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2003/2004
STRATEGIC PANORAMA

INSTITUTO ESPAÑOL DE ESTUDIOS ESTRATÉGICOS
REAL INSTITUTO ELCANO

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LETTER FROM THE DIRECTOR

It was one year in ago in November that I was appointed Director of the Spanish Institute for Strategic Studies (IEEE). The Institute is attached to the Secretariat-General for Defence Policy which, owing to its functions and nature, stamps its personality on the organisations under its authority.

Over the past fourteen months in my post at the IEEE I have endeavoured to promote a fresh approach to the various publications in our Strategy series, including the *Panorama*. No contributor has been ruled out on the grounds of degree of social or political prestige; indeed, when choosing our contributors priority is given solely and exclusively to their knowledge and specialisation in the particular subject.

Accordingly, during 2003, as proposed, we have worked in conjunction with the Elcano Royal Institute of International and Strategic Studies to produce this edition of the *Panorama*, as well as with other institutes and research centres we believed could make an interesting contribution. We are now collaborating with institutions as important as the Instituto Universitario Gutiérrez Mellado, the National Intelligence Centre and the CESEDEN.

We are already feeling the effects of the new life which these contributions are instilling into the IEEE and which will shortly be reflected in the publications that the Institute makes available to the various sectors of society interested in our area of strategic thought.

We will carry on striving to improve the results of the *Panorama* and other publications in the Strategy series and the work of the Institute as a whole, convinced that in doing so we are helping to increase the dissemination of defence culture in Spain and, accordingly, to raise public awareness of defence, which is essential in any Western democracy.

JAIME RODRÍGUEZ-TOUBES NUÑEZ
Director of the Spanish Institute for Strategic Studies

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INTRODUCTION

INTRODUCTION

As pointed out in the introduction to last year's Panorama*, the year began with a number of causes for concern, such as the coalition forces closing in on Iraq and North Korea's display of threatening gestures.*

In the first months of the year we witnessed with disconcertment the collapse of processes hitherto governed by the dialogue, consensus and cooperation that had become customary in our cultural environment and had been maintained and even grown stronger and more widespread following the events of 11 September. We are therefore particularly interested in monitoring the subsequent efforts to restore diminishing solidarity.

The war waged in Iraq ended in a rapid victory for the Coalition, proving America's military capability and the success of the "Revolution in Military Affairs". It confirmed Washington's determination to change the world map and put an end to the new threats with a very clearly defined view of its mission as a major world power faced with new security problems. Although the gloomy forecasts were mistaken in their predictions of a prolonged war of attrition, they were nonetheless right about the difficulties of the post-war period, which revealed gaping deficiencies in risk evaluation, in the political forecasts on reconstruction and in the American forces' preparedness to address the security issues of the second phase. These difficulties were to open the United States' eyes to the need to rely on others.

The war took place in a context that the European countries found very uncomfortable, irked as they were by the radical nature of America's "doc-

trine", though aware of the need to preserve the transatlantic link as the key to security and to adopt a multilateral approach to combating the new threats. However, this discomfort soon gave way to disagreement, as France believed it was time to assume European leadership and exhibit its traditional misgivings about the United States. It accordingly took up the standard of confrontation with Washington and attempted to distance Europe from US policy, even at the cost of disrupting the processes under way within the Union, the Atlantic Alliance and the United Nations. Germany, which had shied away from any kind of leadership from the outset, followed in France's footsteps and the two countries have strengthened their ties to such an extent that many European countries now fear the possible return of a sort of "entente" between the powerful nations. For their part, Russia and China took the opportunity to distance themselves from Washington without drawing too much attention to themselves. In contrast, the countries of the former Warsaw Pact, headed by Poland, showed the importance they attach to the transatlantic link.

In response to this position-taking, the Bush administration, to quote Condoleezza Rice, decided to "punish France, isolate Germany and forgive Russia". Accordingly, the US president endeavoured to chill relations with Paris while striving to develop his excellent personal relationship with Putin, although on some occasions he made gestures of "putting the past behind" him and re-establishing a minimum understanding with Paris at the G-8 summit in Evian. At that meeting a serious of agreements were reached on signing specific commitments on combating terrorism and putting pressure on North Korea and Iran to prevent these countries developing nuclear weapons.

As regards the United Nations, consensus began to be restored concerning a resolution for the post-war period. The resolution in question, which was approved by the Security Council, lifted the sanctions on Iraq and attempted to give the United Nations a role of some sort. The resolution marked the "legalisation" in practice of the presence of the liberation forces, as both France and Germany supported it with their votes. Later, consensus was also reached on a new resolution giving definitive legitimacy to American authority over Iraq, thereby confirming that the United States would continue to exercise political control and command of the multinational force. France and the countries that followed in its footsteps merely made their disagreement known by refusing to contribute funds or troops at the so-called "Donors' Conference" in Madrid. This decision placed them in a very awkward situation as it contrasted

with that of several Arab countries which proved considerably more willing to cooperate.

NATO's support for Poland, which had irked the French government by sending forces to Iraq, constituted indirectly a de facto involvement of the Alliance in reconstructing that country and helped re-establish relations between Europeans and between Europeans and Americans. The atmosphere of solidarity within NATO was restored in particular at the meeting of foreign ministers held in Madrid in early June and was subsequently consolidated by a fresh consensus on the reform and simplification of the command structure as a means of boosting the efficiency of the organisation's counter-terrorism efforts.

A development that was given little media coverage but marked a turning point was NATO's direct involvement in Afghanistan, which proved that the doctrine established at Prague was not limited to theory. NATO's presence in Central Asia represented the Alliance's definitive shift from its original status of European defence instrument to its new role in the field of world security. It should be pointed out that the "naturalness" with which this qualitative leap took place is difficult to explain bearing in mind the misgivings that certain powers are showing about US proposals in general.

Equally noteworthy is the speed with which the initial stage of the NATO Response Force got off the ground. The inauguration ceremony took place in mid-October at the Regional Headquarters Allied Forces North Europe in Brunssum with 9,000 of the 30,000 men of the envisaged total of 30,000. Spain contributed the largest contingent (2,200).

The European Union is another area in which efforts were made to improve the atmosphere resulting from the dissent. The first, very modest European military mission (to relieve the NATO forces in Macedonia) was followed by an unexpected mission in the Congo, which was begun in June to support the United Nations and largely sponsored by France. The Union also expressed its willingness to take over SFOR in Bosnia-Herzegovina in mid-2004. Therefore, contradicting Europe's declared military weakness, the FSDP embarked on a new stage that revealed the Union's wish to play a more lucid role on the international scene.

The effort to restore European solidarity received impetus in June when the proposals of the Convention were presented in an atmosphere of considerable euphoria. However, the differences of opinion that emerged from

the outset created a tense climate for the negotiations of the Intergovernmental Conference.

Also worthy of comment, as it showed a certain rapprochement between Europeans and Americans regarding security and defence matters, was the priority given by the so-called "Solana Document" to counterterrorism, and its recognition of the need to use all available means, including force and preventive action. It remains to be seen how such action will be defined and what international rules Washington is willing to abide by. Solana's initiative and French and German acceptance of his document on European security have strengthened the position of those who preferred to safeguard the transatlantic link above other concerns.

In short, things returned to relative normal at the three major international organisations, two of which (NATO and the EU) have gathered considerable momentum and have their sights firmly set on the future, enriched also by enlargement, which will transform Europe and the surrounding area. But although it prevented dissent from setting in, the resumption of these processes has failed to conceal the profound turmoil that remains and the deep scars caused. Kofi Annan, aware of the United Nations' loss of prestige, launched his own initiative to adapt the international organisation to the current times, for which he created a "committee of wise persons" which was greeted with widespread scepticism.

All these developments can be interpreted in the light of a process that appears to be directed towards the establishment of a new order in the fight ("war" according to the Americans) against terrorism, resulting in a huge reconfiguration of the strategic map. Examples of the latter are NATO's presence in Central Asia and that of forces of democratic and "Western" countries in the Middle East, and the elimination of certain "rogue" regimes in both regions. The series of heavy blows dealt to international terrorism amount to a warning. In addition, Saudi Arabia has lost its curious previous status and is paying for its double dealing, which included surreptitiously supporting certain terrorist movements, while the United States has become less strategically dependent on this country and is backing other players. Iran, another of the components of the so-called "axis of evil", is located between two countries that have undergone military intervention and is currently under observation, particularly in relation to its nuclear programme. Syria, another suspect, is under direct pressure.

The Iraq war also ushered in what may prove to be a period of deep change in the Middle East. For a start it enabled the peace process to be

resumed. Precisely the impetus given by the "Quartet" to the "Road Map" helped justify the difficult decision made by the participants in the Azores summit, who had taken sides with America. Attempts were initially made to alter Palestinian leadership by relegating Arafat to the background and focusing on Abu Mazen. However, Arafat cut the grass under his and his successor Abu Ala's feet by failing to hand over control of the security forces and the attacks continued, as did Israeli reprisals. In short, the spiral of violence re-emerged and with it came fresh disappointment.

Naturally, the Palestinian-Israeli conflict continued to undermine attempts to make headway in the Mediterranean dialogue, even though the Barcelona process is still alive. The same occurred with other mechanisms, such as the UMA and the 5+5 group, whose dynamism in 2003 should be stressed.

In Turkey the Islamist government strove to find a way out of the labyrinth by clarifying its future agenda with the EU as an expression of its determination to join, to which it would appear to attach the value of a sacred principle, and by maintaining its security commitments and defence alliance with Israel.

Throughout the year terrorism proved time and time again to be a major threat, choosing Iraq as the preferred scene for its crimes—so much so that it even targeted the UN mission in Baghdad. The main Shiite leader was even killed in a terrorist attack. However, terrorist actions were by no means limited to Iraq and, in keeping with their global nature, not only attempted to undermine the reconstruction of that country but were scattered around the world. The fundamentalist attacks in Saudi Arabia and Morocco fuelled the international antiterrorist campaign and introduced a significant element of destabilisation for the Arab monarchies, which are aware they are targets of Al Qaeda and fear the loss of support of the mass population, which tends to sympathise with this phenomenon. The attack perpetrated in Morocco was perceived as a serious threat to the Alawi regime, which has yet to find a solution to the never-ending problem of the Western Sahara, bogged down as it is in proposals and deadlines.

In this environment in which terrorism is a prime concern, the blow to the prestige of the intelligence services, who proved incapable of locating the major terrorist leaders during the year (Bin Laden, Saddam, Mullah Omar), is a dangerous factor.

As for the show of defiance by North Korea, another "rogue state" and component of the "axis of evil", the United States decided to proceed with caution. This is hardly surprising as the gesture came precisely at a time when Washington was on the verge of a war against Saddam Hussein's regime. Bush attempted to involve the countries in that area in finding a solution and endeavoured to defuse the tension, aware that Pyong-Yang's main objective was to force him to grant certain benefits. But North Korea's turn will undoubtedly come in the United States' merciless fight against the rogue states that support terrorism and disturb the international order, as its bravado is merely confirming the widespread perception that the Korean regime is a threat to peace.

The world economic crisis continued throughout the year and the date of a possible recovery was speculated on. America's problems continued to be cause for concern, despite some encouraging signs, while Europe remained in a rut with the Franco-German "engine" spluttering. Some signs of recovery were at last glimpsed in the second quarter of the year and the United States' economy enjoyed an impressive spurt of growth. In Europe, the danger of deflation and lower inflation spurred Duisenberg to cut interest rates in early June (-0.5), following a tentative and disappointing 0.25 in March. Argentina received a valuable helping hand for its economic and social problems from the International Monetary Fund, which enabled a certain degree of normality to be established—but for how long? This country's recovery was greeted with scepticism by the international society in view of the few changes witnessed in the people and attitudes that had given rise to the crisis. For, despite the lesson dealt, the government continued to follow the same policy line that had been discredited owing largely to corruption. Mercosur also suffered the impact of these developments, though it appears to be picking up as a result of the "Lula effect". The Pacific area has witnessed a slowdown in growth but continues to be the driving force behind the world economy.

Once again, as has occurred fairly frequently in recent years with Aids or "mad cow disease", an unexpected threat emerged in 2003 which badly dented the economy and triggered widespread fear. The repetition of phenomena of this kind has led to the consideration that these "new epidemics" may have serious repercussions on the world economy. On this occasion it was "severe acute respiratory syndrome (SARS)", which mainly erupted in the Republic of China and was dealt with fairly efficiently by the international health community, though the Chinese authorities initially hushed up the problem.

Europe completed the final stage of the enlargement process, a landmark that defines the Europe of the Union and puts a historical injustice to rights. The work performed simultaneously by the Convention is preparing the Union to take in these new candidates, and is forcing it to anticipate the problems that will arise from enlargement. Although its proposals were presented in an atmosphere of historical accomplishment, the Convention left some very controversial issues up in the air, such as the dismantling of the Nice agreements that had taken such effort to reach. It was asked whether the new power sharing formulas, such as those aimed at solving the envisaged complexity of decision making, will not be used by the countries that aspire to secure European leadership to impose their will on the rest. Indeed, the dissent over the Iraq war came at the worst possible time: precisely when it was more necessary than ever to reach key agreements on Europe's future.

As for security and defence matters, the Convention expressed its conviction that headway needs to made in providing the Union with a suitable military capability. But one has the impression that such an agreement, which should have an integrating effect and could be a good means of restoring consensus, is being taken advantage of by France and Germany in their attempt to regain an exclusionist leadership that does not look set to be accepted as it was previously.

Russia continued to display moderation and cooperate with the "Western" countries, though it took advantage of the opportunity France handed it on a plate to distance itself from America without drawing too much attention to the fact and observed with a mixture of concern and complacency the damage caused by the Iraq crisis to the Atlantic Alliance and European defence project. Russia's White Paper, which is based on a new strategic concept, displays some rough edges and defines a sort of area of its own, that of the CIS, and also to an extent the area occupied by Russian minorities where military intervention could be justified in certain circumstances. In contrast to this doctrine, mention should be made of Russia's acceptance of EU and NATO enlargement, even though it involves countries of such significant strategic value to Moscow as the Baltic States.

Various crises erupted in Latin America owing to the lack of essential structural reforms. This has damaged considerably the prestige of the democratisation process and led to the emergence of populist leaders who offer fast, radical solutions—that is, exactly the opposite of what is

required. The root problem is basically the weakness of the institutions, even though the current crises have proved them to have grown stronger, as today's conflicts are increasingly being solved without recourse to "military solutions". Positive developments that are worth mentioning are the encouraging degree of understanding reached between the Southern Cone and the North, Chile's agreements with the European Union and the United States, and Santiago's interest in Mercosur, which would appear to offer more attractive prospects for Chileans than the Andean Community. Nor should we forget the progress made in the FTAA and in the political and regional cooperation agreements between the European Union, Andean Community and Central American countries. It is precisely the latter which offer the best prospects of recovery and economic growth today. In contrast, the Andean Community is beset by violence, terrorism and threats of destabilisation from social sectors with a highly radical native Indian component.

Mexico's disagreement with the United States over the Iraq war should be regarded as merely episodic. The wrestling match continued in Venezuela between the supporters and opponents of the highly personalistic and populist regime that is coming dangerously close to Cuba, where Castro, in a pathetic "fin de régime" show of defiance, continued to cling to the most outdated attitudes and sought constantly to provoke crisis, which in this case extended to his relations with the European Union and with Spain and Italy. The execution of the Cubans who had hijacked a boat in order to flee from the country triggered international outrage and, although it was condemned rather half-heartedly by the United Nations, revealed the double yardstick of the "Anti-Americanists". Colombia remained stubbornly determined during a new stage characterised by refusal to conduct pointless talks with the "guerrillas" following the inclusion of these groups, whose prestige has taken a definitive knock, on the lists of terrorist groups.

The change in the United States' priorities caused by the events of 11 September had particularly far-reaching consequences for the whole of the region. On the one hand, the Bush administration has changed its initial intention to make the region one of the focal points of its foreign policy, and, on the other, Washington's attention has been turned to security problems to the detriment of others.

The year witnessed elections in several Latin American countries: Argentina, Brazil, Ecuador, Paraguay... Hopes were pinned on Lula, who is

being observed closely to gauge how much remains of his initial impulse following the necessary adaptation to the medium. His role is a difficult one, as failure would be very disappointing to all.

The Ibero-American Summit made a decision of far-reaching importance for its own future: the setting up of a general secretariat, which can give it fresh impetus by facilitating coordination, the development of initiatives and institutional representation.

In Asia the support shown by South Korea and Japan for the United States with respect to the Iraq war and Australia's participation caused greater repercussions than are generally recognised. The most worrying development is perhaps the emergence of certain radical Islamic currents that are beginning to arouse the Southeast Asian population's interest in the Middle East problems and are fuelling a dangerous terrorism that is jeopardising the stability of the countries in the region, which could have particularly serious consequences in Indonesia and the Philippines. Another issue that should be monitored is America's redeployment in those regions in response to the North Korean crisis and the spread of terrorism in Southeast Asia. The conflict between India and Pakistan remains entangled in a vicious circle and the "hand of friendship" extended by Vajpayee to Islamabad has failed to bring about noticeable changes in the situation.

On the Korean peninsula, mention should be made of some of the after-effects of the problem triggered by the north's communist regime, such as the worsening of relations between Seoul and Washington and a surge of anti-Americanism in the south, particularly among young people. Nonetheless, there is a glimmer of hope: the possibility that the six-party talks aimed at settling the dispute prove conducive to the establishment of a permanent security mechanism.

The balance between regional powers is pointing towards a progressive convergence in the manner in which security problems are perceived. China, which remained silent during the Iraq crisis as its absolute priority was to continue to grow, maintained its good relations with the United States and from spring onwards pursued a very active Asian policy and confirmed its intention to join multilateral structures by moving closer to ASEAN, whose members are strengthening their ties in the fight against terrorism. Japan's security policy witnessed a turning point in that it began to come to terms with reality. This change became apparent in Tokyo's reaction to the North Korean threat and in the Japanese parliament's

approval of the decision to send troops to Iraq, even though it was never implemented.

The "forgotten" wars lingered on in Africa as an undesirable consequence of complex problems of tribal or religious hatred (the Great Lakes region—Uganda, Rwanda, Burundi—and Sudan) and were further complicated by famine (Horn of Africa) and widespread corruption. These wars are fuelled by underlying social or economic—or to be precise, in many cases commercial—interests, such as the struggle for control of diamond mines and arms trafficking (Liberia, Sierra Leone) or strategic minerals such as coltan (Congo). The EU's first intervention in Africa took place in the Congolese town of Bunia and was championed by France, which, in contradiction to Paris's arguments regarding Iraq, had previously sent a large contingent of troops to the Côte d'Ivoire without the authorisation of the United Nations.

The eruption of a fresh bloody internal conflict in Liberia led to a request for the intervention of the United States, which has been reluctant to involve itself in African affairs since the Somalian expedition. This proved once again that the African states lack the capability to solve their own problems and international intervention is essential to settling conflicts.

The greatest hopes for Africa may lie in the considerable impetus given to fighting the scourge of Aids, owing particularly to the funds contributed by the US administration and to the establishment this year of the Partnership for African Development, an initiative led mainly by the Republic of South Africa, which is the driving force behind these changes.

To sum up, it may be said that in a world that is more unipolar than ever, in 2003 we witnessed a confrontational crisis from which the United States has emerged as the only major world power. The momentum of the construction processes in Europe and in the Euro-Atlantic environment enabled the most obvious aspects of the Iraq crisis to be overcome, while the United Nations, although apparently in the same position as before, has been left in an awkward situation as its status as an instrument of secondary usefulness has been confirmed.

All these factors have led to an uncomfortable situation characterised by deep disappointment, certain hopes and considerable doubts, and clouded by the unpopularity of Bush's policy, the endless retrospective discussions about the Iraq crisis, the difficulty of the post-war period and terrorist attacks, France's adventures in pursuit of a leading role that many

Europeans do not accept, the problems arising from German unification and the bravado of North Korea. Too much of a mess when it comes to tidying the house.

THE CO-ORDINATOR OF THE WORKING GROUP

CHAPTER ONE

THE BUILDING OF EUROPE

THE BUILDING OF EUROPE

By Javier Pardo de Santayana y Coloma

INTRODUCTION

The dynamism of the process of building Europe is particularly evident from the fact that when summarising what has happened during the year and attempting to find a turning point in the process or a singular occurrence that characterises it, we always come across some event that deserves to be considered a historic landmark, such as the decisions on enlargement or the adoption of the single currency. This year we might choose as our headline the drafting of a European Constitution, but we would be leaving things out, as the signing of the Accession Treaties with the candidate countries and the cohesion crisis triggered by the Iraq war are no less significant.

All these issues will be dealt with in due course but we should first mention another factor whose effect on the European project, like the dissent over the Iraq crisis, is a cause for concern. This is the disintegration of the Stability Pact which, like a torpedo aimed at the waterplane of economic and monetary union, is rocking the very foundations of future political union. Its negative consequences are many and serious. On the one hand, it is endangering one of the fundaments of the economic growth that is needed to launch the Union as a major power and is undermining the credibility of the European model; on the other, it is setting a worrying precedent of failure to meet Community regulations and, worse still, of adapting them to suit the most powerful countries, brazenly flaunting the different yardstick that is used for them and for the others precisely on the eve of enlargement. This lack of coherence is particularly striking in that

the countries who have turned the Pact into empty words are precisely those which were once its most fervent champions.

From the security and defence point of view, one of the one important events of the year was the aforementioned Iraq crisis which, despite testing the solidarity needed to progress in the building of the Union, nonetheless gave fresh momentum to the process as a recovery therapy. The determination of the "Solana Document" ("A Secure Europe in a Better World") to make Europe aware of the terrorist threat and willing to prevent and ward it off using all means available, including military, brought a glimmer of hope of what looks set to be a firmer commitment in this area and helped reconcile European and American stances to an extent. This reconciliation, which came after France and Germany agreed to a common security model, was confirmed shortly afterwards at the European Union-United States summit.

Europe's greater commitment to security was borne out by an important fact that is not only symbolic but also marks the overcoming of obstacles to the development of the European defence dimension: the European Union's takeover of the military mission in Macedonia, previously the responsibility of the Atlantic Alliance. This was the first time the Union had taken charge of a military operation—although this one was very small-scale in terms of overall number of troops and the size of the national contributions. The handover had not been possible until Turkey finally lifted its objections to the "Berlin Plus" agreements in December 2002 and the European Union and NATO later signed a security agreement on the exchange of secret information. This development is a good example of these organisations' mutual trust despite the differences that have arisen between the United States and some European countries.

As part of the effort to demonstrate European solidarity, it was decided to launch a mission to support the United Nations in the Democratic Republic of the Congo, that is, outside European territory. This initiative contrasted with the feeble ambition the Union had previously shown in keeping with its reiterated recognition of its lack of military muscle. The Europe that had been so cautious and so aware of its own weakness suddenly embarked on an adventure that, in theory, marked a major strategic change. The explanation may lie in the prominent role France secured itself in this mission. We should recall that France had previously intervened in other African conflicts of its own accord and without the backing of the international organisation—a stance that is at odds with the claims

it voiced before the Iraq war. It remains curious that such a move should have received so little attention from the media and political circles.

Of equal interest is the decision made by the European Union in Rome at the meeting of defence ministers to offer to take over the peacekeeping mission in Bosnia-Herzegovina (SFOR) from NATO in mid-2004, as it would suggest that Europe is at last coming to terms with the fact that it needs to solve its own "internal" problems and is preparing to act accordingly.

Another important development which marked the realisation of a long held European desire and a step forward towards greater practical efficiency was the agreement reached in November to set up an armaments agency as early as 2004. This would lay a firm foundation for the defence industry by proposing multilateral projects, harmonising demand and encouraging research and development.

As for salient events in the economic field, at the beginning of the year the president of the European Central Bank at last decided to trim interest rates, albeit by a tentative quarter of a percentage point that was considered insufficient to give impetus to the ailing French and German economies. Germany's economy was in the grip of a deep crisis that turned into recession. The situation in the Netherlands and Italy also reached worrying levels. All this brought the euro zone to a standstill and not until the end of the year were more encouraging signs glimpsed.

The Iraq war also cast a shadow of concern and uncertainty over the economic outlook, particularly the possibility that it might last considerably longer than initially thought. The OPEC's agreement to keep oil prices in check partially eased the situation and the short duration of the war helped things return to normal.

However, the rise of the euro with respect to the dollar and its negative effect on exports, the prospects of an improvement in inflation and Germany's aforementioned lapsing into recession after two successive quarters of shrinking GDP underlined the need for a further interest-rate cut—which took place in early June and amounted to half a percentage point.

The Commission responded to the pressure exerted by certain large countries whose failure to meet community targets was questioning their leadership by relaxing the requirements of the Stability Pact and deciding to apply a new formula called the "European Growth Initiative", which had

been tested with dubious success by Jacques Delors. Although it does not exclude getting public accounts into shape and carrying out structural reforms that have so far been the chief basis for steady and sustained growth, this community initiative nonetheless views such reforms as more of a complement to an ambitious infrastructure plan that aims to attract major public investment and totals €220 billion.

The European Commission showed its determination to enhance Euro-Mediterranean relations through proposals of far-reaching importance as regards content and significance, such as the setting up of a Foundation for Dialogue between Cultures, a parliamentary assembly and a branch of the European Investment Bank. The Commission also proposed ratifying Association Agreements with Egypt, Lebanon and Algeria by May 2004, finalising negotiations with Syria, and fostering the signing of a number of agreements between Arab countries in order to strengthen regional integration. The intervention of France, Germany and Britain softened Iran's stance regarding its nuclear programme, while Spain attempted to elicit from Syria and Libya a more positive attitude towards counter-terrorism and the Mediterranean dialogue.

If we have not dealt with the work of the Convention and the signature of the Accession Treaty until now it is so as to emphasise their importance. The European process, original and open, broke new ground as always, and this was perhaps one of the keys to its success. In preparation for this major enlargement, it was considered necessary to define and consolidate and, at the same time, simplify, make intelligible and give meaning to the system as a whole by means of a Constitutional Treaty. The result of the work was regarded as satisfactory, though some controversial points sparked a heated debate, such as the attempts to dismantle the Nice agreement that Europe had taken such pains to achieve, and the question of how to fit some of the proposed new figures into the institutional structure.

The signing of the Accession Treaty marked a very important step towards the completion of European unification. The decision made at Thessaloniki to open Europe's doors "irreversibly" to the Balkan states is another major step, even if for the time being it is no more than an instrument of pressure for remedying what currently appears to be a host of problems that are hard to solve.

In contrast, the Swedish people's "no" to joining the euro signified a major setback for the Union, particularly as it reflected a certain mistrust that is not unrelated to France and Germany's inability to overcome their

economic crises and, in the political domain, to the open dissent over Iraq. The result of the Swedish referendum had very negative repercussions on the plans entertained by Blair, who had launched a patient persuasion campaign with the hope of overcoming the Eurosceptics' misgivings.

A further cause for concern was the direction in which Switzerland, a non-Union European country, appeared to be drifting, namely the repetition of a phenomenon previously observed in Austria, the Netherlands and even France: the rise of a political party with a demagogic streak that is worrying in a democratic society.

Regarding the problems triggered by the dissent over the Iraq crisis, the speed with which all the countries set about repairing their damaged ties is remarkable. The impression of disorganisation and disaster therefore gave way relatively quickly to the feeling of a certain return to normal and even a recovery of momentum, though the major disagreements on basic issues that had surfaced during the dispute were by no means settled—disagreements that are clouding the horizon precisely at a critical time in which major changes are just around the corner. The attitude of the Union's new members will undoubtedly be a key to the future of this Europe that some countries are attempting to steer with old-style politics but must continue to be built by all and with fair play.

In this connection we should stress that the Franco-German axis is back on track after floundering badly. This "entente", which made a theatrical comeback when the head of the German government was represented at a European summit by the French prime minister, aroused the misgivings of many European countries.

EUROPEAN DISSENT

The first months of the year witnessed an unusual development: a gaping division between Europeans. It surfaced precisely when Europe believed it had consolidated a system of relations governed by the habitual practice of agreement through dialogue and consensus. This rift had repercussions on all the major international organisations that affect European security: the United Nations, the Atlantic Alliance and the European Union.

The reason for this surprising situation was the disagreement between the United States and Europe over some aspects of the challenges of the

post-11-September strategic landscape. The Americans see themselves as engaged in a war against international terrorism, and this spurs them to exercise their leadership with determination. Their military clout is of little use against a faceless enemy; however, some "rogue states" offer them the possibility of wielding it. The threat no longer lies in large armies but in perverse minds willing to make use of inconspicuous means that can be obtained relatively easily. As the Europeans see it, terrorism, although important, is one of several problems that concern public opinion and use of weapons is considered an ineffective manner of solving it. But above all, the absolute priority they attach to the welfare state makes them wary of any initiative requiring sacrifice and leads them to prefer to maintain the status quo.

Furthermore, the current US administration, determined as it is to address the new challenges and convinced of its moral grounds for doing so and military might, is willing to dispense with external assistance if necessary, whereas the Europeans prefer multilateral action that conforms to what is regarded as "international legality". These differences undoubtedly give rise to a very awkward situation when it comes to exercising the essential Atlantic solidarity.

Given this situation and following the eruption of the Iraq crisis, it was questioned how large the rift between the American and European Union stances could become. France, wary as always of the transatlantic link, chose to champion the "European identity" and, considering that the moment of truth had come, did not hesitate to exercise its right of veto at the United Nations Security Council. This was a serious matter indeed, since it amounted to the use of veto, a symbol of the ideological clash with the Soviet Union during the Cold War, precisely by a country that was liberated by the American troops who landed in Normandy. The United States felt this blow below the belt, which furthermore gave Saddam Hussein breathing space and provided Russia and China with grounds for dissenting without drawing too much attention to themselves.

The influence of the Greens and the election campaign also led Germany to distance itself somewhat from America. But neither Germany nor France asked for consensus from Europe—the Franco-German axis simply staged a comeback on the anniversary of the "entente" between Adenauer and De Gaulle, at a time that was not very opportune for asserting leadership for the aforementioned reasons. The toughness of their stance was reflected by their intention to promote the establishment of a hardcore of Union members pursuing a more autonomous European

defence and to exclude from the "club" anyone who failed to share their attitude at the Security Council. This would leave out no less than the United Kingdom—the country that had precisely been the driving force behind the European military force at Saint-Malo. France, Germany and Belgium called a restricted meeting on European defence for the second half of April. This meeting, also attended by Luxembourg, was ignored by the countries that did not take part, and its conclusions simply went to swell the Convention file. Later, at the end of September, a meeting between Chirac, Schröder and Blair in Berlin helped iron out some of the differences and was presented by the first two as a chance to "relaunch" European defence thanks to the British prime minister's supposed reconciliation with some of their proposals.

Another group of countries, including Britain, Spain and Portugal, believed that the chief priority was to protect the transatlantic link as a key component of European security and world security. These countries, which were subsequently joined, among others, by the Union candidates, who are particularly concerned about their security and attach great value to the guarantees the United States afford them, endeavoured to "temper" the possible excesses of America's new national defence strategy by steering Washington towards the path of "international legality"—i.e. encouraging it to channel the Iraq issue through the Security Council, as finally occurred. However, in these countries' opinion, it was ultimately solidarity with our allies across the ocean which should prevail in order to prevent a dangerous breakdown of relations.

Naturally, once the war in Iraq had begun certain movements were witnessed towards a reconciliation of stances, with a certain air of justification. Paris and Berlin recalled the importance they continued to attach to the transatlantic link and Mr Chirac even announced that French forces would support the allies if the Coalition were attacked with chemical or biological weapons. The carry-over effect on the French public, 30 percent of whom claimed to favour victory for Iraq, forced Mr Raffarin and his foreign minister, Mr De Villepin, to clarify that his government wished for the victory of the Coalition and not that of Saddam. Meanwhile, Germany and France allowed allied aircraft to use their air space and sent non-combatant units to the scene of war.

After the war, which was over extremely quickly, rapprochement efforts were stepped up and materialised in the resolution to lift the embargo. The French and German votes for a new proposal tabled by the United States,

the United Kingdom and Spain was an uncomfortable and significant step by those countries which had previously criticised the "illegitimacy" of the intervention, as it amounted to rectifying their previous attitude to an extent. This development reinforced the strategy adopted by the participants in the Azores summit, in which the US, the UK, Spain and Portugal played a prominent role and which was further justified by the establishment of a new climate in the Middle East that enabled fresh impetus to be given to the so-called "Road Map" for achieving peace in the region.

The decision to lift the sanctions on Iraq, which was approved almost unanimously (only Syria, which was absent, failed to vote in favour), acted like a balm and soothed some wounds, though the scars will be difficult to conceal. But the military and political success was not matched by an easy post-war period and this played into the hands of the opposition in the United States and Britain, who launched harsh campaigns designed to sow doubts about the leaders' credibility among public opinion.

The Madrid Donors' Conference for the reconstruction of Iraq witnessed with amazement the refusal of France and Germany to contribute funds for this purpose. Although on the surface of it such a decision may appear to be in keeping with these countries' attitude towards a military operation against Baghdad, it is not if we bear in mind the moral arguments behind the decision. Furthermore, the positive attitude of some Muslim countries placed France and Germany in a rather embarrassing situation.

The Iraq war also placed Turkey's new government in a tight spot, as it highlighted the constant threat of political complications stemming from the Kurdish problem. It also brought to light France's opposition to that country's EU candidature, which had been hinted at earlier in Giscard d'Estaing's comments and on this occasion took the form of France's refusal to endorse NATO preparations to bolster Turkish defence. Turkey's refusal to allow the United States to open another front on its territory drove a wedge into the usual full solidarity between both countries, which nevertheless were careful to play down this disagreement and wait for more favourable future occasions bearing in mind the difficulties the Ankara government had run into.

THE CONVENTION AND THE INTERGOVERNMENTAL CONFERENCE

Lack of agreement over the Iraq crisis triggered concern about the work of the Convention. Fairly steady progress had been made towards

ironing out major differences by the time the Intergovernmental Conference was held. Some of the issues that posed the greatest difficulties related precisely to security and defence, and the rift that had emerged between the Union members made it advisable to prevent similar situations arising in the future.

The debate between the members of the Convention on the draft to be presented formally to the heads of state and government on 20 June took place on 30 May. The idea of presenting the Intergovernmental Conference with a proposal of which almost all aspects had previously been agreed on was considerably complicated by Giscard's intention to dismantle the agreement on power sharing that Europe had taken such effort and pains to reach at Nice. His idea was to give greater weight to the demographic factor, a measure which would mainly favour France and Germany.

The closing session of the Convention became a rousing event with connotations of historical achievement, though this did not prevent some significant misgivings being voiced, such as those expressed by Spain and Poland regarding the revision of the aforementioned Nice agreement.

One of the Convention's skilful points was its proclamation that the European Constitution belongs exclusively to citizens and states and the declaration on the "territorial integrity" of the Union's Member States, which sprang from a seminar held in Palma de Mallorca to discuss the possibility of including a proposal for a declaration of the inalterability of the frontiers of the European states. These basic definitions should prevent the text being interpreted to the advantage of exclusionist nationalist movements. The draft Convention also avoided any reference to federalism.

The work of the Convention defined the "European project" considerably more explicitly than was usual. The aim was to equip the Union with a real Constitution. Its democratic nature was strengthened by the declaration of European citizenship, which will be additional to national citizenship, and by the "Charter of Fundamental Rights" which in the end was to be an integral part of the Constitution.

One of the most striking proposals regarding the functional aspects of the Union was the abolishment of the constantly rotating presidency by appointing a president chosen by the Council for a maximum of two consecutive two-and-a-half-year periods and the creation of a new post of foreign minister, who would also be a vice-president of the Commission.

These measures should speed up the working of the Union and are designed to facilitate decision making; this is also the purpose of applying the formula of qualified majority to sectoral Councils of Ministers. Another aim is to bring citizens closer to the Union's principles and mechanisms; the simplification of the current legislative labyrinth to only five components (European Law, framework law, regulation, decision and recommendations) will undoubtedly help achieve this.

The draft Constitutional Treaty also deals with the responsibilities of the chief institutions (Commission, Council and Parliament), defining their respective functions. It likewise defines the relationships between them and establishes the competences of the Union and its Member States, specifying which are exclusive to the Union and which are shared by Union and States.

As for competences in foreign policy and security and defence, the draft refers to the Union assuming them "progressively". In this field the Convention opted for advanced military integration policies undertaken by countries willing to give impetus to them. The solidarity clause stating that States shall act jointly if one is the victim of terrorism firmly settles a topical issue which is nonetheless acknowledged as a concern that looks set to continue since it is addressed in a constitutional text. Indeed, the Convention calls for combating terrorism in a spirit of solidarity and mobilising all available resources, including military, to stem the risk and even prevent its effects, as well as to protect and assist the victims of attacks. This effort is part of the European concept of an "area of freedom, security and justice".

The consensus achieved by the Convention and the good impression its proposals created helped restore the atmosphere that had been marred by the Iraq crisis.

But the Intergovernmental Conference immediately sparked fears that it would not be easy to complete the process in time for enacting the European Constitution at the Rome summit. One of the main reasons was Giscard's initiative to eliminate from the scene the hard-fought Nice consensus and to present a new "distribution of power" that needed to be accepted by everyone without discussion to prevent further debate and annoying delays. Naturally, it was hardly likely that such an arbitrary measure would be accepted by countries such as Poland and Spain, which stood to lose from this initiative—which was not included in the mandate—particularly since, as President Giscard expressly stated, it was aimed at curtailing the benefits

which, in his knowledgeable opinion, those nations had obtained from the summit. France and Germany readily accepted this change, which was to their advantage, and railed against the possible "troublemakers".

These moves, together with certain manoeuvres observed in relation to the manner of settling the possible security and defence problems of a twenty-five strong Union, may be interpreted as an attempt by France and Germany to take the opportunity to set themselves up as the "bosses" of the new Europe. The misgivings expressed by fifteen other European countries, the self-styled "friends of the community method" (among them some candidates) who met at Prague and issued a communiqué warning that they would continue to push for changes in the Constitution, are thus hardly surprising. The Czech Republic's foreign minister echoed the underlying concern when he said that he had not imagined that large countries such as Germany and France would ignore other countries' reservations expressed at the Intergovernmental Conference. The main issue for the "small countries" was to secure at least one commissioner, as they were not satisfied by the idea of a rotating system.

Nor did the Americans appear to be very pleased with some European initiatives promoted by France and Germany in the field of security and defence. The possibility that the United Kingdom would change its mind after the meeting with Chirac and Schröder in Berlin was a particularly worrying prospect.

The meeting between Colin Powell and his European colleagues in mid-November helped boost mutual understanding. Among other things, Powell expressed his support for the effort to equip the Union with an appropriate military capability and for the plans to take over from the Atlantic Alliance in the military and police mission in Bosnia-Herzegovina. As for Iraq, the Europeans expressed a preference for a solution along the lines of Afghanistan and the wish for the military presence not to be withdrawn suddenly, whereas Powell was in favour of giving the United Nations a more significant role. However, their opinions differed somewhat as to the method to be pursued with respect to Iran: while America favoured a harsher attitude, the Europeans placed greater hopes on diplomacy.

SPECIAL BRUSSELS SUMMIT ON IRAQ

The upset caused by the European countries' disagreement over the Iraq crisis prompted the holding of a summit meeting on 17 March. The

Union members recalled Europe's commitment to ensuring that the United Nations plays a central role in the international order and pointed out that war was not inevitable and should only be considered as a last resort. They also acknowledged that the responsibility for putting an end to the crisis lay with Saddam, who would be the only party to blame for the consequences if he spurned his last chance. This expression was acceptable to all but served very little purpose.

THE SPRING EUROPEAN COUNCIL

At this summit, which took place on 20 and 21 March—that is, exactly when the Iraq war started—the Europeans avoided drawing attention to the alarming division between them and, despite the tense atmosphere, strove to restore unity and make future commitments. For this purpose a goal was chosen on which there was agreement: the important role the Union should enjoy in humanitarian assistance tasks and in the reconstruction that would be necessary once the conflict ended. It was also considered essential to breathe new life into the ailing Middle East peace process, by the "Road Map" approved by the "Quartet" implementing. One of the points most strongly emphasised was the central role the United Nations should play "during and after the crisis". This role was not actually defined, though France expressed from the outset its disagreement with the plans outlined by America, which pushed the organisation into the background.

Reference was also made to the importance of developing the European defence dimension as a means of restoring the lost unity. For although it answers America's wish for a fair distribution of the defence burden, it should also reinforce the Union's identity and prove Europe's determination.

The minor key of this summit was borne out by its poor results. Indeed, the conclusions were no more than a declaration of previously formulated principles such as the need to implement the commitment made at Lisbon on the reforms required to give fresh impetus to the European economy.

THE ATHENS SPECIAL EUROPEAN COUNCIL

The informal European Council meeting of 17 April focused on two key points: enlargement and Iraq. With regard to the latter, the Union avoided

opening up old wounds and once again chose to channel the process, now at the post-war stage, through the major international institutions. It called for a central role for the United Nations in establishing Iraq's self government and assigned itself a significant role in the political and economic construction of the nation. It also stressed again its commitment to settling the Palestinian-Israeli conflict using the "Quartet's" "Road Map".

The Union took on its most significant role and achieved its most notable success in the latter task, as it played a major part in persuading the United States to involve itself more fully in settling the conflict.

The Athens summit signified a major landmark in the enlargement process, as it witnessed the signing of the Accession Treaty by the ten countries (Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) that will bring the Union's population up to 453 million from 1 May 2004 onwards. The efforts to unite Cyprus before accession took place proved unfruitful.

The Athens summit was also a sounding board for criticism of some of Giscard d'Estaing's ideas about the future functioning of the Union, such as the figure of a permanent president and a European minister of foreign affairs, and the presence of a commissioner from each nation in the community executive. The so-called "small countries" tend to disagree with the "big" states over these matters.

THE THESSALONIKI EUROPEAN COUNCIL (PORTO CARRAS)

The favourable reception of the work of the Convention was further borne out on 20 and 21 June at Porto Carras (Greece), where it was described as a good "starting point", though this indicated that there was still much to be done. Spain and Poland, the biggest of the not so large states, announced their opposition to the disintegration of the Nice agreements, which had been reached by consensus and the revision of which was not among the tasks of the Convention. The system designed on the basis of those agreements was the only one possible at the time, even though it was not fully to anyone's liking. France, which had opposed the idea of a double majority of states and population at Nice, now backed Giscard's proposal. In Spain's view, although the proposal of the Convention could prove simpler and more effective and also more beneficial in terms of percentages, it was unsuitable because it reduced its ability to block decisions. But this practical reason was related to a question

of principle: why reject an earlier consensus and on whose initiative? Mr Aznar believed that an explanation was due at least.

Another controversial issue was the double-hatted future EU foreign minister since, as Mr Solana pointed out, this post was full of contradictions. Deep down it was feared that, despite the broad possibilities for initiative attributed to this ministerial post, the fact that it was shared with vice-president of the Commission would have a paralysing effect.

The figure of president also sparked considerable debate, at least as regards certain aspects such as the possibility of recruiting former heads of government. The same was true of the fundaments of Europe's identity and values set out in the Preamble, as it is hard to understand the Convention's reluctance to include a reference to the Christian spirit, which is an unavoidable reality irrespective of the non-confessional or secular nature of states.

The so-called "Thessaloniki Summit" marked a very interesting step forward for enlargement as it addressed the future of the Balkan region, which is currently a sort of lacuna within the Union scheme. The stance adopted at the summit was unequivocal, as the Member States declared that the countries in the region should eventually join the EU, to which Croatia has already requested accession. Indeed, the statement that the European Union is opening its doors "irreversibly" to integration is both grounds for hope and a basic pressure factor. There is therefore no other choice, though the region is still in the grip of deep conflict and social ills that make it impossible to envisage when the current normalisation process may end.

The decision to address future relations between Kosovo and Serbia by means of direct and almost immediate dialogue was part of the same parcel. Although this relationship focuses on practical and concrete issues such as energy and transport, the Serbs would rather deal with security aspects and the return of exiles. This step promises to be complicated since, as is well known, Kosovo aspires to independence, against Serbia's wishes, while the international authorities simply prefer a wide measure of autonomy.

The Porto Carras summit marked the revival of Solana, whose impetus to further security and defence policy was expressed in a tough report that urges the Union to assume its share of responsibility as a global actor in a world with new risks such as terrorism, the proliferation of weapons of mass destruction and "failed States". It also calls for more funds to be ear-

marked to military expenses. And it does not exclude preventive action from the exercise of such responsibilities.

Like the decision to put pressure on Iran regarding its nuclear programme, all these points appear to be in keeping with America's ideas, though toned down by the desire to strengthen multilateralism.

The Union also addressed the most topical issues relating to the proliferation of weapons of mass destruction at the "Thessaloniki summit", joining in the pressure the United States had been exerting on Iran to prevent its nuclear programme being geared to military uses. It issued a tough message calling for greater transparency and urgent cooperation with the inspections carried out by the International Atomic Energy Agency (IAEA). It made similar statements about North Korea, which it urged to dismantle its nuclear programmes.

Also in the field of security, the summit made further headway towards improving immigration control, stressed the European Union's concern about the situation in Cuba by upholding the stance that gave rise to diplomatic sanctions, and, as expected, appealed to the radical Palestinian groups and Israel to make a concerted effort towards the implementation of the "Road Map" designed by the "Madrid Quartet".

The summit was also regarded by seventeen European leaders—including prominent figures such as Giscard d'Estaing, Amato, Kohl, Schmidt, Dehaene and Hurd—as a timely occasion for signing a manifesto calling for good relations between Europe and the United States and expressing the compatibility of NATO and European defence.

THE STRATEGIC YEAR FOR SPAIN

From the outset the Spanish government was in favour of preserving the transatlantic bond above other possible considerations and teamed up with Britain to sign a letter to which eight other countries put their signatures, followed by many others, including the enlargement candidates. This sparked an angry reaction from France. Subsequently, the Azores Summit set the scene for a sort of "Atlantic axis" represented by the United States, Britain, Spain and Portugal, which considered that the hope of Saddam responding to the requirement to disarm had run out, as the situation had turned into an investigation operation in which the inspectors had to wrestle with the astute manoeuvres of the Iraqi tyrant.

Spain thus showed its determination to be a global actor and not only expressed its conviction that the transatlantic relationship is a key to its defence but also acknowledged that, although Europe is very important to Spain, it is not the only concern of a complex programme of external action that has other interests to take into account. It also made it clear, on the eve of enlargement, that European decision making cannot be based solely on the wishes of France and Germany.

The Spanish government's position was backed by eight consecutive years of steady growth that have secured Spain eighth position in the world economic ranking and caused it to overtake Canada for the first time. Indeed, the growth of the Spanish economy, once again considerably higher than the European average, increased steadily and remained above two percent throughout the year.

As in most of the European countries, the repercussions of the war to overthrow Saddam Hussein were very different from those of similar recent events such as the bombings against Milosevic's regime in Serbia or against the Afghan Taliban. The mass demonstrations highlighted the tendency of Europeans, in their comfortable welfare state, to want to maintain the status quo. It also revealed the influence of the media in generating widespread attitudes to international problems and in lowering the European public's opinion of the Americans as a consequence of some of the decisions made by the Bush administration, which have been interpreted as proof of his lack of sensitivity towards the major problems of mankind. In this connection it was interesting to note the return of classic Cold-War attitudes and slogans. In Spain, Socialists and Communists marched hand in hand and street protests replaced dialogue and consensus as the "politically correct" formula par excellence, along the same lines established by the anti-globalisation movements.

Surveys brought to light the contradictions in Spanish public opinion, which stemmed partly from a tradition of neutrality that appeared to be almost superseded, for while 68 percent acknowledged that Saddam Hussein was a danger to peace, 95 percent of the population were opposed to war, and a high percentage wanted Spain to remain neutral in the event of war. War was seen as a moral conflict tied to "international legality" when France, the champion of this attitude and a fundamental player in the break-up of relations at three levels, waged a war in Africa without consulting the United Nations and had oil interests with Saddam Hussein's regime.

Despite the mobilisations in protest against its decisions, the Spanish government stuck to its guns. The opposition parties attempted to press the government to prevent America from using Spanish air space—something which even the European countries who opposed the United States' decision allowed. They also urged the government to refuse to allow America to use the joint Spanish-American bases, even though this is regulated in a treaty and was accepted without problems during the Gulf War, and questioned the sending to Iraq of military forces to engage in humanitarian assistance and means of air combat to support Turkey if it were attacked by its neighbour, adopting a considerably more radical stance than the Germans and even the French. This contradiction also extended to Spanish citizens' response to the regional and local elections on 25 May, as their fervent opposition to the government's attitude to the Iraq war was not reflected significantly in the results. And whereas the credibility of the American president and British prime minister took a knock, the Spanish leader emerged relatively unscathed.

Spain's contribution in Iraq initially consisted of forces entrusted with reconstruction and humanitarian assistance tasks in the Umm Qsar area. Later, in September, a Spanish contingent was given shared responsibility with Poland for a sector some 80,000 sq km in area between Baghdad (US responsibility) and Basra (British responsibility). The area includes Kerbala, the holy city of the Shiites. Security was entrusted to a division under Polish command with the support of a Spanish division general as deputy; some fifty Spanish soldiers were stationed at the headquarters. A Spanish command could take over in Spring 2004. This Spanish-Polish cooperation is interesting if we consider that both countries are similar in size as regards population and territory, and close neighbours in any European ranking based on those parameters.

Spain contributed a total of over 1,300 men and was given command of a brigade that included one Spanish battalion. The brigade consisted of a further three battalions belonging to Latin American countries, whose members received specific training in Spain to prepare for the mission. The headquarters of this multinational brigade, known as "Plus Ultra", were established in Diwaniyah, in the province of Al Qadisiyah.

The meeting of defence ministers of the Atlantic Alliance held in Brussels on 12 June recognised Spain's growing strategic importance vis-à-vis the new challenges posed by counter-terrorism and confirmed, following a period of uncertainty, that the Land Component Command for the

Joint Command South West would be based at the Retamares (Madrid) headquarters. This headquarters, along with the High Readiness HQ in Bétera (Valencia) and the naval HQ aboard the *Castilla*, is Spain's biggest contribution to this type of command and control assets. Precisely this maritime HQ was included in the first rotation of the NATO Response Force. To make up for this, the Combined Air Operations Centre (CAOC) was moved to Larissa (Greece) and Torrejón was converted into the only NATO training centre with an allied General Staff.

Contradicting the fears that political differences over Iraq could affect the understanding between the Paris and Madrid governments regarding the fight against the ETA terrorist organisation, that same March, just before Congress passed the law regulating joint investigative teams, police from both countries met to improve their collaboration. This spirit of active cooperation continued and reaped positive results throughout the year and in November, at a Hispano-French summit in Carcassone, the signing of an agreement was announced which will allow police from either nation to operate in the neighbouring country.

Anti-terrorist efforts at home witnessed a qualitative leap when the political arm of ETA (which also joined the European and American lists of terrorist organisations) was outlawed and a good part of ETA's network dismantled. The fact that the draft European Constitution submitted by the Convention confirmed the inviolability of the territorial integrity of the member states was particularly important as it dashed the utopian aspirations of the disruptive exclusionist nationalist movements.

The strengthening of relations between Spain and the United States as a result of the events in Iraq was particularly significant as it coincided with the 50th anniversary of their bilateral agreement and cannot have been unrelated to the change in Rabat's attitude to its relations with Madrid. The resumption of understanding between the two neighbouring countries sprang chiefly from the talks between President Aznar and the Moroccan prime minister on 5 June. Their importance goes beyond the domain of bilateral relations and is relevant to the Mediterranean dialogue between Europe and north Africa.

Spain's contribution to the effort to improve relations between Europe and the Arab countries in the Mediterranean area was very significant. HM the King's visit to Syria and President Aznar's trip to Libya were part of this endeavour to prevent these countries becoming marginalised and to foster their positive attitude towards fighting terrorism.

Spanish diplomacy attempted to re-establish the Hispano-British talks on Gibraltar, a process that appeared to have made considerable headway. However, the climate that greeted Mr Blair at home, Gibraltarians' fierce opposition and the British government's external and internal problems over Iraq (at least these were the apparent causes) ended up bringing to a standstill the negotiations for a lasting solution to the dispute. But the interruption of the negotiations should not blind us to the fact that a coloniser-colonised relationship should be considered unacceptable when developing the Union's political dimension.

Mention should also be made, owing to its importance, of the Portuguese-Spanish summit held in Figueira da Foz, as Madrid and Lisbon made several highly significant joint decisions that have strengthened the ties between these two neighbours and allies, such as the creation of a common energy market and the development of important cross-border high-speed rail links.

Finally, we should stress the considerable impetus the Spanish government has given to modernising the Armed Forces—not only by boosting the budget by 4.2 percent in real terms but also, in particular, by approving investments of over €4.1 billion to undertake four important programmes. These entail: equipping the Airmobile Forces with 24 Tiger (Eurocopter) helicopters once they meet the basic requirements of the Spanish Land Army; the construction by Santa Bárbara of 212 Spanish-patented Pizarro combat vehicles; and the manufacture by Izar of a large strategic ship capable of transporting 900 men and a considerable number of vehicles (including 35 battle tanks) and four S-80 submarines. This effort is significant in European terms as it can be interpreted as a response to the appeal for Member States to contribute to achieving a proper military capability for the Union, to provide the means to reduce its strategic transport shortcomings and to back the European defence industry. In short, this effort constitutes a practical expression of solidarity and defies any malicious judgement about Spain's attitude to Europe. For, as the saying goes, actions speak louder than words.

It is also interesting to note the incorporation of a multi-year financing formula into the new draft budget as a practical solution to one of the biggest problems armaments programmes come up against.

This progress stems from the Spanish premier's determined effort to give impetus to defence by increasing military expenditure in order to meet

Spain's commitments in the current international environment, aware that we are free from neither "old nor new threats".

As for the difficulties in achieving the goals set for professionalising the armed forces, the government, which refrained from setting a quantitative goal in the strategic review and tied it to the annual budgets instead, established a maximum of 80,000 men for 2004. It has also made efforts in other related areas such as encouraging volunteers to remain, authorising (with certain limitations) the enrolment of foreign nationals and substantially raising the wages paid to professional soldiers.

COMPARISON BETWEEN THE COUNCIL VOTING SYSTEM PROPOSED BY THE DRAFT CONSTITUTION AND THE SYSTEM AGREED AT NICE

	POPULATION		VOTES PRE-NICE	VOTES NICE	1 COUNTRY /1 VOTE	VOTES/ POPULATION
	IN MILLIONS	%				
Germany	82.04	17.05	10	29	1	170
France	58.97	12.25	10	29	1	123
United Kingdom	59.25	12.31	10	29	1	122
Italy	57.61	11.97	10	29	1	120
Spain	39.39	8.18	8	27	1	82
Poland	38.67	8.03		27	1	80
Romania	22.49	4.67		14	1	47
Holland	15.76	3.27	5	13	1	33
Greece	10.53	2.18	5	12	1	22
Czech Rep.	10.29	2.13		12	1	21
Belgium	10.21	2.12	5	12	1	21
Hungary	10.09	2.09		12	1	21
Portugal	9.98	2.07	5	12	1	21
Sweden	8.85	1.83	4	10	1	18
Bulgaria	8.23	1.71		10	1	17
Austria	8.08	1.67	4	10	1	17
Slovakia	5.39	1.12		7	1	11
Denmark	5.31	1.10	3	7	1	11
Finland	5.16	1.07	3	7	1	11
Ireland	3.74	0.77	3	7	1	8
Lithuania	3.70	0.76		7	1	8
Latvia	2.44	0.50		4	1	5
Slovenia	1.98	0.41		4	1	4
Estonia	1.45	0.30		4	1	3
Cyprus	0.75	0.15		4	1	2
Luxembourg	0.43	0.08	2	4	1	1
Malta	0.38	0.07		3	1	1
TOTAL	**481.17**	**99.86**	**87**	**345**	**27**	**1000**
Qualified majority			62 votes 71.30%	255 votes 73.90%	14 states 51%	600 votes 60%
Blocking minority			25 votes	90 votes		400 votes

Source: *ARI* (Análisis del Real Instituto Elcano) no. 6. November 2003.

CHAPTER TWO

UNITED STATES
“PAX AMERICANA”

UNITED STATES
"PAX AMERICANA"

By Rafael L. Bardají and Manuel Coma

Viewed from above—or, if preferred, superficially—the United States is not only a major power, or "hyperpuissance" as France's former foreign minister Hubert Védrine put it; rather, owing to a combination of circumstances, it increasingly resembles an empire. The disparity between America's power, wealth, dynamism and cultural influence and that of other countries is not only huge: never before has it been so marked. The United States' defence spending is the sum of that of the ten countries with the second highest military expenditure in the world. Or, in other words, the Pentagon spent on the two-month deployment in Iraq the equivalent of the Spanish Armed Forces budget. Put even more plainly, Washington pays its military what our governments spend on defence in 42 years!

America also easily stands comparison with any other nation in terms of economic power, as it accounts for one-third of the production of the world's wealth, is growing steadily and is powerfully dynamic with respect to innovation and the most economically profitable and research-rich sectors. American patents, products and Nobel prize winners outnumber by far those of its partners or rivals. Not to mention cultural production and influence, a field in which America, from its universities to Hollywood, is predominant and invades and attracts everyone. Even our most apparently radical and anti-American film stars shed their ideological prejudices in order to climb up to the Oscar podium.

It is not just books, ideas and films that are pervading the planet; in recent years US troops have spread around the world and today are stationed in two-thirds of the internationally recognised countries. Rome never had so much going for it.

Now, contrary to the usual left-wing protests, the bad thing is not so much that the United States is an empire: it is that it has no wish to be one. For the fact is that, if we delve beneath this superficial description, we can explain America's current involvement and active presence in world affairs by chance events such as 11 September. Had they not occurred, it is more than likely that America would not have been driven or allowed to assert its power as it is doing now.

What is more, the mere idea and concept of empire causes revulsion among America's political and intellectual elite, even at present. While the country's history and internationalist traditions have tempered its isolationism, they make the temptation of "selective engagement" an attractive and permanent political option. What is truly extraordinary is the opposite, the desire for a permanent and hegemonic global presence.

The established framework of East-West confrontation, frozen for decades, prevented Ronald Reagan from developing or realising a view of the United States as a dominant power. His "Empire of Evil", as he was wont to describe the USSR, simply represented a hindrance, however decrepit it was by then. George Bush senior was never tempted by global or imperial adventures; his own pragmatism prevented this and, although he came close to being able to entertain such thoughts with the Gulf War in '91, his short-sightedness led him, paradoxically, to dream of a new world order underpinned by an effective and active United Nations.

The controversy over the "Defense Planning Guidance", the strategic blueprint for the Pentagon and, accordingly, for America's security and defence policy, in 1992, the last year of George Bush's presidency, is extremely enlightening in this respect: Paul Wolfowitz, now number two at the Pentagon and the head of strategic planning 12 years ago, proposed adopting a policy of primacy as the official doctrine. In Wolfowitz's view, the United States' strategic goal in the situation that had arisen from the collapse of the USSR, a world full of risks and uncertainty, should be to safeguard its own dominant status as a sort of insurance against potential rivals and surprises which, by definition, are unforeseeable. Like most things in Washington, the draft proposal found its way into the press, undoubtedly leaked intentionally. Bush exercised his power to disavow such a strategy and Wolfowitz had to produce a new version of the text in which the concepts of supremacy, hegemonism and imperialism were banished.

Clinton acceded to the White House in an enviable national and international environment. The economy allowed him to boast of a policy to

rapidly trim the deficit while the country openly embraced the information society and new technologies. In the international arena the United States was enjoying what the shrewd commentator Charles Krauthammer described as “the unipolar moment”. Only America had all the modern pillars of military and economic power and political will—theoretically at least, as reality turned out otherwise. Indeed, the political, moral and personal decline of President Clinton led to a United States well endowed with everything but political will in the strategic and international environment. The reality behind the grand statements and proposals of the two Clinton administrations was a power with wandering attention, intermittent action and scarcely any motivation to commit the United States, a power which shied away from unilateralism in order to take refuge in multilateral institutions. America’s late and limited commitment to the wars in the former Yugoslavia triggered an appalling situation that was difficult to remedy; the policy of bombing Bin Laden failed to reap any results, as was tragically proven later; and the strategy of sporadic air strikes against Saddam Hussein did not do any good either.

Nor did George W. Bush, Bush junior, show any signs of intending to pursue a policy of hegemonic or imperial primacy during the election campaign in 2000. Quite the opposite. At the time his proposals were based on utterly realistic ideas and, as his future national security adviser, Condoleezza Rice, put in writing, the United States would act wherever its vital or strategic interests were at risk; unlike the Clinton administration, it would not overexploit American soldiers by deploying them all over the world on peace missions of dubious nature and benefit but with obvious costs and contraindications. Nothing in the words uttered by the candidate or his advisors could lead anyone to suspect that the United States, with Bush junior as president, would cease to be the “reluctant sheriff” that is so well described by Richard Haass, until recently Colin Powell’s chief of Policy Planning.

How then should we account for the about-turn in the policy pursued by George W. Bush, who appears to be the political offspring of Ronald Reagan rather than of his own father? If anything is clear it is that today George W. Bush shows little of the pragmatic cynicism of the classical realists, such as his father, and is more of a conservative revolutionary like Reagan and his followers. Two facts explain Bush junior’s new view and the course of action adopted by the United States in the past two and a half years.

First—and above all—is 11 September and its implications. The shock of the attacks deeply rocked a society accustomed to feeling protected and invulnerable. Suddenly not even the vastest oceans provided a protective geographical barrier and the much crowed about homeland proved to be as exposed to blows as any Middle East territory or failed state. Worse still, the fact that the threat did not come from regular states and forces but rather from terrorist organisations heightened the feeling of vulnerability, even more so as terrorism was linked to the possibility of attacks using weapons of mass destruction. We should not forget that soon after 11 September America suffered a number of anthrax letter attacks for which few explanations were given and whose future implications are less clear.

The eleventh of September brought the realisation that global terrorism is a catastrophic phenomenon that can only be combated with a preventive, pre-emptive strategy that is also global, as the president's "National Security Strategy" document of September 2002 explains. Incidentally, this document was widely debated as it advocated the need for pre-emptive attacks, though the turning-point it marks lies in America's conviction following 11 September that it is no longer possible to isolate itself from the world and feel safe, that the United States is vulnerable and will be even more so unless it undertakes to bring order to a world in turmoil.

The second feature of President Bush's evolution is material in nature and is known in the jargon of experts and insiders as the "Revolution in Military Affairs". This concept entails giving account of the technological progress applied to defence and the resulting organisational, doctrinal and operational changes. To sum it up very briefly, the RMA is based on three cornerstones. The first is increased capabilities for acquiring information on the battlefield, using new sensors in all kinds of platforms ranging from unmanned aircraft to satellites, and for processing and using it effectively in what is called "real time". This is possible due not only to new and more powerful computers but above all to the widespread use of broadband systems in military communications. Consider, for example, that the Afghanistan campaign was directed from the headquarters in Tampa, Florida—something that had never before occurred in history. New technologies now largely enable geography and strategy to be regarded separately. The second pillar is the greater lethality of weapons, which are much more precise as they incorporate improved guidance systems and have a wider radius of action owing to the introduction of higher-performance engines and fuel; the greater the precision the more lethal the

weapon but with a smaller explosive charge which automatically reduces the damage caused. The third cornerstone is the miniaturisation of electronic equipment, which allows individual soldiers and combat units to be equipped with better localisation, detection, communications and fire systems. Let us recall, to cite another case, the repeatedly broadcast images of Afghanistan—soldiers visibly but deceptively badly dressed, all with laptops and satellite antennas. The pack donkey or transport mule meets 21st-century technology.

Precision, lethality and global scope were the operational requirements of the forces that were supposed to be pitted successfully against a slippery and distant enemy, Al Qaeda, at the end of 2001. The United States not only wanted justice after suffering the terrible attacks of 11 September; it could afford to exact it by itself. Something, incidentally, that no other nation on the face of the Earth could aspire to do with its own resources alone.

Precisely the success of the military campaign against the Taliban, conducted in an exemplary manner according to the principles of transformation of defence advocated by the American defence secretary Donald Rumsfeld, brought positive and notable encouragement to George W. Bush and to his decision to undertake to solve the world problems deriving from terrorism and the proliferation of weapons of mass destruction. This was against all odds—suffice it to recall that for most media, including the influential *Washington Post* and *New York Times*, the Afghanistan war was clearly being lost up until the day it was suddenly won. That sensation not only of victory but of satisfaction and vengeance when something that has been planned comes off despite the opinion of many supposedly qualified people merely shored up the image of an America that was vulnerable yet invincible, capable of fighting and winning wherever it set its mind. The consequences are obvious. If, like the British and Russians, the United States had become bogged down in the Afghan mountains, Saddam Hussein would still be up to his antics sitting safely in Baghdad.

Indeed, the war against Saddam Hussein's Iraq that same year, 2003, also turned out to be a fruitful intellectual battlefield on which the extent of the United States' international ambition was determined. The most significant aspects of the design, implementation and post-war phases of operation Iraqi Freedom were not the troops—despite their exemplary conduct—but the ideas and contrasting views in Washington. A good

many of the contradictions witnessed today in Iraq on the part of America are a reflection of the tactical victories, which sometimes differ in nature, of the ideologists of the Bush administration. In this respect, whatever the United States does in Iraq greatly transcends the situation in that country, since what is being debated deep down is America's model of strategic and global behaviour for the coming decades. If the United States eventually acknowledges itself not just to be a hegemonic power but a genuine empire and ends up acting accordingly, this will inevitably be seen in what it does in Iraq and, above all, in how it does it.

In fact, the debate on Iraq is not focused so much on what America should do as on what America should be. There are three basic schools of thought involved. It is no coincidence that each is linked to or aligned with one of the three main causes or reasons for engaging in war in order to overthrow Saddam. The first is that of the "realists", who justified the attack on the grounds that Saddam's regime posed a threat, either real or future. People such as Vice-President Dick Cheney or the Secretary of Defence, Donald Rumsfeld, might be included in this group. In their view the priority was to eliminate a source of insecurity for the United States (we are very familiar with the argument of weapons of mass destruction and possible connections with terrorist groups). Having resolved the problem —for Iraq without Saddam, however unstable, does not pose the same threat to America's security—the priority is to complete the mission as soon as possible. The post-war and stabilisation conditions do not matter as long as they are not conducive to a new dictator with the same ambitions as the overthrown Saddam Hussein. And what matters is the ambitions, not the nature of the power in Baghdad. This explains why, as we have witnessed recently, Rumsfeld himself, perhaps one of the members of the current US administration who is most critical of the United Nations, has agreed to go along with Colin Powell and his attempts to have the UN Security Council pass a new resolution allowing a multinational force to be sent so as to reduce the human effort of the Pentagon's armies. In the view of the "realists", therefore, the United States' role in Iraq is almost over and its duty is to continue fighting global terrorism in other parts of the world. That is the real war, of which Iraq was merely a chapter, a battle.

The second school of thought in Washington might be termed that of the "generous realists" as its advocates share the same basic belief as the traditional realists (to act when vital interests are at stake) but regard Saddam's Iraq as a problem not only for the United States but also for regional stability. In their view, an Iraq without Saddam but weak, unstable

or, worse still, chaotic, is unacceptable, as it would endanger the power balance in the area, with the aggravating circumstance that the Iran of the ayatollahs stands the most to gain from the situation. This school regarded the toppling of Saddam as beneficial to the region and, in particular, as conducive to the peace process between Palestinians and Israelis. The United States' essential mission is now to stabilise Iraq and guarantee the conditions needed for a change of regime to take place and for the Iraqi people to be able to enjoy self-government in an environment of freedom and prosperity within a reasonable period of time. There is no doubt that America's representative in Baghdad, Paul Bremer, holds this view, and although before the attack Colin Powell was more inclined towards the realist view ("American troops don't do widows"), today he could be part of this group which is strongly in favour of nation-building.

The third group of thinkers is the "democratic imperialists", more popularly known as neo-conservatives. As they see it, the priority reason for toppling Saddam (although his capabilities and ambitions with respect to weapons of mass destruction were the most urgent) was the liberation and democratisation that forcing a change of regime would entail. Not only would a democratic and free Iraq benefit the long-suffering Iraqi citizens: it would sow the seeds of political and social change throughout the Middle East, from Palestine to Saudi Arabia. The ultimate battle against global terrorism, although essentially Muslim and particularly Saudi in origin, must necessarily be waged in this part of the world, and only with a deep and not superficial change, similar to that of Germany and Japan of 1945, fed by American ideas, money and troops, can we progress towards a more secure world. For this school stability is not synonymous with security. Indeed, in all respects the Middle East may well have been the most stable area of the world for years, yet it is also the source of the greatest potential risk for the rest of the world in the form of fundamentalist Islamic terrorism. In the administration the undersecretary, Paul Wolfowitz, is associated with this view which, outside, is held by practically all the neo-conservatives and publicised in Bill Kristol's *Weekly Standard*.

Although there is widespread consensus among the neo-conservatives on the future of the United States and the Middle East, there are also major differences of opinion as to America's role and manner of conducting its global policy. Reluctance to accept the term "empire" is clear and considerable. In a recent debate between the British historian Niall Ferguson and the American essayist Robert Kagan at the American Enterprise Institute,

the Mecca and birthplace of conservative and neo-conservative thought, it was interesting to note how the former asked America to acknowledge what it means to be an imperial power, while the latter attempted to establish semantic distinctions between the terms superpower, hegemonic power and empire.

Whatever the case, the course of action pursued by the presidency —which is after all what counts when deciding on concrete options—continues to be relatively open. In the final weeks of the year, which were marked by the failure to find weapons of mass destruction, the sorry spectacle of the Hutton investigation in London, the chain of attacks in Iraq and the steady flow of American causalities, everything seemed to back the realists and the option of withdrawing from the nightmare as soon as possible. However, Bush's request to Congress for an extra $87 billion would appear to place him on the side of the "neocons" and imperial ambitions. The 15 November agreement between the Provisional Authority and the Iraqi Governing Council, together with local pressure, particularly from the Shiites, once again pointed to a rapid transfer of sovereignty and speedy exit.

But is the United States really an empire? Obviously not in the traditional sense of geographical conquest and direct control of colonies. In all their interventions except for Afghanistan and Iraq, where they are still engaged in exercising political power "in situ", the Americans have fought, won and gone home. But why restrict ourselves to a narrow, perhaps even obsolete, definition of what an empire is, based on what empires once were and not on the fluidity of today's forms of world power? It is obvious that the United States of the beginning of the 21st century does not bear the slightest resemblance—in terms of coercion, direct control or geographical occupation—to the former Spanish, French or British empires. Perhaps none of the latter would have accepted Saudi Arabia's refusal to allow its territory to be used for operation "Iraqi Freedom" or the frustrating hesitation of a hitherto loyal ally such as Turkey, where the northern front that never materialised should supposedly have been opened.

Even so, its ability to weather diplomatic setbacks may be due more to a political culture based on exceptionalism and the belief that American values must be loved and embraced as they are positive for the whole world. That is, America's external and strategic action is not based on coercion (except when dealing with enemies) but on persuasion and attraction. So far this has been the case, though a hyper-power exercising

its clout goes hand in hand with hypercriticism, as is now being witnessed in the resurgence of militant anti-Americanism that had been out on the ideological fringe for over 20 years. The question that arises is: what would have happened if the Turkish front had been essential to attacking Iraq?

Thanks to new military technology—what we have called the "Revolution in Military Affairs"—the United States' forces today are global in scope. The fight against terrorism has led it to convert what has always been an option for states, preventive or pre-emptive attack, into an official doctrine. And both are requirements of an imperial policy if one is willing to develop it. "Sine qua non", but not enough. What is needed is a firm, though not necessarily declared, will to be an imperial power.

It should be pointed out to the Americans that in a post-modern world empires cannot be what they used to be—which is what they find so repulsive—and that what they can be is a post-imperial empire. An empire capable of taking reprisals against anyone who rebels, but based on the legitimacy of the goodness and benevolence of its power.

Even today there is no assurance that the United States will accept itself for what it is or could be. Niall Ferguson jokes that "if it quacks like a duck, it's a duck", but the question is not so simple. Either it aspires to be an empire or it is a hyper-power without quite knowing why. And the basic problem for everyone, including the Americans, is that in recent History (meaning contemporary), when the United States has not wished, known how or been able to play a predominant role, things have gone much worse than when it has been and acted as an interventionist power. In Europe it is obvious that the civil or ethnic conflicts of the former Yugoslavia were only properly solved when the American president decided to act in the area.

And the underlying problem is that world stability depends on what the Americans want and decide to be, for there is no alternative—save in some feverish French minds—to American power. It has been seen on countless occasions what the United Nations is; the EU, a pocket-size power, experiences a deep rift when it has to choose between the United States and the Franco-German axis, fortunately; and only a handful of visionaries or naïve souls could believe that a world led by China or Paris would be more generous, stable and secure than one dominated by Washington. The fact is that there is no alternative to the United States, and that is why it is so important for American citizens to assume their international responsibility and burden. Otherwise we will all be exposed,

not to the multipolar world that the French president, Jacques Chirac, speaks of tirelessly, but simply to an apolar world.

The question we should ask ourselves is not, therefore, how to constrain or curtail America's power, but what we can do to make America the benevolent empire that we want it to be.

CHAPTER THREE

RUSSIA

RUSSIA

By Félix Sanz Rodán

During the WERKUNDE conference in 2001, the then recently appointed Russian defence minister, Sergey Ivanov, delivered his first lecture at an international forum. He began by referring to Russia's recent adoption of the traditional coat of arms bearing a two-headed eagle as a message to the Russian people and to the world: Russia was equally interested in what goes on in East and West. Both Europe and the vast Asian world and Far East would be included in its foreign policy and its major power status would remain unchanged, asserted through its ability to influence decisions on both sides of its borders. He only stopped short of saying that the two-headed eagle could also see over the horizon and that, therefore, everything that happened in Washington and New York would also come under its close scrutiny and subsequent influence. Several years on, Ivanov's dream does not appear to have been entirely realised: certainly, the eagle can observe the world, but whether it can decisively influence all its areas of interest in the world is more doubtful. For is it even capable of governing its own domestic affairs in a modern and democratic manner? To the uncertainties surrounding Russia should be added other domestic issues that question the capability that Ivanov wished to attribute to the eagle reinstated on the emblem.

The nature of the security model that will take shape in Europe over the coming ten or fifteen years is not entirely clear, and this uncertainty also affects Russia. Early in 2003 international relations were as changeable as they were at the beginning of the third millennium, pursuing hitherto untrodden paths: a single, hegemonic power; the emergence of risks and threats that had only previously existed in theoretic texts and have become international; globalisation, with its implications of interdependence; and, more importantly, a radical change in the rules governing the use of force, which could brutally reveal Russia's weakness.

Furthermore, in Russia democracy is constantly compared with the Soviet system that governed Russia's political and social life for seventy years. This constant comparison, in which the democratic system does not always come off best, constrains the exercise of political power; this in turn hinders the formulation of a security policy and the definition of strategies. On the basis of internal views, one writer termed Russia the country of the "three Cs"—corruption, criminalisation and cleptocracy, a critical situation that makes attempting to reinstate Russia and its strategic view a largely rhetorical exercise. If this statement does not echo the reality it certainly comes close to doing so. Even today, the domestic situation is extremely disheartening.

Ths is despite the fact that NATO has increased its membership to 26 —taking in some countries of considerable strategic interest for Russia such as the Baltic states—and the European Union is on the verge of enlargement. If Russia wished to prove its ability to influence major international decisions, then both enlargements, together with the new, grudgingly accepted nuclear agreements with NATO and the United States, are a sign that its national strategy symbolised by the two-headed eagle is not enjoying the success Ivanov predicted. Only Russia's possible mediation in the US-North Korea crisis and its siding with France and Germany over Iraq have given rise to the occasional headline praising an external policy that is wrought more of intentions than actions.

Russia's relations with the United States also display some peculiarities that are difficult to acknowledge in terms of Russian internal policy but acceptable from a pragmatic point of view. When the new American administration moved into the White House, some political leaders declared unabashedly that Russia would be regarded as a major power, but within the limits set by the United States. Into the second part of the current presidency, relations between the United States and Russia are regarded by Washington more as a problem to address than as a relationship between major players on the international stage. Admittedly, some notable progress has been made, especially in the nuclear field, such as the signing of the Moscow Treaty. According to this treaty, which entered into force in June, the United States and Russia agree to trim their respective nuclear arsenals down to between 1,700 and 2,200 warheads. This reduction should be completed by the end of 2012, which makes it less of a success than the negotiators claim.

NATO and the European Union should send Russia unequivocal signs that they are taking it seriously and that its inclusion as a sine qua non in

a system of security relations is part of the daily debate, while it strives to find its rightful place in a globalised security architecture and overcomes its current difficulties and challenges.

But there are also a number of unquestionable facts that make Russia a valuable player, particularly if we consider the CIS: its size, number of inhabitants and location, not to mention its potential natural resources that could make it the world's biggest exporter of oil at the end of 2003. Russia is the largest country in the world, spanning over 17 million sq km. It has over 150 million inhabitants with a more than adequate level of education, and a further 25 million Russians live outside its borders. Who but Russia could act as spokesperson of the vast area located between the European Union, Central Asia and the Caucasus? Even if there were no other important reasons this alone would justify Russia's interest in studying the security parameters of our world.

It therefore seems appropriate to discuss the question of Russia in this *Strategic Panorama* with the same realism with which it has been addressed in many forums for international policy decisions. Russia is a stability issue and this is the approach we should take. Admittedly, its internal problems and lack of conventional military might to underpin its foreign policy are two factors that should be taken into account, but they will never turn the Russian issue into a question of power. The opposite is true of its nuclear power, which will be addressed in this study.

RUSSIA'S DOMESTIC OUTLOOK

As so much has been said about Russia's internal weakness, there is nothing better than to examine the speeches delivered by its political leaders to see that there is a certain correlation between their words and reality. Vladimir Putin is the first leader to draw conclusions on the weakness of his country, which, as he acknowledges, contributes a feeble 1.1 percent to the world economy with a GDP of $350 billion. Addressing the Federal Assembly on 16 May, he also recognised that "*our economic foundation* (…) *is still not stable enough and very weak;* (...) *our state apparatus is not very effective. Most sectors of our economy are not competitive* (...) *our population continues to fall and the fight against poverty is progressing far too slowly".* The president went on to quote a long list of problems of all kinds, painting a very worrying picture. Indeed, were these not the president's words, one might think they had been uttered by

somebody seeking to discredit Russia. Putin omitted to mention the trend in inflation, which amounted to 60 percent in 1999 and even today remains at over 15 percent; and that Russia has undertaken to pay the Paris Club $36 billion during 2003-2005, too heavy a burden for an economy like Russia's.

Nor did he cite another series of problems that contribute to Russia's internal instability and are known. Such is the state of the Russian penitentiary and judicial systems that the mother of an inmate of Guantanamo exclaimed: "*I pray that my son can stay there; he is terrified of Russian jails and tells me that not even a Russian spa has the same level of well-being"*. Further problems are the impunity with which certain groups operate, the inefficiency of the police forces and the disorder of the administration, to quote only the most obvious. We might also mention Russia's unity, which is closely related to the efficiency of the state whose power, albeit slowly, is becoming consolidated following a certain division of competences between the regions and the central government.

Is progress being made towards solving the problems? "Yes and no", Putin told the Assembly. No headway has been made in stemming the dwindling of the population and life expectancy has fallen in three years from 67 in 1999 to 64 in 2002. The income of one-quarter of Russians is below or well below the established poverty line. However, food shortages are diminishing and for the first time Russia has gone from being an importer to an exporter of grain. Its energy exports have likewise risen by 18 percent and it is currently the world's leading exporter of oil. But its economy is highly unstable and unemployment rose considerably in 2003. As Putin himself has stated, *"the difference between the growth rates of the industrialised countries and ours places us among the Third-World countries*.

The aforementioned points summarise the situation. To address it, Putin has proposed asking for support for the government and for its plans and ideas: membership of the World Trade Organisation; reforms in the banking sector and adapting the rest of its weak structures. All that remains is for confidence to be shown, the word most often repeated in the president's address. As far as Europe is concerned we should add another: collaboration, with the realisation that any progress Russia makes towards achieving a more stable and more secure society will influence our own security. However, this collaboration should not be offered at any price, particularly if certain doubts arise about the Russian president's

embrace of democracy following the headway made in curtailing public freedoms by imprisoning anyone liable to overshadow him politically.

SITUATION OF THE ARMED FORCES

In late September 2002 Russia set about professionalising its Armed Forces. This initiative, like the process currently under way in Spain, is aimed at eventually abolishing compulsory military service, though for the time being no date has been set. The 76th Airborne Division stationed at Pskov has been honoured with the privilege of being the first unit that will consist exclusively of professional soldiers.

The start of the professionalisation process was announced together with the peculiarities of the defence budget for 2003, which was generally more transparent and earmarked larger sums to instruction, training and maintenance of units. A significant feature of the budget is the huge increase in personnel costs, not to mention the military authorities' interest in putting an end to the housing shortages and in improving living conditions, which have declined considerably in recent years, even below those of other social groups—a circumstance that had not been witnessed for many years.

The fact is that the situation continues to be dire and there are insufficient funds for items such as clothing and fuel for vessels and aircraft. The cost of professionalisation seems impossible to meet and only feasible if the number of servicemen is trimmed drastically.

This is precisely what is hindering force planning and professionalisation: the Russian military leaders largely oppose cutbacks, which is why these reforms are coming up against so many stumbling blocks. Whether the objections cited are practical, such as the Chechen conflict or the possibility of participating in foreign operations, or relate to Russia's traditional superpower status—which it obviously does not enjoy today—the idea of trimming the forces is being strongly challenged.

Those who believe that Russia should progress towards a modern system that is fully comparable to the European democracies also believe that professionalisation and the consequent reduction in the number of troops is essential. In a press conference on 10 July, the defence minister presented his ideas for "a completely new system for recruiting troops for the highest readiness units and for a completely voluntary military organisa-

tion". The number of professionals would amount to some 280,000 in 2007, by which time compulsory military service would be reduced to one year. An addition proposal is that from 2005 onwards no Russian soldiers should be sent to the military district of the Caucasus, which is territorially responsible for Chechnya.

On 2 October Putin announced what may be a new concept of the Russian Armed Forces for the 21st century. To quote the president, the concept "seeks to place Russia once more among the world powers and restore what was once its security space". The report puts the total number of military at one million by 2005 and refers to improving their capabilities, the mention of one of which—nuclear weapons—is surprising. As the most important instrument of Russia's external action, the armed forces must safeguard an area of security which, to quote the present, could be threatened by conflicts in the Commonwealth of Independent States and bordering countries. On that same occasion, no doubt in order to silence the criticism of his generals, who envisage a considerable cutback around the corner, he said that "the downsizing is over". Perhaps there will be some slight further cuts in numbers, but not in the funds earmarked to the armed forces, because that would be impossible: their state could hardly be worse. Any progress, however slight, would be an improvement, although it cannot be expected to be notable or immediate.

We might conclude by saying that the reform of the Russian Armed Forces has not gone well and there is no reason to expect it to improve, despite the high-sounding report of 2 October. Neither the much-touted restructuring to equip it with rapid reaction elements capable of operating throughout Russia's area of interest, nor the intention to improve the quality of materiel and equipment which, as the document states, "is significantly lower than that of any army today", nor the improved recruitment system or simplification of the military career, nor the social protection granted to the military and their families—all of which the report highlights—are goals that can be achieved in the short term, on the current budget and according to the forecasts for the near future. It will be necessary to wait longer than announced.

I have intentionally left the issue of corruption in the Russian Armed Forces until last. The Russian military prosecutor's office paints a gloomy picture of corruption and violence in the forces, stating that over 300 officers were convicted on charges of physical violence against their subordinates last year, and that over 500 were charged with corruption.

In short, the reshaping of the Armed Forces does not appear to be progressing as fast as Putin would suggest and many of the stigmas traditionally attached to them still remain. According to the NATO Information Office, lack of interest and insufficient military capabilities are the main reasons for the failure of the reform. Other issues, such as the extensive military bureaucracy and lack of motivation, also account for the permanent inefficiency of most of the military units. To quote the *Nezavisimaya Gazeta*, "*Unless the situation changes over the next few years, any war could be disastrous for Russia"*.

RUSSIA'S PLACE IN THE WORLD

Russia's foreign and security policy should be based on a doctrine that envisages deepening relations with the Euro-Atlantic area, through both NATO and the EU, preserving its added value as a member of the United Nations Security Council and enhancing relations with OSCE while necessarily enjoying a good relationship with the United States. Only in this way will it achieve the value it needs to be a leader of its own geographical area.

Together with China, Russia is one of the countries with the greatest influence on North Korea, though this does not mean to say that this influence is decisive. Russia's self-attributed role of mediator in the North Korea crisis—which is dragging on unresolved—suggests that its capability is not as great as it seems. This is another factor that tips the balance towards a meaningful relationship with the most important players on the international political scene, to which we shall refer in the following sections.

Relations with NATO

The NATO-Russia Council (NRC), established on 28 May 2002 near Rome, lays down a new pattern of relations between Russia and the Alliance. Although the high-sounding terms of the declaration are not matched by its achievements, it has not proved a failure either. Within the Alliance, whose officials tend to view everything in terms of black or white, we find a mixture of hope and indifference. However, the fact is that since the establishment of the Council, relations have grown more transparent and many initiatives have been launched that would have been impossible a few years ago, even under the Founding Act.

According to the declaration signed at the Rome NATO-Russia summit that established the Council, the allies and Russia will enhance *"our ability to work together in areas of common interest and to stand together against common threats and risks to our security"* and reaffirm *"our determination to build together a lasting and inclusive peace in the Euro-Atlantic area on the principles of democracy and cooperative security and the principle that the security of all states in the Euro-Atlantic community is indivisible".* Even those who opposed Russia's joining the North Atlantic Council admit that some benefits have been obtained, particularly at the current stage in NATO's development when it is a markedly political organisation with a special capability as a forum for consultation and cooperation—two characteristics of the current strategic concept.

At the start of the year the NRC already had such important topics on its agenda as missile defence, strategic air transport, air-to-air refuelling, civilian emergency planning and crisis management, search and rescue at sea, peace operations and many areas of potential military and technical cooperation. Other topics addressed by the NRC are of considerable political significance, such as the reform of defence or fighting terrorism and weapons of mass destruction. Needless to say, under the NRC mutual relations are progressing with more successes than failures and this is borne out by the achievements in the field of nuclear power that are also due to the talks held at this forum. We should nevertheless point out, and this could not be otherwise, that more headway in nuclear issues has been made bilaterally, with the United States, than within the Atlantic Alliance.

Military cooperation is a cornerstone of these relations, because Russia and the Alliance share an interest in this field and because it is conducive to achieving security in the long term. The NATO and Russian chiefs of defence staff agreed on a Conceptual Framework for the development of training exercises and programmes and some of the initiatives quoted earlier have been developed. This has brought both positive and negative consequences. The positive aspects include Russia's proposals regarding the International Security Assistance Force (ISAF) in Afghanistan, set out in a non-paper which the defence minister, Ivanov, gave to Lord Robertson. Although it by no means proposes that Russian forces be sent to the area, it does make an extremely important offer: the exchange of intelligence, both on Afghanistan, which Russia knows well, and on nearby countries with implications in the area. And the signing of the NATO-Russia agreement on submarine crew rescue will no doubt enhance this relationship.

The negative aspects include the problem caused by Russia's withdrawal from SFOR and KFOR, which automatically put an end to the mandate of the Russian-coordinated cell in SHAPE that was set up pursuant to the Dayton Accords (in the case of SFOR) and the Military-Technical Agreement (in the case of KFOR). Russia's failure to take part in the Partnership Coordination Cell (PCC), also established at SHAPE, left us without an instrument for fostering military cooperation. As a gesture of good will, Russia sent a representative to the PCC—which was better than nothing but failed to settle purely bilateral issues. Perhaps herein lies the reason why Russia has asked to form another cell at SHAPE; this is still being negotiated but will no doubt reap positive results. The NATO Military Liaison Mission in Moscow should also take on new responsibilities in order to enhance military cooperation. Whether it can be bolstered will depend on an appropriate exchange of letters between NATO's secretary general and the Russian defence minister.

Russia's latest ideas, previously made known to Brussels, illustrate how a genuine spirit of cooperation is gradually taking shape. It has offered to establish a brigade-level force with a rapid reaction capability for peace operations. It does not seek to set up a multinational brigade but rather to form a Russian brigade that is fully interoperable with its allied counterparts, as multinationality is not yet feasible. For many reasons it has also asked to take part in the new Allied Transformation Command, and even today a Status of Forces Agreement (SOFA) is being negotiated with Moscow.

The second important issue is "defence reform". This has been greeted favourably by the Russian public, who are conscious of how difficult it is to complete this reform, which is holding up almost all the others. The results of a seminar held in Rome in June 2002 laid the groundwork for joint work, and collaboration agreements have been signed in practical aspects such as the management of human and financial resources, the development of the armed forces and the reform of the defence industries.

Special mention must no doubt be made of the work performed by the NATO-Russia Information, Consultation and Training Centre, established to train and help discharged Russian military personnel return to civilian life. It is already active in many regions of Russia.

The results of this cooperation, although not brilliant, are perceived as very important by the Russian public and have proved the efficiency of the groups of experts set up as part of NATO-Russia cooperation. The only

aspect that deserves criticism is the scant progress in conventional disarmament; the Alliance's efforts in this field have not proved successful.

Efforts in "fighting terrorism" are also of considerable interest, particularly political. Each side has its own interpretation of the terrorist phenomenon: in the Alliance's view, the attacks of 11 September are not comparable to the attacks launched by the Chechen groups against Russian forces or installations. However, there are more similarities than differences and therefore, both in the official discourse and in practice, counter-terrorism is a permanent topic on the NRC's agenda. This includes joint statements on terrorism based on the risk it poses to deployed forces, civilian aircraft and critical infrastructures.

At its 13 June meeting in Brussels, the NRC agreed that future efforts in fighting terrorism should be centred both on practical aspects and on ways of mustering rapid responses to acts of terrorism. The role of the armed forces is not unrelated to these debates and in this respect the results of the Moscow conference on 9 December are worth bearing in mind. The Prague summit marked the inauguration of the NATO Response Force (NRF), which could eventually be joined by some Russian forces.

Equally important is the recent invitation to seven states to take part in a new enlargement of the Alliance. It is a well-known fact that the accession to NATO of the Baltic states—Estonia, Latvia and Lithuania—was long regarded as a casus belli by much of Russia's political class and public. So was the possible accession of Romania and Bulgaria, though to a lesser extent. This accession was confirmed at Prague at the end of 2002 and Russia was hardly given a chance to criticise it. Indeed, the invitation extended to the new members was not the most important issue of what came to be called the "enlargement summit". A few concessions over the Kaliningrad issue, now in the progress of being settled thanks to the collaboration of Poland and Latvia and the good offices of the European Union, are the only result of a debate which at one point was considered decisive for good relations with Russia and even believed to affect Russia's internal political situation

The enlargement of NATO is a forgotten issue in Russia's political debate. Even while enlargement was taking place, the Russian press merely touched on the need for the three Baltic states to sign the adapted Conventional Forces in Europe (CFE) Treaty after joining, which was announced at the Madrid meeting of foreign ministers on 3 and 4 June. It also urged them to respect the rights of the Russian minorities living in

their territory, though this issue is still largely up in the air. President Bush's visit to Russia immediately after the Prague summit was undoubtedly intended to soothe any wounds.

A review of NATO-Russia relations would not be complete without mentioning "nuclear issues", which are naturally addressed in the Rome Declaration of May 2002 and discussed by the NRC. The idea is that the NRC's group of experts on nuclear matters should contribute daily in small doses to improving confidence and transparency between NATO and Russia in the delicate field of nuclear weapons.

During his visit to Moscow in late 2001, NATO's secretary general proposed a series of confidence and security-building measures (CSBM) focused on important aspects such as the security and storage of nuclear weapons, nuclear doctrine and strategy, exchange of information on tactical nuclear weapons and the possibility of visiting bases with nuclear weapons, and less important issues such as the possibility of unifying terminology, which is essential to mutual understanding. While the group's efforts in information exchange were not rewarded with success, the headway made in the rest of the proposed areas certainly justifies the effort.

What are the real results? Certainly they are encouraging. As for the terminology, an extensive glossary is taking shape which will help both sides "speak the same language", no doubt an essential step. As regards the formulation of common doctrines and strategy, an initial exchange of points of view is now a possibility. In the field of security and protection, storage and transport of nuclear weapons, which is of outstanding importance owing to the risk of failing to address these responsibilities, guard against theft or non-authorised use or prevent accidents, interesting progress has also been made, though not yet in practice.

The consultations also envisage the possibility of observing exercises in managing the consequences of a possible accident caused by a nuclear weapon, such as during transport. Russia has announced its intention to invite a group of Alliance observers to an exercise due to take place in the Murmansk area next summer. In return, the Alliance will also invite Russian nuclear experts to observe similar exercises.

All in all the opacity with which Russia has always tackled these questions appears to be subsiding, though Russia is setting the pace. But it is also true that the discussion of these issues at the NRC is giving rise to an environment of mutual confidence and transparency, which is extremely

important progress bearing in mind the significance of nuclear issues and Russia's traditional refusal to deal with these questions.

Our review of nuclear issues would not be complete without a mention of the statements made by minister Ivanov at the meeting of NATO defence ministers in Colorado Springs on 8 and 9 October. He used the Alliance forum to announce a new feature of Russia's nuclear strategy: "*Nuclear weapons are a means of political deterrence, but we will never use them preventively. Nor will we be the first to use our nuclear weapons; only as a means to ward off any aggression against our country and our allies*". Not all the nuclear powers are so clear about this, though some doubts may remain as to the sincerity of these intentions and the actual ability to use these weapons, particularly while America's missile defence programme progresses and is gradually incorporated by the Alliance.

Relations with the European Union

It does not seem a priori that Russia-Union European relations were a prominent issue on political leaders' agendas in 2003. The successive presidencies of the European Council fulfilled their commitment to continue to forge relations with Russia as best as possible, but progress has not been remarkable. Viewed from Russia's side, however, the degree of interest may be different, as one of the focuses of Russia's attention is undoubtedly the European Union—not so much because of security matters, which it prefers to discuss with the United States and the Atlantic Alliance, as for issues relating to its real integration into the markets and other economic and financial institutions. What there can be no doubt about is that *"the changes have marked a shift in Russian policy away from a previous pursuit of multipolarity that assumed that Russia was one of the world's 'poles' towards one that seeks Russia's alignment with the Euro-Altantic 'pole'"*, as Dov Lynch states in *"Russia faces Europe",* an article published as Chaillot Paper no. 60. Such an assertion seems to indicate that this relationship displays a certain uniformity, but the reality differs depending on whether it is observed from NATO or from the European Union.

The European Union is one of Russia's main trading partners. Trade exchanges between them are considerable. In 2002 European Union exports to Russia amounted to €30.5 billion and imports from Russia totalled some €47.5 billion. The importance of this economic relationship

cannot be ignored and it is showing clear signs of improving year after year, so much so that Russia is currently the Union's fifth largest customer and the Union is the Russia's biggest. It remains to be seen what the effects of enlargement will be: while it may increase European demand, it could also upset the balance in some aspects of trade. Be that as it may, what happens must be gauged carefully to prevent Russia becoming overly dependent on the Union for its foreign trade.

As for issues related to CFSP and FSDP, there is nothing better than to quote Vladimir Putin: "*These processes are going to continue developing in Europe, irrespective of Russia's opinion. Therefore we are ready to collaborate in both".* At the end of 2003 there is still much to be defined and suffice it to read the communiqué of the sixth EU-Russia Cooperation Council held under the Greek presidency in Luxembourg to realise the importance attached to these issues in mutual cooperation. After broadly citing topics such as energy, the economy, the environment and the fight against organised crime, the communiqué briefly states that "*Over lunch the parties discussed developments in the EU and in Russia, Cooperation in the field of FSPD and fight against terrorism as well as international issues, including Moldova, Iraq, North Korea, Middle East and Cyprus Peace process*". Approximately one hour to cover all these topics. The scant importance the Cooperation Council attaches to this is as obvious as it is worrying.

Issues that were discussed at greater length were *Kaliningrad* and *the fight against terrorism*. When the European Union enlargement takes place, Kant's Königsberg will be cut off from Russia, and will border with the Baltic Sea, Latvia and Poland. When it became clear that enlargement would necessarily take place and Russia stressed the need to ensure the smooth movement of goods and people to and from the enclave, it became necessary to find a satisfactory solution. For this purpose a meeting of the Cooperation Council was called to discuss matters such as free transit in particular. The meeting reaped some results: first, €40 million (up to the end of 2003) of aid was earmarked to this enclave, which was badly in need of social assistance; it was also agreed to collaborate with border checks, in order to prevent illegal trafficking and to introduce a visa system to prevent the enclave becoming isolated. Although the question has yet to be settled, a satisfactory solution is envisaged.

Counter-terrorism in Russia-EU relations has witnessed periods, albeit few, of good understanding. The Union unequivocally expressed its soli-

darity with Russia when the Moscow theatre was attacked and categorically condemned any form of terrorism. But this did not last as Denmark agreed to a World Chechen Congress being held in Copenhagen, the significance of which was heightened by the fact that at the time Denmark held the presidency of the EU Council. Although the meeting did not take place in the end, nor did all the EU members agree with Russia's stance that all Chechens are terrorists. As a result Russia ceased to view Europe as a Union, which did not help relations.

One last important issue remains to be mentioned: *Schengen.* At the opening ceremony of the Russia-European Union summit in St Petersburg, the Russian president regretted the constraints the Schengen agreement imposes on Russian citizens, who have to apply for visas to travel across the Central and Eastern European countries currently in the process of joining the Union. *"This is a new wall"*, stated President Putin. The fact is that this issue needs to be tackled with much caution and, as the president of the Commission, Romano Prodi, said: *"We must progress step by step; this also an objective of the Union"*, though he did not agree to formally setting up a working group to address the matter. Its implications—border control, combating organised crime and other important issues—make it unlikely that an agreement will be reached quickly. France was in favour of the free movement of Russian citizens within the EU, no doubt in return for Moscow's support for its opposition to American policy on Iraq.

Finally, we should not forget Moscow's misgivings about the EU policy towards the Caucasian republics. While these republics greeted the appointment of a Union representative to this area with interest and hope, Moscow may have felt that the EU's expansion policy, in addition to these initiatives, constitutes an attempt to surround it, the consequences of which are dubious. Explaining this issue to Russia, as part of the Union's political dialogue, should be an unavoidable question, as is also explaining the EU's stance on Moldavia and its relations with Ukraine.

Relations with the United States

It may seem bold to begin this section by stating that relations between Russia and the United States have reaped positive results when the solution to the issues in question has suited Washington irrespective of whether or not it suited Moscow. In this connection it may be appropriate to cite Colin Powell, who has stated that Russia, with a GDP the size of

Holland, should show greater caution in international issues. Colin Powell is not the only American leader to express this rather offensive opinion. Others have made similar remarks on various occasions. But statements are not always in keeping with actions. Washington must surely attach some importance to Moscow if the US secretary of state met his Russian counterpart 16 times in 2001, not to mention four other meetings between Presidents Bush and Putin during the same period. A very high-level meeting took placed practically every two weeks between Russia and the United States.

Such intense relations ought necessarily to reap positive results. First of all, as it is highly symbolic, mention should be made of the opening of Russian air space to American aircraft following the attacks of 11 September on Washington and New York. But the most significant achievement was undoubtedly the signing of the Strategic Offensive Reductions Treaty (Moscow Treaty) and the United States' subsequent withdrawal from the ABM Treaty, of which the Kremlin was informed on 13 December 2001 in order to implement article XV, which requires that six months' notice be given. The US Senate approved the content of the new treaty on 7 March 2003 and the Russian Senate on 24 May that year; ratification notes were exchanged on 1 June 2003 at the Constantine palace in the Russian imperial city of St Petersburg during an informal summit. The Moscow of Treaty was thus ratified. To quote Putin, *"the summit has confirmed that there is no alternative to Russo-American cooperation"*.

This fact is important regardless of whether we believe that the United States is in control of its relations with Russia—as the latter made so much of its decision not to agree to the termination of the ABM Treaty or to accept the National Missile Defence (NMD) initiative—or that the opposite is true, namely that these relations are allowing Russia to become a key player in the field of security. Although the facts would appear to support the first thesis, there is no denying that reducing the level of nuclear warheads to between 1,700 and 2,200 is an important achievement that brings the number of nuclear weapons at both powers' disposal to a particularly low level and would appear to mark the end of the Cold War for once and for all.

But 2003 was also notable for disagreements. The main source was undoubtedly the Iraq crisis. The rift caused by France and Germany's active opposition to President Bush's policy tempted Russia to confront the United States more explicitly than ever before since the end of the

Cold War. What is not clear is whether this policy has secured Russia any benefits, though the answer that comes to mind is no; indeed, there are not even any indications of whether Russia will be able to collect its debt for supplying weapons to Baghdad. Russia's relations with France and Germany cannot continue along the same lines, especially after the United Nations Security Council passed Resolution 1511 on 16 October. The calculations that spurred Putin to seek closer relations with America will remain relevant.

Bush has often remarked that he shares many of the Russian president's views. He even once said: *"I like him; he's a good fellow to spend quality time with"*, though we should add that this is as long as Putin more or less toes the line with Bush, particularly in matters that affect the United States' security: cracking down on the illegal trade in radioactive substances and preventing them from falling into the hands of terrorists; ensuring that the nuclear programmes of North Korea and Iran do not progress; and cooperating in rebuilding Iraq, for example. Their differences over these and similar questions can only be tactical. The United States would not allow otherwise.

RUSSIA AND THE NEW SECURITY CHALLENGES

New concepts for national security

Many of those who are interested in these matters believed they were witnessing a new national security concept when a document entitled "*The development of the Russian Armed Forces: Objectives and prospects"* was released on 2 October. And they were not entirely mistaken, for although the title refers exclusively to the armed forces, the document resembles a white paper or strategic concept more than anything else. Nonetheless, it should be stressed that it was drawn up solely by the ministry of defence and, although it deals with many of the elements for defining a national strategy, it is not precisely that. Therefore we prefer to entitle this section "concepts" instead of the more orthodox "Security Concept", nevertheless bearing in mind that the opinions of the Russian defence ministry are highly relevant to a possible strategy.

The document was greatly aired by the Russian press after its release. It seems that this was followed by an attempt to play down its importance as it was suspected to have been issued for electoral purposes as the

elections to the Duma in December would soon be taking place. Be that as it may, the document contains very substantial elements that deserve our attention as, for the first time, it shows a certain transparency in security and defence issues together with a certain political will to include these matters in public debate.

First it should be pointed out that most of the references the document makes to NATO are not precisely positive. For one thing, it calls for the disappearance of the *"anti-Russian elements"* that are part of the Alliance's defence planning. It also states that even today NATO embraces an offensive military doctrine and until it is abolished Russia will not be able to complete its military form. However, it does acknowledge the value of the NATO-Russia Council and appears to be totally unconcerned about the Alliance's eastward enlargement, except for some final points relating to the CFE Treaty.

There are further causes for concern. The document states that failure to respect the right of Russian minorities in other countries, or the defence of vital political or economic interests in certain regions, especially the Commonwealth of Independent States, could justify the intervention of Russia's Armed Forces. It therefore appears to establish a strategic area that Russia regards as its own, namely the territory of the aforementioned CIS, plus states with Russian minorities. Ambassador Prat, Spain's Permanent Representative to NATO, jokingly described this as the "*Monroewsky Doctrine"*, obviously alluding to the ideas expressed by President Monroe in the early 19th century.

Indeed, it is from this supposed doctrine that some practical aspects have been inferred. At the end of October, Russia opened a base in what used to be Soviet Central Asia, specifically in Kyrgyzstan, and near the American base at Manas, which was set up to support US operations in the area. The Russian base is there to stay and shows Russia's wish to maintain a military presence in the region, with the approval of the host nation, which now feels it is collaborating with a major power. More important still, in April the political leaders of Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Armenia and Belarus signed an agreement to set up a political-military structure called the Collective Security Treaty Organisation. The organisation's headquarters will be based in Moscow. The media have not given sufficient coverage to this initiative, which is important whichever way one looks at it, but this does not detract from its significance. It undoubtedly marks an attempt by Russia to regain its prominent position

in the area, where America's military presence is growing as a result of operation "Lasting Freedom". The reason Russia gives for establishing its base in the area, to stem the progress of radical Islam, is good but not the only one.

Also worrying are the references the document makes to nuclear weapons, to which it attributes an important role in Russia's defence strategy as it considers them a valuable means of achieving political aims. There is certainly reason to believe such intentions, particularly bearing in mind the poor capacity of its conventional forces to provide a credible deterrent. The references to the possibility of developing new generations of missiles and the establishment of a space command back this hypothesis, though many experts see it as merely serving a domestic purpose. The Alliance does not seem too worried about this statement on nuclear issues.

The foregoing contrasts with the references to the United States: from the beginning the document considers this country a strategic ally with which Russia wishes to continue "cooperating to maintain strategic stability and eliminate all remnants of the Cold War". In a similar tone, it states Russia's intention to seek consensus for the benefit of mutual interest and respecting international legality. Though what worries the United States is not the content of this particular section, no doubt written with the purpose of playing to the gallery, but rather the aforementioned paragraphs it devotes to NATO and, especially, the statement about the geographical area of the CIS being reserved for Russian influence and accordingly, the interpretation of Russia's right to intervene in that area, which the United States hardly finds acceptable.

The document could nonetheless be a good basis for dialogue, both at Alliance forums and in bilateral and multilateral talks. Such talks would not only clarify the more confusing or stale aspects, but also help establish a real climate of confidence that is so necessary for both Russia and the West.

The question of terrorism

As soon as the crisis arising from the seizure of hostages in Moscow by a Chechen rebel group was solved, President Putin gave orders for a document—which the president called Strategic Concept—to be drawn up laying down all the measures for cracking down on terrorism, both in

Russia and the CIS and in cooperation with NATO and all organisations concerned with combating this scourge. However, the focus is on Chechnya, which is Russia's true concern in counter-terrorism, as it would appear to be immune to any other kind of terrorism.

The international community's fight against terrorism is both a necessity and an opportunity for President Putin: a necessity because the Chechen issue requires action to be taken against terrorist groups operating in Russia; an opportunity because Russia's cooperation in fighting terrorism has brought about a rapprochement with the United States which has helped Russia in other important achievements such as American support for Russian membership of the World Trade Organisation (WTO). Russian collaboration in counter-terrorism has provided new opportunities in three fields: defining a new security agenda (exchange of intelligence, civil emergency planning, development of anti-NBC vaccines, etc.); a new economic agenda (increase in crude oil exports to diversify energy sources, currently mainly concentrated around the Gulf); and, in home affairs, in relation to the necessary military reform.

This collaboration does not always bring Russia benefits. Whereas Russia's stance in its relationship with the United States, NATO and the European Union only provides advantages, the situation is not so clear as regards its relations with its neighbours. Georgia, for example, sees an imperialist streak in Russia's policy and other Caucasian republics are adopting similar opinions, apart from accusing Moscow of being an instrument of American foreign policy.

Even so, the importance of fighting terrorism irrespective of its origin and circumstances is gradually permeating Russia's policy. In addition to the references made in connection with NATO and the EU, it is interesting to note that the document of 2 October refers to counter-terrorism. It recognises that terrorism of any type is interrelated and the value of the international coalition set up to fight against this new threat. Is this to please the United States or the recognition of a reality? We would be well advised to wait and see what practical consequences arise from this statement.

One unavoidable aspect remains: the possibility that, intentionally or otherwise, material or technology for making weapons of mass destruction will be transferred from Russia. In this respect, all that can be added is that there is no evidence of Russia engaging in action of any significance, except for backing Iran's nuclear programme, albeit on the condi-

tion that “this support will be provided after Iran has sent a clear sign that its nuclear programme submits to the necessary international inspections”. Nor can Russia’s relations with North Korea be viewed in terms of proliferation: *“Russia believes that in order to ensure a regime of non-proliferation in North Korea it is also necessary for it to be assured of its own security”*, to quote President Putin.

The question of Chechnya

Such is the current state of the Chechen conflict that Russia cannot win merely by using military means nor can it allow itself to lose in the political sphere. Perhaps for this reason on 23 March Moscow organised a referendum in the republic of Chechnya. As is well known, the vast majority of Chechens backed the proposal of a constitution establishing that the republic should remain part of Russia but with a very wide measure of autonomy, and a political calendar including presidential elections in early October.

It should be stressed that the referendum took place under suspicious circumstances and was governed by an electoral law that places so many restrictions on the handling of electoral information that it allows underhand dealings to take place. Over 2,000 guerrilla fighters operate in Chechnya and have the ability to create an atmosphere of considerable insecurity, though not to control the territory; there are also tens of thousands of refugees who, despite being assured a certain stability, were reluctant to return. Not the best electoral backdrop. We should not forget that the war has already caused thousands of deaths directly and hundreds as a result of terrorist acts related in some way to the situation. In 2003 alone over 110 police were killed in Chechnya, as well as a large number of civil servants and civilians; the use of lorries was even banned on certain days and in certain areas to stem the proliferation of attacks.

Once the constitution was approved, a federal convention was drawn up establishing the division of powers between the Russian Federation and the Republic of Chechnya. The convention defines Chechnya as a sovereign, democratic state governed by the rule of law and belonging to the Russian Federation and grants it the right to override any provisions laid down by the Kremlin that clash with the convention, though this is more of a declaration of intent that is very difficult to put into practice.

It is the related terrorism that has made us aware of the seriousness of the conflict. A series of terrorist acts committed throughout the year made the news headlines: the truck bomb attack on a military hospital in Mozdok in early August; the attack on the government headquarters in Grozny in December; and the terrible attack on the Dubrovka theatre in Moscow with a tragic death toll of 129 hostages and 41 terrorists, not to mention the concert on 5 July, when two female suicide bombers killed twenty or so people at a rock festival. All these facts point to the extremists' intention to drive the Chechen conflict to the heart of Russia.

The conflict has already spread beyond the borders of the republic to the neighbouring states of Dagestan and North Ossetia, where at least 35 people were killed in an attack on a hospital.

The fact is that Russia cannot settle the Chechen issue using military means and capabilities alone and will have to do its utmost to solve it through political channels. The holding of elections in October was therefore considered a judicious decision—anything rather than continuing to wage a war in which the Russian forces have displayed a considerable lack of coordination (they came to have over 17 barracks issuing orders that were often contrary), which caused a high number of casualties from friendly fire. The newspaper *Nezavisimaya Gazeta* summed up the situation by stating that over 10,000 Russian soldiers have been victims of this poor coordination, of which the Russian authorities only recognise 4,500—a high enough figure.

The possibility of a solution has again been provided by elections. The presidential election on 5 October was won by a Sunni religious leader born in Kazakhstan called Kadyrov, who fought against Moscow in the first Chechen war and changed sides in the second with the excuse that Islamic fundamentalism was becoming too widespread among the guerrillas. While neither the results of the March referendum nor those of the October elections convince the US Department of State, owing perhaps to their low degree of democracy, nobody can deny that anything is better than using a strictly military strategy, which would cause the conflict to drag on.

FINAL REMARKS

Even today Russia is a country of marked contradictions. Its effort to carve out a place in the international arena as similar as possible to the

role it enjoyed in the past clashes with its precarious economic situation, still unstable political situation and deep social crisis based on the disheartenment of the people. Is there any room for optimism? Perhaps, because the Russian people are patriots; because Russian society is relatively well educated; because its leaders' ideas are quite pragmatic; and because, gradually, Russia is forgetting the spirit in which it was immersed for so long. It is a country in transition and *"there is no transition without trauma, nor can the truth be improvised after a century of institutional lying"*, as Benigno Pendas writes in his article *"Rusia y el nuevo orden mundial"* (Russia and the new world order) published in the daily *ABC* on 28 September 2003.

At the beginning of 2004 Russia's problems are more political than economic. Things are starting to look up for the economy, though many indicators show the Russian population to live beneath the poverty line. But 2003 was a good year for the economy as was 2002, owing particularly to the country's exports of crude oil, natural gas and even cereals. Foreign investment grew and economic growth will be in the region of 6 percent. Let us hope this trend continues.

On the political front, however, many concerns still remain. Progress is very slow and a step forward is often followed by a step backwards. The country is still in the grip of authoritarian habits, lack of legal security and, in general, there are major democratic deficits. We will be able to draw conclusions from the result of the legislative elections in December 2003 and the presidential elections of March 2004, but the best news one can hope for would be for Russian society to continue to develop towards full democracy, under whose wing it will be able to shape a prosperous future.

And the greatest benefits this would bring are world peace, security and stability. Russia continues to be extraordinarily important for the achievement of these values. Therefore it should be able to rely on our support.

CHAPTER FOUR

THE MEDITERRANEAN

THE MEDITERRANEAN

By Carlos Echeverría Jesús

INTRODUCTION

2003 was a particularly intense year in the Mediterranean with respect to the processes under way and the consequences of these processes both at national and at subregional and regional level. The enlargement of the European Union—effective as from 1 May 2004 with the consequent accession of Cyprus and Malta—the efforts to implement the "Road Map" designed by the so-called "Madrid Quartet" (USA, Russian Federation, UN and EU) in spring 2002 and the war and post-war in Iraq have had and will all continue to have implications for the Mediterranean area in the coming year and consequences for Mediterranean security. Furthermore, domestic events in countries such as Algeria, Morocco, Libya and Turkey, among others, have influenced both subregional and regional environments and will continue to do so.

A geographical approach will enable us to observe how progress continues on the northern shore towards shaping initiatives in response to the growing challenges in the Mediterranean, from illicit trafficking of all kinds to terrorism. These initiatives range from sectoral approaches to security in the classical sense to strengthening cooperation mechanisms in the context of the Barcelona Process, which is steadily gathering momentum. On the southern shore, in addition to the many advances and setbacks in the so-called Middle East Peace Process (MEPP), mention should be made of the progress of the countries of the Arab Maghreb Union (UMA), which needs to be examined more from a domestic than western Mediterranean subregional perspective. However, we should not overlook the western Mediterranean context, particularly the so-called 5+5 Group

which is formed by these states plus their five neighbours of the so-called "Latin arc of the western Mediterranean" (Portugal, Spain, France, Italy and Malta) and has been particularly dynamic throughout 2003. Mention must also be made of the so-called Agadir Process—bringing together Egypt, Jordan, Morocco and Tunisia with the common aim of creating a free-exchange area in 2005 that is open to other Arab countries—which continues to attract the interest of other states and international organisations.

When the Union becomes an international actor consisting of 25 Member States in May 2004, the political and diplomatic dimension of the Mediterranean, represented as never before by an important framework for dialogue and cooperation known as the Barcelona Process, will take on a different appearance, and the significance of this should be stressed. Not only Malta and Cyprus will be full-fledged members of the EU—it is still not known in what state Cyprus will join, as this depends on whether the negotiations between the island's two communities are successfully concluded—as Turkey may also have been given a date for beginning accession negotiations. For the time being, the results of the referendum held on 9 March, which had a turnout of 90 percent, assured Malta of a calm run-up to accession: 53 percent voted in favour of joining. In short, with the accession to the EU of the two island states and the beginning of accession negotiations with Turkey, the Barcelona Process will very much become a framework for agreement and cooperation between Europe and a number of Arab countries—including Libya, whose status may change from observer to full member—and Israel.

THE MIDDLE EAST AND THE DIFFICULTY OF IMPLEMENTING THE ROAD MAP

The MEPP continued to be extremely fragile and 2003 began with discouraging results for other instruments designed to bring about peace in the region—the Mitchell Report, the Tenet Plan, the Zinni Plan, etc.—and with certain hopes centred on the Road Map proposed by the Madrid Quartet, the third and final draft of which was approved at the end of December. A further, more specific, source of hope was George W. Bush's view, expressed on 24 June 2002, of two states living side by side as good neighbours, even though terrorism and the Iraq crisis made it extremely difficult to put it into practice. Against a backdrop of multiple terrorist attacks on Israeli cities—such as the double bombing in Tel Aviv on 5

January, which killed 23 people and injured over 100—which were resumed after two months of relative calm and were followed almost automatically by reprisals, the Palestinians pressed forward with the reform of the Palestinian National Authority (PNA) by appointing Mahmoud Abbas (Abu Mazen) prime minister; the appointment was not confirmed until mid-March. Abbas, number two in the hierarchy of Fatah and one of its founders, was involved in the negotiations that led to the Oslo Israeli-Palestinian agreements of 1993, and had met the Israeli prime minister, Ariel Sharon, on several occasions. Sharon had recently, not without difficulty, formed a government without the support of Labour following the elections on 28 January. Abbas' new mission looked set to be much more delicate than his previous tasks given the reluctance of President Yasser Arafat, who entered the new year confined to the Muqata'a presidential compound in Ramallah, to cede any powers, both in general and over the security forces in particular, and the radical groups Hamas and Islamic Jihad's dislike of him, which considerably hindered his setting to work as prime minister. A few months later, the impossibility of convincing Arafat of the need to make concessions and Abbas' inability to dismantle the Palestinian terrorist structure—due in part, it should be admitted, to lack of strong international pressure in either area—led him to resign from the post.

In February Prime Minister Sharon met Ahmed Qurei and other Palestinian leaders met Sharon's bureau chief Dov Weisglass and the director of the Israeli National Security Council, Efraim Halevy. This move was interpreted in terms of both internal policy—the need to be able to count on Labour's support to ensure a stable government—and international affairs, in the context of the Iraq crisis as a ploy to defuse the Middle East situation and, in doing so, take advantage of the benefits that the Road Map offered Israel. The pressure exerted by the United States during those months should be interpreted not only as a necessary contribution to the peace process but also as an attempt to prevent a worsening of the situation from adding to the problems in Iraq. For its part, the EU also tried to help the sides complete the three main phases of the Road Map, particularly because the first envisaged that by mid-2003 Palestine would have completed reforms in its security structure and Israel would have withdrawn its troops to the positions prior to the second intifada of 2000. The next step was the establishment of a Palestinian state with provisional borders and, in 2004, the beginning of negotiations for a final settlement.

A wave of terrorism swept over Israel in May when five suicide bombs exploded in less than 48 hours and settlers were the targets of multiple attacks ranging from light weapons fired at vehicles to home-made Kassam rockets aimed at settlements and border towns. Meanwhile Israel pressed Abbas, practically exhausted after his first month as prime minister, to come up with results—which were barely visible in an environment characterised by increasingly simultaneous attacks of Palestinian terrorist groups and a growing number young people joining their ranks as a reflection of collective impotence.

A high-level meeting between Bush, Abbas and Sharon took place in Aqaba in Jordan in early June following the Israeli government's approval of the Road Map (12 votes in favour, 7 against and 4 abstentions). The leaders stressed above all the need to act according to the Israeli approach, which considers that of the four members of the Quartet, the only one capable of tackling security issues is the USA, which is also an essential player in another delicate area covered by the Road Map: the debate on Jewish settlements on Palestinian territory. At Aqaba Sharon promised to dismantle illegal enclaves and to take other measures to ease the tension. The EU, both through the Greek presidency that was about to hand over to Italy at the end of June and through its high representative and Council secretary general, Javier Solana, and from 14 July also through the new special representative Ambassador Marc Otte who had taken over from the veteran Miguel Angel Moratinos, attempted to play a complementary role, particularly in keeping the contacts flowing between the Arab countries and the PNA. But we should remember that in addition to the disagreements between Israel and the Union, relations between the Union and Palestine were marred by the friendship between Italy's prime minister, Silvio Berlusconi, and his counterpart, Sharon, during the Italian presidency of the EU when Berlusconi refused to meet Arafat during a visit to the area in July.

Summer witnessed a ceasefire of the Palestinian terrorist groups, the so-called Hudna (roughly translated as truce), and in July Sharon grudgingly convinced part of his government to release a few of the thousands of Palestinian prisoners in Israeli jails and to offer the US a symbolic withdrawal of Israeli troops from Gaza and Bethlehem. All these measures were widely criticised by the extreme right. Almost three years after the second intifada or "al-Aqsa intifada", the toll of victims was shocking: 2,200 Palestinians and 900 Israelis had been killed and many people injured on both sides. At the same time, Abbas' resignation in early July

from membership of Fatah after increasingly clashing with the movement's old guard over what the latter regarded as his playing into the hands of Israel and his threat of also stepping down as prime minister revealed the internal strife on the Palestinian side. The start of the ceasefire coincided with the implementation of the first important agreement between Israel and the PNA since the beginning of the intifada—the transfer of responsibility for the security of the Gaza strip and Bethlehem to Palestinian forces—and was supposed to signify the cessation of armed actions by Hamas and Islamic Jihad for three months and by the al-Aqsa Martyrs Brigade incorporated into Fatah, the organisation headed by Arafat, for six months.

By July the outcome of the truce was not very encouraging. For one thing, the release of Palestinian prisoners and the abolishment of checkpoints and lifting of the siege on Palestinian towns and the Muqata'a compound were taking place more slowly than was to the Palestinians' liking. In addition, Israel found no evidence that the terrorist infrastructure was being dismantled—in fact quite the opposite, as borne out in July by the declarations of Hamas' leader Abdel Aziz Rantisi, who reaffirmed that his organisation's ultimate aim was to destroy the Jewish state. According to the Israeli secret service, the truce was being taken advantage of, for example by Hamas, to produce more Kassam rockets to enable it to threaten and attack Jewish settlements, and both Hamas and Islamic Jihad continued to speak of the "Zionist enemy" and make impossible demands to Israel, such as the "Zionist" evacuation of Palestinian territory, which, to their minds, would include the whole of Israel, whereas the armed wing of Fatah called for a state in which Palestinians and Israelis lived side by side. And the confrontation between Arafat and Abbas in July when the former demanded that the control Abbas had granted to Colonel Mohammed Dahlan over the interior ministry be curtailed in order to restore power to the Security Council established by him was a further indication. An attack by Hamas in Jerusalem on 19 August which killed 21 people—including seven children aged between three months and 14 years and a pregnant woman—and injured over 100, forty of them children, put an end to the truce announced by the Palestinian terrorist organisations and marked the resumption of the cycle of violence, placing Abbas, then completing his third month as head of government, in an extremely awkward situation.

The attacks, suicide and otherwise, in August and September led Israel to envisage even reoccupying the Gaza strip, the stronghold of the terror-

ist organisations, and to speed up the construction of the wall separating Israel and the West Bank, continue to build settlements and bring about changes in the Palestinian political class. It is important to stress that the Quartet members also focused their attention and efforts on the latter point during 2003.

The statement issued by the Quartet on 25 September urging the PNA to stem the violence and Israel to halt the expansion of settlements in the occupied territories marked the start of a fresh attempt to bring the diplomatic process back to normal. The statement particularly stressed the need for the Palestinian side to break the deadlock on the negotiations. Before giving his assent, the UN secretary general, Kofi Annan, stated the need to deploy international forces to the area, though this idea was rejected outright by both Israel and the USA. Palestine's reply to the Quartet's demands came from Fatah, which decided to replace Abbas with a candidate whom Arafat eventually asked to form an emergency government: Ahmed Qurei (Abu Ala), a man with little charisma but a good track record as he headed the Palestinian delegation that negotiated the Oslo accords in 1993 and had also met Sharon in February. Qurei, until then speaker of the Palestinian Legislative Council, formed an eight-strong emergency cabinet, but weeks later, on 9 October, announced his intention to resign owing to differences of opinion with Arafat as regards the composition and responsibilities of the government. By way of an example, a few days after Abbas resigned, responsibility for all the security bodies had been transferred to the National Security Council that is controlled by Arafat's loyal aides. Despite these difficulties and although Arafat has not ceded any of his powers over the security forces as required by the USA and Israel, Qurei's government has been running since October, encouraged by both the USA and by Arafat himself, and by three consecutive weeks without attacks in September. Additional obstacles he has come up against in his short life include an attack on a diplomatic vehicle on 15 October which killed three US security agents, Sharon's tough response to a bloody suicide bombing in Haifa on 3 October on the eve of Yom Kippur, and simultaneous operations in Palestinian territory with an attack on the Palestinian training camp of Ein Saheb, only eight kilometres away from Damascus. Israeli intelligence believed the camp to be controlled by Ahmed Jibril's Popular Front for the Liberation of Palestine (PFLP) acting in conjunction with the Syrian army. The USA blocked a Security Council resolution condemning this attack.

In mid-November, even before taking office, Qurei's government had already been criticised both by the USA and by Israel. Following a similar

wrestling match to the struggle waged against the short-lived prime minister Abbas and his minister for security affairs, Dahlan, Arafat imposed his conditions on Qurei: the security services (over 56,000 agents, according to an alarming report by the International Monetary Fund (IMF) published in October) were to remain under his control following the appointment of Hakam Balawi as minister to replace General Nasser Yousef, Qurei's candidate, who had stated that the Palestinian national liberation movement is the only pro-independence movement in modern history to have failed and that the leader of the PNA is responsible. Together with Dahlan, Yousef is one of the main voices of authority who has criticised Arafat's attitude.

In this strained atmosphere the chief of staff of the Israeli armed forces, General Moshe Yaalon, granted three simultaneous interviews to his country's three leading daily newspapers in early November. He spoke of the lack of hope and expectations for the Palestinians in the Gaza strip and Bethlehem and Jericho and ended by claiming that Israel's tactical decisions go against the country's own interests. In addition to these expert opinions it is important to stress that the debate grew harsher and more heated in the last months of the year due to the input from the meeting between former political and military leaders and intellectuals held in Geneva to design not a declaration of principles but a specific and detailed blueprint covering all issues, however sensitive, and submitted for approval with major media coverage on 1 December at the same Swiss city where it was drafted.

At the end of November Prime Minister Qurei attempted to achieve a fresh ceasefire, once again enlisting the help of General Omar Suleiman, chief of the Egyptian intelligence services, who also played a part in the previous truce. In order to progress in the negotiations, Suleiman required that the Palestinian preventive security forces, split into two separate units under the influence of Arafat, be unified again—as they had been previously under Dahlan as minister of security affairs. The backdrop to this new attempt to progress towards peace using the Road Map as a guide consisted of a Quartet whose strength seemed to be waning—particularly owing to the feeble energy mustered by the US, which, of the four, is the player with the greatest capacity for action in the region but appeared to be overwhelmed by other issues such as Iraq, fighting terrorism on other fronts and the campaign for the presidential elections in November 2004, already under way. This led prominent Palestinians and Israelis to meet secretly in Geneva and to approve the plan announced in November and

developed at a further meeting in December which revealed knowledge and pragmatism on the part of both sides and above all considerable disappointment at the lack of action or even negative action of the official players. Arafat wants legislative and presidential elections to be held in June 2004, but there do not appear to be any strong candidates to replace him, nor does he seem willing to step down. To back both sides' efforts, the UN Security Council unanimously approved the Russian-sponsored Resolution 1515 calling for the immediate implementation of the Road Map.

The other Middle East states that border the Mediterranean Sea —Syria, Lebanon and, lacking in a Mediterranean coast but determined to belong to the basin, Jordan—experienced the vicissitudes of the Peace Process and Iraq crisis, war and post-war with concern. The Syrian president, Bashar al-Assad, had to maintain a cautious stance towards the removal of Saddam Hussein. Although he was not precisely bound by close ties to the Iraq regime—in fact quite the opposite—the fall of Hussein from the perspective of the Arab nationalists of the Baath party, which also governs in Damascus, signified a further affront caused by the West in connivance with Israel. In an interview published in a Lebanese newspaper in April, al-Assad favoured the conspiratorial theory when analysing US policy towards Iraq and the rest of the Arab world: i.e. that America's aim was to seize control of the oil industry and design a new Middle East map that served Israel's interests. In the same interview he appealed to the Arab world to learn from Lebanon's resistance. He stated that according to the US, Syria had helped leaders from Saddam's regime seek refuge for themselves and for part of their military equipment and had allowed the passage of thousands of Arab volunteers heading for Iraq to fight against Westerners. The Damascus government described both of these accusations as "Zionist propaganda". In November the US Senate agreed to the imposition of sanctions of various kinds on Syria, previously approved by Congress in October. It was up to President Bush to choose which ones.

Jordan's internal security has felt the effects of the Iraq crisis and subsequent war and post-war period more than the Israeli-Palestinian struggle—or indeed the wrestling match between Israel on the one hand and Syria and Lebanon on the other. As soon as the war began on 20 March, King Abdullah II found himself forced to appeal to the "unity of the people to maintain the security and stability of Jordan". Days later Iraq accused Jordan of allowing the USA to use its airspace and even of allowing US

military presence at the Jordanian-Iraqi border. At the beginning of April the Jordanian authorities arrested a group of Iraqi agents in Amman whose mission was to poison the drinking water supplies of US forces stationed near the border with Iraq. The expulsion of five Iraqi diplomats was linked to this foiled plot and a further four Iraqis were arrested on the suspicion of attempting to set fire to the Grand Hyatt Amman Hotel, where American military and journalists were based. In summer, the suicide bombing of the Jordanian Embassy in Baghdad once again highlighted the risks of being a neighbour of Iraq and the threats its politics has to contend with, however conciliatory it attempts to be. Iraq had been Jordan's main Arab customer and half of the five million tonnes of oil that Iraq supplied to Jordan annually were provided free of charge and the rest at lower than international prices.

Located at the crossroads of the Middle East and Europe, Turkey continued with its attempts to consolidate its internal stability and regional role in 2003. In November the government headed by the moderate Islamist Recep Tayyip Erdogan faced an unprecedented terrorist offensive when suicide attacks were carried out against the Turkish Jewish community and British interests. In the international arena the Turkish government continued with its attempts to secure a foothold in the West. This was best illustrated at the end of 2002 by the "Berlin Plus" agreements which, having finally been unblocked by Turkey, allowed the EU to use NATO assets such as in the Union's operation "Amber Fox" in Macedonia. These encouraging developments were accompanied by disagreements with the USA over the definition of Turkey's role in the crisis and subsequent war and post-war and, at the end of the year, the suicide attacks in Istanbul in November: on the 15th against two synagogues (25 killed) and on the 20th against the British Consulate and HSBC (27 killed).

THE SOUTHERN SHORE OF THE MEDITERRANEAN

The vicissitudes of countries' individual political processes, the lifting of the UN sanctions on Libya in summer and the increase in terrorist attacks on traditional (Algeria) and newer (Morocco) fronts were the most salient north African issues in 2003. Opposition to the Iraq war was expressed in various contexts by these countries' authorities and public alike. With respect to the political processes, in addition to what can be said about each North African country, mention should be made of the publication in 2003 of the *Arab Human Development Report 2003* subti-

tled *Building a Knowledge Society* (<www.undp.org/rbas/ahdr/ahdr2/presskit/6_AHDRO3ExSum_E.pdf>). This is a continuation of the more general report published in 2002 which sparked such widespread debate and continues to do so: both show that there is still much to be done in the region as regards political development and economic, social and cultural development.

Egypt

The biggest Arab country by population (67 million inhabitants) is in the grip of economic crisis and political uncertainty, such as over the succession of 74-year old Mohammed Hosni Mubarak, who was re-elected as president in June 1999 with 93.79 percent of the vote and whose term in office does not end until May 2005.

According to the 2003 report by the United Nations Economic Commission for Africa, Egypt is growing at a mere three percent, just enough to offset demographic growth but insufficient to stimulate the economy. The outlook is negative, as in 2003 the country failed to earn over $8 billion in revenues from tourism, immigrants' remittances and exports owing to the Iraq war and instability in the Middle East. The value of the Egyptian currency has slumped by 30 percent since the beginning of the year and the poverty rate has risen from 12 to 17 percent of the population. Early in September a sudden bread shortage in Cairo almost triggered a repeat of the bloody bread riots of 1977. However, there are also some encouraging signs on the economic front. Tourism, one of the country's main sources of income, slid by 23 percent instead of the expected 50 percent forecast for a scenario of prolonged war in Iraq, and the tourism minister, Mamdouh al-Beltagui, has attempted to encourage Arab tourism, particularly Libyan.

In this context, worsened by the state of emergency the country has been in since the assassination of Anwar Sadat on 6 October 1981, there is increasingly more and more talk of the succession of Mubarak, president of the ruling National Democratic Party (NDP), one of the four legal parties which holds 410 of the 454 seats in parliament. His son Gamal Mubarak, educated at Cairo's American University and secretary general of the NDP since 2002, appears to be acting like a candidate. Following several visits to European capitals, in June he travelled to the USA where he met the vice-president, Dick Cheney, and the national security advisor,

Condoleezza Rice. And on 29 September he brought to a close the meeting of the NDP's national council with a grandiloquent speech on democracy and development. The fact that his father was taken ill when delivering his opening address to parliament on 19 November has heightened speculation about the succession. Furthermore, Gamal has climbed the rungs of the party ladder at the expense of weighty figures such as the prime minister, Atif Muhammad Ubyd, the information minister, Safwat Cherif, and the speaker of parliament, Fathi Surur. Gamal Mubarak seems to be looking to take over from his father in 2005, despite an emerging figure on the political scene—the director of the intelligence services, General Omar Suleiman, who was a key player in achieving the ceasefire of the Palestinian terrorist groups in summer and strengthened his position with a fresh attempt to achieve a truce in November.

Libya and Tunisia

Throughout 2003 Muammar Gaddafi strengthened his efforts to gradually normalise relations with the USA despite a complex international context marked by the Iraq crisis and war. Although on several occasions he urged that war should be avoided, Gaddafi has not forgotten his past clashes with Hussein and was unwilling to sacrifice his rapprochement with Washington for the sake of calling off the sanctions.

On 11 March a draft agreement was finalised in London by America's assistant secretary of state for the Middle East and North Africa, William J. Burns, and the Libyan ambassador, Mohammed al-Zwai, whereby Libya recognised that some of its citizens had been involved in terrorist actions and set up a special $2.7 billion dollar fund to provide compensation to victims' relatives. At the beginning of June news of the compensation agreement with the USA and United Kingdom was leaked, a month after the Libyan foreign minister, Abderrahmane Chalgam, accepted his country's civil liability. This paved the way for the final lifting of the UN sanctions on Libya—temporarily suspended since 1999—and for forging deeper relations with this Maghreb country, a producer of one and a half million barrels of oil daily, and currently in need of investment and technology to instil new life into an energy sector that was and still is at risk of becoming stuck in a rut.

After months of negotiations, the agreement was finally signed in London on 13 August by Libyan representatives and lawyers of the fami-

lies of the victims of the Lockerbie bombing (December 1988) and marked major progress towards settling this long drawn-out dispute, though new issues had by then arisen. Within a matter of days, the Libyan government opened an escrow account with the Bank for International Settlements for $2.7 billion ($10 million per victim), sent a letter to the president of the Security Council acknowledging its responsibility and even promised Germany to pay compensation to the relatives of the three people who were killed and the 260 injured in the attack on a discothèque in West Berlin in 1986, for which a German court found it guilty in November 2001. On 18 August the United Kingdom presented a draft resolution to the Security Council for the sanctions on Libya to be lifted, but two days later the French foreign minister announced that his country would block it unless the compensation paid to the relatives of the victims of flight UTA 772 (three times less per victim), which was downed in September 1989 —and for which a Paris court convicted six Libyans in absentia—were equalled to that of the Lockerbie victims. On 21 August representatives of the victims of the French airline disaster travelled to Tripoli to negotiate a settlement with the Gaddafi Foundation allowing the draft resolution to be voted on and international relations with Libya to be normalised days later.

Furthermore, in mid-July Colonel Gaddafi vaguely announced his wish to progressively privatise his country's banking and energy sectors and open up Libya to foreign investment. At the end of May, Repsol YPF signed a contract with the National Oil Company (NOC) for the operation of six exploration blocks. This contract, which entails an initial investment of €76 million, will allow Repsol to consolidate its project portfolio and increase the possibility of significant gas and oil discoveries in the coming years. At the end of November, Repsol YPF teamed up with Australia's Woodside Energy and Hellenic Petroleum of Greece to sign another exploration and production contract. This new contract will allow Repsol to boost the 15 percent of Libya's total oil production it has managed so far. Like the rest of the Western companies, the Spanish oil corporation is following closely the progress made in the promised economic and legislative reforms and will continue to do so.

In contrast to these prospects, Libya's relations with the European countries are at risk of deteriorating unless cooperation is stepped up in the field of combating irregular immigration. Nearly 200 illegal immigrants lost their lives when a ship sank between the coast of Tunisia and the Italian island of Lampedusa on 20 June. The Tunisian and Italian authorities spoke of Libya's complicity with movement of immigrants in makeshift

boats. This issue could cloud bilateral relations that have otherwise been described as excellent, as borne out by Gaddafi's visit to Tunisia (19-25 May), and the joint management of the "7 November" offshore oil concession that was long disputed by both countries. Libya stands to lose a lot bearing in mind that Tripoli's relations with the European countries are progressing at cruising speed: in addition to hosting the ministerial meeting of the 5+5 Western Mediterranean Group (May) and the Ministerial Conference of Western Mediterranean Interior Ministers (July) in 2002, Libya continued to participate as an observer in the Barcelona Process (intermediate meeting of foreign ministers in Crete, in May, and official meeting of these ministers in Naples in December) in 2003 and has intensified its bilateral relations with Spain in particular, as was attested to during President José María Aznar's visit to Libya in October 2003.

The iron-fisted control exercised by President Ben Ali's regime prevented the Tunisian people from demonstrating against the international pressure on Iraq in the early months of 2003. Tunisia's fear of Islamist terrorism dates back a long way and is justified, as Tunisia was one of the first Maghreb countries to suffer this scourge back in the mid-80s. Since 11 September the country has suffered several attacks and found Tunisian citizens to belong to transnational al-Qaeda terrorist cells, such as the two assassins of the Afghan commander Massud. On 7 June Christian Ganczarski, a German expelled from Saudi Arabia, was arrested at Roissy airport in Paris. He is connected with the bombing in Djerba on 21 April 2002 and with the Hamburg cell through the Moroccan Munir al Motassadeq, sentenced to 15 years' imprisonment in Germany for involvement in the 11 September attacks.

Spain's relations with Tunisia were intensified following the visit to Madrid on 15 January by Tunisian prime minister, Mohamed Ghannouchi, who presided over the 5th high-level meeting together with President Aznar. The meeting explored ways of enhancing economic relations; a number of precedenes have already been set in this field, such as the development of nine major Spanish hotel chains.

Algeria

In Algeria the clash between President Abdelaziz Bouteflika and his prime minister, Ali Benflis, sacked by Bouteflika in May 2003, occupied the centre stage in the internal political environment, which is preparing for the

April 2004 presidential elections in which both wish to stand as candidates. There were signs of this growing confrontation in both men's attitudes to the Iraq crisis and war: while the foreign minister Abdelaziz Belkhadem, a member of the National Liberation Front (FLN) faction that opposes Benflis, asked for a return to international legality on 20 March and the following day refused America's request to close the Iraqi embassy in Algeria, the FLN, loyal to the still prime minister Benflis, issued the harshest communiqué produced by Algeria's politicians describing the USA as an "aggressor" and underlining their support for "the Iraqi people".

The country's internal political difficulties—Benflis' FLN sides with the opponents of the privatisations policy promoted by Bouteflika, mainly the veteran Algerian General Workers Union (UGTA), and developed by ministers such as Hamid Temmar and Chakib Khelil, whose bill on hydrocarbons Benflis blocked in parliament—contrast with what is an optimal economic situation, at least as regards macro-fundamentals and outlook: the country's foreign-currency reserves are equivalent to two years' imports and its foreign debt, which amounted to $30 billion in 1995, closed 2002 at $22 billion and is expected to be down to $20 billion by the end of 2003.

Meanwhile, the continuation of Islamist terrorism—albeit less intense than before—the social and political effects of the terrible earthquake on 21 May (which killed some 2,500), the laxity of the health authorities detected through the outbreak of bubonic plague in the Oran region in summer, the pollution of some of Algeria's best beaches by industrial waste and the progress of privatisation at home, and, on the international front, the ongoing negotiations for accession to the World Trade Organisation (WTO) and the implementation of the EU-Algeria Association Agreement signed only in April 2002 monopolised attention and efforts during the year. The quarrel between Bouteflika and Benflis has undermined the FLN, which seemed a feasible option for the future less than a year ago.

Terrorist offensives continued in Algeria. Attacks, fewer and more far between than before, were launched by the Armed Islamic Group (GIA), which in 2003 was headed by Emir Rachid Abu Tourab until he was arrested by the Algerian authorities in Saula, near Algiers, on 17 November. Hassan Hattab's Salafist Group for Preaching and Combat (GSPC) was also active during the year and has grown more dangerous, as it now chooses foreign targets and its terrorism is transnational. The kidnapping in February of a good thirty Western tourists in south Algeria in an area

under scarcely any control near the borders with Niger and Mali by a group led by Mokhtar Belmokhtar, a deserter from the Algerian army who fought in Afghanistan, illustrates this point. There are believed to be a good hundred or so terrorists under his command operating with relative ease in the triangle formed by southernmost Algeria, east Mauritania and north Mali. Abderrazak Lamari, the former emir of the GSPC in the region, is also thought to be involved in the reorganisation of this terrorist cell. The kidnapping of three customs officers in the Reggane region on 5 July and their abduction to Mali, where one of them was found dead, is further proof of this trend, as is the aforementioned hostage crisis. By the end of July 15 Western tourists (10 Germans, four Swiss and one Dutchman) were still being held hostage—the other half had been freed by Algerian troops in spring—waiting for their release, which was apparently agreed in Mali. Fourteen were finally freed on 18 August in the north of the sub-Saharan country, as a German woman had died. According to the German public television channel ZDF, €4.6 million was paid for each hostage in tough negotiations in which the former Tuareg rebel leader Iyag Ag Ghali and some Libyan circles had acted as mediators.

As for traditional terrorism, the year began with a tragic attack by the GSPC, which killed 39 parachutists and injured some 40 in the Batna region on 4 January. This was the worst attack directed at the army since April 2002, when 21 soldiers were killed in another ambush in the Saida region. Islamic violence heightened in early summer: between 13 and 15 June, 17 GSPC terrorists died in skirmishes with the security forces in the province of Bouira; on 15 June two people died in the region of Boumerdes and, that same day, in the capital of the Kabylia area, Tizi-Ouzou, a bomb killed four policemen only days after four others were murdered in Beni Douala, 30 kilometres from Tizi-Ouzou. Even the 180 camps with 13,000 tents erected by the army in the regions affected by the 21 May earthquake to cater for the 80,000 disaster victims required police and military protect to prevent them becoming terrorist targets. Furthermore in June, the Spanish judge Ismael Moreno confirmed that al-Qaeda's alleged treasurer in Spain, a naturalised Spaniard of Algerian origin, Ahmed Brahim, who was arrested on 13 April 2002 and is connected with the terrorists responsible for the attacks on the US embassies in Kenya and Tanzania in 1998, would be tried in Spain. This marked yet another chapter in the necessary international effort to combat internationalised terrorism. Another salient event connected to Spanish-Algerian relations was the arrest of Diauat Abdalhai in Lloret de Mar on 6 August. Abdalhai is believed to be the accomplice of another

Algerian arrested several days earlier by the German police in Hamburg in an operation that revealed fresh information about Mohammed Atta's cell and seems to have prevented the perpetration of further Islamist attacks on the Costa del Sol. The release from prison of FIS leaders Abassi Madani and Ali Belhadj on 2 July after serving twelve years behind bars to an extent closed the obscure chapter of the FIS in Algeria's contemporary history. Be that as it may, the question of what role they may play in the future remains unanswered, as although it is formally forbidden for them to proselytise and hold public office, Madani appeared on Qatar's al-Jazira channel in summer discussing Algerian internal politics in the context of the presidential elections in April 2004.

As for bilateral relations between Spain and Algeria, 2003 witnessed the strengthening of the ties established by the treaty of friendship, good neighbourly relations and cooperation signed in October 2002. Algeria is currently Spain's biggest market in the Arab world and Spain is Algeria's fourth largest trading partner. Bilateral trade grew from $1.6 million in 1999 to $2.6 million in 2001. In 2003 Spanish companies were granted a new credit line of $105 million for investing in Algeria and Spanish investors, who have concentrated on the energy sector in the past, are increasingly turning their attention to attractive emerging sectors such infrastructure and banking. Cepsa strengthened its foothold in the Algerian hydrocarbon industry when the Urhud oilfield, its second in Algeria which is expected to yield annual revenues of some €220 million, came into operation, in addition to increasing production at the nearby Rhourde El Khrouf oilfield, which was already in operation. Cepsa also furthered its plans for expansion in Algeria by making progress towards the implementation of the Medgaz project for a gas pipeline linking Beni Saf (Algeria) and Almeria across 200 km of the Mediterranean (sea of Alborán). A management study, schedule and cost estimate have been completed together with the preliminary analyses and it is planned to develop the engineering project in 2003 and begin construction in spring 2004, ending in 2006. This encouraging prospect for the immediate future was highlighted at the first high-level meeting between Presidents Aznar and Bouteflika laid down in the treaty and held in Algeria on 26 and 27 November.

Morocco and the Western Sahara

Elections, terrorism and relations with Spain are the three main points on which this review of the Alawi kingdom will focus.

After the legislative elections on 27 September 2002, Mohammed VI had appointed as head of government a technocrat, Driss Jettou, until then minister of the interior and a man closely linked to the palace, to the surprise of the parties with the most votes in the elections, who attempted to secure a sufficient majority in order to govern. It would appear that the attempts by the Istiqlal party to form a government by teaming up with the moderate Islamists of the Justice and Development Party (PJD), in third place following the vote counting, and with the two main pro-Berber parties—the Popular Movement and the National Popular Movement—marginalising the Socialists of the Socialist Union of Popular Forces (USFP) led the monarch to exercise the prerogatives granted to him by article 24 of the Constitution. This strategy of gently halting the rise of the Islamists continued to be pursued in 2003, specifically in the municipal elections in June, though, regrettably, Islamist terrorism was one of the salient features of the year.

The five suicide bombings in Casablanca on 16 May which killed 45 people, mostly Moroccans, have made Islamist terrorism an internal- and foreign-policy concern. Early in January the Royal Gendarmerie neutralised part of an Islamist group preparing to use weapons in Meknes and in February Hassan Kettani was detained for several hours. Kettani, who preached at the Mecca mosque in Sale, near Rabat, until autumn 2001 headed the list of 16 ulemas who signed a fatwa prohibiting Morocco from taking part in the international war on terrorism. And during the investigations of the attacks on the Casa de España, Hotel Safir, Belgian consulate, Jewish Alliance and Jewish Cemetery in Casablanca on 28 May the death —"due to natural causes"—was announced of the emir who, according to the confessions of the detainees, had coordinated them: Abdalhaq Moul Sebbat. Almost at the same time the Moroccan parliament passed a harsh anti-terrorist law by consensus.

The following days and weeks witnessed many arrests both in Morocco and in European countries such as Spain; a total of 634 people were in custody by mid-August. Robert Richard Antoine-Pierre, a French citizen who had converted to Islam in Turkey, was arrested in Tangiers on 3 June. Known as Abu Abderrahman, he was considered to be one of the emirs of the Moroccan organisation Salafia Jihadia (True Holy War) and was the first non-Moroccan implicated in the attacks. Days later, on 14 June, the Spanish National Police force captured Abdelaziz Benyaich, a French citizen of Moroccan origin, in Algeciras on an international arrest warrant issued by Morocco. In mid-July the prosecution department of the Spain's

Audiencia Nacional court agreed to the extradition to Morocco of both Benyaich and Hicham Temsamani Jad (iman of a mosque in Toledo, also suspected of involvement in the attacks) provided that neither is given the death penalty. The central government representative in Ceuta, Luis Vicente Moro, proposed that citizens with dual nationality involved in activities relating to drug trafficking or Islamic extremism or pro-Moroccan activists be deprived of their Spanish nationality. Returning to the Casablanca attacks, the fact that the local agents are held to be Assirat al-Moustaqim (The Righteous Path) points to the existence of well-established international organisations, as in the case of Algerian terrorism. The first court rulings were delivered on 19 August: four death penalties, which can be carried out pursuant to the new anti-terrorist law in force since June; 39 life imprisonments; 15 thirty-year sentences; and convictions ranging from eight months to eight years for the other 15 accused. In addition, the trial of the alleged members of the group led by the convert Pierre Robert, including Abdelaziz Hichu, a citizen of Ceuta, kicked off in Rabat on 25 August. On 22 November the Rabat appeals court handed down harsh judgments in the trial of 63 radical Salafiya Jihadia Islamists arrested in Agadir: 58 were sentenced to life imprisonment, 16 to 20 years and the rest to between two and 15 years. On 21 November, also in Rabat, five Moroccan Islamists charged with murdering the Moroccan Jew Albert Rebibo in Casablanca on 11 September were given sentences of between two and 20 years.

In addition to terrorist activism, mention should also be made of the rise of legal political Islamism, represented by the PJD, and of the tolerated Islamism of the Justice and Charity party (Al Adl wal Ihsane). We will examine the Moroccan political scene in 2003 from this approach. From the start of the year Islamism had been glimpsed in the streets even before the polls: on 23 February 30,000 of the 100,000 people who took part in the demonstration in favour of Iraq organised by the anti-war committee were Islamists, supporters of Sheikh Abdessalam Yassine's Justice and Charity movement. And over 150,000 demonstrators took to the streets in Casablanca on 2 March, mainly Islamist supporters of PJD. This party had tripled its number of seats in parliament in the legislative elections in September 2002 and secured the highest number of votes in the country. And it was expected—as it turned out—that the lowering of the voting age to 18 in March would give the Islamists an even bigger advantage in the June municipal elections.

The rise of Islamism led King Mohamed VI—who found himself forced to delay the second round of negotiations with the USA for the signing of

a bilateral free-exchange agreement—to appeal to Moroccan citizens not to allow themselves to be used to sow discord and undermine stability. Although demonstrations were banned, people disguised as Palestinian suicide bombers and carrying their photos, a sight never witnessed before in the streets of Morocco, took part in the authorised march held in Rabat on 30 March (which had 30,000 participants according to the ministry of the interior and 300,000 according to the national committee for support for Iraq, which organised it). However, the violence, which had first emerged back in August 1994, when two Spanish tourists were killed at Hotel Atlas Asni in Marrakech, and recently in Casablanca, may have been brewing for over a decade. The tough and violent Assirat al Moustaqiam group, considered by the security services to be directly responsible for the suicide attacks, originates from Sidi Mumin, a slum district of Casablanca crammed with 20,000 inhabitants and from which eight of the 14 suicide bombers hail. The emir of Assirat al Moustaqim is Zakaria Miloudi, who together with Omar Hadouchi in Tetuan and Mohammed Fezzazi in Tangiers, is one of the main quasi-independent emirs of the Salafia Jihadia organisation set up in the early 90s and fed by several dozens of Moroccan "Afghans" spurred on by their victory over the Soviets. Although persecuted relentlessly by the Moroccan authorities, this organisation has remained active. The actions of Miloudi, based in Sidi Mumin, normally take place after evening prayers and are directed at drug traffickers, police or alcohol consumers; one of the latter was stoned on 23 February 2002 pursuant to a fatwa issued by Miloudi himself ordering the arrest.

During the months following the attacks the struggle has intensified between Islamists, on one side, and the power and the anti-Islamist circles on the other. The demands of the then second in command of the USFP, Mohammed El Yazhri—elected as the party's secretary general in November 2003—that the moderate PJD apologise to the Moroccan people for the attacks is an illustrative example.

As for the economy, the rise in tourism in May and the abundant rainfall since the end of 2002 provided a stimulus for economic development and the tourist figures for February, 302,000, offered an encouraging outlook for the ministry of finance until the Casablanca attacks occurred. As regards foreign investments, France maintained its commitment to Morocco and French companies strengthened their presence, as illustrated by the following examples: the Bouygues group is building the Tangiers-Mediterranean project; Vivenda has increased its share in Maroc

Télécom to 51 percent as a result of privatisations; Renault is to take out a 38 percent stake in Morocco's Somaca; and in the banking sector the Banque Marocaine du Commerce Exterieur (BMCE) announced on 1 October that it would be transferring 20 percent of its capital to Caisse d'Épargne.

The Spanish cooperation on the agenda of the Spanish-Moroccan high-level meeting on 8 and 9 December in Rabat included €350 million of aid and a scheme to swap €40 million of debt for investment. The improvement in bilateral relations since 2002 gave impetus to joint projects during the year such as the construction of a thermal power plant near Tangiers, a joint project between Spain's Endesa, Morocco's ONA and Germany's Siemens. Spain's efforts, in conjunction with the Moroccan authorities, to overcome any possible misunderstandings before the meeting were considerable and focused on three issues: unblocking cooperation in controlling illegal immigration; moderating the agricultural debate; and, lastly, a cautious attitude to developments of the Western Sahara question within the UN. It should also be stressed that Spanish-Moroccan cooperation in defence matters is currently enjoying a heyday, as was recognised during the visit of a high-level delegation from the Spanish defence ministry to Rabat on 14 and 15 October, only three days after the state visit by President Jacques Chirac, of which defence was a central issue.

Since diplomatic relations returned to normal following the meeting between the foreign ministers, Ana Palacio and Mohammed Benaissa, on 11 December 2002 and the setting up of five permanent working groups—one on migration, which was established on 16 January in Rabat at the meeting of the secretary of state for foreign affairs, Ramón Gil Casares and his Moroccan counterpart Tayeb Fassi Fihri—the main stumbling block in bilateral relations has been the rise in irregular immigration in the recent months. Over 60,000 irregular immigrants were intercepted in the Strait of Gibraltar and the Canary Islands between 1999 and August 2003. The heat wave in July and August 2003 made it possible for the boats to make longer crossings and surpass the previous year's figures, which are nonetheless lower than those of 2001, the record year. The number of irregular immigrants arrested in Andalusia and the Canary Islands up to 3 September amounted to 11,101; of these, 33 percent were arrested in August alone. The Integrated External Surveillance System (SIVE) launched in 2002 has improved detection and facilitated arrests, but has also led the criminal organisations that traffic in irregular emigrants to move them to various parts of Morocco and send the makeshift boats on

longer routes to Granada, Almería and even, since 2003, Murcia. The most dramatic shipwreck took place on 25 October off the coast of Rota. At least 36 people died in what was the worst accident on Spain's south coast. The problem of irregular immigration is becoming more serious as increasing numbers of minors turn up on Spanish shores. It is particularly difficult to repatriate them under the Spanish-Moroccan readmission agreement of 1992 unless they are claimed by their families. As the president of the Moroccan Association of Friends and Relatives of Victims of Illegal Immigration, Jalil Jemaa, pointed out, this factor will greatly complicate the problem in the near future.

Spain has continued to take measures to stem the flow of irregular immigrants and to remind Morocco of the commitments Benaissa undertook at Brussels on 14 November 2002: Morocco stated its readiness to negotiate an agreement on the readmission of irregular immigrants with the EU in connection with an announcement by the European Commission in a report on 3 December that €120 million would be earmarked to support Morocco during 2002-2004 (70 million to development of the north of the country, 40 to combating irregular immigration and the rest to training, material and the establishment of a major centre for channelling and organising the migratory flows that cross the country). On 22 October José María Aznar announced that €2.3 million would be allocated to the setting up of an SIVE in Fuerteventura like the one that already operates in the Strait of Gibraltar. Between 23 and 27 February the Royal Gendarmerie in Morocco arrested 222 people who were attempting to enter Europe illegally in several coordinated operations. These operations provided the backdrop to a parliamentary debate on an emigration and immigration bill that introduced highly restrictive measures as well as measures on cooperation in controlling irregular immigration with Spain and with the EU. Months later, on 19 October, an operation conducted by the Royal Gendarmerie in Tangiers ended in the arrest of 109 people who were about to cross the Strait. And on 18 November, during the visit to Spain of the Moroccan minister of the interior, Mustafa Sahel, 142 people were arrested in various synchronised operations. During this visit, a bilateral committee was established that will meet on a monthly basis from 3 December, and Morocco explained the scope of two departments of the ministry of the interior that were recently created: the Directorate for Migration and Frontiers and the Migration Observatory.

As for agriculture, at the end of October, after long, arduous negotiations, the EU and Morocco reached an agreement that was immediately

challenged by Spain's agricultural organisations, which believed that it damaged the interests of Spanish tomato producers, among others, and favoured the French cereal producers, who can export part of their surpluses in a normal season. Farmers began to mobilise in November.

2003 was a particularly dynamic year as regards the Western Sahara. The Polisario Front's announcement in New York on 10 July of its promise to study the revised version of the Baker Plan—which Morocco's ambassador to the UN hastily described as "counterproductive"—gave fresh impetus to the debate in the Security Council, which was chaired by Spain until 31 July, the deadline for deciding on the next steps. According to the USA's new proposal, the population of the territory would be responsible for local government, the economy, internal security, law enforcement, social welfare, culture, education and trade, under the supervision of a "Western Sahara Authority", a local assembly elected in the first 12 months the plan is in force. Attributions of sovereignty (foreign relations and defence) would be the responsibility of the administrative power, Morocco, while the UN would be solely responsible for organising a referendum on self-determination in order to establish the final status of the territory within no less than four years and no more than five years after the plan enters into force.

The exclusive role of the UN and the wide measure of autonomy aroused Rabat's mistrust, not only because the possibility that the census of voters that would be used—in principle the one established by the UN on 30 December 1999—was not in keeping with Moroccan interests but also because after so many years of stalemate the very idea of the referendum at last taking place was a worrying prospect. Looking ahead, Morocco, which still enjoys France's diplomatic support on the Security Council, as transpired from the meeting of experts on 16 July and President Chirac's state visit to Morocco from 9 to 11 October, ought to consider the position of Spain and Algeria, the two countries which, according to Polisario, have made their and the United States' decisions possible. Spain, in its remaining year and a half as a committed Council member, is stressing that both parties may negotiate and should not consider the revised Baker Plan as something unchangeable but rather as potential progress towards a final solution, an aspect in which it is revolutionary. Following the unanimous approval by the Spanish-presided Security Council of the final version of the Baker Plan on 31 July, the US ambassador to the UN, John Negroponte, continued to work on the text, though on 31 October it was only possible to extend MINURSO's mandate until 31 January 2004 since, for the time being, Morocco has not budged from its rejection of the plan. A notable develop-

ment during the year was Polisario's release of Moroccan prisoners in two phases, both at the request of President Aznar: on the first occasion, on 11 February, a hundred or so were freed and on the second, which was announced on 14 August and took place on 1 September, 243 prisoners were handed over to the International Committee of the Red Cross and repatriated from Tindouf to the Moroccan base of Inezgan in Agadir.

For its part Algeria expected to join the Security Council as a non-permanent member following the then recent agreement between the Algerian and Libyan ministers for African affairs. The USA had requested Algeria to enter into this agreement to prevent Libya, still subjected to UN sanctions—which were suspended in 1999 but not lifted definitively until weeks later—from standing as a candidate in September according to the system of rotation. Morocco should also realise that the impetus the USA has given to this initiative must be understood in the context of its offensive in Africa and the Maghreb, where it is seeking to strengthen its ties with Algeria without sacrificing its relations with Rabat. On 28 October the Security Council decided to extend the mandate of the United Nations Mission for the Referendum in Western Sahara (MINURSO) until 31 January 2004. Spain's calm is only relative, as this postpones addressing the issue to the beginning of the year in a context marked by the presence of Algeria as a non-permanent member of the Security Council, a status it will share with Spain in 2004. The harsh communiqué issued by the Moroccan minister of foreign affairs on 22 October and Morocco's rejection of the latest report by the UN secretary general to the Security Council indicate Morocco's fierce opposition to the implementation of the modified Baker Plan which Spain attempted to moderate as regards some of the terms that Morocco could find most objectionable.

Mauritania

The attempted coup against President Maaouiya Sid'Ahmed Ould Taya on 8 June once again underlined the weaknesses of what is the most vulnerable country in the Maghreb region—2.5 million inhabitants for over a million square metres—though no less important geostrategically speaking, particularly for Spain: it is a neighbour of the Canary archipelago, rich in fishing resources and, in perspective, also in energy sources, and linked to any envisaged scenario of a solution to Western Sahara. Twenty-eight people were killed—23 soldiers, 15 of them rebels and eight loyal to the government, including the army chief of staff, Mohammed Lamine Ndiayane, and five civilians—in the bid, which was staged by pro-Iraqi

Baathist members of the army who oppose what they consider an extremely pro-West and pro-Israeli policy pursued by Ould Taya's government, which has maintained diplomatic relations with Israel since 1995. The leader, who died in the fighting which lasted throughout the 8th and part of the 9th, was identified as Colonel Salah Ould Hanana, a sympathiser with the Baathist regime who had been expelled from the army for that reason in 2002. Baathist and radical Islamist groups have had and continue to have their followers in Mauritania and have been repressed and even disbanded, particularly in the past eight years: on 3 June, 32 Islamists were arrested on charges of threatening national security in a campaign launched in response to the suicide attacks in Casablanca on 16 May; and in May nine Baathist activists were sentenced to three years behind bars for "re-establishing a disbanded organisation". On 7 November President Ould Taya renewed his mandate—as he had done previously in 1992 and 1997—in an election that was harshly criticised by the opposition.

The country is progressively becoming an attractive option for investors. Apart from its buoyant fishing sector, which led to the signing of an agreement with the EU, it is expected to produce its first barrel of crude oil by the third quarter of 2005 at the latest, and its proven reserves already number 100 million at each of the main offshore fields, Chinguetti and Banda, operated by Australia's Woodsite and Dana of Britain, respectively. Additional prospecting was carried out in August to complete the profitability assessment.

Relations with Spain were particularly dynamic throughout 2003. Salient events of the year were the visit by the foreign minister, Ana Palacio, to Nuakchott on 14 June and President Ould Taya's state visit to Spain from 30 June to 2 July, which marked the coming-out party of relations that date back a long way. The main landmarks of these relations are a bilateral security agreement signed in February 1989 and the intense activity of the Spanish Agency for International Cooperation (AECI), of which Mauritania is the third biggest recipient of aid after Morocco and the Palestinian National Authority (PNA).

MULTILATERAL RESPONSES TO THE CHALLENGES FROM THE SOUTHERN MEDITERRANEAN

Progress continued to be made towards a concert of states in the Mediterranean region, both the north-south and south-south and north-north axes, during 2003.

The year began with rapprochements of various kinds in response to both internal and international challenges. At the 22nd Franco-African summit held in Paris from 19 to 21 February, the presidents of Algeria, Abdelaziz Bouteflika, and Mauritania, Maaouiya Sid'Ahmed Ould Taya, together with the Moroccan king, Mohammed VI, and the Tunisian prime minister, Mohammed Gannuchi, adopted a common position against recourse to war against Iraq.

Following the intermediate meeting of foreign ministers of the Barcelona Process in Crete on 26 and 27 May—also attended by the ministers of the ten candidates for accession in 2004, in addition to those of the twenty-six partners—the Process proved it was still operational despite the post-war in Iraq and the vicissitudes in the Middle East situation. The fact that the meeting was attended by the Israeli and Syrian foreign ministers, Silvan Shalom and Faruk Al Shara, indicates the possibilities of progress. The implementation of the action plan approved at the Valencia ministerial conference on 22 and 23 April and the headway made towards the forthcoming meeting known in the jargon as "Barcelona VI" (Naples, 3-4 December 2003) were discussed at Crete. The Crete meeting was held a few days before the third conference of energy ministers (Athens, 20-21 May) establishing the priority objectives to be met by 2006, which relate to interlinks between neighbouring regions. In the margins of the meeting, the Algerian, Moroccan and Tunisian energy ministers signed a declaration of intent to establish an integrated electricity market in the Maghreb region and take steps towards its gradual integration with the EU's internal market. The Palestinian and Israeli energy ministers decided to set up a technical working group with the European Commission, open to other Mediterranean countries, to identify and promote interconnection projects of common interest. The work schedule prior to the December ministerial conference was mainly directed at completing negotiations for a bilateral association agreement with Syria—the only country yet to sign such an agreement—and at implementing the commitments laid down in the action plan approved at the previous ministerial meeting (Barcelona V), held in Valencia on April 2002. Chris Patten, the EU commissioner for external relations, visited Syria on 15 and 16 September to meet President Bashar al-Assad, the veteran minister of foreign affairs, Faruk al-Shara, the recently appointed prime minister, Naji al-Otri, and business circles, who are the most interested in strengthening ties with Brussels.

On the economic and trade front, the salient events of the year were the meeting of senior trade officials on 5 June and the conference organ-

ised by the European Investment Bank (EIB) on developing the private sector, with special emphasis on the Maghreb, both held in Brussels. In July a regional office of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) was opened in Cairo. This was another of the commitments made at Valencia and put into practice in 2002 in the framework of the EIB to foster regional cooperation. On 10 September the EIB granted its first loan to Syria's private sector—€40 million—through FEMIP, which has been on the agenda of the many meetings between the Union and its Mediterranean partners in the past months, including: the EU-Tunisia Economic Dialogue (Brussels, 9 July); the 4th EU-Tunisia Association Council (Brussels, 30 September); and the EU-Morocco Economic Dialogue (Brussels, 2 October), among others. There is no doubt that the Barcelona Process acts as a stimulus to further aid and investment in the non-EU Mediterranean countries: the International Finance Corporation (IFC) is running a programme for support for SMEs in Algeria, Egypt and Morocco, begun in September 2002 and sponsored by the World Bank, and has asked Spain to join.

As for social, cultural and human affairs, the Mediterranean Regional Plan on Cooperation in Home and Justice Affairs was launched in June; the Tempus inter-university cooperation scheme, which was extended to the Mediterranean region at Valencia, should reap its results at the end of 2003; and at Crete the ministers agreed on the goals, activities and future establishment of the Foundation of Dialogue between Cultures and Civilisations, also agreed on in the action plan approved at the Valencia ministerial meeting. And further headway was made towards defining the structures of the foundation at the meeting of the Euro-Mediterranean Committee for the Barcelona Process held in Brussels on 25 September.

It should be stressed that on 17 April at Athens, weeks before the Crete meeting, the European Union had expressly offered closer cooperation and considerable economic benefits to its Mediterranean partners—in addition to the Russian Federation, Ukraine, Belarus and Moldova, thereby bringing together all the countries that will share a border with the EU following the 2004 enlargement—in the framework of a new European Area of good neighbourly relations.

In other fields, both subregional and sectoral, 2003 was particularly prolific in meetings aimed at deepening dialogue and cooperation.

Special mention should be made of the fresh impetus given to the 5+5 Group which, since the third ministerial meeting held at Lisbon on 25 and

26 January 2001 after a decade of inactivity, met twice in 2003—at Saint-Maxime in April and at Esclimont castle near Paris in October—before the summit of heads and state and government in Tunisia on 5 and 6 December. This summit was the first of its kind as the one originally scheduled for January 1992, also in Tunisia, was cancelled.

The so-called Operation Ulysses, which was launched in Algeciras by Spain's interior minister Angel Acebes on 28 January and the first phase of which extended to 8 February, was intended as a pilot project to monitor irregular immigration conducted jointly by the five EU members with the largest number of irregular immigrants of African origin: Spain, France, Italy, Portugal and the United Kingdom. Each participant country contributed a vessel in order to patrol the western Mediterranean between Algeciras and Sicily. In the second phase, launched in April, patrols were carried out in the Atlantic around the Canary Islands and it was attempted to remedy the lack of coordination and incompatibility between resources detected in the first phase. Both phases of Operation Ulysses were intended as the embryonic stage of what may one day be a typical mission of a European border police. Greece, and with it the eastern Mediterranean, looks set to join the project. The operation is one of the 15 pilot programmes launched by the EU to stem the inflow of irregular immigration.

The informal meeting of the interior ministers of Germany, Spain, France, Italy and the United Kingdom in La Baule in France from 18 to 20 October, a follow-up to a similar meeting held in Jerez de la Frontera in May, enabled the larger European Union countries to join forces in combating new risks and to design ways of establishing closer relations with their Maghreb partners in creating a "Euro-Mediterranean area of security". The main issue discussed by the group at La Baule was the need to coordinate efforts to crack down on irregular immigration. The meeting coincided with the tragedy that occurred in the Sicily channel when between 50 and 60 Somalians died between 18 and 19 October attempting to reach Italy. Over 150 people had drowned in these waters in several disasters in June and July and the Italian minister of the interior, Giuseppe Pisanu, asked his counterparts, not only those attending the La Baule meeting, to turn their attention to the problem.

This endeavour to involve the Union, a priority goal of the Spanish minister, Acebes, was also supported by his French colleague Nicolas Sarkozy. The group of ministers finally undertook to negotiate jointly —though under the direction of just one country—bilateral agreements

with the countries of origin and transit on the readmission of irregular immigrants. Sarkozy also backed Acebes' proposal for the EU to assume each country's cost in combating irregular immigration, since the countries that form the EU's external border—particularly Spain and Italy in this case—cannot foot the bill alone.

As regards counter-terrorism, the aforementioned meeting of interior ministers in Jerez de la Frontera took place around the same time that Casablanca suffered the suicide bombings. These attacks were a focus of the ministers' attention, though mention should also be made of other considerations and work performed in this field. The tour of the Maghreb countries made by Pakistan's president, General Pervez Musharraf, who visited Tunisia, Algeria and Morocco between 14 and 19 July, enabled him to monitor the activities of Pakistani "Afghans" in hiding in Pakistan. The American secretary of state, Colin Powell, showed a similar interest in these three countries in his Maghreb tour of 2 and 3 December in which he expressed America's wish to learn from the experience of Algeria, Morocco and Tunisia in combating subtle forms of transnational terrorism.

CONCLUSIONS

The continuing work of the Barcelona Process—both in the sectoral groups and at the two foreign ministers' meetings in Crete in May and in Naples in December—and the efforts to implement the commitments and schedules of the Road Map steered interest in the Mediterranean area in 2003 towards a multilateral diplomatic approach. The international context was not conducive to progress, particularly the Iraq crisis and the large-scale military operations begun on 20 March and completed in early April giving way to a complex post-war period and growing and extremely lethal terrorist activism in traditional target sites such as Algeria, Israel and the Palestinian territories and newer ones such as Casablanca and Istanbul.

Spain consolidated relations with its Mediterranean partners in 2003, developing the bilateral cooperation treaties signed with the central Maghreb countries—Morocco (1991), Tunisia (1995) and Algeria (2002)—through the three scheduled high-level meetings (with Tunisia in January and with Algeria and Morocco in December)—and strengthening its ties with Mauritania (President Ould Taya's state visit to Spain in July) and Libya (President Aznar's visit to Libya in October). In 2002 Spain exported more to the five Maghreb countries (€3.103 billion worth) than to Latin

America (€3.097 billion), despite the huge difference between both subregions' GDP and also despite the bilateral crisis with Morocco. Beyond the Maghreb, where it can be said that Spain's foreign policy is fully global compared to the disastrous power-balancing of the old days, Spain has enhanced its relations with and presence in traditional partners such as Egypt, Jordan and Turkey and the visit of the Spanish king and queen to Syria in November opened up new possibilities for contributing to the settlement of conflicts in the area, an ongoing objective of Spain foreign policy.

On the multilateral plane, in addition to its involvement in the central Barcelona Process, Spain is consolidating its role in the region through frameworks such as the Mediterranean Forum—a lobby within the Barcelona Process made up of the eleven participating states—the 5+5 Group, which was revived in 2001 after a long decade of hibernation and in 2003 strove to prepare its December summit, and the more recently created groups of five countries particularly keen to cooperate in home affairs: the group of interior ministers of Spain, France, Italy, Portugal and the United Kingdom (which carried out a pilot project in January and April to monitor external borders in the Mediterranean and Atlantic near the Canary Islands, respectively) and the two informal meetings of the German, Spanish, French, Italian and British interior ministers that took place in 2003 at Jerez de la Frontera and La Baule. The work of these two groups of five is proving an effective means of giving momentum to existing bilateral initiatives and of starting up—or deepening, as in the case of the conference of interior ministers of the western Mediterranean—other multilateral initiatives. As regards south-south cooperation, it is to be hoped that the dynamism of the 5+5 group will give fresh impetus to the Arab Maghreb Union (UMA), a subregional organisation regarded as necessary by its northern neighbours but which has yet to fully crystallise as an operational initiative. Bilateral relations within the Maghreb are growing more active, such as the aforementioned Libyan-Tunisian axis, the Moroccan-Tunisian axis within the Agadir Group, which aims to set up a free-trade area together with Egypt and Jordan, and the Algerian-Tunisian axis which is increasing trade and population exchanges including tourism (Tunisia was visited by 720,000 Algerian tourists in 2002 compared to 420,000 in January 2003 alone, and expects the figure to rise to 800,000 at year end).

CHAPTER FIVE

IBERO-AMERICA

IBERO-AMERICA

By Manuel Lorenzo García-Ormaechea

Ibero-America is a cultural and political concept which, according to the definition given by the Ibero-American Summit in Guadalajara (Mexico) in 1991, embraces the "Spanish- or Portuguese-speaking sovereign states of America and Europe". Spain and Portugal are therefore Ibero-American countries, though in Spanish the term "Iberoamérica" is also used to designate the 19 Spanish- or Portuguese-speaking countries of America only. Latin America is a political concept that encompasses all the non-English-speaking countries of the American continent, from Mexico to Tierra del Fuego. Latin America, together with the 17 Caribbean countries, is the European Union's interlocutor at the EU-LAC summits, the most recent of which took place in Madrid in May 2002. The next summit will be held in Mexico in June 2004.

On the following pages I shall generally use the terms "Ibero-America" and "Latin America" interchangeably to refer to the countries of Central and South America. In cases where "Ibero-America" and "Ibero-American" are used in their strict sense (i.e. including Spain and Portugal), this is pointed out to the reader.

The year in question, 2003, confirmed the trends that were first glimpsed at the end of the 90s and have become more apparent since the beginning of the new millennium. This article will attempt to identify these trends in the light of events in Latin America in 2003. It may be useful to begin with a general observation of current challenges before going on to analyse the likely development of Latin America's relations with the United States and Europe. I shall also naturally refer in some detail to the present and future of the Ibero-American Community of Nations following the decisions of the 13th Ibero-American Summit held in Santa Cruz de la Sierra, Bolivia, on 14 and 15 November 2003.

LATIN AMERICA'S PRESENT

The Latin American countries have yet to witness an economic take-off and by and large it can be said that poverty and unemployment have not subsided. Unemployment rates in the region are their highest in the past two decades and the poverty level has risen: nearly 220 million people (45 percent of the region) are poor and 20 percent of Latin Americans lack sufficient means to feed themselves. Today 11 million more people than in 1999 live beneath the poverty line in Latin America.

Very considerable slices of the population consider themselves to be marginalised by the democratic regime and do not feel themselves to be represented by their country's political system—on the contrary, they feel excluded. The marginalisation of huge sectors of the population is providing a support base for populist leaders, some of whom, after succeeding in becoming heads of state, have proved unwilling to continue with the economic reforms of the 90s and are keen to pursue more nationalistic policies.

President Chávez of Venezuela is the most extreme example of this trend. However, the recent elections in Bolivia, Ecuador, Argentina, Brazil, Paraguay and El Salvador marked the emergence on the political scene of new leaders with populist leanings who have either won the elections or become essential opposition figures.

Some consider, rightly perhaps, that the region's current weakness is nothing new and is merely a new cycle of sharp ups and downs—which are typical and periodic in Latin America. However, this explanation is not entirely convincing. Compared to the 90s we appear to be witnessing a backward movement.

What has gone wrong? To answer this question it is necessary to go back in time and examine the roots of the current situation.

The background

After the so-called "lost decade" of the 80s, the 90s got off to a very promising start for Ibero-America. This decade was characterised economically by the so-called "Washington Consensus" which advocated an economic policy linked to the American free-market system and, politically, by the end of the Cold War and bipolarity.

Economic decisions with far-reaching consequences for the restructuring of these countries' economies were made in the 90s. These enabled inflation to be slashed, exports to be increased and much wider access to international capital. Trade grew by 11 percent annually and direct foreign investments in Ibero-America recorded an extraordinary increase: between 1990 and 1995 Latin America accounted for 29 percent of direct foreign investment in developing countries and this figure rose to 40 in the second half of the decade, the highest growth in the world.

In the political sphere, the region as a whole embarked on a thorough process of democratisation, with free and fair elections held the length and breadth of Ibero-America. All the autocratic regimes—with the well-known exception of Cuba—were replaced by governments committed to democracy, the rule of law and respect for human rights. New regional integration initiatives emerged, the most important of which is undoubtedly MERCOSUR.

Although many of these improvements are still in place, since the end of the 90s Latin America has been beset by deep crises that vary in nature but have equally devastating effects on economies and on the hopes and dreams of Latin American citizens. Indeed, they are beginning to show a certain degree of disappointment and disheartenment and to feel that democracy, the liberalisation of markets, globalisation and the political system itself are failing to serve their interests.

But why has Latin America failed to achieve stable growth, reduce poverty and inequality or improve standards of living, despite adopting liberalising measures, carrying out privatisations galore and opening up its markets for over 10 years?

An explanation commonly heard in Latin America attributes this failure to an adverse international climate: the blame is to be sought elsewhere as the international financial system has proved incapable of preserving the region from the instability of the financial markets, which affects it enormously.

But it is also a fact that the liberalising measures of the 90s were rarely followed by institutional reforms aimed at boosting investments in human resources or bolstering the legal and regulatory framework of the markets, or indeed at improving governance or developing fair fiscal policies. Such deep institutional reforms provide essential protection to volatile capital flows: this is particularly true of Latin America, which is characterised by

very low savings rates and a heavy debt-service burden and needs easy access to foreign capital.

As Brazil's former president, Fernando Henrique Cardoso, said in an address delivered at the Casa de América in Madrid in February, Latin America's problem is not one of economic mismanagement, since South America's economists have studied at the best European and American universities and their ideas are as good as those of the USA or Europe; rather, it is one of insufficient institutional strength.

Cardoso summed up the current state of affairs by pointing out that the political situation in Latin America has improved over the past 15 years but the institutions are still not strong enough. Now, Cardoso stated, it is in a "middle of the road situation" that is no longer conducive to authoritarian regimes but nor is it conducive to the participation of the whole of the population in political life. According to Cardoso, in the past 13 years Ibero-America has achieved more freedom than democracy, which is not the same thing.

Jorge Castañeda, Mexico's former foreign minister, gives the same diagnosis as Cardoso and EU commissioner Patten: that the failure of economic recipes cannot be remedied with new economic recipes; rather, it is necessary to question "the institutional quality of Latin America". Castañeda believes that the poor results of the economic reforms are probably not due to the macro-economic environment but to the institutional failings of the Ibero-American political systems. For decades these systems have sauntered through History with what may be described as a "disguised" institutional status: authoritarian regimes disguised as presidential systems; the rule of order disguised as the rule of law; the perpetuation of powerful oligarchies disguised as formal systems of alternation; property rights and special taxation systems disguised as social justice; impotent parliaments and omnipotent executive powers disguised as separation of powers, etc.

According to Casteñeda, this "modus vivendi" worked in most Ibero-American countries for decades, but it is obvious that in democratic conditions and in a globalised 21st-century world this "Great Latin-American Pretence", as he puts it, is untenable, as it has not only ceased to be functional but is even counterproductive, since the desired economic growth, the generation and distribution of wealth, and job creation, among other things, are only possible in a context of "higher institutional quality" and strict correlation between the reality and the Law, between what is said and what is done.

In short, we might say that in the 90s Ibero-America was sincere in carrying out the reforms agreed in the "Washington Consensus" but has failed in institutional reform.

The trends

At the risk of oversimplifying, three trends, none of them positive, can be identified as a result of the foregoing:

- Weakness of the institutions and the economy and citizens' disenchantment with the establishment, together with a resurgence of populist leaders.
- Tendency towards greater social and political instability in the region.
- Possibility that the situation will worsen.

These trends are so closely interrelated that we might almost speak of only one, but it may be helpful to deal with each separately.

a) The root of the institutional and economic crisis probably lies in the fact that the Latin American political establishment failed to realise—or perhaps did not wish to consider—its seriousness when it first erupted and continued to turn a blind eye. As the Venezuelan politician and journalist Teodoro Petkoff recently stated in Washington (at the annual conference on Trade and Investment, organised by the Andean Trade Corporation (CAF) in September), the circumstances that led, for example, to the election of Chávez as a "saviour" figure are a phenomenon that is not strictly Venezuelan; rather, it is a populist reaction to Latin America's inefficient liberal political system and to the economic measures linked to the "Washington Consensus". Whereas the Washington Consensus was a response to decades of populism, it seems that populism is threatening to return with a vengeance.

   This interpretation recalls similar problems and circumstances in other countries of the region (such as Bolivia, Ecuador and Peru, for example), where we have witnessed a rise in populist policies with markedly nationalistic overtones pursued by leaders who are wary of globalisation and consequently tend to isolate or distance their countries from the international global community and to divide voters into ethnic groups or by class. The ever increasing population sectors who feel marginalised and impoverished have thus become

the power base of populist leaders who promote and exploit political and social destabilisation as a more rapid means of rising to power. These leaders are more interested in resorting to direct action than in implementing a genuine, systematic reform that would require time, tenacity and sacrifices.

The institutional and economic crisis, linked to the failure of "conventional" politicians, is bringing about a leftward shift of the Latin American political class and causing the notion of a more powerful and interventionist state to gain ground. It might be argued that this change from pragmatism to populism is not new in Latin America, though it marks a step backwards.

b) Greater social and political instability in the region. Clearly, if governments do not succeed in putting in place economic and social policies with a popular support base to complete the necessary reform process, Latin America is not very likely to break the vicious circle of debt and poverty and the resulting social unease and political instability. This recurrent situation can lead to violence and rioting—as we are already witnessing in some countries in the region—and create a breeding ground for organised crime, drug trafficking and terrorist acts.

c) Tendency to worsen. The problem is growing worse because even if a set of reformist policies designed to remedy gradually the aforementioned problems were pursued in the region, it would be necessary to stick to them for one or several generations in order to achieve lasting results. However, as we have seen, the current tendencies spring from the fact that instead of reforms designed to create stable conditions for economic growth, we are precisely witnessing a shift towards populist policies in the region. Once again, President Chávez's government is a good example, in that his policy—at least so far—does not appear to be helping to overcome the country's economic difficulties or to close the gap between his supporters and opponents.

The necessary measures

These negative trends should be stemmed by appropriate measure that provide a counterpoint to the foregoing:

— It is necessary to reduce the huge pockets of poverty in Ibero-America and promote social inclusion. This requires a fairer distribution of income through a fair and effective fiscal policy and an improvement in education and health services: without these conditions, it does not appear possible to convert economic growth into poverty reduction.
— It is furthermore necessary to promote the participation of all social sectors in political life, including the poorest and ethnic minorities, as otherwise discontentment and disorder will continue to grow. The correlation between a transparent and open business environment and an open and democratic "inclusive" society is evident. It should be added—and this is more relevant than ever in 2003—that neither the cooperation of the European Union nor Spanish cooperation, nor that of the USA can make up for the shortcomings of inefficient fiscal systems or provide a substitute for each individual country's effort to develop its own institutions or create a more responsible and professional public service. The "donor" countries should play no part in perpetuating the "Great Pretence", to use Jorge Casteñeda's definition.
— Related to the previous point is the pressing need for Latin America to cease being a net capital exporter; this requires policies aimed at boosting citizens' confidence in their governments so that those in a position to do so abandon the almost routine practice of transferring capital abroad, while governments increase public spending by taking out new loans. If the region is incapable of lessening its dependence on foreign capital, it will slide into further crises.
— It is essential to deepen regional integration. The benefits of integration are obvious and considerable: a bigger market that attracts foreign investment, greater competitiveness and more negotiating clout. These factors furthermore lessen dependence on and vulnerability to external factors. Regional integration also bolsters stability and helps prevent conflicts. Europeans know this, because Europe's prosperity and stability would not be conceivable if all the EU Member States were not committed to regional integration. In Ibero-America, as is well known, major headway has been made in subregional integration in Central America, the Andean Community and MERCOSUR and also in interregional integration with the EU and the United States.
— For Spain, Ibero-America, together with Europe and the United States, is one of the corners of what we might call the "Western tri-

angle". Therefore, promoting Ibero-America's full integration in the Western world—by which we mean a set of shared principles and values—is one of the top priorities of Spanish foreign policy.

However, the specific situation of the different countries in the context of regional interregional processes under way needs to be dealt with separately, as do Ibero-America's relations with the United States, the European Union and Spain.

DEVELOPMENT OF THE COUNTRIES AND INTEGRATION PROCESSES IN 2003

Mexico

Mexico's relationship with the United States is a constant dialectical feature of Mexican identity to which the country owes some features of its foreign policy (non-intervention, support for decolonisation and self-determination) as salient as other internal characteristics since the Mexican revolution: civilian control of the armed forces and the hegemony of a single party.

Mexico is a key player in Ibero-America on account of its desire for leadership of the area. It is a cultural power with a growing presence in the United States and a highly significant role in disseminating the Spanish language and culture throughout the world.

Mexico is possibly the tenth largest world economy today. It is the most highly populated Spanish-speaking country (100 million inhabitants) and has increased its exports ninefold over the past 10 years. Together with Israel and Chile, it is the only country that enjoys special, privileged relations with the world's two biggest economic blocs: the USA (through NAFTA, the North America Free Trade Agreement, signed in 1992) and the EU (with which it has an Association Agreement that entered into force in 2000).

The electoral victory of Vicente Fox in July 2000 ushered in a new period of democratic transition of great importance to the country and the region. President Fox proposed deep reforms ranging from combating poverty and fiscal reform to institutional reform, democratisation of the state and economic opening. In foreign policy he proposed increasing the presence of international players in Mexico and, together with his foreign minister, Jorge

Castañeda, brought about a dramatic change in Mexico's international role by seeking closer relations with the United States, supporting human rights as the cornerstone of his policy, and a very active presence at all the international forums. Mexico also launched the "Puebla-Panama Plan" designed to boost the economic development and infrastructure of Central America and southern Mexico as a means of promoting regional integration.

The stance adopted by Fox's government—from which Jorge Castañeda eventually resigned—towards the United States' policy following 11 September and regarding the Iraq war (at the time Mexico was a member of the UN Security Council) drove a wedge between the two countries, as did Mexico's keenness and America's refusal to negotiate the pending immigration agreement. This situation, together with Mexico's diminished vigour at international forums and certain difficulties experienced by the Fox administration in pushing its major reform programme through Congress (Fox's party, the PAN, does not hold a sufficient majority) led Mexico to be perceived in 2003 as a great country undergoing a reshaping. And Mexico's leadership of Ibero-America appears to have lost some of its lustre following the election of Lula and Brazil's proposals and initiatives in MERCOSUR during this year.

It should be said that Spain's relations with Mexico are excellent and substantial. The state visit by Their Majesties The King and Queen to Mexico in 2002 (the fifth royal visit) celebrated the 25th anniversary of the resumption of diplomatic relations and today we are jointly consolidating a strategic relationship and genuine community of interests. Together with Brazil, Mexico is the main recipient of Spanish investments, which, in Mexico, are targeted at strategic sectors. The two countries cooperate closely in counter-terrorism. Spain and Mexico continue to be two essential driving forces behind the system of Ibero-American summits.

Central America

The Central American countries have always been the pioneers of regional integration, though they have so far enjoyed scant success because integration has not been viewed as an end but as a means of individual development. Resources continue to be greatly dispersed (for example, there are over 100 different banks in the region) and there are disparities in economic and monetary development (the dollar is the currency in Panama and El Salvador).

As is known, 1993 saw the launch of the Central American Integration System (SICA) comprising El Salvador, Honduras, Costa Rica, Guatemala, Panama and Nicaragua (Belize and the Dominican Republic joined in 2000), which pursues social, cultural and political integration. The system has a permanent secretariat, presidents' summits, a Central American parliament (Parlacen) and a Central American court in Managua, but until recently it appears to have been lacking in conviction and leadership. However, the past few years, and certainly 2003, have witnessed growing interest in trade exchanges and fresh impetus towards integration.

In the past Central America was of fundamental strategic importance to Spain as a link between the Viceroyalties of Mexico and Peru. The subsequent political and economic homogeneity of Spain's Central American territories that were governed from New Granada has survived to this day. The strategic importance of the area remains a constant feature of Central America's relations with the United States. Perhaps no other area of the world is more closely integrated into the USA's economic system or is more crucial to North American security than Central America, as attested to during the lengthy Cold War period.

In recent years gradual progress has been made in institutional modernisation including judicial aspects, law enforcement and government bodies. Central America is furthermore one of the priority areas of Spanish cooperation and of European Union cooperation. The United States is also becoming more closely involved in the development and institution building efforts of the region, with which presidential summits (from which Panama is voluntarily excluded) are held regularly and with which the signing of a Free-Trade Agreement has been proposed for the end of 2004.

As laid down in paragraph 17 of the declaration stemming from the EU-LAC summit held in Madrid in May 2002, the European Union undertook to negotiate a Political Dialogue and Cooperation Agreement with the Central American republics with a view to negotiating a future Association Agreement with the area. The aim was to complete the Political and Cooperation agreement by the end of 2003—and indeed it was finalised and initialled in October—thereby establishing the negotiating mandate for an Association Agreement similar to those already signed with Mexico and Chile and to the one the EU is still negotiating with MERCOSUR.

In 2003, after decades of turmoil and the appalling natural disasters of recent years, Central America is, in relative terms and compared to a few years ago, the Latin American region with the most encouraging short-

term prospects of recovery and economic growth and of progress in regional integration and negotiations with the US and EU.

As for relations with Spain, suffice it to say that Central America is the preferred area for Spanish cooperation in the world. 2003 furthermore bore witness to Spain's political affinity with the countries in the area at Aznar's meeting with the Central American presidents on 9 June and the more recent presidential meeting that took place on 15 November in the margins of the Ibero-American summit in Santa Cruz de la Sierra, the fifth Spanish-Central American summit of this kind to be held during the current parliamentary term. A major step towards deepening our relations was undoubtedly the participation of armed forces from Honduras, El Salvador, the Dominican Republic and a Nicaraguan medical contingent in the "Plus Ultra" brigade in Iraq together with Spanish troops.

Cuba

The existence of the only dictatorial regime in Latin America is a huge stumbling block for the international community's relations with Cuba. Castro's regime was expelled from the OAS in 1962 but it has withstood the wave of democratisation that has swept over Ibero-America and is currently an odd anachronism in the Western world. Odd and cruel too, for in recent years the dictator, far from facilitating the inevitable eventual shift to a democratic system, is clamping down particularly harshly on dissidents. For example, 75 people were arrested and convicted without the minimal assurance of a trial following the crackdown launched on 17 March and three Cubans who had hijacked a boat to flee to the USA were executed on 11 April.

Democratisation of the island continues to be the aim of Washington's economic blockade on Cuba. As for the EU, since 1996 relations with the Member States (including Spain, naturally) have been governed by the EU common position that establishes democratic progress in Cuba as a requirement for political dialogue and cooperation. Following the events of March and April, on 5 June the EU issued a statement to which the Cuban government reacted violently, accusing Spain of instigating restrictive measures in the EU's relations with Cuba. Cuba's reaction is surely unprecedented in the annals of diplomacy, as the Cuban head of state himself, accompanied by the most conspicuous members of his government, led a demonstration of hundreds of thousands of Cubans outside

the Spanish Embassy in Havana, in which insults were hurled at members of the Spanish government. A similar demonstration was staged outside the Italian embassy. Days later Cuba denounced its agreement with Spain on the operation of the cultural centre of Havana, which was closed.

The events of 2003 proved yet again that, despite our almost family ties with Cuba, which enabled intense relations to be maintained even during the Franco period, these relations cannot be normalised unless Cuba adopts a democratic political system that guarantees fundamental human rights. Meanwhile we oppose the use of coercive measures or economic or trade sanctions on Cuba, as we consider that they are detrimental above all to the Cuban people. However we realise that the EU needs to uphold a very clear and inflexible stance towards the Cuban regime's current repression and total lack of respect for human rights. Today Castro's regime is more isolated and discredited than even, even among those who once praised it, and only finds sympathies with some populist Ibero-American leaders.

MERCOSUR and Chile

Argentina, Brazil, Paraguay and Uruguay make up the southern area of the American continent, together with Chile. These countries have many features in common, such as the lack of large indigenous communities and their cultural and economic development, though they are currently in the grip of economic crisis. Their similarities have undoubtedly facilitated their integration. There are also certain parallels in their recent history—today's democracies in the Southern Cone countries re-emerged after long periods of government by military regimes.

Argentina, Uruguay, Paraguay and Brazil are parties to the 1991 Treaty of Asuncion establishing MERCOSUR, of which both Chile and Bolivia are associate members. Bolivia also belongs to the Andean Community (CAN).

Argentina is experiencing what is possibly its most serious crisis ever. The country's debt rose from $61 billion in 1991 to $146 billion in 2001. Income per capita slumped from $7,200 in 2001 to $2,750 in 2002. Today 40 percent of Argentines are on the verge of poverty (bringing the country into line with the Ibero-American average, to which it was unaccustomed). In general, the political class has lost much of its credibility owing to mismanagement, the perception of corruption and financial scandals. Such

was the backdrop to the arrival of President Nestor Kirchner in the Casa Rosada in May with a mere 22 percent of the vote. However, since then he has striven to strengthen his position and government with measures designed to mark the beginning of a new period, such as sacking the president of the Supreme Court and reviving cases of gross human rights violations committed by members of the armed forces during the dictatorship of the 70s. In September he secured a favourable agreement with the IMF —supported by Spain—which could help Argentina out of the rut into which it slid after the financial crisis of 2001. President Kirchner no doubt hopes that the very high popularity he currently enjoys, based on his reformist image, will be a useful aid in securing leadership of the Peronist party and will carry on with his policy of change. The economy appears to be growing at a rate of seven percent.

Brazil is a single geopolitical unit of enormous size, which contrasts with the fragmented political geography of Spanish America. The providential transfer of the Portuguese court from the Iberian peninsula to Brazil following the Napoleonic invasion of Portugal and the continuation of Brazil's presidentialist regime are the main historical reasons for the political and territorial unity of this country, which, with 170 million inhabitants, accounts for between 36 and 40 percent of the weighted average for the subcontinent by ethnic groups, population and territory. Brazil, although not yet there, looks set to be a major power and keenly pursues a strategy of South American integration.

The legislative lections in November 2002 resulted in the historic victory of Luis Inacio Lula da Silva, a former trade union leader and firm presidential candidate. His election has largely been regarded as a political turning point as he is credited with having sufficient intelligence, character and tenacity to pursue a new political path away from the "conventional" policies so far chosen by democratically elected Ibero-American leaders. President Lula has shown great prudence and moderation in the first months of his term in his approach to both domestic and foreign-policy problems.

At home President Lula, who still commanded a high level of popular support in September according to opinion polls (46 percent of Brazilians considered he was doing a good or a very good job), has embarked on a programme to reform the social security and tax systems, attempting to avoid confrontation as far as possible and secure the necessary support. On the economic front, the relations of Lula's Brazil with the IMF are excel-

lent and on 11 September the president gave the economy minister, Palocci, the go-ahead to negotiate a new agreement with the IMF to replace the current one which expires at the end of 2003. Although the budget for 2004 has yet to show the social changes that a large sector of the governing Workers' Party is calling for, it is considered to be a realistic and restrictive budget aimed at keeping inflation in check and promoting the start of economic growth following the months of recession caused by the adjustments made by the new government.

As for foreign policy, President Lula has visited the neighbouring countries—to promote the relaunch of MERCOSUR—and other Ibero-American countries, in addition to Europe and the USA, and took part in the G-8 meeting in Evian (France). Lula's Brazil not only seeks leadership of MERCOSUR, but also to embody, through the current president, a new way of doing politics in Ibero-America, where Lula is already an indispensable reference.

Relations with Spain have always been good but they are currently particularly encouraging following Lula's state visit to Spain in July. At the end of October the head of the Spanish government visited Brazil and on 14 November a document known as the "Spain-Brazil strategy plan" was signed. This plan is aimed at developing collaboration and agreement potential to the full in Spanish-Brazilian relations.

Uruguay succeeded in rescheduling its debt in 2003. This could confirm the as yet faint signs of economic recovery for 2004 after almost four years of shrinking economic activity. The World Bank granted the country a $250 million loan to strengthen the process of structural reform. As for foreign affairs, Uruguay's stance on the Iraq war was eclectic. This earned President Batlle's government the criticism of the Left and a certain indifference from Washington, which did not appreciate Montevideo's non-alignment. Nor has Uruguay agreed to American citizens' immunity from prosecution by the International Criminal Court. Even so, Uruguay's relations with the United States are flowing smoothly and Washington has offered to negotiate an investment agreement similar to the one signed with Chile.

In MERCOSUR, Uruguay is not very keen on the idea of an excessively predominant Brasilia-Buenos Aires axis and insists that decisions must be adopted by four members not two. It has also requested preferential treatment for the economies of the smaller members of the bloc, including a reduction in the common external tariff.

Paraguay, which has been beset by a considerable fall in economic activity and marked political tension in recent years, has embarked on a new stage under President Nicanor Duarte Frutos, who took up office in mid-August 2003. Since then Duarte has striven to carry out a reform to clean up the institutions by combating corruption, improving education and reviving the country's ethical awareness. In foreign policy he wishes to break with the isolationism of previous periods. His policy in MERCOSUR is similar to Uruguay's in that he also seeks preferential treatment for his country's economy and the recognition of the asymmetries between member states.

2003 was an important year for Chile, as it marked the conclusion of the ratification of the Association Agreement with the EU, the commercial aspect of which enters into force on 1 February. On 6 June the United States and Chile signed a Free Trade Agreement in Miami, despite the previous setbacks in bilateral relations caused by Chile's refusal to support the USA in the Iraq crisis. The Agreement was subsequently approved by US Congress. Chile also signed a Free Trade Treaty with South Korea in February and completed negotiations with the EFTA for a similar agreement. Chile has skilfully pursued a Western-style policy of economic opening, taking great care over its relations with the United States and the European Union. Its relations with Argentina are strategic; its relationship with Peru is complex and diplomatic relations with Bolivia have not yet been resumed, although both countries are negotiating a Free Trade Treaty and Chile is very keen for the La Paz government to choose a Chilean Pacific port from which to export its huge natural gas reserves to the United States.

Chile is an associate member of MERCOSUR, a very active member of the Rio Group and was elected a member of the UN Security Council for 2003 and 2004. It has by far the highest income per capita in the region (some $5,000) and has improved its economic outlook for 2003 and 2004.

MERCOSUR and the European Union

The EU-MERCOSUR Framework Agreement was signed on 15 December 1995. This agreement was intended to pave the way for a future Association, including a free trade area. With a view to the new stage of Association, the European Commission presented the Council with a draft mandate for negotiating an Interregional Association Agreement between

the EU and its Member States, on the one hand, and MERCOSUR and its members, on the other. The purpose of the agreement with respect to trade was the progressive and reciprocal liberalisation of exchanges. So far ten rounds of negotiations have been held under the EU-MERCOSUR Bi-regional Negotiations Committee, the tenth in Asuncion from 23-27 June.

The negotiation sessions cover three sectors: political dialogue, commercial issues and cooperation. Trade and cooperation issues were practically finalised in the seventh round. The road map for negotiations has basically been respected, though with some problems in the tenth round. These problems were mainly due to MERCOSUR's failure to present an offer for public procurement and to disagreements in principle over tariff offers. Even so, the Commission described the results of the 10th round as "reasonable". Following the failure of the WTO meeting in Cancun, the EU and MERCOSUR decided to reflect on how far this lack of results will affect their negotiations. Nonetheless, important headway was made at the second EU-MERCOSUR trade negotiators meeting at ministerial level in Brussels on 12 November, as the ministers agreed on a final work programme for future negotiations. The outlook for the 11th round is more encouraging.

Spain has always supported MERCOSUR. The Interregional Framework Agreement between the EU and MERCOSUR was signed during the Spanish presidency of the EU in 1995. Spain is keen for negotiations with the EU to be finalised as soon as is reasonably possible so that both parties can sign the Interregional Association Agreement, foreseeably in 2005.

THE ANDEAN COMMUNITY

Colombia, Venezuela, Bolivia, Ecuador and Peru, which make up the CAN, are countries with a complex regional environment with the following elements:

1. The situation in Colombia, characterised by an increase in terrorism and violence, which has a destabilising effect on the border countries;
2. Drug trafficking, whose powerful network thrives on the weakness of the government institutions and lack of feasible alternatives for country dwellers;

3. Weak democratic institutions that are a breeding ground for populism; and
4. Social and political sectors, with a significant indigenous component, inclined towards a hackneyed radical discourse adapted to modern times (anti-globalisation, nationalist-protectionist and anti-system).

In the past the Andean players have generally been sceptical about the integration prospects of the CAN owing to the difficulties stemming from deeply rooted concepts such as sovereignty and wariness of neighbours. Despite this, the Andean community appears to be awakening from a long period of lethargy.

Colombia is Latin America's oldest democracy, but today the state has to contend with drug trafficking and various guerrilla groups that eat away at its foundations every day. Yet Colombia continues to be the biggest publisher in Ibero-America, is an inexhaustible source of intellectual inspiration and creation and, although its image has deteriorated, has managed to retain its civilist and democratic profile.

President Uribe has continued to enjoy considerable popular support since taking up office on 7 August 2002. He is using a firm hand with the illegal armed groups yet showing his willingness to open up channels for negotiation provided that these groups desist from terrorism and initiate a truce or ceasefire and cease hostilities. He is promoting a major political, economic and social reform that was partly put to a complicated referendum in October, but failed to secure the votes needed for its approval.

The principles of President Uribe's policy of democratic security consist in keeping the doors constantly open to a negotiated solution through persuasion and open dialogue, but recognising that Colombia is an established democracy and that armed groups must desist from terrorism in order for negotiations to begin. His handling of the conflict is different from that of former governments as he does not acknowledge any political status of the armed groups and requires cessation of hostilities in order to commence negotiations.

The foreign-policy priority of Uribe's government is to enlist the support of neighbouring countries and the international community to cope with the challenges Colombia faces and safeguard its democracy. This policy has led Colombia to establish closer relations with the United Nations, its neighbours and Ibero-America as a whole. In this connection Colombia

achieved important regional commitments in 2003, the most significant of which is probably the Cuzco declaration of the Rio Group in May on the situation in Colombia. A meeting held in London on 10 July on international support for the country can be interpreted as the consolidation of international backing for President Uribe's government in its fight against the challenges to democracy in the country. The declaration adopted at the end of the meeting has become a compulsory frame of reference for the international community when dealing with Colombia's problems. Spain lent constant support to Colombia to ensure the success of the London Conference and will continue to spearhead the international effort to hold a future donors' conference as discussed at the London meeting.

Venezuela is South America's advance party in the Caribbean, as Uslar Petri stated. The country was a latecomer to integration (it was there where El Dorado was sought), but the war of independence created a strong national sense of unity (Bolívar, Miranda, Bello). Cacao production and agriculture helped it achieve an interesting level of development in the 19th century and the appearance of oil in the 20th century transformed its economy. It can be said that misuse of the country's wealth has led partly to the current situation and what was considered an island of democratic stability in South America 20 years ago is today an unstable country divided between the followers of a "saviour" with authoritarian leanings and an opposition which does not have too many scruples about getting rid of him. The economy, which has been in a rut for years, is on the verge of collapse.

Although we have referred to President Chávez's Venezuela in previous paragraphs, it should be pointed out that in 2003 the inflexible stances upheld by government and opposition continued to be worrying. The Group of Friends of the Secretary General of the OAS (Brazil, Chile, Spain, EEUU, Mexico and Portugal) is seeking a democratic, constitutional, peaceful and electoral solution to Venezeula's situation, a sign of which appears to have been glimpsed on 23 September when the five components of the National Election Council approved the rules regulating revocatory referenda against the tenures of persons elected to public posts, including the president. The regulations would enable a revocatory referendum to be held from March 2004 onwards.

As for foreign policy, relations between Colombia and Venezuela remain tense, as accusations of sympathy, ambiguity and even support for the FARC have progressively grown since President Chávez arrived in

power. Venezuela is cautious of the United States, as became clear during the Iraq crisis. Since the failed coup of 11 April 2002 the Venezuelan authorities have carefully avoided making statements or acting against American interests. Chávez has criticised the system of Ibero-American summits and has generally shown little enthusiasm for multilateral forums. The attitude of the current Venezuelan government has prevented satisfactory bilateral relations with Spain owing to a series of disagreements and declarations that have harmed Spain's image in Venezuela.

In Ecuador, President Lucio Gutiérrez, a former army colonel with a past similar to Chávez's, faces destabilising protests and the social and ethnic opposition of large sectors of the population who do not identify with the state institutions or the political parties (a confidence level of 2.5 percent) and a galloping crisis. Fifteen percent of the population have emigrated in recent years. Forty percent of Ecuador's GDP goes to servicing its debts, and the country is constantly rescheduling its debt and seeking new foreign loans and assistance.

Bolivia's economy is also having a very hard time. It slid into recession five years ago, and unemployment is on the rise. Bolivia submitted a strategy plan to combat poverty to the donors' Consultative Group in Paris. The plan involved direct foreign contributions of funds, at least for the coming four years. The development of the potential to export Bolivia's huge gas reserves to Mexico and the USA is an essential strategic decision and the only medium- and long-term means of overcoming the country's economic difficulties. However it is a highly sensitive political issue, since some pro-indigenous groups oppose any exportation of Bolivian gas and the majority of the population are also against gas being exported via Chilean ports. The internal situation became extremely complicated following the violent skirmishes in February, in which 33 people were killed, and the blockading in October of the Altiplano by groups of peasants and native Indians who cut off the capital, which ended with a terrible death toll (around 100) in the clashes between the army and police on the one hand and the demonstrators on the other.

Tension heightened to an extreme owing to total lack of dialogue between the populist indigenous or trade union leaders (such as Evo Morales of the Movement Towards Socialism and Felipe Quispe) and the government of President Sánchez de Lozada, who was forced to resign. The parliament appointed his vice-president, Carlos Mesa, new president of the nation. Mesa's government negotiated a truce with the organisers of

"black October" and is striving to reach a consensus with them within a constitutional framework in order to guarantee the country's democratic and economic feasibility.

Spain has shown unconditional backing for Carlos Mesa's new government, which it regards as the guarantor of constitutional order in Bolivia, the Ibero-American country which receives the highest level of Spanish cooperation. Spain furthermore enthusiastically supported Bolivia's efforts to ensure the success of the 13th Ibero-American Summit in Santa Cruz de la Sierra, on 14 and 15 November.

The situation in Peru in 2003 was marked by social strife and public disorder and by President Toledo's attempts to remedy the grave social and political crisis. On 28 June the cabinet was greatly reorganised and Beatriz Merino agreed to become the first woman entrusted with the task of heading a Peruvian government. President Toledo changed his political focus and admitted his mistakes, and proposed setting out on a new path. 2003 also witnessed a worrying increase in the activity of Sendero Luminoso, linked to a drug-trafficking ring.

Peru's economic and social situation remains complicated and the government's main challenge lies in improving the standard of living of the 54.8 percent of the population who live below the poverty line and the 24.4 percent who suffer extreme poverty. The main goal of Toledo's foreign policy is to restore Peru's role in the international community and to strengthen relations with neighbouring countries, while backing the Andean Community. From the outset President Toledo's government has enjoyed the support of Spain, which regards Peru as a potentially positive example of transition and economic liberalisation for the rest of the Andean countries. Spain will continue to back the reformist measures implemented by the Peruvian government.

The European Union and the Andean Community

The Spanish presidency of the EU in the second half of 2002 managed to overcome the considerable reluctance of most of the European Union and a new negotiation framework was established with the Andean countries, the ultimate goal of which is to achieve a future EU-CAN Association Agreement. The European Union and the Andean Community recently (October 2003) initialled a Political Dialogue and Cooperation Agreement in Quito on strengthening democracy, good governance, human rights,

encouraging the integration of the CAN and promoting economic development.

The Union is the leading donor in the Andean region. The Andean countries remain determined to achieve a common market by 2005, in order to complete their Customs Union, and this would be an essential step towards negotiating a future Association Agreement with the EU, including a free trade area, once the Political Dialogue and Cooperation Agreement is in force.

The European Union and Ibero-America

We have mentioned the situation of negotiations between the EU and different subregional integration groups in Ibero-America and the EU-LAC process; however, it might be helpful to examine in further detail the political impetus being given to EU-Latin American relations.

The political presence of the European countries in the American continent has been progressively diminishing practically since Spanish America gained its independence from the Spanish crown in the early 19th century. This gradual withdrawal coincided with the rise of the United States and its recognition first as a regional power and later as a world power. Many signs of this process were witnessed throughout the 19th century, one of which was the war between Spain and America in 1898, which marked the definitive consolidation of US hegemony in the Caribbean and the practical disappearance of Europe from Latin America. However, despite its political absence from the region, Europe continues to be present culturally and in Latin America's political and social future thanks to the large waves of immigrants.

From its establishment in 1957 to the 80s, the European Union (then the European Economic Community) was practically unaware of Latin America, with which it maintained only trade relations as befitted the nature of the EEC, with the exception of the "San José Dialogue" with Central America. In 1985 relations took a major step forward thanks to the accession of Spain and Portugal, which marked the starting point of greater European interest in Ibero-American issues. Another contributory factor was the change in the international environment after the end of the Cold War, which allowed Europe to increase its presence in other parts of the world, particularly the emerging economies. Lastly, the EU's own development is going to give a new direction to political dialogue with

countries and regional and subregional groups with which its relations were less intense before the entry into force of the Single Act. The Maastricht Treaty gave further impetus to this process as it established the Common Foreign and Security Policy (CFSP). The San José Dialogue was followed by other political dialogues with Latin America, first with the Rio Group and subsequently with other subregional groups such as MERCOSUR and the Andean Community, among others.

Spain's presidency of the EU in the second half of 1995 made significant headway in relaunching relations between the EU and Latin America: the Interregional Framework Agreement was signed with MERCOSUR in the margins of the Madrid European Council, the mandate for the Commission's negotiation of Association Agreements with Mexico and Chile was discussed and a strategic programme for Latin America was approved up to 2000. On the initiative of Spain and France, the EU-LAC process got off the ground, aimed at achieving a "strategic relationship" between the two regions and the important EU-LAC summits were held in Rio (1999) and Madrid (2002). The Association Agreements with Mexico and Chile entered into force in 2000 and 2003 respectively. A new EU-LAC summit is due to take place in Mexico in 2004.

Latin America and Europe have built a web of very close relations that are much more in line with the profile of the countries and regions of Ibero-America than the American approach which focuses more on security and trade issues and is less adapted to each country's level of development.

Although the EU aims to achieve a global EU-LAC Association Agreement, relations between Europe and Latin America are currently based on the aforementioned cooperation patterns (Chile and Mexico, MERCOSUR, Central America and CAN) which are progressing at different speeds and are part of the wider bi-regional institutional superstructure made up of the conferences of Rio Group and EU foreign ministers and of the EU-LAC biennial summits.

However, it should be pointed out that although the Union is firmly committed to the subcontinent it cannot be said—except in the case of Spain—that Latin America is a priority for all its members. Nonetheless, there is a well established framework in which gradual progress is being made in keeping with the circumstances, which are not exactly favourable at present: in addition to the economic crisis affecting some Ibero-American countries, (Argentina, Colombia, the Andean states, Venezuela, etc.), there are the huge internal challenges the European Union currently

faces (enlargement, ICG and Constitution, etc.), and the poor results of Cancun. The attacks of 11 September also caused Europe, partly at least, to shift the focus from some cooperation issues that were considered priority to security and counterterrorism issues.

Cooperation between the EU and Latin America is extraordinarily complex: 15 European countries (plus the 10 new members) and 33 Latin American and Caribbean states; 2 supranational institutions (Parliament and Commission) and representatives from the private sector and civil society on both sides. The EU always negotiates on the basis of a package that includes political dialogue, consultations at different levels, institutional strengthening, promotion and defence of democracy and human rights, social inclusion, economic development, fostering of research and cultural cooperation, among others. All these factors are part and parcel of the European "modus essendi" and are essential requisites, but they make it difficult to reach agreements quickly, although the method enables all aspects and interests to be discussed. The American method, based on free trade, is faster and more direct.

THE UNITED STATES AND IBERO-AMERICA. THE FTAA

President George Bush's advent to the White House was preceded by the announcement of the relaunch of US policy towards Latin America, which the new Republican Administration wished to make one of the main focuses of its external action. But these good intentions failed to withstand the terrible blow of 11 September, which made counterterrorism the centrepiece of American security policy and caused a shift in priorities and the initial wish for closer relations with the country's southern neighbours.

These goals and priorities were reaffirmed, with precision and some novel features, in the address delivered by the secretary of state, Colin Powell, on 9 September 2003 during the swearing-in ceremony of Roger Noriega as assistant secretary for western hemisphere affairs. On this occasion Powell stressed that the situation throughout the American subcontinent is a priority for the United States as it is a key to his country's democracy, security and prosperity. Outlining US policy in Ibero-America, he mentioned first and foremost fighting terrorism, along with combating the trafficking of drugs and weapons and illegal immigration. In second place Powell spoke of the "great goal" of promoting democracy, at this point mentioning Cuba and President Bush's commitment to a change on

the island. The third point mentioned was the importance the US Administration attaches to the FTAA, the agreement intended to create a free trade area in the western hemisphere by the end of 2005.

Colin Powell ended with an interesting reference to political frustration in Ibero-America, recognising that the democratisation efforts of the countries of the continent have not brought about an improvement in Latin Americans' standard of living, and appealed to governments to cater to the aspirations of their people through more effective, transparent and law-abiding administrations.

The argument is beginning to spread among academic and journalistic circles in the United States that the US should seek a more global and cooperative approach to its relations and involve itself more in Latin America. The fact that Washington, an indispensable player in the Inter-American system and in the OAS, has a very selective hemispheric agenda that does not deal directly with issues that are currently the Ibero-Americans' chief concerns, such as poverty and growing social tension, is criticised. Others argue that the US should offer an even more substantive cooperation than that in which it currently engages in the region as a better way of safeguarding its own interests, since if some market economies and democratic governments in Ibero-America collapse, the world order championed by Washington would suffer a major setback: what the USA aims to do in Iraq would be senseless if the American subcontinent is hesitant to apply common principles and values.

But despite these criticisms and concerns about the worsening of the situation, America's policy today continues to be based on seeking further cooperation from regional governments in fighting drug trafficking and on securing access to the region's markets by negotiating the FTAA (which does not rule out negotiating individual agreements with Mexico, Chile and other countries). America also pursues a significant policy of cooperation in strengthening institutions and forming elites and, both bilaterally and through international financial organisations, continues to promote orthodox policies with respect to managing the economy, opening up markets and free trade.

But promoting free trade is a lesser strategic concern for Washington than security and energy. Interestingly, the countries with the biggest energy reserves (Colombia, Ecuador, Bolivia, Venezuela and Peru) are also those with the greatest potential for instability at present and where American presence and interests are increasing.

Brazil, set on achieving leadership, is probably somewhat wary of America's growing presence and interests in the area, and this no doubt has reaffirmed the priority importance the Brazilian government attaches to MERCOSUR and the signing of an agreement between MERCOSUR and the Andean Community, and to annual summits and common strategies for holding en bloc negotiations with the United States in the framework of the FTAA.

However, some analysts are sceptical about the short- or medium-term possibilities of success of an effective integration policy for Latin American under Brazilian leadership. The problem is not due so much to the fact that Brazil probably does not yet possess sufficient economic or institutional strength to bring about regional integration quickly (nor does Mexico: consider the slow progress of the Puebla-Panama plan) as to the fact that the individual countries, which are experiencing difficulties, do not appear willing to sacrifice certain national (or nationalist) policies in order to promote the success of a supranational integration. We must therefore conclude that, as yet, there are no signs of a concrete alternative to US influence and leadership in the hemisphere.

Ultimately, either the region's savers begin—which seems unlikely—to transfer their capital which is now held in banks outside the region and which some analysts put at over $700 billion, or many Latin American governments will continue to turn to the industrialised countries and international financial institutions, in which Washington's opinion holds particular weight, for new loans.

Under these circumstances, the importance America attaches to the FTAA makes sense because it could be a faster and more effective means of promoting economic development and integration. To appreciate the significance of the FTAA it should be recalled that, when established, it will be the world's biggest free trade area with a potential market of 800 million people and a GDP equivalent to 40 percent of the world GDP and 20 percent of international trade. In addition, the United States is the main direct investor and most powerful trade partner of the region, to which it exported over $360 billion in 2002. It is sufficient to quote a few statistics: 40 percent of Ibero-America's total imports and exports are generated by its trade relations with the USA; US exports to Latin America (before the FTAA) have grown 137 percent in the past decade (versus 96 percent to the rest of the world); US exports to Central America were double exports to the whole of Eastern Europe; and trade with Mexico alone amounted to $233 billion last year.

The 8th round of negotiations for the FTAA, held in Miami on 20 November, made significant headway in that a flexible system was unanimously adopted whereby each country may choose "à la carte" the areas of commitment most in keeping with its interests when negotiating the base agreement. The agreement reached at Miami offers the possibility of negotiating bilateral and regional agreements simultaneously, but upholds the goal of signing a FTAA Agreement by the end of 2005. The next round of negotiations will take place in Mexico in 2005.

Over the next few years—if the region's political and economic situation improves—Ibero-America could overtake the EU in becoming the main market for US products and the biggest recipient of American direct investment. The advantage Latin America offers the US over Europe is its geographical proximity, strategic relationship, common security concerns (particularly since 11 September), huge economic interdependence and migratory flows: in this connection we should point out that the growing influence of the Latino sectors in the United States is such that if the current population growth figures for the US are projected, by 2050 a majority of Americans would be of Hispanic origin.

IBERO-AMERICA AND SPAIN. THE IBERO-AMERICAN SUMMITS

A feeling of belonging to something shared is undoubtedly the cornerstone of relations between Spain and Ibero-America. Historical, cultural, language reasons and recent migratory flows continue to shape what are almost family relations that are linked to our national identity and to a closeness that even extends to the realm of feeling in many cases.

During the 80s, a new relationship and a new policy towards Ibero-America based increasingly on support for democratisation, development assistance, promotion of human rights, the pursuit of new economic ties and investments, etc., emerged from this permanent cultural and historical substrate. The new focus is no coincidence; rather, it springs from Spain's clear political will for closer relations and is facilitated by a combination of factors (the aforementioned cultural affinity, the Ibero-American Community's possibility of increasing its presence in the world, confidence in the future of the region) and favourable circumstances (a certain parallel between democratisation and the economic opening of Ibero-America and Spain, the accession of Spain and Portugal to the EEC).

Spain's accession to the European Community in 1986 was a key moment in the directing of our foreign policy towards Latin America, as it made it necessary to harmonise Spain's European soul and its Latin American soul. From that point onwards our country took upon itself to convince Europe that it was bound inexorably to Latin America by a common culture. The success of this undertaking is notable, for there is no doubt that Spain's membership of the EU has contributed decisively to a new phase of European action directed towards the American subcontinent.

Our bilateral relations with each of the Ibero-American countries are very intense, because today our Ibero-American Community is also a community of interests. Though investment, for example, the Spanish economy has become linked to that of Ibero-America. In the political field differences—which exist, naturally—do not affect the soundness of our common ties. To understand the intensity of our bilateral relations better suffice it to take a look at the agenda of top-level visits (ministerial meetings are too many to list): in 2003 alone, Their Majesties The King and Queen travelled to Argentina and Bolivia; the president of the government visited El Salvador, Mexico, Brazil, Bolivia and Chile; HRH The Prince of Asturias attended the swearing-in ceremonies of the presidents of Brazil, Ecuador, Argentina and Paraguay; and the presidents of Argentina, Brazil, Ecuador, Honduras, the Dominican Republic, El Salvador and Bolivia paid state or official visits to Spain.

THE SYSTEM OF IBERO-AMERICAN SUMMITS

Ibero-American policy, which is an absolute priority of Spain's external action and has generally been backed by all the political groups represented in parliament, is currently focused on a joint effort with the other Ibero-American countries to improve the cohesion of the Ibero-American Community and further the development of our societies on the basis of common principles and values, which are also those of the other Western nations. The Ibero-American summits have proved to be a very effective means of progressing towards this common goal.

The summits do indeed constitute a system in that the political impetus they provide has led to the emergence of a new Ibero-American agenda crammed with annual meetings at various levels: sectoral meetings of Ibero-American ministers (14 in 2003, economy, health, labour, science

and technology, etc.); annual meetings of national public institutions of the 21 Ibero-American countries (language academies, presidents of supreme courts, ombudsmen, data protection agencies, public ministries, directors of archives and universities, etc.); annual meetings of civil associations that have teamed up to form an "Ibero-American Association" (too numerous to list: of lawyers, physicians, architects, journalists, etc.). The summits furthermore include a mechanism for Ibero-American cooperation (based on the Bariloche Convention of 1995) and a cooperation secretariat (SECIB, set up at Havana in 1999) which is currently running 16 programmes.

The summits came into being as a unique means of reaching agreement and cooperation which has progressively evolved since the first summit in Guadalajara (Mexico) in 1991. The 13 summits held to date have given momentum to the concept of "Ibero-American" as an adjective that pertains to that which is specifically "ours" in all areas of society and life in our nations; indeed, one would be hard pressed to find a sector of activity in which the Ibero-American dimension is not present. Today the governments and societies of the 21 countries that make up the Ibero-American Community are linked by an extensive web of contacts. Ibero-America is a thriving reality in the life of our nations.

It might be said that the original political impulse that gave rise to the summits has been surpassed by the results. Our Community is highly structured, but it has grown out of its political framework. It therefore seems necessary to give them fresh political impetus.

This was reason behind the "Bávaro Mandate" whereby the Ibero-American heads of state and government at the 12th summit in the Dominican Republic in 2002 entrusted Brazil's former president Fernando Henrique Cardoso with the task of studying and proposing the measures for boosting our Community's internal and external cohesion.

President Cardoso presented his proposal to set up a permanent Ibero-American secretariat general at the 13th summit held in Santa Cruz de la Sierra, Bolivia, on 14 and 15 November. The aim of this secretariat general is to put in place the administrative structure needed to give fresh momentum to Ibero-American cooperation by endowing it with the responsibilities and powers required to coordinate and follow up the decisions made by heads of state at the Ibero-American summits. The secretariat general will be headed by a secretary general.

The heads of state and government gathered at the 13th Ibero-American summit decided to give the go-ahead to the Ibero-American secretariat general in the "Santa Cruz de la Sierra Agreement", which was signed on 15 November at the closing ceremony. The rules governing the functioning of the secretariat and the appointment of the secretary general will be approved at the 14th summit which will take place in San José de Costa Rica in 2004. The 15th Ibero-American summit will be held in Madrid in 2005.

The decision adopted at Santa Cruz marks the institutionalisation of the system of Ibero-American summits, which have taken on a new quality dimension, and a very important step towards a more cohesive Ibero-American Community of Nations with a say in the international community.

CHAPTER SIX

BLACK AFRICA

BLACK AFRICA

By Juan Manuel Riesgo Pérez-Dueño

Wole Soyinka, the Nigerian Nobel Prize winner, described the map of Africa as a suit of different fabrics and colours patched together in disorderly fashion by a mad tailor during a sleepless night. This map, largely drawn at the Berlin conference of 1883-84 using many straight lines, gave priority to effective territorial occupation over historical rights, benefiting nations with powerful fleets such as Britain and France and later Germany.

Such were the beginnings of huge colonies with very diverse peoples such as Nigeria, Sudan and South Africa (after the bloody occupation of the Boer republics of Orange and Transvaal). Some African countries themselves became colonisers, such as Ethiopia, where, after the Negus Johannes died fighting the Muslims, his successor Menelik II, fearing the Islamic expansionism of the Mahdists (as today), was given so many weapons that he managed to defeat the Italians at Adua in 1869 and occupy Oromo country in the south and the Somali Ogaden region. Needless to say, this was the origin of the war between Somalia and Ethiopia and a partial cause of the various Ethiopian civil wars; it also explains why the Ethiopia that was surrendered to Eritrea after the Second World War had a different religion and mentality from those of the former long-time Italian colony.

There were cases such as Belgium, which inherited its King Leopold's assets owing to his hefty debts and the inability of a small trading company to govern the "Free State of the Congo". This huge territory was given an annex. Belgium's compensation for being invaded by Germany during the First World War included two districts of Germany's colony in Tanganika or Tanzania. With similar ethnic groups such as the Bahima, they could have lessened an underlying problem by leaving the Hutus and

Tutsis alone in two small territories. When the Congo gained independence from Belgium in 1962, the struggle between these two groups grew more intense. In the end, in 1994, the Tutsis returned to Rwanda, led by a former pupil of Kansas military college, Paul Kagame. Although it remains to be seen whether they won the civil war, it was at the cost of the genocide of many of the Tutsis dwelling in Rwanda and the moderate Hutus.

After the chaotic civil war in the Belgian Congo-Zaire, Kasai and Katanga proclaimed and maintained their independence until UN troops put an end to it in 1964-66. In this vast, sparsely populated country (the current estimate is a probably overdimensioned 55,807,257 inhabitants for an area of 2,345,409 sq km), the main ethnic minority group is the Kongo, from which the future president was expected to hail one day; indeed, Joseph Kasavubu governed with relative power until the end of the civil war. Then came the turn of the military man who commanded the army at the end of the civil war, Joseph Desiré Mobutu. In his youth Mobutu attempted unsuccessfully to join a Catholic seminary. Under the Belgian colonial administration, the second choice for those who failed to pursue an ecclesiastical career was the army. Mobutu attained the rank of sergeant and, after the Belgian officials who were to remain after the country gained independence were expelled, experienced a meteoric rise to the rank of colonel. By the end of the civil war he was the Americans' man. Mobutu was born in the small northern village of Gbadolite, which he endowed with a palace and, like other members of the gendarmerie, spoke a "lingua franca", Lingala, which was spread through the country by the armed forces personnel and came to be called the "language of the army". Owing to its easiness, this language, initially spoken by a minority, was soon spread and learned and became a stability factor in an unconnected country where communications were very scarce. The Congolese never came to terms with Flemish, owing to the Germanic harshness of the language that was spoken by some Belgians, yet they willingly and readily accepted French, which became and still is, the country's official language, albeit with some rather naïve turns of phrase. Lingala became the second language. Giscard and Mitterrand took advantage of the fact that French was spoken in the Congo-Zaire, Rwanda and Burundi to bring them under the wing of the so-called francophone Africa.

Mobutu, a corrupt dictator with a huge fortune in Switzerland, found it very convenient to be wooed by the French, like the Tutsi dictator of Burundi (General Bagaza) and Rwanda's Hutu dictator (Juvenal Habyarimana). The murder of Habyarimana on his way back to Kigali in a

French-manned Mystere that was shot down by a missile on 6 April 1994 unleashed a chain of violence including the known genocide and Tutsi victory in the civil war.

The foregoing explains the civil war in the Congo and Zaire and the inter-ethnic conflicts in Rwanda and Burundi, which have proved very difficult to settle despite the continuous peace agreements and ceasefires. Conflict is endemic in Rwanda and Burundi. In the Congo it has devastated the very rich state which produces most of the most valuable strategic minerals that are coveted by all its neighbouring countries. Like Sudan, Nigeria and Ethiopia, it is a huge country created artificially by wars, slave and anti-slave movements and colonial occupation and where the centrifugal forces unleashed in 1960-67 were revived by Uganda's occupation of northeast Congo and Rwanda's occupation of the southeast, in addition to the emergence of three different guerrilla movements. Piecing the Congo together again is not going to be an easy task.

FRANCOPHONE AFRICA

Francophone Africa comprises 19 former French colonies, including Morocco, Tunisia and Algeria and the Comores Islands and Madagascar, plus Rwanda, Burundi and Congo. It accounts for half the continent and spans a continuous geographical area where military presence is still notable, particularly at the Cape Verde base, and in Senegal, Côte d'Ivoire, Bunia, the Congo and Djibouti, where armies provide multiple support services in airports, communications and even teaching. Until very recently France used compulsory military service to employ a host of professionals in humanitarian assistance and scientific and health cooperation tasks, among others. Cooperation was also provided both by volunteers and as an alternative social service but in vital areas such as phosphate mining in Khourigba (Morocco) and to complete the protection of the unarmed army of civilian teachers who ensured the predominance of French and with it France's perpetual influence. The French system could be described as neo-colonial.

ANGLOPHONE AFRICA

This area is comprised of 20 former British colonies—19 plus Liberia, which was established by freed slaves from the US—and includes the

island territories of the Seychelles and Mauritius and a country that is not internationally recognised, Somaliland, the former British Somalia that was joined with Italian Somalia when these states gained independence in 1960 and progressively broke away in the 90s owing to the disappearance of the Somali state and the clan fighting in Mogadishu. This group of countries are characterised by their lack of military troops (with the sole exception of Sierra Leone). Following the granting of independence, Princess Alexandra of Kent danced with the local prime minister while, during the early period, Queen Elizabeth II continued to be head of state.

These countries had a perfectly established capital city, normally in the centre of the state, with good links, an acceptable economy and an official language, English, which was their means of communication, and a good education system. If one crossed the border from the rich, former Belgian, francophone Congo to one of the poorest countries in the world, anglophone Tanzania, it could nonetheless be seen that the latter was better organised with better links and a non-corrupt police force, among other features. And while Black Africa's highways are generally said to be worse than those of Poland, this does not apply to the two countries that were later governed by a majority of blacks: Zimbabwe, whose economy is in the grip of recession owing to the tyranny of Robert Mugabe but has magnificent, very well preserved roads. South Africa is a subcontinent within Africa. It has a varied climate; extraordinary industrial power; a nuclear power plant; a magnificent railway linking Durban to Cape Town; excellent infrastructures such as bridges and tunnels, including the Orange river diversion tunnel; Africa's second largest conveyor belt at the open-cast coal mine at Witbank (the largest in the world), a single stroke of whose main engine is equivalent to the electric power of a major city such as Johannesburg. This conveyor carries high-quality coal to the Middelburg power station though it is not the biggest. To some visitors' surprise, Africa's largest conveyor was built by the Spanish in Fosbucraa (Sahara). South Africa ranks second in the world in terms of major damns thanks to the engineer Oliver, who built Cabora Bassa (Mozambique) and Kariba (Zimbabwe).

These large countries exert economic and industrial influence. Namibia, although theoretically only the 12th biggest country in the continent, should be added to this list as it enjoys a much higher standard of living. It has 1,999,307 inhabitants, a total area of 824,292 sq km, 66,467 km of roads, the biggest uranium mine in the world, Rossing, which is very close to the deepwater harbour of Walvis Bay, and development ambitious plans for Luderitz, a town founded by the Germans in the 19th century. Here

it was not easy to replace the existing Afrikaans with English as the official language.

The seizure of power in Rwanda by the Tutsis from Uganda, where they and their chief Paul Kagame as head of intelligence of the Ugandan army had contributed decisively to the victory of President Yoweri Museveni in the Ugandan civil war and, accordingly, to his rise to power, explains how Nilotic-Tutsi hegemony spread from Uganda to Rwanda with a similar victory in this country's civil war followed by the joint invasion of Mobutu's defeated Congo. The cold war (and the "hot" war of Angola and Namibia's white government against the SWAPO) ended with free elections in South Africa and Namibia. The strategic base of Kamina in the Congo, a sort of small-scale Panamanian "School of the Americas" in Africa, was no longer of any interest or use in supplying the National Union for the Total Independence of Angola (UNITA) in Mavinga (Angola). This led to the fall of Mobutu, whose dictatorship no longer suited anyone.

The Tutsi who seized Rwanda, a francophone country, and came from Uganda, are the children who were taken from their country of birth to Uganda and received their education in English. Paul Kagame was educated in Kansas, and held important posts in Uganda, an anglophone and pro-American country. This marks a "pro-American shift" in the so-called Copper Belt of the francophone world of the wealthy Congo and the heart of the Great Lakes region of Africa, away from the source of the Nile and the nearby origin of the Congo towards a new Africa controlled by the guidelines of General Vernon Walters, the second head of the CIA under Reagan. It marks the triumph of the anglophone world with a difference: the British did not practice neo-colonialism; they simply left a well organised country with good road links and a clear official language, a rational economy and a smallish but highly professional army not prone to staging coups, as is the case with Tanzania, Kenya, Gambia, Swaziland and Botswana, among others. This obviously does not apply to Nigeria, though highly positive progress has been witnessed in 2002 and 2003: a military president, formerly a general, has become a civilian politician elected democratically in 1999 and April 2003. Obasanjo has eased the Islamic problem in the north and remedied the ecological disaster suffered by the small tribes of the Niger delta caused by intensive petroleum mining by European and American multinationals.

Nonetheless, in this shift towards the domination of the anglophone countries, the distant and kindly protective mother country has given way

to American influence, which has defeated France in this African war—or at least it had until Clinton arrived in power and neglected Africa, although this was followed by the inertia of Walters' policy, particularly as a result of the attacks in Nairobi and Dar-Es-Salaam.

THE NEW AFRICAN DEVELOPMENT INITIATIVES

Naturally South Africa's positive development is a source of satisfaction to America, which can now increase its influence in the continent's richest country, at last a multiracial democracy. As Wole Soyinka pointed out: *"Rwanda is our nightmare, South Africa our dream"*. South Africa could be the continent's driving force in partnership with the democratised Nigeria and in the encouraging NEPAD (New Partnership for African Development). South Africa and Nigeria, together with Algeria, make up the trio of countries that should give impetus to the continent. Despite having being racked by a terrible civil war, Algeria is still the sixth most developed country in Africa, although it has slipped to number 106 in the world ranking. Paradoxically Libya, which recently recognised its responsibility for the Lockerbie (Scotland) disaster by paying compensation to the victims' relatives in order to make a comeback to the international arena, has the second biggest economy in the continent, despite the international embargo. Naturally it is this country's rich oil resources and scant population (5,639,606) compared to its large area (1,759,540 sq km) giving a low population density (3.2 inhabitants/sq km) and unusually low democratic growth for Africa (2.1 percent), which explain such good results.

AFRICA TODAY AND ITS PLACE IN THE WORLD

During the war over Kuwait—a key country to achieving world hegemony, as Saddam Hussein had offered Jordan and Yemen to share Saudi Arabia among the three of them in a subsequent military action, which would have upset the balance of control of the world's oil resources—Black Africa disappeared from the international scene. *The Economist* published a map dividing the world into very few areas: northern Asia was "Confuciania"; southern Asia "Hinduland"; the Western world was included in "Euro-America" and "Euro-Asia"; and Asia and Arab-Muslim north Africa made up the fifth entity. Black Africa was nowhere to be found. While the USA and its allies, many of them Arab countries such as Egypt

and Syria, mustered a huge army in Saudi Arabia, an American diplomat replied, when asked about Black Africa: *"Africa doesn't exist"*.

During the humanitarian disaster that hit Somalia in 1992-93, the United States managed to reopen Somali ports and airports and restore crop farming. However, the shooting down of three Black Hawk helicopters and the death of 19 Rangers, who lacked armoured vehicles, in an ambush in the labyrinthine city of Mogadishu in October 1993 led Clinton to withdraw part of the contingent originally sent by G. Bush senior. Actually the person to blame for this was the defence secretary, Les Aspin, who did not allow soldiers to carry heavy weapons and was unaware that al-Qaeda's number three, the former Egyptian police officer Mohammed Atef, and the terrorist al'Owhali, who planted the bomb outside the US embassy in Dar es Salaam in 1998, had armed and trained General Aidid's militiamen, coming over from Saudi Arabia and providing them with Stinger missiles from Afghanistan and RPG-7 grenade launchers. This was the reason for Clinton's neglect of Africa and his refusal to help stem the genocide in Rwanda, where a helicopter transport operation to Kigali from ships in the Indian Ocean would have saved hundreds of thousands of lives, as the UN contingent in Ghana and Bangladesh protected the airport waiting for assistance that never came, while the small detachment of Belgian blue helmets died a pointless death attempting to defend Prime Minister Agathe, who was assassinated despite being a Hutu.

In Liberia, a country created by the American philanthropists who sent 16,000 freed slaves there in the 19th century, three percent of the population possess 70 percent of the wealth. When the Monrovian peninsula shaped by the Mesurado river became a death trap for a million people in the 1996 conflict against a heavily armed guerrilla, Clinton had no qualms about paying out huge sums of money to Nigeria's corrupt dictatorial regime to provide corpses for the peace contingent. The operation was a costly one in terms of lives and expenditure and merely led to the election of the guerrilla chief Charles Taylor as president in 1997. World pressure led him to resign in September 2003.

For many years Côte d'Ivoire was the jewel in the crown of francophone Africa, the world's leading cacao producer and one of the biggest producers of coffee in Africa. It was governed for years by President Houphuet Boigny, who built a grand Vatican-like basilica in Yamasukro and whose loyalty was tried and tested, as he had been a member of the French parliament. As in other countries, the death of the leader, by then

an old man, left a huge gap, and several aspirants fought tooth and nail over his succession using somewhat unscrupulous means. Côte d'Ivoire is engaged in a difficult regional rivalry with its northern neighbour, formerly the Upper Volta and now Burkina Faso. Many of Côte d'Ivoire's inhabitants emigrated from this neighbouring country for financial reasons or on account of its many political problems, revolutions and coups d'état, such as the one that overthrew and killed the mythical Thomas Sankara, a captain and charismatic leader. In the race for succession, the prime minister, Alassane Ouattara, was excluded from the running by a court ruling that considered that his Ivorian nationality was not sufficiently documented as he was of Burkinabe origin, though he was in fact born in Ivory Coast. Ouattara therefore joined forces with Laurent Gbagbo and established the Republican front. On 24 December 1999 General Robert Guei staged a coup, ousting Boigny's successor, Henri Konan Bedie. The elections on 22 October 2000 were won by Laurent Gbagbo but only because Outtara was unable to stand. This practically sparked a civil and ethnic war between the Christian south and somewhat Muslim-influenced north and, worse still, caused a rift in the army. The tension was heightened by the discovery of a mass grave in Yopougon containing the bodies of a considerable number of unidentified people killed in the coup d'état of 1999.

The conflict blew up when the general responsible for the coup and former president, Robert Goue, returned from his exile in Paris. General Goue and his wife, the interior minister Emile Boga Dudú and a further 270 people died in a military uprising on 19 September 2002. French troops quelled the fighting but the country had split into two. According to the October 2003 edition of *Mundo Negro*, some 1,000 Executive Outcome mercenaries had been recruited by both sides, together with mercenaries from other African and European countries. Ten of these, who were very well known, were arrested in Paris on 23 August when they were about to travel to Abidjan to take part in the 19 September coup.

Four months later France brokered the Linas-Marcoussis peace agreements. Contingents of neighbouring African countries were enlisted to keep the adversaries apart. Indeed, these military forces prevented the rebels from the north and mercenaries from defeating President Gbagbo's army. Meanwhile the president, despite the situation, would not agree to change any laws or share power. The rebels accused the government army of killing 50 or so civilians with combat helicopters, while between three and four million people living in the rebel zone went without food. This area lacks administration, schools and health services, particularly by

the long border with Liberia. Six hundred thousand people have been displaced by the civil war and 250,000 have fled to neighbouring countries.

On 27 February 2003 President Gbagbo filed a request with the International Criminal Court, through the Security Council, for an investigation of all the abuses, human rights violations and extortion, among other crimes. On 24 February the bishops harshly criticised the politicians: *"your calculations and unnatural alliances, your lies and deceit, have led us to this situation of war"*. They also criticised France for supplying the rebels with weapons and the international community for failing to do anything. It should be pointed out that the USA regards this area of the world as pertaining to France, particularly now that it has large military contingencies deployed in Afghanistan and Iraq.

On 6 March the three rebel movements and the main Ivorian parties met in Accra (Ghana), and a unity government headed by Seydu Diarra was reluctantly formed. Meanwhile Burkinabe houses were burnt down, including that of the former prime minister Alassane Ouatara. The Saudi Arabian ambassador, Mohammed Rachid, was found dead on 28 February. He lived on the 17th floor of a skyscraper and his body was discovered on the 15th floor landing. This murder was interpreted as a reprisal for the support lent by the Muslim countries and Burkina's President Campaore to the rebels. The chiefs of staff of the armies of the Economic Community of West African States (ECOWAS) wished to increase the number of troops stationed in Côte d'Ivoire to 3,205. On 22 April Liberia's President Taylor was accused of supplying weapons to the rebels. Taylor in turn accused Gbagbo of doing the same with the guerrilla movements in Liberia.

The small contingent of 76 military observers, 26 of them officers, is considered insufficient to monitor the repeatedly unfulfilled "ceasefires". The refusal of the president and his wife Simone, "the government hardliners", to share the task of governing the country bode badly for peaceful progress towards the 2005 elections. The rebels, who call themselves "new forces", accordingly refused to disarm and their ministers resigned from the government headed by Diarra, who stated that the Marcoussis accords were no longer a solution as they were dead.

Nor was there peace in the streets: assassinations of political enemies and journalists, abductions and beatings, pillage and looting made economic life impossible and young government supporters hindered the action of opposition ministers. The abundant weapons smuggled into the

country by supporters of both sides and by Liberian guerrillas have led to the proliferation of bank robberies and a chaos similar to that of the neighbouring Sierra Leone and Liberia. The population is in danger and the administrative structure is crumbling; the state is dying a slow death as the prospect of peace becomes increasingly distant.

POSITIVE DEVELOPMENTS IN THE CONGOLESE, COLTAN, LIBERIAN AND ANGOLAN CONFLICTS

Congo. 1999 saw the signing of the Lusaka peace agreements according to which foreign troops were to withdraw. Following the fall of Mobutu, the pro-Tutsi rebel movements of the eastern area, Kindu, and Kivu in the Republic of the Congo were backed by Uganda and Rwanda, although they had fought among themselves in Kisangani. Indeed, Uganda had annexed the rich gold mines of Bunia and Goma. However, the highly professional but small Tutsi army had managed to extend six communication lines extraordinarily. Now Uganda and Rwanda led the ranking of mineral producers, including the diamonds from the Mbuji-Mayi mines in Kasai, which were captured by their allies of the Democratic Alliance on 4 April 1997.

On the other side, that of Joseph Kabila, Laurent Desire Kabila's son, are several of the former components of the South African anti-apartheid front: Angola, Namibia and Zimbabwe. The first two may have been united by their opposition to Mobutu and to the pro-American states such as Uganda and Rwanda. However, in Zimbabwe's case, it was the widespread corruption of Robert Mugabe and his family, who plunged the country into economic ruin while refusing to repatriate soldiers killed in the second civil war in the Congo in order for their families to give them a decent burial.

The root of the problem is chiefly *coltan*. Whereas selenium and titanium are the key components of the most modern aeroplanes and space craft, coltan is the most valuable mineral. Its full name is columbo-tantalite and it is of primary importance in the application of new technology in ballistic missiles, the so-called intelligent precision- and laser-guided weapons and in mobile telephones, now an essential part of social and business life. Uganda, which does not possess coltan, exported $1.26 billion worth. Rwanda, which spans a mere 26,338 sq km, occupied a territory of 35,000 sq km with its army and vied with Uganda for control of the

immensely rich Masisi mines and, in particularly, those near Kisangani, the main city (formerly Stanleyville), which is controlled by the Mayi Mayi guerrilla, once an ally of Uganda and Rwanda and now on the side of the Congolese government. The Congolese Coalition for Democracy (CCD), an ally of Rwanda, uses schoolchildren from Goma to operate these mines. These children are among the 10,000 miners who, together with Hutu prisoners, worked for over $10 per kilogram of coltan. From coltan ore are extracted tantalum and also niobium which is used to make electronic games, mobile telephones and even airbag devices, in addition to missiles and space vehicles. It is found in microprocessors, microcircuits and condensers, among other objects. It is a rare mineral, a superconductor that is resistant to temperature changes during space flights, and the Congo is its second biggest producer and owns the largest reserves. Niobium is used for the steel from which essential oil pipelines are made and for pipes in nuclear power plants and magnetic trains.

Most of the companies that buy coltan through Lebanese intermediaries are Belgian and Dutch. In 2000 the intermediary Aziza Gulamali handled $1 million monthly. Actually gold from Bunia not only financed the Congo war but also helped Uganda pay the mercenaries needed to fight against the guerrilla in the north of the country, “the Army of the Lord”. But peace finally reached the Congo. Such are coltan’s magical properties that the mineral produced in Congo is mysteriously sold as Thai or Brazilian and more likely accounts for 50 or 60 percent of the market, more than Australian coltan, rather than the reported 20 percent. This is illustrated by the fact than in 2000 and 2001, when the regular Ugandan and Rwandan armies were engaged in fighting in Kisangani, coltan production fell, despite there having been no war in Brazil and Thailand. Uganda’s involvement is so obvious that this prized mineral is extracted by soldiers and loaded onto military trucks. The airlines Air Alexander, owned by a sister-in-law of the Ugandan president, Air Norte, belonging to the Ugandan general Salim Saleh and New Goma Air (the town of Goma has a major airport where Jumbos and Galaxies have landed since 1981) and Air Boyoma (Rwandan) fly to the Congo loaded with weapons and return carrying the mineral. The prey is so succulent that the number of mobile phones is set to grow from 500 million in May 2002 to one billion. The United States would rather see coltan sources in the hands of its allies Paul Kagame (Rwanda) or Meseveni than the former communists of Angola or the pseudo-Marxist Mugabe, Zimbabwe’s president who joined the Congo war at the expense of his soldiers’ lives in order to obtain mineral concessions for

his son and for himself; the war is a ploy to turn people's attention away from the serious domestic problems caused by the leader's despotic rule. Madeleine Albright, the former US secretary of state, was partly right in calling the Congo war "the first African world war" as seven African countries were involved directly and a further three countries indirectly: France, Belgium and the US. There are also two main guerrilla groups: the Movement for the Liberation of the Congo (MLC) led by Jean Pierre Bemba and supported by Uganda, and the Congolese Rally for Democracy (RCD), which is backed by Rwanda and headed by Adolphe Onosumba, who is based in Goma.

PEACE MATERIALISES

1999 saw the first attempt at peace with the signing of the Lusaka (Zambia) accords, which are floundering. Further meetings were held in Sun City (South Africa) in December 2002-January 2003 and a power-sharing agreement was finally achieved. All the groups and parties acknowledged Joseph Kabila, son of the murdered Laurent Kabila, as head of state. There will be four vice-presidents: Azarias Ruberwa (RCD), Jean Pierre Bemba (MLC), Arthur Zahidi Ngoma (unarmed political opposition) and Abdulaye Ndombasi Yerodia, representative of the Kinsasha government. The government will consist of 36 ministers, seven from each of the four groups. There will also be two representatives from civil society and six appointed by three less established guerrilla groups: the RCD-ML of Mbusa Nyamwisi; Roger Lumbala's Congolese Rally for National Democracy; and the Mayi Mayi guerrilla, whose members fought very effectively in the war against Mobutu in 1997 and now support the central government. In exchange for acknowledging Joseph Kabila as president on 10 April, Roger Lumbala was appointed minister of foreign trade in the transition government. Lumbala staged a major demonstration in Isiro, his fief, on 22 May. Many of the demonstrators were schoolchildren who had been given a holiday. Apart from his closest collaborators, very few adults attended the event at which he appointed himself "brigade general" even though he had not done military service. His career is similar to that of Mobuto, who went from sergeant in the colonial army to colonel and later to general and marshal. But at least Mobutu received an education during the Belgian colonisation and spent several years working with Belgian instructors. Lumbula had no such specialised military grounding. But the fact is that in Isiro

and Bafwasende he has built a “Principality of Zamunda” of diamonds, gold and coltan.

This government’s transition plan envisages free elections in two years’ time in this huge country which, although the richest in Africa, ranks 33rd among other African countries and the Human Development Index and 156th in the world. On 22 August the government inaugurated the two legislative chambers: assembly and senate, with 500 deputies and 120 senators, respectively, at a moving ceremony at the people’s palace in Kinshasa. It was attended by the speakers of the Belgian and Congo Brazzaville parliaments.

Sixteen million people were in the grip of a chaotic health situation and war. On 15 June 2003 French troops stationed in Bunia had to open fire: in Bunia, which has very rich gold resources, there is a local minority militia, the Union of Congolese Patriots (UPC) from the Hema ethnic group, which supports the Rwandan Tutsis and opposes the majority ethnic group, the Lendu, who are Bantus are therefore similar to the Hutus defeated in the Rwandan civil war (indeed Uganda’s President Museveni is a Hima, a similar Nilotic ethnic group). Many of the Hema worked in the gold mines and were the envy of the Lendu and 400 people were killed in the fighting and reprisals. This was the reason for the sending of more UN observer missions (MONUC) and the European Union Rapid Deployment Force led by France and commanded by Colonel Gerard Dubois.

The Rwandan and Ugandan armies were evacuated from the Congo in trucks of American origin. Given the country’s vast size, it is difficult to be sure whether the whole of the anti-Kabila contingent that placed Laurent in power in 1997 and then tried to overthrow him has in fact been evacuated. The highest figures, close to three million deaths, seem exaggerated though the true number is no doubt significant. In northeast Ituri alone, which lacks asphalted roads and good communications as the mountain track leading to Lake Albert is only wide enough for one vehicle, 85,000 civilians fled from the fighting, of whom 25,000 reached the Ugandan shore of Lake Albert in June 2003. In the whole of Ituri there are 150,000 displaced people who only receive assistance from the NGO Médicos sin Fronteras. Not even if MONUC gets the foreign troops to withdraw will peace be achieved. Although they are not allowed to check the nationality of the members of the militia with military forces, the withdrawal of the regular armies could lead to an increase in armed groups that engage in pillaging. As a final observation on peace, the prestigious South African

company De Beers, after four years' absence due to war, is looking to return now that peace has been restored—though not for coltan but for diamonds and cobalt.

LIBERIA AND SIERRA LEONE

In 1990, a guerrilla led by Charles Taylor, the Liberian Patriotic Front, supported by Libya and also Burkina Faso and Ivory Coast, whose presidents were related to President William Tolbert, who was assassinated in 1980, managed to overthrow and kill President Samuel Doe, Tolbert's assassin, on 9 September 1990. But this did not signify the end of the war, as for seven years an African contingent of white helmets, ECOMOG, armed and funded by the USA and the Economic Community of West African States, tried to prevent the FPL from seizing power. On 8 February 2002 Taylor proclaimed a state of emergency. Overpopulated Monrovia, surrounded by the river Mesurado, became an insurmountable trap in the face of a guerrilla who were well armed with grenade launchers, portable missiles and drugged child-soldiers. This new guerrilla invaded the country where Taylor had entered, via Lofa, calling themselves the LURD (Liberians United for Reconciliation and Democracy).

The UN and the international community had imposed harsh sanctions on Liberia on account of its support for the bloody RUF movement (United Revolutionary Front) of Sierra Leone. Indeed, the main leaders of the FPL (Liberian Patriotic Front) and RUF hailed from the Mende ethnic group that lived either side of the frontier and was known for its age-old fetishist practices in non-colonised inland Liberia. The FPL and RUF both financed their irregular activities through illegal trade involving the rich diamond mines of the neighbouring Sierra Leone, but at a price: destabilisation of both countries and a cruelty that did not hesitate to amputate hands that "voted for their enemies in the elections". The diamonds mined in Sierra Leone were sold from Monrovia. The UN issued an embargo on these diamonds and in May 2002 the sanctions on Liberia were extended. *The Washington Post*, recalling the Libyan support that had placed Taylor in power, accused Taylor of engaging in illicit trade with the financial organisation of al-Qaeda and Osama Bin Laden. On 27 February 2002 in Rabat Taylor met Sierra Leone's President Ahmed Tejan Kabbah whose guerrilla friend, the RUF, had come to deprive him of most of his territory and caused 200,000 deaths. The meeting was also attended by President Lansana Conte of Guinea, where, in the Parrots Beak

area, the RUF had killed many people and caused tens of thousands refugees and displaced people.

Fortunately for Sierra Leone an unexpected event dealt a blow to the RUF's morale. The leader of this cruel group was the corporal and photographer Foday Sankoh, who went from being an itinerant photographer to member of the army before undergoing training in Libya. He joined the Liberian Patriotic Front and invaded the country and later, under Taylor's orders, was encouraged to set up the RUF to resemble the FPL and seize Sierra Leone and its diamonds. In 1996 he appeared in Sierra Leone with female bodyguards and virgins, like Gadaffi. His visions guided him in his struggle. In 1998 he was sentenced to death in Sierra Leone. In 1999 he was granted an amnesty as part of the peace agreements. But he resumed the rebellion and attempted to seize control of the capital, Freetown, in 2000 and was eventually captured by Nigerian ECOMOG soldiers with the help of Executive Outcome mercenaries using two former Soviet MI-24 helicopters manned by white South African pilots and with black South Africans at the machine guns, in addition to British SAS commandos. This small contingent finally put an end to Sierra Leone's civil war, showing that good professional soldiers are more effective than Kenyan and Tanzanian UN blue helmets whose light weapons ended up in rebel hands. On 30 June 2003 Sankoh died of a heart attack in a Freetown hospital while in custody of the UN-backed war crimes tribunal, which also issued an arrest warrant against Taylor for helping the RUF in exchange for diamonds.

The order became a clear threat against Taylor. Taking a harsher stance as a result of a Global Witness report accusing Taylor of smuggling weapons and diamonds and of using revenues from the logging industry to destabilise Sierra Leone and support the rebel MPLGO and MJP groups of Ivory Coast, it called for the embargo on weapons and ammunition to be extended to logging. Global Witness is an NGO that studies links between the criminal exploitation of natural resources and human rights abuses in the world and has been nominated for the Nobel Peace Prize.

Liberia is a nation whose cities are named after US presidents, such as Monrovia (Monroe) and Buchanan. Taylor was born in 1949; his father was a descendent of freed Afro-American slaves and his mother hailed from the Mende ethnic group. He travelled to the USA, worked at a petrol station and managed to earn a decree in economics from Bentley College, Massachusetts. In 1980 he returned to Liberia and worked as head of administration for Doe, who was responsible for a coup; his love of money

earned him the nickname “superglue”. A million dollars “stuck” to him and he fled to the USA. There he was arrested on an international warrant and sent to Boston jail. But he managed to escape and reappeared in Libya, where he backed the Tripoli-Ouagadougou (Burkina Faso)-Monrovia axis of instability. He organised the invasion of Liberia with a group of exiles, some trained in Libya. His supporters aimed to overthrow Doe and were not aware that Taylor had other ideas. After seven years of war Taylor managed to be elected president with the following slogan: “I’ve killed your father, I’ve killed your mother. If you want peace vote for me”. The fact that he had done time in an American prison made him a destabilisation threat to all the moderate countries in the area, both America’s and France’s allies, and as such a tiresome enemy of both, precisely at a time when George Bush junior bolstered his African policy at the request of the two Afro-American members of his government, Colin Powell and Condoleezza Rice. The successful British operation to rescue the UN observers held hostage by the RUF was the first blow dealt to him. On 1 March 2003 Sierra Leone’s President Tejan Kabbah lifted the state of emergency declared in 1989; this paved the way for political parties and free elections. The death of Sankoh, his trusty ally in the RUF, on 30 June was the second blow. The third was dealt by the LURD, which occupied the city of Gbaranga, meeting with with very little resistance. On 26 March 2003 they were already 10 km away from Monrovia, once again under siege. On 9 April they attacked from Côte d’Ivoire border and Taylor recalled another of his slogans: “It’s true I’ve messed everything up but give me a chance to sort it out”.

By 11 June Monrovia, under siege, had no hospital beds. 23,000 people were crammed into the football stadium and the streets were scattered with corpses. Meanwhile, on 12 May, it had been decided to investigate at the border the murder of a dangerous witness against Taylor, Sam Bockarie, alias “General Mosquito”. On 24 June the rebel troops reached the city centre. Child-soldiers fought on both sides using mortars and missile launchers. The American embassy was bombarded and 15 people died nearby; it is not known which side was responsible. Benjamin Yeaten, Taylor’s four-star general, stated that they would defend Monrovia, which had neither water nor electricity. Taylor refused the offer of asylum in Nigeria fearing he would be hauled up for trial for crimes against humanity like Sankoh. On 3 July 2003 George Bush junior, about to begin a tour of Africa, threatened to intervene unless Taylor gave himself up. The arrest warrant on Taylor was dated 6 June. Bush visited the stable countries:

Senegal, South Africa, Botswana, Uganda and Nigeria, only one—Senegal—francophone.

Taylor stepped down on the 11th after six years in power and at last, on 12 August, fled to Nigeria. The militias agreed to lay down their weapons but this latest war had claimed 2,000 lives. Taylor attempted to pass on his post to his comrade from the military training days at the free camps, Blah. President Chissano of Mozambique, Kufuor of Ghana and Mbeki of South Africa attended the swearing-in. Taylor warned them: *"Be careful, today it's Taylor but tomorrow it may be you"*. Blah, a very cruel combatant in the civil war, was Liberia's 22nd president, but not for long, as on 14 October Charles Gyude Bryant took oath of office and Wesley Momoh Johnson was sworn in as vice-president—both on the condition that they would not stand for elections. With an unemployment level of 85 percent and 450,000 displaced people Bryant, a 54-year-old economist, has taken the helm of a country that is bankrupt after 23 years of instability, civil war and other wars. Fortunately, the period of Libya's acceptance of the international community marked a new stage of reconciliation in Liberia. Bryant is described as a conciliatory man of peace who is open to dialogue and has always helped others.

ANGOLA

Another source of instability currently in the process of democratisation is Angola. Since the final months of its independence, this country has been torn by a struggle between three groups: MPLA (People's Movement for the Liberation of Angola) of the Kimbundu, the FNLA (National Front for the Liberation of Angola) linked to the Bakongo and UNITA (Union for the Total Independence of Angola), dominated by the Umbundu led by Jonas Savimbi and the Chokwe. The FNLA was soon defeated by the Cuban contingent led by General Arnaldo Ochoa and the fighting was directed against UNITA from Zambia, Congo and Namibia. This sanctuary was about to put an end to the independence of this former fifth province of South Africa. Rockefeller hit the nail on the head when he stated that: "We protect our oil wells by paying the Angolan army to defend them from the UNITA guerrilla that is armed by the USA. It is not logical. Angola pays Cuba $1,500 dollars per officer and 800 per soldier. Cuba obtained benefits while General Ochoa had to smuggle gold and ivory to feed his troops. For the money went to the Cuban government". The move made by Casey, Haig and Vernon Walters at Rockefeller's suggestion came off per-

fectly: South Africa and Namibia adopted democracy and racial integration and, with the Soviet defeat in the Cold War, the West did not lose its supply of strategic minerals. After Cuba pulled out of Angola its economy took a bad knock, the first repercussion of which was the "hot August of 94", when Cubans fled en masse and the country took in millions of tourists, with the consequent impact this had on a communist regime closed to the outside world for so many years.

In Rockefeller's view, Savimbi's failure to agree to hold democratic elections put him in the same category as Mobutu—tiresome, as the expense this entailed raised the price of oil and was a pretext for not democratising Angola. Savimbi died on 22 February 2002; he had become increasingly more alone whereas the Angolan army was helped by his former allies. The population was tired of so much war and had witnessed great cruelty in the 27 years it lasted, despite the truces of 1991 and 1994. Savimbi's second in command, Dambo, died shortly afterwards.

The peace agreement was signed on 4 April 2002. Of the 55,000 UNITA combatants, only 5,000 joined the army and some officers and 40 NCOs joined the police. A troika of representatives approved the peace accord: the USA, the Russian Federation and Portugal. Nonetheless, there is still much confusion between the MPLA and the state and therefore much corruption. UNITA's general, Gato Lukambo, accepted the peace agreement. Surprisingly, when UNITA held its congress, General Lukambo was not elected as its president in June 2003. The chosen candidate was Isaias Henrique Ngola Samakuva, a diplomat with a long experience in international relations. This implies a wish for peace. The binding nucleus was the deputies elected in 1992. In October 2003 Samakuva gave a press conference at the Hotel Castellana in Madrid to mark the end of an extensive tour of Europe. Angola attaches such importance to its embassy in Spain that the ambassador is currently General Pedro Sebastiao, a former defence minister. I was lucky enough to attend this press conference in which Samakuva expressed his agreement with the peace accord and stated he was in favour of democracy whereas in Africa the majority favoured dictatorship. He pointed out that a South African-style Truth and Reconciliation Commission would open wounds and it is necessary to forgive. He said they had overcome the technicalities as UNITA was co-founded by Savimbi and Tonito Costa Fernándes, who was born in Cabinda, an enclave on the other side of Congo, and was accompanied on this trip by Carlos Kandanda, a Gangele. If there were more Ovimbundu, it was because this was the country's majority ethnic group.

As regards the administration of petroleum, a source of considerable corruption, and the redistribution of its benefits to the people, UNITA would be very transparent and use these revenues to boost agriculture. Cabinda would be given a similar measure of autonomy to that which Portugal granted Madeira and the Azores. He also said that the United States left UNITA when the Cold War ended because oil was controlled by the MPLA and that things would be better from now on. For UNITA, parliament would be the platform through which the government would account for its actions, and that is the best news for Angola. A war of words.

ZIMBABWE

Zimbabwe was one of Africa's most advanced countries where even the black population enjoyed a high standard of living when the country was governed by Ian Smith's white minority. It had always produced a surplus of food. Following the Lancaster House negotiations, the first democratic elections staged in Zimbabwe, which was regarded, along with South Africa, as "the government of Africa", were won by a candidate that neither Americans nor Soviets had reckoned with: the ZANU's leader, Mugabe, a grey figure who had studied at the University of Cape Town in South Africa, which granted scholarships to blacks, and had adopted a passive stance in the war against the white minority. The ZAPU, headed by Josuah Nkomo of the Ndebele, which bore the brunt of the war, lost the elections because it was a minority ethnic group representing one-fifth of the population. However, in these past 23 years, the mass support Robert Mugabe once commanded from his own ethnic group, the Shona, has progressively waned. Indeed, it is widely said that Mugabe loses the elections but fixes the results by silencing the opposition, coercing electors and even arresting opposition leaders and independent journalists. The last independent newspaper, the *Daily News*, which was known for its criticism of government corruption and investigations of state violence, was closed on 12 September 2003. In 2000 and 2001 the newspaper premises were attacked with bombs, one of which destroyed the rotary press. The newspaper turned to the administrative court when it was closed on the pretext of not having a licence from the "media commission". On 24 October the court ordered that a licence be granted by 30 November. On the 25th it published eight pages with the headline "Thank God we're back". It was sold out in no time. The police went to the premises and arrested 18 staff who were preparing the Sunday edition and four directors: Brian Mutsau,

Samuel Nkomo, Rachel Kurara and the white Stuart Mattinson, who were finally released on bail. Meanwhile, Mrs Mugabe, formerly the president's secretary, travels to London on a private jet to shop at the most exclusive shops in London and decorates her numerous mansions with gold taps and the finest marble and furniture, while her husband, criticised by the Commonwealth, was received with full honours in Paris by Chirac, despite being one of the most corrupt leaders in the world who has condemned his people to hunger and forced them to import food for the first time ever.

EQUATORIAL GUINEA AND SPAIN: OIL

Since Carlos Robles Fraga was appointed Spanish ambassador to Malabo in March 2003 owing to his experience as director of the Spanish Agency for International Cooperation and director of the Africa University College of the ministry of foreign affairs, relations with Guinea have greatly improved.

The author of this article, who has worked with the dynamic ambassador on the courses in history and politics taught at the Africa college, knew that Spain's activities in Guinea would increase considerably. "Although this country is a large portion of the heart of Ethiopia, let us not forget that it is a small part of Africa", and that, as a member of the European Union, our country is committed to Africa's Portuguese-speaking community: Angola, Mozambique, Guinea Bissau, Cape Verde and Sao Tome and Principe. Teodoro Obiang Nguema has governed the country since 1979, after toppling his uncle, Francisco Macias-Masie-Nguema, in a coup. Obiang studied at the General Military Academy in Zaragoza, Spain, and, as with Mobutu, Bokkosa and Idi Amin, the African IBM, control of the armed forces was his path to power in a coup, in which the most important battle took place in Sevilla de Niefang. The current Spanish secretary of state, Ramón Gil Casares, a tenacious and patient man, later played a very important role as consul during the period of Sergeant Micó's arrest. Ambassador Robles Fraga ensured that the visit paid by Spain's minister of foreign affairs, Ana Palacio, on 23 and 24 November 2003 was a success. During her stay Teodoro Obiang extended an offer to the president of the government, José María Aznar, to visit Guinea. No foreign minister had visited Guinea for 10 years and no president of the government has even done so. Aznar has met Obiang three times since 1996: once in Rome and twice in Madrid. There is no doubt that we are duty-bound to get along with the only country in Black Africa where Spanish is

an official language. Ana Palacio stated that *"Mr Aznar's visit would be the cherry on the cake in the new period of dialogue (…) with the importance of the elections to be held in the first half of 2004 and the Spanish government is willing to collaborate at all times and at all levels to make these elections an example for the region"*. Obiang described this visit as *"the beginning of a frank and sincere friendship following a long, difficult and inexplicable period"*.

Guinea's human rights record is not optimal and the UN Human Rights Committee has been reporting on the situation since 1979. A tricky episode between Spain and Guinea occurred on 1 July 2003 when an aid worker, Ana Isabel Sánchez Torralba, was shot to death because the bus she was travelling in failed to stop at a checkpoint. President Obiang condemned this incident at the request of Ambassador Robles. The aid worker's mother asked that the case not be politicised as her daughter had been a volunteer. On 29 August a court martial held in Bata sentenced Corporal Jesús Engonga to 30 years' imprisonment and Sergeant Luis Meye of the National Police, army Corporal Milagrosa Mangue and the driver Jeremías Nsang to two and a half years. The court martial was presided over by General Mauro Nguema.

In order for Spain's foreign minister to be able to travel to Guinea, Bota-Malabo's government was required to free the opposition leader Plácido Micó on 8 August after he had served 14 months of a six-year-eight-month sentence at the tough Black Beach prison on Bioko island. Micó, who was born in Mgombé in Río Benito (now called Mbini) in 1963, holds degrees in chemistry from Madrid's Universidad Complutense and law, and was a member of parliament for Convergence for Social Democracy (CPDS) in Malabo. He had previously been arrested eight times, the first in 1992, when he was detained for two and a half months. He claims to have been tortured on this occasion. He was charged with allegedly being linked to conspiracy to stage a coup. Micó travelled to Spain to express gratitude for his release. He said that the health service covers only 30 percent of the population, that of Bata and Malabo, and that the significant revenues from oil are not redistributed. In his opinion an amnesty law should be passed for people serving prison sentences and exiles; the discovery of oil is making the political elite rich, while peasants are leaving rural areas to work on the oil platforms. Guinea is ceasing to produce coffee, cacao production is falling and even the production of staple foods such as yucca and bananas is beginning to be neglected. Moving the government headquarters from the island of Bioko to Bata will make things even worse.

Equatorial Guinea has only one party in practice, Obiang's: the Democratic Party of Equatorial Guinea, given the tremendous difficulties of the rest. To the good news about the improvement in Guinea's relations with Spain and Plácido Micó's release should be added reports about a decline in the president's health, which he himself denies, and the clash with his son Teodorín, which suggests that his twin sons Justo and Pastor may be closer to power. From his radio station Radio Asonga, Teodorín broadcast a communiqué criticising a group of his father's collaborators for disarming him and leaving him without a bodyguard, for which he blamed his general uncles. Family tiffs.

Severo Moto, the leader of the Progress Party and one time organiser of a coup—who, with a boat loaded with weapons and accompanied by two former Spanish police officers, had attempted to seize power in Guinea—presented his government in exile, this time peacefully, at a hotel in Madrid on 30 August. This was nonetheless a symbolic action, as European-based opposition members are generally unknown in Guinea. Although democracy is difficult to establish in Guinea, the people will accept anyone who fights for it, but in Africa and in free, non-violent elections.

Equatorial Guinea, which produced no oil in 1992, reached 131,000 barrels a day in 2002, precisely when the USA was importing 14.3 percent of its oil from Africa and western Europe 23.1 percent. Guinea has now joined Gabon (the African Kuwait), Nigeria and Cameroon as an oil producer. President Obiang has mainly granted oil concessions to American consortiums: CMS, OIL, Exxon and Mobil. Some have gone to Nigerian, Australian, South African, Korean and Brazilian (Petrobras) companies, in harsh competition with Total, Fina and Elf of France. With the new platforms, Guinea is officially churning out 200,000 barrels a day, but it seems that the real figure is more in the region of 300,000. France is not at all happy about the balance being tipped towards the USA, whose Ambassador Bennet once criticised the lack of democracy in Guinea. But the strategy has changed and it is necessary to seek alternative petroleum sources to those of the Middle East, which is more affected by armed conflicts. "Black gold" is increasingly being discovered in Equatorial Guinea, whereas in the neighbouring Gabon, which is ten times larger, it is diminishing. Gabon is operating the Kiarsseny area (5,442 sq m) that borders with Guinea, one of its last frontiers, and is therefore demanding the Mbabane islet in Corisco Bay and the area south of the island with the same name. After the seafarer Juan José de Lereno occupied Corisco in

1843, Spanish sovereignty was recognised by France in the "treaty of 1900". Equatorial Guinea inherited an indubitable sovereignty from Spain. On 13 March 2003, Ali Bongo, the defence minister and the son of Gabon's President Omar Bongo, occupied the isle with the commander of his fleet. They claim to have a document ceding the island. However, they propose exploiting the oil resources jointly. This is a source of friction between Guinea and Gabon and also between France and the USA. The French are concerned about America predominating a nation where French, like Spanish, is an official language.

THE PROBLEM OF AIDS IN AFRICA

Africans were taken to America as slaves as they were more resistant to disease and the tropical climate than Indians and Europeans. However, acquired immune deficiency syndrome (AIDS) is wreaking havoc on them. This disease was transmitted to man by primates and must have existed undetected for some time. An American preacher became infected in Uganda and from San Francisco spread it among the gay and marginal sectors. With sexual liberation it spread among both sexes. In Africa it spread southwards along the Indian coast and came to affect 30 million people. However, prostitutes immune to the disease have been found both in Nairobi (Kenya) and Dakar. The day that experimental antibodies are developed it will be possible to obtain a vaccine. So far, all that has been achieved is to diminish its effects and improve the quality of life of those infected with the virus by administering retroviral drugs. In South Africa, President Thabo Mbeki got the major pharmaceuticals companies to supply the drugs more cheaply and manufacture generic drugs using the information. Five million people are affected by this pandemic in South Africa. From 19 November 2003 onwards antiretroviral drugs will be provided by the health service. Six hundred South Africans die of AIDS daily. The problem is extreme in rural areas and in many of the countries engaged in conflicts and with poor communications owing to lack of information and resources.

The World Health Organisation (WHO) announced that it expected to be able to administer anti-HIV drugs to three million people by 2005. Paradoxically, while many countries lack specialised personnel, Kenya has 7,000 unemployed nurses who could be trained for the job. This is the challenge faced by the director of the WHO, Korean physician Lee Jong Bouk.

According to the World Bank, if the disease continues to spread at its current rate, South Africa's GDP will shrink between 0.3 and 1.5 percent; a whole generation will be wiped out and there will be nobody to teach the next generation to work. In Malawi final year pupils are taking over from the schoolmasters who die. The number of orphans is growing in Africa. In Botswana, a textbook example of democratic stability and economic progress since the main multinationals moved there in order to be able to continue production during the period of Apartheid, 300,000 of the 1,611,000 inhabitants had become infected with the AIDS virus. In Francistown, the country's second largest city with 60,000 inhabitants, half of all young people aged between 25 and 35 are infected. It should be considered that in addition to Africa's traditional sexual promiscuity, progress coupled with failure to take precautions initially spread the disease along the truck route from the "copper belt"—Congo, Zambia and Zimbabwe to Johannesburg and industrialised South Africa, from the Karibe dam across Botswana. The crash plan involves administering AZT to all ill people and pregnant women.

WATER

In Africa drought and the greenhouse effect hinder 60 percent of the population's access to water. In Ethiopia erosion and drought cause increasingly more frequent bouts of famine in a country that should be self-sufficient, and those who have easier access to water lack assurance of whether it is fit to drink.

Lake Chad is forty times larger than Lake Geneva yet has four times less water. This is due to the depth of the Swiss lake and to the fact that Chad, like the Baikal, is a dying lake, between one and two metres deep. The situation is worsened by the Sahel drought and increasing desertification. The Sahara spans 8,598,468 sq km, the Libyan desert 1,533,940 sq km and the Nubian desert 310,788 sq km; the Namibian desert covers 200,000 sq km and the Kalahari 582,727 sq m. They are all growing yearly.

But a major Libyan project aims to make use of fossil water from the desert to irrigate large areas of land up to the Gulf of Sirte for farming. Another problem is Lake Victoria which, with an area of 69,484 sq km, is the second largest in the world and the biggest in Africa. It is dying from infestation by the water hyacinth, which was apparently introduced by French people and sucks up oxygen, and by the Nile perch, a predator that can

weigh up to 200 kg and devours all kinds of fish, mainly the staple diet of the inhabitants of riverside villages. The perch has done away with 200 species of fish; it can only be caught by large boats away from the banks and is exported, even though millions of riverside dwellers lack food. The water hyacinth—a single plant can span 100 sq m—has infested 20 percent of the lake. It obstructs harbours and waterways, prevents sunlight from reaching the water column and causes oxygen depletion (eutrophication). This plant is also conducive to the proliferation of the malaria mosquito. Oxygen used to be present at 100 metres and is now only present at 40 metres. The water hyacinth prevents the transit of goods and people. The lake is dying.

A further problem is the "killer lakes". One is the Kivil, which lies between the Congo and Rwanda. It volcanic emanations (the Nyragongo volcano is nearby) are killing all kinds of fish. But there is an even more serious problem: carbon dioxide emanations. An eruption in Lake Nyos in the Cameroon mountains killed 1,700 people on 21 August 1986. The heavy, lethal gas flowed down the mountain to valleys and villages. Ninety-two km away is Lake Monum, which expelled the gas in its depths in 1984. These lakes are volcanic craters that have filled with water, but a storm, cold wind or landslide causes a small amount of surface water to sink down and the gas lurking in their depths to rise as far as 80 m and flow along the surface at 72 km/h. The Federal Development Agency has built a pipe to siphon off the gas but this measure is still insufficient. The danger remains.

2003 was the year of water, "blue gold". "Without drinking water there can be no possible development of human life", according to Kofi Annan, the UN's Ghanan secretary general and descendent of African kings, and "nothing would do more to reduce disease and save lives in developing countries than access to drinking water and health services". In Africa 9,300 people die every day, 6,000 of the them children, from diseases linked to water that is unfit for drinking. Seventy-five percent of the planet's surface is covered in water, but only 2.5 percent is fresh water and, of this, 70 percent is immobilised in glaciers. Everyone in the USA has 578 litres of water a day; Africans have only 47.

AFRICA'S NEW STRATEGIC DETERMINING FACTORS: OIL, THE SUEZ CANAL, MARITIME ROUTES AND COUNTER-TERRORISM

We know that Muslim pirates operating near the straits of Malacca and Sunda are capable of attacking and capturing boats and even taking their

captains as hostages in order to teach them modern ship handling techniques. Today larger vessels are equipped with robotic devices and have increasingly smaller crews. This means that al-Qaeda could capture a large vessel and crash it into the Panama or Suez canal, paralysing two routes that are crucial to the Western world. At a meeting with Egyptian naval officers, Mubarak stated that he could not *"prevent the passage of Coalition warships through the Suez Canal"* as otherwise they would do so by force.

The problem of the disappearance of a state owing to a long civil war is that a terrorist organisation can seize control of part of it—as in the case of Somalia by Aidid's militia in 1933 and by al-Qaeda; and Mazar-Sharif in Afghanistan by al-Qaeda again and Mullah Omar. The attack on the Twin Towers was prepared in Afghanistan. And when United Nations troops were evacuated from Somalia in 1994, despite the opening of communication links and the food circuit, a long stretch of undefended coastline remained with at least three self-proclaimed states of Somali clans from former Somalia (Mogadishu only), Punt and Somaliland. In 2002, 370 acts of piracy were committed, including 25 hijackings of vessels in which the crew members were murdered. Therefore, Russian boats sailing up the Nigerian lakes open fire on any small vessels that approach them from the side. Thirty-two acts of sea piracy have been reported in East Africa and the Middle East. Those carried out in Somalia are attributed to the al-Ithihad group, as are a suicide attack against an Israeli hotel (16 people killed) in Mombassa and a failed attack on an El Al plane.

The Gulf of Guinea's growing oil resources could be a substitute for Arab oil and Iranian oil from the Persian Gulf and ease the West's dependence on such a conflict-ridden area. The end of the wars in Liberia, Sierra Leone and the Congo, which appears to be on the cards, will contribute to this and help bring about the settlement of the civil war in Côte d'Ivoire.

According to General James Jones, who is responsible for American troops deployed to Africa, the priorities for this continent have changed. The USA imports two million barrels of crude oil from the Gulf of Guinea daily and has invested $10 billion in paying for them. Mali, Senegal, Uganda, Morocco, Algeria, Kenya and Tanzania are terrorist targets. The USA carries out manoeuvres with the 173rd Airborne Brigade and trains the armies of Mauritania, Mali, Nigeria and Chad. Military cooperation with Morocco is intense. The American government has signed an agreement with Federico de Menezes, the president of Sao Tome, for the establish-

ment of a military base and oil concessions for Esso and Chevron Texaco. In Equatorial Guinea the concessions it has snatched from France cause it to take a more tolerant attitude to human rights in the former Spanish colony. Therefore Obiang is now more fearful of an attempt to topple him coming from Paris, where a meeting of exiles has been held. The oil in that area is nearer the USA than that of Russia and Azerbaijan. Yet another advantage. There will therefore be a unified command for West Africa, which has a market of 250 million people, and whereas Angola, where peace has been restored, now supplies the USA with 14.3 percent of its oil, it can absorb the 8.8 percent provided by the former USSR, and soon reach 30 percent.

Although Bush promised to earmark $15 billion to fighting AIDS during his tour of five principal countries in July, the fact is that he is going get more out of Africa: oil, diamonds, coltan and gold. The New Partnership for African Development (NEPAD) and the revamped African Union must use this to restore their ailing but rich continent to health, ridding themselves of anachronistic pseudo-communist dictators such as Mugabe, with his marble mansions in several countries, who has ruined one of Black Africa's three richest countries by failing to cultivate the white-occupied farms. They merely need to prevent fundamentalism from spreading to the Sahel, where there are so many Muslims of good faith, and ensure that no attempts are made to apply the Sharia to citizens of other beliefs.

As the Nobel laureate Wole Soyinka pointed out—though the winner of the 2003 Nobel Prize for Literature and prominent anti-Apartheid campaigner, white South African J. M. Cohetes, might equally have done so: *"The mind of the zealot is an insatiable dark hole, engorging all that makes life light and bearable"*.

CHAPTER SEVEN

ASIA

ASIA

By Fernando Delage Carretero

INTRODUCTION

The nuclear crisis triggered by North Korea and Islamic terrorism in Southeast Asia wre the two main concerns as regards the Asian strategic landscape in 2003. Pyongyang's decision to equip itself with nuclear weapons sparked the worst security crisis witnessed on the continent since 1994, the year that North Korea was believed to have dropped its nuclear programme through the so-called Framework Agreement. On another note, terrorist activity in the southeast part of the region, linked to an organisation masterminded by Jemaa Islamiyah—a group related to al-Qaeda—is a new threat that affects various countries and will not go away in the short term.

Other potential regional flashpoints remained relatively under control during the year. Kashmir did not cause any clashes between India and Pakistan as it did in 2002, though nor did the bilateral summit proposed by Delhi in May to discuss the problem materialise. As for Taiwan, Beijing protested at several of Taipei's initiatives—especially the announcement of a new constitution—but there was no escalation of tension as witnessed in other years. The Taiwanese presidential elections in March 2004 will pose fresh risks, as occurred with those of 1996 and 2000—when the People's Republic attempted to exert pressure through military manoeuvres and missile testing in the strait—though China appears to have opted for a more pragmatic approach.

As for the balance between regional powers, we might speak of a progressive convergence in their perception of security problems. China

demonstrated its intention to join multilateral structures in the framework of the "cooperative security concept", which is stressed by its latest Defence White Paper (December 2002). This attitude is also borne out by the spectacular transformation of Beijing's relations with Seoul—both diplomatic and economic—and its strategic rapprochement with the Association of South East Asian Nations (ASEAN) by planning to establish a free trade area (in 2020) and by signing the organisation's treaty of friendship and cooperation in October. China has also shown a positive attitude to relations with the United States in the past twelve months, which were not altered by the Iraq war or the North Korean crisis.

Japan reacted to the North Korean threat with an attitude of growing realism that marks an about turn in its security policy, which was confirmed when parliament approved the sending of troops to Iraq (though this has not yet materialised). Concern about Pyongyang's behaviour explains the firm support it lent the United States during the Iraq crisis, continuing to show the diplomacy required of a state that must both cooperate and compete with China and Korea for regional influence.

The Southeast Asian nations strengthened their relations with Washington in connection with fighting terrorism, though doubts remain as to the political stability of Indonesia, a country that will be holding presidential and legislative elections in 2004. On Jakarta's proposal, the ASEAN progressed towards defining a "security community" during the year, which will have important implications for the Asian strategic balance. Finally, in the Indian subcontinent, the relative calm of relations between India and Pakistan—though the latter's internal situation continues to be cause for concern—allowed Delhi to break new ground in its strategy for attaining regional power status. The Indian prime minister's trip to China in June, the first in a decade, ushered in a new stage in relations between the two Asian giants. The signing of a free trade agreement with the ASEAN in October is also a response to its pursuit of greater international presence.

Viewed from a broader perspective, the Asian security environment is experiencing its deepest change since the end of the Cold War: here too terrorism and the proliferation of weapons of mass destruction have become priorities of practically all the governments in the region. In this respect it was revealing that the annual summit of the Asia Pacific Economic Cooperation forum held in Bangkok from 20 to 21 October neglected trade and investment matters and centred its agenda on counter-terrorism, Iraq and North Korea. The continent's security agenda

faces more complex threats than in previous periods and is feeling the impact of a US policy that seeks a change of regime in Pyongyang and the reorganisation of its current military deployment, and a bigger presence in Southeast and Central Asia. These goals require the regional powers to make various strategic adjustments.

The decision of Kim Jong Il's regime to revive its nuclear weapons programme does not essentially alter the power balance in East Asia; what is feared is contagion—that South Korea, Japan or even Taiwan could also decide to equip themselves with these weapons. China finds such a prospect particularly worrying. Even so, the crisis has had two apparently contradictory effects: whereas on the one hand it has reinforced cooperation between Washington and Beijing, on the other it has sparked unprecedented tension between the United States and South Korea, precisely on the 50th anniversary of their alliance.

Of particular importance in this connection is the announced redeployment of American troops in Asia as a result of the changing regional balance and the Revolution in Military Affairs and the nature of new threats. The long-term goal is to reduce the number of soldiers—from the current 100,000—and to improve their flexibility by using lighter and more mobile forces, without diminishing America's commitment to its allies (who are concerned at these changes) or defence and deterrence capabilities. The first phase of this redeployment will be South Korea, where the United States has 37,000 soldiers. On 5 June both governments announced an agreement in principle on the restructuring of the American armed forces in order to "reinforce security on the Korean peninsula and improve joint defence". The proposal involves moving the 2nd Infantry Division's over 15,000 soldiers from the demilitarised area to bases south of Seoul, while the United States will improve its aerial and naval capabilities in the country. This redeployment will not take place immediately but over the course of several years, as the US defence secretary, Donald Rumsfeld, confirmed in Seoul on 17 November during his first trip to Asia since taking the reins of the Pentagon.

The United States will keep its Japanese bases, though the possibility of transferring marines from Okinawa is being considered (there has even been talk of Australia). US presence in Asia will probably also be maintained through access agreements with countries such as the Philippines, Malaysia, Singapore and Vietnam. Bombers and submarines based on the islands of Guam and Diego García will be involved in the deployment.

Finally, defence cooperation with India will be stepped up, facilitating US access to bases and installations in southern Asia. The continent therefore must adjust to Washington's new policy as regards both the change in its military presence and the broader context of the war on terrorism, particularly in relation to the implications the Iraq war holds for Asia.

ASIA AND THE IRAQ WAR

Some Asia-Pacific governments were among the United States' staunchest allies in its intervention in Iraq. The Australian prime minister, John Howard, whose support for the war earned him a vote of no-confidence from the senate, decided to send 2,000 soldiers. In Japan, whose public opinion mainly opposed the war, Prime Minister Junichiro Koizumi offered his political support and even pressed members of the Security Council to pass a UN resolution. Japan was named a member of the "coalition of volunteers", even though it did not commit any troops: the Diet (parliament) did not pass the bill authorising the sending of troops to Iraq—on non-combat missions—and deployment remained uncertain at year end owing to the deteriorating situation in Iraq and public opposition.

Like many of the United States' European allies, Japan disagrees with American unilateralism and with its disregard for institutions such as the UN, which has been a centrepiece of Japanese foreign policy since the post-war. But most analysts feel that Koizumi's stance was justified by the need to enlist Washington's support against North Korea, the problem that is most influencing the change in Japan's defence policy. When dealing with Japan mention should always be made of its financial contribution: whereas it contributed $13 billion to the Gulf War and $900 million to Afghanistan (accounting for 25 percent of total costs in both cases), the contribution announced at the donors' conference for Iraq in Madrid in October amounted to $1.5 billion (plus a further $3.5 billion in loans for 2005-07).

As surprising as Japan's military contribution—despite its postponement—was South Korea's. President Roh Moo Hyun decided to send 675 soldiers on humanitarian missions (most are military physicians and engineers). Roh's decision clashed with his own party and public opinion, both of which opposed such a measure, which was however supported by the opposition, the Grand National Party. Washington interpreted this as a positive gesture on the part of Roh, of whom the United States had initial-

ly been very wary owing to his former opposition to the presence of American troops on the Korean peninsula. The United States asked Seoul for over 5,000 soldiers for Iraq, but Roh seemed to want something in return: Washington's promise to ease the tension with Pyongyang. Although most South Koreans opposed the deployment of troops, the government feared that turning down America's request would harm their bilateral relations. Pending a final decision, on 14 November Seoul announced it would send no more than 3,000 soldiers.

The Iraq war placed China in a complex dilemma. Its leaders feared that, after Baghdad, the United States might consider using force against Pyongyang, which would unleash an incoming wave of hundreds of thousands of refugees and would destabilise the whole region. Some also wondered whether Washington's tendency to resort unilaterally to the use of force might not have future implications for China, perhaps in connection with Taiwan. Beijing is equally concerned about US strategy towards the Middle East: forced to import more and more of its energy, China would like to see the region politically stable, but is also worried that greater American influence in the area (and in Central Asia) could hinder its access to oil in a future crisis.

This combination of factors led China to concentrate on the positive aspects of its relations with the United States, perhaps because it had no alternative. Without offering explicit support for US policy, it nonetheless distanced itself from France, Germany and Russia and, several months before the intervention, the former president, Jiang Zemin, made it known to Bush that China would not block a decision at the UN. Washington, for its part, did not attach much importance to Beijing's criticism and recognised the significance of its support in handling the North Korean crisis.

In India, the war became a topic of national debate: the United States wanted Delhi to contribute as many as 17,000 soldiers. Despite the enormous pressure, Delhi refused given the absence of a UN mandate. However the approval of resolution 1511 in October did not prompt the government to change its mind. In Pakistan, General Musharraf made it quite clear that a military commitment was impossible due to the declared hostility of Pakistani public opinion.

In Southeast Asia, Washington had the backing of the Philippines (which committed nearly 100 soldiers), Thailand (which sent over 400 soldiers) and Singapore (which sent some ships and transport aircraft) and the harsh opposition of the Malaysian prime minister, Mahathir bin

Mohamad, who expressed his concern about the impact of the war on the world-wide fight against terrorism and about the growing politicisation of Islamic groups in the subregion. These same reasons led Megawati Sukarnoputri, the president of the country with the biggest Islamic population in the world, Indonesia, to condemn military intervention. On 20 March 100,000 demonstrators gathered outside the US embassy in Jakarta. According to a poll conducted by the Pew Foundation, the percentage of Indonesians with a favourable opinion of the United States dropped from 61 in 2002 to 15 in June 2003.

THE NORTH KOREAN CRISIS

Whereas the Southeast Asian countries with an Islamic population followed the Iraq war on account of its implications for domestic politics, in the northeast of the region concern about Iraq centred on the possible effects of the war on a crisis closer to home: North Korea. The Asian countries wondered whether a military intervention in Iraq would foreshadow a similar confrontation with Pyongyang. As was analysed in the previous edition of the *Strategic Panorama*, at the end of 2002 North Korea announced it had reactivated its nuclear installations in Yongbyon (13 December), expelled International Atomic Energy Agency inspectors (27 December), withdrew from the nuclear non-proliferation treaty (10 January 2003) and threatened to resume the missile tests it had called off in 1999, giving rise to a host of speculations about its possible motives.

According to some, Kim Jong Il was resorting to nuclear blackmail to ensure the survival of his regime and obtain from Washington both economic aid and a formal commitment not to attack. Others reckon that Pyongyang had decided that nuclear weapons were the best guarantee of security, especially after what happened in Iraq. Both explanations are probably valid: to secure financial aid North Korea needs an instrument of pressure, while nuclear weapons provide Kim Jong Il with the only possible deterrence capability.

When it admitted the existence of a uranium enrichment programme in October 2002, Pyongyang pointed out that the only means of settling the crisis was through “direct” negotiations “on an equal footing” with Washington. Throughout 2003 it progressively relaxed this demand. The United States, which rejected North Korea’s requirement from the outset,

sought to build a multilateral alliance, but not all the other powers regarded the problem from the same viewpoint.

The United States has three options—diplomacy, a military attack or economic pressure—each with considerable limitations. Agreeing to negotiate would amount to rewarding Pyongyang's conduct and going back on the policy of refusing to negotiate with rogue states in possession of weapons of mass destruction. The use of force—striking its nuclear installations—would unleash a war that would place millions of people at risk and destabilise the most economically dynamic region in the world. The economic strangling of North Korea by a policy of sanctions would require a concerted effort by Seoul, Tokyo and Beijing, none of which wishes to see the country in ruins.

The dilemma grew even more serious when the United States focused its attention on Iraq. Pyongyang snapped up the chance to cause a further escalation of the crisis without risking military retaliation from Washington. On 18 April, in its first official statement on Iraq, the Pyongyang government stated: "The war shows that, to prevent a conflict and defend a country's security and sovereignty, it is necessary to have a powerful physical instrument of deterrence". By the time Washington is able to devote more attention to Korea, it will have increased its nuclear arsenal and accordingly strengthened its negotiating position. Kim Jong Il may think that the United States will want to replace the Framework Agreement with a non-aggression commitment and an economic aid package that would guarantee the regime's survival. But President Bush had been categorical in January when, pointing out that there would be no new agreement like that of 1994, he stated that the North Korean regime uses its nuclear weapons programme to provoke fear and obtain concessions and that the United States and the world would not give in to the blackmail.

On 12 February the director of the CIA, George Tenet, reported that North Korea had enough plutonium to build five bombs in six months. Speaking on behalf of the state department, the assistant secretary of state for East Asian and Pacific affairs, James Kelly, described North Korea as "a serious problem of proliferation", but did not rule out the possibility of talks. A different attitude was shown by the defence secretary, Donald Rumsfeld, who placed 24 bombers on the alert in the Pacific and described Pyongyang as a "terrorist regime". Despite the internal differences of opinion within the administration as to how to handle the North Korean threat, Washington upheld its strategy of internationalising the cri-

sis and the secretary of state, Colin Powell, travelled to the region to enlist the support of Tokyo and Beijing. He also turned to Seoul, where on 25 February he attended the swearing-in ceremony of the new president, Roh Moo Hyun, which was greeted hours earlier by Pyongyang with the testing of a short-range missile that fell into the Sea of Japan.

Although Powell came up against the insistence of Seoul and Beijing that Washington accept North Korea's demand for bilateral talks, China took a noticeable turn only a few weeks later and expressed its willingness to act as an intermediary. Representatives of the United States, North Korea and China met in Beijing on 23 April. In North Korea's view, the key to settling the crisis would be for Washington to desist from hostility, while the American delegation once against demanded that Pyongyang dismantle its nuclear weapons programme as a prerequisite for any negotiations. The meeting ended without any significant progress being made, and with North Korea threatening to give a "physical demonstration" of its nuclear weapons; it was probably this statement which tried Beijing's patience and led it to take a more active part in the process, as we will see later on.

Visiting the United States, President Roh met Bush on 14 May and encouraged him to keep the negotiation channels with Pyongyang open, though the American president did not wish to rule out the military option. Roh returned to Seoul with a harsher stance towards Pyongyang, stating that his policy of commitment and economic cooperation with the North would come to an end if Pyongyang caused the nuclear tension to heighten. North Korea responded immediately with threats of an "indescribable disaster" if Seoul aligned itself with Washington against Pyongyang.

In mid-June Pyongyang dealt another surprise when it stated that its nuclear weapons programme stemmed from the need to save money: "We do not want to have a nuclear deterrence capability to blackmail others. What we are trying to do is reduce conventional weapons and earmark more resources to economic development to improve the well-being of our people". Certainly, possibilities of growth are very slim in a ruined country that allocates 30 percent of GDP to maintaining a million-strong army. But let us not be deceived about the regime's ultimate aim: its own survival.

In a diplomatic process deadlocked since April, on 1 August Pyongyang agreed to take part in six-party talks in Beijing—with the United States, South Korea, China, Japan and Russia—after Washington stated it was willing to hold a bilateral meeting during the event. The pres-

sure China exerted on North Korea made this possible, though not even Beijing was confident of achieving any progress: the idea was basically to gain time. At the meeting, which took place on 27 and 29 August, the North Koreans asked for assurances of security and economic aid before dismantling their nuclear weapons programme, while the United States demanded that the programme be brought to a halt as a requirement for any possible agreement. Nonetheless, the parties decided to meet again in the same format.

In mid-October there was talk of a possible second round in December, in which it was hoped that Washington would offer Pyongyang some incentives. Speaking from Bangkok on 19 October, Bush himself announced his willingness to offer North Korea some assurances of security—though not a non-aggression treaty—if Korea promised to abandon its nuclear ambitions. This change in the US stance gave fresh impetus to the process and on 30 October Pyongyang announced that it agreed "in principle" to hold a new round of negotiations.

One of the most salient features of the year is how the North Korean crisis threatened to drive a wedge between Washington and Seoul, allies for 50 years. President Roh Moo Hyun, who is committed to the "sunshine policy" masterminded by his predecessor Kim Dae Jung—though he has changed its name to "policy of peace and prosperity—opposes Washington's use of any coercive or military measures. Most South Koreans feel that America's policy has worsened the crisis as it strengthens the North's perception of isolation. Anti-Americanism in South Korea is its most widespread since the late 40s, and this could seriously harm the country's alliance with the United States.

In September Seoul announced the biggest increase in its defence expenditure in the past seven years: 8.1 percent. This marked the first stage in a 10-year plan designed to make the South Korean armed forces less dependent on the United States for security. Washington has also pursued this goal for years: despite its proximity to North Korea—the most militarised country in the world with one million soldiers and nuclear and chemical weapons—Seoul spends a mere 2.8 percent of its GDP on defence.

The tension between the two allies furthermore arose at a particularly difficult time for South Korea. On top of its economic straits—the country slid into recession early in the year—it faced a constitutional crisis sparked by the president himself. After seeing his popularity plummet from 80 to 20

percent in eight months, on 13 October he proposed a vote of confidence on his government by holding a referendum in December: if he lost, he promised to step down from power and hold new presidential elections in April 2004 (to coincide with the legislative elections).

CHINA

The Chinese leaders' attention during the year was centred on the change of leadership within the Communist Party (CCP). In March the National People's Congress completed its government appointments following those made by the party at its 16th Congress (in November 2002). The most significant—though expected—were the replacement of Jiang Zemin by Hu Jintao (whom Jiang had already made the party's secretary general) as president of the republic, the promotion to vice-president of Zeng Qinghong—Jiang's right-hand man—and the takeover of Wen Jiabao from Zhu Rongji as prime minister. The so-called "fourth generation" of leaders thus took up office, though doubts remain as to how much leeway Hu really has: the new Standing Committee of the Politburo, made up of nine people, includes as many as six members who are loyal to Jiang, and Jiang is chairman of the Military Affairs Committee.

As pointed out in the previous *Strategic Panorama*, the change of leadership has been accompanied by a doctrinal change—the so-called "theory of the three representations", formulated by Jiang and adopted by Hu—which marks a break with the CCP's ideological past. The party now seeks its support from the middle class and not, as previously, among the proletariat and farmers, and has even allowed capitalist entrepreneurs to join its ranks. The reason for this new doctrinal apparatus is obvious: unless the party acknowledges the new forces and integrates them into its structures, a rift will develop between state and society, with serious consequences for national stability.

At the 16th Congress, Jiang set the goal of quadrupling GDP by 2020. If China continues to grow at its current rate—8.2 percent in 2002 and an estimated 9 percent in 2003—this could be achieved, though there is no denying existing difficulties. The People's Republic's access to the World Trade Organisation (WTO) in 2001 gave fresh impetus to its economy (in 2002 China was the world's largest recipient of direct foreign investment: $53 billion), but has also harmed some of it sectors—particularly agriculture, which still accounts for some 700 million people (60 percent of the

population) and workers in state enterprises—and has widened the income gap between country and city, and between the south coast and the inland areas. Reconciling the priority of economic growth with the survival of the communist regime and preventing social differences from becoming a political problem is the major challenge the fourth-generation leaders face.

Hu, a classical apparatchik whose ideas were completely unknown before he came to power, has devoted his first months in office to emphasising the need to defend the most underprivileged sectors. Unless it undertakes determined social action to remedy the huge deficits in health, education and the environment, introduces tighter regulations to curb the excesses of capitalism and cracks down more firmly on corruption, the legitimacy of the communist government will be in danger. As if the effects of the economic reform on social stability were not complex enough, during the year Hu had to address two problems he had not reckoned on: the health crisis triggered by severe acute respiratory syndrome (SARS) and the demonstrations against the anti-subversion laws in Hong Kong.

For several weeks SARS looked set to turn into a serious threat. In addition to its economic impact—it is believed to have halted GDP growth by one percent—it was feared that investors and the international community would lose confidence in China. Up to 24 June, the date the authorities considered the epidemic to be over, a total of 5,327 cases and 348 deaths were reported. What is more difficult to assess is its political impact. Some analysts were of the opinion that the problems of governance revealed by the crisis would spur the Chinese leaders to press ahead with political reforms. The dismissal of the health minister and the mayor of Beijing, for example, are unprecedented in the history of the People's Republic. But these expectations —which were rather unrealistic—were soon dashed. Hopes of glimpsing a sign of possible changes were pinned on the address delivered by Hu on 1 July, the anniversary of the establishment of the CCP. However, the new secretary general, instead of setting his own agenda, merely paid tribute to Jiang's theory of the three representations.

In Hong Kong an unexpected public demonstration triggered the worse crisis since the former colony was returned to China in 1997. On 1 July, 500,000 people took to the streets to protest against an anti-subversion law (known as Article 23) that would have curtailed the territory's autonomy. Beijing will never allow Hong Kong to become a base for subversion

in the People's Republic or an example of Western-style democracy, but the crisis revealed the limits of its strategy: it had to choose between joining the population or opposing them; there was no intermediate solution. On 5 September the head of the Hong Kong government, Tung Chee-hwa, withdrew the law. It would appear that Beijing has changed its approach to the enclave, though there is also a tactical motive: the Chinese leaders know that forcing the approval of the initiative would have damaged the chances of its candidates for the 2004 elections to the legislative council. The Hong Kong democrats were thus stripped of their best weapon. With a constitutional mandate to reform the political system in 2007, the battle between the pro-democratic groups and the more conservative factions is open.

Their management of these two crises and identification with a new social agenda helped reinforce the new leaders' authority. Perhaps this explains the fact that on 30 September, the eve of the national holiday and shortly before the holding of the third plenary session of the CCP's Central Committee, Hu delivered a speech addressed to the Politburo on the need to undertake democratic reforms. Hu called for an increase in the "orderly participation of citizens in political affairs" and "people's right to hold democratic elections, to take part in decisions", and for the rule of law to be strengthened. In the brief extract from his address, which was published by the *People's Daily*, the adjective "democratic" was used as many as 14 times. His carefully chosen words possibly conceal three types of possible reforms: greater transparency within the CCP; a constitutional reform to protect private property; and greater emphasis on social and environmental problems. We should not deceive ourselves: the references to democracy announce the beginning of a strategy that seeks to consolidate the CCP by adapting it to a greatly transformed society. Rather than an obsessive pursuit of economic growth at any price, Hu is advocating a more sustainable and balanced strategy. It is a recognition, not of the need for democracy but for a change in the way Chinese politics has functioned for the past 20 years.

With a stable domestic political situation following this orderly transition—the first without trauma in the history of the People's Republic—and steady growth, China gives the impression of having greater confidence in itself. The sending of the first Chinese astronaut into space in October and the announcement of an ambitious space programme attest to this. But a further key factor that explains this attitude is the normalisation of its diplomatic relations: the domestic goals set by the Chinese leaders require a

stable external environment; these leaders appear to have realised how economic power has transformed China's international profile, in addition to providing new ways of asserting its foreign presence. Hu Jintao's presence at the G-8 summit in Evian (France) in June was particularly significant: China had always turned down invitations from this group, which it regarded as a rich countries' club. The fact that China has abandoned its rhetoric in defence of the non-aligned countries is a clear example of how its concept of international relations has evolved.

China's wish to make the most of its economic opportunities and ease diplomatic tension led it to strengthen relations with the ASEAN countries —as predicted in the previous *Strategic Panorama*— and India in 2003. The change of leadership did not have a noticeable impact on relations with Washington: the positive trend witnessed since 2001 continued throughout the year, overcoming Beijing's fears about being hemmed in by the United States, which is spreading its influence in the south and southeast of the region as well as in Central Asia.

The improved atmosphere is due to a convergence of interests. With its attention focused on its internal transition and economic reform, Beijing has little desire for confrontation with the United States, a country of decisive importance to its trade interests. However, this rapprochement does not mean that they share the same opinion about all the international problems: Iraq and North Korea were the two most obvious examples in 2003.

When Washington expressed its readiness to invade Iraq, Beijing faced a difficult choice. It could use its status as a permanent member of the Security Council to block or condemn military action, jeopardising its relations with the United States. The alternative would be to offer Washington its support, hoping to minimise harm to the UN and partly retain its influence. Neither was particularly appealing. Fortunately for Beijing, the decision made by Washington and London not to present a further draft resolution spared it from having to come down on either side. Despite sharing many of the points of view of France, Germany and Russia, China was not prepared to sacrifice its cooperation with Washington for the sake of Baghdad.

North Korea, in contrast, is an example of how, despite a shared objective—a peninsula free of nuclear weapons—the United States and China have different priorities and disagree over how to tackle the problem. Beijing's insistence that Washington should turn to the UN for a response to the Iraq crisis contrasted with its claim that bilateral talks between the

United States and North Korea were the only means of settling the nuclear crisis. In Washington's view, only by internationalising the dispute and forming a multilateral alliance against Pyongyang would it be possible to get it to abandon its nuclear weapons programme. At the beginning of the year, Bush and Powell complained repeatedly about Beijing's insufficient efforts to unblock the crisis.

But China's position reflected its perception of the North Korean challenge. Beijing is aware that a nuclear North Korea would be more difficult to influence, would justify the presence of American forces in East Asia and would serve the United States as a pretext for deploying a missile defence system that could cover Taiwan, and would lead Japan to take a more active role in the international arena. But at the same time China is not overly confident of its ability to exert pressure on Pyongyang in order to achieve results that are more in keeping with its interests. Beijing fears that attempting to pressure North Korea could lead to the collapse of the regime or trigger a war that would have disastrous consequences for Northeast Asia. The disappearance of North Korea from the political map would also signify the end of the strategic buffer between China and the United States in East Asia.

Nonetheless, two factors suggested to Washington the possibility that China would alter its stance. First, given Beijing's tradition reluctance to discuss publicly its policy towards North Korea, the referral by the International Atomic Energy Agency (IAEA) of the problem to the Security Council would provide China with an incentive for increasing pressure on Pyongyang. Second, an escalation of tension by Kim Jong Il's regime would push Beijing even further away. And this is what occurred from April onwards. China revealed its own initiative with a surprise announcement of an offer to host a meeting between North Korean and American representatives. South Korea, Japan and Russia were left out of the picture.

China's initiative was unprecedented. The new Chinese government recognised that if it really wanted to maintain regional stability and prevent a war such as the one in Iraq, it could not continue to hide behind its old rhetoric of peaceful coexistence. Analysts of the People's Republic began to regard the aggressiveness of North Korea, a country previously considered a strategic asset and buffer that protected China from external threats, as an uncomfortable burden. When, at the meeting (23-24 April) North Korea not only admitted to possessing nuclear weapons but even

threatened to use them, China decided to take a more active role in managing the crisis and to consider a broader range of options.

North Korea's conduct has thus strengthened Chinese-US cooperation in security matters. As Kim Jong Il's regime has grown more belligerent, the relationship between Pyongyang and Beijing (previously described as being as "close as lips and teeth") has become one in which Chinese teeth are increasingly prepared to bite North Korean lips. In addition to resorting to measures such as cutting off North Korea's oil and electricity supplies, which Beijing has done on several occasions since the beginning of the year, the Chinese government kept up the pressure at the highest level: the visit to Pyongyang of the then Chinese vice premier, Qian Qichen, in March, was probably instrumental to the holding of the April meeting; and the trip paid by the vice foreign minister, Dai Bingguo, who delivered Kim Jong Il a letter from Hu Jintao on 14 July, made the August meeting possible, this time with the participation of South Korea, Japan and Russia. On 23 October Pyongyang announced it was inviting a high-ranking Chinese official, Wu Bangguo (chairman of the standing committee of the National People's Congress), arousing expectations of a major decision. During Wu's visit the following week, North Korea agreed to a new multilateral meeting in December.

One of the important events in the People's Republic's foreign relations was its fresh rapprochement with India. The declaration signed on 24 June during the Indian prime minister Atal Behari Vajpayee's trip to China was described as the greatest impetus to bilateral relations since Rajiv Gandhi's visit in 1988. On 14 November both countries even performed their first joint military manoeuvres. They are seeking to normalise a relationship that has been tainted by distrust since China humiliated Indian troops during the brief border war of 1962 and, at the same time, to boost bilateral trade.

When India conducted its nuclear tests in 1988, it identified China—not Pakistan—as the biggest threat to its security. Delhi observed China's economic take-off and growing strategic influence in Asia with concern. Beijing's continuing support for Pakistan reinforced India's perception of China as a potential threat. Apparently, India's closer relations with the United States and India's concern about the military assistance Beijing provides Pakistan were barely discussed during the visit, though both issues are determining factors in this fresh rapprochement. Nor, it seems, did they discuss their respective nuclear weapons programmes. But two major agreements were reached.

On the one hand, it was decided to set up a bilateral committee in charge of settling border problems and one of the most sensitive issues affecting both countries was unblocked: Vajpayee recognised Chinese sovereignty over Tibet and Beijing acknowledged Indian sovereignty over Sikkim (a territory near the Tibetan border which India annexed in 1975). On the other, it was agreed to set up a working group to study ways of strengthening economic cooperation: trade between India and China has grown from a ridiculous $5 million in 1990 to the current $5 billion, but is still very small for two countries that between them have 2.3 billion inhabitants, a third of the world's population.

JAPAN

The Japanese government had to grapple with an economy that is still marked by the fragility of the banking system and deflation, and an international environment complicated by the Iraq war and the nuclear crisis on the Korean peninsula. Nonetheless the prime minister, Junichiro Koizumi, managed to assert himself on the domestic political scene: on 20 September he was re-elected as president of the Liberal Democratic Party (until 2006) and a few weeks later called general elections for 9 November. Although he did not achieve the hoped-for absolute majority, the rise of the Democratic Party of Japan (DPJ) after merging with the Liberal Party in September could help consolidate a two-party system that would put an end to the instability of the past decade. During his over two years in power, Koizumi has made scant progress in the structural reforms the economy needs but is modifying security and defence policy and now, with a three-year term ahead of him, will have to adapt the LDP to an environment in which a genuine alternative appears to have emerged for the first time in many years.

At the end of 2002, the Japanese government appeared to have come to terms with the fact that the country needed a security policy enabling it to address the new security threats from a more stable structure that was nonetheless coherent with the constitution and with its alliance with the United States. Iraq and North Korea provided the context that has made that development possible.

Discussing how to respond to the Iraq war, the government opted for cooperating with the United States, aware of the need to avoid the political and diplomatic damage it suffered in 1991 on the occasion of the Gulf

War. However, the constitution limited its options considerably. Even to provide logistic support to the US forces, the government needed two things: proof of the link between Iraq and al-Qaeda to justify its cooperation pursuant to Japanese antiterrorist legislation (adopted in 2001 and renewed in October 2003), and a second UN resolution authorising use of force. Given the absence of these requirements, the government merely studied the possibility of sending defence forces to take part in rebuilding Iraq, meanwhile limiting itself to backing the United States politically, even though it was not acting under the umbrella of the United Nations. But such a diplomatic undertaking was equally daunting: the majority of Japanese public opinion (78 percent according to a February poll) and the two members of the LDP (the New Conservative Party and the New Komeito) opposed the intervention.

Japan gradually increased its support in the following months. Tokyo boosted its logistic support for the forces in Afghanistan in January and at the beginning of March announced that its navy would supply fuel to the multinational forces in that country so that the United States could devote more resources to a possible intervention in Iraq. Also at the beginning of the year, the government proposed a series of legislative initiatives aimed at improving Japan's counter-terrorism capabilities. On 15 May the lower house of the Diet passed by an overwhelming majority three laws providing Japan with a response structure in the event of a foreign attack: this is the first time since the post-war that Japan has established a system for mobilising its armed forces and defined their powers in cases of emergency.

On 22-23 May Koizumi visited Bush's Texan ranch where both leaders confirmed their shared views on Iraq (which were again ratified during Bush's visit to Tokyo on 17 October). On 26 July, the Diet broke new ground by passing a law allowing troops to be sent to Iraq on non-combat missions. The government was confident of being able to deploy some 1,000 soldiers, but the complications of the occupation and the opposition of the majority of the Japanese people postponed the measure sine die.

As for the Korean peninsula, Japan appeared to be divided between its wish to foster dialogue between Washington and Pyongyang and fear of being left out of the talks, as had occurred in 1994. When Koizumi's visit to North Korea in September 2002 came to nothing and the United States insisted on forming a multilateral coalition to address the problem, Tokyo, perceiving itself to be more vulnerable, aligned itself with America.

In February, the defence minister, Shigeru Ishiba, told the Diet that Tokyo could resort to use of force against North Korea. For the first time in two generations the government spoke of broadening its definition of legitimate self defence to include the proactive containment of Pyongyang. In the view of many analysts, his declaration was an attempt to draw attention to Japan's low offensive capabilities and, rather than a credible threat to North Korea, it was aimed at kindling national debate on the need to bolster the role of Japan's self-defence forces and make the country a leading player in international security.

North Korea was also behind the launching of Japan's first reconnaissance satellite on 28 March (two more were launched in August)—a further sign of its pursuit of greater autonomy in this sphere. Japan similarly speeded up its decision to join a missile defence system. At the end of February the Japanese and US governments announced their intention to start testing ballistic missile interception technology off Hawaii in early 2004. In May, while the US deputy secretary of defence, Paul Wolfowitz, was visiting Tokyo, the Japanese press reported that in response to the North Korean threat the government would begin to deploy a system of this kind in 2006-07 in addition to reviewing the national defence guidance (last updated in 1996). A missile defence system has major constitutional implications for Japan—and will probably require the constitution to be amended—as well as financial implications: there is talk of a $1 billion investment over a four-year period. Meanwhile, Tokyo decided to prepare for its deployment by announcing the purchase from the United States of PAC-3 "Patriot" missiles.

During their meeting at Crawford (Texas), Bush and Koizumi also stated that they viewed the problem of North Korea in "exactly the same way" and agreed on the need to put a complete, verifiable and irreversible end to Pyongyang's nuclear weapons programme. Tokyo furthermore joined in the operations to crack down on North Korea's illegal activities, inspecting and detaining Korean ships and carrying out customs checks and security examinations. Pyongyang accused Japan of adopting economic sanctions, defining this as an act of war. In October North Korea demanded that Japan be excluded from any further multilateral meetings, though it subsequently went back on its word.

Our review of the developments in Japan's foreign policy in 2003 should not end without mentioning Koizumi's visit to Moscow in January; this was the first time a Japanese prime minister had visited the country

since 1998. Koizumi and the Russian president, Vladimir Putin, announced the launch of an action plan aimed at improving political and cultural exchanges and boosting trade and investments, with the idea of making possible the peace agreement that Russia and Japan had never signed in 1945. But from a strategic perspective, the main reason for this trip was the plan to build an oil pipeline stretching from Angarsk near lake Baikal in Siberia to Nakhodka on Russia's easternmost coast. The pipeline, with a capacity to transport a million barrels a day, would account for a quarter of Japan's current oil imports, making it less dependent on the Middle East. The problem is that China has presented Russia with a similar proposal for a pipeline running from Siberia to Khabarovsk. Moscow is expected to make a decision next year.

SOUTHEAST ASIA

Violence is not alien to political life in Southeast Asia. For years separatist movements have plagued the governments of countries such as the Philippines, where the authorities are engaged in a struggle with Islamic groups in the south of the archipelago, and Indonesia, which—since East Timor gained its independence—has had to resort to force to prevent the seccession of Aceh in north Sumatra. But there is a further actor: the spread of Islamic fundamentalism from the Arab world, in the form of Jemaa Islamiyah (JI). The anti-Western ideology of the region's Muslims, their growing involvement in political life and adherence to stricter forms of Islam are a new phenomenon.

JI is the biggest threat to the subregion. It was responsible for the attack in Bali in October 2002 and other terrorist actions in Malaysia and Singapore. American sources reckon that JI still has some 750 operatives, despite the arrest of 200 of its members in the past two years, in Indonesia, the Philippines, Malaysia, Singapore and even Thailand and Cambodia. The most recent attack on the Marriott in Jakarta on 5 August, in which 12 people were killed, is proof that the group is far from having been dismantled. The arrest of one of JI's leaders, Riduan Isamuddin, also known as Hambali, in Thailand on 11 August was particular significant. Under US custody on Diego García island, Hambali provides the link between JI and al-Qaeda: the instigator of the Bali bombing and other attacks in the Philippines and Indonesia in 2000, Hambali—according to US officials—collaborated with the suicide bombers of 11 September and in the attack on the USS Cole, the US navy vessel docked in Yemen, in 2000.

The fight against terrorism has brought the ASEAN countries closer together in the security field and was a priority issue at the annual meeting of the ASEAN Regional Forum (Phnom Penh, 18-19 June) and at the organisation's summit (Bali, 7-8 October). The ASEAN foreign ministers agreed to step up police cooperation to speed up the implementation of the existing regional agreements on combating terrorism (see last year's *Strategic Panorama*), including the Southeast Asia Regional Centre for Counter-Terrorism opened in Kuala Lumpur in July.

Terrorism has transformed the ASEAN members' bilateral relations with the United States. Washington is working with Thailand on improving its port security; it provides substantial funds to the Indonesian police and military to improve their antiterrorist capabilities; and it is earmarking more resources to the Philippine armed forces' antiterrorist efforts. But many people in Southeast Asia are concerned that the war on terrorism is based above all on military instruments rather than broader strategies directed at the root of the phenomenon. We have seen earlier how the Iraq war marred Washington's relations with some governments, though a certain recovery was witnessed months later: such, it seems, were the effects of Bush's visit to Manila, Bangkok, Singapore and Bali (16-17 October).

The real collateral damage the Iraq war caused in Southeast Asia lies in these countries' public opinion rather than their governments, particularly but not only in Islamic communities. They have developed a hitherto unseen interest in the Middle East and the Israeli-Palestinian conflict. Many also interpret America's stance towards Iraq, Afghanistan and terrorism as hostility towards Islam.

Indonesia. The Bali bombing forced the Indonesian government to take a more determined stance towards the problem of terrorism and seek the cooperation of its neighbours and of the United States and Australia. Within a matter of weeks a considerable number of suspects had been arrested, including Abu Bakar Bashir, JI's founder and spiritual leader. On 6 March parliament passed an antiterrorist law—validating the emergency decree issued days after the Bali attack—and the trial against Bashir kicked off on 23 April. The prosecutors accused him of organising an attempt to assassinate Megawati in 1999, a number of attacks on Christian churches on Christmas Eve 2000 in which 19 people were killed, and attacks on Western interests in Singapore, in addition to plotting to overthrow the government and establish an Islamic state in Indonesia. On 2 September the court found Bashir not guilty of the terrorism charges but

sentenced him to four years' imprisonment for other crimes. As many as 27 terrorists were convicted of the Bali attacks and of these, three were given death penalties.

Although in February the head of the Indonesian intelligence services reported that the terrorist network in Indonesia had been practically dismantled, there is no proof of this. The authorities have focused on prosecuting the cell involved in the Bali attack in order to avoid further inflaming public opinion, which is highly sceptical about the existence of an Indonesian terrorist organisation. The government's weakness is worsened by the prospect of presidential and legislative elections next year. Fear that the Islamists will create a populist opposition bloc for the coming elections is forcing it to play down Jakarta's commitment to the counter-terrorism cause. If Megawati, the representative of Indonesian nationalism and secularism, were ousted by an Islamic alliance, the effects on national cohesion would be unpredictable.

As if the problem of terrorism were not enough, the Indonesian government also had to deal with a worsening of the situation in Aceh, where the pro-independence guerrilla (GAM, Gerakan Aceh Merdeka) refused the government's demand for demilitarisation. After the last talks, held in Tokyo, ended in failure, on 19 May the government declared martial law and announced the biggest military operation of the Indonesian army since the invasion of East Timor in 1975. The armed forces, who mobilised 50,000 soldiers, aimed to crush the 3,000-strong guerrilla within six months. By November, when the martial law was extended, 900 rebels had died and over 1,000 had been captured.

Philippines. Seven months after their withdrawal, American troops returned to the Philippine archipelago in February with the same goal: to do away with Abu Sayyaf, a group linked to al-Qaeda. A bomb attack at Davao airport on 4 March—the deadliest in the past three years as 21 people were killed—confirmed the alarming situation on the island of Mindanao, where the Muslim third of the population is struggling for autonomy. Abu Sayyaf claimed responsibility for the attack, though the police arrested members of the Moro Islamic Liberation Front (MILF).

At the beginning of February the Philippine army had launched an offensive against a group of rebels in the centre of Mindanao in which several hundred MILF guerrilla fighters were killed. In the middle of the month, Arroyo gave the go-ahead to a draft peace agreement, but the rebels demanded that government troops be withdrawn in order to continue with

talks. After the MILF staged an attack on the town of Siocon on 4 May killing over 30 people, Arroyo postponed indefinitely the peace talks due to begin in Kuala Lumpur on 9 May.

The presence of the US again triggered the controversy over the constitution, which prohibits foreign forces on the ground. At the end of April President Gloria Macapagal Arroyo put an end to the debate by stating that the purpose of the American troops was simply to train the Philippine forces. Shortly afterwards the Philippines' most significant reward for supporting the war on terrorism and the US stance on Iraq was announced during Arroyo's visit to Washington on 19 May: a new programme of military and economic assistance. The United States also designated the Philippines a "non-Nato ally". President Bush announced a further increase in military assistance in combating terrorism in Manila on 18 October.

The trial of the terrorists involved in an attack in 2000 proved the existence of links between JI and the MILF. The arrest of JI's second-in-command, Taufek Refke, in the Philippines on 1 October furthermore confirmed that the archipelago is the main Asian base of foreign Islamist activists. At the end of October the president stated in an address to the nation that JI was now the biggest threat to national stability, more so even than the conflict with the Muslims in the south. It is believed that several hundreds of members of JI, mostly Indonesians, are based on the island of Mindanao; this will complicate negotiations between the MILF and the government.

In January, less than two years after taking up office, Arroyo announced she would not stand for the 2004 elections. She said she did not wish to add to the tension at this tricky political moment and would focus the rest of her term in office on cracking down on corruption, reforming the economy and strengthening national unity. On 27 July she had to deal with an attempted coup staged by a group of 300 soldiers—led by 20 junior officers—who seized a hotel in Manila's financial district and gave themselves up hours later. The attempted coup revealed the country's institutional fragility, as well as discontentment with the president. In early October the president went back on her decision and announced that she would stand as a candidate in 2004.

Malaysia. Ninety members of JI and a related Malaysian group, Kumpulan Mujahideen Malaysia (KMM), were arrested at the beginning of 2003. Concerned about how this would affect foreign investment and

tourism, the prime minister, Mahathir Mohamad, avoided mentioning any links between the local terrorists and al-Qaeda. However, he had no qualms about using terrorism to discredit the main opposition group, the Islamic Party of Malaysia (PAS).

Mahathir's retirement from politics on 1 November after 22 years in power has created a complex political scene. Ahmad Badawi, the deputy prime minister, had already been chosen as Mahathir's successor as head of the government and of the UMNO-led National Front, but the legislative elections in 2004 may complicate the transition. In the last elections (1999) the PAS gained votes and reduced Malaysian support of UMNO, making the government more dependent on the vote of the Chinese minority.

SOUTHERN ASIA

Terrorist activity in Kashmir almost triggered a fresh war between India and Pakistan in 2002. The elections in Kashmir—see last year's *Strategic Panorama*—resulted in a plural government willing to seek a negotiated solution. Indeed, rarely had the circumstances been more conducive to progress in this perennial problem than in the first months of 2003. But internal contradictions and the rise of radical movements in both countries are undermining the possibility of a rapprochement.

In Pakistan, an Islamic coalition linked to the Taliban controls the border with Afghanistan, while members of the Pakistan intelligence services continue to stir up discord in Kashmir; it seems that President Pervez Musharraf is unable to control them. The state's inability to meet the demands of democratisation and economic development deprive it of the legitimacy required to neutralise growing Islamic radicalism. Pakistan, a country where military presence is the backbone of the regime, is engrossed in national security issues and, as such, unconcerned with development and political reform. But this situation is paving the way for the Islamists to mobilise the nation against the government.

At the end of April the opposition in parliament refused to accept the recognition of General Pervez Musharraf, head of the armed forces, as the country's legitimate president. The previous year Musharraf had pushed through amendments, known as the "legal framework order" (LFO), to 29 clauses of the constitution in order to legitimise a previous referendum in which he was elected president and to call dubious general elections. The opposition parties, led by an alliance of six religious parties—the

Muttahida Majlis-i-Amal (MMA)—insisted that the LFO be approved by a two-thirds majority of parliament, as is laid down in the constitution; the number of seats held by Musharraf's party (Pakistan Muslim League-Quaid, PML-Q) makes this impossible.

Musharraf visited the United States at the end of June. Bush announced Pakistan's reward for supporting the USA in the war on terrorism: $3 billion over a five-year period—six times more than the previous package—half of which is likely to be spent on weapons. (It should be remembered that in 2002 the United States had written off the $1 billion Pakistan owed it, put pressure on the IMF and other donors for it to be granted a further $2 billion and helped reschedule the $12.5 billion it owes the Paris Club).

In India, the Bharatiya Janata Party (BJP), which governs the country, seems to be continuing in its anti-Islamic direction with a view to the general elections in 2004. The conflict between Hindus and Muslims in India could undermine Islamabad's willingness to negotiate with Delhi. Rioting against Muslims in the state of Gujarat in 2002, in which over 2,000 people were killed, is regarded as a manifestation of Hindu extremism and pressure against secularism in India. The terrorist attack in Bombay on 25 August 2003, which left over 50 people dead and is attributed to an Islamic organisation, is another worrying indication of growing religious violence.

Headway appeared to be made in bilateral relations on 2 May when the Indian prime minister, Atal Bihari Vajpayee, announced his "third and last" peace effort (after the failed summits in Agra in 2001 and in Lahore in 1999). Vajpayee said he would send a new commissioner to Pakistan and resume air transport between the two countries. Islamabad welcomed the initiative, thereby breaking a 16-month impasse since the terrorist attack on the Indian parliament on 13 December 2001 (for which Pakistan was blamed).

Vajpayee's initiative could be motivated by personal reasons: at 78 and about to retire from politics, he may be keen to secure a place in history. But it is also a reflection of the fact that India's previous policy was not working. By sending hundreds of thousands of soldiers to the Pakistani border in 2002 India was limiting its options to the military sphere; in addition to posing huge risks, this failed to settle the two countries' differences. The threat of a military action did not spur Pakistan to close the camps run by radical groups on its side of the line of control in Kashmir, while the groups banned by Musharraf today operate under new names. Delhi has

not convinced Pakistan to change its attitude by using force or threatening to do so. Vajpayee's initiative is thus a recognition of the need to return to diplomatic channels.

However, it will not be easy. The differences between India and Pakistan over Kashmir seem to be as deeply rooted as ever. India wants to see an end to cross-border terrorism before top-level talks can be conducted. Pakistan denies backing terrorism, but states that military operations will only cease once the countries have agreed to a solution for Kashmir. At the UN General Assembly in September Vajpayee and Musharraf exchanged harsh accusations, failing to break the vicious circle.

On 22 October India announced that the deputy prime minister, L. K. Advani, would be meeting Kashmiri separatists. Hours later he made public a 12-point offer to improve relations with Pakistan (including renewing sports and transport contacts). Advani's agreement to address the All-Party Hurriyat Conference (which brings together the more "moderate" separatists of this Indian province) marks an about-turn in Delhi's policy, though perhaps the intention is merely to drive a wedge between the separatists. However, the offer to improve relations with Pakistan seems to be directed at Indian and international public opinion: indeed, Islamabad described it as merely an exercise in public relations. The "hand of friendship" Vajpayee had extended to Pakistan had achieved few tangible results by the end of the year.

CONCLUSIONS

Developments in Asia's main security problems in 2003 should not only be interpreted individually, case by case. By the end of the year one of them—the North Korean crisis—had proved to be the issue with the greatest potential for altering the balance of power in Northeast Asia. This is partly due to the fact that it is now the war on terrorism which sets the scene for addressing the conflict. Two factors—cooperation between Beijing, Tokyo, Washington and Moscow, unprecedented in the past 100 years, and tension in the USA-South Korean alliance—point to the definitive dismantling of the cold-war structure in Asia.

It is in this new regional context that a possible solution to the nuclear crisis may be reached. Provided that Pyongyang agrees to a "complete, verifiable and irreversible" disarmament, the current multilateral process spearheaded by Beijing could lead to a non-aggression pact signed by the

six countries involved, or, perhaps, a peace treaty confirmed by Washington and Beijing (the other combatants in the 1950-53 war) and supported by Tokyo and Moscow. But these talks indicate the emergence of a new diplomatic dynamic in the region. Never before has a single forum brought together all the significant Northeast Asian states for the purpose of settling, or at least handling, what is a key security issue for them all. For years, one or several of these powers had always rejected such a possibility.

The six-party talks on North Korea could pave the way for a permanent security mechanism once the crisis is over. This would mean that the regional powers are willing to overcome their historical and ideological divisions and institutionalise the process by establishing a security organisation for the first time in Northeast Asia (the ASEAN Regional Forum lacks the capacity to involve itself in the north's problems). The implementation and monitoring of an agreed solution to the North Korean problem would in itself require such an institutionalisation. A new age in the security environment of the continent is thus dawning.

EPILOGUE

EPILOGUE

INTRODUCTION

By Javier Pardo de Santayana

Three events which occurred in December are so significant that they cannot be left out of the introduction to this year's *Panorama*: the failure of the Intergovernmental Conference at the Rome summit, the arrest of Saddam Hussein, and Libya's decision to give up its programme of weapons of mass destruction.

The first of these events is a reflection of the critical moment the process of European Union is experiencing. The deterioration caused by the Iraq crisis and prompted by France's intention to make Paris the arbiter of the new Europe, even at the risk of breaking the transatlantic link; the contradictory imposition of a Franco-German axis whose prestige is dented by economic reality; the double standard applied to the countries of this axis when they fail to comply with community regulations; and, in general, the current unfavourable political and economic circumstances on the eve of what promises to be a complicated enlargement make for a rather complex and worrying situation that needs to be put right. The task of defining a model that must be closed to an extent, as only befits a constitution, is raising conceptual and practical problems that have so far been dodged in order to avoid unnecessary delays.

The arrest of Saddam Hussein should mark an important turning point. Although the consequences have yet to be seen, it will evidently deal a psychological blow to those who may have entertained hopes of involution, as it signifies the definitive toppling of an icon and standard. It has also restored some of the intelligence service's lost prestige and bolstered the position of President Bush and the governments of the countries that backed the international coalition.

Finally, the news in the last days of the year that Libya had decided to give up its programme of weapons of mass destruction came as a genuine surprise since, although certain overtures made openly towards the Tripoli government were known, such as President Aznar's visit, this rapprochement was largely forged through secret contacts in which London and Washington played a crucial role. Colonel Gadaffi would cease to be an "outlaw" and would at last free himself of the US embargo, while the strategic operation begun in Afghanistan and continued later in Iraq made further important progress. This success, magnified by the public realisation that these weapons pose a real threat, has reinforced the position of Bush and the politicians who strove to maintain the transatlantic link and adopted a firm stance in the Iraq war and, together with the headway made in keeping Iran's nuclear programme in check, is leading to the singling out of Syria, which is under growing pressure.

THE BUILDING OF EUROPE

By Javier Pardo de Santayana

The Rome summit at last arrived and with it what should have been the crowning event of the Intergovernmental Conference. However the presidency of the Union failed to submit any proposals for facilitating a consensus on "power sharing", as Italy, which stands to gain from Giscard's manoeuvre, preferred to join the Franco-German strategy rather than exercising its rightful role, isolating Spain and Poland and subjecting them to as much pressure as possible.

Naturally Spain was not going to sit back and do nothing, particularly since, as Giscard d'Estaing had expressly stated, the idea of wiping the slate clean of the only existing consensus was specifically intended to deprive Spain of the "excessive" benefits which, according to him, it had obtained at Nice. What is more, it was being presented as a "troublemaker" simply because it refused to accept its lot with due resignation. Even so, whereas Poland stated it was determined to make use of veto if necessary, Spain, willing to discuss the matter, showed a more flexible attitude from the outset and even offered, to quote President Aznar, "a good half-dozen alternatives".

In the end the tactic of "time pressure" did not reap any results and the proposals put forward by the Italian presidency at the last minute did not solve the problem since, just as Poland would not accept any solution other than the Nice deal, France adopted a very intransigent stance and refused to consider any formula that was not in keeping with its designs, that is, Giscard's Convention whereby two large countries need only the support of a smaller country to block any initiative. Therefore, as no deal at all was considered preferable to a bad deal, the summit ended in a resounding failure that tainted the career of the president of the Convention and was a disappointment to Italy, which had hoped to link the name of Rome to the European Constitution.

This danger was undoubtedly inherent in the procedure for building the Union, which has so far been based on an open and very pragmatic model which had enabled Europe to shun problems and make things up as it went along, making decisions as the need arose. Therefore it is hardly surprising that the task of establishing a closed model by drawing up a written Constitution should stumble over aspects as conceptual as "defining" the pillars of Europe or as material as "power sharing". To this danger was added a change of attitudes: the fair play that characterised the phase of creating economic union has been marred by the intention of a few countries to impose their views and to do so precisely by taking advantage of the need to overcome the difficulties that an enlarged Union will come up against when decisions have to be made.

However, this dissent did not affect security and defence issues in the same way and it is therefore unlikely that any changes will be made to concepts such as "collective defence" and "structured cooperation" in the endeavour to set up an Agency with responsibilities extending considerably beyond armaments to the achievement of the necessary military capabilities, or to the decision to establish a "Planning Cell".

In connection with the foregoing, Britain's role of moderator enabled the summit to reach an agreement that got round the United States' opposition to France's aim to give the Union an independent operational planning capability with a European headquarters. The solution was to set up such a "Cell", which met with consensus and coincided with a specific proposal put forward by Spain. Another step forward was the adoption of a document based on the paper presented by Solana at Thessaloniki, the good reception of which was due more to its indubitable usefulness as a "framework" than as a possible strategic "concept".

Aside from these ups and downs, the Rome summit revealed some important facts, such as the difficulties that a 25-strong Union is going to run into, and that Europe is no longer willing to stand for the old policy of "ententes" between powerful nations and, accordingly, to obey the "dictates" of the Franco-German axis.

December witnessed the revival of dialogue between the two Mediterranean shores. In this respect the VI Inter-ministerial Conference in Naples can be regarded as a success. In an atmosphere of cordiality, overcoming the repercussions of the Middle East situation and the priority given to eastward enlargement, the Barcelona Process received fresh impetus from the establishment of a consultative Euro-Mediterranean Parliamentary Assembly for deepening political dialogue among the 37 countries that make it up, and a Euro-Mediterranean Foundation designed to promote and facilitate intercultural dialogue. With the adoption of these measures the goals set by the Spanish presidency at Valencia can be considered fulfilled, though the possible establishment of a Mediterranean Bank was postponed until at least 2006. Less positive aspects of the conference were the absence of the secretary general of the Arab League and the fact that no concrete progress was made in cooperation against terrorism on this occasion.

Syria's willingness to sign an association treaty with the European Union is excellent news. As it is the only country not yet to have taken this step, this decision should pave the way for firm progress towards a Euro-Mediterranean free trade area. This goal has been set for 2010.

Further proof that interest in the "Mediterranean dialogue" remains alive was the Tunis meeting of the 5+5 Group (Spain, France, Italy, Portugal and Malta on the part of Europe, and Algeria, Libya, Morocco, Mauritania and Tunisia on the part of Africa). The main issues discussed at what was the group's first top-level meeting were: cooperation, clandestine immigration and security. Finally, mention should be made of the Spanish-Moroccan high-level meeting in Marrakech, which marked the resumption of normality in a relationship that had been unnecessarily thrown off the rails by Rabat. The meeting ended with a very important financial agreement, the commitment of greater mutual cooperation and greater Moroccan involvement in controlling illegal immigration.

As for Europe's contribution to normalisation in Iraq, the US government's announcement that the countries which did not take part in the military effort would be excluded from the reconstruction contracts met with

an irate reaction from Paris and Berlin, despite being coherent with Paris and Berlin's refusal to contribute funds for this purpose.

On a positive final note, Washington unexpectedly lifted the customs tariffs on steel. This decision, which put an end to a "trade war" that had begun with the Union imposing sanctions, marked an important step towards greater understanding between the two sides of the ocean.

RUSSIA

By Félix Sanz Roldán

The year ended with an event of indisputable political value: the parliamentary elections of 7 December, which were won by the United Russia Party led by the current president, Putin. This result hardly came as a surprise. During the run-up to the elections it appeared practically certain this would be the outcome and opinions had been voiced about the lack of democratic credibility of the manner in which the whole election process was being conducted, including the campaign. The arrest of the chairman of the oil company Yucos, who had criticised the government, had sparked comments about the lack of democracy in Russia, and these criticisms continue to be levelled today.

The Organisation for Security and Cooperation in Europe (OSCE) condemned the whole electoral process and even described these elections as "a step backwards" on the road to democracy, claiming that the Putin's government had used control of the media and other resources to dominate the election. The organisation even questioned the issuing and counting of votes. Perhaps the OSCE is being alarmist but it is not the only organisation that has denounced the lack of democracy. The international press has also shown some concern about what it considers a notable shortcoming.

The fact is that Putin—and his ally, Zhironovsky's Liberal Democratic Party—have taken practically two-thirds of the seats in both parliamentary chambers while the percentage held by the Communists has dropped to a mere 12.7. But what is worrying is not so much the power Putin has secured but what he will do with it, now that he enjoys a position of strength. Everything seems to indicate that he may approach security matters from a position of strength. The doubts that arose at Colorado Springs

as to whether Putin's declarations about a new Russian nuclear strategy would be put into practice have been dispelled, as the decision to activate a new Strategic Missile Regiment and deploy new nuclear missiles appears to have been made. Russia is asserting its status of nuclear power, while the outlook for its conventional forces remains unchanged.

Putin will also be better placed to continue with his programme of economic reforms towards a real market economy in which all economic capabilities are grouped under a single system under the direction of the state. This should also attract international investors.

There is little to say about relations with NATO and EU. Although the NATO-Russia Council held at defence minister level in early December failed to achieve any apparent practical results, the impression was that it will continue to be a lasting forum for consultation and exchange of information. The EU was engrossed in sorting out its Constitutional Treaty at the end of 2003 and nothing notable occurred in relation to Russia.

The Chechen issue has become more international to an extent. The suicide attack in Kabul on 28 December appears to have been carried out by Chechen rebels, who also took part in the attempt to assassinate President Musharraf. These events establish a direct link between Chechen rebels and fundamentalist Islamic terrorist groups and could also lead to a close relationship with al-Qaeda. At home, the conflict gave rise to fresh attacks and after the election result President Putin expressed his decision to crack down on terrorism and maintain Russia's territorial integrity at any cost.

The new pattern of Russian-US relations that is taking shape is worthy of mention. At the beginning of December the United States informed Russia of its intention to establish a permanent military presence in some of the former Soviet republics or former Warsaw Pact countries. The idea of bringing US forces closer to geographical areas where they are more likely to be employed and the end of the Cold-War deployment underpin this decision. But it is hard to convince Russia that this redeployment is not to its disadvantage; indeed, it has already expressed its concern about these intentions—a concern which has grown since America took sides over Georgia and Moldova.

Mention should also be made of Russia's economic outlook, which continues to be positive and may benefit from the design of a parliament that facilitates the government's action.

A month is not long, but events have occurred which will influence Russia's future and which we are bound to examine in greater detail in next year's *Strategic Panorama*.

THE MEDITERRANEAN

By Carlos Echeverría Jesús

The end of 2003 witnessed a number of significant events in the Mediterranean region.

First and foremost the 6th meeting of Barcelona Process foreign ministers (Naples, 2-3 December) established the Foundation for Dialogue between Cultures and Civilisations and the Euro-Mediterranean Parliamentary Assembly—two instruments which will give fresh impetus to regional cooperation in the immediate future together with the financial instrument that is already up and running. The signing at Naples of the Israeli-Palestinian energy agreement which was outlined at Crete in May says a lot about the usefulness of the Barcelona Process, particularly bearing in mind the situation in the Middle East.

As for the Road Map, 2003 closed on a pessimistic note as the mediation efforts of Egypt, which had been attempting to persuade the Palestinian terrorist groups and Israel to agree to a fresh truce since November, ended in failure, as borne out by the bloody suicide attack in Tel Aviv—for which the PFLP claimed responsibility—and the almost simultaneous Israeli crackdown on Islamic Jihad leaders in the Gaza strip, both on 25 December. The continued construction of the wall—or fence—to separate the West Bank from Israel, the sanctions imposed by the US government on Syria on 13 December and the launch of the peace plan laid down by the Geneva Accords on 1 December—Colin Powell received its promoters on 5 December—will give us food for thought in the coming months.

Continuing with multilateral environments, mention should be made of the diplomatic dynamism witnessed in the Western Mediterranean and the Maghreb in December. In addition to the meeting of heads of state and government of the 5+5 group (Tunis, 5-6 December), which is more important in itself than for its immediate results, a notable event was the meeting of foreign ministers of the five member states of the UMA in Algiers on

21 December, which, regrettably, did not turn out to be a preamble to the summit of Maghreb heads of state, as planned. As occurred at the 5+5 summit in Tunis, the Western Sahara issue once again proved to be the main source of discord between the two states which hold the greatest weight in the Maghreb.

As for specific events, we will mention the following: Turkey, Cyprus, Libya and the Spanish-Moroccan axis.

The November suicide attacks in Turkey prompted the Turkish security services to launch a wide-ranging offensive against members of the transnational al-Qaeda organisation operating in the country, leading to several arrests in December. Unfortunately, the attacks eclipsed the news of the PKK's announcement around the same time of its decision to relinquish violence and its intention to fight for its goals in the political arena. Although this news was greeted with caution and even disbelief by the Ankara authorities, such a decision, if put into practice, could facilitate the normalisation and reforms that Turkey is carrying out to speed up its accession to the EU.

Legislative elections were held in Cyprus's Turkish zone on 14 December and expectations grew of progress in implementing the normalisation plan for the two communities drawn up by Kofi Annan in 2002 as the defeat of the veteran Turkish Cypriot leader Rauf Denktash seemed to be on the cards. In the end the technical draw between Denktash's followers and the supporters of a rapprochement with the Republic of Cyprus make it unlikely that the whole of the island will join the EU on 1 May 2004.

On 19 December Libya surprised the world by announcing it was willing to give up its programmes of weapons of mass destruction in coordination with international organisations and traditional adversaries such as the USA and United Kingdom. The latter had played a key role in this by conducting secret negotiations and mediating between Washington and Tripoli. In a vertiginous process which has witnessed reactions ranging from complimentary declarations by George W. Bush and Tony Blair to surprise in the Arab world—which hastily demanded Israel take similar measures of transparency in its own nuclear programmes in response to the pragmatism shown by Iran and Libya—the year ended with the visit of a delegation of the International Atomic Energy Agency (IAEA) to Libya on 28 December, headed by the agency's director general, Mohammed El Baradei.

Finally, mention should be made of the holding of the many times postponed Spanish-Moroccan high level meeting (Marrakech, 8-9 December), which was particularly rich in overtures and declarations but also in concrete commitments. In addition to the scheduled financial cooperation issues, the summit provided a chance to conduct a deeper analysis of illegal immigration, no doubt the most delicate topic on the current bilateral agenda. Apart from finalising a concrete plan for repatriating Moroccan minors in Spain—which was signed in Madrid on 23 December—at Marrakech the leaders laid the foundations for bilateral cooperation in combating irregular immigration by creating new bodies such as joint patrols, joint teams for investigating mafias and liaison officers.

IBERO-AMERICA

By Manuel Lorenzo García-Ormaechea

The last days of 2003 brought encouraging news for Ibero-America.

On the one hand, the annual report of the ECLAC (Economic Commission for Latin America and the Caribbean) on the region is moderately optimistic, as it regards 2003 as a turning point in the Latin American economy and predicts—if the more favourable forecasts for the world economy are confirmed—growth in most countries in the region for 2004, which is due to increase in the following years.

On the other hand the MERCOSUR Summit—held in Montevideo in mid-December—made encouraging progress towards regional integration as it allowed Peru to join as an associate state (like Chile and Bolivia), established a compensation fund to make up for the asymmetries of the Uruguayan and Paraguayan economies and, in particular, signed an economic agreement with the CAN countries to deepen integration and complementation between both blocs. Furthermore, Brazil and Argentina are doing their utmost to pave the way for a South American free trade area and, in bilateral relations, to increase the rapport and cooperation between their governments. An example of this willingness to cooperate is the decision to vote jointly on the UN Security Council, where the countries will hold a seat as non-permanent members in the coming years.

A further piece of good news is that the United States and four Central American countries (Costa Rica pulled out at the last minute) managed to

sign the CAFTA (Central America Free Trade Agreement) on the progressive elimination of tariff barriers between the signatories (USA, Guatemala, Nicaragua, El Salvador and Honduras).

ASIA

By Fernando Delage Carretero

The most salient events of December 2003 as regards the Asian strategic landscape were as follows:

North Korea

The second round of multilateral talks that was expected to take place in mid-December was postponed until January or February 2004. The reason for the delay is failure to agree on the terms of the declaration to be announced after that second meeting. The United States, South Korea and Japan established their position, with which China disagrees on some points, at a preparatory meeting in Washington from 4-6 December.

South Korea

On 17 December Seoul confirmed that it would send 3,000 soldiers to Iraq—mostly to Kirkuk—in March or April 2004, thus becoming the third biggest contributor to the coalition forces. The troops, who will participate in reconstruction tasks, will join the 675 South Korean military doctors and engineers already posted to Iraq.

Japan

On 16 December the Japanese government announced it was sending forces—a maximum of 600 soldiers—to Iraq, though no date was given. It was expected to deploy a small air force contingent immediately, following by the ground forces in mid-January 2004. Three days later Tokyo made public its decision to develop a missile defence system in conjunction with the United States, on which it will spend some $1 billion in 2004. The first stage—which involves improving the Patriot missiles already

placed in 30 locations in the archipelago, adapting the missiles with which the Aegis destroyers are equipped and bolstering the command and control centre—is due to be completed in 2007.

Taiwan

President Chen Shui-bian's proposal to call a referendum in March 2004—alongside the presidential elections—on whether China should withdraw the missiles pointed at Taiwan and renounce the use of force sparked a fresh escalation of tension. Perhaps the chief novelty on this occasion was America's reaction. In a joint press conference with the Chinese prime minister, Wen Jiabao, who was visiting Washington at the time, President Bush stated on 9 December: "We oppose any unilateral decision, by either China or Taiwan, to change the status quo. And the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally that change the status quo. And we oppose that".

The Indian subcontinent

On 3 December the governing Bharatiya Janata Party (BJP) secured a resounding electoral victory in three of the biggest states of the Union (Madhya Pradesh, Rajastan and Chhattisgarh). These results could lead to early general elections, which must be called before November 2004 anyway. Many analysts believe that these state elections could mark the beginning of a new stage in Indian politics, as the election campaigns centred on issues relating to development and governance. For once the BJP did not use religion and Hindu nationalism as its arguments.

As for Kashmir, on 18 December Pakistan's President Pervez Musharraf made a surprise announcement that he was ready to put aside Islamabad's 50-year demand for a referendum on the disputed territory. Delhi welcomed the proposal and India's prime minister announced that the talks could be resumed at a regional security summit in January.

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