

Changing International Architecture: Rethinking Russian-Western Relations

*Antonio Padauy  Gonzales, Ambassador of Spain,
Revolving Presidency of EU*

First of all I feel obliged to start by paying tribute to the victims of the 11th of September, to their families, to the New York Police Department, to the Fire Department. It should not be surprising if I feel something very special when I say that. I have lived in New York City for 10 years. I feel a New Yorker. I respect it. I owe tremendous gratitude to the city of New York, humanly and culturally. After the 11th of September my friends at Manhattan called me and asked: "Antonio, how did you feel about it?" And I said: "My first feeling was of the one of horror, immediately followed by anger, and then I was so angry I had to walk and leave the place where I was staying, a meeting of more than one hundred ambassadors of Spain, at that time in Madrid, convened to co-ordinate ourselves before the EU presidency. Then I remembered something I had learned when I was very young. Anyone can become angry. That is easy. However, we should be angry with the right person, to the right degree, at the right time and in the right way. This is not easy. This is something I learned when I was very young." Then my friends in New York asked: "Is there anything you would advise us to do right now?" And I said: "No, I cannot say anything. We have to wait. This is such a huge cataclysmic, biblical tragedy, we have seen. I cannot." Later I thought about it, and then I said. "Yes, I only want to share with you a comment. A model that we should not follow, something we should not be doing, we should not act like captain Ahab in that very famous, so wonderful classic of American literature. We have to go in the pursuit of Moby Dick, but not in such a way that it becomes something self-destructive, of course. This is, I think, what has been done so far by the United States and I am very pleased with that.

The topic of this exchange of views, as I would like to call it, is, according to the letter I have received from Mr Stani i , changing of the international architecture, possible political, security or economic effects that the events that took place on the 11th of September have for Europe and for the rest of the world. The architecture is a word that, I do not know why, we love very much - we the Europeans. It is a very fashionable word. You should listen to and look at the faces of my colleagues. Architecture! When we talk about architecture we like to talk about bridges. I am sure you have been looking at the Euro notes. When we were discussing how they were going to be designed, we decided to include bridges. We in Spain also love bridges. By the way we have one of the youngest, most famous designers of bridges in Europe and in the world. He, Santiago Calatrava, has designed bridges on three continents. They are elegant and daring. But let us go back to the architecture of Europe. I would like to share the following two thoughts. Architecture - we are at the level of design - we have a lot of scaffoldings and we are working very hard on that because dramatic changes, extremely important ones, are going to happen in the next two years on the European continent. There is no doubt about that. What we can discuss and what it would be interesting in discussing into detail is in what particular way these changes are going to be concrete and are going to be designed.

Changes both in the EU and in NATO

Let us start with the EU. Three things are going to happen for sure.

Firstly, there will be a tremendous quantitative change of the EU because we have already decided to enlarge it. Secondly, at the same time this is going to be a deepening, which will not be easy as before, a deepening of the construction of Europe. Since we have decided to enlarge it we have to deepen it. Therefore we have to change the institutions as well as the way we take decisions in the institutions. Otherwise the whole building will collapse or at least we shall be completely paralysed. Let me first talk about the deepening. Obviously, I have to start from the beginning, with what we have already done. We have done something very dramatic with tremendous consequences that will have to be analysed years from now. I refer to the Euro. With the establishment of the Euro we have created a monetary union. I remember my arrival as a young councillor of the embassy to the mission of Spain, when Spain was a candidate in 1978, and then the bosses were to speak about monetary union. A very prominent one too, Mr Giscard d'Estain. I remember quite well that many faces were saying: "Well, this is simply a dream and illusion. We will never make it." We have made it only 25 years later. It is a very short period of time. This is just the span of a single generation. The reality has taken place just a few months ago. That reality is affecting not only the three hundred and six million citizens of the member countries that integrate, the Euroland, but, of course, many other parts of this continent including South Eastern Europe, where we are at the time.

It has been a very bold and successful decision. With hardly a glitch, this tremendous challenge, which was also organisational and logistical, is taking place. This tremendous challenge for many citizens of this continent has taken place with serious and long-lasting consequences. Let me very briefly enumerate some of them. First, the cost of doing business has dramatically dropped among the members of Euroland. Travel has become much easier raising capital in the Euro bond market. This has considerably facilitated the stock markets of Euro. Fiscal and budgetary discipline is essential, absolutely essential, and this is something we are all aiming at. The moment a member of the Euroland is perceived by the others as not respecting the rules of the game an early warning is being issued by the Commission, and they have to take strong measures in such a way that monetary policy is not an element that politicians can play with. Personally, I think that this is a fantastic result, a big challenge and something very positive for Europe. The change over representing is, as I have said earlier, more in a breath taking logistical challenge. It is also a financial commitment for Europe and a decision of great political

significance. But let us go to the second point of the new emerging European architecture - enlargement. We are committed to it. We took the decision some time ago and we are determined to respect it if we can and if the candidate countries are also ready to maintain the decisions that they have taken and the commitments they have announced. We want to make it on time and it is going to be in 2004 or perhaps, in case something happened, in 2005. This is the commitment we have. This is a very serious commitment of the Spanish Presidency. There is a tremendous challenge during this semester of the Spanish presidency. For the first time we are going to start dealing with very difficult chapters. We are ready to break the bone of the negotiations. Until now we have started like bad pupils to deal with easy matters, with easy chapters. We are beginning to tackle the backbone of the negotiations. Let me tell you very briefly what we are going to negotiate: agriculture, financial resources, regional policy and structural policies. It has to do a lot with something that is very serious for any organisation - money, a lot of money. We have to increase our budget. We have to reform the agricultural policy and we still do not know how. There are different views on how to do it and definitely we have to decide about the way and time of the applicability of the solidarity funds to the new candidates. This is going to be the fifth enlargement of the European Union, but it will be much more difficult than and very different from the previous ones. The first enlargement was to the UK, Ireland and Denmark; the second one affected only one country - Greece, followed by the enlargement a couple of years later to the Iberian Peninsula, Spain and Portugal. That was quite a big problem. I think the enlargement to Spain was the most difficult and controversial one, with the only exception of the UK perhaps. At the request of some of my good Croat friends, I have explained why it was so difficult. They wanted to hear that from me because I had been the member of the negotiating team for 8 years. Then the fourth enlargement was basically to three EFTA countries: Austria, Sweden, and Finland. The fifth one is much more difficult. Why is it so? Well, let me again very briefly offer some thoughts for consideration. First, there are twelve countries in the list considered as possible candidates. Twelve countries. As has been said before, the issue was only about 2, 3, and 1. Now we are contemplating the possibility of 12, which means that this is something extraordinary and this is a big challenge. We should eventually move from 15 to 27, in a very short span of time. The population will be over 80 million. The difference is in the fact that for the first time we are going and we are ready to open our doors to the countries

which have previously been communist, which have not for a long time experienced market economy, and they will have to make tremendous adjustments. In Spain we had to deal with one challenge and that was the transformation of our political system, from basically an authoritarian dictatorship to a full democracy. That was not easy. However, we were fully integrated in economic terms, we had very powerful and experienced business class, a very widespread middle class and we were integrated with the rest of Europe. *De facto* we were not politically integrated for political reasons. Now these former communist countries have to make this tremendous change. They have to move to market economy and at the same time to integrate with countries, which have highly performing economies, which are highly developed and to do it on time. It has never happened before. This is going to happen for the first time. Last but not least, there is the size of some of the countries we are contemplating to integrate. Let me mention only one – the big one, the big question mark, the one we are waiting for, eagerly waiting for this country to perform and to join – Poland. Simply by coincidence the size in terms of population is very much like that of Spain. Many negotiations held in Nice about repercussions that the enlargement will have in institutional terms applied the parameter of Spain to Poland. I have mentioned economic repercussions earlier. Let me briefly mention some of the institutional repercussions. Poland got, we should keep that in mind, 27 votes like Spain in the Council of Ministers. This decision has already been taken. 50 parliamentarians in the European Parliament only for Poland, and then, of course, there are the implications for the Parliament for the Council, for the Presidency. It is quite clear in everyone's opinion that we cannot continue with the system of rotating presidency. The most important point, the most difficult one is decision-making process. We have to eliminate the veto in taking decisions. If we continue with that we would be paralysed in an enlarged community of 27. To eliminate the veto is not an easy matter, because in order to be accepted, the decisions have to be taken by the majority and we are doing that in no small way, but in an overwhelming way right now. This should be moved toward something that is called supra-nationality. In Spain we look at that as a way of sharing our sovereignty with others. This is a crucial decision that is to be taken, because what we are building, the architecture we are building in Europe, is something unique in the history of international relations. The EU is not the Council of Europe. The EU is not the OSCE; the EU is not the United Nations of Europe. It is something much more than that. It is an organisation where sovereignty, according to

the point of view of Spain, is shared with others. We have to accept the opinions of the others. We participate in the decisions, extremely important ones that are going to be affecting the economies and the political life of the others while at the same the others are going to participate in decision-making and taking decisions for us.

This part of my preliminary comments ends with a reference to something that was initiated just a few weeks ago - the convention on the future of Europe. I am hopeful but at the same time we all know that it is not going to be easy. I am hopeful because I have tremendous respect and admiration for the gentleman with a tremendous experience in European matters who is the president of this new European convention, Mr Giscard d'Estain. Before becoming president of France he had contributed in a very clear way and I remember when I was in Brussels his contribution, together with the chancellor of Germany, toward what was at that time called monetary system, which was a clear precedent of what we have now. He was also the one who gave input on the creation of the European Council, a new institution that was not established by the Treaty of Rome. We also have to talk about the organisation of security and defence in Europe, and again, we are going to see dramatic changes - quantitative and qualitative changes. First, the enlargement is going to take place. We do not know which will be the new members. We do not know it yet. But, as I said as a representative of Spain, I will share the views of my country. We want NATO to be enlarged but we do not want NATO to be weakened by this enlargement. There are some elements that have to be taken into account before we decide all together. We are only one, and there are many others. We also can share or have different views on how this enlargement has to be taken into account. The first one is commitment to democracy. Regarding commitment to democracy a few things have to be taken into account, public opinion support in each of the new candidate countries, protection of minorities, and fight against corruption. These are some criteria we will take into account. Then there are the reform and the strengthening of the defence system. Let me briefly mention a minimum expenditure for defence. If you enter NATO it is both ways. You do not only enter NATO with the idea that NATO is going to protect you in one way or the other, but you also have to contribute to the protection and to the common purpose of the others. Control of arms exports is another thing, and there is also interoperability, the famous interoperability. This is another element to be taken into account. Obviously when we take the decision, and we have not taken it yet, all these elements will

be taken into account. NATO will also be drastically changed. It is already a different organisation although the Treaty and the way it worked is the same. NATO was conceived to serve the need for defence, but the disappearance of the enemy, of the former USSR, has made it necessary for a whole new programme or an admission of utility to be elaborated. I remember very well like many diplomats in Europe, when the late Manfred Wörner, the Secretary General at the time when the Berlin Wall came down, coined the famous phrase "Out of area of out of business". But nobody could predict that for the first time NATO was going to be moving from the laboratory and design to real action in South Eastern Europe, in the Balkans.

Let us come to the second element that I have mentioned. For the first time, the crucial clause of NATO has been utilised for a threat coming from Asia coming from Afghanistan. This is extraordinary. I fully share many of the views that have been made by my colleague, ambassador Kuzmin. I think, and this decision has been taken, that when we go and move towards the enlargement, we have to increase and strengthen our cooperation, our partnership with Russia, with the Federation of Russia, which in the way that has been described is also a European country, and not only now but it has been for centuries. These decisions have already been taken to operate at "20" to exchange consultations, views on threats on our continent and outside our continent because in many ways NATO has become a basic organisation to keep peace and security in Europe as well as in some other parts of the world.

Finally, let us come back to the consequences of the 11th of September. On the 11th of September I remember being asked what the consequence will be. I mentioned one and I was partly wrong, and I am happy to be wrong. I said we were going to have an economic recession. According to the news that has been published in the USA recently this is not the case in the USA. This is very good for America, very good for Europe, and for the rest of the world. According to the figures the US economy quickly absolved the shock and uncertainty that followed September 11. It is on the road to six consecutive months of economic growth. After predicting recession this is something that we welcome. I was unfortunately not wrong when I said that recession was going to happen in Spain, because the news we got mainly from Germany, but not only from Germany, is that we are maybe following the very beginning of a recession in Germany followed by some other parts of the continent.

European Union and Terrorism

In the EU we have quickly agreed on a long and substantive counter-terrorist agenda including a common legislative framework on definitions of terrorism, and a European Arrest Warrant. Extradition is an old-fashioned concept for us. It has to do with the concept of sovereignty in the 19th century. So among European countries we are going to have a European Arrest Warrant to replace national extradition procedures. We have also agreed on new legislation in order to dry up the sources of terrorist finance. We are going to take important decisions regarding airport and aircraft security. We are absolutely determined to cooperate. This is something that will take place during the Spanish presidency, to cooperate very intensely with the US, on many views and also with the Russian Federation. What I could not foresee and I end up with something that was mentioned by Mr Staničić, is the Middle East. What is happening in the Middle East is closely related to the policies and the ideas of Mr Sharon. We are very worried about that and we feel frustrated because we are fully aware of the limitations - the limited number of playing cards we have in that game. 95 % of the cards are in hands of our Washington allies and friends. A common and a widespread feeling in European capitals now is that this is a priority we must tackle right now, because otherwise it can weaken our coalition and our strategy to fight terrorism in the rest of the world. Watching what is happening on TV these days is something horrifying. It is at the same time something very simple. Both parties are involved in the most lobby confrontations since the creation of the state of Israel 45 years ago. With that note I would like to close my remarks. Thank you very much!

