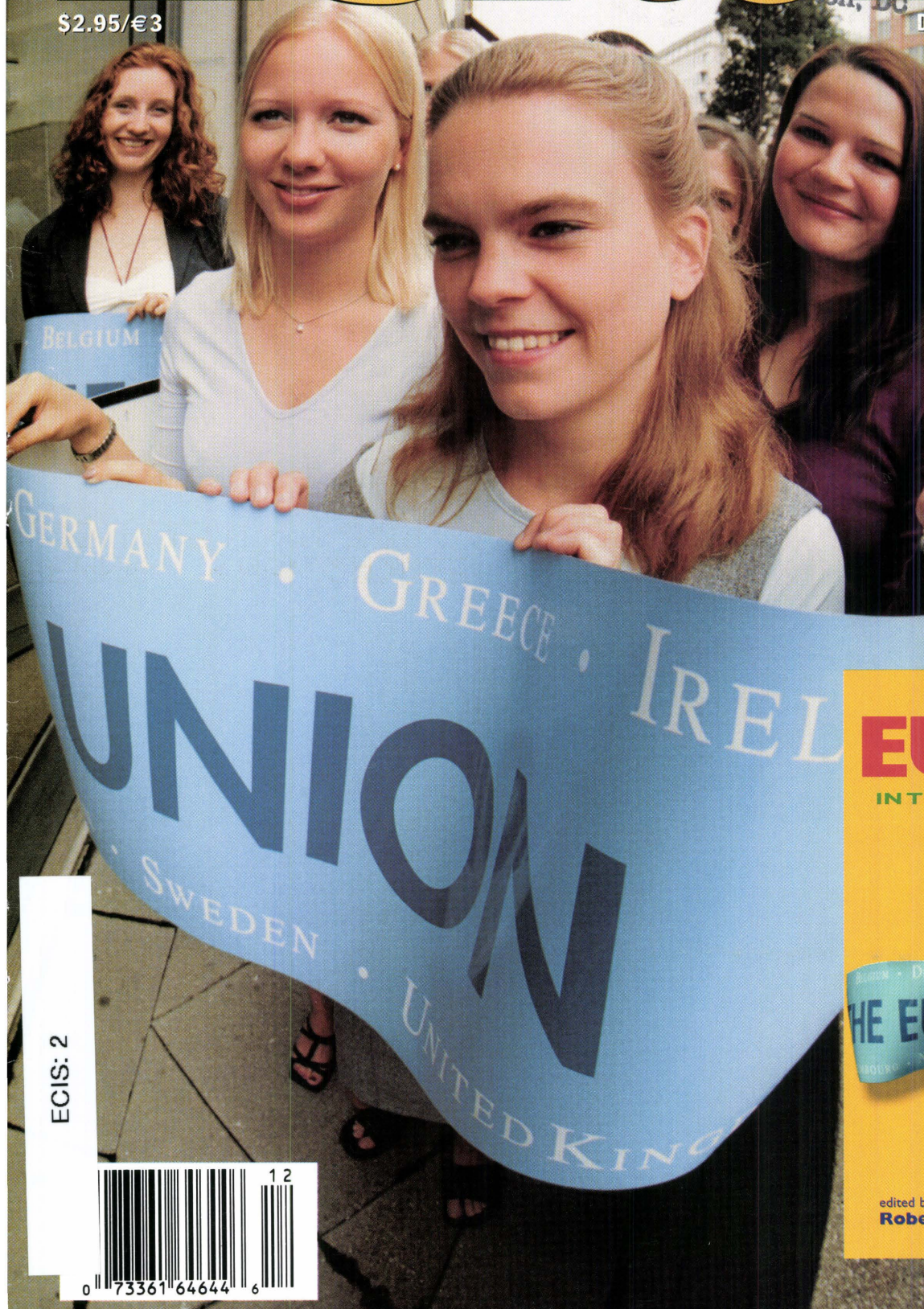


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EUROPE IN THE NEW CENTURY

Visions of an Emerging Superpower



edited by **Robert J. Guttman**

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EUROPE

MAGAZINE OF THE EUROPEAN UNION



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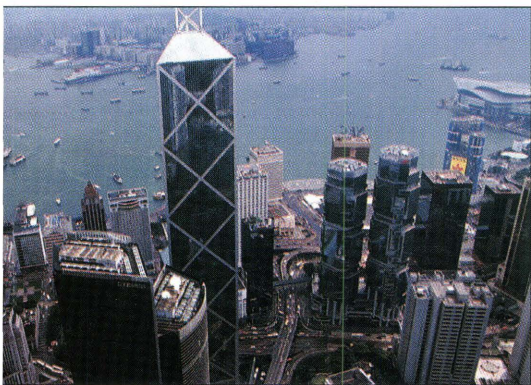
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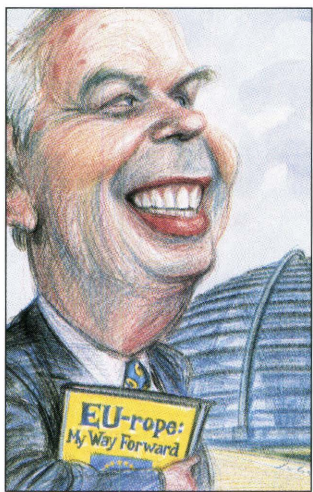
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LETTER FROM THE EDITOR

With this issue, we are excited to present excerpts from our new book published in January 2001 entitled *Europe in the New Century: Visions of an Emerging Superpower*. This is the first book ever published by *EUROPE* in our nearly fifty years of existence.

What makes our new book different from many other current volumes on Europe is that we focus on the future. We look at what Europe and the European Union might look like in the first twenty years of the new century.

Leading journalists in Europe, most of whom write for *EUROPE*, contribute chapters highlighting a range of foreign policy and business issues. We also interview the key government and business decision-makers across Europe and present their views and opinions on the new century. The prime minister of Luxembourg, Jean-Claude Juncker; the foreign minister of the United Kingdom, Robin Cook; the employment minister of France, Elisabeth Guigou; the managing director of Goldman Sachs International, Peter Sutherland; the head of the Milan Stock Exchange, Massimo Capuano; along with other business and government leaders speak out on what they see happening during the new century in a more integrated and entrepreneurial Europe.

The heart of the book consists of the visions of fifteen young Europeans—one from each of the fifteen EU countries—expressing their thoughts on how the new Europe will look and what it means to be a European at the beginning of the twenty-first century. Lionel Barber, news editor of the *Financial Times* in London, creates an amusing but quite probable scenario of what Europe will look like in 2020. As the editor of the book, I present an introduction explaining how the term “superpower” will have a new and different meaning in the twenty-first century.

This month our Point/Counterpoint series focuses on globalization. We look at what this widely used term actually means today and then present a pro and a con look from Europe. John Andrews, writing from Paris, explains why some Europeans are speaking out against globalization, including an unlikely French goat farmer,

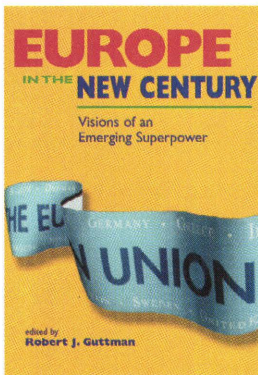
Jose Bové, who has written a new bestseller, *The World Is Not for Sale*. On the other side, Lionel Barber presents the case for globalization, noting that “the backlash against globalization is not always rational.”

Sweden takes over the European Union presidency from January 1 to June 30, 2001 and Ariane Sains, reporting from Stockholm, presents Sweden’s agenda “which will be dominated by enlargement.” The Northern Dimension, the EU’s initiative to engage Russia in issues of common concern in the Baltic region, and the environment will also be emphasized during their busy presidency.

Sains also analyzes Sweden’s embrace of the Internet culture. She writes that “per capita, Sweden boasts one of the world’s highest Internet user rates” and details how the new technology is changing the way Swedes live, from on-line banking to mailing letters to shopping. She profiles some successful and some not so successful high-tech venture capitalists in Sweden.

The staff of *EUROPE* wishes all our readers a Happy New Year. We look forward to hearing from you next year.

Robert J. Guttman
Editor-in-Chief



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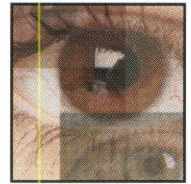
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EYE ON THE EU

Profiling personalities
and developments
within the European
Union



A BUSY FIRST YEAR FOR MR. CFSP

It is now a year since Javier Solana took over as 'Mr. CFSP', the EU's high representative for its common foreign and security policy. On a number of recent occasions, notably at a seminar in Stockholm on October 27, he has reflected on his experience after his first twelve months in office.

That it has been a grueling stint, there can be no doubt. "At the risk of sounding simplistic," he told his Stockholm audience, "I can quantify my own contribution in figures. Over the last twelve months I have traveled to forty countries—not including the Balkans, which I have visited practically every month—clocking up more than 450,000 kilometers (274,500 miles) in the air. I have taken part in seventeen summit and political dialogue meetings, as well as over twenty other meetings at head of government and ministerial level. One of my priorities is to maintain a substantive dialogue with a wide range of third countries. Equally, I put a considerable amount of effort into ensuring that the European Union is sufficiently present and active in international organizations, particularly the United Nations and the OSCE. By way of example, I was invited to address the UN Security Council on behalf of the European Union to outline our joint position on the situation in the Balkans. It was the first time that the European Union

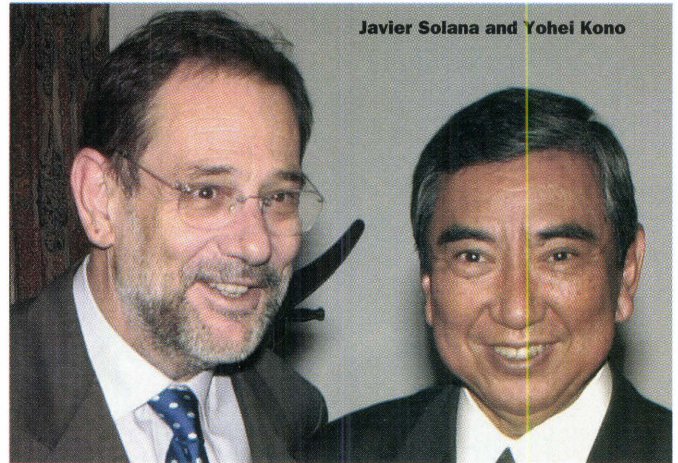
had been able to express itself with one voice before this important body."

In the same week as the Stockholm seminar, Solana had been in Beijing for the annual EU-China summit and in Tokyo for important talks with Foreign Minister Yohei Kono, designed to launch a new decade of relations, widening cooperation from the largely economic to include an enhanced political dialogue.

Solana would be the first to admit that traveling is not an end in itself. Yet he will, he says, continue to accumulate air miles so long as he believes he can contribute to promoting the interests of the EU throughout the world. "We should be present," he says, "and actively involved whenever and wherever issues of international order and security are on the agenda."

Despite all this traveling, Solana has also found the time to effect important structural changes in the Council of Ministers' secretariat, of which he is also secretary-general, so as to be able to better manage the CFSP. In particular, a policy unit has been created, staffed by some twenty diplomats, mostly seconded from the member states, which is able to provide assessments of foreign and security policy issues and put forward recommendations on policy options.

Benefiting from his previous experience as secretary-general of NATO, Solana has also been able to move very quickly in setting up the core of an EU military staff that will be responsible for plan-



ning and directing future peacekeeping and peacemaking operations. This followed the decision by the Helsinki summit, one year ago, that the EU would develop a rapid reaction force of 60,000 troops, which would be ready for deployment by 2003, and the parallel decision taken last March to be ready to deploy 5,000 civilian police by the same date. Solana and his colleagues have also worked hard to establish appropriate liaison structures with NATO.

During the past year the main regional focus of the CFSP has been the Balkans, where—in addition to playing a major role in helping, and paying for, reconstruction in both Bosnia and Kosovo, the EU was active in providing practical support for the democratic opposition in Yugoslavia. It was quick off the mark, too, in lifting sanctions within a day or two of President Vojislav Kostunica's assumption of power, and less than ten days later he was welcomed to the EU summit in Biarritz. Solana himself then attended a meeting in Skopje, with all the leaders of

the region, including Kostunica, to discuss further areas for regional cooperation in which the EU could offer its support.

The EU, which has long been a major provider of financial aid to the Middle East region, is now also emerging as a more active participant in the peace process. Together with Kofi Annan, Solana attended the Sharm el Sheikh summit, and with the coming departure of President Clinton from the scene, it is almost inevitable that—as the Arab states have demanded—the EU should be more directly involved as a mediator. If this happens, it will be Solana who will bear the principal burden.

Not all the top appointments made by the EU in the past have turned out to be unqualified successes. However, there is rare agreement that Solana is the right man in the right job at the right time. It is very much to be hoped that he will not wear himself out prematurely by the enormous demands that his mission imposes on him.

—Dick Leonard

EURO NOTES

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



BANKER RAISES ENLARGEMENT QUESTIONS

Europe's leaders are under mounting pressure to spell out how they intend to enlarge membership of the EU to the reform democracies of Central and Eastern Europe.

The entry of poorer, farm-intensive economies with large pools of cheap labor is unsettling politicians from Barcelona to Berlin who fear waves of immigration and a corresponding backlash in public opinion.

Now, European central bankers have given a fresh twist to the enlargement debate. They are raising questions over whether Central and Eastern European candidate countries should face new tests if they apply to join the single currency after becoming members of the EU.

Ernst Welteke, president of the Bundesbank, told a recent conference in Berlin organized by the *Financial Times* and the Herbert Quandt Foundation that applicant countries such as Poland had registered strong growth but were running inflation rates much higher than the average in the euro zone.

He questioned whether these countries would be able to tame inflation in a sustainable fashion. In this case, it may not be appropriate to operate a single "one-size-fits-all" monetary policy in an enlarged euro zone—not least because the twelve new members (ten Central Europeans as well as Cyprus and Malta) would only contribute around 7 percent of the future gross

national product of an enlarged EU and just more than 25 percent of the population.

Behind these remarks lie lingering doubts about the wisdom of including as founding EMU members the "Club Med" countries such as Italy, Portugal, and Spain, all of whom have had traditionally higher inflation rates than the "hard core" low-inflation countries built around France, Germany, and the Benelux countries.

This is déjà vu all over again. In the run-up to the launch of the euro, German politicians and central bankers raised awkward questions about taking in Italy with its high debt and traditionally high inflation.

More recently, policymakers in Frankfurt have watched Ireland run a high-growth economy with a higher-than-average inflation rate inside the euro zone. One senior central banker says that the Irish authorities ought to have tightened fiscal policy to slow down the economy but have failed to do so because it would be politically unpopular.

The central banker nightmare is that Europe's politicians will press ahead with EU membership for the new applicants, who will then pursue the same "Irish option" at the expense of low inflation euro-zone members, who will then have to tolerate higher than necessary interest rates.

This is why Welteke raised the controversial notion of new tests for candidates joining EMU. He claims countries such as Estonia, Hungary, and Poland will probably fulfill the Maastricht criteria for joining EMU without too much difficulty. (These criteria cover

budget deficits, debt, exchange rate stability, and an inflation rate no more than 1.5 percent higher than the average of the three best-performing EMU members.)

In reality, it will be hugely difficult to impose new tests for the applicant countries regarding EMU membership. There are already considerable tensions over suggestions that new members such as Hungary and Poland cannot expect to receive the full benefits of the Common Agricultural Policy and EU regional aid because it would be too costly.

On the other hand, Welteke's comments are likely to concentrate leaders' minds on the practical difficulties involved in extending to the former communist countries the same privileges that the current fifteen members enjoy as members of the EU club. It is hardly conceivable that the European Central Bank's governing council, which includes the national central bank governors of all EU member states, can simply expand its membership. Without some streamlining, along the lines of the planned reduction of the twenty European commissioners, the council risks becoming completely unwieldy.

It also seems clear that those countries with large populations and significant GDP per capita such as France and Germany must have a guaranteed leadership role in the euro zone, rather than operating on a one-man,

one-vote principle. In this sense, the reforms agreed at the Nice summit offer a perspective, even if they will need to be taken further at another EU constitutional conference in, say, 2004.

On the other hand, the applicant countries can argue with some justification that the Germans are exaggerating the difficulties of operating a sin-

In reality, it will be hugely difficult to impose new tests for the applicant countries regarding EMU membership.

gle monetary policy in an enlarged Union. As Spanish and Portuguese economists have argued for the past five years: How were the Iberian economies expected to converge with the Franco-German core without high growth, even if the price is higher-than-average inflation?

This goes to the heart of the old question of whether a monetary union can function without some form of political union. Once the hot topic during the

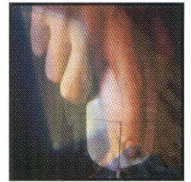
Maastricht Treaty negotiations in 1991, the issue has receded as politicians have taken fright of talk of a federal super state. Instead, they have focused on the need for efficient macro-economic management.

Welteke has faced criticism for prematurely raising the EMU membership issue, not least because the toughest bargaining over the terms of EU membership has yet to take place. But in three to four years, many may well remember that he was asking the right questions about EMU enlargement sooner rather than later.

—Lionel Barber

e-EUROPE

Tracking the news
and trends shaping
Europe's technology
sector



MOBILE PHONES VERSUS HANDHELD COMPUTERS

First, it was that irritating guy in front of you at the grocery store blabbering into his mobile phone; now he's likely to be sending an e-mail on a handheld computer. In 2001, the gotta-have gadget is the handheld computer, also known as a personal digital assistant or PDA, which combines the functions of a calendar, address book, notepad, computer games, and—in newer models—Internet access. And it all comes in a package about the size of a Hershey bar.

Sure business-types have been using them for a few years—corralling their schedules, calendars, and contacts into one neat electronic package, but now, handhelds are much more than glorified filofaxes. The latest versions offer features ranging from music players and cameras to computer games and access to the Web. And the wave is catching on with the masses. It is already common to see grocery store patrons whip them out to consult electronic shopping lists, students use them to chart class schedules, and subway riders read e-books on them. My wife informs me that the trend has even permeated her women's poker club. When it comes time to pick a date for their next gathering, the members reach for their PDAs like gunslingers going for their .45s.

In these Wild West days of the Internet, the new frontier appears to be mobile computing. Dataquest, a research

firm that tracks the high-tech sector, forecasts demand for handheld computers will grow from 8.2 million units in 1998 to four times that number by 2003, representing a \$7.2 billion market.

"The Internet is driving interest in mobile data," says Eric Cariou, a consultant at the London-based ARC Group, "but the wireless communications industry will drive the Internet's expansion into new markets."

The common goal, therefore, appears to be a mobile device that works like both a phone and a computer. The race for these "smart phones" appears set to become a

transatlantic competition, pitting the European-led mobile phone industry versus the US-dominated personal computer industry. European firms currently dominate the mobile phone sector, with four handset makers—

Nokia, Ericsson, Alcatel, and Siemens—accounting for 48.8 percent of a world market expected to top 1 billion users in 2002. Conversely, US businesses rule nearly every segment of the PC sector, with companies like software maker Microsoft, hardware builders Compaq, IBM, and Hewlett Packard, and PDA makers Palm and Handspring.

Both Nokia and Ericsson have already produced mobile phone/computer combos. Ericsson has begun selling its R380 world phone (which includes an organizer and e-mail/Web access) in Europe and will introduce it to the US this month. Nokia plans an



Sagem's
smart phone

early 2001 release for the second generation of its Communicator series, which includes a color display and supports modified versions of Microsoft Word, Excel, and PowerPoint.

Handspring, a two-year-old California company that makes PDAs based on the Palm operating system, introduced its new Visor model, which, along with the standard handheld computer functions, allows users to buy extra components that plug into the device. These components transform the PDA into a mobile phone, a digital camera, or a digital music player.

Motorola plans to introduce a new smart phone that will allow users to download programs, such as games and address books. It is not nearly as flashy as its rivals' models, but at less than \$200, it is by far the cheapest.

Other firms are opting for strategic partnerships. Microsoft and French mobile phone maker Sagem have joined forces to produce the PocketPC/cell phone, which offers voice calls as well as e-mail and Web access along with address book and calendar features. It's expected to go on sale in parts of Europe and Asia before the end of 2000.

The stakes are significant as 72 percent of EU con-

sumers are expected to be using mobile data services within the next three years—more than tripling the current figure. The US, however, is expected to lag behind with only 44 percent of American consumers using mobile data in three years.

Meanwhile, the Japanese are proving the axiom that a smart phone is only as good as the network on which it runs. Telecom giant NTT/DoCoMo launched its i-mode service less than two years ago and already has 17 million users and 20,000 contributing content sites offering i-mode users a variety of sophisticated services and content, such as e-commerce and cartoons. One-fourth of these sites have revenue-sharing deals with DoCoMo, and the company reportedly made \$3.6 billion during the six months preceding October.

The Japanese are expected to make another giant leap forward when they roll out a so-called 'third-generation' network next spring, well ahead of both the US and Europe. Some expect such 3G networks to lead eventually to consumers being able to watch television on their phones. Imagine how annoying that will be in the line at grocery store.

—Peter Gwin

GLOBAL WIRELESS INTERNET GROWTH

TOP SERVICES BY DEMAND	2000	2001	2002	2003
	USERS IN MILLIONS			
Messaging	100	230	399	611
E-commerce/Retail	12	36	107	195
Financial Services	50	123	225	357
Internet Browsing	4	20	85	183
Entertainment games/ music/video	61	143	246	372
Navigation	47	146	239	345

Source: ARC Group

Sweden Takes the EU Helm

Presidency to be dominated by enlargement

By Ariane Sains

When Sweden takes over the European Union presidency January 1, 2001, it will do so with an ambitious program that will be tough to accomplish in just six months. Moreover, what's not on the agenda, points out Foreign Minister Anna Lindh, may be as important as what is. "Politically, we feel very well prepared, but then, you never know what's going to happen," Lindh says.

One of the big unknowns is what will happen in Yugoslavia following President Vojislav Kostunica's election in October. There may also be other security issues in the Balkans, and even what happens in the Middle East could touch on Sweden's presidency.

Sweden's set agenda will be dominated by EU enlargement. Twelve countries are in line to begin negotiations in earnest this spring to become union members, with extensive review needed to determine where each stands when it comes to meeting EU criteria for membership. Expanding the EU means taking in about 100 million more people, who will need to become part of the union's labor market and be able to move freely among EU countries.

Enlargement raises not only employment issues but also those related to security. Swedish Defense Minister Björn von Sydow believes that the EU should look more closely at how cooperation can be strengthened between the Union and NATO and what role exists for non-military peacekeeping forces. "The experiences from Kosovo and

even Bosnia show the need for a civil component," he says.

He wants Sweden to help define the role of the military in Europe for civil preparedness. "The Portuguese and the French presidencies haven't made it such a high priority," von Sydow says.

The Swedes will also emphasize the environment. That's a significant issue both for current EU member states as well as the candidate countries.

Trade Minister Leif Pagrotsky, who also has the countries rimming the Baltic Sea in his portfolio, says that while countries such as Poland have made great strides in cleaning up the environment, much is left to be done. "Compared to the situation they had under communism, they're on a path to improvement," he says of Poland. "They are moving, but some of us would like to see that progress going faster."

Whether candidate countries meet EU environmental standards is an essential question for union membership. "It has been and will be a point of discussion about whether they should come in before they've come up to our standards," Pagrotsky says.

Another issue is human rights in candidate countries. Pagrotsky answers with a blunt "no," when asked if the EU hopefuls have done enough in that area.

Russia is also a question. When the Baltic country of Lithuania joins the EU, sometime in the next few years, the EU will be in the curious situation of having

the Kaliningrad section of Russia as an enclave surrounded by the EU. Goods transported from other parts of Russia to Kaliningrad will have to go through the EU, creating the need for more efficient border crossings.

Beyond Kaliningrad, Sweden will try



Swedish Foreign Minister Anna Lindh with her Russian counterpart, Igor Ivanov

to continue the work of the Northern Dimension begun during Finland's EU presidency. The aim is for the EU, led in this case by the Nordic countries including non-EU member Norway, to work with northwestern Russia on improving the environment, health, and trade.

The EU has approved an agenda for the Northern Dimension and Swedish officials will report on progress in implementing it during the meeting of the European Council in the western coastal city of Göteborg in June, where Sweden will sum up its presidency.

Pagrotsky would also like to see the union become more consumer friendly. "Producers are often judged to be more important than consumers," he says. As

Danish 'No' Echoes Through Sweden

When Danes voted decisively in September not to join the European Monetary Union, a collective groan could be heard from the Swedish government just across the water.

The ruling Swedish Social Democrats had been hoping for a Danish 'yes' to help soften opposition to the common currency in Sweden. Instead, a poll taken about a month after the Danish vote puts 43 percent of Swedes against the EMU, and for the first time, the number in favor dropped below 30 percent. A year ago, the two sides were roughly even at 37 percent each.

Swedish politicians began doing damage control even before all the votes were counted in Denmark and are trying to play down the Danish effect. They're also trying to put the best face on the growing Swedish opposition.

"It's not a bad starting point if you want a 'yes' vote, if you compare it to Britain, where 70 percent are opposed," says Prime Minister Göran Persson of the Swedish numbers.

But even the government is not united on the EMU. Trade Minister Leif Pagrotsky has expressed doubts about whether

switching to the euro is to Sweden's advantage. He maintains that joining the EMU might mean higher interest rates for Sweden. Still, Pagrotsky thinks it would have been better for Sweden had the Danes voted 'yes'.

The Left Party, which opposes not only the EMU but Sweden's EU membership as well, plans to start an anti-EMU campaign in 2001. The timing isn't coincidental; Sweden takes over the EU presidency in January, and such a campaign is bound to cause the govern-

ment more than a little embarrassment. Left leader Gudrun Schyman says that the Danish 'no' has been a boost for the anti-euro campaigners in Sweden. As in Denmark, she says Swedes' resistance to a common currency is tied to increasing concern about how much control the people and national politicians are losing to Brussels on decisions about social welfare, taxes, and spending.

may begin to change when the new currency is actually introduced. "Then our exclusion will be visible," he says, "as it was when we were forced to stand in the line for non-EU citizens when we traveled in Europe." (Sweden joined the EU in January 1995.) The Swedish government has said there will be a referendum on the EMU but is vague about when. And the result of the Danish vote has only made the ministers less eager to set a date. On top of that, national elections are scheduled



for fall 2002, and only the parties opposed to the euro want it to be a campaign issue.

Annika Ahnberg, a former agriculture minister, is likely to be leading the pro-EMU campaign. She claims European cooperation will be strengthened if Sweden joins the EMU. "Europe's countries need each other, and a common currency makes cooperation easier," she says. But convincing the Swedes of that—especially after their neighbors' 'no'—may prove difficult.

—Ariane Sains



Swedish Prime Minister Göran Persson

a prime example, Pagrotsky cites European clothing prices, which he says are far too high "to protect the interests of a few producers."

He believes there should be lower duties on goods traded between the United States and the EU and that "it's realistic" to aim for abolishing US-EU duty on cars, steel, and clothes within ten years.

Sweden takes over the presidency at a time when polls show that Swedish opposition is growing to membership in the European Monetary Union. However, government officials deny that being outside the EMU puts Sweden in an awkward position during its presidency.

Instead, the government hopes to use the presidency to create a more positive EU climate in Sweden. EU ministers and other officials will hold seventy-five meetings around the country during Sweden's presidency. Swedish leaders hope that by organizing meetings in towns as far north as Kiruna and as far south as Ystad and not confining them to big cities their countrymen will buy the idea that Sweden's presidency is for everyone, not just the bureaucrats.

One domestically sensitive area of Sweden's presidency is the issue of sponsorship. The idea of sponsorship in the public sector has always been somewhat suspect in Sweden, and in the case of the EU presidency, the government is choosing to call its program 'cooperative agreements with partners' instead of sponsoring.

Although the government needs financial backing to help offset costs associated with holding the EU top spot, as Lindh admits, "We don't have a tradition of government and business working together this way." ☺

Ariane Sains is EUROPE's Stockholm correspondent.

Sweden's

By Ariane Sains

Per capita, it boasts one of the world's highest Internet user rates, but some Swedes are being left behind

Digital Debate

The small shareholder at holding company Investor's annual meeting was angry about her local bank branch being shut, and she wanted an explanation from the top.

"What am I supposed to do," she demanded of Jacob Wallenberg, chairman of bank-insurance company SEB, controlled by Investor, "buy a new computer just so I can do my banking? Or drive 120 kilometers to the office that will be nearest?"

With 60 percent access to computers and the Internet and 70 percent use of mobile phones, Sweden is often portrayed as one of the most wired places on earth. But the technology craze creates the risk that the country will become a society of information technology haves and have-nots.

Increasingly, Swedes without a computer or mobile Internet service can't do their banking, do routine business with government agencies, get information about goods and services, or file their tax returns. The most up-to-date list of funds open for investment under Sweden's new pension system is only available on-line. Union leaders also worry that blue-collar workers who don't have Internet access on the job or at home are being shut out of on-line training programs and can't participate as more communities move toward on-line democracy.

One of the biggest problem areas is banking. To cut costs, institutions such as SEB are closing branch offices, especially in rural areas. As a replacement, they're touting Internet services, which also have higher profit margins than branch office services. But Internet banking isn't an option for everyone, says Leif Karlsson, executive secretary of the Pensionaires' National Organization (PRO).

"We're not against technology. But what we are saying is that there have to be alternatives for people who don't have Internet and older people who will never have Internet," Karlsson says.

Computer use in Sweden drops dramatically with age. Just 23 percent of those between ages fifty-five and sixty-four say they have access to a computer, according to government statistics. That falls to 8 percent for those between sixty-five and seventy-four. And when they do, it is often at a library or other public place, making it difficult to use services that require encrypted software, such as Internet banking or e-shopping.

When the state-owned postal service bill payment system was sold to a group of commercial banks, part of the plan was to close post offices and phase out physical service for the system. At the same time, an agreement for the postal service to act as an agent for Nordbanken's banking services is set to ex-

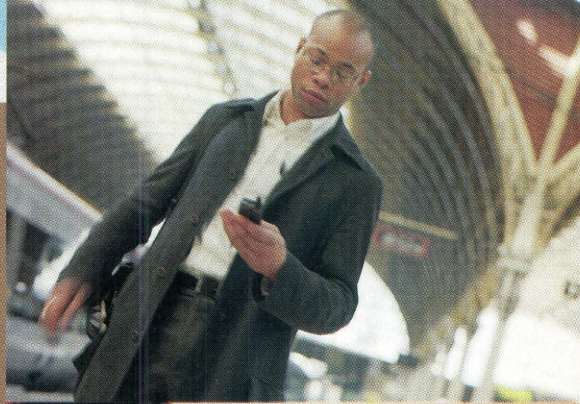
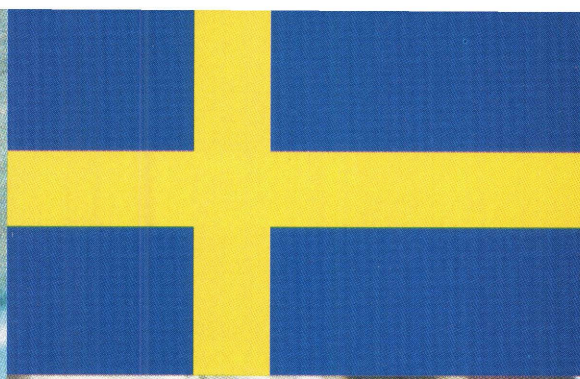
pire in 2001 and won't be renewed, leaving many in rural areas without physical banking service. Neither phaseout sat well with PRO. In a sharply worded letter, the organization's board reminded the government that for many of its members, Internet banking wasn't possible.

PRO's protest got the bankers and the government to promise service will continue. But they haven't said how they will make sure that happens or what it will cost customers.

And bankers such as Föreningssparbanken's CEO Birgitta Johansson-Hedberg freely admit that the IT push is going to shut some people out. "Those who refuse to move with the times will have to compromise on their quality of life," she says.

To try to bridge the IT gap, PRO, armed with a \$120,000 state grant, recently began offering members free courses to learn how to use computers and the Internet.

Sweden's unions are also trying to help combat the problem. In 1997, the Swedish Trade Union Confederation started a program for members to buy computers through the organization and offered low-cost financing to help them do it. Since it started, 57,000 of the confederation's 2 million members have bought computers through the program, which includes training and support. The idea was to make it easier



Jacob Wallenberg's SEB, a bank/insurance company, provides on-line banking and other Internet services. Swedes are getting on the Internet in record-breaking numbers, but some are being left behind in the high-tech age.

and cheaper for workers to get used to the technology and for those with children to give them computers at home for schoolwork.

Confederation officials also worry that without home computers their members will lose out on vocational training programs offered through the Internet and access to important public information affecting them. Unlike office workers, the unionists often don't have computers on the job.

"We saw that there were big differences between white-collar workers and blue-collar workers when it came to computer access," says Roger Svensson, director of the program. "So we wanted to help close that gap."

The government is also trying to help move people into the IT mainstream. Work has begun on a nationwide broadband network to provide "broadband for everyone," as Björn

Rosengren, Sweden's minister for industry, employment, and communications, puts it. The costs, however, for the service will vary dramatically between heavily populated big cities and rural areas. Moreover, just because the broadband network is there won't mean that people can afford computers to use it. Ultimately, in Sweden, being willing to move with the times may not be a question of technical ability but one of cost. ☹

Swedish VCs Familiar with Feast&Famine

Leaves weren't the only things falling in Stockholm this fall. The so-called new economy took a body blow as Internet companies began declaring bankruptcy, and even the venture capitalists behind them looked shaky. In many cases, the financial failures were the result of too-rapid expansion, poor management, and either lack of customers or an inability to provide customer service and deliver goods as promised.

As the market spiraled downward, pundits dubbed the plunge "Dot.com Death." And, while it seemed that it was mostly the Generation Xers running the companies who were hit, a group of old-economy CEOs turned new-economy venture capitalists also saw their investments disappear as quickly as the click of a mouse can delete a URL.

Here are profiles of some of the players:

Sven-Christer Nilsson, fifty-seven years old. After he was fired as Ericsson's chief executive over differ-

ences with the strong-willed chairman of the board, Nilsson turned to venture capitalism. The soft-spoken antithesis of a financial wheeler-dealer, Nilsson founded Startupfactory to invest at the earliest startup stages of Internet companies. One of those investments was a company called Ms. Freckles, which was supposed to earn money by brokering Internet services. The idea didn't fly, however, and the company declared bankruptcy in mid-October, leaving Nilsson's VC company several million dollars poorer.

Jan Carlzon, sixty. The former chief executive of Scandinavian Airline System (SAS), who traveled around the world teaching other companies the SAS customer service method, Carlzon turned his attention to Internet venture capitalism a few years ago with a company called Ledstiernan. While it hasn't backed any spectacular failures, Ledstiernan and Carlzon have acquired a reputation for walking away from

companies they backed when trouble starts. And Ledstiernan has at least been tarnished by Dot.com Death. You could say Carlzon's not flying so high anymore.

Kjell Spangberg, forty-seven. A Stockholm-San Francisco commuter, Spangberg was talking lyrically a half year ago about the coming venture capital boom in Sweden. The head of VC company Emerging Technologies, Spangberg was behind an investment in Boxman, a company selling CDs, videos, and computer games on-line. Founded in 1997, the company seemed more stable than some newer Internet sellers. But after a \$44 million share offering didn't fly, the company declared bankruptcy in October.

Jonas Birgersson, thirty. Despite, or maybe because of, his unwashed-unshaved look and tendency to turn up for board meetings in bicycle shorts and bright orange fleece jackets, Birgersson has become Sweden's foremost Internet guru. His reputation

was growing outside the country too. He founded Framfab, which provides broadband services among other things. His initial public offering in 1999 was highly successful, and he quickly built a \$3 billion company with 1,500 employees. But in late 2000, he decided not to go ahead with an IPO for a subsidiary. And as other Internet companies' troubles grew, the normally publicity hungry Bigersson became quieter and quieter.

Ernst Malmsten and Kajsa Leander,

both thirty. The founders of Bokus, Sweden's on-line answer to Amazon.com, which they profitably sold to start other ventures, the two seemed like a good bet for venture capital backing. But even money from major international investment banks couldn't save their Boo.com e-business com-

pany. Its launch was delayed, its software supplier couldn't deliver, and potential users complained the site was impossible to navigate. In May, the company went bankrupt with an estimated \$250 million in debts and a \$100 million loss for its biggest backers. Nobody knows what Leander plans to do, but Malmsten affects eyeglasses and a wardrobe that could land him a job as a Buddy Holly imitator if the Internet community won't take him back.

—Ariane Sains



(from left clockwise) Patrick Hedlin, Kajsa Leander, and Ernst Malmsten's e-business boo.com went bankrupt after burning through \$250 million.

By Bruce Barnard

Sweden Invades the UK

From Ericsson phones and Volvo cars to Ikea furniture and even the new English national soccer coach, Swedish imports are the rage in the United Kingdom



Sven-Goran Eriksson became the first non-Brit to coach the English national soccer team.

Sven-Goran Eriksson has blown the lid on the stealthy Swedish invasion of the United Kingdom. The Swede's appointment as the first foreign coach of the English soccer team in October triggered an outpouring of nationalism, xenophobia, disgust, and despair in the tabloid press. Would Eriksson, who is being paid around \$3 million a year, sing *God Save the Queen* along with his team before the start of international matches, they asked.

Sentiment will change overnight, however, if Eriksson takes England to the 2002 World Cup tournament in Japan and South Korea—a 0–1 defeat by Germany that led to the resignation of former coach Kevin Keegan followed by a 0–0 draw with lowly Finland have seriously damaged its qualification prospects. But for now there is great unease that England, which invented the game, is the first big soccer power to be led by a foreigner.

Swedes are making a habit of taking over British institutions and rapidly integrating themselves into the mainstream. Another British institution came under assault in the fall after Stockholm-based OM Group, a provider of technology to stock exchanges around the world, launched a \$1.3 billion hostile bid for the venerable London Stock Exchange (LSE).

The LSE saw off the challenge in mid-November, but the takeover battle served to highlight the huge cultural gap between the predator and the prey. The LSE has only recently transformed itself from a clubby partnership of brokerages and banks into a publicly traded company. OM Group got started in 1985, launching a computerized options market to compete with the Stockholm Stock Exchange, which it acquired thirteen years later. While the LSE has struggled to introduce new technology, the OM

Group teamed up with US investment bank Morgan Stanley Dean Witter to launch Jiway, an electronic exchange providing access to more than 6,000 shares.

Swedes have also played a key role in the UK's fledgling Internet-based economy, with scores of entrepreneurs crossing the North Sea to take advantage of a large pool of startup capital and a 56 million-strong consumer market. Boo.com, an online sportswear retailer, co-founded by Ernst Malmstein and Kajsa Leander, became Europe's first major Internet casualty in May. The firm burned through millions of dollars it raised from a raft of heavyweight investors, including Goldman Sachs, French luxury goods magnate Bernard Arnault, and Italy's Benetton fashion empire.

Boxman, a British-based CD e-tailer launched in Sweden in 1997, was also starting to have an impact on the music market before it too ran out of cash.

Another Swedish company that is rapidly becoming part of the British landscape is Ikea, the giant furniture retailer, which recently unveiled plans to build twenty additional stores across the country to cope with the huge British demand for its products. Ikea trades on its national heritage—the blue and yellow of the Swedish flag adorn its stores and Swedish meatballs are a daily dish at its restaurants. It also owns a quintessentially British store, Habitat, whose simple Scandinavian-style fine furniture was a hit with British

newlyweds setting up their households in the 1970s. Hennes & Mauritz, which is opening its first store in the US, is already highly popular with British shoppers, but few know it is a Swedish import.

Britons are surrounded by products and services with a Swedish connection—from the Ericsson mobile phones pressed to their ears to the free newspaper they read on the London Underground that was a copycat of a giveaway subway paper pioneered by a Swedish publisher to the West End musical *Mama Mia*, which is based on the songs of the Swedish super group ABBA.

To be sure the big Swedish multinationals like ABB, Volvo, Scania, Ericsson, Electrolux, and Atlas Copco are big players in the British market, while SAS owns 20 percent of British Midland, the country's second-largest airline. Moreover, the Anglo-Swedish AstraZeneca is acknowledged as one of the most successful mergers in the pharmaceuticals industry. Swedish companies are still trying to buy into Britain. Most recently, Custos AB, an investment group, offered some \$770 million for Christian Salvesen PLC, a logistics and distribution company, but it was rebuffed.

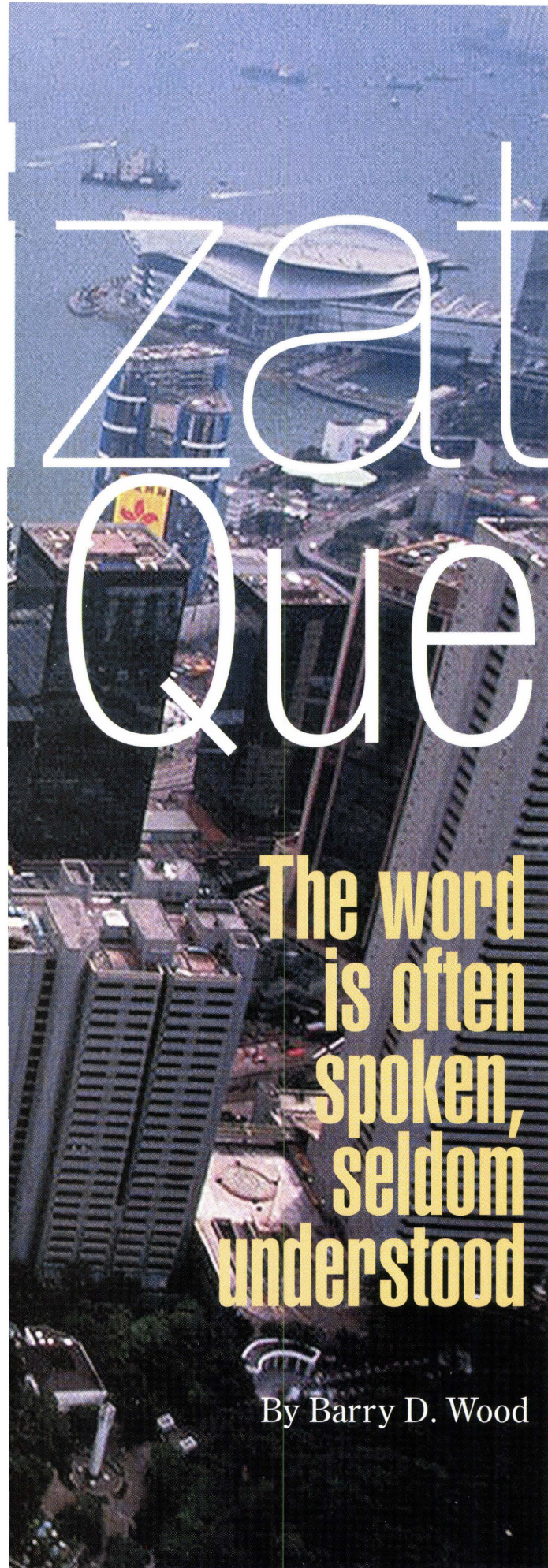
But none of them has done more to put Sweden on the map than Sven-Goran Eriksson...at least for the English. ☺

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

An aerial photograph of the Hong Kong skyline, featuring the Bank of China Tower in the center. The word "Global" is written in large, white, outlined letters across the top of the image. The "G" is partially cut off on the left. The "o" in "Global" is positioned over the Bank of China Tower. The "l" is a simple vertical line. The "o" is a simple circle. The "s" is a simple curve. The "a" is a simple shape. The background shows the city's dense buildings, roads, and the harbor with boats.

The

As a bustling port and a major banking center, Hong Kong is one of the gateway cities for global business.



Question

The word is often spoken, seldom understood

By Barry D. Wood

A few weeks after protestors wrecked the World Trade Organization meeting in Seattle a year ago, the head of the WTO, Mike Moore, put a tired hand to his expansive forehead and whispered that he wished he had never heard the word “globalization.” The New Zealander’s frustration was understandable given his thankless task of having to defend free trade and free capital from a ferocious, well-orchestrated assault on the streets of Seattle.

Attacked equally from the left by Ralph Nader and from the right by Pat Buchanan, globalization is alleged to have stripped Americans of jobs and sovereignty. While Ross Perot didn’t use the term in his 1992 presidential campaign, globalization in the guise of NAFTA was clearly the source of Perot’s “giant sucking sound” of US jobs headed south to Mexico. Ironically, the far left in what used to be the “third world” identifies globalization as a practice that enriches Americans, West Europeans, and Japanese at the expense of poor countries. Or, as a French leftist observes, global-

ization is made in America, “the fad of the nineties.”

As the accompanying articles defending and criticizing globalization make clear, the concept is fiercely controversial and triggers strong emotions. But what exactly are we talking about? What is globalization?

Reduced to simplest form, as the *Economist* magazine does so well, globalization is “international economic integration.” Or as journalist Tom Friedman writes in *The Lexus and the Olive Tree*, “it is the inexorable integration of markets, nation-states, and technologies to a degree never witnessed before—in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper, and cheaper than ever before.”

Surprisingly, the term globalization was first used by sociologists rather than by economists. The British sociologist, Anthony Giddens, the current director of the London School of Economics, claims to have put the term into general circulation. That was in the late 1980s and early 1990s. Another academic, Roland Robertson of the Univer-

sity of Aberdeen, in 1992 published a book entitled *Globalization: Social Theory and Global Culture*. Professor Robertson, also a sociologist, was analyzing how state and religious tensions were spreading across the globe.

As an economic concept, globalization was popularized by Klaus Schwab and his World Economic Forum. As early as 1993, Schwab's annual meeting in Davos, Switzerland, focused on globalization—its promises and dangers. In 1996—three years before Seattle—Schwab warned that the rapid pace of change and dislocation associated with globalization was producing a popular backlash.

As Lionel Barber writes in the pages ahead, ours is a world of “instant communication and footloose capital.” Indeed the marriage of telecommunications and computers greatly accelerates the process of global economic integration. Without the Internet, manufacturing cycles could not have become so rapidly globalized with, for example, clothing design done in Milan, production in India or China, all in a greatly

compressed timeframe—perhaps only a few weeks—for final sale in the United States.

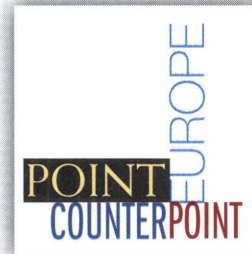
To critics globalization embodies capitalism's triumph over communism. For Kevin Danaher, the San Francisco activist who helped organize the Seattle protests, it is impossible to talk about globalization without discussing corporate power. Danaher identifies a nexus of power proceeding from multinational corporations to global agencies like the International Monetary Fund and the WTO, which he views as mere servants of the capitalist order. With corporate power unchecked, Danaher sees heightened personal vulnerability and alienation. Will we see an updated Marxist critique in the years ahead?

Marshall McLuhan, where are you when we need you? The *Global Village* you wrote about in 1965 has arrived. And we don't yet fully comprehend what it is and what it means. ☹

Barry D. Wood is a frequent EUROPE contributor and the economics correspondent of Voice of America in Washington, DC.

The Ca

Instant communications



In the decade after the fall of the Berlin Wall, the phenomenon known as globalization has penetrated everyday life to an extent that few could have predicted.

Today we live in a world where national boundaries are breaking down as a result of instant communications, footloose capital, and the relatively free movement of skilled labor.



Globalization's origins can be found in the voyages of ancient traders, who traveled from the furthest reaches of the known world with spices, silks, and gold.

By Lionel Barber

se for Globalization

and footloose capital are shrinking the distance between markets

The violent demonstrations at last year's world trade summit in Seattle and this year's IMF/World Bank meetings in Prague suggest that some groups in society find these trends profoundly unsettling. They hanker for a simpler, more spiritual world.

What the protestors against globalization share is a mistrust of science, technology, and the market economy. That is the message delivered by the anarchists, consumer activists, and "altruists" who have all raised their banners against the exploitation of the poor, cheap imports and inhumane fur traps.

However, it would be short-sighted in the extreme to overlook the benefits that globalization has brought and will continue to bring to our populations. Among the countries that have embraced trade liberalization are China, India, virtually all of the former communist countries of Central and Eastern Europe and the former Soviet Union, Argentina, Brazil, and Mexico.

Trade liberalization has been the catalyst for the dismantling of the command economy that left many of these countries with armies of underemployed workers engaged in unproductive, unprofitable pursuits. Arguably, freer trade has achieved a good deal more than the many millions of foreign aid poured into these countries either by patron states or international institutions such as the International Monetary Fund, the UN, or the World Bank.

None doubts that, in its rawest form, globalization can be a disruptive, volatile force. In the advanced industrialized countries, whole communities

can be stripped bare when companies shift labor and plants at the first whiff of a fall in quarterly earnings. In the United Kingdom, for example, traditional manufacturing such as the automobile, mining, and steel industries have been decimated over the past twenty years. But in their place a new, vibrant service sector has grown up in computer, creative media, and other professional services that has filled the jobs vacuum.

In the same fashion, poorer countries are increasingly the location of preference for the same manufacturing companies moving out of the advanced West. Look at how the car industry has sought out not only Brazil but Morocco in North Africa. Or how airlines are farming out telephone booking services to India. These developments underline the old trade maxim that a rising tide lifts all boats.

Critics of globalization like to argue that it is a one-way street, with all the benefits flowing to the advanced industrialized countries. It is true that a further liberalization of rules on investment and services would be a serious gain for the US and European Union. But if, as expected, the West Europeans are forced to deliver further reforms in agriculture in the next round of global trade talks, this would bring tangible benefits for hard-pressed commodity producers in Africa and Asia.

One of the most powerful defenses of globalization rests on the fact that its critics have willfully distorted the position supported by its many advocates. Thus, critics argue that globalization implies a "race to the



(Above) Ron Tiggs, the German head of the US discount giant Wal-Mart, welcomes shoppers at the opening of the first Wal-Mart store in Dortmund, Germany. (Below) Business for global carriers like DHL has sky-rocketed in the last decade.



bottom” in which the cheapest location and fattest profit margin is the only calculation made by the faceless multinationals supposedly running the world economy.

First, policymakers in the US and the EU should respond forthrightly by pointing out that there are—and always will be—rules in the jungle of the free market. Thus, there are already serious efforts underway—such as the Tokyo and Rio environmental summits—to tackle the threat of global warming. The World Trade Organization, one of the most significant innovations in the past decade, has for the first time enacted an effective disputes procedure between countries.

Second, the best response to pressure on labor markets in high-income countries is not to impose unfair burdens on the newly industrialized nations (with the exception for penalties for blatant abuse such as child labor). Rather it is to improve domestic standards on education, training, and social welfare in order to improve the stock of human capital in advanced economies.

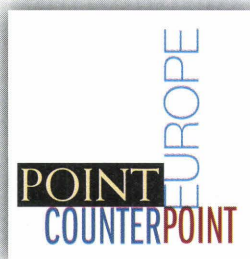
Third, it is vital to encourage more public support for the international institutions that exercise a degree of control over the world economy. These include the World Trade Organization, the International Monetary Fund, and the World Bank. Whatever their failings in individual instances (see Michaela Wrong’s brilliant analysis of what went wrong with Zaire, *In the Footsteps of Mr. Kurtz*, published by Fourth Estate, July 2000), these institutions have done a great deal to encourage the movement toward market economies around the world. They are *not* the reason why the world has not moved as fast as it might have done to raise environmental standards.

The backlash against globalization is not always rational. That is why governments have found it harder to tackle than they might have thought initially. But political leaders ignore it at their peril. If it succeeds, it risks souring the prospects for self-improvement not only in a prosperous West but also in those countries where millions of people are most in need. ☹

Lionel Barber, based in London, is the news editor of the Financial Times and a EUROPE contributing editor.

“WE WON’T SELL OUR SO

Why many Europeans are unimpressed



Who is France’s most recognizable face? To the outside world, the answer is probably President Jacques Chirac or maybe a film star like Gerard Depardieu or Catherine Deneuve or—at least in the soccer-playing world—a sports star like Zineddine Zidane. Inside France, however, there is a good chance the answer is José Bové, a mustachioed, pipe-smoking, part-time goat farmer from the country’s idyllic southwest.

That, of course, is a rather limited description. Bové’s real importance is his full-time job as a leader of the Confédération Paysanne, the union that most vocally represents France’s small farmers. In that role, he uproots genetically-modified crops, urges physical damage on McDonald’s restaurants (representative of *malbouffe*, or junk food), and preaches the deceptively simple message that globalization is bad for you. That message resounds so well in France (which as the world’s fourth-biggest trader has surely benefited from globalization) that when he was put on trial this summer for vandalizing a McDonald’s site last year, a crowd of more than 30,000 turned up to cheer him on. No wonder no sensible politician, not even Prime Minister Lionel Jospin, dare criticize him.

Nor, for that matter, do most other European politicians. Like Jospin, they know that Bové has touched a chord with their voters. A book co-authored by Bové has been a bestseller this year in France, under the pithy title *The World is not for Sale*. Indeed so, the pop-

ular logic is that globalization equals Americanization, which, in turn, equals the loss of Europe’s own national identities. “We will not,” goes the Bové line, “sell our souls, our cultures, our histories, our identities for the sake of free markets.”

The logic is clearly simplistic, but free traders should pause before they dismiss the argument out of hand. Ponder a little deeper and perhaps Bové and his friends have a point. The evidence is not in trade flows: The balance of trade between the European Union and the United States is consistently more or less even. True, there are frequent trade disputes. One example is the long-running row over bananas and beef (the Europeans, to the annoyance of America’s fruit-growing multinationals, want to favor their former colonies when importing bananas and do not want to import America’s hormone-enhanced beef); another is the dispute over the subsidies given, directly or indirectly, to Airbus and Boeing. However, the overall picture is healthy enough: Europe and America’s companies happily share each other’s markets and, indeed, each other. (Some 40 percent of the shares of France’s quoted companies are owned by foreign investors.)

Rather, the evidence lies in what tends to be called “cultural imperialism.” Go to the cinemas in any European city, and the chances are they will be showing movies from Hollywood, not from Europe. Go to the discotheques, and the music will be if not American then probably British—but in either case the songs will be in English. Browse in the bookstores, and there will be best-selling translations of Stephen King novels. Stroll down the main shopping streets, and the familiar icons of American retailing pop up: the Gap, for example, or Esprit or Toys R Us or Starbucks. Surf the Internet and English, most of it with an American cybertwang, was last year the language of 78.3 percent of the web pages surveyed

JLS FOR FREE MARKETS”

By John Andrews

by globalization

by the OECD; by contrast, Spanish was on 1.7 percent of the pages and French on a mere 1.2 percent.

The question is what to do about this American-led invasion. Some of Europe's nations believe the answer is to surrender. The British, of course, have no qualms. They have always been instinctive free traders—as an island nation they felt they had no alternative—and, in any case, they share a common language with the United States. But it is not just the British. Most of northern Europe, from Scandinavia to Belgium and the Netherlands, feels globalization is surely more of a blessing than a curse. One reason the Dutch are so comfortable in English is that they watch British and American television programs in their original English, with

subtitles running underneath; by contrast, when the same programs are shown in France, Italy, or Spain they are invariably dubbed into the national languages.

That, essentially, is the European divide: the north smiles at globalization, and the south frowns. It is a divide that predates the Gap and Calvin Klein by several centuries. It was, after all, Jean-Baptiste Colbert, France's finance minister under Louis XIV three centuries ago, who set the pattern for a *dirigiste* economy in which free markets were to be tamed and imports were to be accepted only after careful selection. With the spread of French political and military power under Napoleon, it is hardly surprising that the economic pattern should also spread.

Perhaps it is thanks to that history that France sees itself at the forefront of the struggle to maintain a national identity against the blurring forces of American power and international trade. From the days of De Gaulle onwards, every modern French leader has presented France as being somehow involved not in collaboration with America but in competition with it. The European Union, for example, is viewed as a political counterweight to the US; the euro is advocated as a means with which to confront the almighty dollar; and Airbus is the symbol of Europe's technological equality with America. Even the Académie Française, founded in 1634, has a role in the transatlantic struggle. Its main task these days, it seems, is to stop English words from infiltrating the language of Molière.

Should foreigners, Americans in particular, be amused, baffled, or annoyed? The best reaction is surely a measure of understanding. It is easy to deride José Bové as a narrow-minded protectionist—but actually his arguments are balanced and subtle. Just like the Americans, he is against subsidies. (He

believes EU agricultural policy has distorted the market and put many small farmers out of business.) What he wants is to protect the small farmer, with his handmade cheeses and organically raised crops. In the same vein, what France's successive culture ministers have wanted is not to stop Hollywood but to ensure that the French cinema survives where the Italian movie industry has more or less died. In other words, what Europe wants is diversity. The fear is that globalization will mean not a greater choice but a greater, bland uniformity. For a continent with thousands of cheeses and dozens of languages, that is a prospect worth fighting. ☹

John Andrews is the Paris bureau chief for the Economist and a contributing editor for EUROPE.



During the IMF/World Bank meetings held in Prague in September, protesters clashed with Czech riot police.

International

As record numbers of businesspeople and tourists venture abroad, whom do they call when they're sick or injured?

At seven a.m. on the Saturday after Thanksgiving, Dr. Joseph Mathey was awakened by an urgent call at his New York home. The caller told him an American employee of Corning Inc. had suffered a fall in Tokyo and had been taken to a hospital with a brain hemorrhage. As Corning's medical director, Mathey oversees the health care of the company's some 40,000 employees spread throughout more than twenty countries. The call from Tokyo represents a nightmare scenario that raises difficult questions for companies building global businesses: How do you provide aid to an employee on the other side of the world in a place where the medical system is very different from the one at home?

Mathey found his answer with International SOS, a company that specializes in global emergency assistance. ISOS had a team on the ground in Tokyo who spoke Japanese, knew the intricacies of the Japanese health care system, guaranteed payment for the Corning employee's care, arranged for him to see a top neurosurgeon, and coordinated his transport back to the States.

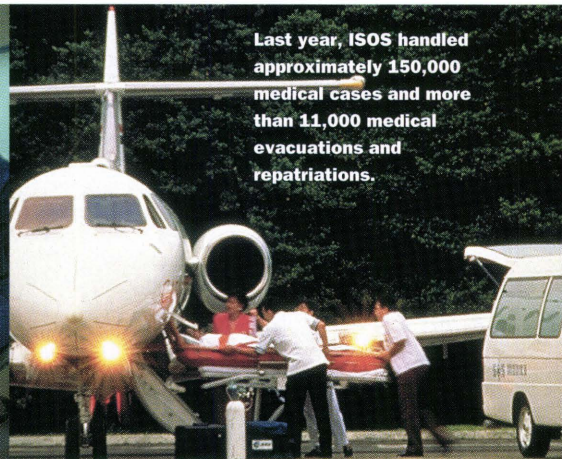
In this age of globalization, companies increasingly are sending employees abroad to compete for business in every corner of the world. At the same time, record numbers of tourists are embarking on foreign itineraries. Over the last fifteen years, Arnaud Vaissié and his partner Dr. Pascal Rey-Herme, both forty-six, have built a company on the principle that people living or traveling abroad can get quality health care and emergency assistance, in their words, "every hour of every day."

Now based at the company's headquarters in London, the soft-spoken Mr. Vaissié does not appear to be a person who idly makes such declarations. International SOS's message has evidently struck a chord with multinational companies as ISOS counts more than 350 of the *Fortune 500* among its corporate clients and is generally recognized as the preeminent worldwide medical assistance company.

The company traces its relatively short history back to 1985 when the two Frenchmen joined forces to build an emergency medical assistance net-

work now boast a staff of 2,500, which includes doctors, dentists, pharmacists, paramedics, nurses, and aero-medical specialists, spread across five continents. Last year, they handled approximately 150,000 medical cases and more than 11,000 medical evacuations and repatriations.

The ISOS system is based on its twenty-five alarm centers, which are spread across the globe and operate around the clock. When a client gets sick or needs emergency assistance, he or she calls the closest alarm center. ISOS's staff assesses the situation



Last year, ISOS handled approximately 150,000 medical cases and more than 11,000 medical evacuations and repatriations.

work in Southeast Asia, where Rey-Herme had just completed his military service as the medical attaché at the French embassy in Indonesia. He persuaded his lifelong friend Vaissié, who was then managing the US subsidiary of a German leasing company, to help him launch the idea in Singapore. Their company, called AEA International, expanded throughout Asia, and in 1998, they bought the US-based International SOS, a firm that offered similar services in the US and Europe. Vaissié and Rey-Herme took that name for their newly expanded entity. They

and prepares a course of action that could range from giving medical advice over the phone to getting a prescription filled to scheduling a doctor appointment to arranging for a medical evacuation.

Corning's Mathey estimates that as much as 10 percent of his company's work force travels internationally. "If you have bronchitis and you're in Beijing, the best thing to do is call ISOS," he advises. "They'll make the appointment, grease the skids, and guarantee payment because a [local doctor] won't accept US insurance cards."

SOS

By Peter Gwin

ISOS can also help a company identify health issues and address them before employees get sick. Dr. Wayne Lednar, Eastman Kodak's medical director, says ISOS's health profiling services have proved especially useful in his company's decisions about where to locate operations in the developing world. "They help us answer questions about a specific country or region, like what are the local diseases? What kind of medical care is available? Are doctors trained in a Western style? Is there access to blood in the event of a car accident?"



Its US corporate clients notwithstanding, Vaissié says that few American travelers consider the implications of having a medical emergency abroad. "Although the US is the largest insurance market in the world per capita," he notes, "travel insurance is completely undeveloped in the US by comparison with Japan or Western Europe."

Kirk Levedahl, a Washington, DC travel agent specializing in Africa, agrees. He books around 100 safaris a year and says fewer than 30 percent of his clients buy travel insurance. "When they do buy it," he says, "their main

concern is trip disruption, in case they miss a flight and lose a few days of an expensive trip."

Vaissié believes this is because most Americans think the US government will support them in times of crisis. "But when you are injured or sick abroad, it's a very bad time to discover the Coast Guard is not going to come to save you."

Indeed, the State Department's web site advises travelers that, although US consulates can help Americans locate medical services and inform family members of emergencies, all costs are the responsibility of the traveler.

When eighteen-year-old Stephen Holbrook was about to embark on a year of study aboard a ship sailing around the world, his mother Serena bought him an ISOS membership. Her decision proved invaluable when Stephen, who has Crohn's disease, began suffering life-threatening intestinal bleeding in the middle of the South Atlantic. The ship's crew alerted an ISOS alarm center and headed for the closest hospital, which was on the island of St. Helena, a British colony some 1,000 miles off the coast of Africa. When they arrived, an ambulance was waiting at the dock to rush him to the island's hospital.

"You can imagine me at home not being able to do anything," says Serena Holbrook from her home in Calgary, Canada. "It would have taken something like a week for me to get there because, first of all, there is no airstrip on the island. The only service is from a mail ship that travels from Cape Town, South Africa."

After Stephen's condition improved, ISOS arranged for him to be transported by ship 800 miles north to Ascension Island, which has an airstrip. From there, they coordinated his flight

on a British military plane and sent a nurse to accompany him to London, where he was examined by a doctor before flying back to Calgary.

Without ISOS, Serena Holbrook wonders what she would have done and what the cost would have been. "I didn't even know where these islands were," she says.

Although ISOS is perhaps best known for its medical service, logistics form the company's backbone. Without the ability to rapidly move people, says Vaissié, ISOS's medical capabilities are useless. To this end, an entire unit of the company is devoted to making agreements with governments, local authorities, institutions, and an array of assistance providers.

"The deals with governments are key," says Vaissié. "For example, in our job we need to be able to get a plane up in the air very quickly. Wherever you go in Asia, air space is tightly controlled, especially in China. We have an agreement with the Chinese air force to have access to all their air space as well as some of their restricted airstrips."

Last year, ISOS, which is privately held by the two founders (with investments from JP Morgan and the French banks Suez and Paribas), generated \$250 million in revenue and has seen its revenue grow 20–25 percent since the company's inception, according to data provided by ISOS.

Although large multinational corporations comprise the bulk of ISOS's business, Vaissié sees a wave of potential clients in companies that are just now moving into international markets. "Many of these are European companies," he notes, "which are moving beyond the EU now that the EU has become more or less a domestic market." He says some are large companies with small international operations, others are small companies with growing international businesses. "But they all need someone to advise them on international health issues, standard setting, medical evacuations, because they don't have the internal resources to do it themselves."

Corning's Mathey believes his company could replicate much of what ISOS does for them "if we threw enough money at it and enough time and resources." But, he adds, "I don't think we'd do it as well." ☎

Peter Gwin is EUROPE's managing editor.

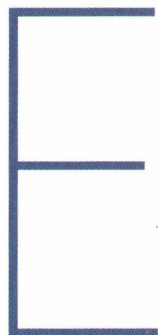
Exclusive excerpts from EUROPE's new book

Europe in the New Century

VISIONS
OF AN EMERGING
SUPER
POWER



By Robert J. Guttman



Europe in the New Century: Visions of an Emerging Superpower, published this month by Lynne Rienner, focuses on the future and what the new Europe might look like in the first two decades of the twenty-first century. Many books

about Europe dwell exclusively on its past. While not discounting the importance of history, *Europe in the New Century* seeks to offer “visions” of the new Europe. We begin with the idea that the word ‘superpower’ will have a different meaning in the new century. Instead of being only a military term, it will take on an economic meaning, referring to geopolitical entities consisting of diverse, liquid markets with thriving global economies and multi-ethnic, highly educated populations. To describe how Europe fares in this evolution, we turned to leading journalists working in Europe today as well as European heads of state, foreign ministers, entrepreneurs, businesspeople, and other key figures. Leaders such as Mary Robinson, the United Nations commissioner for human rights and former president of Ireland, Luxembourg Prime Minister Jean-Claude Juncker, BP Amoco Chairman Peter Sutherland, and Employment Minister of France Elisabeth Guigou discuss Europe’s strengths and weaknesses, its critical issues and potential problems in the new century.

Europe in the New Century attempts to provide an intelligent forecast of the EU’s agenda in the next century—from foreign relations and humanitarian assistance to job creation and new businesses to EU-US trade and political dialogue. Christopher Patten, the EU’s external affairs commissioner, presents an overview of European foreign policy at the start of the new century. Lionel Barber, news editor of the *Financial Times*, gives an in-depth profile of Europe’s single currency as well as provides a lively and surprising scenario of what Europe might look like through the eyes of Tony Blair in the year 2020. Martin Walker, former European editor of the *Guardian* and the author of several books, details the European

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EUROPE

IN THE NEW CENTURY

Visions of an Emerging Superpower



edited by
Robert J. Guttman

Union’s enlargement process and its implications as it prepares to add potentially more than a dozen new member nations in the next decade.

On the business front, Bruce Barnard, a former European correspondent for the *Journal of Commerce*, outlines the major European players in the new technology sectors, including Nokia, SAP, and Ericsson and looks at new startup Internet ventures across Europe.

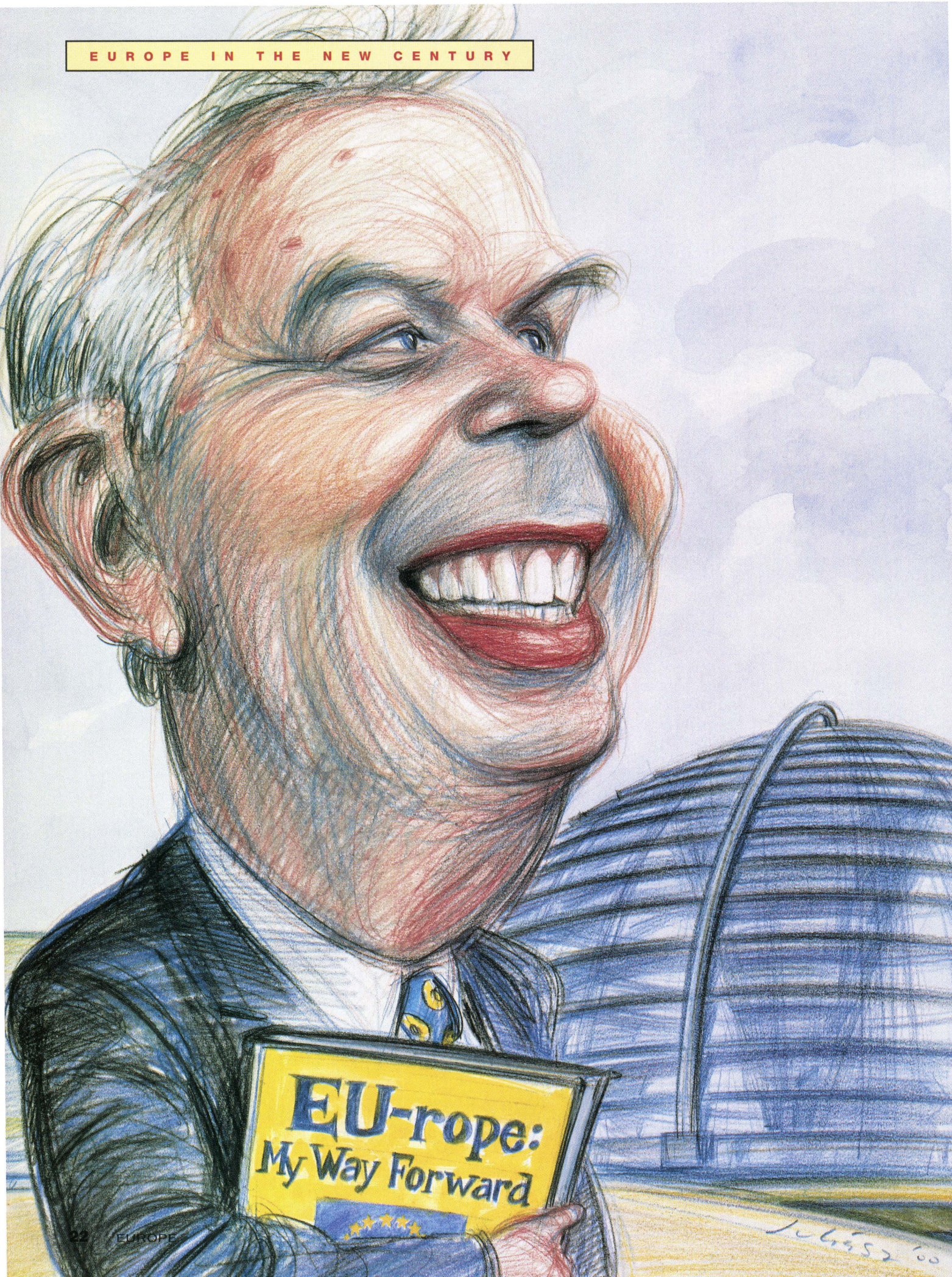
In addition to the opinions of today’s leaders, *Europe in the New Century* also offers the views of the next generation. Fifteen young people, one from each of the fifteen European Union nations, discuss what it means to be a European in the twenty-first century. Hailing from a variety of back-

grounds—from an Athens computer consultant and a Dublin professor to a London lawyer and a Brussels photographer—they present a glimpse of the attitudes and experiences that will define Europe in the coming decades.

Reginald Dale of the *International Herald Tribune* discusses the multitude of beliefs and philosophies that make up Europe today and considers how they will shape the new century.

Overall, we hope *Europe in the New Century* presents an engaging and informative read not only for students and scholars but for anyone hoping to gain insight into one of the world’s most dynamic and creative regions in the twenty-first century. ☺

Robert J. Guttman is EUROPE’s editor-in-chief.



A New Century Scenario

By Lionel Barber

A glimpse of Europe in the far future

The following is excerpted from Europe in New Century: Visions of an Emerging Superpower, which is being published this month by Lynne Rienner; 250 pages; \$17.

In the autumn of 2020, the heads of government of thirty European countries gathered in Berlin to sign the treaty founding the Confederation of the United States of Europe. The ceremony in the Reichstag opened to a swirling rendition of Beethoven's *Ode to Joy* and continued with a keynote address by Tony Blair, elder statesman. As delegates raised their glasses of pink champagne, Blair posed an uncomfortable question: Would the new confederacy be capable of wielding the political power commensurate with its economic weight?

This same question had plagued Europe ever since Jean Monnet, Robert Schuman, Paul-Henri Spaak, and the other founding fathers had launched the process of European unification after the end of World War II—a political experiment without precedent that sought once and for all to end the nationalist rivalries that had plagued the continent for centuries.

In many respects, “Europe” had been a spectacular success—reconciliation between France and Germany, the launch of the single European market, and the introduction of the euro in 1999. Together, these achievements

had helped to build a new European polity that rivaled China, Japan, and the United States in terms of economic power.

Yet national pride, a laborious decision-making process in Brussels, and a painful inferiority complex in the face of US military and technological prowess had combined to prevent the European Union from living up to its name and realizing its true potential on the international stage.

The EU had also been hampered by the separate challenge of absorbing

new members from the former Soviet bloc. This historic process had been gradual, starting with the Czech Republic, Poland, and Hungary in 2005. Slovenia, Malta, and the divided island of Cyprus followed in 2008. The Baltic states, Slovakia, and Switzerland followed in 2010. In 2015, Bulgaria and Romania entered the EU. Three years later, the admission of Croatia brought the total membership of the EU to thirty countries.

The entry of Croatia was a defining moment. Not only had the EU doubled

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its size in twenty years but it had also extended its geopolitical reach into the Balkans, a regional powder keg that had exploded with the breakup of Yugoslavia in 1991. (The traditionalists argued that Slovenian entry was hardly a precedent since Slovenia was little more than an annex of Austria.) The admission of Croatia (as well as Bulgaria, once an outpost of the Ottoman Empire) raised a host of difficult questions.

First, there was the issue of where Europe's boundaries really lay. Was it conceivable that the European Union should seek to admit other members of the former Yugoslav federation, including former war-torn Bosnia-Herzegovina and newly democratic Serbia?

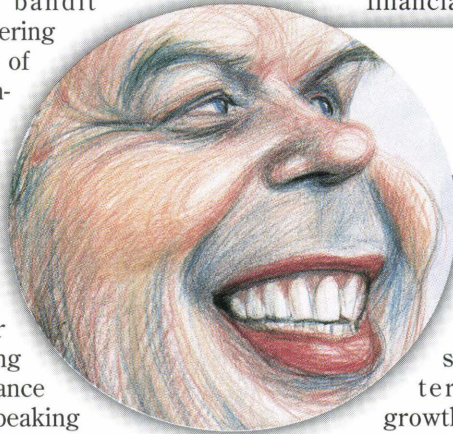
Was Albania, a bandit 'statelet' still recovering from the excesses of fifty years of Stalinist rule, a credible future member of the Union? And what about the perennial question of Turkey's relationship with the Union, a matter even more pressing since its formal alliance with the Turkic-speaking Central Asian states?

Second, the governance of the Union had become even more complicated with enlargement, despite regular efforts by the member states to address these matters through piecemeal reforms agreed at so-called intergovernmental conferences (IGCs). These issues included the size of the European Commission, the right of member states to their own individual commissioner, the balance of power between small and large states in the decision-making Council of Ministers, and the size and precise role of the European Parliament.

Third, there was a broader political dilemma at the heart of the European Union. Governments had ceded wide-ranging powers to EU institutions without ever trusting them to use these powers. The traditional European method had been to promote economic integration in order to obtain political objectives that had remained deliberately obscure. The elites orchestrating this process argued that the method

was justified because no one had an interest in frightening electorates; but the critics countered that the approach was an affront to the principles of accountability, democracy, and popular legitimacy.

Economic and monetary union—EMU—was the last hurrah for the Monnet method for building Europe by stealth. Surrendering control over the money supply and interest rate policy was a breathtaking concession for the nation-states of Western Europe. From January 1, 1999, decisions in this area lay in the preserve of the European Central Bank (ECB) in Frankfurt. Despite several hiccups—notably the dollar-euro crisis of 2005, which led to a re-configuration of the international financial system, and the



“Blair was determined to lay this as part of a wider between the UK and Europe and

brief suspension of Italian membership of the euro zone in 2010—EMU had been a success measured in terms of economic growth in the euro zone and the use of the euro as a reserve currency.

By 2015, however, the need to define the EU's goals and establish clearer boundaries between the supranational institutions (European Commission, European Court, and ECB) had become more acute than ever. At this point, Tony Blair, acting in concert with the leaders of France, Germany, Poland, and Spain, called for a new constitutional settlement in Europe. It was time, he declared, for a constitutional convention along the lines of the historic gathering in Philadelphia that produced the Constitution of the United States of America.

Blair was better placed than most of his fellow European leaders to put the case. He was Europe's longest-serving prime minister, a man of ceaseless energy who had worked with single-minded determination to end his country's age-old ambivalence toward the Continent. At home, he could also point to his own constitutional settlement in the United Kingdom, which had pro-

duced a peaceful and prosperous federation of England, Wales, Northern Ireland, and a Scotland, which was independent in everything but name.

Blair offered his own contribution to the debate in the Euro “Federalist Papers” circulating at the time, through an essay entitled: “EU-rope: My Way Forward.” His blueprint borrowed heavily from Franco-German thinking in the early 1990s. In crude terms, Blair declared that the challenge was how to reconcile the EU's commitment to a “wider Europe” through expansion to the East with a “deeper Europe,” which would inevitably result from the launch of the single currency.

This tension between the “wider Europe” and the “deeper Europe” had become obvious in the early years of the

twenty-first century. After the entry of the UK, Denmark, and Sweden in 2002–2003, the euro zone comprised all fifteen members of the Union. The advantage was that divisions between the original eleven-strong euro club built around France and Germany and the four outsiders no longer existed; but the disadvantage was that EMU raised the prospect of a new “Velvet Curtain” dividing prosperous western and poorer eastern members.

The gulf between east and west had become apparent in the wake of the agreement in 2005 on the terms of the first EU enlargement to the east, encompassing the Czech Republic, Hungary, and Poland. Thanks to strong pressure from the Mediterranean countries, led by France, Spain, and Portugal, the fifteen heads of government had insisted on lengthy transition periods to institute the Common Agricultural Policy (CAP) and allow for free circulation of farm products. This delay was designed partly to protect higher-cost producers in the West; but it would also spread out the exorbitant cost of extending the generous CAP price supports to Poland, where one-quarter of the working population derived their income from the land.

Other lengthy transition periods specified in this agreement covered environment policy—where the Eastern

EUROPE

update

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WHAT THEY SAID: PETER SUTHERLAND

Peter Sutherland is co-chairman of BP Amoco Plc and chairman and managing director of Goldman Sachs International. The former attorney general of Ireland and former European commissioner was interviewed by Mike Burns in Dublin. The following are excerpts from the book Europe in the New Century: Visions of an Emerging Superpower © Lynne Rienner Publishers 2001.

What does globalization mean for Europe?

I believe that with globalization the regional identity of Europe is going to become more and more important. This does not mean in any sense that one loses one's sense of national identity. I would always be an Irishman first and a European second, rather than the other way around. But I happen to believe that an integrated Europe, which will require us to share more sovereignty and to be more involved as a region, is both inevitable and desirable.

With globalization, we have to be in a position to positively influence the development of the world, and you cannot simply opt out. If Europe were to remain a fractured series of individual nation-states, none of them—even the most powerful—would be able to influence positively the development of the world, and as an entity we will be able to do so. We are already doing it through trade policy, where

the European Union speaks with one voice. Economically, Europe will be quite successful, galvanized by the integration that is taking place, that is forcing us to become competitive and to restructure our industries on a regional basis rather than on a national basis.

I do not have a negative vision about the future of Europe. Many people look at the United States, with a far lower unemployment figure. I think that this is a reflection of a greater economic dynamism—for the time being—in the United States, but it should also be borne in mind that between 1985 and 1992 the European Union had a greater growth rate than the United States and, secondly, the European Union today has a favorable balance of trade with the rest of the world whereas the United States has a massive deficit. So, looking at Europe economically as being a failed entity, or a failing entity, a sort of tourist resort for visiting oriental businessmen, is really quite ridiculous.

There is an inherent dynamism that the euro, in particular, is going to help to develop in Europe. With regard to the political face of Europe in the year 2001, we will be going through our constant debate about the extent of which this integration process should proceed, complicated by the need to enlarge the European Union, ultimately perhaps to a membership approaching thirty.

This will require leadership and foresight at a European level that is not very evident today, but we have muddled through—and more than muddled through. We have been rather successful in developing the European Union over some decades, and I cannot believe that we are going to permit ourselves to lose what has been achieved.

So I hope, and basically believe, that we will continue in our faltering progress toward greater integration. For example, in the area of foreign policy and defense, as well as the economic areas, we will begin to do more together, because we have to.

Do you believe Europe will be a global player in the new century?

I do feel Europe will be a global player in the new century. It is already a global player. Having been intimately concerned with the conclusion of the Uruguay Round and setting up the World Trade Organization, I can say without hesitation that if Europe had not negotiated the Uruguay Round with one voice, there would not have been a Europe, there would not have been a World Trade Organization, and the whole process of globalization would not be taking place as it is taking place.

We need a balance in the global economy and government structures. We cannot simply have one player—the

United States—that is so dominant in debate, whether it be political, economic, foreign policy, or defense areas, that there is only one decision-maker. That is not good either for the United States or for Europe, and it would ultimately lead to tensions and pressures, even greater than those that already exist between the major economic players in the world, the United States, Europe, and Japan.

This is something that prominent thinkers on both sides of the Atlantic are saying—that we need a balance in global governments and the only way that you can acquire that is by Europe speaking with one voice and playing a constructive role in developing relationships, particularly transatlantic relationships but global relationships, as a single player.

What do you see as the other major threats or problems for Europe in the new century?

There are a series of major threats to Europe in the new century. The first one is to retain our economic model, which requires a certain degree of social support—a social welfare system, if you like—at the same time as competing in a global economy where competition could be argued to create a race to the bottom in terms of tax or social policies, labor policies, and so on. It's possible to marry both. In other words, it is possible to increase com-

WHAT THEY SAID (CONTINUED)

petitiveness and productivity while retaining a sense of balance in regard to social responsibility within the European Union as a whole and the member states individually in particular.

The real crises that we will face in the new century are going to be global crises. There is, therefore, clearly a need to coordinate responses to environmental threats globally, and Europe has to play a significant role in that. Equally, we cannot pretend or profess indifference to major political events that are taking place in other parts of the world, including in our own continent.

We cannot, therefore, ignore the fact that there will be political and human crises around the world where we have to play a part, and I see this ultimately as the constant battle, in political terms, between nationalism and a sense of recognition that we live in an interdependent world and that interdependence demands that we act together.

It's not irrelevant to Europe, for an example, that the emissions coming from coal-fired power stations in Asia have a major effect on global warming nor that the forests in Brazil and their destruction has environmental

effects everywhere else.

The real threat to the future is the threat that we cannot globally combine in advancing policies that are of importance to the survival of the planet and the people on it.

Where do you see the boundaries of Europe in the twenty-first century?

The question of the physical boundaries to an integrated Europe is largely a question of pragmatic analysis. Can we restructure the European Union institutionally to actually effectively deal with the larger size of this extended Europe? Can we do this without alienating the individual peoples of Europe because of the size of the structure that they are part of and the fact that they feel that they have a diminishing involvement in decision-making? And secondly, are the countries like Russia who might join, ultimately—and that is a very long way away—are they able to play a full part in the system and abide by the disciplines and have the same commitments that exist with the European Union?

Or is the membership of country X just too big a bite to take, as a result of which the entire edifice will become unworkable? I don't think, therefore, there is any predefined point beyond which you cannot go. It all depends on what can effectively be achieved.

My own view is that we have to tread very cautiously in extending and growing the European Union because there isn't much point to anybody joining an entity that, as a result of their joining, is going to collapse under the weight of its size and inadequate structures.

On the other hand, we have a moral obligation to not be an exclusive club that denies access to those who have the commitment to the type of society that fundamentally we believe is appropriate—a democratic society, a society that protects human rights, a society that economically has developed to a level that it can accept and respond to the disciplines within the EU that are required to make it function as a single place.

So it's a pragmatic question. Jean Monnet and the other founding fathers of the European Union never saw it as being an exclusive club. They saw it as part of a process that ultimately—and maybe this is Utopia—would lead to a greater global governing structure.

So I don't put a boundary, I don't say that Russia could never join the European Union, but star-gazing as to when and how that will actually happen may not be appropriate because at the moment it's clear that we are a very, very long way away from that being conceivable.

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—INIS CLAUDE, JR.

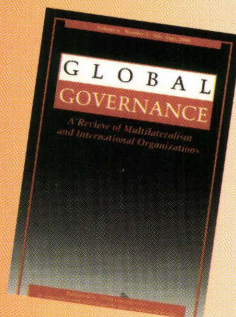
GLOBAL GOVERNANCE

A Review of Multilateralism and International Organizations

*Edited by W. Andy Knight,
S. Neil MacFarlane,
and Thomas G. Weiss*

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—RICHARD JOLLY

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REPORTER'S NOTEBOOK: TABD LEADERS MEET IN CINCINNATI

Business leaders from the United States and the European Union met in Cincinnati November 17-18 to tout the benefits of open trade and press their governments to do more—an annual ritual carried out over the past five years under the auspices of the hopefully named Transatlantic Business Dialogue (TABD).

Having a “dialogue” over trade has never been easy. But this year it has been particularly difficult, with high-octane disputes between the United States and the EU raging over everything from corporate tax breaks and aircraft “hush kits” to beef and bananas.

Yet the 100 or so business executives who attended this year's TABD conference were quick to restate the importance of their work, which, while little-noticed by the public at large, continues to have a positive impact on the corporate bottom line—and on government efforts to improve US-EU commercial ties.

The TABD—a loose association of CEOs and other industry leaders from both sides of the Atlantic—has run up an impressive record of accomplishments since it was created in 1995. It has worked, for instance, to establish an “early warning” mechanism to head off potentially damaging trade disputes between the US and the EU. It has also provided essential

business input into negotiations that eventually led to several US-EU “mutual recognition agreements,” which aim to cut costs associated with product testing and certification—and therefore spur trade. And the group played a major role in bringing to fruition the multilateral information technology agreement, which, since its enactment in 1997, has boosted transatlantic and world trade in high-value, high-technology products like computers and telecommunications equipment. Officials representing the CEOs and US and EU governments say that roughly half of the TABD's 129 recommendations over the past five years, in fact, have already been put into effect.

Deputy Treasury Secretary Stuart E. Eizenstat said recently that the TABD has become “deeply enmeshed and embedded into the US government decision-making process on a whole range of regulatory, trade, and commercial issues,” while European Trade Commissioner Pascal Lamy has called the TABD a “precious jewel.”

This year, however, the TABD jewel was tarnished by several developments that were clearly beyond the control of CEOs, such as the failure of the American people by the time of the Cincinnati gathering to convincingly

elect a new president—which prompted some delegates to wonder to whom, in fact, they were directing their recommendations.

Eizenstat, a long-time supporter of the TABD process, sought to reassure the delegates by insisting that any US administration, whatever its political makeup, would be foolish to ignore the advice being offered to governments by business through the TABD.

“I don't know of any other private-sector initiative that's had as much impact on governmental decision-making as the TABD,” he said.

Business leaders were also distracted in Cincinnati by labor and environmental activists who decided to make their voices known not unlike they did during the World Trade Organization meeting in Seattle last year—albeit less destructively—with hundreds of protestors taking to the streets to oppose to what they called the corporate world's cynical involvement in government efforts to bring down barriers to trade around the globe.

“What TABD corporations think of as ‘barriers,’” said Lori Wallach, director of Ralph Nader's Public Citizen Global Trade Watch, “we cherish as our key worker protection, consumer safety, and environmental laws guarding the public health,

protecting us from unsafe products, and keeping our air and water clean.”

George David, chairman and CEO of United Technologies Corp., who co-chaired the TABD conference this year, along with Bertrand Collob, chairman and CEO of Lafarge, said that the business community would be ill-advised to turn their backs on the protesters and others who share their views.

The EU's Lamy, speaking at the TABD meeting, also said it would be wise for governments to take the views of the protestors into account, citing the need for solid public support in launching new trade liberalization initiatives. “We can't ignore the demonstrators outside,” he said.

But Lamy along with all the other speakers at TABD event, which reportedly cost \$750,000 to put on, were quick to reaffirm their commitment to open trade—whatever the demonstrators may say.

Most CEOs, however, including David of United Technologies, said that the protestors were clearly honing in on the “wrong target” when they targeted trade as the source of all ills.

“We have to take the bad with the good,” David said. “But overall trade is a giant plus for the US economy and US workers.”

—Gary Yerkey

EU NEWS

Lamy Pledges Action on AIDS Medicines

European Trade Commissioner Pascal Lamy marked World AIDS day (December 1) by confirming his commitment to action to make safe, affordable medication available to all who need it. “We are committed to doing whatever is necessary to shape the right conditions so that the poorest of the poor have access to

the medicines they deserve.

Increasing access to affordable key pharmaceuticals is a must in the fight against the three main communicable diseases, that is, malaria, tuberculosis, and of course HIV/AIDS, which is in the spotlight today,” he said.

Lamy was joined by two other European commissioners, Poul Nielson (development and humanitarian aid) and Philippe Busquin (re-

search), in expressing support for efforts to combat HIV/AIDS with all means at their disposal.

EU-US Summit

The EU-US Summit will be held in Washington on December 18. The summits, which are twice-yearly events, have been taking place since 1990. On the agenda will be a wide range of issues facing the transat-

lantic partners—including trade, economic and political issues. The European Union will be represented by French President Jacques Chirac, European Commission President Romano Prodi, and European Trade Commissioner Pascal Lamy, among others. President Bill Clinton will represent the US for the last time before he steps down in January 2001.

BUSINESS BRIEFS

Europe's merger and acquisition boom has gone flat with the value of announced deals reaching \$888.3 billion by mid-November, way short of the \$1.2 trillion for the whole of 1999.

The slowdown, reported by **Thomson Financial Securities Data**, is the result of a slide in share prices, the continuing weakness of the euro, a tougher regulatory climate, and a steep decline in M&A activity in the telecoms industry.

While the value of mergers and takeovers of European targets to mid-November was slightly ahead of the \$849 billion of deals booked by the same time in 1999, the steady decline in business in the second half of 2000 made it unlikely that M&A activity will match last year's record.

Europe's telecommunications companies have put acquisitions on hold because they have spent more than \$100 billion acquiring so-called third generation mobile phone license and will have to spend a further \$100 billion building the networks

to deliver high-speed Internet, music, and videos through mobile telephones. Telecom companies spent \$146 billion on mergers in the first ten months of 2000, less than half the \$359 billion of deals in the whole of 1999.

•••

Bertelsmann, the privately-owned German media giant, and the United Kingdom's **EMI** were moving close to a merger of their music businesses to create the market leader in the world's \$40 billion record industry. Bertelsmann proposed transferring its music unit **BMG**, which owns the Elvis Presley catalogue, into **EMI**, which has the Beatles on its books, in return for a 50.1 percent stake in the enlarged company, which would keep its listing on the **London Stock Exchange**.

The move, which came after European regulators killed off a planned \$20 billion merger between **Time Warner's Warner Music Group** and **EMI**, marks another step in the transformation of Bertelsmann into a partially public company.

RTL, the pan-European television group in which it has a 35 percent stake, was floated on the stock market earlier in the year.

Large swathes of Bertelsmann remain private, including **Random House**, the New York publisher, **Gruner + Jahr**, its newspaper and magazine business, and its fast growing e-commerce operation.

•••

Philips Electronics, the Dutch consumer electronics giant, paid \$1.7 billion for **Healthcare Solutions Group** of the US, taking its total spending on health equipment manufacturers to more than \$4 billion in two years.

The acquisition of **Healthcare Solutions**, which has annual revenues of \$1.5 billion, made Philips the world's third-largest maker of medical equipment with yearly sales of \$3.5 billion, behind **General Electric's GE Medical Systems** and **Siemens Medical Systems**, a unit of Germany's **Siemens** group.

Philips' spending spree has concentrated on the US, where it paid \$426 million for **ADAC Laboratories**, a radiotherapy equipment maker, \$1.2 billion for **MedQuist**, a medical-transcription company, and \$800 million for **ATL Ultrassound**.

•••

The Dutch government agreed to privatize Amsterdam's Schiphol airport, paving the way for a stock market flotation by mid-2001 that is likely to value Europe's fourth-largest hub after London Heathrow, Paris Charles de Gaulle, and Frankfurt, at more than \$2 billion.

The government's decision to sell the state's 75.8 percent shareholding in stages ends a tortuous three-year debate, but Schiphol, which is regularly voted Europe's top airport in passenger surveys, is still mired in a dispute over noise levels that could curb its growth.

Gerlach Cerfontaine, Schiphol's chief executive, said an initial public offering would give the airport com-

pany room to "spread its wings internationally" and increase investment. Schiphol is handling the modernization of New York's Kennedy airport, but says it has been excluded from projects abroad because it is perceived as a state company.

Meantime, Schiphol and Frankfurt airport will launch a joint venture in January called **Pentares**, which will manage retail outlets at airports around the world and develop logistics operations at key hubs, such as Hong Kong.

•••

Eastern and Central Europe and the former Soviet Union are set to grow their economies by almost 5 percent this year, the best performance since the collapse of the Berlin Wall in 1989, but foreign investors are still giving the region a wide berth.

The former communist economies will expand by 4.8 percent this year compared with 2.5 percent in 1999 and 1.1 percent in 1998 when Russia's financial crisis slowed growth across the region, according to the **European Bank for Reconstruction and Development**, which forecasts growth of 4 percent in 2001.

"Perhaps the most striking aspect of the current recovery is that for the first time since the start of transition (from communism to capitalism) it is broadly based across the region," the London-based bank said in its annual transition report. For the first time since 1989, Russia will grow more strongly, at 6.5 percent, than Poland, the second-largest economy.

—Bruce Barnard

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Mike Burns reporting from Dublin
Gary Yerkey reporting from Washington, DC

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Europeans were still struggling to clean up the pollution of the communist era—and the free movement of labor. Here those countries bordering the former Soviet bloc—notably Austria and Germany—had shown themselves to be ultra-orthodox. They insisted that controls should remain for ten years in order to guard against the influx of cheap labor, especially in the professional sector. Their arguments were infinitely strengthened by the provisions of the Schengen Treaty, which allowed free circulation of people among signatory countries but created a uniformly strict control on entrants from outside this new zone of “freedom, security, and justice.”

Blair had always been a fervent advocate of eastern enlargement, but he

particular ghost to rest constitutional settlement within Europe itself.”

was well aware that British motives in this area were invariably suspect. Memories of Margaret Thatcher were still strong, and many thought that Blair, a self-confessed admirer of the Iron Lady, was still intent on using enlargement to dilute broader political integration and turn Europe into little more than a free trade zone. Blair was determined to lay this particular ghost to rest as part of a wider constitutional settlement between the UK and Europe and within Europe itself.

His first premise was that a “core” Europe existed between members of the euro zone: that is, the fifteen member states of the EU plus Switzerland and Norway. For more than fifteen years, the bulk of these countries had developed a fairly sophisticated macroeconomic policy, in which the independent professionals running the European Central Bank cooperated with the elected politicians meeting in the Council of Economic and Financial Ministers (ECOFIN) forum of finance ministers. The biggest institutional step came when member states agreed to allow one political representative to sit alongside the president of the ECB and speak for the euro zone in a new G5 forum that included the US, Japan, China, and Russia. For the UK, France, Germany, and Italy, participants in the old G7 arrangement, this concession

signaled the birth of a genuine “monetary Europe.”

Blair’s second premise was that the new wider Europe had to become more flexible. This would require the imposition of minimum obligations on members in key areas to preserve the coherence of the Union, such as competition policy, external trade, the single market, and the signatory of treaties with other countries. But it would also require a continuation of the policy of “subsidiarity”—the devolution of decision-making to the lowest appropriate level—which had contained irredentist tendencies in northern Italy, Catalonia, Corsica, and Scotland. In Blair’s view, indefinite subsidiarity would require signatories to the constitutional convention to enumerate the powers that the states would delegate to the Union, buttressed by a Bill of Rights.

His third premise was that the Union had to turn the much-vaunted common foreign and security policy into a credible instrument of power projection. For years, the Europeans had ducked this challenge by pursuing their own narrow interests and relying on the US military presence as an insurance policy in times of crisis. But after the bloody intervention in the former Serbian province of Kosovo by the North Atlantic Treaty Organization (NATO) and a less than impressive European response to the Iraqi-inspired collapse of the Saudi Arabian kingdom in 2005, the US Congress insisted on a substantial reduction in US troops in Europe and a more active European role in shouldering the security burden. The advance of electronic and satellite warfare made it even easier to argue in favor of a sharp reduction in US troop levels, which had fallen to 25,000 by 2010.

These views found widespread support among European leaders. Jean-Marie Colbert, the French president, was a firm advocate of a European “defense identity” that would harness European technological prowess to a grander goal of a “political Europe” thus helping France defend its traditional interests in stabilizing its southern flank against an inflow of immigrants from North Africa while containing the power of a united Germany and its economic surrogates in the East.

Edmund Stoiber, the aging German chancellor, was a reluctant convert to the vision of a “political Europe.” Long a *bête noir* among Europe’s political elite because of his aggressive defense of his native Bavaria against the intrusive power of Brussels, Stoiber had mellowed in his later years, especially after his upset election victory in 2006. But he was unwilling to be constrained by an exclusive Franco-German alliance and keen to develop closer relations with the UK, whose economic success he envied. In the end, his own fear of repeating the mistakes of the twentieth century—when a revanchist Germany found itself caught between France and Russia—proved too strong to resist, and he went along with Blair.

For Italy and Spain, the appeal of “political Europe” was as strong as ever. Fifty years before, successive Christian Democrat governments in Italy had used the then European Community to provide political cover for the economic reforms necessary to break the gridlock caused by the standoff between the communists and the right. Spain, too, had invoked the perspective of European Union membership to assist in the transition to democracy after the Franco regime. So it was hardly surprising that these two medium-sized powers were ready to join in a British initiative aimed at producing a lasting constitutional settlement.

The decisive argument, however, was that the individual member states needed to cooperate more closely in order to exercise influence in a world dominated by regional groupings. These included: the US and its North American Free Trade Area, which encompassed most of Latin America; the awesome power of China; a resurgent Japan supported by its links with the Southeast Asian prosperity zone; a shrunken but still powerful Russia; and greater Turkey, which included the bulk of the Central Asian states that were formerly members of the Soviet Union.

The question was how do leaders reconcile this inchoate desire for a “political Europe” with the public’s lingering attachment to the nation-state? Stoiber argued that people had to think in terms of a multiple identity for the ordinary citizen, which would encompass regional, national, and European char-

acteristics. Thus, a Bavarian attending the World Cup would wear his short leather trousers and feather cap but would cheer for the German football team inside the stadium, and of course, he would pay for his match ticket in euros.

From Blair's vantage point, Europe would divide into concentric circles. The first circle would embrace the members of the euro zone, with their high degree of macroeconomic policy coordination. The second circle would include the members of the Union waiting to join EMU but already part of the core in terms of their adherence to the single market and to the *acquis communautaire* (the rules and obligations of membership). And the third circle would embrace those countries willing but unable to join the Union.

The next step was to reorganize the Council of Ministers so that the Union was not held hostage by the national veto, especially by so-called micro-states, such as Malta, or filibustering states, such as Greece. In essence, this involved trading the national veto for a generous voting allowance in the Council of Ministers, which would maintain the delicate balance of power between small and large countries, and offering the small states a reasonable chance of having proper representation in the European Commission (now reduced to fifteen commissioners).

By far the most difficult task was to reach agreement on a new European constitution. Many predicted it would be an impossible task to reconcile the interests of countries with different languages, cultures, and traditions. Indeed, it took two years of debate among the finest minds on the continent to agree on an acceptable definition of "federalism." The European Bill of Rights was no less contentious, though Blair's argument that delegates should draw inspiration from the United States' Declaration of Independence struck a powerful chord.

The final document was mercifully short and readable. Instead of the impenetrable Maastricht and Amsterdam treaties, the public was offered a document that approximated plain English (as well as French, German, Italian). It gave some hope to those in favor of a more centralized approach to decision-making, but it came down broadly in favor of "nation-states rights."

The new Confederation of the United States of Europe was the successor to the European Union. There were, however, many who said it resembled the Holy Roman Empire, and they comforted themselves in the knowledge that, though far from perfect, this arrangement lasted longer than most. ☺

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21st Century Visions

European leaders forecast the future

For a chapter entitled "Personal Visions" in Europe in the New Century (published this month by Lynne Rienner; 250 pages; \$17), our journalists interviewed European leaders from an array of fields and backgrounds to find out how they see Europe changing over the course of the new century. During the interviews, the leaders were asked to discuss what it means to be European in the twenty-first century and to predict how Europe will change economically, politically, socially, and environmentally. Here follow excerpts of those interviews:

Robin Cook

Foreign Secretary of the United Kingdom

What does it mean to be European in the twenty-first century?

It means being part of a common European home in which diversity is celebrated, national cultures are thriving, and pan-European cooperation comes naturally. It means accepting each other for how we are, rather than trying to create a homogenous single whole. It means being as at home in Warsaw and Budapest as in Paris or Edinburgh. And it means traveling, working, living, and learning freely and happily across the continent.

Do you think Europe will be a global player in the new century?

By speaking and acting with one voice, Europe should become an increasingly influential global player. The appointment of Javier Solana as the high representative for Europe's Common Foreign and Security Policy is an important step. I am personally delighted that Mr. Solana [is] the first occupant of this new

post. He will bring to it the right mix of authority, experience, and global perspective. The ongoing debate, launched by Britain, on European security and defense, should give Europe the capability to act effectively. What we need to learn now is the habit of talking and acting together—not so we can dilute our countries' individual sovereignty but the reverse. If we work together, we all have more influence than if we worked individually.

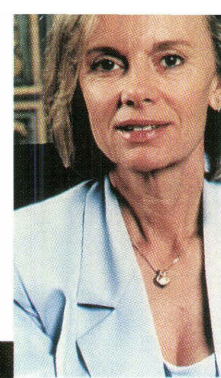
What do you see as the major threats to Europe in the twenty-first century?

Globalization is bringing us many benefits, but it also brings with it new threats and new dangers. The drug trade is now second only to the oil trade in value. International criminals lead the way in working effectively across borders. Weapons proliferators are

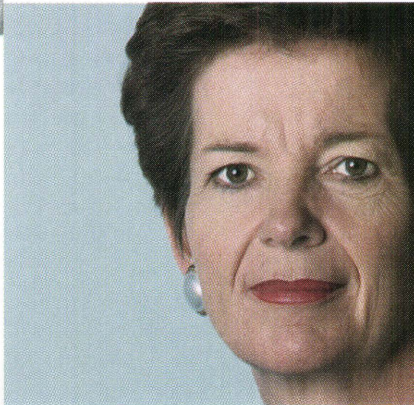
EUROPE
EXCLUSIVE



Robin Cook



Elisabeth Guigou



Mary Robinson



Jean-Claude Juncker



Anna Lindh

learning how easy it can be to ship dangerous weapons around. And the global environment is in serious danger.

We will have to continue to be resolute in standing up for our values, and defending our security. If we are, then despite all the threats we face, then Europe will pull through.

Anna Lindh

Foreign Minister of Sweden

What will Europe look like in 2020?

We will see in the next century that we are more integrated in Europe. Enlargement will continue to lead to a more integrated Europe. I hope that in the year 2020, enlargement will have gone through. We will also see the Balkan countries as members of the European Union.

At the same time, we will have big regional differences, and that is important as well—not to take the cultural differences away in Europe, but we will have joined together in our efforts both for security and for jobs, for the environment, and all those questions which we can most easily solve together. When I'm talking about Europe in 2020, I'm talking about the European Union. It will be the dominant institution, absolutely.

As a former environment minister, do you think Europe's going to continue to be a leader in environment field in the next twenty years?

I hope so because so far Europe has really been dominating the international scene concerning the environment, and Europe should continue in order to get other parts of the world to go along, and to prove that it's possible to have economic growth at the same time as you have sustainable development.

Why is it that Europe seems to be ahead of the other countries on environmental issues?

We started to deal with the environmental problems before most other countries did. Then another important factor is that you have also a very strong belief among the European citizens and a very strong concern about the environment, and so it's also very important for politicians to really deal with the environment. The third reason—and it is the same for European and US enterprises—[is] that all businesses realize that the environment is

important for having a longer-term perspective on business. Therefore, the business society, at least in some European countries, cares quite a lot about the environment and getting sustainable development and about production, for example.

Jean-Claude Juncker

Prime Minister of Luxembourg

What does it mean to be a European at the beginning of the twenty-first century?

Probably more than it meant fifty years ago. One has to consider that the European integration process was born out of the ashes of the old European order, a nationalist order that was at the core of the two world wars that were fought on this continent. Ever since the 1950s, the political will to create a European sphere of security, solidarity, and prosperity has taken shape and has brought us to the creation of the European Union.

Concepts like European citizenship lead to a higher degree of consciousness that being a European means as much as being English, French, German, or Luxembourger. All these nationalities share centuries of common history that, in its diversity, has created a unique European identity—that is well worth preserving. I believe the European integration process as well as

the European social model, for instance, [set] examples for any part of the world to move toward more cooperation and less confrontation.

What will the position of Europe be in the world in the twenty-first century, economically, politically, and culturally? Will Europe be a global force in these areas?

Europe, or the European Union at least, is already the biggest global player as far as its economic strengths and impact are concerned. The Amsterdam Treaty and the recent decisions taken at the Cologne summit [June 1999] will give the European Union an improved visibility in international and security politics. It should, however, be clear that the European Union has no ambitions whatsoever to become a competitor to anybody. What we want is to be a reliable partner, ready to assume responsibilities and act according to them.

Mary Robinson

United Nations high commissioner for human rights and former president of Ireland

You have been at the forefront of the campaign, a champion of women's rights. How do you see women in key roles in politics and governments in the twenty-first century?

Certainly, I believe it has been very important that, in the last twenty years, women have been participating in government, in administration, in business, in the trade union movement and in community life. Two points occur: one, it has helped to balance the priorities, because women bring a whole range of concerns that haven't been addressed sufficiently at the political level; secondly, and equally important, women bring an organizational skill and way of doing things. It's reflected, for example, in the network approach. It's nonhierarchical, and it tends to be practical and ready to adapt to the realities of a situation instead of being hedged in by institutional, hierarchical structures. It's partly that women didn't exercise power in the traditional sense and are therefore more likely to want to resolve problems and to adapt the structure to do that, to have an ease about who is getting the main credit. I think that has influenced international and national institutions to their great benefit.

But women have been in government: Sirivamo Bandranaike in Sri Lanka, Golda Meir in Israel, Margaret Thatcher in Britain.

But you're pointing to individual women. I'm talking about a critical mass of women, rather than the individual exceptional person who happens to have exercised a particular role. It's only in the last twenty years that we began to see that—and we still haven't seen it in real terms except in countries like Sweden, where approximately 50 percent of the parliament is female. But that's still rare.

Will it be easier in the new century for women to run for and hold office?

It's interesting to see the kind of barriers that continue and the lack of full sharing of responsibilities in the home [that] still present[s] a barrier. You've got child care certainly, but women have the main responsibilities in that area. Even in countries like Sweden, I've talked to a number of women parliamentarians for whom it is more difficult still. Women in the business world find it difficult to break through to the top levels in the boardroom and to exercise a comparable influence in decisions in the financial world.

Given what's happened over the last twenty years, will it no longer be a rarity to see women in power in the twenty-first century because women like yourself are already in politics and hold senior positions in other areas?

There's still quite a distance to go. I hear constant reference to those glass ceilings and invisible ceilings. They're still there. It's by no means the case that we have resolved these problems. We are talking about a developed world and, if you like, a privileged context in contrast to women worldwide.

In most of the countries in which I would be addressing a human rights situation, women are far from achieving even respect and recognition. They are the burden carriers, they do most of the work, but they don't have status and, in some instances, don't have a vote. This is more evidence of the positive contribution that having a good balance of women at every level can make. I don't think that women, empirically, are any better than men. It's the balance that is better for a country or a system.

Elisabeth Guigou

French Minister of Employment

Is something missing in the institutional leadership of Europe?

I believe we are necessarily moving toward an institution I support creating—a presidency of Europe. Will it be a man or a woman? How would he or she be designated? Would it be a triumvirate, functioning with the president of the European Commission, and the presiding president of the Council of Ministers? No one can provide answers today. What is clear is that, in light of everything we are doing—the establishment of the euro, the plans for European defense, combating crime on a European level—we need an incarnation, in the form of a presidency. It remains to be defined. However, I do not believe it can involve the president of the Commission only because the Commission has an absolutely key role to propose and to work for agreement. When it isn't given that role to play, among governments, the system doesn't work. So, the powers of this European executive, the presidency of Europe, should emanate, simultaneously, from the Commission and the Council, comprising heads of state and government, of course. This is what we should be trying to invent and to build.

Looking ahead, say twenty years, how do you see the addition of new members shaping the European Union?

...We need to be careful and avoid Europe turning into a system which allows members to shop around, as if they were in a supermarket. There can be one or two forms of membership, maybe three, but not twenty. What we are moving toward, inevitably, is a central core of countries that want, and are willing, to undertake all their responsibilities, at the same time—common defense, political integration, and the like. Around them, there would be a second circle of countries that would constitute a market, the common market, with shared rules to ensure fair competition, in matters of taxation and labor relations. ☺

Mike Burns in Dublin, Robert J. Guttman in Washington, Axel Krause in Paris, David Lennon in London, and Alan Osborn in Luxembourg conducted the interviews. ©Lynne Rienner

EUROPE EXCLUSIVE

For the generation born in Europe during the 1960s and 1970s, the identification of themselves as

'Europeans' means more than just the continent on which they were born. This group largely came of age along with the European Union. While their great-grandparents, grandparents, and parents were divided by world wars and their aftermath, this generation graduated from high school and college only to find the cold war ending and the single market emerging. Peace and unification brought opportunities their forebears never had. As a result, this generation of Europeans generally speaks more languages than their parents and is more likely to study and/or work abroad at some point in their lifetime.

With these differences in mind, we asked fifteen young people—one from each of the EU's member countries—to discuss what it means to be 'European' at the beginning of a new century and describe experiences that made them feel European. Following are excerpts from their remarks:

Lone Ryg Olsen

Age: 28; Occupation: journalist; Nationality: Danish

"Those summers were totally European. To buy a Eurail pass—\$200 for a month of unlimited transport from the north of Norway to the south of Spain—and hit off had been the thing to do in Denmark for about ten years and would keep that status for a few years more until cheap plane tickets made traveling in Asia more popular.

This way of getting around changed the way I, and probably many other young Europeans, looked at Europe. Before leaving I had regarded the debate about the European Union as, at its best, "boring" and, at its worst, "meaningless." It had nothing to do with my life. But traveling out there, sitting in a train compartment sharing Italian wine and French cheese with German students and Spanish guitar players, did make the thought of a common Europe seem pleasant. And then there were the Acropolis, the Roman Forum, La Sagrada Familia, and the Sacre-Coeur...all representing cultures I would be happy to acknowledge my relation to. Europe, I discovered, was cool.

European students interning in Washington, DC. Today, young Europeans have more opportunities to study abroad than any previous generation, and their experiences are changing how they view Europe and the world.

The Next Generation

What does the idea of a united Europe mean to young Europeans?

Europe was fun. I would be proud to call myself a European citizen.”

Ondine Millot

Age: 24; Occupation: student; Nationality: French

“Europe is about bringing people together to create a new thing. The media talk about economic agreements. They write about the euro. But you cannot separate the economy from the people. I see Europe as a process that involves all its inhabitants in a continuous attempt to improve European citizens’ conditions. Europe is about trying. Everything may not work instantly, but you still have this will to go further, to do better.

Europe is a great adventure, and I want to play a part in it. We young people have been lucky enough to be born at a time of peace between European nations. This peace, we owe it to Europe. It’s up to us to continue this direction and to bring that great project further.”

Claudia Hellman

Age: 27; Occupation: journalist; Nationality: German

“The introduction of the euro is a bold and unprecedented economic experiment. But it is not a revolutionary coup overrunning the people of Europe. I see it as one crucial step in the evolutionary process of the formation of a unified Europe. It is a challenge we must accept if we want this union to progress. I also see the internationalization of business that will doubtlessly follow the creation of a single, large market as a unique career opportunity. Changing from a job in Cologne to one in Glasgow, Milan, or Stockholm will become even easier than it already is. Just as introducing a common currency has been a definitive step, other important issues lie ahead, such as opening the EU to new member states. There will be difficulties, and there is no magic formula to make this union work, but respecting each country’s individuality while embracing the common ground should bring us a long way.”

Peter Droussiotis

Age: 39; Occupation: lawyer and Labor Party councilor; Nationality: British

“Whether we are lawyers or business people, housewives or teachers, nurses or politicians, black or white, all of us have a common point of reference called Europe. But Europe is more than a place on the map. It is a collection of ideas and

ideals, a concept and a reality; Europe is the now, but it is also the vision for tomorrow. We live in an increasingly interdependent, synthetic world. Problems and solutions cut across national boundaries. Creating new jobs, alleviating poverty, protecting our environment, fighting racism and xenophobia are all challenges with a pan-European perspective requiring European solutions. When I think of Europe in this context, I think of the European Union and of what it can or should achieve. I think of its institutions and its vast resources. I think of the potential to create a Europe that derives strength from its diversity, a Europe focused on the common good of all its citizens.

This is part of the vision that in so many different ways drives my passion for politics, my membership of the British Labor Party, and my work as a local councilor in the London Borough of Haringey. Improving the quality of people’s lives in Haringey is no longer solely a local or even a national objective. It is a European goal.”

Eve van Soens

Age: 23; Occupation: nanny and photographer; Nationality: Belgian

“When you are far away from your country, you realize you are European, especially when you come from a little country like Belgium. People don’t seem to know where it is, and it makes everyone’s life easier when you say you come from Europe’s capital.

I have been given the opportunity to travel a lot across Europe, and it’s true that sometimes I had the feeling I had not left my country, as there are no borders. As long as you spoke English, you could always find your way. The only problem was the money; now that problem will disappear [with the euro].”

Antonio Corsano Leopizzi

Age: 36; Occupation: marketing manager; Nationality: Italian

“Europe is becoming smaller and more accessible. These observations lead me to believe that Italy’s young people are reaching out to new cultures and lifestyles. They are developing an outlook that is becoming more and more European, and less and less constrained by the old ways of thinking that made it so hard to accept the idea of ‘abandoning’ one’s home country and family. Today the possibility of a move abroad is

no longer viewed as a last resort, by those lacking any other opportunities, but rather as a valid opportunity to be jumped at for the benefit of one’s own cultural and professional growth. Italy’s younger generations are heeding the call of Europe and are preparing themselves to be part of a more international society.”

Emer O’Beirne

Age: 33; Occupation: University Lecturer; Nationality: Irish

“As a teacher of French in Ireland’s largest university, feeling European is almost part of the job! There’s a distinctly polyglot character to our part of the university, as the French conversations in the corridors mingle with those of colleagues and students in German, Spanish, and Italian, not to mention Irish. I work side by side with people from all corners of France, some permanently settled in Ireland, others on one-year exchanges from French universities. For all of us, making the French language and Francophone culture accessible to the 800 or so students who have chosen to study with us means staying in close and regular contact with life in France.

In recent years, communication developments have made maintaining links with other European countries ever easier, overcoming Ireland’s geographical peripherality and perhaps diluting the cultural introspectiveness that went with it. Indeed our students today need no reminding that they are Europeans—since the advent of cable and satellite television, French, German, Spanish, and Italian TV programs have taken their place alongside English and Irish-language channels, while the Internet makes European newspapers and radio stations more easily available than ever before. For young Irish people, Europe is an extracurricular reality too: DJs play a European circuit and bring a correspondingly European selection of music to Irish clubs (followed closely by the artists themselves in concert), while a combination of low-cost airfares and a new economic prosperity have made other European capitals increasingly accessible.

One tangible effect of this drawing closer of cultures is that Irish students are no longer intimidated by the idea of studying for a year in another European country, but embrace the possibility with confidence.”

Ingelies Strick

Age: 27; Occupation: university student; Nationality: Dutch

“Feeling European pops up when you least expect it. For example when you see someone trying to eat a hamburger with a knife and fork. The person doing this could be German, French, Belgian, Spanish, Danish; in other words European. At this time, I’m living in an international student house in Washington, DC. So I can observe everyday how we Europeans differ from them, the rest of the world.

Before I came to the United States, I had never been aware of all the information we get in the Netherlands about Europe. Through television, radio, newspapers, and magazines, we gather a lot of information about all the European countries. In my experience most Europeans are well informed about the whole of Europe. Sharing knowledge about Europe is part of the European feeling.

It is hard to explain what feeling European is all about. The definition of a nation is a group of people with the same history, language, and religion. European countries do not share a common history. In the past, this shared history has mostly been about wars. From the Middle Ages until 1945, wars filled our history books. But luckily things have changed. At this time European countries share a new common interest—the European Union.”

Antoine Kremer

Age: 26; Occupation: research intern; Nationality: Luxembourg

“As a young European, having grown up as a Luxembourger in an international environment, this diversity seems to me an essential part of our European identity. Every single one of us is entirely Spanish, Irish, Greek, or Finnish. But more and more, there is a consciousness growing in the whole of Europe that we also belong to something else crossing the borders of the different national states: the consciousness of being European alongside and beyond our respective national identity.

Over the past thirty years, we have spent our holidays increasingly in some other European country: Germans going to Spain, the Dutch to Luxembourg, Danes to Greece, and Belgians to the United Kingdom. At the same time, we hear about the politics of the European Union every day on the news, and news-



Cyber-café in London have become popular hangouts for young people—both locals as well as tourists and students.

papers have daily pages dedicated to European affairs. Since the end of 1998 and the introduction of the euro at the beginning of the following year, people are conscious of having another thing in common. From 2002 onwards, Europeans all over the euro zone will be doing their daily shopping by paying in euro notes and coins. The European integration, which sometimes appeared a little bit abstract, will become more tangible.

That’s why I feel Luxembourgish and European, too. I think this growing consciousness of being also European is a chance for Europeans themselves to open their minds more and more to other peoples and nations, not only in Europe, but in the world at large. We shouldn’t miss this opportunity.”

Mirja Sitila

Age: 26; Occupation: international business student and former player on the Finnish national basketball team; Nationality: Finnish

“‘I am European.’ This expression, which only a short while ago was not natural to me, has become a very normal part of who I am today. My awareness of

being European has not, however, lessened the sense of my own nationality: I am a Finn, and I feel very strongly about it. But my new European identity has changed the way I view the world and the way I see myself as part of it. I feel European, just like Britons, Germans, or Italians. I consider this a big change for a Finn who grew up planning to take trips to Europe.

My years with the Finnish national basketball team showed me how strongly one can feel about one’s roots and one’s own country. Wearing the blue-and-white Finnish uniform and hearing the national anthem brought new intensity to the game. It was no longer just a question of pride as in an ordinary game but a question of our national pride. At the arena, there were us Finns, and there were the others. The sense of our nationality was very strong.

These differences and the rivalry, however, almost disappeared when we participated in tournaments in other parts of the world. Even the global game of basketball was played differently in Asia and in North America than what we had been used to in Europe. The experience of the new cultures and different

approaches to the game gave us a true comparison.

We Finns and our rival Europeans were all of a sudden amazingly similar. Instead of being a distinguishing element, our backgrounds became a cohesive force. There were us, the Europeans, and there were the others. We Europeans, we understood each other, and our differences seemed to become less significant. The new angle of looking at things brought us closer together.

I am a Finn, but I have realized that at the same time I can also be a European. That is a new perspective in my life. I have learned to look at things on another scale, as a European. It is important to be proud of our distinguishing traits and our roots, but there is also a richness to be gained in acknowledging our similarities. We can pull all these traits together, and turn it into something positive."

Helen Holst

Age: 22; Occupation: student of business administration and economics; Nationality: Swedish

"In the future I hope that the EU will encompass every European nation and that we together can keep peace and high living standards in Europe. There is also a necessity not only for Europe but for the entire world to cooperate on environmental issues. I regard the EU as a step toward a global world. Therefore, the EU needs to look more for breadth than depth and deal with large issues in many countries rather than small issues in a few countries. The EU should represent freedom, not restrictions. As to my own near future, I wish to find a job in Sweden or elsewhere in the world if countries outside of the EU would open their labor markets to me and offer some freedom for a world citizen."

Diana Rochford

Age: 25; Occupation: international law student; Nationality: Portuguese

"I have always thought of myself as European, I was brought up bilingually in an English school in the heart of Portugal and have been taught to look at the world, family, life, career through two perspectives. My father taught me to dive into every opportunity in that go-get Anglo-Saxon fashion, and my mother taught me the importance of creating a network of family and friends, the skills needed to survive in a Mediterranean country.

Yet, when one is outside of Europe, one seems to realize just how similar the different European countries actually are. Being plonked in the midst of Greece or Finland would bear no resemblance to being left alone on a busy street in New Delhi. My sense of survival would be different.

Despite our differences within Europe, our languages and customs are bound by a common thread. People in general in Europe look determined; they have an opinion or just something to say. They are quickly overcoming any specter of a repressive and dictatorial past that has plagued many European countries this century.

And contagion is rife among European countries. Europeans work and present their arguments on the basis of comparison. While the north is invading the south with its strong environmental concerns and egalitarian political rights and duties, the south has tweaked at the north's human side, with its coffee, pasta, sun, and general love of life."

Angeliki Papantoniou

Age: 32; Occupation: consultant; Nationality: Greek

"Being European is a characterization that we take for granted. Being Greek still has precedence in our hearts, but we also feel European, and it is this feeling that distinguishes us from our parents' generation. The keys to this notable change have been peace, education, communication, the growing globalization of culture, and Greece's membership to the European Union.

We are, after all, a generation that grew up in a peaceful Europe—in fact, we take peace in Western Europe for granted. Even when war broke out in the Balkans (Bosnia, Kosovo) or when Turkey talks about the "gray zones of the Aegean," somehow everything seems distant from our everyday life. Our education was better from previous generations, lots of us had the opportunity to study abroad—today more than 30,000 Greek students study in European or US universities—and almost everyone speaks English (and often a third European language)."

Belen Vidal Villasur

Age: 24; Occupation: university student; Nationality: Spanish

"Nothing is going to prevent me from being, first and foremost, Spanish. My accent betrays me, and my long para-

graphs tell about the romance shaping of my linguistic cast of mind. But my Spanish legacy does not set the limits of my personality; it is, rather, the starting point of a journey which has always led me back to my cultural skin feeling enlarged and enriched.

Why worry about embracing difference? Sameness crops up spontaneously.

Being a graduate student in the United States, I soon discovered that the European colony shared a language that prompted a special sense of bonding. My best friends are Europeans in mental exile as I am, passing and cheating on cultural borders: a Romanian with a transparent accent and an English girl doing her Ph.D in Spanish. It is not only mutual understanding which brought us together but the fact of having made ourselves comfortable in cultural places other than our own.

Against the barren immobility of nationalism, the best way of building Europe is through exchange and circulation. The economic union is a crucial aspect, but equally important is getting to know who your neighbors are. The real dimensions of Europe are still unknown to their citizens, and too often history has been abused in order to draw arbitrary borders inspired by fear and hatred, as the tragic conflicts in Eastern Europe have come to prove."

Isabelle Walters

Age: 29; Occupation: English teacher; Nationality: Austrian

"It seems that at the end of the day what counts is not where we come from but whether we have lived through similar experiences, have had to cope with similar problems, and have some interests in common—and maybe have read the same books and seen the same films. I have always wondered how smoothly the living together of so many people of so different nationalities and cultures worked when I looked at the various student flats during my time in Edinburgh and heard other students' experiences. They all said that the one motivation and goal to go and study in another country equipped them with a common ideal that led to a common bond making them respect, most often understand, and very often even love each other. Thus, not our national or cultural backgrounds seem to count but the goal we have in common." ☺

©Lynne Rienner

By Bruce Barnard

Holiday Travelers Take to the Skies

Cheap flights fuel travelers' fancies

Europeans are increasingly spending Christmas and the New Year abroad, creating an alternative vacation season to the traditional summer break.

Ten years ago overseas travel around the Christmas season was largely restricted to skiing holidays in Austria, France, Switzerland, and Italy, although a growing number of vacationers began to chase the sun as far away as the Canary Islands or even Florida.

But today a brand new vacation market is springing up, aided by the growth of US-style, low-cost, no-frills airlines, the lifting of border controls in the European Union's single market and growing affluence. Most important, Europeans have the time to take two, even three, vacations a year. In Austria and Germany, the average worker has six weeks of annual paid vacation, excluding public holidays, which add an additional thirteen days in Spain. Many factories and offices across Europe close for up to two weeks between Christmas and the New Year to avoid disruptions around the holiday season.

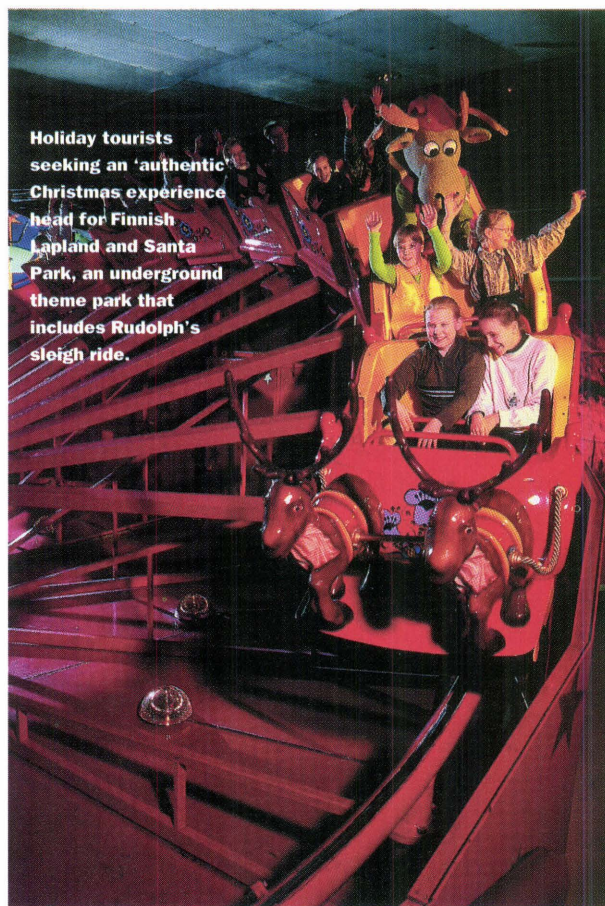
To be sure, most European families still gather for Christmas, but an increasing number of footloose vacationers head abroad, taking advantage of extremely low fares on the rapidly expanding network of the no-frills carriers which now cover destinations as far apart as Athens and Helsinki. Before the low-cost airlines arrived, the estab-

lished carriers withdrew discounted tickets from mid-December to early January to take advantage of a captive market of relatives returning home.

The Internet also has revolutionized the buying of airline tickets, especially for the growing number of people who choose their holiday destinations on impulse. One of the United Kingdom's best-known Internet companies is lastminute.com, which is tailored for people who decide, almost literally, at the last minute to buy an airline or theater ticket.

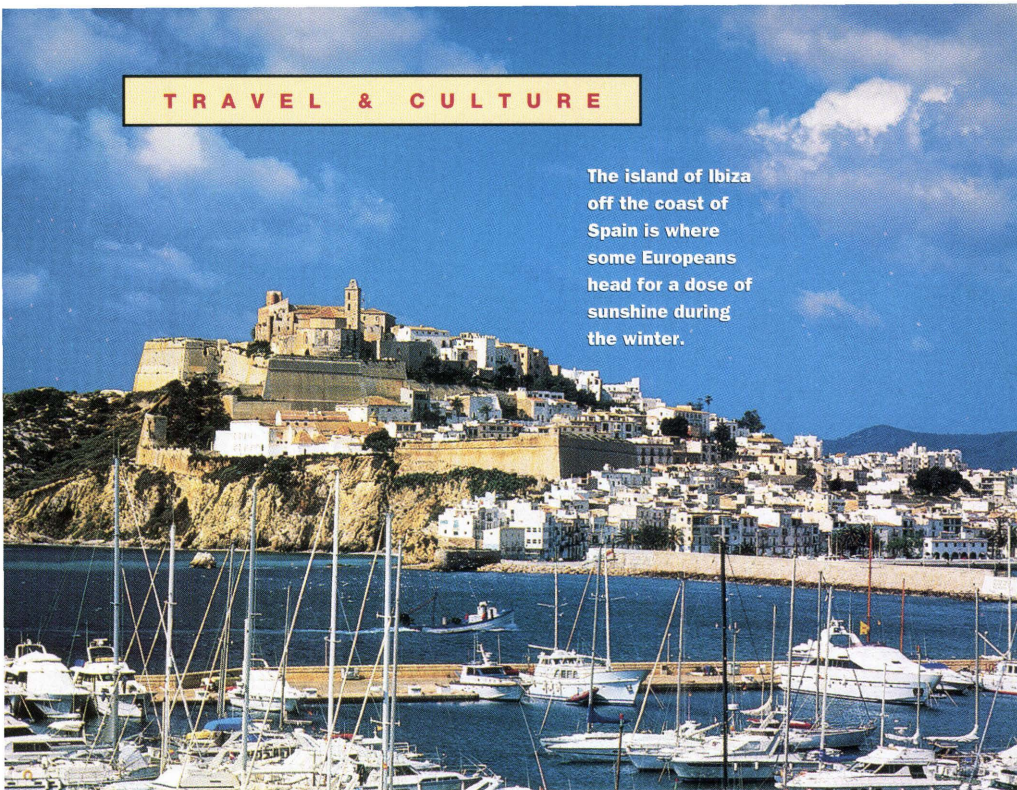
"There is a huge floating population in London that just wants to fly somewhere. If you make it very cheap, they just go for a weekend anyway," said Michael O'Leary, chief executive of Ryanair, Europe's largest low-cost airline, which expects to fly 7 million passengers to eleven countries this year.

The UK is the pacesetter in low-cost air travel with four large discount carriers: Ryanair, which is Irish but generates most of its revenues in the UK; EasyJet; Go, a subsidiary of British Airways; and KLM's Buzz.



Holiday tourists seeking an 'authentic' Christmas experience head for Finnish Lapland and Santa Park, an underground theme park that includes Rudolph's sleigh ride.

The island of Ibiza off the coast of Spain is where some Europeans head for a dose of sunshine during the winter.



They are also setting up abroad. EasyJet is developing hubs at Amsterdam and Geneva. Ryanair is still deciding on the location of its first continental hub, and Virgin Express operates out of Brussels to a growing number of European destinations.

There is a huge difference in the price of fares to secondary destinations. A midweek ticket from London to Marseilles, on the doorstep of the French Riviera, will cost as little as \$138 with Buzz and up to \$652 on Air France or British Airways.

The fastest growing segment of the market is the so-called "citybreak," typically two or three nights in a foreign capital, with flights, hotel, and usually airport transfers included in the price. The choice has expanded from the obvious cities like Paris, Amsterdam, Rome, and Madrid to farther-flung destinations, including Prague, Moscow, Istanbul, Tallinn, and even New York, a popular choice for weekend shopping and sightseeing.

Unfortunately, one of the more festive holidays—a day return by Concorde to Lapland for Christmas lunch with Santa Claus—won't be taking place this year because the entire fleet of supersonic jets was grounded following the fatal crash of an Air France plane earlier in the year.

Improved rail links have also encouraged people to take short breaks around the holiday season. The channel tunnel has brought London within three hours of Paris and Brussels,

while a new high speed link has cut the journey time between the French and Belgian capitals to just seventy-five minutes.

Taking short foreign holidays is also getting easier for Europe's more isolated populations. This year for the first time Swedes and Norwegians will be able to drive to the continental mainland across the new Oresund road and rail bridge. Opened in July, the span provides a land link between the southern Swedish port city Malmö and the Danish capital Copenhagen.

In one sense, there is no such thing as a foreign holiday within the European Union anymore, as the majority of its fifteen member nations (the UK being one of the notable exceptions) has signed the Schengen Agreement, which eliminates the need for passports between EU members. Now a journey from Germany to Spain is like crossing a state border in the US except for the language, food, architecture, culture, and so on.

Furthermore, it's going to get a lot easier to take spur of the moment Christmas and New Year's vacations beginning January 2002 when euro coins and notes enter circulation in the euro zone, which will by then include at least twelve nations. Six months later national currencies will no longer be legal tender with the euro the only valid currency from the Arctic to the Aegean.

By then the question on many lips will be "Madrid or Stockholm for Christmas this year?" ☺

SW

Looking out from the upper windows of his Forsmark manor house at one end of his iron works complex in middle-eastern Sweden, Samuel af Ugglas must have been a contented man. The small, neat white houses of his employees could be seen lining the main street of Bruksgatan all the way to the towering church steeple at the end of the street. His son Per Gustaf played in the English park amid the wild greenery. Brigades of servants, quartered in their own house, diligently washed, baked, and cleaned.

Af Ugglas' own home was a forty-room manor house that was built between 1768 and 1774. Today, the entire property is a historic landmark in the heart of Sweden's Walloon district. About an hour and a half by car from the capital city of Stockholm, the area is well worth a visit. You can also get there by bus.

In the 1700s, the Belgian Walloons discovered that Swedish iron ore was of far better quality than anything else they could find in Europe. They began mining the ore that was plentiful in the area around Forsmark and helped build iron works to forge the metal into flat lengths that were exported worldwide.

In the process, communities grew up around the various iron works. Like af Ugglas, the other works owners were responsible for their employees health and education, as well as making sure they attended church.

The Forsmark works is open to the public daily from June to August and on weekends in May and September. Guided tours are available in English. It's also open during the winter holiday season when you can the sample traditional Swedish holiday smorgasbord at a number of places in the area.

The Forsmark manor house, itself, is only open on special occasions, but if you are lucky enough to get inside,

eden's Walloon District

A smorgasbord of simple pleasures

By Ariane Sains

you'll see the furniture in the small dining room, which attracted the eye of no less than legendary Swedish director Ingmar Bergman. He borrowed the dining table and matching eighteen chairs with needlepoint seats and backs for the movie *Fanny and Alexander*. But that wasn't the first time Forsmark Bruk caught the film industry's attention. In 1923, scenes for a Swedish movie with Greta Garbo were filmed there.

Tours are available at several other works in the area as well, and a number have cafes or restaurants with food that's probably a little more refined than what the works' laborers were used to.

Accommodations in the area are usually simple bed and breakfasts, or if you like to camp, there are plenty of places to pitch your tent. But if you want to feel like the lord or lady of the manor, several of the works owners' homes have been turned into elegant hotels, featuring the original period bedrooms, albeit with modern plumbing. Be sure to book well in advance.

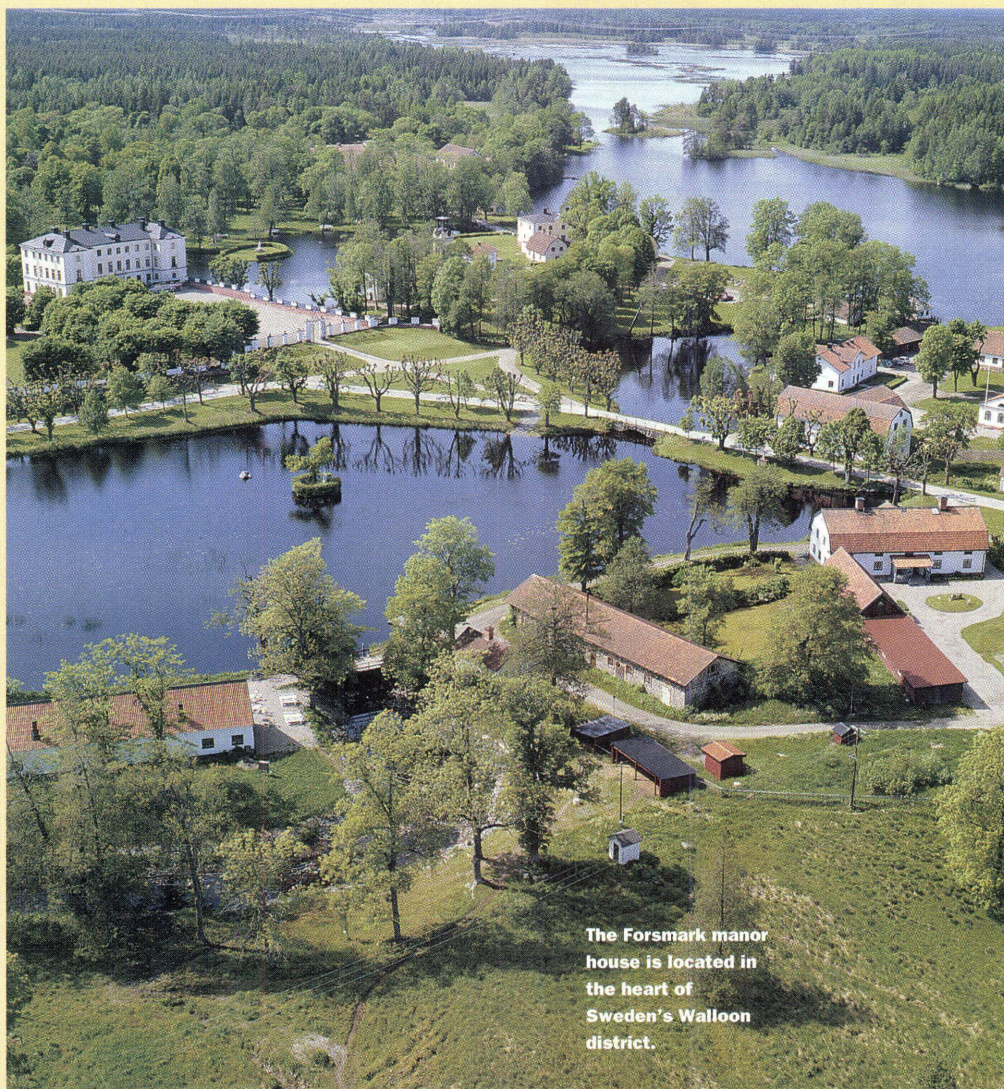
If you tire of looking at manor houses, the area boasts wooded hiking trails, boating, and fishing. There are also several excellent golf courses. Local iron smiths and other craftsmen still use traditional methods to produce household items and jewelry in the style of the Walloon period. And on a summer evening, you're apt to find just about any kind of concert, from

opera festivals to classic Swedish dance band music.

Not far from Walloon country is the picturesque fishing village of Öregrund, which provides another change of pace. It's easy to rent or charter a boat here and head out in the innermost part of the Stockholm archipelago. Back on

land, try some Baltic herring during the town's fishing festival, an annual summer event involving about 700 pounds of the herring that usually attracts several thousand visitors.

For more information in English: www.grufkontoret.se/vallonbruken/eindex.htm. ☺



The Forsmark manor house is located in the heart of Sweden's Walloon district.

CAPITALS

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



Before Regis Philbin there was Chris Tarrant (right), the host of the original version of *Who Wants to be a Millionaire*, which premiered in the UK in 1998.



LONDON

PRODUCER'S FINAL ANSWER: MILLIONAIRE A GLOBAL HIT

The television quiz show *Who Wants to Be A Millionaire?* is a worldwide phenomenon watched by hundreds of millions of television viewers, and it certainly has made its British originator David Briggs a millionaire.

A veteran producer with London radio and television stations for twenty years, Briggsy, as he is known, quit regular employment to try to come up with something of his own. He worked for months alone in a room in his London home playing with ideas.

"I wish I could tell you that I was visited in the middle of the night by the god of game shows," he told an interviewer, "but it doesn't happen quite like that," says the fifty-year-old with a broad grin.

Working on the basic concept of winning a million pounds, he gradually formed the ideas that have emerged as the most successful game show of the twenty-first century. Television companies were concerned about how to fund the massive prize. "So I built-in the idea that [potential contestants] would have to call and answer a question on premium phone lines that charged a higher rate than regular calls. This would generate enough revenue to pay for the prizes."

He also dreamed up other exciting and involving facets of the show, such as

the contestant being able to ask the audience what it thought was the correct answer out of the four on offer. He also envisioned gradually tightening the camera focus on the contestant's face with each question.

Briggsy wrote out his ideas on two sheets of paper. "I always figure that two sheets is enough if the idea is strong. If it needs a lot of explaining it's going to be hard to do."

Then he took this two-page outline to two old friends from the time he worked on London's Capital Radio who were making shows for Celador Productions, an independent production company. "We went to a pub to mull things over and by the end of the afternoon the idea was pretty much fully born," he recalls.

Intense weeks of rehearsal with presenter Chris Tarrant led to more fine-tuning of ways to help build the drama and tension. The expression “phone a friend” came out of the rehearsals. Today “phone a friend” has become a catch phrase that is so widely used that only a visitor from another planet would need an explanation of its meaning.

“When the program started, I had the idea that it might be relatively successful,” explained the good-humored Briggsy. “By the end of the [rehearsals], we knew we had something astonishing on our hands.”

David Briggs is equally astonished by the show’s success in the United States. “That a British game show should have such an impact in America (where it rescued the falling fortunes of ABC and has boosted the career of host Regis Philbin), it’s a miracle, like a dream.”

—David Lennon

ATHENS

GREECE BUILDS GOODWILL IN SERBIA UNDER KOSTUNICA

The overthrow of Slobodan Milosevic in Yugoslavia has opened new and much brighter prospects for the southern Balkans. Greece, as the region’s only EU member, hopes to play a bigger political and economic role as the reconstruction effort picks up speed and neighboring governments seek to deepen their ties with the European Union.

Under Prime Minister Costas Simitis, the Socialist government steadily distanced itself from the Milosevic regime. Greece has a small number of troops in Kosovo, operating alongside the US contingent in the NATO-led international peacekeeping force.

Last summer Greece hosted a landmark meeting of Yugoslav opposition leaders, while George Papandreou, the foreign minister, established a friendly relationship with Vojislav Kostunica before he was elected as Yugoslavia’s president.

In November, Yannis Papantoniou, the economy minister, visited Belgrade to cement ties with the transition government and firm up plans for a bilateral aid package. Greece is transferring \$15 million in emergency aid to Serbia, to be used for buying fuel for the winter. It has also agreed to freeze a \$50 million debt owed to Greece’s power company and

state-owned oil refinery by state-controlled Serbian companies.

“This is a critical time for building goodwill,” says a Greek official. “International aid is always slower to arrive than the recipient would like. We can step in and help as neighbors.”

Looking further ahead, Greece plans to make \$250 million in reconstruction aid available to Yugoslavia over the next three years for joint projects carried out by Greek and Yugoslav companies. The Greek government has also approved a \$100 million loan to finance imports.

In return, Kostunica has given guarantees that existing Greek investments will be respected. There has been concern about the future status of Telekom Srbija, in which Greece’s public telecommunication operator OTE holds an equity stake alongside Telecom Italia. Because the Greek and Italian investors acquired their 49 percent stake in a privatization deal approved by the Belgrade government, unions and politicians have demanded a review of the sale after next month’s parliamentary elections.

The aid for Yugoslavia will be matched by another \$300 million package to be shared among Albania, Bulgaria, Romania, and the Former Yugoslav Republic of Macedonia as Greece’s contribution to the Balkan reconstruction effort. These outlays mark the first time that the Athens government has been able to finance a substantial aid program for the region.

Though it is still the poorest country in the EU, average incomes in Greece are ten times higher than in the Balkan countries. The economy has been growing steadily at rates higher than the EU average, and business confidence is strengthening.

Greek companies are already the biggest investors in the Balkans, having poured an estimated \$3.2 billion into acquisitions and joint ventures with local partners over the past decade. Apart from the telecom deal, Greek banks, food processors, and metalworking companies had been poised to invest when international sanctions were imposed against Serbia. Almost all these companies are now preparing to return.

In the medium-term, analysts say, Serbia’s emergence from international isolation will enable the region to build cross-border links ranging from electricity transmission to oil and gas pipelines and high-speed bandwidth for Internet connections.

“The way things were, Serbia was a black hole at the heart of the region,” says a Greek entrepreneur. “Risks for Western investors will still be high, but there will be new opportunities for businesses based in all the surrounding countries.”

—Kerin Hope

BERLIN

GERMAN DINNER TRADITION, SAME PROCEDURE EVERY YEAR

This year on New Year’s Eve, millions of German television viewers will watch a black and white comedy sketch called *Dinner for One*, just as they have done every year since 1963. The twenty-minute sketch performed entirely in English will be broadcast without subtitles on all main channels. It has become a cult in Germany and is in the German edition of the *Guinness Book of World Records* as the country’s most repeated television program.

In the touchingly simple plot, Mav Warden plays Miss Sophie who is celebrating her ninetieth birthday in the company of her four friends, Sir Toby, Admiral von Schneider, Mr. Frommeroy, and Mr. Winterbottom. Although her friends died long ago, Miss Sophie ignores this fact and continues to celebrate her birthday with her make-believe guests every year. James, her butler, played by Freddy Frinton, serves the elaborate dinner and drinks to go with it. Sherry with the muligatawny soup, white wine with the North Sea haddock, champagne with the chicken, port with the fruit.

Before each course, the butler asks the lady, “The same procedure as last year, Miss Sophie?” She replies, “The same procedure as every year, James.” German viewers know these words by heart, repeating them with the old lady (and the phrase has entered the popular vernacular). With each course, the butler drinks a toast to Miss Sophie on behalf of each of her four guests and becomes increasingly inebriated. James stumbles frequently over the head of a tiger rug. Sometimes he manages to jump over the head, and sometimes he misses it.

Most Germans who have watched *Dinner for One* for years are convinced that the sketch, which borders on slapstick, is British, but in fact, it was made in Hamburg by the NDR broadcasting station in 1963 and is virtually unknown in

Britain. A reader informed the *Financial Times* that Swedes also eagerly watch the same sketch titled in Sweden *The Duchess and the Butler* with a dialogue that includes the word for “cheers” fifty-six times in four languages.” A Dane also reportedly obtained a doctorate in sociology in the 1970s after writing a thesis on the sketch.

A few years ago, German television channel RTL broadcast a colorized version that was also dubbed into German. However, the “new and improved” version proved a failure with the viewers, somehow lacking the magic and sparkle of the original. The black and white, English version returned the following year.

Explaining the phenomenon Norbert Bolz, professor of communications theory at Essen University, attributes the film’s popularity to its part in the New Year’s Eve ritual, a kind of comfort that gives people a sense of security. “There is something positive in the continued popularity of *Dinner for One*. It is a sign Germany is becoming a bit more humorous and a bit more ironical in judging itself,” he says.

At the end of the sketch, Miss Sophie announces that she is going to bed. “I’ll give you a hand up,” says James. “Same procedure as last year?” he asks one final time. “Same procedure as every year,” responds Miss Sophie. “I’ll do my best,” replies James.

—Wanda Menke-Glückert

BRUSSELS

A CITY’S MILLENNIUM STORY

As Brussels’ turn as one of Europe’s nine Millennium Cities of Culture draws to a close, a handsome new book, entitled merely *Brussels*, has just been published. Unlike most coffee table books, it is a work of real scholarship, beautifully written by a team of authors, of whom the principal one is Claire Billen, a brilliant historian from the Free University of Brussels (ULB). She traces, in fascinating detail, the 1,000-year economic, social, and linguistic history of the settlement known as late as the eleventh century as *Broucsela* (meaning “hamlet in the marsh”), which is now celebrated as the capital of Europe.

It is a fascinating story that should be of interest not only to tourists visiting the city, but to everybody living there, of whom more than a third are foreigners, and probably as many again have been

drawn to the city from other parts of Belgium. Few of them have much idea of how this development took place or of the forces that brought together the complex range of settlements and communities that now make up the modern city region.

How many people, for example, realize that Brussels’ historical development probably owes as much to the river that flows through it as London does to the Thames, Paris to the Seine, or New York to the Hudson? We have, of course, a good excuse. Few of us have ever set eyes on the Senne (a tributary of the Scheldt), which was covered over in the mid-nineteenth century after it had degenerated into a disease-ridden open sewer.

Billen draws out a whole series of other little known facts that have contributed to the rise of Brussels, which has not been a linear process but more a series of surges and setbacks. One striking revelation, at least to me, was that Brussels was offered the opportunity of having its own university as early as 1425. The city magistrates turned it down, and the Duke of Burgundy established it instead in Louvain. Brussels had to wait more than 400 years before the ULB was founded in 1834.

Other, more recent, disasters that Billen recalls are the razing of much of the center of the town to effect the north-south rail-link and the thoughtless destruction of notable buildings such as Victor Horta’s masterpiece, La Maison du Peuple, at the behest of commercial speculators. He also recounts the unplanned and piecemeal development of the European quarter, including the construction of the unfortunate Council of Ministers’ building, disdainfully referred to by Jacques Delors as “Ceaulescu’s Palace.”

Billen, however, does draw out the genius of Brussels for renewing itself after every setback, the most notable example of which was undoubtedly the triumphant reconstruction of the Grand’Place in the three to four years after its destruction, in 1695, by the guns of Louis XIV.

Billen’s text is supplemented by a series of essays written by, among others, Charles Picqué, the much admired former minister-president of the Brussels region, who is now the federal minister responsible for urban development. Each of these pieces offers a distinct *aperçu* on the nature of Brussels and its varied populations, presenting a picture of a city that is not so much a metropolis as the



hub of a proliferating series of networks, both national and international.

The whole work is sumptuously illustrated by a wealth of pictures, engravings, and maps and includes a portfolio of 100 photographs of contemporary Brussels by Johan Jacobs. Issued in three separate language editions—English, French, and Dutch, each priced at \$62, by the Mercator publishing house, it is a worthy souvenir of a city that continues to charm, and infuriate, so many of us.

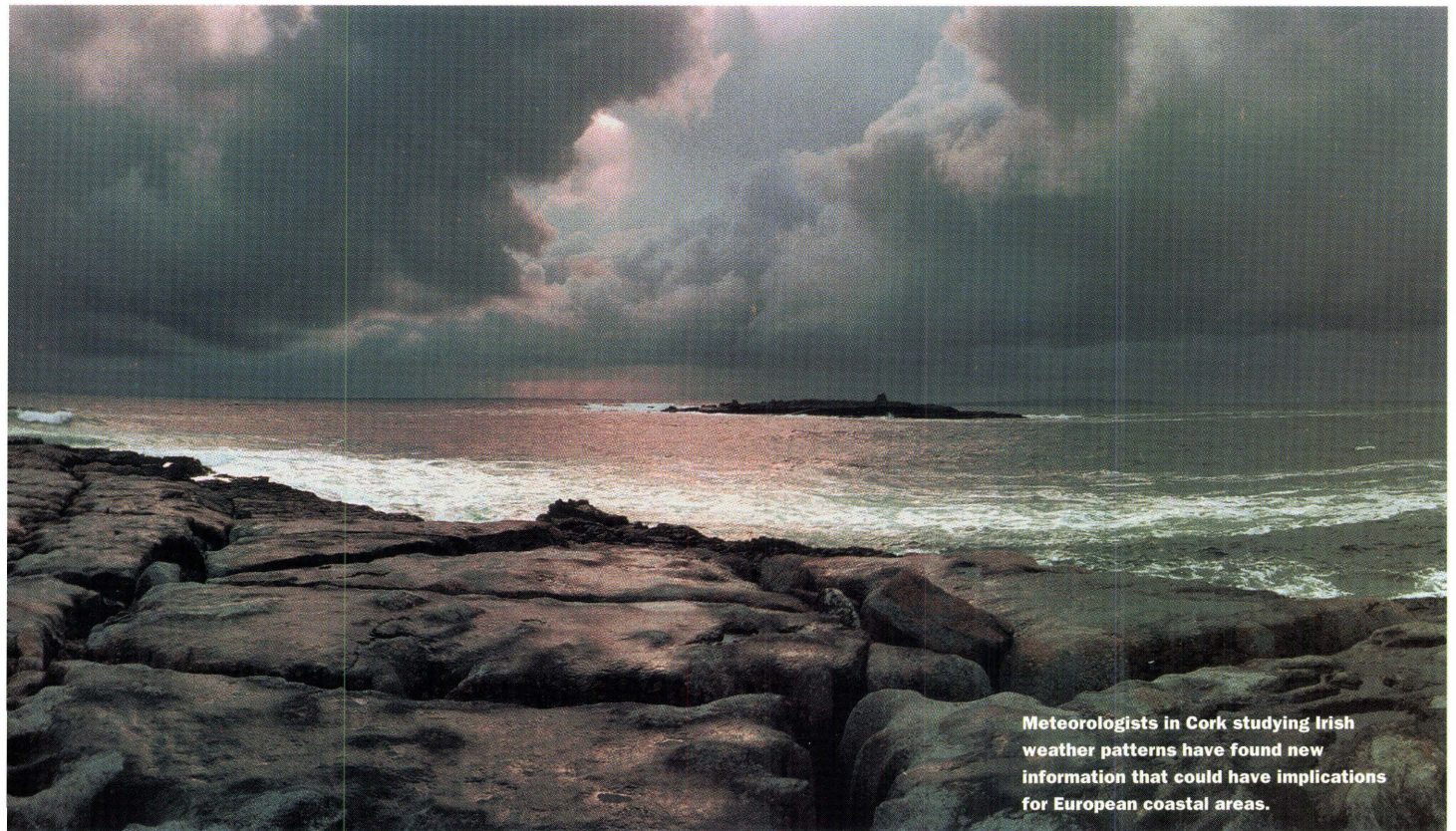
—Dick Leonard

DUBLIN

GALE WARNING

“Woe to him who seeks to pour oil upon the waters when God has brewed them into a gale!” wrote Herman Melville in his seminal *Moby Dick*. “Woe to him who seeks to please rather than to appall!”

It’s not, however, the sort of warning being heeded by scientists at University College in the city of Cork, Ireland’s southern capital. Meteorologists there are analyzing Irish weather patterns and their research is yielding some remarkable new information that could have implications not just for Ireland but for other European countries with coastal regions.



Meteorologists in Cork studying Irish weather patterns have found new information that could have implications for European coastal areas.

Their early research indicates that, while storms are likely to become less frequent in the coming years, they will be far more severe along the western Atlantic seaboard and along parts of Ireland's eastern coastline.

The EU-funded work, a groundbreaking project that will become a model for "best practice" in Ireland and throughout the European Union, is being spearheaded by the university's Coastal Resources Center, headed by Dr. Robert Devoy.

In the now completed first phase, Dr. Devoy and his team studied storms in Ireland and likely trends into the next century. The second phase, now underway, is examining the effect of storms on the coastline and where increased storm energy will be felt most.

The researchers have collated existing Irish storm records (a very lengthy list) and using computer modeling constructed from available modern data—including measurable climatic changes—hope to predict the frequency and intensity of future storms.

Listen to Dr. Devoy as he gazes into the research team's crystal ball:

"What we see developing is that, while the overall number of storms in the North Atlantic may be decreasing from a benchmark of the 1900s, the size is in-

creasing so that storms of hurricane intensity seem to be more frequent. Such storms will be felt predominantly in the bay areas of the coastline and especially in areas that have softer configurations."

Softer configurations?

Dr. Devoy explains, "The southwest coast has more hard rock, so it is likely to fare better, but the west, northwest, and southeast coastline are composed of softer materials. In layman's terms, they may be more vulnerable to attendant coastal erosion." The researchers also predict that the "seasonality of storminess" is also set to change, due to shifting climatic patterns on a global scale.

For us here in Ireland, this may mean more benign summers and much harsher winters if the modeling analysis is correct. The researchers ran their program for ten-year segments and anticipate that, by 2060, what is now being predicted will become the norm.

All mightily interesting, but does it have any practical value? Yes, says Dr. Devoy, the information now being gleaned will have practical implications for policymakers and local bodies with responsibility for coastal zones.

The ability to predict the physical impact of increased "storminess" on the coastline will provide planners with a whole range of previously unavailable in-

formation. It will help them to channel expertise and resources in to the areas where they can be best employed. There are also implications for future planning, helping to determine where coastal communities should be sited.

Public awareness in environmental matters will also be increased and could help to forge new partnerships between planners and local communities. Already in Ireland's southwest region around Bantry Bay, site of a huge trans-shipment center for crude oil, more than sixty organizations—including community groups and tourism, commercial, and other sectoral interests—have established operations.

—Mike Burns

THE HAGUE

DEATH OF A CRIMINAL

It was a burial in the best traditions of a Hollywood gangster movie. On a sunny Tuesday in October, the Amsterdam gangster boss Sam Klepper, who died at age forty, was buried. The funeral procession was miles long, escorted by hundreds of Dutch Hell's Angels on motorcycles, and caused serious traffic jams on Amsterdam's beltway. At the cemetery, white party tents had been erected in

order to facilitate the presence of thousands of mourners, among them family, friends, gang members, lawyers, experts in crime, law enforcement officials, and both plainclothes and uniformed police officers. In the days after his murder, pages of mourning announcements appeared in *De Telegraaf*, the largest newspaper in the Netherlands.

Sam Klepper was killed in broad daylight in a residential suburb of Amsterdam. His two armed bodyguards defended him in vain. In the shootout, an eighty-year-old man, who had just returned with a loaf of bread from the bakery, suffered gunshot wounds to his legs. The murderers escaped.

It was the second spectacular murder in the Amsterdam crime scene within weeks. Late September, another famous gangster called Jan Femer was killed on a Saturday morning while walking on a popular shopping street in the center of Amsterdam. According to crime analysts, more violence can be expected. The killings seem to be related to an ongoing war within the Dutch underworld after the 1991 murder of Klaas Bruinsma, the reigning kingpin of the Dutch hashish business, and to the ill-fated efforts of the police during the nineties to infiltrate Dutch criminal organizations.

Klepper's career was notorious in its own way. Born in an Amsterdam neighborhood, he began his criminal career in his early twenties, first robbing banks and later distributing drugs. Together with his partner Johnny M, the duo was dubbed "Spic & Span," after the detergent, for effectively 'cleaning up' opponents. In the early nineties, after the murder of Bruinsma, Klepper and Johnny M had themselves deliberately arrested by the police, on a confessed charge of illegal possession of weapons, in order to take refuge in jail from the ongoing gang war. After their release, they continued to run their drugs trade, moved into running a gambling machines operation in Eastern Europe, set up fake businesses in Ireland, and took residence in Belgium, where Klepper lived in a mansion that was a replica of the White House in Washington, DC. Recently, he became a member of the Dutch branch of the Hell's Angels.

Though both were the targets of several Dutch criminal investigations, neither Klepper nor his compatriot Johnny M were ever arrested or put on trial for their illegal businesses. In the last year, however, the arrest and conviction of ille-

gal arms dealer Mink K and the murder of his lieutenant Femer seem to have somewhat shaken the Dutch criminal world.

Among the *De Telegraaf* mourning announcements for Klepper, Johnny M included a poem by Dylan Thomas; known Yugoslav criminals paid their respects to their former ally; and an anonymous announcement in Italian ominously predicted the violence would continue: "Nobody attacks us without being punished."

—Roel Janssen

HELSINKI

TEPID TIMES IN FINNISH POLITICS

Traveling recently in West Finland, a good four hours by train from the capital, was to be reminded once more of the nation's size. Indeed 5 million is not a lot of people; geographically speaking, however, Finland is the sixth-largest country in Europe. As the Ostrobothnian plains slipped by, richly embellished by the fall's reds, tans, and golds (its evocative Finnish name is *ruska*), a feeling of distance and a sort of rural aloofness began to make itself felt.

'Europe', in the sense we speak of it politically, is certainly a long way off from these small communities, and frankly, Helsinki is not so close either. Their attitudes are resolutely agricultural, determinedly suspicious and curmudgeonly. The people have a reputation for parsimony and by inclination are "against" rather than "for."

In this region, the majority vote for the Center Party, traditionally the farmers' ticket, and because it has been out of the governing coalition for five years, one would have thought that as the main opposition party it would have built up a fair head of steam by now.

True, many foreigners will need a clinician's eye to distinguish party differences in Finland, so bland is the Nordic soup into which all the major groupings dip their spoons. There is no space to start a seminar here, but my goodness, one is entitled to expect an opposition, isn't one?

Unlikely as it may appear and though the Center Party polled 22.4 percent of the votes in the 1999 general election, it has since subsided as a political force like an old birch into a forest swamp.

For the moment the nation is so dosed up on consensus politics the

Nordic model ought to require a health warning: Beware, this product can cause drowsiness.

President Halonen is going through a honeymoon period, both personally (she's just married) and with the electorate. Prime Minister Paavo Lipponen is a helmsman who navigates EU politics with calm and assurance. There are the perennial drug problem and the usual anxieties about the centrally negotiated wage contracts, but otherwise there is not a lot to inflate the domestic headlines.

Meanwhile, the Center Party leader, former prime minister Esko Aho, has taken a sabbatical year off at Harvard University. The reason for this has never been very clear. Some say he is depressed out of office and was seeking a total change. Others suggest he wishes to improve his academic resumé and get a fresh perspective on the world. There he is in Cambridge, Massachusetts, anyway, with his wife and four children and will not return to Finland until next fall.

This is not playing well in Ostrobothnia where Aho was born more than four decades ago in a village called Kannus, famous for its sausages. Not only has he put aside his duties in the capital—worse, he has gone overseas for some ill-defined purpose that seems to many in his party more to do with self-indulgence than any patriotic duty imperative.

His leadership post has been taken over temporarily by the redoubtable Mrs. Anneli Jäätteenmaki who, it is said in political circles, likes the appellation of "acting leader" less and less. She is not the sabbatical-taking type, say gleeful watchers of political form who are clearly hoping for some Shakespearean bloodshed at the top of the Center Party to electrify the dullness all around.

If that happens, nothing will please Lipponen more. He and Aho have it in for each other in a very personal way. A Center Party leadership battle would be timely for the government and almost guarantee it another three years in power. Moreover, it could also increase the Center's internal differences between the rural wing of the party, represented by Jäätteenmaki, and its more urban elements in the form of the absent leader.

Before he left for Harvard, television cameras caught Aho weeping over a supporter's letter that urged him to remain in Finland. Even his fans thought this was poor form, breaking, as it did, two of the nation's cherished traditions: Men are



As increasing numbers of Italians use mobile phones, the country is in dire need of better mobile manners.

not meant to show their emotions and certainly not in public. “Unmanly,” said his critics.

To sum up: The Social Democrats hold the presidency, the premiership, and the Foreign Affairs Ministry, while the Center Party is well represented in the United States. Meanwhile, in Ostrobothnia, there is much head-scratching.

—David Haworth

ROME

THE MALAISE OF MOBILE PHONE MANNERS

According to official statistics, virtually the entire Italian adult population ventures forth in public armed with a mobile phone. Twenty million of Italy’s 56 million inhabitants, a percentage that is unmatched in America and rivaled only in the much smaller populations of Finland and Sweden, carry mobiles.

According to some forecasts, by the year 2003, another 20 million mobile phones will invade the country, creating a veritable invasion of electronic locusts. Well-intentioned technologists continu-

ally boast all sorts of new uses and telephonic market sectors. What’s next, one wonders, mobile phones for babies?

Don’t laugh. Marketers already are targeting younger consumers. Increasingly, mothers give their children mobiles in the false hopes of controlling—or at least tracking—their precious progenies’ movements. Furthermore, many consumers have gone so far as to cancel their “land-line” telephones and permanently switch to the portable.

Explanations for the craze run the gamut. Some sociologists have said it is a symptom of the deep-rooted individualism that characterizes the descendents of Dante and Cicero. Others say it’s the innate Italian need to feel connected—be it to friends, family, or professional contacts. Others dismiss it as little more than infatuation with a new toy.

Whatever the motivation behind the mania, the real problem isn’t the widespread use of mobile phones, which, by the way, is making the telephone companies rich, but rather its abuse. In other words, Italy is suffering a blight of bad mobile manners. The ubiquitous instruments seem to ring, chirp, beep, or blare digital muzak everywhere: during

movies, in shops, in restaurants, even walking down the street. Like an invidious swarm of electrified cicadas, they torment those in search of escape from the e-world.

They used to ring in airplanes until a group of Alitalia passengers refused to obey the pilot and the flight attendant who, for safety reasons, had requested that all phones be turned off during the flight. The newspapers carried the story, and since then in-flight cellular silence has ensued.

Now the state-run railroad is trying to guarantee the peace of its clients. Increasingly, when trains depart, conductors ask that passengers limit the use of their mobile phones and to be mindful of other passengers. So far, however, the entreaties mostly go ignored, and Italian train compartments are often overcome with a cacophony of electronic chirps and people chattering.

For now, it appears that in the majority of Italy’s public places, the battle of good mobile manners seems lost, leaving at least this Italian to long for the quiet, happy days that preceded the mobile revolution.

—Niccolò d’Aquino

LISBON

OPERA HELPS NATION CELEBRATE AND RE-EXAMINE BRAZILIAN TIES

In a year packed with events to mark the 500th anniversary of the Portuguese landing in Brazil, the production of the emblematic Brazilian opera *Il Guarany* at Lisbon's National Theatre of São Carlos proved one of the most colorful and memorable spectacles.

The opera—which tells of the love between the daughter of a Portuguese nobleman and a Brazilian Indian of the Guarani tribe set against a backdrop of conflict between the Portuguese and Brazil's indigenous inhabitants—was first presented in Lisbon all of 120 years ago. It had already been premièred at La Scala in Milan, where it was a huge success and where its composer, Carlos Gomes, was fêted by opera lovers. But it was not until ten years later that it first came to the city that had once ruled Brazil, to be put on at the São Carlos, a theater that is almost an exact copy of La Scala. *Il Guarany* returned five years later for another successful run during which Gomes was awarded one of Portugal's highest honors by then king Dom Carlos I, but since then, it has been presented in Lisbon only once, in 1968. Now, the opera has come back thanks to the grandly named National Commission for the Commemoration of the Portuguese Discoveries, which is charged with organizing the events to mark this year's 500th anniversary. The return of *Il Guarany* represents the latest twist in a fascinating tale.

One of the ironies of the opera is that it is based on a historical novel by the Brazilian writer José de Alencar, whose aim was to bring European romanticism to a Brazilian audience but in a story with familiar characters and setting. With Gomes's adaptation of the novel to opera, the tables were turned and this exotic—to non-Brazilians—work was performed in Italian for the delight of European sophisticates.

This latest production in Lisbon adds a new chapter to the story, boasting as it does a singer in the title role with the unmistakably indigenous Brazilian name of Itaborahy. Furthermore, it comes at a time when the Portuguese are being forced to re-examine the remaining romantic myths about their presence in Brazil.

Many of these myths are exemplified

in the opera, whose romantic basis is the idealized union of Portuguese and Indians symbolized by its two leading characters. Other important elements are the presence of the Catholic Church, which played such a fundamental role in the formation of modern Brazil; the struggle with Spain for control of the region; and rivalry between the indigenous tribes.

While the opera in many respects seems anachronistic to modern audiences, it is a reminder of the peculiar role that cultural cross-fertilization has played in shaping the images and self-images of European countries and their erstwhile colonies.

—Alison Roberts

LUXEMBOURG

UNCOMMON COMMON LANGUAGE

Dr. Jeff Erpelding is a Luxembourg heart specialist who was trained and licensed in Austria. When he started a practice in Luxembourg, the authorities refused to let him call himself a cardiologist on the grounds that his qualifications were obtained elsewhere. The case went to the European Court of Justice, which ruled in effect that Dr. Erpelding could describe himself as a cardiologist—so long as he did so only in German, i.e. the language of the country where he qualified.

I mention the story not for its mild amusement value but because it highlights a recurring question about Luxembourg: What exactly is its language?

You won't find that the *Luxembourger Wort*, the leading newspaper, clarifies things very much. On an average day about three-quarters of its articles are in German, 20 percent in French, and most of the remainder in the national tongue Letzebuergesch. Oh yes, the paper also sometimes carries reports in English, Portuguese, and Italian.

Television and radio broadcasts aren't much help either because Luxembourgers mostly tune in transmissions from neighboring Belgium, France, and Germany. The national station RTL does, however, broadcast a one-hour program in Letzebuergesch, repeated throughout the evening, with French translation available.

What about the state itself? Official declarations by the grand duke and government ministers are made in Letzebuergesch, which is also the main language for parliamentary debates, though with considerable overlap in French.

You might think from the above that the official national tongue of Letzebuergesch is a somewhat artificially preserved ceremonial language of little significance to ordinary people. Wrong. Letzebuergesch is the language that Luxembourg babies take in with their mother's milk. It is, quite simply, the spoken language of the people, heard in homes, offices, on trains and buses, in bars and restaurants, and everywhere that Luxembourgers meet.

It is nevertheless a difficult tongue. Letzebuergesch began in post-Roman colonization times as a distant cousin of German but has evolved in such a way that even German-speakers today can find it incomprehensible. Small wonder, perhaps, that Luxembourg children learn German and French early in their school years.

What Letzebuergesch has not been, until recently, is much of a written language. Its spelling still causes problems today, even after introduction of a five-volume dictionary and standardized grammar back in the 1950s. A constant problem for writers in the past has been its limited vocabulary.

This is changing, and to such an extent that the revival of Letzebuergesch in novels and poetry has been one of the most striking features of Luxembourg culture in recent years. More and more authors seem to agree with Jul Christophory, linguist and author of a number of books on Luxembourg literature, that "only texts written in Letzebuergesch...can express the popular heart and soul of the native Luxembourger." An outstanding example is Guy Rewenig, whose novels and children's books published originally in Letzebuergesch in the 1980s and 1990s have been an astonishing popular success.

Now Letzebuergesch is finding an important new role as a means for the children of immigrants from countries like Portugal and the Cape Verde Islands to find a path through the confusion of tongues that greets them in Luxembourg. Some thirty communes in the country have added a year, or even two, to the time spent at kindergarten in order to teach youngsters Letzebuergesch. There is talk of making this national policy.

"It helps to integrate the different nationalities," says Christophory. "There is a growing demand for courses in Letzebuergesch, but it is not just among young people—there are increasing numbers of evening courses for adults," he adds. Such is the enthusiasm for learning this

ancient language with its weight of history and culture that for the first time ever Luxembourg is having to train people to become teachers of Letzebuergesch.

—Alan Osborn

PARIS

ANOTHER FRENCH PARADOX

No matter how you calculate it—starting with a zero or with a one—we are now well and truly starting a new millennium. There will be a lot more of us in this brave new world, living on to very ripe old ages, in ever more robust physical condition, trying to outjog Father Time in the race for eternal youth.

Everywhere, there will be more women than men, an army of dynamic grannies, using medicine, makeup, and sheer willpower to feel, look, and act half their age. In the US, women can expect to live until the age of seventy-nine; in France, women have the highest life expectancy in the world, along with their Japanese sisters, and do not make their final exit until nearly eighty-three. By the year 2050, *les françaises* are predicted to live until the age of ninety, with their male companions unfortunately dropping by the wayside at around eighty-two.

Now, is this good news or not? On the one hand, it is a ringing endorsement of the French way of life, with its hedonistic love of food, wine, and other pleasures of the flesh. It is also a testimonial to how well French women take care of themselves. Believe me—I live among them. They spend a great deal of time, money, and energy on maintaining those trim little bodies, which nature has handed them so obligingly. Yet, in spite of being generally fit and physically able to make the most of life, French women focus their energies so much on staying young that they are not psychologically prepared to grow old.

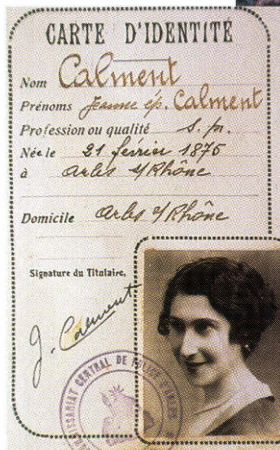
A recent survey conducted this summer by the fashion monthly *Marie-Claire* underscored this troubling paradox. It found that most French women older

than forty consider themselves “past it” both privately and professionally. A worrying 58 percent of them, for example, believe that a career change becomes difficult after the age of thirty-five, and 79 percent of them are convinced that once they reach fifty, age becomes a huge professional handicap. As for their powers of seduction—an absolutely vital aptitude in France, for both sexes—an overwhelming 90 percent of those questioned consider a woman over fifty to be seriously challenged in the sensual charm department. Nothing has prepared France’s female population for the thirty or so years stretching in front of them after they have reached their “sell by” fiftieth birth-

day. The media is to blame, of course, for the bevy of barely pubescent girls that advertise everything from yogurt to life insurance and who even have the effrontery to demonstrate anti-wrinkle creme on their baby-smooth skin. The co-authors of a recent book published by Albin Michel, Régine Lemoine-Dartheois and Elisabeth Weissman, interviewed seventy well-educated and cultivated women in their fifties, and all said that they feel they do not have the right to get older in a society that worships youth. The title of the book says it all: *Elles croyaient qu’elles ne vieilliraient jamais*—They Thought That They Would Never Grow Old.

Back in 1950, only 28 percent of

Researchers say French women have the highest life expectancy in the world, living to eighty; however, Frenchwoman Jeanne Calment, who died in 1997, lived to the age of 122.



France's population was older than fifty; by the year 2020, it will be more like 40 percent. Given those statistics, the new millennium might be a good moment for women 'of a certain age' in France—and elsewhere, too—to stop worrying about losing their youth and start enjoying the whole second lifetime they have been granted. Who ever said that you have but one life to live, ladies?

—Ester Laushway

VIENNA

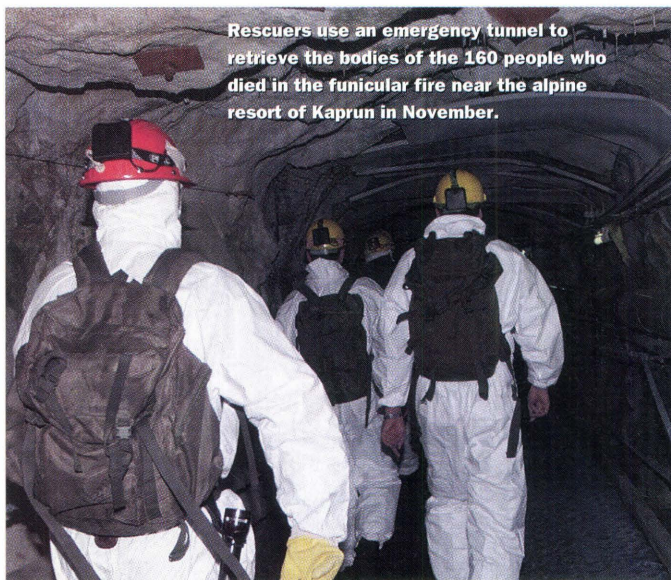
SAFETY QUESTIONS FOLLOW TUNNEL TRAGEDY

In the wake of the recent cable car tunnel fire in Kaprun, Austria, that left 160 people dead, fire experts are dredging through the wreckage looking for clues to the cause of the blaze, and transportation officials are scrutinizing safety measures.

In November, officials announced the commencement of a series of investigations, and criminal technicians took samples of fluids from both the destroyed train and a still-intact train of the same variety in order to try to determine the cause of the accident. According to the Austrian newspaper *Kurier*, investigators believe that tracks from the doomed train indicate a hydraulics problem may be at fault. However, the Austrian daily *Der Standard* reported analysis of a grease sample found at the accident site so far has not yielded new information, as it was found to be a standard lubrication grease.

The tunnel fire tragedy at Kaprun has raised questions about safety regulations and their implementation in Austria. In France and Switzerland, new regulations and installations are being planned in ski resorts. Many reports seem skeptical of Austria's safety measures in comparison with their neighbors. However, Austrian officials insist that their regulations are very similar to those in France and Switzerland. Nevertheless, some are contending that the regulations themselves are not to blame but rather their execution. According to *Der Standard*, some rail services in Austria have a spotty record of carrying out prescribed safety measures. The paper asserts that the Kaprun resort failed to report several tunnel incidents after they received their operation authorization in 1993.

As safety measures undergo closer



Rescuers use an emergency tunnel to retrieve the bodies of the 160 people who died in the funicular fire near the alpine resort of Kaprun in November.

scrutiny, German and Austrian researchers may have discovered a new system that could save lives in a future tunnel fire situation. The invention is known as a water-fog machine, which could help passengers flee the tunnel. The idea was conceived by the BTZ (the German acronym for German Fire Safety Technology Center). In May, the BTZ, the Feldbach installation organization Krobath, and the technological university at Graz, Austria, teamed up to test the new product. These "foggers" produce a mist that helps clear smoke and increase visibility and air quality.

"In the test-run," Wolfgang Taferl, a Krobath technician, told *Der Standard*, "we could stand behind the wall of water and watch the tunnel fire without any problems." According to the German Fire Safety Technology Center, the fogging devices also cost far less than sprinklers.

—Alexandra Hergesell

COPENHAGEN

A NORTH ATLANTIC DIVORCE?

History is in the making in the North Atlantic. The regional government of the Faeroe Islands, a small group of islands that have been part of Denmark since 1380, will hold a referendum in April 2001 to seek support for a gradual phasing out of subsidies from the Kingdom of Denmark. If the voters say yes, a second referendum will be held to decide whether the islands should have their own constitution, effectively sealing the political divorce and giving the islands full independence.

As so often in divorce cases, negotiations have turned into a messy process. And as usual, the focal point is money. There is no objection from the Danish side to full and immediate independence. In a rare show of unity, the Danish parliament gave virtually unanimous support to Prime Minister Poul Nyrup Ras-

mussen when he gave short shrift in October to the Faeroe government's demand for a continuation of subsidies for fifteen years. The counteroffer was a maximum of four years.

Relations turned distinctly acrimonious when Anfinn Kallsberg, the Faeroe prime minister, tried to secure the fifteen years by offering a refund, if oil is found near the islands. That is a possibility but still a wild card. And the proposal was rejected outright by the Danish prime minister as pure horse-trading. His Faeroe colleague retorted by calling a referendum amidst protests from the opposition parties on the islands, who demanded new elections. The first poll on the island showed a dead heat between supporters and opponents of independence.

The cost of freedom will be high. Denmark pays a subsidy equivalent to one-third of the islands' budget, covering the costs of welfare, health, and education. The cost is not in itself a major burden for Denmark, about \$150 million annually, but it works out as a \$3,500 subsidy to every one of the 45,000 inhabitants. In addition, Denmark is responsible for the judiciary, the police, and foreign and monetary policy. The islands have their own bank notes, but, as in the case of the Luxembourg and Belgian francs, they are interchangeable with the Danish host currency. The Faeroes thus have a de facto link with the euro by virtue of the agreement between the European Central Bank and Denmark to maintain exchange rates within a narrow band. But the islands have never been part of the European Union.

The Faeroe prime minister says that it feels wrong when he has to introduce

himself as Danish because there is no Faeroe citizenship. His words are echoed by the architect of the latest plan for independence, his deputy Hoegni Hoydal, a charismatic thirty-four-year old journalist elected two years ago with the largest number of personal votes ever. He describes Danish culture as "a friend" but not his own. And he believes relations with Denmark will be better after independence because they will then be based on equality rather than economic need.

It is not the first time that the islands will vote on independence. In a referendum in 1946, there was a small majority in favor of leaving the Kingdom of Denmark, but the Danish parliament overturned the result. This time there will be no objections if the islands want to leave. But they are unlikely to be offered a better financial parting gift than is on offer now.

—Leif Beck Fallesen

MADRID

SPANISH PRINCE OPENS CULTURAL CENTER IN US

Schoolgirls in Albuquerque, New Mexico, were all giggles when they met the tall, handsome and single heir to the Spanish throne as he dropped in recently to inaugurate the National Center for Hispanic Culture in their city. A joint project between New Mexican authorities and Spain's Instituto Cervantes, the center will promote Spain's historic ties to the United States.

In his speech at the ceremony, Prince Felipe said the center would help Americans better understand "the past and future reality of this common heritage, which is the Hispanic language and culture."

Center for Hispanic Culture chairman Edward Lujan added that the facility would one day become "a Smithsonian Institute for Hispanic culture."

There may be larger Hispanic populations in states like California and Texas, but officials point out that New Mexico is a logical choice for the center as the Spanish language has been continually spoken there since the sixteenth century, and the state constitution recognizes the importance of the tongue. There are still descendants of the conquistadors living there who consider themselves Spanish, not Hispanic. It also probably helped that the US ambassador to Spain is a native son of New Mexico.

Along with classrooms, a library, and a theater, the center will one day boast buildings dedicated to art, drama, literature, technology, communication, Hispanic genealogy, and cuisine.

This center will be the third US operation for the Instituto Cervantes, which already has facilities in New York City and Chicago. Created in 1991, the institute promotes the use and teaching of Spanish, as well as the spread of the Spanish and Hispanic cultures around the world.

Besides offering Spanish language classes at all levels, the institute also grants certificates and diplomas and organizes examinations for foreign students who have learned Spanish. It also trains teachers and has libraries open to the public at its centers.

Named for Miguel Cervantes (1547-1616), the author of *Don Quixote* and considered the best Spanish language writer of all time, the institute is for Spain what the Goethe Institute is for Germany and the French Institute is for France: a place to promote the language and culture of home.

—Benjamin Jones

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ARTS & LEISURE

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



Dancer in the Dark

Written and directed by Lars von Trier; Starring Björk and Catherine Deneuve; 141 minutes

With his latest offering *Dancer in the Dark*, Lars von Trier ventures into new territory with mixed results. The Danish director, who's *Breaking the Waves* won Cannes' Grand Prix in 1996 and was nominated for an Academy Award, has constructed what can best be described as a dramatic musical.

While the 'big' musical has become an endangered species in the post-modern era, some experimental directors have flirted with the genre. Spike Lee (*School Daze*) and Woody Allen (*Everyone Says I Love You*) both tried musicals during the last decade or so, but Von Trier's vision is to marry the musical to dark material, using the "song and dance" numbers to provide bits of cathartic relief for the weight of the dramatic action.

He tells the story of a struggling Czechoslovakian immigrant and single mother in Washington State during the 1960s. Selma (played endearingly by Icelandic pop star Björk who also composed the film's soundtrack) scrapes together a living working in a metal press and taking home extra work on the side. She and her young son Gene rent a trailer behind the house of a sympathetic policeman and his wife. Her rumpled hair and clothes and thick horn-rimmed glasses belie an angelic persona who greets everyone she encounters with a



Icelandic pop sensation Björk (left) stars in and composed the music for the award-winning *Dancer in the Dark*.

warm smile. She has, of course, a dark secret: A genetic disease will soon leave her blind, yet her only concern is to save enough money so Gene can have an operation to save his eyesight.

Selma escapes the grim reality of her situation by imagining herself at the center of big song and dance numbers. She and her fellow metal workers become a gyrating chorus line, and together they sing songs with lyrics that reassure her to stay the difficult course that is her life.

Up to this point, Von Trier is dazzling. He creates a gritty tableau and films it in muted tones, jump cutting between many of the shots to evoke a documentary feeling. The soundtrack is uncluttered by filler mood-setting music. The director even uses stretches of utter silence, which serve to make Björk's songs, which are almost techno-Gregorian chants, that much more resonant and haunting.

Von Trier deftly manipulates the suspense leading into the second dance number. Selma, with her eyesight failing, begins daydreaming while operating the metal press. Amid the hiss and bang of the machinery, she hears a rhythm that builds into a song, and soon her co-workers are choreographing a dance number around her, and she is singing her heart out. The music abruptly stops and reality comes crashing back when Selma breaks the press she's working on and is fired from her job.

But the director has a much bigger emotional hook in mind for his audience. Selma's landlord Bill steals her savings, and when she goes to get it back from him, a complicated series of events leaves him dying and his wife running for the police. Meanwhile, Selma desperately tries to get her savings to the doctor who will perform her son's surgery. From here, the film

turns into cheap propaganda against the death penalty and Von Trier's perception of Americans as heartless and money-obsessed.

At Selma's trial, the prosecutor berates the helpless, blind girl as a thankless immigrant and unreformed communist who cold bloodedly murdered a kindly police officer. Later on death row, she declines the services of a new lawyer because the fee he would charge would prevent her son from getting his operation. And on and on, until she is brutally hanged.

Von Trier certainly seems to have an axe to grind with America—although he reportedly has never been to the United States. (*Dancer* was filmed in Sweden and Denmark.) The film's 'bad characters'—from the dastardly Bill and his spendthrift wife to the unfeeling prosecutor, the defense lawyer who won't waive his fee, and the blustering prison warden—are all Ameri-

cans. The 'good people'—Selma, her best friend Kathy, and even the doctor who will save her son's eyesight—are European. As if to drive home his point, after Bill's death and it becomes clear what Selma's fate will be, Von Trier lets his camera linger on an American flag snapping against a flagpole.

Amid these histrionics, Von Trier weaves in some wonderful dance numbers. Notably, Joel Gray plays a witness at Selma's trial who swirls her into a tap duet accompanied by the clapping hands and snapping fingers of the lawyers and the courtroom audience.

The dance numbers aside, some touching performances ultimately save the film from succumbing to its sophomoric plot and becoming a farce. At the top of the list is Björk, who won the Best Female Performance award this spring at Cannes for her role. She effortlessly radiates genuine sweetness yet subtly gives Selma's character emotional complexity and depth. Catherine Deneuve warmly portrays Selma's steadfast friend and sometime guardian angel, and Siobhan Fallon, best known for her comic turns on *Saturday Night Live* and *Seinfeld*, gives a tender performance as the prison guard who comes to love Selma and walks with her to the gallows.

With *Dancer in the Dark*, Von Trier attempts to explore some of the same territory as Roberto Benigni's *Life is Beautiful*—juxtaposing harsh realities with flights of fancy. However, Benigni succeeded in his daring use of humor to offset the horror of the Holocaust because the film wasn't about the Holocaust—it was about the beauty of life. Unfortunately, *Dancer's* ultimate message is not about hope in the face of harsh circumstances, but rather a cheap-shot treatise about the cruelty of America.

—Peter Gwin

Billy Elliot

Directed by Stephen Daldry; Starring Jamie Bell, Gary Lewis, Julie Waters; 90 minutes

While Hollywood rolls out its holiday film lineup, several European releases continue to find their niche between the blockbusters. Among these, the common threads appear to be singing and dancing. After Icelandic pop star Björk's turn in the aforementioned *Dancer in the Dark*, the British film *Billy Elliot*, about a young ballet dancer, is garnering praise and pulling in respectable audiences.

Set in 1984, *Billy Elliot* takes place against the backdrop of Margaret Thatcher's attempt to break the British miners' unions. Eleven-year-old Billy, played by Jamie Bell, is growing up in a small house in a working-class coal-mining town on the northeast coast of England that continues to be shaken by the violent miners riots. At home with his father and brother, both miners, and his addled grandmother, he finds no one with whom he can openly discuss his mother's early death or broach the subjects of sexuality and his dreams of life beyond the mining town.

It is, therefore, not a happy scene when his overly macho father (played by Gary Lewis), still bitter from his wife's death and the miners' plight, discovers that his youngest son spends his hard earned money on dancing classes instead of boxing lessons. Nevertheless, Billy's chain-smoking ballet teacher, Mrs. Wilkinson (played by Julie Waters) fires Billy's ambition and encourages his first successful steps in ballet shoes, but the euphoria he enjoys in his dancing is stamped out by the bitter realities awaiting him outside the gymnasium.

In lesser hands, the familiar plot line and heartwarm-

ing, follow-your-dream theme could easily descend into Pollyanna. But two newcomers to film—director Stephen Daldry and his lead actor Bell—ensure *Billy Elliot's* success. Daldry, who is more accustomed to the stage, composes some beautiful pictures and shows a deft touch with sensitive material, such as Billy's relationship with his gay friend Michael (Stuart Wells).

Nevertheless, the movie's success rides with the performance of fourteen-year-old Jamie Bell, who gave his first film performance after being chosen out of 2,000 applicants to play the title role. His performance rings so natural and the depth of his emotion so powerful that it seems he is playing himself. Bell began dancing lessons at age six and from early on planned a dancing and film career. He was rumored to have been a front-runner for the upcoming *Harry Potter* movie but didn't get the part. With *Billy Elliot*, however, he has conjured a different kind of magic with movie audiences this fall.

—Helwi Braunmiller

BOOKS

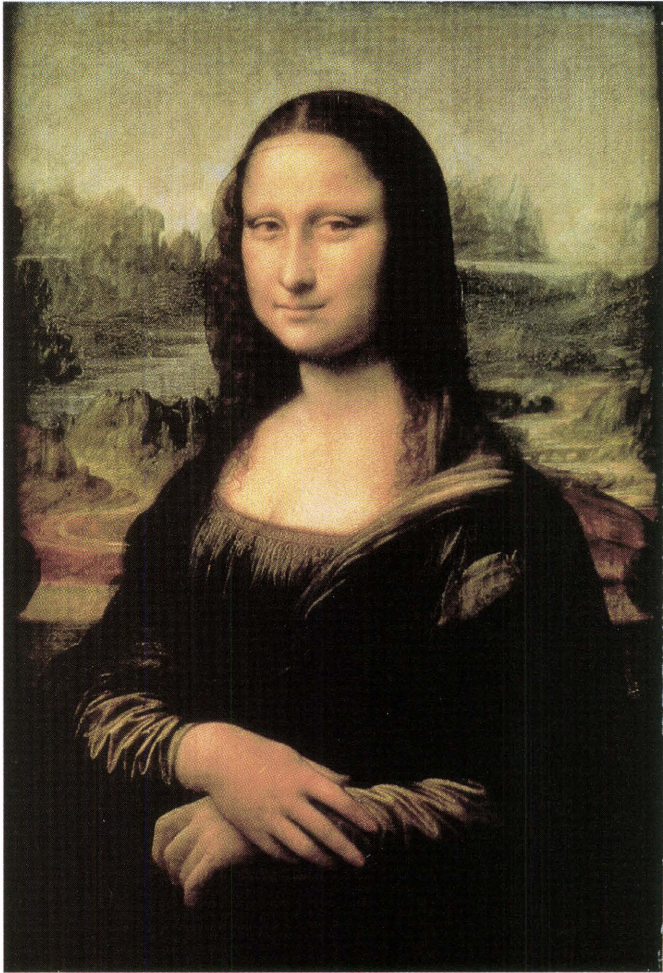
A Bountiful Feast of Holiday Big Books

With the holiday season and the annual shopping frenzy comes a mad rush of new books, especially those of the so-called coffee table variety. A recent browse through bookstores—both the on-line and in-person—yielded our top five fascinating choices. Whether for yourself or for someone special, these big beautiful tomes beg to be spread out on a lap by the fire.

First on the wish list for devoted fans of the *Mona Lisa* master will be Pietro C. Marani's **Leonardo da Vinci: The Complete Paintings** (*Harry N. Abrams; 385 pages;*

\$85). The author, one of the world's foremost Da Vinci experts and the director of the *Last Supper* restoration, collects all the artist's known paintings into a sumptuous volume sure to become the standard by which all Da Vinci monographs are measured. As a historian, Marani guides the reader through the Renaissance world and discusses the influences that shaped Da Vinci's vision and technique. As an expert in the science of art restoration, Marani takes the reader into the canvases—literally—examining in exacting detail the brush strokes and delving under the layers of paint with x-ray technology to discover the artist's beginning sketches. The book's true treasure, however, lies in its trove of stunning color reproductions, which include broad foldout sections detailing the artist's famous frescoes and enlarged portions of works that allow the reader to fully grasp the exquisiteness of Da Vinci's detail. So compelling are its pages, this book is unlikely to gather much dust on the coffee table.

Music lovers should consider translator J.D. McClatchy's and illustrator Davide Pizzigoni's offering for opera lovers, **The Magic Flute** (*Abbeville Press; 200 pages; \$50*). Together they present a creative and colorful interpretation of the libretto for Mozart's masterpiece. The book is accompanied by a two-CD recording of the Vienna Philharmonic's seminal 1937 performance conducted by Arturo Toscanini. McClatchy, who has written four of his own opera libretti in addition to publishing collections of poetry and essays, renders a highly readable translation of the libretto, which is whimsically illustrated by Pizzigoni, who has designed opera sets in Zurich and Vienna. The book-music combination of



Pietro C. Marani's *Leonardo Da Vinci: The Complete Paintings* offers fans of the Renaissance master an unparalleled exploration of his art.

fers an inventive new view of a timeless classic.

For the photographer in the family, check out **Venice: Camera Obscura** (*Edition Stemmler*; 120 pages; \$70). German photo-designer Gün-

ter Derleth ventures beyond the quaintness of the canals and winding flagstone paths in search of the ancient lagoon city's sense of mystery. Using the most primitive form of photography, Derleth captures Venice's sensuous angles, curves, and reflections in a series of images that seem to emerge from the mists of the subconscious. The *camera obscura* or pinhole camera, as it is often called, is essentially a box with a hole in one end that reflects the light of an image onto a piece of photographic material affixed inside the box across from the hole. From his trusty box, the photographer coaxes soft black and white portraits of St. Mark's Square and the Grand Canal as well as dozens of largely anonymous bridges and buildings, windows and doorways—all exuding a sense of timelessness, as if they could have been snapped

yesterday or a hundred years ago. But the city is more than its structures, and Derleth's most successful photos are those that capture the life that moves among them. For example, the fisherman's catch of mussels displayed at the market or the masked carnival revelers.

Derleth attempts to shape these images with relevant quotations from Goethe, Hemingway, Italo Calvino, Peggy Guggenheim, and others. Some of the quotations are more interesting than others, but this is a small quibble. The overall effect is an intimate, at times surreal, journey through the city.

In a more traditional approach to the photography book, Peter Turnley casts his lens upon the inhabitants of the City of Light in **The Parisians** (*Abbeville Press*; 168 pages; \$50). A longtime resident and a former assistant to legendary photographer Robert Doisneau (who writes a brief foreword), Turnley's images pay homage to his photographic forebears, Paris masters such as Brassai, Henri Cartier-Bresson, and Doisneau. His rich black and white cityscapes, café scenes, and portraits capture the warmth of little, everyday celebrations as well as a deep sense of loneliness. Much of this is well-traveled territory. However, just when it seems Turnley is only retracing the footsteps of others, his viewfinder alights on a new image. His photos of the jubilation of World Cup '98, parents guiding children through bustling streets, lovers stealing quayside kisses, a young runaway in a train station, and men leering at a woman stomping grapes, all offer a complex yet humane portrait of the modern city. However, his most successful pictures depict modern Paris as a melting pot. His frames of African, Arab, and Asian-descended Parisians going

about life in the city sufficiently balance and update the classic images of women making espresso in cafes and men in black berets shuffling through the streets. It's a book that lovers of Paris and lovers of photography will both return to again and again.

For someone with an exotic taste, consider John B. Gregorian's **Oriental Rugs of the Silk Route** (*Rizzoli International*; 176 pages; \$50). As the son of a Persian immigrant, the author learned the rug trade following his father into bazaars stretching from the Aegean to the Bay of Bengal. Now the president and CEO of the family business, one of America's largest rug dealers, Gregorian shares his insights into the history and culture of fine rug making and offers practical advice for the serious collector as well as those who just want a fine rug for their dining room.

The highly readable text is illustrated with 160 detailed color images as well as historical photos from the Gregorian family collection. The author begins with a primer on the history of the Silk Route, which was used to transport goods between Europe and the Far East as early as the second century AD. He follows this with a discussion of a range of cultural issues, such as the role of women in weaving and the symbolism of designs and colors. Gregorian concludes with tips for buyers on how to spot quality (he advises smelling the rug—an acrid odor could signal infestation or decay), a guide to pricing and shopping in Istanbul, and information on repair and cleaning.

Perhaps most interesting is his chapter on the art of the negotiation. Set a budget and stick to it, he counsels, no impulse buying—which seems like sound advice for holiday shoppers.

—Peter Gwin

"This remarkable compilation of essays and interviews provides wide-ranging insight and perspectives on the issues that will shape the new Europe—and influence the entire world—in the decades to come."

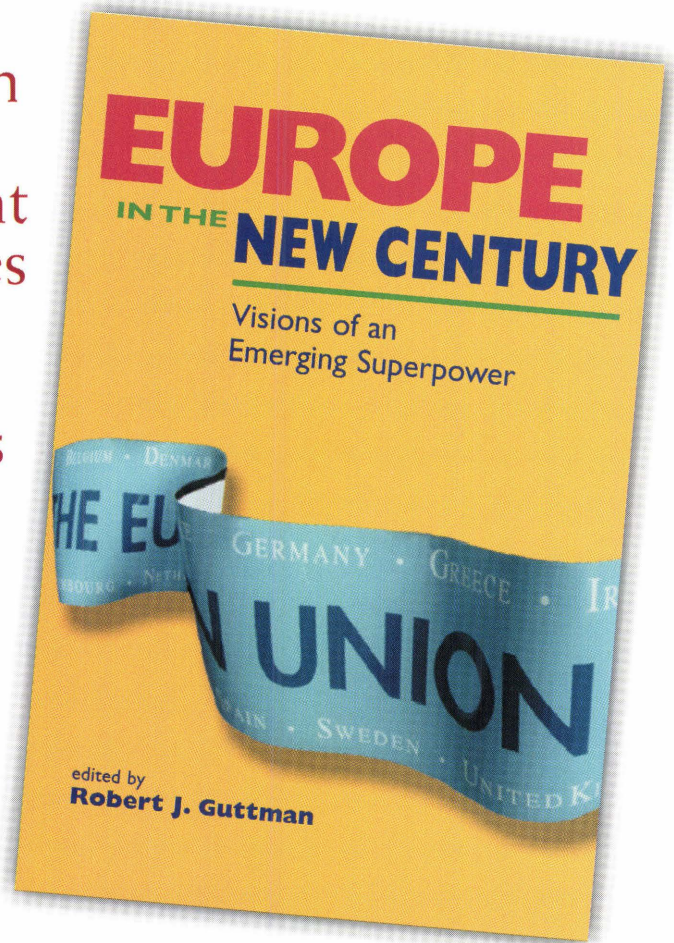
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Europe in the New Century: Visions of an Emerging Superpower

edited by
Robert J. Guttman

Europe in the New Century is an intriguing look at the future, drawing on the experience and foresight of the leading journalists working in Europe today, as well as the visions of heads of state, government ministers, corporate CEOs, entrepreneurs, and young people from each of the fifteen European Union member countries.

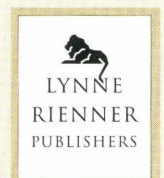
The contributors forecast what Europe might look like down the not-too-distant road. Their subjects range from domestic politics to foreign policy, from technology to international trade, with absorbing stops along the way. Entertaining and informative, Europe in the New Century is a must for anyone seeking insight into the trajectory of this new global superpower.

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

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