector throughout Latin America); pursuing military stability through non-proliferation of weapons and disarmament; creating an EU-backed postgraduate scholarship program at Latin American universities; and supporting joint efforts to abolish the death penalty in the region and in other areas of the world.

The outspoken Patten says he is determined to move from “hot air to action” by May of next year when the second EU-Latin America and Caribbean

summit meeting of government leaders convenes in Madrid under the EU presidency of Spain. Patten hopes that with the support of Madrid, already in the forefront of the strategy, he will build momentum for action on the projects now taking shape. But he readily concedes that since the first summit held in Rio de Janeiro two years ago, attended by the heads of the fifteen EU-



Ferdinand and Isabella's investment in Columbus's historic voyage continues to influence Spanish investment in Latin America.

member states and the four Mercosur countries plus associate member Chile, “our achievements in political terms are still less than satisfactory.”

Commission sources say that one problem was—and still is—building wide support for a strong Latin American political strategy in the Council of Ministers where Spain, France, Germany, and Austria have been the most supportive. Other obstacles have loomed: noisy conflicts between Argentina and Brazil over trade policy, and Chile's surprise decision last December to open bilateral free-trade talks with the United States. These were relatively minor setbacks, however, compared to the Washington-led emergence of FTAA in Quebec in April.

FTAA, the Free Trade Area of the Americas, launched by former president Bill Clinton and actively supported by his successor, George W. Bush, would by 2006 create the world's

AL AND STRATEGIC TIES IN Latin America

By Axel Krause

largest trading bloc with a population of 800 million people, extending from northern Alaska to the southern tip of Chile. At the close of their April summit in Quebec, thirty-four governments, including those from Mercosur, pledged to pursue elimination of barriers to trade, strengthen democracy, and expand “the benefits of globalization throughout the hemisphere.”

Many observers are convinced that because of its scope and US predominance FTAA represents both a threat to Mercosur and to the EU’s attempts to build ties with the bloc. “If Brazil goes into the FTAA, then Mercosur is finished,” Gilberto Dupas head of international studies at the University of Sao Paulo recently told the *New York Times*. Amid the consensus that FTAA may well swallow up Mercosur—thus indirectly weakening the EU’s strategy—the Commission is accelerating its push for political partnerships, while bolstering EU–Latin America trade and investments. “The two approaches go hand in hand,” Commission spokesman Gunnar Wiegand said, noting that Patten and Pascal Lamy, the Commission’s trade negotiator, frequently work in tandem.

“It is clear that Patten wants to establish strong, non-trade relations with Latin America, combining economic and political ties and presenting a counterweight to the United States,” said Carlo Binetti, who earlier this year took over as the European representative of the Paris-based Inter-American Development Bank (IADB). Previously, he was the IADB’s representative in Colombia. An Italian with longtime ties to European Commission President Romano Prodi, Binetti explained in a recent interview with *EUROPE* that the IADB, the region’s major development bank, is cur-



European Commissioner for External Relations Chris Patten (left) met with Chilean President Ricardo Lagos (center) during the EU–Rio Group ministerial held in Santiago, Chile, in March to discuss the strategic alliance between the EU and Latin America.

rently cooperating with the Commission, notably in Colombia.

One example he cites of this cooperation is the International Support Group for the Peace Process in Colombia in which twenty-seven countries and nine international organizations are participating, led by the EU and the IADB. The goal is to provide development aid to the beleaguered country with the goal of ending the violence and human rights violations linked to drug trafficking and obtaining the release of hundreds of hostages held by paramilitary groups and guerrillas. “The EU, together with other international actors, wants the peace process to be irreversible,” said Gun-Britt Andersson, Sweden’s state secretary for development cooperation, representing the EU

presidency, at a recent meeting of the group in Brussels. Added Patten, “We have the chance to tip the scales once and for all in the direction of peace.”

The EU’s policy in this regard differs from that of the US. European drug officials now conclude that Washington’s military-like interdiction efforts, such as aerial spraying of coca crops, have not slowed the flow of drugs to the United States nor helped Colombia’s economic development. Meantime, according to a recent *New York Times* report from Bogota, Colombian officials have been openly urging greater, more diversified aid from EU governments, citing recent US data showing that trafficking to Europe from Colombia and other cocaine-producing countries in the area is on the rise.



Following the signing of the EU-Mercosur Agreement in December 1995, Javier Solana, then Spain's foreign minister (left), exchanged documents with his Uruguayan counterpart Alvaro Ramos Trigo.

The EU pledged financial support of about \$297 million, of which the Commission will contribute about \$125 million, making Europe the largest single contributor; the United States pledged \$146 million; the Andean Development Corporation, a group of neighboring countries, raised \$100 million; and other countries promised roughly \$37 million. Patten explained that the EU's innovative approach involves building "peace laboratories" to bolster local, democratically run institutions in the Magdalena Medio region and in another area to be determined later, most likely in southern Colombia. "We know that these are high-risk operations," Patten explained, "and they need to be seen in a long-term perspective."

Similar EU initiatives in Latin America and the Caribbean, including those aimed at combating international terrorism and illegal money laundering, are also expected to emerge in coming months, EU sources said. These extend to joint programs to prevent the use of the death penalty, which currently is banned throughout Western and Eastern Europe but remains on the books in a dozen countries, ranging from Antigua and Barbados to Guatemala, Jamaica, and Saint Lucia. "We are committed to building alliances to prevent this practice," Patten said in a recent speech in Santiago.

While trade between the EU and the region grew from \$49 billion in 1990 to nearly \$90 billion in 1998, the two-way volumes began contracting in 1999 and are still declining, according to

economists of the IADB. The EU's share of markets there also has fallen steadily, despite an overall increase in EU exports, while US exports rose sharply.

Nevertheless, the overall levels are substantial and, when Mexico is excluded, the EU remains the largest single investor in the region, and the leading contributor of governmental financial aid. Yet even in Mexico, the EU is making inroads. Recently Lamy completed negotiations for a free trade agreement with America's southern neighbor, which he noted "will put the EU on a level footing with the US and Canada in the Mexican market." Services and intellectual property are on "the cutting edge" of EU exports, Lamy added, predicting they will grow "significantly."

Meantime, the Latin American market share for new, large passenger jets sold by the West European consortium Airbus Industrie has risen to a record 75 percent over the last several years, compared to 25 percent for archrival Boeing of the United States. While the majority of the 785 large jets currently in service in Latin America, Mexico, and the Caribbean remain American-made, Airbus reports that it is discussing replacement of aging US fleets with about fifteen airlines. "Many want to continue working with the US, but they also are looking at a European alternative," said an Airbus spokesman at company headquarters in Toulouse. "That's where we fit in." ☺

Axel Krause is a EUROPE contributing editor based in Paris.



Sao Paulo, Brazil's bustling industrial and financial center, is at the heart of a mobile phone market expected to grow to 58 million users by 2004.

INVESTING IN Latin America

By Benjamin Jones

Spain and Portugal look to their former colonies

Each time an Argentine cashes a check, switches on his or her lights, or dials a friend for a chat on the phone, there's a good chance that a Spanish company supplies that service. And the same goes for Brazilians, Chileans, Colombians, Mexicans, Peruvians, and Uruguayans.

Five hundred years after the conquistadors stomped through Latin America, the Spanish are back, this time looking for legitimate profit instead of plunder, and they are snapping up major stakes in local corporations and grabbing market share.

Companies from other European nations are also investing in the region, and over the past several years, Europe has poured more money into Latin America than the neighboring United States, whose multinationals have been active there much longer. According to recent figures, fourteen of the biggest foreign firms operating in the region are from Europe, followed by eleven from the United States.

"One of the main reasons Latin America is so attractive to European companies is because the economies there are expanding," explains Miguel

Moltó, the director of the European Commission representative office in Spain. "Last year, the region enjoyed 4 percent growth, and that's expected to increase to 4.5 percent this year."

European investment in Latin America represents 15 percent of the total foreign investment by the EU countries abroad, he says. "And it looks like the trend will continue, at least over the short term. There are some problems such as Argentina, but countries like Mexico, Brazil, and Chile, for example, are all supposed to have favorable growth rates in the coming years."

Over the past decade, the Spanish have led the European investment invasion, pouring more than \$40 billion into the region since 1986, according to the Spanish government. Spaniards are especially prevalent in the banking, telecommunications, and utilities sectors.

"Spanish multinationals have taken the lead because, apart from the favorable business conditions in Latin America, there are shared historical, cultural, and linguistic roots," Moltó says.

Other analysts point out that the sectors in which Spanish companies are most heavily involved, such as banking, financial services, telecommunications, and energy, are being liberalized and badly need foreign expertise and cash. Also, Spanish firms had missed the boat when the rest of Europe and Asia were open for investments and had to

look elsewhere when seeking opportunities beyond their borders. Latin America was the logical place.

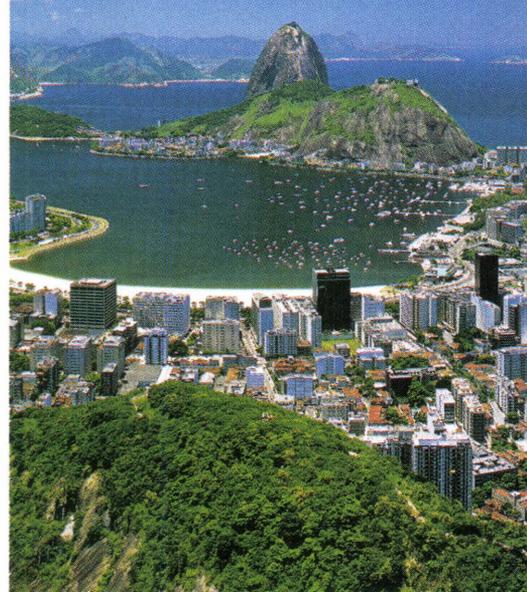
Recently, Spain's leading bank, Banco Santander Central Hispano (BSCH), placed the winning bid for Brazil's state-owned Banespa, putting up a colossal \$3.6 billion for the privilege of becoming the third-largest bank in Latin America's biggest economy.

The deal also put BSCH at the top of the financial services sector in the region where it now owns seventeen banks in a dozen countries with close to 23 million customers. Now, BSCH's domestic rival, Banco Bilbao Vizcaya Argentaria, is running hard to catch up.

Brazil was also the country chosen by Telefónica Group, the biggest Spanish multinational by capitalization, to launch its Latin American debut of Terra Mobile, the group's mobile Internet portal. Telefónica executives picked Brazil because their projections estimate there will be almost 58 million mobile phone users there by 2004—a market ripe for the picking.

In the utilities sector, Spain's biggest electric companies, Endesa and Iberdrola, have invested across the Latin American map, with interests in Argentina, Chile, Colombia, Peru, Bolivia, and other Latin American nations. Endesa owns a mobile phone company in Chile, while Iberdrola is also active in telecoms, as well as water treatment and gas trading in the region.

Rio de Janeiro's metro area contains more than 12 million consumers, making it a key Latin American market.



Big-ticket infrastructure projects and hotels are also proving attractive to the "new conquistadors." Construction companies like Dragados, Acciona, FCC, OHL, and others are involved in putting up everything from freeways, railroads, and airports to dams, housing developments, and shopping centers. Spanish hotel firms, which learned their trade in the mass tourism markets of the Costa del Sol and Balearic and Canary Islands, are the major players in the Cuban holiday resort sector. One company, NH Hotels, is duplicating its successful home market strategy building city center properties aimed at the business traveler in Chile, Argentina, and Uruguay.

But the so-called Spanish *reconquista* may be losing steam. Spain's foreign affairs and economy ministries' figures show that Spanish investment in Latin America slowed significantly in 2000 and is expected to amount to only an estimated \$15 billion between now and 2004.

Portugal, however, is following its Iberian neighbor's example with its businesses expanding into former colonies, with Brazil the biggest of those. In one recent case, a Spanish firm and a Portuguese company have joined forces to do business there.

Portugal Telecom and Spain's Telefónica jointly are creating South America's largest-ever mobile phone company by combining their existing assets in Brazil in a venture worth a whopping \$10 billion. ☎

Benjamin Jones is a EUROPE contributing editor based in Madrid.



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(top) Former Mexican president Ernesto Zedillo shakes hands with European Commission President Romano Prodi (right) while Portuguese Prime Minister Antonio Guterres (center) looks on, following the signing last March of the free trade agreement between the EU and Mexico—a strategic partnership that continues to be strengthened under Mexico's new president, Vicente Fox (bottom).



Mexico Turns To EUROPE

By Shaazka Beyerle

The EU–Mexico Agreement, together with the subsequent EU–Mexico Free Trade Agreement, could be described as the crown jewels of EU–Mexican relations. The agreements represent the culmination of one process—the institutionalization of this historically linked relationship—and the beginning of a new process—a dynamic strategic partnership.

Mexico has always had close ties with Europe, particularly with member states such as the United Kingdom, France, Germany, Italy, and Spain. However, it was not until the 1990s that the country began to develop a strategic policy of engagement with Europe, which reflected both a newfound international orientation and the onset of a political, economic, and social transformation that continues to this day.

With NAFTA in place in 1994, Mexico embarked upon an accelerated pace of international economic negotiations. It now has implemented free trade agreements (FTAs) with thirty-two countries, the largest number in the



world. Since 1994, its global trade has grown at an average of 18 percent, faster than any other country. Mexico is the world's seventh-largest importer and the eighth-largest exporter. Fernando de Mateos, a Mexican assistant secretary of trade negotiations, told *EUROPE* that presently 90 percent of Mexico's exports are manufactured goods, with the remainder consisting primarily of oil, minerals, and agricultural products.

The US remains Mexico's principal trading partner and investor. The European Union comes in second, but not that long ago several factors could have prevented the EU and Mexico from building such a strong relationship. Notably, Mexico was building its NAFTA ties and forging an economic presence in the world, while the EU was engaged in its own process of integration and enlargement.

H.E. Jaime Zabłudovsky, who was the Mexican ambassador to the EU until April 2001 and was Mexico's chief negotiator of the EU–Mexico Global Agreement, explained that a realization emerged on both sides of the Atlantic that without some kind of proactive effort, Mexico and Europe would drift apart simply because their attention was focused elsewhere. What was needed was the institutionalization of the relationship and a mechanism to regularize dialogue. Each side had its own motivations to reinvigorate the relationship. But both also shared the desire to maximize trade with one another and to coordinate positions in the international arena. For instance, de Mateos

asserted, "Mexico and the EU have a very important task to fill together to strengthen the WTO and start a new round of trade negotiations."

For Mexico, there are compelling economic and political reasons to look to Europe. "The short answer," said Ambassador Zabludovsky, "is that we do not want to put all our eggs into one basket." While NAFTA has been a resounding economic success, the country does not want to rely solely on the US nor neglect its second most important trading partner and the biggest single market in the world. Although the FTA between Mexico and the EU just came into full force over the course of the past year, there already are some noteworthy results. New figures released by Eurostat, the European Commission's statistical office, indicate that during the first five months of the agreement (July–November 2000), Mexico's goods exports to the EU increased by 55 percent.

From 1994 to 2000, 19.2 percent of Mexico's foreign direct investment came from the EU, in comparison to 63.4 percent from the US. With trade relations on course, attracting more investment is a now major economic priority. In turning to Europe, Mexico is seeking capital investment and employment, as well as some less obvious benefits. "We want a broader spectrum of the best technology and inputs," said de Mateos. The EU is an important alternative source.

On the other hand, Mexican industry perceives the EU as an important market. De Mateos cited a number of Mexican corporate investments in Europe. Maseca has opened a factory to make tortilla chips in the United Kingdom. Concrete producer Cemix is a sizeable investor in Spain. Bimbo, the baking concern, already has production facilities in Spain and is launching a new investment in Austria to supply bread and sweets to that market as well as to Germany and Central Europe.

Beyond its immediate economic objectives, Mexico has a strategic vision of its place in the global economy, and Europe constitutes an integral dimension of that vision. With its free trade agreements with the world's two biggest markets combined with a network of agreements covering Latin America, de Mateos sees his country emerging as "a hub for trade and investment."

Beyond trade and investment, Mex-

ico saw several political benefits in a strengthened relationship with Europe. First, it offered an opportunity to diversify its political ties. "Europe is increasingly becoming an important player with one voice on the world scene," said Ambassador Zabludovsky. Secondly, Mexico also wanted to learn from the EU experience of integration and enlargement as it develops its own vision of closer ties with its Central American neighbors. Third, it viewed the institutionalization of such an important political relationship as a sign of its own development and capacity to confront domestically sensitive issues such as human rights and democracy. "It [political dialogue] reflects the transformation in Mexican society. We are confident we can have a transparent, open political dialogue with the EU," concluded Ambassador Zabludovsky.

Beyond the EU–Mexico Agreement, it is noteworthy to add that Mexico has forged close ties with other EU institutions. In December 1999 it acquired observer status with the Council of Europe. A parliamentary delegation from the Council visited Mexico in June 2000. The Mexican Parliament interacts regularly with the European Parliament through the Interparliamentary Delegation for Relations with Central America and Mexico. Several visits have taken place, the most recent was in May in Strasbourg. This year Mexico also concluded a free trade agreement with the European Free Trade Association and has indicated that it is interested in free trade agreements with the Central and Eastern European countries. ☺

Shaazka Beyerle, based in Washington, profiled Luxembourg in the April issue.

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Mexico's Entertaining Export

By Shaazka Beyerle

Telenovelas titillate European audiences and advertisers

What Mexican export is highly volatile, induces tears, and is not a Chile pepper? It's the *telenovela*—that uniquely Latin American phenomenon that is a close cousin of the American soap opera.

Over the past ten years, these television shows have become wildly popular in parts of the EU and all over Central and Eastern Europe. They have spawned a host of domestic imitations, have made Mexican actors household names, and are generating imaginative new Mexican-European ventures.

What exactly is a telenovela? Imagine a Harlequin romance or a Barbara Cartland novel videotaped with Spanish-speaking actors. Heroes and heroines intertwine with villains and villainesses in a complicated plot that is always resolved happily. With names like *Mirada de Mujer* (The Glance of a Woman) and *Cuando Seas Mia* (When You Will Be Mine), the shows are, of course, brimming with melodrama. Even the macho

men cry. However, unlike American soap operas, which in industry jargon are "eternal," telenovelas usually consist of either 100 or 200 episodes.

Mexican telenovelas are produced by TV Azteca and Televisa, the latter claiming to be the largest media company in the Spanish-speaking world.

For TV Azteca, Europe as a whole constitutes 20 percent of its global telenovela sales, which amounts to approximately \$5 million a year. The company's productions are presently screened in Portugal, Spain, Greece, Cyprus, Turkey, the Central European countries, the Baltic states, the Balkans, and Russia. This autumn, France 6 TV will test the market with one of the most successful telenovelas in recent history, *Catalina and Sebastian*.

Telenovelas do cost less than American programs, but according to Dino Dinev, chairman of Pyrine Films, this is not the principal reason they are bought. Quite simply, they draw audiences across cultures. Dinev, who distributes telenovelas throughout the former Eastern Bloc countries, says that in Moscow alone, six of the twelve channels air Mexican telenovelas. Urban legend has it that in the midst of a commercial break



Long a hit with Mexican audiences, *Cuando Seas Mia* is now finding audiences across Europe.





In *Mirada de Mujer*, Angelica Aragón (right) plays María Inés who meets a young journalist Alejandro played by Ari Telch (left) after her husband of twenty-seven years leaves her.

MIRADA de MUJER

during one particularly gripping episode, so many Muscovites flushed their toilets that the sewage pipelines ruptured in the city. Greece is another big buyer. "Telenovelas have a temperament germane to the Greek lifestyle," explained Christina Spyropoulos of Apollo Television International.

Telenovelas have also launched hair and fashion trends. The trademark butterfly hair clip sported by the heroine of *Catalina and Sebastian* became a hot fashion accessory throughout the Balkans this year. Some of the Mexican stars have also become famous in Europe. Take Veronica Castro. During a visit to Russia, she was received by then-president Yeltsin. She has gone on to act in Italy where—true to the characters she has portrayed—she found her real-life prince, a wealthy Italian.

The popularity of telenovelas in some markets seems strange considering that they are steeped in Latin American culture and would seem to resonate less with viewers in regions with different sensibilities, for instance, Estonia or the Czech Republic. But market analysts say the shows tap into basic human desires, emotions, and fantasies

with which audiences across Europe can identify. They either provide an escape from daily life or an affirmation of the average person's emotional ups and downs.

It follows then that telenovelas fall into two main groups. In the "Cinderella" genre, the poor girl finally gets the rich boy despite all kinds of obstacles. "Women dream they can have this, and they identify with the female character," explains Marcel Vinay, vice president of international sales at TV Azteca. In the "reality" genre, the characters, although wealthy, have universal concerns. "They have the same problems as everyone, over love, between men and women, children and parents. People feel connected to this, whether they are rich or poor," he added. For many in Central and Eastern Europe, such themes are a temporary relief from daily hardship and uncertainty.

Mexican telenovelas, considered to be among the finest in Latin America, have become more sophisticated overtime, giving the characters more complexity, making the settings more lavish, and adding outdoor scenes. "Another se-

cret to their success is flexibility and open-mindedness. Mexicans will always make laud-

able programs because they can learn from their previous mistakes and adapt to change," asserted Spyropoulos. A good illustration of this dynamism is that Mexican telenovelas are now starting to cater to different target groups, with some productions even for young people.

The success of Mexican telenovelas in Europe is generating new transatlantic opportunities. Pyrine Films is developing a project with TV Azteca to remake a Mexican telenovela. A Mexican-French-Portuguese co-production, it will be shot in France and Portugal in both English and French and then dubbed into Portuguese. Apollo Television has released a CD and book on *Mirada de Mujer* in Greece. They are thinking of delving into licensing with TV Azteca to target specific consumer groups in Greece and Cyprus.

Mexican telenovelas may not be the biggest export to Europe, but they are undoubtedly the only ones that reach millions of homes almost every day. ☺



The new European Parliament building is located in the historical district of Brussels.

By Alan Osborn

THE PEOPLE'S Parliament

You might well think that the remarkable thing about the European Parliament (EP) is not that it works well but that it works at all. Think how hard this is. Here is an assembly of 626 parliamentarians drawn from fifteen different countries, scores of political parties, and using eleven languages. Its members span the ideological spectrum from communists to neo-fascists. Its work is spread out over three cities in three different countries. There's no other institution like it anywhere in the world.

If the EP was just a debating shop or consultative body, none of this might matter. But it isn't. It might be overdoing it to say that European citizens eagerly hang on every utterance from the EP, but a far worse mistake would be to disregard the assembly as lacking in power or influence. Not quite a true parliament yet, perhaps. It can't declare war or raise taxes. It ranks lower in public esteem than national parliaments. But it can affect the lives of the EU's 370 million citizens in countless

ways, and its authority is growing all the time.

Who are they, then, these 626 members of the European Parliament (MEPs)? Each EU country is allocated a specified number determined roughly by population so that Germany has ninety-nine; the United Kingdom, France, and Italy have eighty-seven each; and so on down to tiny Luxembourg with six. The representatives are elected under the voting procedures that apply in their own countries and are usually members of national political parties. However, in the EP assembly the parties form groups with like-minded delegations from other countries and tend to vote in multinational blocs according to political slant.

There's been a "rightist" majority in the EP for more than eighteen months now, but it's not always easy to explain to American readers precisely how this differs from the socialist majority that preceded it. By US standards the mainstream European political parties are all a bit leftist. The main center-right

group, the European People's Party with 232 members, tends to favor a more business friendly agenda than their opponents, but they are seldom willing to challenge the lavish social security systems that most European countries take for granted. In practice the EPP and their main opponents, the Socialist Group with 180 seats, frequently agree with each other, especially when matters like European integration and the Parliament's own powers are under consideration.

Since its creation in the present form in 1979, the EP has steadily increased its powers. A major leap forward was provided by the Amsterdam Treaty, which came into effect in 1999. The EP now has an equal say, or co-decision, with the EU government ministers over a range of thirty-eight policies, including the EU budget, the single market, the environment (except where taxation is involved), transport, consumer, and some social legislation.

When the EP and the ministers disagree over policy, a process known as

“conciliation,” where delegations from each side sit down together to negotiate a compromise, comes into play. In recent years this has produced a raft of important legislation covering genetically modified food, cigarette advertising, fire safety, and automobile emissions, among other things. Conciliation is now the more or less normal way of conducting business.

Because of the complexities of the procedures, the constant need for translation and the somewhat oblique way in which power is expressed, the ability of an individual member to sway the house with a devastating speech is limited. The EP’s history shows few, if any, examples of minds being changed by a single intervention. That’s not to say that personal crusades can never succeed. The EU ban on baby sealskin imports and the crackdown on auto emissions show this can be done. But it usually takes political savvy rather than inspiring rhetoric to achieve it.

Like any parliament, the EP has its share of people whose whole lives are devoted to politics.

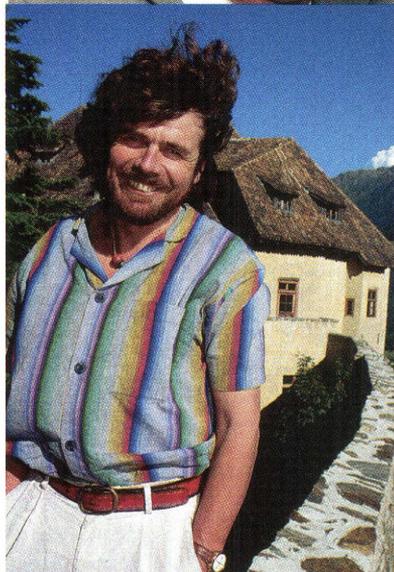
The present intake includes a sprinkling of former prime ministers (including the ex-president of the European Commission Jacques Santer), senior political worthies, and successful businessmen and women.

But more colorful figures are the former student revolutionary leader Daniel Cohn-Bendit; the two Northern Ireland adversaries, Nobel Peace Prize laureate John Hume and the Reverend Ian Paisley; and Dana, the Irish vocalist who has lived in the US in recent years. Other MEPs include the former commander of the UNPROFOR military forces in Bosnia, Philippe Morillon; the Italian mountain climbing pioneer, Reinhold Messner; and also from Italy two distinguished anti-Mafia campaigners, Giuseppe di Lello Finuoli and Antonio di Pietro. Up-and-coming members include Pat Cox, the Irish leader of the Liberals, and Heidi Hautala, the Finnish leader of the Greens.

Prior to 1979 the EP was sometimes seen as a kind of lavish “retirement home” for former politicians who had served their time in domestic affairs, and its reputation suffered accordingly. Since the introduction of direct elections in that year, however, the average age of members has fallen; more women have been elected; and a sharper, more professional focus has emerged.



Members of the European Parliament include: (top right) former Italian magistrate Antonio di Pietro with (top left) Commission President Romano Prodi; (center) Northern Ireland Democratic Unionist Party leader Reverend Ian Paisley; (bottom left) Italian mountaineer Reinhold Messner; (below) former Irish vocalist Dana with her mother Sheila Brown.



Yet, the EP has never enjoyed great popularity among EU citizens. In large part this is because it is often the butt of attacks by those whose real target is the European Union itself. But the EP has also attracted criticism on grounds of financial cost.

Perhaps the most insistent charge arises from the requirement that the

EP maintain three bases: the French city of Strasbourg, where the formal monthly sittings are held; Brussels, where the political parties have their headquarters and where most committee meetings take place; and Luxembourg, where part of the administration as well as the library is located. The

constant shuffling of staff, documents, and equipment between the three cities results in a huge charge on the EP budget as well as a heavy physical and mental strain on MEPs and their staffs. Unhappily, it is not within the EP's power to alter this. The three sites are tenaciously protected by the coun-

tries concerned, and the arrangement can only be changed by a treaty amendment.

For all that, the EP is now a potent force in EU decision-making. The scores of corporate and special interest lobbyists who turn up in Strasbourg every month are proof of that. No one

expects the EP to take the place of national parliaments in the foreseeable future, but every five years or so it takes a clear and irreversible step forward in power and influence. **E**

Alan Osborn, a EUROPE contributing editor based in London, covers Luxembourg.

Pat Cox A Rising EP Leader

The Irish leader of the fifty-strong Liberal Group, Pat Cox, is widely regarded as one of the most able parliamentarians in the European Parliament. As part of an unwritten agreement with the European People's Party, he is expected to be elected president of the EP next January. Recently, EUROPE asked Mr. Cox to expound on the development of the Parliament's role in the European Union.

How do you see the role of the European Parliament developing?

The immediate, and somewhat urgent, requirement is for the Parliament, together with the Council and the Commission, to figure out how to get a wider interest in the debate about where Europe is going. If there's going to be another treaty in 2004 as foreseen, what does it mean that national parliaments should be more involved, what does it mean that the treaty should be simplified?

We need first of all to establish a process before we get lost in the interior detail of the content. We need to engage in a substantial debate with national parliamentarians about the quality of European democracy, about the role of 'parliamentarianism' and the accountability of executive bodies. Right now we need to get the processes up and running, and that has to include not only talking to parliamentarians but a wider dialogue with civil society. There's got to be a way to get out and listen, and parliamentarians are better placed because we are 626 elected members who come from actual constituencies.

If you are elected president of the Parliament what will you seek to do?

A delicate question. At one level, one needs to anticipate. Two and a half years is not long in the job—you've got to zip in and zip out, so you'd better plan if you want to get some business done while you're there. At another level, this has to be done very *sotto voce*. The plain fact is that we have to have a vote. Majorities in politics are things that you know only after they've counted the vote and not before. I travel in some hope and optimism, but I remain prudent about the fact that this is politics.

I'm hugely interested in the enlargement of the EU. I've traveled to the candidate states, and I have a huge level of personal commitment. We're looking at a continental scale enlargement. And the problem with the Nice Treaty is that it was a treaty of deals but not a treaty of ideals. The enlargement process is a challenge to idealism. It's a challenge to us to create the capacity to sustain a continental scale enlargement. And that is our

appointment with history for this generation of Europeans.

What are your views on EU-US relations?

There are many points of connection—parliamentary delegations, the twice-yearly summits, transatlantic business dialogues—and all are extremely useful, but somewhere I have the feeling that too little of what we're doing is process-based. It's more an events-based thing and the difficulty with events is that they don't thread together. An example is our vote on copyright. I wonder to what extent, maybe inadvertently, in a year or eighteen months, we may have to take on the point that there's potentially another trade war with the US. If you have a dialogue that's process-based you would be checking out these points *ex ante*, and it seems to me we should at least aim for that.

What other problems are there between the EU and US?

There are other trade issues—hush kits [for airliners], hormones, and so on—which we suffer from like a kind of case of rumbling indigestion. If we add the Rapid Reaction Force and the new European Security in Defense prospect, the National Missile Defense proposed by the US administration—all of these are points where we need serious high-quality dialogue at the level of the White



Irish MEP Pat Cox is the leader of the Parliament's Liberal Group.

House but also right down to the level of the Congress and Senate and the European Parliament. Parliamentarians want to be a significant process-based part of this.

My own experience as a politician is that before you get into that you've got to eyeball some people so that you know that the guy at the other end of the line doesn't have two heads. We are inescapably linked to each other through a commitment to democracy and to general values, and all of this needs to be recognized in the legislative and political domain. Speaking primarily as a parliamentarian, we could try to bring a vision of leadership to create the political preconditionality that allows administrations to have a more successful dialogue. A year from now that will be a strong personal interest and theme, should I have the privilege to lead the house here.

EUROPE

Update

JULY / AUGUST 2001

VOLUME IX / NUMBER 7

EU NEWS: BUSH MEETS THE EUROPEANS

President George Bush's first visit to his European and NATO allies began amid deep concern that differences over his plans for missile defenses and his blunt rejection of the Kyoto Protocol on global warming were putting deep strains on transatlantic relations. Underlying the arguments over policy lay a deeper worry: that Europe's firm opposition to capital punishment was testing the shared community of values. President Bush had presided over more than a hundred executions while governor of Texas, provoking Italy's *La Repubblica* to dub him "the Executioner-in-Chief." Other European newspapers gave the new president a somber welcome. Germany's *Sueddeutsche Zeitung* called him "Bully Bush," the UK's *Guardian* suggested his visit was "the return of the Ugly American," and France's *Le Figaro* called him the "Toxic Texan."

Aware of these tensions, the White House planned its schedule with care. The trip began with a visit to a fellow conservative, Prime Minister Jose Maria Aznar of Spain, who gave his support to Bush's plans to build an antimissile defense system. The next stop was NATO headquarters in Brussels, where Bush found more support for what he called "the new security framework," of which missile defenses were but one component. Poland, Hungary, and the Czech Republic, new

members of the alliance, backed his proposals and so did the new conservative prime minister of Italy, Silvio Berlusconi, whose election in May had significantly diluted the left-of-center consensus among most European governments.

Once in Gothenburg, where the heads of government of the fifteen-nation European Union had gathered for their own summit, the Europeans found Bush to be considerate, thoughtful, and eager to hear their points of view. As Bush had said at NATO: "I'm no unilateralist—I consult and I listen." They agreed to differ on the merits of the Kyoto Protocol itself, which Bush feared would curb economic growth in rich countries while putting no constraints on poor ones like China and India. Nevertheless, they agreed to pursue joint research into its causes and effects and to work together at the next round of global warming talks in Bonn.

They agreed to work together to launch a new round of global free trade agreements later this year, and to take the heat out of their own trade disputes by setting up a new arbitration system that would avoid the legal antagonisms of the current World Trade Organization disputes process. They also agreed jointly to back the United Nations' new Global AIDS Fund, and laid out an ambitious new agenda for transatlantic cooperation.

"We are determined to strengthen our transatlantic bond. We agree that, for our partnership to be a stable platform for our common global agenda, we must address our differences honestly and seek, in good faith, constructive solutions. This we intend to do," they agreed in the Gothenburg statement, the formal joint declaration from the summit.

Bush also endorsed the EU plans for their own military force despite Pentagon fears that it could undermine NATO.

"The US welcomes the efforts of the EU to strengthen its capabilities and to develop the ability to manage crises, including through military operations, where NATO as a whole is not engaged, and in a manner that is fully coordinated, where NATO interests are involved, and transparent with NATO, and that provides for the fullest possible participation of non-EU European allies," the joint statement said.

"There was an absolutely positive climate of collaboration, sympathy, and cordiality," said Silvio Berlusconi, Italy's new prime minister, after Thursday's dinner with Bush and the European leaders. "He said we want to work together on the Middle East, the Balkans, and Macedonia."

"Bush gives a far better image of himself in person than we got through the media," said Belgian premier Guy Verhofstadt. "The atmosphere is much better now. We

all feel more confident of our relations with the Bush administration."

The EU Summit

The EU leaders in Gothenburg were strongly encouraged by Bush's firm support for their own central project of EU enlargement. Despite the setback of Ireland's no vote in the referendum to ratify the Nice Treaty, the EU leaders decided to press on with their plan to admit the first wave of new members from Eastern Europe in time for the 2004 European Parliament elections. Ironically, the protest demonstrations that had been expected for Bush began to rage as he left Gothenburg, briefly disrupting the EU summit as some leaders were stuck in their hotels by two days of violent anti-globalization riots.

The Swedish hosts of the summit had hoped to complete their six-month tenure of the EU's rotating presidency with a dramatic advance on the enlargement process. The Irish referendum vote dented this ambition but also emphasized the nagging worry that the European project is getting too far ahead of many of its citizens. The Irish vote, along with Denmark's referendum vote against joining the euro currency last September, has been echoed by some gloomy findings by Eurobarometer, the EU-wide poll, suggesting that the case for European in-

tegration is not being made effectively. German and Austrian insistence on long transition periods before the new EU members can enjoy full rights to free movement of labor reflects fears of low-wage competition in a Europe where unemployment is still close to 10 percent of the workforce. Refugees and asylum, another issue that fuels public doubts about enlargement, were back on the agenda with the renewed fighting in the Former Yugoslav Republic of Macedonia, evidence that the decade-long peacekeeping effort in the Balkans was far from over.

The state of the EU economy, in the wake of the slowing in the US, hung heavily over the Gothenburg summit. New figures from the European Central Bank showed inflation running at 3.4 percent, an eight-year high, while the euro continued its weakness against the dollar.

The EU's Changing Political Face

Tony Blair, the United Kingdom's New Labor prime minister, arrived in Gothenburg in triumph, after a sweeping re-election victory that raised the prospect of an early British referendum on joining the euro. The UK's Euroskeptic Conservatives had tried to make the election turn on opposition to Europe and the euro and had been heavily defeated. Having surpassed France in annual GDP to be-

come the world's fourth-largest economy, British accession would give the faltering new currency a much-needed boost.

Since 1997, the politics of Europe had been shifting steadily to the center-left, after the election victories of Blair in the UK, Lionel Jospin the French Socialist, and Gerhard Schröder, Germany's first Social Democrat chancellor for nearly twenty years. The two conservatives, Spain's Jose Maria Aznar and Ireland's Bertie Ahern, were lonely figures in a Europe whose leaders eagerly joined then president Bill Clinton in discussions of his 'Third Way' between market capitalism and traditional state-led social democracy.

The election of Silvio Berlusconi as Italy's new prime minister in May has changed that image. In his last press conference before the election, Berlusconi declared, "I want to be George Bush's best friend in Europe" and announced his backing for Bush's stands on missile defenses and the Kyoto Protocol on global warming.

Berlusconi's victory, somewhat tarnished by controversies over his financial dealings and an outstanding warrant for his arrest in Spain over company taxes, brought to four the number of conservative governments in the European Union. Like Austria, where the moderate conservative Chancellor Wolfgang Schüssel ran a coalition government with Jörg Haider's

unsavory nationalist party, the Berlusconi government also depended on controversial allies. The anti-immigrant leader of the Northern League, Umberto Bossi, sat alongside Gianfranco Fini, of the Alleanza Nazionale, in the new government. Unlike Austria, however, the other EU leaders thought better of imposing diplomatic sanctions on Italy. They had not worked very well when applied against Austria, and it was clear that a revived European conservatism was now a force to be reckoned within the politics of the European Union.

—Martin Walker

EU Prohibits GE-Honeywell Merger

The European Commission decided to prohibit General Electric's proposed \$45 billion purchase of Honeywell International, a deal that would have been the world's largest industrial merger. On July 3, European Competition Commissioner Mario Monti issued a statement saying, "The merger between GE and Honeywell, as it was notified, would have severely reduced competition in the aerospace industry and resulted ultimately in higher prices for customers, particularly airlines." The Commission's twenty members unanimously supported the decision to stop the merger.

The Commission's decision comes after the US Justice Department had already

approved the deal with minor changes. In recent months, the two companies had attempted to amend the deal to gain EU approval. The EU's decision marks the first time its competition authorities have squelched a merger that had been approved by its US counterparts.

"The European Commission and the US Department of Justice have worked in close cooperation during this investigation," said Monti. "It is unfortunate that, in the end, we reached different conclusions, but each authority has to perform its own assessment and the risk of dissenting views, although regrettable, can never be totally excluded. This does not mean that one authority is doing a technical analysis and the other pursuing a political goal, as some might pretend, but simply that we might interpret facts differently and forecast the effects of an operation in different ways."

GE spokesman Gary Sheffer issued a statement saying, "We strongly disagree with the Commission's conclusions about the competitive effects of GE's acquisition of Honeywell and its statements about the market position and influence of GE Aircraft Engines and GE Capital Aviation Services. The facts just don't support these assertions. We believe this acquisition would have clearly benefited consumers in terms of quality, service, and prices."

REPORTER'S NOTEBOOK: GOTHENBURG SUMMIT

When the trouble started, Anna Lindquist was bicycling up Gothenburg's Kungsporsavenyn on the way to visit a friend. She and others on the streets of the Swedish city watched in bafflement that quickly turned to horror as hundreds of masked hooligans began demolishing windows in the

avenue's fine old buildings, prying up heavy street cobblestones to do the job. Minutes later, the avenue was burning as hooligans set fire to chairs and portable toilets they dragged into the middle of the street. And the cobblestones had become airborne missiles.

Later that evening, rioting broke out again. This time, the

police shot into the mob, seriously wounding three people. The violence, during the June meeting of the European Council hosted by the Swedes as European Union president, shook not only Gothenburgers but also people throughout the country to the core. Sweden has a long tradition of relatively peaceful protest. Such violence is virtually unknown.

Prime Minister Göran Persson had tried to forestall problems, meeting with representatives from non-governmental organizations and others who were planning protests during the summit to discuss their grievances. But it wasn't they he needed to worry about. The 20,000 peaceful protesters who did march were over-

NOTEBOOK (CONTINUED)

shadowed by a few hundred bent only on destruction. The summit itself was overshadowed, despite agreement on such significant issues as pushing ahead with ratifying the Kyoto Protocol, a date for EU enlargement negotiations to be completed, and acceptance of a new environmental program.

Persson acknowledged the Swedish tactic hadn't worked. "We just have to be a little more realistic about the world we live in," he said.

The summit and the visit the day before of President George W. Bush are now over. But in its aftermath, Swedes are reexamining their whole protest ideology and searching for answers about how such violence could have happened in their country.

"This is going to create enormous debate in Sweden," said Heikki Talvitie, the Finnish ambassador to Sweden whose delegation was forced to evacuate its hotel on the avenue and take over rooms in the ultra-secure hotel at the summit center. "There's a tradition here of children and elderly people taking part in peaceful protests. Now people are going to wonder if that's still possible."

For Göran Johansson, Gothenburg's popular mayor, the riots were a personal blow. Johansson had convinced the city's residents to

do without mail delivery in the secured area around the conference center for a week; to wear badges to get to their homes in the area; and had even gotten businesses to accept having to close or temporarily move out of the city center. The day before the summit started, a beaming Johansson welcomed guests to a reception at the brand new Universeum Science Center, proudly showing off both its architecture and the simulated rainforest filling the middle of the building.

Meanwhile, the national government's plan to use the Swedish presidency to make the Union more popular with a doubtful constituency may have backfired irreparably.

An angry Peter Hornberg, who owns a cafe on Kungssportsavenyn and who figured it would cost at least \$10,000 to replace his windows, declared, "I'm sending a bill to Göran Johansson. If he can bring this [trouble] here, he can pay to fix this." Estimates are that it will cost more than \$10 million to repair all the damage.

The violence may also help influence opinion against joining the EU in the countries now negotiating membership. Leaders from those countries were on hand to discuss enlargement and watched the violence with one eye turned homeward.

But they say they won't let this stop the process. "These developments are unlikely to change the opinion of the people in Lithuania," promises Lithuanian Prime Minister Rolandas Paksas.

Police say the violence was well planned, at least in part by foreign agitators. If any good has come from it, it is that Gothenburg may well be the final straw that forces international politicians to rethink how such meetings are conducted. But Persson and other EU politicians say they must go on in some type of public way.

"They want us to withdraw, to hide, go away," says Persson. "But to just surrender to that type of pressure is wrong. We cannot just give up. We have to say enough."

As violence raged, there was a surrealistic, Marie Antoinette-like atmosphere inside the summit center, with delegates meeting and drinking wine at a reception afterward, that had been moved to the center for security reasons

from the restaurant where it was originally planned.

Barbro Petric, a waitress at the conference center also worried that the thousands of visitors to her city weren't able to walk through the streets, enjoying the fine parks and architecture, and seeing the sites.

Other residents tried to find out what made the rioters so angry. "Why can't we talk about this? This is our city, why are you doing this?" one man asked as a teenage girl hurled a cobblestone through a window.

Just a day after the meeting ended, most of the physical signs of the riots were gone. But Gothenburgers and the rest of Sweden are still recovering from the shock. And while one of the government themes for the meeting was "Take a look at Europe," with giant video screens televising various parts of the summit in the city center, it may be a long time before Swedes want to see Europe again.

—Ariane Sains



Contributors

Bruce Barnard reporting from London

Ariane Sains reporting from Gothenburg

Martin Walker reporting from Washington, DC

Europe Update is published by the Delegation of the European Commission, 2300 M Street, N.W., Washington, DC 20037. The contents of this newsletter do not necessarily reflect the views of the European Union institutions or the member states.

BUSINESS BRIEFS

Europe's top car manufacturers plan to invest tens of billions of dollars in the next three years launching new models and growing sales in overseas markets.

Fiat of Italy has earmarked \$14 billion to bring nineteen new models onto the market by the end of 2005 and to improve the image of its three brands—Fiat, Lancia, and Alfa Romeo. It also plans to launch the new Alfa Romeo Spider sports car in the US in early 2005 and fore-

casts sales of up to 30,000 through the dealership network of its partner General Motors, which owns 20 percent of its stock.

France's Peugeot-Citroen plans to launch twenty-five new models between 2001 and 2004, compared with nine between 1997 and 2000. Citroen, long the junior partner in the company, is seeking to step out of Peugeot's shadow with a \$2.5 billion annual investment plan aimed at boosting sales by more than 30 per-

cent to 1.5 million cars a year, helped by the launch of four new models over the next four years. Claude Satinet, Citroen's chief executive, says the company must rediscover its flair for idiosyncratic design and innovation to get more of its cars on the road.

Both firms face a tough challenge boosting their share of a saturated market as Europe's biggest carmaker, Volkswagen, is expected to roll out around sixty-seven new vehicles through 2004.

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Meanwhile, MG Rover, the loss-making UK car manufacturer sold by Germany's BMW for a symbolic \$14 last year, is set to return to North America after an absence of more than twenty years following its surprise acquisition of the sports car unit of Qvale, the family-owned US-Italian sports car group.

The deal gives MG Rover the rights to Qvale's Man-gusta sports car, a manufacturing plant in Modena (the

BUSINESS BRIEFS (CONTINUED)

Italian home of **Maserati**), and access to Qvale's US dealership network.

MG Rover immediately launched a challenge to **Porsche** and **Ferrari** by announcing plans to produce a "super car" the MGX80. The 400-horsepower car based on the chassis of the Mangusta but with a new British body design will cost less than \$70,000.

MG Rover, which almost brought BMW to its knees after an ineffective multibillion dollar investment program, is still unprofitable but last year's losses have been more than halved to around \$420 million and the only British-owned volume car manufacturer is on target to break even next year.

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Europe's airlines usually make bumper profits during the peak summer travel season, but this year several carriers will be fighting for survival as the decade-long consolidation starts to sort out the winners, the losers, and the also-rans.

Like their US counterparts European airlines are suffering from a slowing economy and high fuel prices. But some are also paying the price for ill-judged strategies and a failure to reduce their bloated cost structures. **Swissair**, once the pride of Switzerland, is struggling with debts of \$3.5 billion amassed during a flawed bid to create a global carrier by buying into second-tier airlines. It allowed its two part-owned French carriers, **AOM** and **Air Liberté** to slide into bankruptcy in June and is considering whether to cast off from 49.5 percent owned **Sabena**, a decision that could threaten the existence of Belgium's national airline.

Other airlines are suffering too, including **Lufthansa** of Germany, which slashed its 2001 profit forecast by 30 percent following a four-month dispute with its 4,200 pilots, and Spain's **Iberia**, which had a lackluster initial public offering followed by renewed strikes by its militant

pilots. Meanwhile, **British Airways** and **KLM**, which abandoned a merger because of regulatory hurdles last September, have started talks aimed at "alternative forms of cooperation."

The budget airlines, by contrast, continue to prosper. Ireland's **Ryanair**, Europe's most profitable carrier with fatter margins than its US role model **Southwest Airlines**, is adding more routes, and UK-based **easyJet** is setting up hubs in Continental Europe. They are now facing tougher competition after British Airways sold its budget carrier, **Go**, to a consortium of venture capitalists and management, for \$150 million, a handsome return on its initial \$37 million investment three years ago.

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Euronext, the pan-European stock exchange formed from the merger of the Amsterdam, Brussels, and Paris bourses, intends to use the anticipated \$665 million proceeds from its initial public offering to fund acquisitions of other exchanges. The IPO in early July values the Amsterdam-based company at up to \$2.66 billion and follows the flotation of Frankfurt's **Deutsche Börse** in January and the listing of the **Oslo Børs** in May. The **London Stock Exchange** plans to go public in July.

Euronext is Europe's leading exchange by trading volume, but it ranks behind London in the market capitalization of the companies it lists.

•••

Brunswick Corporation of Chicago, the world's leading manufacturer of pleasure boats, paid \$68 million for **Sealine International**, a privately held British boat maker. Brunswick, which also makes bowling alleys and pool tables, plans to use Sealine as a launch pad into Europe, the world's second-largest boating market after the US.

Sealine, which had revenues of \$70 million last year and employs approximately

500 people, makes motor yachts and sports cruisers from twenty-four feet to fifty-one feet in length, with prices ranging from \$56,000 to \$700,000.

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The arrival of euro bills and coins next January could trigger a \$1 billion spending boom on luxury items as consumers rush to spend their hoarded cash rather than exchange it for the new currency, according to investment bank **UBS Warburg**. The bank reckons **LVMH**, the French luxury goods and drinks group; **Swatch**, the Swiss watchmaker; and **Bulgari**, the Italian jeweler, will be among the beneficiaries. Hotels and leisure groups likely will enjoy higher sales as well and construction companies will benefit as consumers spend their hidden cash on property to avoid paying tax on it.

"Swiss watches, fine wine, antiques, perhaps even the odd Old Master will change hands at new record prices," UBS Warburg suggests.

Italy and Greece will probably see the highest spending as they have the biggest underground economies, estimated as high as 20 percent of gross domestic product.

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Airbus Industrie edged out its arch rival **Boeing** at the recent Paris air show, clinching orders worth around \$11 billion, all from US companies, to consolidate its 50 percent share of the global market for large passenger jets.

The tally included Airbus's largest ever order for 111 planes worth around \$9.9 billion at list prices placed by Los Angeles-based **International Lease Finance Corporation**, which is buying ten of the company's A380 super jumbos as well as eighty of the smaller A320s and twenty-one A330s.

Airbus also won a \$1.6 billion order from New York-based budget carrier **JetBlue** for thirty A320 jets with an option on a further eighteen aircraft that could take the value

of the contract to \$2.5 billion. These deals took Airbus's order book for 2001 to 299 planes, while Boeing, which booked only a clutch of orders in Paris, has 172.

Airbus's success at a time when airlines are facing a downturn has boosted its confidence that it can match Boeing order for order from now on. "Right now we've got essentially 50 percent of the market," according to John Leahy, Airbus's executive vice president. "Maybe we will have 55 percent to 60 percent in future."

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Hennes & Mauritz is challenging **Ikea** as Sweden's most visible export success story, with the opening of twenty-one stores in the US, mainly in the Northeast, and plans to add thirty-five more in the next eighteen months.

Overall, Hennes & Mauritz, Europe's largest clothing chain, will open 100 stores in 2002 after adding fifty in the second half of this year. Chief executive Rolf Eriksen is pushing H&M's lower-priced fashions into France, Germany, and the United Kingdom, winning market share as sluggish economies make consumers more frugal.

H&M, which enjoys some of the fattest margins in the retail business, boosted pre-tax profit by 18 percent in the six months to May to \$200.4 million on sales 24 percent higher at \$2 billion. The company, which now has 730 stores, generates 88 percent of its sales outside Sweden.

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DaimlerChrysler put its airline leasing business up for sale as it focuses on its core automotive activities. The German-US company has a 45 percent stake in **Debis Air-Finance**, one of the world's five-largest airplane leasing companies, with a portfolio of 220 jets valued at \$5 billion. The firm is focusing its energies on a three-year, \$3.9 billion rescue plan aimed at making profitable its troubled US unit, Chrysler, by 2003.

—Bruce Barnard

Politicians

Young Europeans Meet to Discuss the EU of Tomorrow

By Maria Bernbom

There was an extraordinary buzz at the Egtveds Pakhus on a Saturday morning in late April. Usually, the beautifully restored storehouse is used for meetings and conferences by Danish ministries and governmental bodies. But this particular week, the building was invaded by some 300 youngsters between the ages of sixteen and eighteen, who came to Copenhagen to act as “politicians for a week” at the Model European Parliament, which was organized by European high school teachers.

During the break between two plenary meetings, lively discussions and friendly chats in English, Italian, Finnish, Greek, and other European languages echoed in the halls and on the staircase.

“The Model European Parliament is not merely about politics,” explained Nina Nørgaard, one of the organizers of the Copenhagen session. “Our main objective is to raise the youngsters’ general consciousness of European affairs, but it is also important that they learn about other European cultures and build international networks,” she said.

The delegates from the EU member states and observers from the EU applicant countries of Estonia, Latvia, Lithuania, and Poland were selected for their academic skills and solid knowledge of English. And through committee work, plenary meetings, and informal conversations between sessions, they learned about democratic processes and cultural diversity.

“Even though, the ‘real’ European Parliament is not obliged to carry out any decisions made during the Model European Parliament sessions, the students proposed constructive solutions for current challenges faced by the Union. And we



do present the resolutions to our links at the European Parliament,” explained Nørgaard.

“A delegate does not represent his or her country. Nor a political party,” she said. “However, we expect the students to be well informed of their respective nations’ stands on the issues that are debated during the session.”

The most popular issues among the youngsters are external affairs, such as the role of NATO and security policies, and the question of how to integrate refugees and other immigrants. Also, the young “politicians” place special importance on EU enlargement and the general European integration.

One problem in particular that occupies many of the young minds is the general lack of interest in and knowledge of European affairs among Europeans.

“Europe’s biggest problem is that most Europeans know too little about the important things that happen within the EU,” said Jan Kubran, a seventeen-year-old German. “We need to fight people’s prejudice against the EU by giving them proper information about what the EU is all about. One way to make people understand the multidiversity in which they live could be to introduce compulsory EU teaching in schools,” he suggested.

To seventeen-year-old Jurgita Venckute from Lithuania, European integration is only step number two. She is one of the observers from the applicant countries, and her main reason for wanting her country to become mem-

ber of the EU is economic growth.

“In Lithuania, we have no experience in operating in a free market. In order to open up doors to new opportunities for our country, we need to learn about the free-market mechanisms from other European countries,” she explained.

To her and the other participants, the week in Copenhagen has also been a personal experience.

“Spending a week with people from all over Europe is a wonderful opportunity to practice your English. Also you learn about diplomacy and responsibility, and from socializing, you learn to represent your country,” said the young Lithuanian.

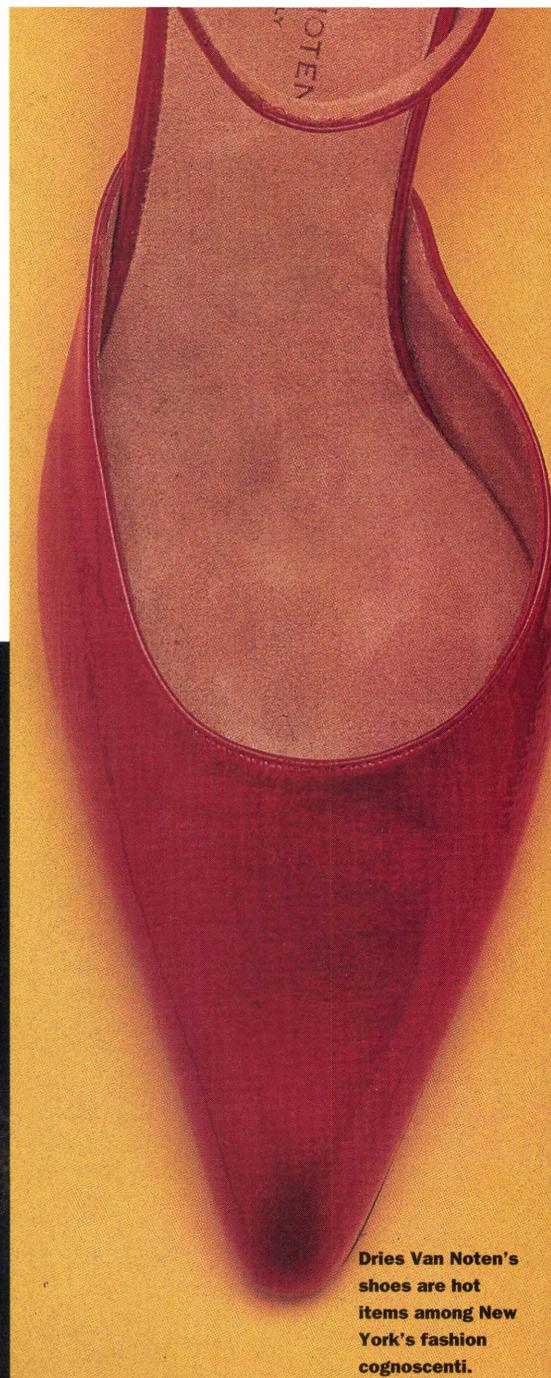
She also hoped to have added to the general picture of Lithuania by telling her co-politicians about Lithuania’s wonderful theater instructors and talented basketball players. And she might just have succeeded in doing so. Since the first session in 1994, the Model European Parliament sessions, which take place every six months in one of the EU member states, have attached importance to intercultural exchange and social activities.

This year’s program contained both social and cultural activities, such as team-building activities, parties, and visits to Copenhagen’s renowned museum of Modern Art and Kronborg Castle—the famous home of Shakespeare’s *Hamlet*. ☺

Maria Bernbom, based in Copenhagen, is a EUROPE contributing editor.

By Suzy Hendrikx

Belgian Style Gains a Foothold



Dries Van Noten's shoes are hot items among New York's fashion cognoscenti.

Food,
fashion
and
culture
turning
heads
in the US

A Belgian model displays a diamond necklace at the Antwerp jewelry fashion show, part of the World Diamond Congress held last summer.

"I'm from Belgian descent," actor Richard Gere told me with a big smile when I first met him last year.

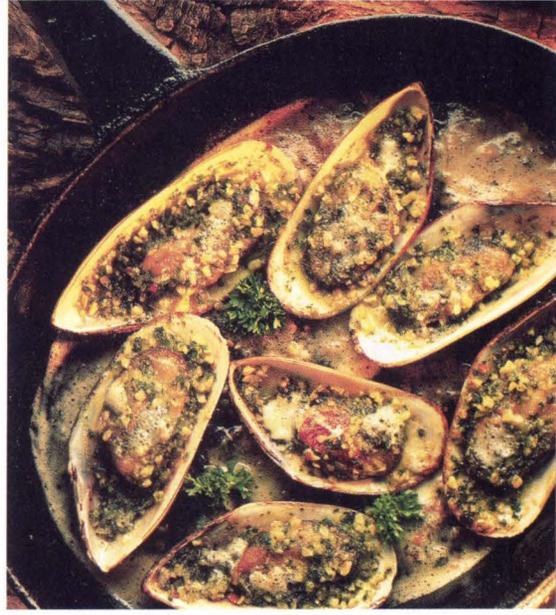
Until recently, New Yorkers paid little attention to our tiny European nation, which is squeezed in between the Netherlands, France, and Germany. For most, it was simply the country where the waffles came from. Or they linked it to Agatha Christie's Belgian-born detective Hercule Poirot. But, things are changing.

New Yorkers seem to be mesmerized by the "Belgium Thing"—the beer, the *frites*, and the mussels. Not to

mention the explosion of interest in Belgian chocolate, cheese, bread, and fashion.

"Belgium is so popular because so many cultural worlds are lining up at the right time," says trend watcher Tom Julian of Fallon Worldwide. "Whether it's the food factor, the fashion factor, or even the cultural factor, they're all colliding and are bringing attention to one particular area. This year Belgium sure is causing a buzz in the always changing world of pop culture."

Of late, the mussel-worshippers are lining up at Markt on West 14th Street



In New York, lovers of moules frites and Stella Artois head to Belgian eatery Markt on West 14th Street and 9th Avenue—an area fast becoming known as "Little Belgium."

and 9th Avenue, an area fast becoming known as Little Belgium. The 1930s-style brasserie is really the hot spot in town, where you can bump into Mel Brooks, Michelle Pfeifer, Catherine Zeta Jones, Ralph Lauren, or Lou Reed, just to name a few.

According to Chris Gielen, the Belgian chef, the steamed mussels and the waterzooi, a classic, rich stew of chicken or fish, are the bestsellers. Across from Markt is another Belgian eatery called Petite Abeille. This “busy bee” has been opening all over Manhattan, satisfying New Yorkers’ craving for Belgian soul food. Two blocks away is Café de Bruxelles, as popular as ever after nineteen years.

Frites shops are opening all around town. Although almost everybody calls them French fries, they’re actually Belgian frites. “Yes, we take credit for inventing them,” says Skel Islamaj, the owner of B. Frites in the theater district. “The secret is that we fry them not once, but twice.” In good Belgian tradition the frites are served in paper cones. Connoisseurs don’t obscure them with ketchup but ask for mayonnaise instead.

On the dessert side of the menu, the US is now importing more chocolate from Belgium than from any other European country. Belgian cheeses are becoming popular too, and New Yorkers who want Belgian bread can be accommodated at Le Pain Quotidien. The Belgian home-style bakery has five branches in town.

Jim Munson, the chairman of the New York chapter of the American Institute of Wine and Food, says that there has never been anything close to the kind of interest currently focused on Belgian beers and cuisine.

A country scarcely larger than New Jersey, with a population of 11 million, Belgium has 130 breweries making more than 400 different types of beer. Over the last couple of years, Belgian beer sales in the US have doubled. Tom Wolfman, owner of the Manhattan beer bar Gingerman, puts it this way: “Belgium is to beer as France is to wine. Belgian breweries do very innovative things. They are much more experimental with yeast, malts, hops, fruit, and spices, than the Germans or the British.”

For those who prefer a lager, there’s Stella Artois. The brew was introduced in late 1999 in the New York and Boston markets. Now you can find Stella Artois in eleven markets. Among them Atlanta, Chicago, San Francisco, Denver, and

Washington, DC. “It’s a bestseller,” says Filip Wouters, the Belgian native who is leading the US marketing efforts for the brand. Wouters admits that \$8 for a six-pack is expensive, but he adds, “We think our quality is better.”

It’s not all beer and food, however; the Belgian buzz has permeated the often jaded New York fashion scene. “I’m more excited about Belgian designers than any other group of designers in fifteen years,” says Valerie Steele, curator of the exhibit *Belgian Fashion: Antwerp Style*.

When I met her at the exhibit, which ran earlier this year at the Fashion Institute of New York, Steele was wearing a brown top designed by A.F. Vandevorst, a black skirt from Veronique Branquinho, and shoes created by Dries Van Noten. “I’m so impressed by their creativity. They’re not about trends. Instead they work more like artists pursuing a particular kind of inner vision.”

Julie Gilhart from Barneys, the upscale New York department store, agrees. “If you compare what these designers do to what is happening in Milan or Paris, Belgian fashion is very unique. On top of it, they all work very hard to make sure that their designs fit. The quality is good, the delivery is on time, and sales keep increasing.”

In addition to Belgian clothes, Belgian models are drawing attention as well. Ingrid Seynhave and Inge Geurts have enjoyed successful careers for several years and are now joined by a new crop of young Belgian faces. At New York’s Fashion Week in February, Anne-Catherine Lacroix, Anouck Lepere, Kim Peers, and Delfine Bafort seemed to possess the looks of the moment. Delfine is rumored to be the choice for two major spring campaigns.

Is this Belgian explosion, which has been ongoing for the last four years, just a fad? Julian doesn’t think so. “I believe Belgium will have a longer lifespan, because it stands for quality,” he says. “But, it would be great to have one movie opportunity so that the country could be showcased in a visual way.”

This summer his wish will come true. The Flemish movie *Everybody’s Famous*, nominated for an Oscar in the foreign language category earlier this year, will premiere in New York on July 6. This way New Yorkers will get an extra taste of Belgium. ☺

Suzy Hendriks is the US bureau chief for UTM Belgian TV.

The Royal Greenhouses, the grand inspiration of Leopold II, hold exquisite collections of flowers from all over the world.

The Royal Gre

If one is ever fortunate, as I was recently, to be in or near Brussels during the last two weeks of April or the first week of May, a visit to the Royal Greenhouses at Laeken is something not to be missed. Open to the public only these three weeks each year (a tradition for the last 100 years), the Royal Greenhouses enclose one of the world’s most impressive displays of flowers: some 5,000 plants including many varieties of azaleas, climbing geraniums, fuschias, camellias, and orchids, with an equally eclectic collection of cinnamon, banana, orange, and other trees.

The Royal Greenhouses themselves are an architectural masterpiece. Constructed of iron and glass with flying balustrades, the greenhouses are massive spaces topped by classical domes and cupolas, all linked by a network of enclosed passageways. A stroll through these interconnected structures covers more than a half mile,



Greenhouses at Laeken

and one can see why it was a walk fit for a king, literally.

My visit was late at night following a formal dinner after which our party was invited to visit the Royal Greenhouses. I had not a clue as to what to expect.

We arrived at Laeken, the palace of the Belgian Royal family, after a winding ride along narrow roads and broad highways surrounding Brussels. When we pulled up at the entrance, it was almost eleven o'clock at night, which is officially closing time at Laeken, causing some of us to wonder whether we should have bothered to make the trip. I had expected that we would have at most only a short visit. But once inside you realize this is no place to hurry through, and because the staff at the Royal Greenhouses is very obliging, we did not have to rush.

As I walked within the greenhouses, it was impossible to not acquire an interest in the history of the place, which parallels the history

of Belgium. The greenhouses were the grand inspiration of Leopold II, the second king of Belgium, who was born in 1835, ascended the throne in 1865, and ruled until the day he died in 1909 in his apartment in the Palmtree Pavilion of the Royal Greenhouse at Laeken. But since the late eighteenth century, the estate at Laeken, with a grand orangery that predates Leopold's greenhouses, has been home for the rulers of the territory that is now Belgium.

While Belgium was part of the Austrian Empire during much of the eighteenth century, the Archduke Albert, who as governor-general ruled on behalf of the Austrian emperor, acquired the estate at Laeken. After the Austrians eventually departed and Belgium was annexed by the French Republic, the estate at Laeken was sold. The property later came under the possession of Napoleon Bonaparte, who stayed at Laeken in 1804 and again in 1810, with his first and second wives, respec-

tively. Following Napoleon's defeat at Waterloo (on the outskirts of Brussels), the royal estate became a residence of the king of the Netherlands, Willem II. When Belgium finally gained its independence in 1830, Laeken became the home of Leopold I, and it remains to this day the residence of the Belgian royal family.

Leopold II made it his personal mission to promote the building of bridges, rail stations, and other public works throughout his country and to transform Brussels into a true capital city. The Royal Greenhouses, his finest project, were inaugurated with great fanfare in 1880 (with music by the Vienna Men's Choir) and again in 1891, after completion of other major structures. In December of this year, Laeken will be the site of celebration of another milestone. The summit at the close of Belgian's presidency of the EU will take place at the royal estate and will conclude with a Declaration of Laeken.

—Frank Schuchat



Oporto

Portugal's
second city
offers
first-class
culture

By Alison Roberts

Colorful houses and bright storefronts are an Oporto trademark. The riverside district of Ribeira (right) with its popular café scene attracts many tourists.



There has long been a fierce rivalry in Portugal between the northern city of Oporto and the capital, Lisbon. As elsewhere in Europe, a mixture of real and imagined cultural differences help to stoke deep-rooted antagonisms that are as often as not expressed through soccer. Residents of Oporto are quick to seize on evidence that Lisbon gets a larger slice of EU and national infrastructure funds, as in 1998 when the capital hosted the Expo (World Fair). So there was much celebration in Oporto when the city was chosen—together with Rotterdam, another feisty second city—to share the title of European Capital of Culture in 2001.

During the year-long festival, an average of more than four events a day are scheduled—from classical to traditional music, from drumming to opera, from theatre and marionettes to the plastic arts. Highlights so far have included shows from the Bill T. Jones/Arnie Zane dance group and the Royal Shakespeare Company (and there are internationally known performers still to come, from the Hilliard Ensemble and the Merce Cunningham Dance Company). But there have also been many outstanding contributions from new or newly energized local groups. After a somewhat troubled period of preparation, the festival's organizers maintain that it is transforming the city culturally and physically.

Oporto has a proud history; in fact, it could be said to be the cradle of the Portuguese nation. Two millennia ago, in Roman times, there was a settlement called Cale on the left bank of the river Douro—an important crossing-point on the road between Lisbon and Braga—and later another called Portus on the opposite bank. Many centuries later, Portus-Cale became the capital of the county of Portucalia, and it was from here that Alfonso Henriques launched the Christian reconquest of what became known as Portugal. Northerners still sometimes refer to southerners as *mouros* or Moors—not so much a racial slur but a reference to the late conquest of the south, including Lisbon.

Over the centuries, Oporto earned a reputation as a gritty, commercial city—in supposed contrast to the capital, where government officials were thought to be living it up on salaries paid for by the taxes of hard-working northerners. And in fact, Oporto's industrial base does ensure that it generates a larger proportion of the country's wealth than is warranted by its population. In such a situation, it is not surprising there is resentment at any hint that Lisbon is getting the lion's share of state and EU funding. Such accusations are partly grounded in the indisputable fact that the economy has progressed in a lopsided fashion in recent years: leaving much of provincial Portugal underdeveloped while Lisbon steams ahead. Since last year, Lisbon and the Tagus Valley have been the

The terraced vineyards along the Douro River produce the world famous port wine.



only parts of the country where the GDP per head is high enough for the region no longer to qualify for top-priority EU aid.

To be sure, Oporto has not been forgotten where infrastructure spending is concerned. Vociferous local politicians, a strong industrial lobby, and more than one million voters have seen to that. But there is a general feeling that

the city hasn't had a fair crack at the whip, and this year's stint as European Capital of Culture is an undisguised bid to catch up with the capital in terms of infrastructure.

It has to be said, though, that for a while that bid went askew. It was only after months of wrangling between the Oporto-based banker initially in charge of the project and the minister of culture in Lisbon that the enterprise really got underway. The cultural program is undoubtedly impressive, but much of the city center will be a building site until well into 2002, as the subway and

other projects are completed. Even the festival's centerpiece, the ultra-modern Casa da Música (House of Music), won't be ready this year, because construction started late.

The project's supporters counter by saying that if Oporto had not been Capital of Culture, it would not have been started at all. An angular white block designed by Dutch architect Rem Koolhaas, the House of Music is designed to be a real people's palace, with huge windows outside and inside so that the public can see what's going on in various parts of it. It will not only serve as a venue for music performances of just about every imaginable type, but also as rehearsal space for a wide range of groups, including Oporto's newly formed symphony orchestra—only Portugal's sec-

a strong impact, either positive or negative, in the minds of people," he said. "I think people will either hate it or love it. And I think things only change when you create strong reactions from people."

The government, too, expects a lot from the festival, despite all the delays and wrangles. According to Prime Minister Antonio Guterres, Oporto 2001 is about more than bringing in unprecedented numbers of international stars to the city.

"That's not what this event is about," Guterres said at the inaugural ceremony. "It will last long after the 31st of December of 2001, and it forms part of policies clearly adopted by the government to transform the North."

Those policies include the establishment of Oporto as a permanent capital of culture; upgrading the infrastructure of all Portugal's cities, to improve both the quality of life and competitiveness;

(left) The eighteenth century Clerigos Tower is one of the reasons Oporto's old town is an UNESCO World Heritage Site. (right) Portugal's famous hand-painted tiles decorate walls all over the city.



ond. The fact that the venue will open in 2002 is not a problem as far as the festival goes, officials say, since it never formed part of the program.

Pedro Burmester, the internationally known Oporto-based concert pianist who is overseeing the project, believes the House of Music will have a lasting impact on the city's cultural scene.

"Oporto is a very old and conservative city—in a good way, I would say—and I think this building will have

and moves to make Oporto the economic hub for a region encompassing all of northern Portugal and part of Galicia in northwestern Spain.

Oporto already has a great deal to offer to the many thousands of tourists who visit it every year: the picturesque downtown area is a Unesco World Heritage Site, and the city is home to the country's new Museum of Contemporary Art, a photography museum, and many other institutions. But as far as Portugal's second city is concerned, this year is a chance to drum up some much-needed publicity. ☺

Alison Roberts, based in Lisbon, is a EUROPE contributing editor.

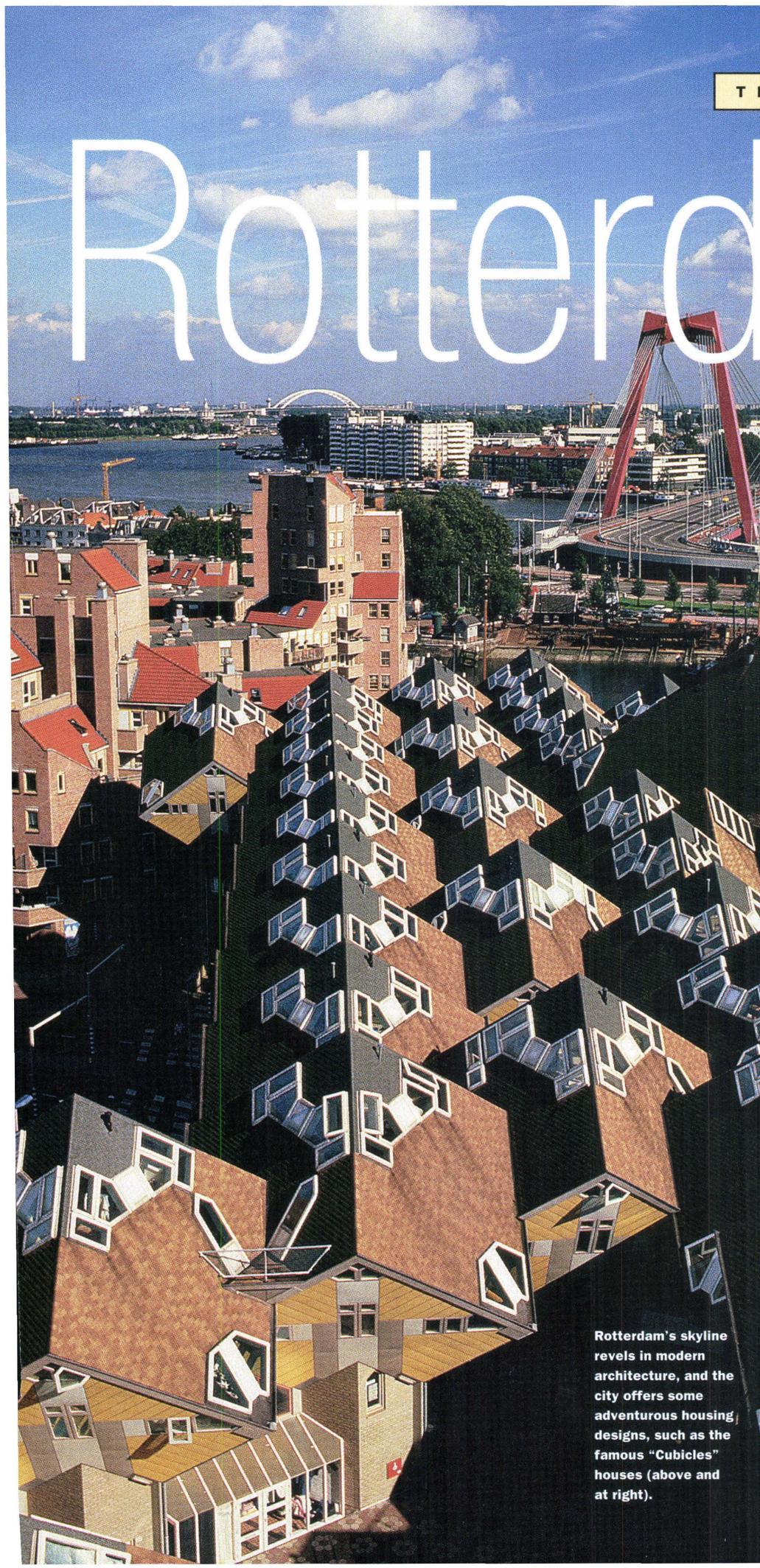
By Roel Janssen

Rotterdam

am

2001

A city and year full of surprises



Rotterdam's skyline revels in modern architecture, and the city offers some adventurous housing designs, such as the famous "Cubicles" houses (above and at right).



Geen woorden, maar daden! (No talking, but action!) is the first line of a famous song in Rotterdam, and it reflects the no-nonsense attitude of this bustling city. Yet Rotterdam, the largest cargo port in the world, with its harbors, container terminals, and oil refineries, is not just a place of work. It also boasts a lively cultural scene, and it offers all kinds of underground entertainment. During 2001, Rotterdam, together with the Portuguese city of Oporto, is celebrating its term as one of the European Union's Capitals of Cultural.

Known simply as R2001, the city's program for the year comprises

more than 300 cultural events and activities throughout the year. In line with the city's character, the program does not emphasize only highbrow culture but rather includes a variety of artistic expressions. "Rotterdam is many cities," according to the slogan of R2001. All activities are divided into ten "sub-cities," with one-word titles such as "future," "fun," "diversity," and "Internet," with a Web site (www.rotterdam2001.nl) that gives full details of each event and exhibit. Also featured is Erasmus, the early sixteenth-century philosopher and humanist who was born in Rotterdam and lived there all his life. For this occasion, Erasmus' most famous book, *The Praise of Folly*, was republished in a new edition.

Of course, there are highlights like the performance of an opera by the Por-

tuguese composer Antonio Chagas Rosa, an exhibition of paintings by Jeroen Bosch and Pieter Bruegel (from the fifteenth and sixteenth centuries respectively), and the *Going Dutch* project, showing art works from the private collections of companies on huge outdoor panels on the walls of their Rotterdam headquarters.

Rotterdam's many museums, including the Maritime Museum, the Institute for Architecture, and the Historical Museum, are offering special exhibitions throughout the year. The city's concert hall and art galleries have made their regular programming part of R2001, and Rotterdam's new Municipal Theater opened in conjunction with the Cultural Capital.

Another of R2001's themes focuses on the ethnic diversity of Rotterdam.

Neighborhoods, with their variety of nationalities and different religions, are included in the programming with events on squares and in the streets. Popular artists are scheduled to perform in neighborhood centers. For about 40,000 inhabitants below the poverty line, special vouchers have been created, giving them free access to the festival activities.

The organizing committee is confident that "the largest cultural event ever to take place in the Netherlands" will be a success. It expects at least 3 million visitors. According to its chairman Paul Nouwen, "Rotterdam is a city that thrives, rustles, and spills over with culture."

Not everything has gone smoothly, however. An historical event based on Erasmus turned out to be too ambitious

The elegant Erasmus Bridge was completed in 1996.



and had to be scaled back. An opera was canceled because its theme, "Women and Islam," met fierce resistance from the Islamic community. The programming has at times been confusing for patrons, and the promotion of R2001 got off to a slow start, in part because the city was named as a Cultural Capital only three years ago.

Though greater Rotterdam, called *Rijnmond* in Dutch, has about 1.5 million inhabitants, the city of Rotterdam

After the war, Rotterdam and its harbor had to be almost entirely rebuilt, a process that took decades, but the city soon regained its position as "the largest port in the world."

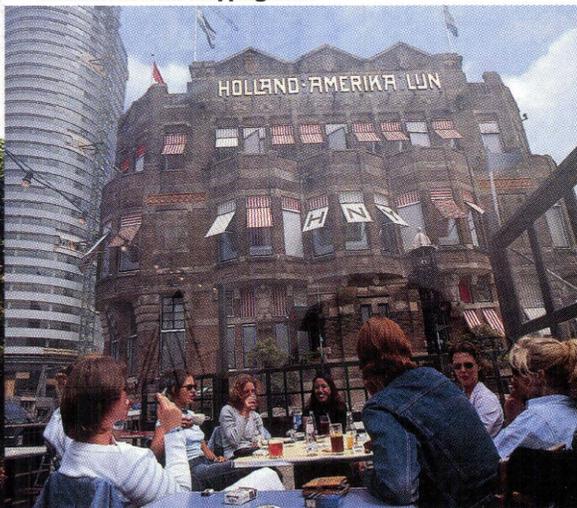
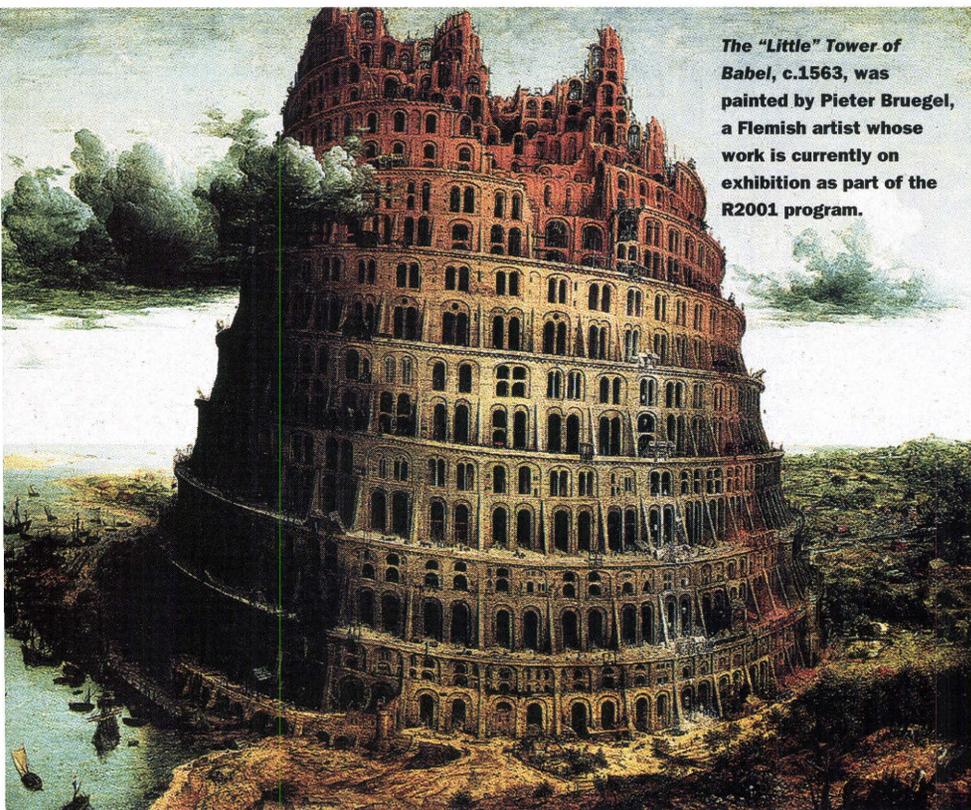
However, as the shipping industry modernized with the introduction of containers and automated transshipment facilities, the city began to suffer from high unemployment, which rose to especially acute levels during the seventies. During the following decade,

bor along the river. The Erasmus University and its university hospital are among the best academic institutions in the Netherlands. The Rotterdam Philharmonic Orchestra and the Boijmans Van Beuningen Art Museum are world renowned, as is the city's annual international film festival.

Modern architecture has helped to define the new Rotterdam skyline. The first landmark buildings were erected in the city center, which was cleared by the German bombing, and more recent constructions have sprung up along the southern riverbank, which was abandoned by the shipping companies. Today, Rotterdam looks like a very modern city with some exceptionally adventurous housing designs. Among the best known are the "Cubicles,"

Rotterdam's popular New York Restaurant is located in the former headquarters of the Holland-America Shipping Line.

The "Little" Tower of Babel, c.1563, was painted by Pieter Bruegel, a Flemish artist whose work is currently on exhibition as part of the R2001 program.



itself has only 600,000 residents. It is located at the mouth of the Rhine Delta, just twenty-five miles from the North Sea. Harbor facilities extend all the way along the New Waterway, the outlet to the sea that was dug in the late nineteenth century. To the east, the Rhine River connects Rotterdam directly with the continental hinterland of Germany and Switzerland. In a few years, a special container railroad line will be completed that will connect the port directly by train with Germany.

Rotterdam's year as a Cultural Capital is especially poignant considering the city's struggles over the last six decades. The German Luftwaffe bombed Rotterdam four days after the Nazi invasion of the Netherlands and completely destroyed its inner city.

the shipbuilding industry dried up, as low-cost competitors emerged in Asia. Meanwhile, competition from other ports for shipping traffic remained fierce. Even while unemployment soared, the city continued to be flooded with immigrants from all over the world. Parts of the city fell prey to the illegal drug industry and evolved into slums. Today, the poverty levels of Rotterdam remain well above the Dutch average.

Rotterdam has weathered it all and in the past several years mounted a remarkable comeback. It has retained its popular attractions. The soccer team of Feyenoord belongs to the top of the Dutch major league and represents the city in European competitions every year. The 540-foot Euromast Tower offers a spectacular view of the entire har-

bor which are houses shaped to appear like dice tipped onto their corners. Also tourists and residents alike are attracted to new developments at the south bank, such as the New York Restaurant, which is located in the former headquarters of the Holland America Shipping Line and is accessible both over the elegant Erasmus Bridge and via a small ferryboat.

Before the Cultural Capital program, the last major international event Rotterdam hosted was the European Soccer Championship last year. That lasted only four weeks; the R2001 agenda, however, will last a full year. Assuredly it is a challenge that the city is up to. ☺

Roel Janssen, based in the Hague, is a EUROPE contributing editor.

CAPITALS

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



Since the first television signals emanated across its amber waves of grain, America has considered free access to commercial television an inalienable right. But in several European countries, commercial broadcasting has only come to the small screen in the last decade. Furthermore, most European TV owners must buy a license to watch their sets, an idea that could very well provoke US couch potatoes to storm Washington. ■ With these differences in mind, we asked our Capitals correspondents to write about the changing television landscape in their respective countries. Their reports span the dial from the companies that lead the sector (such as tiny Luxembourg's powerhouse RTL and the UK's venerable BBC) to the shows that transcend language and culture (such as the Dutch-originated international hit *Big Brother*) to the new digital technologies that will soon redefine the medium (currently being developed in the Scandinavian markets). All this leads one to conclude that if ever there was an invention that proved humans were essentially the same the world over, the television is it.



LONDON

NEW BBC DIRECTOR TO SPEND MORE ON PROGRAMS

It is the world's best media brand, envied and emulated worldwide for the impartiality and quality of its programming, and it doesn't carry advertising: It is the British Broadcasting Corporation, the BBC, or the "Beeb" as it is affectionately known.

Now it has a new director general, who has slashed layers of management, dumped the use of high paid consultants, and has proclaimed that the BBC's job is "to make and commission great British programs."

Greg Dyke is an action man, a risk-taker, and a colorfully blunt talker. When he took charge eighteen months ago and found that 26 percent of the \$3 billion annual budget was going on what he called "running the institution," he set out to slash administration costs to 15 percent.

He wants to spend this money on programs, and with a long and highly successful background in commercial television, he knows how to get what he wants. He calculates that by 2003 the BBC will be spending an extra \$750 million on output, an increase of 24 percent. The

money will come from the inflation-linked license fee, savings on administration, plus growing revenues from the BBC's commercial enterprises.

"Taking risks in the public sector is harder than in a private organization because you are much more publicly accountable," Dyke admits. When it was established early in the last century as a public service broadcasting system, it was licensed to operate not only as providing entertainment but also disseminating information and culture. It took this responsibility very seriously.

The license fee and a series of strong and independently minded directors have enabled the BBC to block control by governments seeking to turn it into a propaganda tool, as state television has become in so many countries.

Little wonder that the BBC is a role model for public service broadcasting worldwide. People believe the BBC. They are confident that what it broadcasts as news is the truth, what it screens as documentaries are independent, what it airs as historical costume dramas are the very finest. And this is probably true.

But at the same time, the domestic commercial stations and increasingly the

Viewers can expect new BBC director General Greg Dyke to shake things up at the "Beeb."

satellite channels are pulling away viewers. Homes and apartment blocks throughout the country have sprouted with mini-satellite dishes as people reach for a larger range of choice.

They want to be able to watch less highbrow entertainment. They want to watch soaps. They want to watch sports and are willing to pay for the privilege. Therein lies the rub: sports are the weakest link for the BBC because over the past decade it has lost coverage of most of the major events to the cash-rich commercial stations.

Dyke now wants to carry the traditional strengths of the BBC—objective news, high-tech skills, creative quality, originality, and distinctiveness—into the digital era. Few doubt that he can do it.

—David Lennon

THE HAGUE

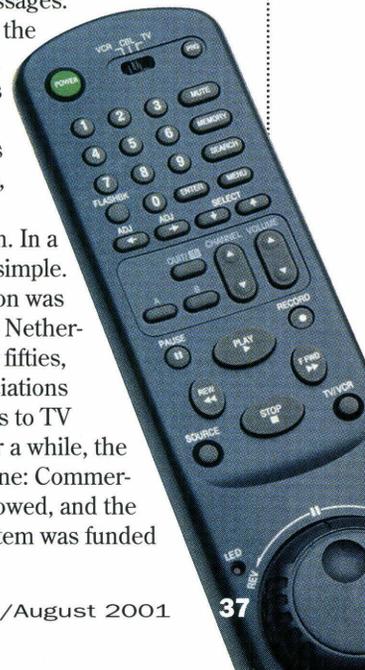
CONFUSING MEDIA LANDSCAPE

Hilversum lies only twenty-five miles from Aalsmeer, but there is a world of difference between these two Dutch cities. While Aalsmeer, the home of the Endemol Studios, has become essentially the Netherlands' entertainment mecca, its neighbor Hilversum remains the broadcasting capital, where all television and radio companies have their studios.

The Dutch media landscape traces its current convoluted structure back to the dawn of radio. Frequencies were distributed among associations with political or religious affiliations, creating Catholic, Socialist, Orthodox, and Liberal Protestant stations, as well as a "neutral," or non-affiliated, station. All of them used the radio programming for their political and religious messages.

They were called the "pillars" of Dutch society. Catholics listened to their priests, Calvinists to their ministers, socialists to their leaders, and so on. In a way, it made life simple.

When television was introduced in the Netherlands in the early fifties, these same associations claimed the rights to TV broadcasting. For a while, the system worked fine: Commercials were not allowed, and the broadcasting system was funded



by the contributions of the members of the associations and by a special government tax on the ownership of a radio or a television.

But then in the sixties, independent "pirate" stations started broadcasting radio and TV programs from ships anchored just outside the territorial waters on the North Sea. They were immensely popular, particularly among the young, and they financed themselves through paid advertisements. Before long, laws were passed to prohibit these infractions on the established system. Reforming the broadcasting system became a contentious political issue in the Netherlands until the eighties.

After the pirate stations came the European Union. Though broadcasting arrangements fall under the jurisdiction of national governments, the rules of the internal market did not prohibit someone from setting up a television or radio company in Luxembourg and transmitting its commercial programs to other EU states. Thus, RTL (Radio and Television Luxembourg) became a crowbar in the cozy closed shop of national radio and TV associations. In 1991, the Dutch government finally succumbed and allowed commercial radio and television.

Today, three Dutch public television channels remain, all of them served by public broadcasting associations. They are paid for by tax contributions, membership fees, and advertising revenues. New associations have grabbed part of the pie, and the distinctions between the old "pillar" associations have blurred. The ideological or religious messages have disappeared, although there are clear differences in their programming. The public channels also host educational television and programs of national interest. There are also five commercial television channels, which are owned by two different multinational companies and entirely financed by advertisements.

By law, all eight channels must be part of the package that cable companies offer the public, and now virtually every Dutch home is connected to a private cable network.

For the moment, this hybrid system works reasonably well. In the future, digital television, interactive TV, and pay-per-view systems may provoke further changes.

The funny thing, however, is that *all* the channels avidly purchase Endemol's programs. The production company has grown into one of Europe's largest televi-

sion entertainment factories, with its hugely successful programs exported to a variety of countries.

A year ago Endemol was acquired by the Spanish phone company Telefónica for \$5 billion, which only shows that—despite the lip service paid to the tradition of the religious and political associations—television has become big business in the Netherlands.

—Roel Janssen

TV TAX: A LICENSE... TO WATCH

In Europe, viewers are generally required to buy a television license. These cost anywhere between \$100 in Finland to \$160 in the UK annually for a color set, less for black and white. The licenses are usually available through local post offices or banks. The proceeds help pay for public broadcasting and communication expenditures.

Don't think of breaking the law, either. In the UK, for example, TV surveillance vans equipped with special monitoring devices drive around periodically to find out who's watching the box without a license. Virtually no one escapes the reach of the TV taxman. In the UK, the blind are even required to pay 50 percent of the total fee. Even the elderly don't get a break until they turn seventy-five, when they are licensed to watch for free.

STORIED IRISH STATION UNDER THREAT

Although the first Irish news communiqué was broadcast in Morse code during the Easter Rising against British rule on Tuesday, April 2, 1916, on a captured ship's transmitter, the first official radio broadcast did not hit the airwaves until a decade later. The fledgling Irish state began broadcasting on New Year's Day, 1926 from 7:45 pm until 10:10 pm. The station was later renamed Radio Éireann, acquiring a news service and a permanent repertory company. Thirty-five years after that rather hesitant radio launch, the first official state television broadcast was made on New Year's Eve, 1961, with the opening of Telefís Éireann. Subsequently, radio and television were identified under the umbrella of Radio Telefís Éireann (RTÉ), which now operates three radio services (Radio 1, 2FM, and Lyric FM) and two television channels (RTÉ 1 and Network 2). It also supports the National Symphony Orchestra and a number of other cultural activities, including the Irish language *Raidió na Gaeltachta* and TG4, the Irish language television station.

The Irish satirical show *Bull Island* pokes fun at politicians of all stripes.



Today, RTÉ remains the principal broadcaster within the Irish Republic, funded by a state controlled television license fee (there's none for radio) and commercials.

But there is also a plethora of competing independent local radio stations, an independent national radio station, an independent national radio news service, a projected religion station, an independent news/talk station for Dublin due to go on the air in September, local community radio, a privately owned national television station (TV3), and a number of independent commercial cable TV operators, who also inject local news and other items into their programming relays.

Plus, of course, the growing number of satellite channels and massive "overspill" from BBC radio-TV and Independent Television (ITV) channels in the neighboring United Kingdom (both organizations have regional stations in Northern Ireland) and "deflector dishes" which allow their signals to be forwarded throughout most of the Republic.

Given the intense competition, RTÉ has surprisingly retained its number-one position in viewer loyalty. It has combined purchased programs (mainly from the United States, the UK, and Australia) with an excellent mixture of news, current affairs, and home-produced entertainment to keep it among the top-five rated television stations in Ireland.

"RTÉ has served Ireland well," says the station's director general, Bob Collins, with justifiable pride. Meanwhile, RTÉ has one of the lowest television license fees in Europe and now estimates that a fourteen-year freeze on any increases has resulted in a loss of \$137 million. Says Collins, "The stark reality is that without an increase in the license fee, the future of public service broadcasting in Ireland is under threat." However, indications are that the government will shortly allow for an increase, but this will be too small to shore up the now gaping holes in RTÉ's finances.

Buoyant advertising revenue has helped to keep the station afloat, but bidding for sports and other large-scale home and international events has placed a heavy strain on the station's finances. Furthermore, the threat of dozens or more digital channels will provide further competition and could dramatically change the Irish broadcasting landscape.

In an information-addicted nation, home and international news programming still holds sway. One omen of the

change could be found in the May decision to cancel one of two Irish-produced soap operas. One was produced for an urban audience, the other for a rural viewership, but both enjoyed a heavy cross-fertilization of viewers. With urbanization in the ascendancy, *Glenroe*, the long-running farming soap, was axed.

Given its financial difficulties and the necessity of winning political support for that much-needed license fee increase, one assumes RTÉ should make every week "be kind to the politicians week." However, one of the hardest-hitting satire shows, *Bull Island*, lampoons government ministers and the opposition alike.

The country's longest-running television program—*The Late Late Show*—first went on the air in July 1962, and remains one of the jewels in RTÉ's crown. For seventeen years, Ireland's most popular broadcaster Gay Byrne hosted the weekly combination of light entertainment and incisive social commentary. Byrne, who retired two years ago, is widely credited with opening previously closed windows on Irish society. And the show itself, under new host Pat Kenny, shows little sign of losing its popularity.

—Mike Burns

STOCKHOLM

SWEDISH TV GOING DIGITAL

Like almost everything else in Sweden, television is synonymous with high technology. Culture Minister Marita Ulvskog wants money to go ahead with plans for a national digital television system, which she says will offer better programs and more choice. Critics say it will simply cost consumers and taxpayers more and help commercial interests rather than public programming.

The issue is especially sensitive in Sweden since there was essentially no commercial television until about ten years ago. Without a satellite dish or cable, viewers had a choice of two channels. Both were (and continue to be) government funded and non-commercial, and their choice of programs was often somewhat less than scintillating. The idea was to provide culture and education via the tube rather than less culturally aware entertainment.

That started changing in the early 1990s when media mogul Jan Stenbeck won a license to start TV4, Sweden's third nationally broadcast channel. The station is commercial, something which

irrevocably changed Swedish television. That change was helped along by cable's introduction in urban areas and increasing numbers of rural residents buying satellite dishes.

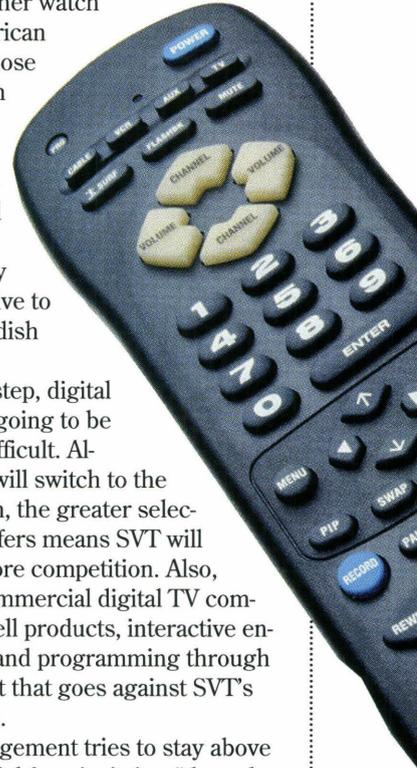
Even with government funding, Swedish Television (SVT) has been hurt by commercial stations. Viewers would rather watch endless American sitcoms on those channels than programs on SVT. Also, because Sweden is a small market, it is proportionally more expensive to produce Swedish programs.

The next step, digital television, is going to be even more difficult. Although SVT will switch to the digital system, the greater selection digital offers means SVT will have even more competition. Also, the aim of commercial digital TV companies is to sell products, interactive entertainment, and programming through television, but that goes against SVT's basic mission.

SVT management tries to stay above the commercial fray, insisting "the public's need and interest will always be the starting point for what we do." But managers also concede the difficulty of competing against multinational media concerns with deep pockets.

By the end of this year, it's estimated that there will be digital TV in about 1 million Swedish homes, roughly a quarter of all households. Digital operators are subsidizing the set-top boxes viewers need or providing them free to attract customers. In some cases, viewers have no choice. Com.hem, the cable television subsidiary of telecom company Telia, simply informed customers that it was switching to digital transmission and sent a set-top box to replace the old analogue hookup. Free for now, the box will eventually cost customers an extra \$20 a year.

The pace of the digital development is impressive for a country that didn't even have regular television programming until 1956 and then only in the evenings, not to mention preserving Wednesdays as TV-free, lest viewers should be damaged by too much tube. The first program sent by the state television



monopoly did not bear much resemblance to today's entertainment, even by SVT standards. Shown shortly before the 1956 national election, it was called *Are You Planning to Vote?* and featured a serious discussion of democratic participation as a citizen's duty.

Color TV transmission came to stay in 1970, along with more American programming. One consequence of that was that as Swedish kids watched more television, they grew up learning American rather than British pronunciation, to the despair of their English teachers. Only programs for small children are dubbed into Swedish. Otherwise, programs are shown in their original languages with subtitles. While translations are helpful for learning Swedish, they are sometimes highly creative. However, unlike American television, profanities are not bleeped. So if you've ever wondered what it was you didn't get to hear on your favorite late-night talk show, you might want to check out the rerun in Sweden.

—Ariane Sains

MADRID

SPANISH STUDY TV HABITS

Soccer matches and a particular reality show that has taken the world by storm are the most popular television

programs in Spain, a country that for decades only had two government-run channels until the market was opened up in the late 1980s.

These days, Spaniards can choose from among the pair of state-operated broadcasters, two national commercial channels, a host of regional broadcasters, and pay channels, but this wider choice is not always attracting more viewers.

According to an exhaustive study of Spanish television viewing habits by the research firm Sofres, the average Spaniard last year watched 210 minutes of television a day, which was three minutes less than 1999.

"It's not real clear why this is happening," says Cristina Ozaeta, a reporter at the national news agency EFE who covers television. "It's probably not the fault of the Worldwide Web because Internet penetration is not that high here. But then a falloff in average viewing time of three minutes is probably not all that significant."

What is clear is that TVE-1, the state-run general interest channel, is the leader in viewer numbers by far, with an average audience share of 24.5 percent. Of the twenty-five most popular programs in 2000, eleven were soccer matches mostly involving the Real Madrid team.

A close second in the rankings is Telecinco, a private channel that airs an

assortment of Hollywood B movies (Chuck Norris karate flicks are a favorite), American made-for-television films, and sitcoms. But the real audience favorite, which accounted for fourteen of the top twenty-five programs, was *Gran Hermano*, the local version of *Big Brother*.

Demographically, housewives watch the most television in Spain, spending an average of 267 minutes in front of the tube, or around one-fifth of their day. Programmers have taken note and fill the afternoons with shows that combine a bit of Oprah and Jerry Springer, celebrity gossip, fashion, and household tips.

The good news for those social critics who wring their hands and claim that today's Spanish youngster is watching far too much television is that children account for the smallest viewing audience of all, and spend an average of just 154 minutes splayed out in front of the boob tube.

—Benjamin Jones

LISBON

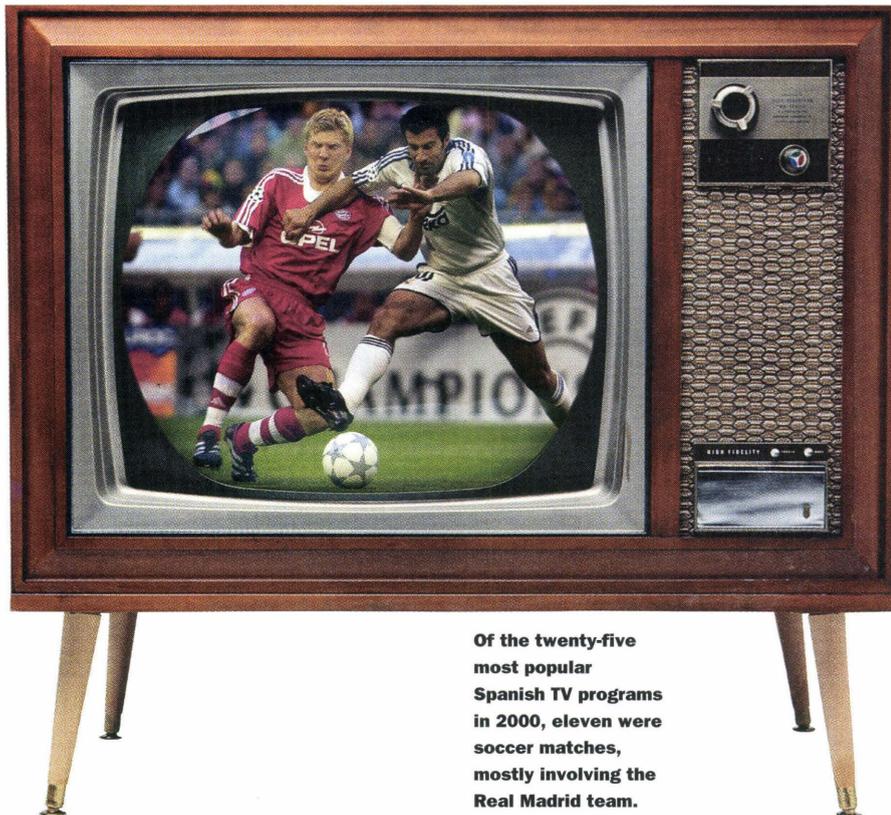
WRESTLING WITH *BIG BROTHER*

When TVI, then a struggling commercial channel, last fall bought the rights to produce a Portuguese version of *Big Brother*, the reality television show that has been a smash hit in every market it has entered, it was seen as a bit of a coup. But few observers could have predicted quite how dramatically it would transform the broadcasting landscape in a matter of months.

In one recent week, TVI was responsible for the eight most-watched programs, where a year ago it struggled to get into the top ten.

For decades, Portuguese television was the exclusive preserve of state broadcaster RTP, whose two channels were broadly modeled on the domestic output of the United Kingdom's BBC. While RTP1 concentrated on mainstream programming—serving a diet of stodgy news and current affairs, sports, soap operas, and erratic sitcoms—RTP2 turned out worthy programs on history and the arts.

The commercial channel SIC burst onto this stagnant landscape like a volcano seven years ago. Not only did it snatch the bulk of the audience, even for news, within a year, it forced RTP to fight back by moving down-market. With Brazilian soap operas and homemade



Of the twenty-five most popular Spanish TV programs in 2000, eleven were soccer matches, mostly involving the Real Madrid team.

game and variety shows like *Big Show SIC* that reproduced for Portuguese viewers the glittery, tatty programming pioneered by Italian commercial television, the new channel was a huge hit.

It also sparked furious debate within the establishment on the impact of these products on the country's culture and society. When a second non-state channel was set up a couple of years later, it was as a direct reaction to the perceived slide in quality and moral values represented and fostered by SIC, according to its critics.

Largely funded by the Catholic Church, TVI was to offer more morally acceptable fare for the masses. But perhaps unsurprisingly in a market that was by now fiercely competitive (all Portuguese television channels take advertising), it was not long before the new enterprise had run out of money. New, more commercially minded investors rescued it, and the church's stake dwindled into insignificance.

At first, there were only minor changes in TVI's programming, with no discernible impact on the ratings. Then late last year came *Big Brother*. In this voyeuristic program developed by the Dutch production company Endemol, a group of young people are confined to a house and filmed around the clock. Beloved by amateur psychologists everywhere, *Big Brother* (now in its second season in Portugal) has been heavily criticized as being exploitative and tasteless. When Endemol came to tout its wares in Portugal, market leader SIC—perhaps smarting from commentators' unrelenting criticism of its output—turned down the chance to produce a local version of the program.

Then the new look TVI snapped it up, and the rest is television history. A large proportion of *Big Brother* viewers stay on to watch the shows that follow it, and TVI has no scruples about making goings-on in the *Big Brother* house into 'news' items on the evening bulletin preceding the show. Such unorthodox journalistic practices make the alleged "dumbing down" of state broadcasters in other countries, such as the UK, pale in comparison.

Ironically, the winner of the first Portuguese series of *Big Brother*—the young man remaining in the house after the program's viewers had voted out all the other contestants—was widely seen as embodying the values of an older Portugal, before the social and moral upheaval symbolized, in the opinion of many commentators, by SIC and TVI.

The victory of Zé Maria, as he is now universally known in Portugal, prompted an outpouring of media comment. It seems to have been the young man's lack of guile and, above all, the fact that he was the only one of the competitors with traditional rural skills, such as the ability to kill and pluck a chicken, that appealed to viewers disoriented by the breathtaking change that Portugal has undergone in the past decade.

—Alison Roberts

BERLIN

SANDMAN'S SUCCESS TRANSCENDS POLITICS

Some like sports. Others like talk shows. But everyone loves *Unser Sandmännchen* (Our Little Sandman). This adorable children's television program has been enchanting audiences for more than forty years. Dismissed in 1990 as an anachronistic cold war relic, the Sandman survived the collapse of communism to become the most popular and

enduring children's show in reunited Germany.

And it's easy to see why. Aside from helping satisfy our universal need for sleep, the Sandman strikes the chords of human curiosity and benevolence, showing us what life is (and might be) like in cultures far removed from our own. The Sandman figure himself drives the coolest vehicles imaginable, turns us on to gem-like animated features, and sends us to bed with a song in our hearts and stardust in our eyes. He's about the closest thing five-year-olds (and their parents) can get to a bona fide TV hero.

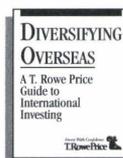
Among the Sandman's many virtues is brevity. Five minutes of our time is all he asks. No hype. No sales pitch. Just a short animated bedtime treat to mark the end of a child's day and usher in the evening for adults. This being Germany, of course, the Sandman is punctual to a tee. Viewers who tune in to their local public TV station anywhere in the country between 6:30 pm and 7:00 pm are sure to hear the Sandman's signature tune—a song many Germans can hum more readily than their national anthem.

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Parents and toddlers appreciate the Sandman's solid reliability; there's never anything threatening or offensive, and the format is always the same. Like clockwork, the stop-motion puppet with the pointy hat, beard, and boots glides into the scenery. Depending on the terrain, he might arrive by spaceship, submarine, camel, boat, or bicycle. He's welcomed by his exotic hosts who sit together with him in front of a discreet video screen and enjoy a beautifully crafted cartoon. About three minutes later the peripatetic puppet bids us all farewell and departs the same way he came...but not before reaching into his pouch and flinging fistfuls of that obligatory magic sand. His audience is left rubbing their sleepy eyes.

Nearly 3 million Germans participate in this evening viewing ritual. And they've been doing it for two generations. Gerhard Behrendt, the author and set designer who created the Sandman back in 1959, knows exactly what makes the character so popular: "The Sandman is eternally friendly and lovable. He only does good and is a reliable friend." Behrendt says the Sandman possesses both "childlike" characteristics and "the wisdom and dignity of age." The fact that the Sandman never talks (he doesn't appear to have a mouth) helps keep him out of trouble.

Though the Sandman is basically apolitical, he was once a subject of cold war rivalry. From 1959 until the fall of the Berlin Wall, there were two different "Sandmen"—one produced in East Germany and one in West Germany. Despite their similarities, the West Sandman never really caught on. Much to the chagrin of western television producers, children in West Berlin—who were technically in a position to watch both shows—preferred the East Sandman. When Germany unified, the West Sandman was retired. His eastern counterpart was also slated for the chopping block, but viewers on both sides of the fallen Berlin Wall fought to keep him alive. *Unser Sandmännchen* is one of the former East Germany's few success stories.

Today, the Sandman is an established media icon with his own Web site (www.sandmaennchen.de) and on-line shop. You can even visit the Sandman Museum and production studio in Babelsberg (of Marlene Dietrich fame) just outside Berlin. Negotiations are underway to market the past decade of Sandman productions overseas. The ORB pro-

duction company, which owns the rights to these shows, has reason to be optimistic: The Communist-era Sandman was an export hit.

—Terry Martin

LUXEMBOURG

SMALL AND COMMERCIAL EQUALS POWERFUL

It may be a tiny country but make no mistake, when it comes to broadcasting Luxembourg is right up there with the world heavyweights. You would have to search long and hard to find a commercial television or radio station in Europe that hasn't got the fingerprints of Luxembourg's RTL Group on it somewhere or other.

RTL is, quite simply, Europe's leading broadcasting and production company with interests in twenty-three television channels and seventeen radio stations in eleven European countries. It's also a global leader in content production, making more than 200 programs in thirty-five countries and for good measure is one of Europe's leading on-line players with more than eighty branded Web sites.

And, no, it's not just Europe, either. Following its acquisition last year of Pearson TV, the world's leading international independent television production company, RTL now owns the All American Communications Group responsible for *Baywatch*, *The Price is Right*, *Match Game*, and a slew of other US-originated game shows that have found favor with audiences throughout the world.

You might wonder how a country no bigger than hundreds of American cities could reach such lofty heights. One reason is location. Luxembourg is so central that its signal can reach television viewers in France, Germany, and Belgium, dwarfing the domestic audience. Another is the country's multilingual and multicultural expertise, making it natural for programmers to look beyond the frontiers. And a third is a relatively tolerant and enterprise-oriented government with no state broadcaster to protect.

But the main reason for its success is simpler than any of these. Luxembourg's strength in broadcasting has happened not in spite of but because of its smallness.

Under the Geneva Convention of 1929 Luxembourg, as a sovereign state, was

granted its own broadcast frequencies but because the government lacked the necessary financial resources to exploit them they were, uniquely in Europe, turned over to the private sector. Radio Luxembourg was created in 1931, and its place at 208 meters on the waveband became an icon for young people throughout Europe for decades thereafter.

By airing non-stop pop music hits from America—with the commercials to match—Radio Luxembourg offered listeners a strikingly different format from the state-owned stations in neighboring countries with their streams of classical and middle-class evergreens and their public service duties. In commercial terms, it was one of the sharpest moves ever made in broadcasting and gave RTL a lead that the company successfully carried over into television broadcasting from 1954. Once again Luxembourg marched boldly into the commercial marketplace ahead of all others.

The arrival of digital pay television in Europe in the 1990s brought challenges to RTL's leadership. Giant players like Rupert Murdoch and the two German groups Bertelsmann and Kirch began to deploy massive sums in the fight for the \$15 billion pay-television market. In 1996 RTL, lacking the financial resources of its competitors, effectively merged its television operations with those of Bertelsmann.

In April this year the situation took a new twist when Bertelsmann acquired the 30 percent stake in RTL held by Groupe Bruxelles Lambert of Belgium, giving the German company 67 percent of RTL's equity. The British group Pearson owns 22 percent, leaving just more than 10 percent of RTL's shares in the hands of smaller shareholders.

The stock is listed in London and capitalized at around \$16 billion but is barred from inclusion in the index of 100 leading stocks by its small "free float." RTL is eager to get this float up to more than 15 percent so that it would qualify for purchase by mutual funds and so make future financing easier as well as broadening its shareholder base.

Some locals think it a pity that RTL is no longer directly owned by Luxembourgers. But if the company keeps its name, maintains its headquarters and senior staff in Luxembourg, and pays its taxes to the Grand Duchy, that seems to be good enough for most people here. And certainly no one can challenge its place in broadcasting history.

—Alan Osborn



ROME

A QUESTION OF CONTROL

The six television channels that cover the whole of Italy (the seventh, which was recently acquired by Telecom Italia, still only partially covers the country) are all under the direct or indirect control of the country's richest man—and its newly elected prime minister.

In May, Silvio Berlusconi, whose Mediaset conglomerate controls three commercial networks, led his center-right coalition to an absolute majority in Italy's national elections. Berlusconi formally passed the management of his empire to members of his family; however, as head of the government, he now oversees the RAI public networks and the nomination of its directors.

During the run-up to the election, the center-left coalition opposing Berlusconi (whose right-wing coalition includes his Forza Italia party, Gianfranco Fini's neo-fascist party, and Umberto Bossi's Northern League) made this apparent conflict of interest the central theme of their campaign. But despite their attacks, Berlusconi convinced the voters that he would resolve this question during the first 100 days of his government (although he never explained exactly how

he would do this).

For the moment, however, the Italian television system doesn't seem to have suffered much from this strange scenario. In fact, the media headlines have been dominated by a controversial RAI programming decision unrelated to the Berlusconi question. Adriano Celentano, a popular singer and longtime figure on Italian television, was allowed to present on one of the RAI stations a show with a title that included a heretofore forbidden swearword. The avalanche of protests by mainstream viewers did not stop the network from giving Celentano, who is famous for shocking viewers, the million-dollar contract he demanded.

Celentano didn't stop there. He used the program to transform himself into a political personage halfway between a preacher and a social scourge, attacking a recently approved law that makes it easier to donate organs from clinically deceased patients. In fact, it proved a cagey move. Celentano showed that he was in tune with the policies espoused by the Catholic Church's upper hierarchy, and the singer came through the provocation unscathed...and with a much fatter wallet.

—Niccolò d'Aquino

Media magnate and newly elected Italian Prime Minister Silvio Berlusconi now controls most of Italy's TV stations.

PUBLIC CHANNEL PRODUCES REALITY HIT

ORF, Austria's national television channel, has joined the reality TV trend in full force with its hit show *Taxi Orange*. While other national channels have refused to buy into the phenomenon due to their flashy and often questionable nature, ORF has stood by the show, claiming that its integrity sets it apart.

Austria's commercial channels have been overrun by reality television shows in the last year, allowing viewers plenty of voyeuristic choices. Some of these programs are the domestic versions of international hits, such as *Big Brother* (which allows viewers to watch a group of people confined to a house and vote them out one by one) and *Popstars* (which follows the travails of creating a music group). The cable channel SAT1 has introduced a show called *GirlsCamp* for German-speaking audiences in which viewers can watch ten women 'enduring' life in a luxury apartment. RTL2 aired a "diet duel" in May, in which the person who loses the most weight receives the exact amount of pounds lost in gold. The messages this kind of show sends out are questionable, but they do seem to arouse viewer curiosity. RTL has also introduced a show about the dance club scene aimed at a young audience, appropriately named *To Club*.

ORF's venture into reality TV has silenced many of its critics. *Taxi Orange* pushes a group of young people out into the workforce as taxi drivers. ORF general manager Gerhard Weis, in an interview with Austrian newspaper *Der Standard*, made a point of distinguishing this show from its competitors. He said that in his view, *Taxi Orange* uses the reality format in a completely different, more productive manner than *Big Brother*. "In this show, young people from the 'no future generation' are supposed to work at building their future," Weis said. Another difference is the way in which participants are voted off the show. The audience votes for their favorite character, and this individual then decides who is the next to go. This system ensures that the young drivers must be both likable and hardworking in order to survive. Eva Rossmann, a Viennese author and publicist, wrote an article defending the show from its conservative critics. In her opin-

ion, “there is more community than competition” on *Taxi Orange*. She also notes that, while onscreen discussions may not always be intellectual, at least the participants do engage in debate. *Taxi Orange* creator Mischa Zickler, in another interview with *Der Standard*, points out that unlike other shows, the participants are not isolated from the outside world. As to their protection from unruly passengers, he says there will be none. “Real taxi drivers, after all, are never shielded from surprising passenger behavior.”

ORF has taken somewhat of a chance of damaging their reputation, but this risk has paid off. German TV channels ARD and ZDF have made public declarations that they would not introduce reality programming. ORF has tried to ensure that they maintain a sense of integrity while still arousing the curiosity of a young audience. *Taxi Orange*, currently in its second season, has managed to reach the targeted viewer range of nineteen to twenty-nine-year olds.

In fact, they have claimed 48 percent of this viewer market, and viewers in this range have increased by 5 percent from last year.

—Alexandra Hergesell

BRUSSELS

TV HEAVEN

Belgium was recently described as “a heaven of sorts for fans of the small screen.” There is a wider choice of channels available than in any other European country. Some 95 percent of homes have cable and can receive forty or more channels. These include the BBC from the United Kingdom and all the principal channels from the neighboring countries of the Netherlands, Germany, France, and Luxembourg. At least one channel is also available from Spain, Portugal, Italy, Greece, Turkey, and Morocco.

This, of course, means that Belgium’s own television channels face tremendous competition for viewers in their own country. In fact, a majority of French-speaking Belgians prefer to watch French or Luxembourg channels rather

than their own, and the same is true of the Dutch-speakers with regard to stations beamed from the Netherlands.

This situation arises from the Belgian channels’ serious lack of resources and their resulting inability to compete in the quality and range of programs their competitors offer. There are two Dutch-speaking public service channels and three commercial stations, while French speakers also have two public service channels plus a commercial station linked to Radio Television Luxembourg. There is also a small German language channel.

English-speaking viewers can view the two BBC channels as well as CNN and can also watch English language films on the Dutch and Belgian-Dutch channels, where they are shown in the original language and subtitled in Dutch. They are less fortunate with the French and German-language stations, where the films are almost invariably dubbed.

Pay TV is not yet well developed, with only one channel, Canal+, offering services throughout the country, but those prepared to invest in the appropriate satellite dish have access to a wide range of stations. In short, Belgium is a major importer of foreign television, but only a tiny number of Belgian-made programs or films are exported to other countries, in Europe or further afield.

—Dick Leonard

ATHENS

MEDIA REGULATORS PROTEST REALITY TV

The imminent launch in Greece of *Big Brother*, the popular Dutch reality show that has been successfully cloned around the world, has raised a storm of protest. So great was the furor that executives at Antenna TV, the privately held, commercial Greek channel, were hauled before Greece’s media regulators to defend the project even before participants for the show had been selected.

The formula for *Big Brother* involves a carefully chosen but ill-assorted group of people who share a house in which they live under twenty-four-hour surveillance by dozens of television cameras. Internet audiences can check on them at any time of the day, and television highlights of the juiciest moments are broadcast in prime time. All this strikes a worrying note with Greek intellectuals.

It’s a disturbingly familiar concept to people who were exiled to remote islands or placed under house arrest during the colonels’ junta (1967–74). Also, the system by which viewers vote to decide which housemate should be ejected echoes the arbitrary way the junta’s opponents were arrested or taken off into exile. As Popi Diamandakou, a newspaper columnist wrote, “*Big Brother* provides a lesson in the values of a new world, which uses familiarity as an excuse to make surveillance acceptable. It turns a game show into a nightmare.”

Journalists and media students have staged a protest rally outside Antenna’s headquarters. The organizers described *Big Brother*—to be aired in Greece as *Megalos Adelfos*—as “an insult to human rights and civilized traditions.”

However, Antenna, a leading private channel controlled by the Kyriakou shipping family, has already launched a search for contestants for a \$126,000 cash prize. The twelve contenders would be holed up in a heavily guarded house outside Athens for 112 days. Applicants have to fill out a ten-page questionnaire about their lives, from childhood memories to drinking habits.

Still, it will be up to the regulators at Greece’s radio and television council to decide whether the show would violate guidelines on what constitutes an unacceptable invasion of privacy. Hours before Antenna aired a pre-show program promoting *Big Brother*, the regulators fired off a warning letter. It cited the French broadcasting regulator’s objections to *Loft Story*—the French version of *Big Brother*—which resulted in the cameras being switched off for two hours a day to provide contestants with a brief respite of privacy.

Reality shows pull in big audiences on Greek television, where a dozen commercial channels compete fiercely for ratings with game shows, subtitled US soap operas, and dubbed Latin American “telenovelas.” But critics have targeted many shows for their highly charged content. The council’s guidelines on invasion of privacy were tightened last year after a scandal over one commercial channel’s decision to show explicitly sexual footage from an amateur videotape of a Greek entertainer with a girl who was said to be underage.

Antenna executives say the Greek version of *Big Brother* will be no different from other versions of the show aired

around Europe. They stress the housemates will be “thoroughly ordinary” young Greeks rather than the professional entertainers chosen for the French versions. Because Internet penetration in Greece is still low, with only one in ten Greek households having access, the availability of twenty-four-hour coverage through the Internet is not expected to attract much interest compared with the television highlights from the show. If it finally goes ahead, *Megalos Adelfos* is likely to have a prime time slot this fall.

—Kerin Hope

COPENHAGEN

POP MUSIC'S SUPER BOWL

At least one night every year, European pop music fans tune their televisions to the same show, the annual *Eurovision Song Contest*. Once a dying event attended only by a cult-like following of obsessed pop music fans and young people hooked on kitsch, the show has re-emerged as a gigantic, hip celebration—at least in Denmark.

The show's mega revival is due in part to Denmark's success in last year's contest. The Olsen Brothers, who after winning the local competition in their native Denmark, went on to win the 2000 *Eurovision Song Contest* held in Stockholm. The contest rules dictate that the winning country hosts the following year's show. Therefore, in May, Denmark hosted the Super Bowl of European pop music for the first time since 1964. And what a logistical performance. With a live audience of 38,000 in the Parken national soccer stadium—the Danish show drew a record-breaking television audience—more than 100 million European television viewers, the most in the history of the European Broadcasting Union, which presents the show.

As the preparations for the extravaganza began last year, the biggest question mark was where to host the show. But after bids from several cities, the producers from DR—the older of Denmark's two national television broadcasters and the producer of the Danish songfest—decided on Copenhagen.

Less problematic was the selection of the hosts. To most Danes, the immensely popular television presenter Natasja Crone was the natural choice to host the *Eurovision Song Contest*. Crone and her co-host, actor and entertainer Søren Pilmark, had to take language lessons to



Viewers voted Estonian Tanel Padar (pictured) and Dave Benton as this year's Eurovision Song Contest winners.

brush up their French before the show, which was presented in a mix of English, German, French, and Danish.

Over the years the show has seen some changes. In previous years, all songs had to be performed in the participating countries' official languages. But nowadays, the countries decide for themselves, and most countries choose to sing in English to generate the largest audience. Another development in the *Eurovision Song Contest* is the increasing number of competing countries. Where the first show in 1956 saw seven countries send a national winner to Switzerland to compete for the top prize, Denmark hosted competitors from twenty-three participating countries. Also, the show has become more democratic. In the past, national juries voted after each song (which must be no longer than three minutes) was performed. However, today viewers from across Europe telephone in their votes for the winning song.

While the Europeans called in their votes for this year's show, the Danish pop band Aqua took the Parken stage and delivered energetic renditions of their own hit songs *Barbie Girl* and *Around the World*, thereby helping attain DR's utmost ambition—to create a gigantic party rather than a television program.

Apparently, the party atmosphere also filtered through the television sets and into the viewers' homes. The Europeans

passed over the more traditional love songs and voted for the party anthem *Everybody* performed by Estonia's Tanel Padar and Dave Benton. Although the 2.7 million Danes who tuned in (a record for a Danish program) had hoped for a Danish victory, the DR producers let out a collective sigh of relief when the Danish band Rollo & King finished second.

—Maria Bernbom

HELSINKI

MORE TV CHOICES

It is commonplace to say of television that more means less, but the development of a second commercial station, Channel Four, has not added to the nation's television reputation, if it really had one, in any impressive way. What it has done, however, is increase the competitive pressure for advertising revenue and boisterously shown the way for television's dumbing down, even in high-minded Finland where the state broadcasting service (YLE) until recently was held in the same reverence the BBC used to inspire in the United Kingdom.

With its news coverage, the new channel has also achieved a diverse mixture of stories, offering a sometimes idiosyncratic editorial choice in welcome contrast to the staid news bulletins found on the other three channels.

The relative verve in Channel Four's news department has not been reproduced in the rest of its output, which is a

dire diet of quiz programs, reality television, soaps, and adaptations of foreign-formatted programs such as *Who Wants to Be a Millionaire?* The channel rarely produces shows of its own (most of its material coming from independent production houses) but has very successfully targeted the young, “those who spend a 105 percent of their incomes,” as one media expert dryly expressed it. As a formula for making money, it is working very well, even if the national economy is beginning to slow down, and viewership is growing in a gratifying way.

The next big development in Finnish television will be this summer’s introduction of digital television, something in which YLE has invested huge resources. But there’s a snag: The special digital boxes that are attached to the set are not going to be ready until late in the year. So, while expectations for the new system have been raised by numerous press announcements, it won’t be in people’s homes until nearly Christmas, causing some embarrassment at YLE.

As one might expect of a country one-third of which is above the Arctic Circle and which, therefore, has very long nights for half the year, there is no shortage of television. It has a very high ratio of cable TV, and satellite dishes, which have poorer reception, are also widespread and give access to almost any television channel from the rest of Europe. Also, it must be pointed out that all the major cities, such as Turku, Oulu, Vaasa, and Tampere, have their own local, commercial stations.

But the increased dependence on outsourcing popular TV productions plus the notorious bureaucratic practices at YLE threaten substantial layoffs in the state and the commercial television sectors—the latter of which has just let go fifty employees.

The Social Democrats, which dominate the YLE hierarchy, don’t want to be blamed as the numbers of jobless television workers grows, so they have recently brought in a heavyweight former television newscaster-turned politician to be the executioner. Surprise, surprise, he is a member of the Center Party.

Two questions about the future of Finnish television rumble on in the Finnish Parliament, though neither of them is getting urgent attention. Some 6 percent of Finland’s population speaks Swedish as their first language—the country is officially bilingual—yet YLE presents the equivalent of one and a half

days of television each week in the Swedish language. Is this a disproportionate expenditure given that the Swedish minority is so small? This sensitive issue re-emerges from time to time, but no one on either side of the argument seems to have a satisfactory answer to it.

The other is just as delicate. YLE earns a substantial sum leasing out their transmitters and cables to the commercial channels, but some parliamentarians are beginning to ask whether the national broadcasting service should be able also to demand a license, especially as YLE also takes sponsorship money for its coverage of ever-popular sports events.

This is despite the fact that Finnish TV licenses are the lowest in the EU—a mere \$100 per annum—and the average evening viewership of YLE programs is approximately 700,000, which is substantial for a nation of only slightly more than 5 million.

This will not be settled quickly, if at all. What remains surprising is that, notwithstanding growing television audiences, the readership of periodicals and books is increasing.

—David Haworth

PARIS

BERNARD PIVOT CLOSES THE BOOKS

Television is often blamed for being such a quick, easy visual fix that it can reduce brain activity to the merest lazy ripple. In France, one man has single-handedly proven the contrary for the last twenty-five years: literary talk show host and inveterate lover of the written word, Bernard Pivot.

Once a week, with a handful of recently published authors gathered around him, he regularly has conjured stimulating, thought-provoking television using only the magic of the printed page. His first literary show, *Apostrophes*, ran on France’s second public service television channel from 1975 to 1990, and made him a celebrity, not just in France, but all over Europe and even to some extent in the United States.

The follow-up program on France 2, *Bouillon de Culture*, was launched in 1991 in a later slot, at 11 pm, but followed the same time-tested format.

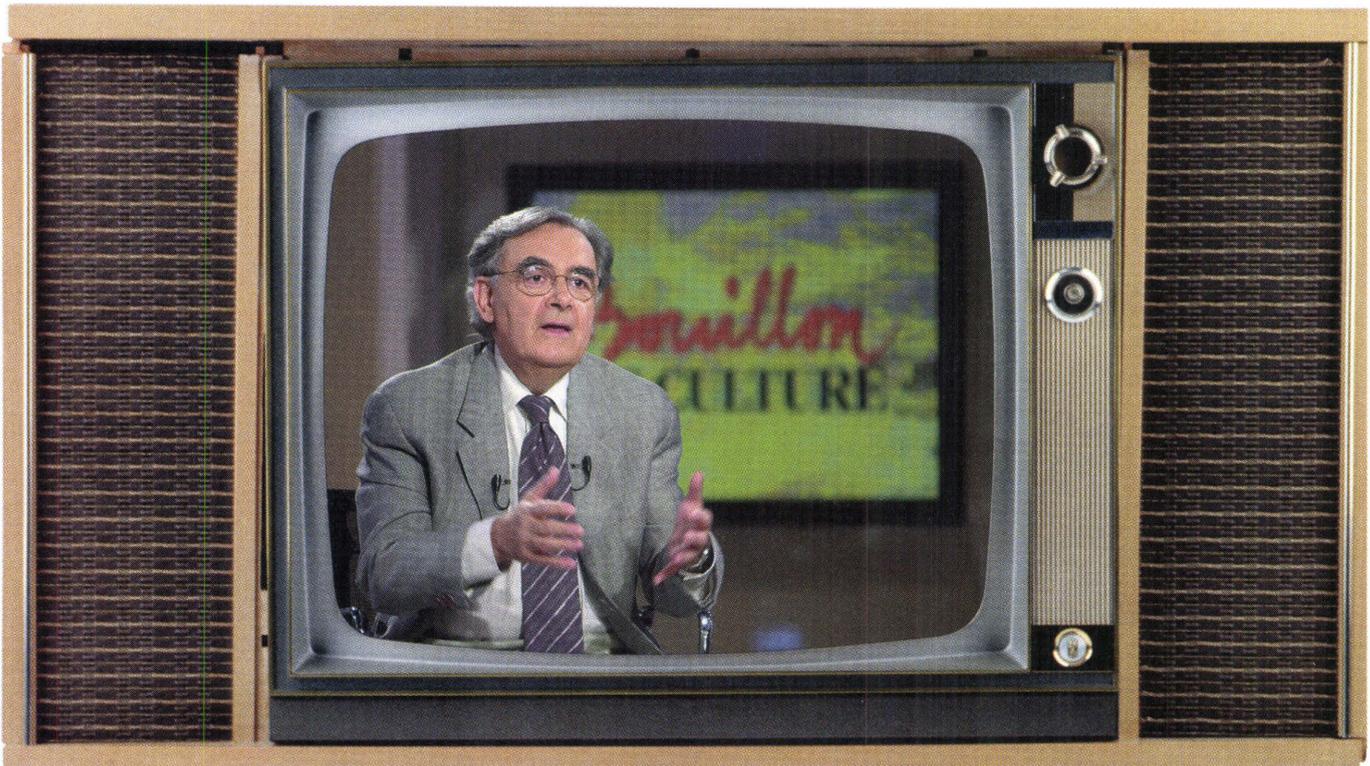
Each show was loosely built around a general theme, with a half-dozen writers invited, whose books illustrated the overall topic. (*The Nobel Prize and Its First Winners*, *Childhood Wounds*, and *Is France in Decline?* were some of the tomes discussed this spring.) Pivot would interview each writer in turn, but always left the floor open for the other guests to jump in. He was a genial, remarkably self-effacing host, who would sit there, shuffling his trademark pink note cards, an unruly lock of hair flopping onto his forehead. Then he would shoot a warm, quizzical look over the top of his glasses, always perched precariously on the tip of his nose, and start asking questions. The questions sounded simple and spontaneous, yet the discussions they started—often fierce, moving, funny, brilliant—provided many of the best moments in French talk show television in the last quarter century.

During its fifteen-year run, *Apostrophes* held television viewers in thrall every Friday evening and turned Pivot into the last word on literature in France. People would make the ultimate sacrifice and give up going out to dinner just to watch him. On Saturdays, when they did get together with friends, the latest books presented by Pivot would rank right up there with food, politics, and sex as hot topics around the dinner table. Authors and editors would wait with bated breath for Pivot’s pronouncements on their books; bookstore owners would display those he had endorsed on a special “Pivot” table, which they knew would be picked clean every Saturday. People who

had hardly ever read a book before, and barely knew anything about its contents or its author, would demand to buy “the one written by the man in the red tie and striped jacket, sitting to the right of Bernard Pivot.”

Over the years he has lost none of his puckish charm and easy virtuosity, but he has committed the one unpardonable sin in television—he has gotten older. Last September, at





sixty-five, he announced on *Bouillon de Culture* that he would be retiring this spring. "I've been doing a weekly show on books for the last twenty-five years. It's been a fabulous experience, and I didn't want to carry on one year too long. In the interests of the channel and the viewers, it's time to pass the torch onto someone younger." More than his age, the late time slot caused *Bouillon de Culture's* audience figures to drop to only 8 percent of viewers in the last year. Pivot read the writing on the wall with the same grace and good humor that have marked his whole career.

Born into a family of winegrowers in Lyon in 1935, he has almost as much of an appetite for good food and wine as for books, which he devours for ten to fourteen hours every day. Besides having hosted his two hit literary shows, he worked as a journalist in both radio and print, created a literary magazine called *Lire* in 1975 and launched a fiendishly difficult national spelling bee in 1985, which has close to 550,000 students and 10,000 adults feverishly leafing through the *Larousse* each year.

As talented as Pivot is, the secret to his television success lay with his ability to attract the world's top literary figures. His guest list reads like a *Who's Who* of twentieth-century literature, with Jorge Semprun, Umberto Eco, Alexander Solzhenitsyn, Albert Camus, Woody

Allen, and Françoise Sagan all accepting invitations, often several times over.

Rare were those who turned down the chance to appear with Pivot, some be-

Bernard Pivot's Quiz:

What's your favorite word?

Which word do you hate?

What's your favorite swearword?

Which sound do you like most?

Which sound do you hate?

If there's a heaven, what would you like

God to say to you when you get there?

cause they were professional recluses, others like Pope John Paul II, for political reasons. So powerful were Pivot's powers of persuasion, and his reputation, that the late President François Mitterrand was among those who agreed to be interviewed, although he was in the terminal stages of cancer.

The guest-of-honor on the last *Bouillon de Culture*, to be aired on June 29,

was James Lipton, who created and hosts the movie talk show *Inside the Actor's Studio*. Lipton ends each of his one-on-one interviews of actors with a quiz Pivot developed for his own guests. Neither man has ever answered the six questions of the quiz himself, but this time, before Pivot signs off for the last time, both have promised that they will.

—Ester Laushway

France's literary talk show host Bernard Pivot is signing off after twenty-five years on TV.

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ARTS & LEISURE

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



EVERYBODY'S FAMOUS

Written and directed by
Dominique Deruddere;
Miramax Films; 97 minutes

The Academy Award nominee for best foreign film *Everybody's Famous* offers a fresh comedic take on the old premise of how far some people are willing to go for fame. It tells the tale of Jean (Josse De Pauw), a forty-four-year-old blue-collar worker, doing everything in his power to earn his teenage daughter Marva (Eva Van der Gucht) the fame that he craves. She is an aspiring singer and a frequent contestant in local competitions, but every weekend she gets embarrassing scores. Jean is disappointed, and in a moment of despair, he kidnaps the sexy, popular singer Debbie (Thekla Reuten). Catching the attention of the media, Jean realizes that the show must go on until everyone is famous.

Director Dominique Deruddere, whose previous films include *Wait Until Spring, Bandidi*, *Suite 16*, and *Crazy Love*, allows his characters to remain true to their Flemish origins and setting (the dialogue is in Flemish with English subtitles), yet he still manages to communicate a universal theme without resorting to classic Hollywood formulas.

After attending the Los Angeles premiere, screenwriter Gina Wendkos called it a masterpiece. "It's very human, and I wish American movies would have the same honesty." Colleen Tobias of the American Film Institute said it was very funny. She praised the



work of the director and the actors. It's the first time a Flemish movie will be released in twenty major US markets.

—Suzy Hendriks

Belgian writer and director Dominique Deruddere recently spoke with EUROPE about his approach to filmmaking and his surprise hit Everybody's Famous.

What inspired you to write and make a movie about the quest for fame of ordinary people?

It's a situation of what the media landscape is today in Belgium—and apparently, all over the world. When I was a young boy, somehow you got famous because you knew how to do something, you had a passion. For example, Mozart had a passion for music, he became a great musician, thus he became famous as a great musician. These days, apparently many people think you should become famous and don't have to know anything anymore. And, if they don't succeed in being famous, they're very angry. This kind of thinking about these realities inspired me to make this film.

There's no specific event that actually led you to this idea?

No, you know how it works with ideas and inspiration. It's always very weird. I was just getting upset by television—like everybody else. Here's this nobody again, so I switch channels, and there's the other nobody again. Why is it so bad, why is television so cynical, why do I have to watch this? Then you go to bed, all of a sudden you dream up a story, and when you wake up you write it down. You always have to wake up and write it down. Never go to sleep and say "I'll write it tomorrow" because you don't.

What did the Academy Award nomination for Best Foreign Film change for you and for the way you look at filmmaking itself?

Mostly it was a great honor, and it helps, of course. But it was a combination of two things that were important for the film. There was first Miramax picking it up [for distribution]. That was very important. Because when Miramax picks up a film that means it's a good film in the eyes of many distributors in the world. You

will start selling your movie much more easily than before. People who would not buy it before Miramax bought it will now ask to buy it. Miramax liked the film from the beginning. They saw the film months before [the Academy Awards nomination]. They were really crazy about the film. But, it's a Flemish film. It's very difficult to sell a Flemish film. There are no known actors; I'm not a known director. Miramax didn't have a selling theme. Now they can put on a poster "Oscar nominated," and it helps. Then they will get good press, hopefully, and people will come to see it. They needed something. If it's not an Oscar nomination, you have to win Cannes or something. You have to have a couple of really good prizes under your belt, but the most important prize of all is, of course, an Oscar or an Oscar nomination.

Do you see an improvement in the market for Flemish-Belgian-European films in general both at home and abroad, especially considering the overwhelming market share of American movies.

Since it's my profession, I have to be optimistic, but a lot of people are very pessimistic. The giant America is very hard to compete with. When you see these big multiplexes—even in Belgium, where it started—and then *Pearl Harbor* comes out or whatever, instead of taking one screen, they'll take ten. Smaller films will always have difficulties, especially in those bigger theaters, to be played.

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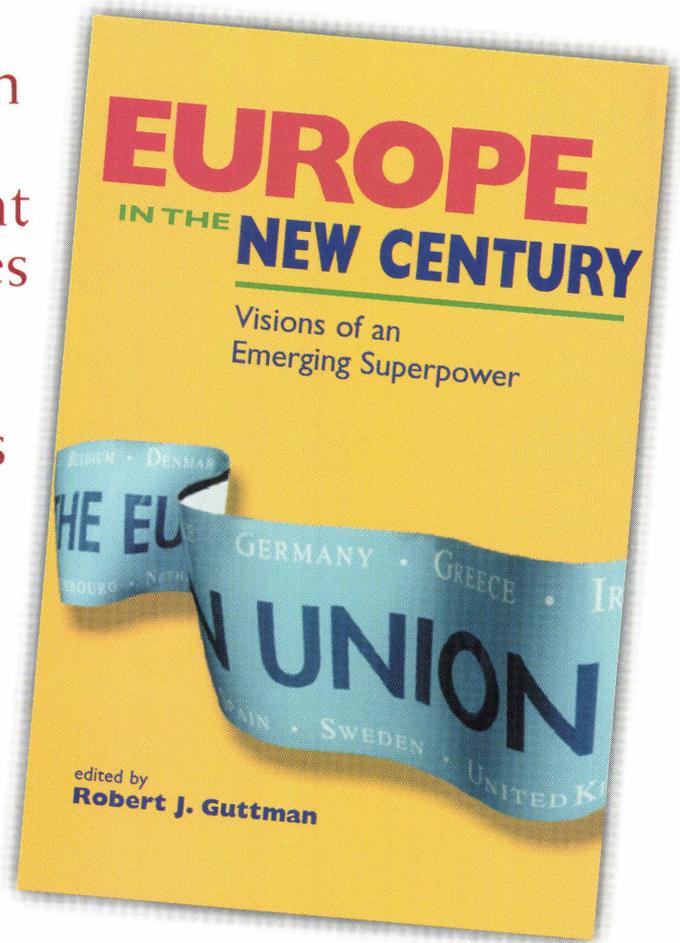
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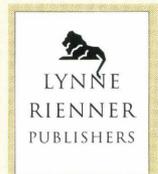
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Robert J. Guttman, editor-in-chief of *EUROPE* magazine, has been an adjunct professor of political communications at The George Washington University and of politics and communications at The American University.

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