

Europe in the Twenty-First Century

At the CFIA's Fellows Program at Harvard we are twenty fellows: it is an interesting group coming from 15 different countries, including three military officers from the U.S., two Latin Americans, one South African, six Asians and eight Europeans. We are people in our forties and fifties, with non-academic backgrounds, and with a professional history in international relations. The two Latin Americans were Cabinet members before they came to Harvard; most others are ambassadors and high-level diplomats, or high-ranking members of the Armed Forces. Three of us come from the private sector and all three are connected with the media. During the year we spend at Harvard each one of us has an individual program (each Fellow is asked to write a scholarly paper on a subject of his choice). In addition we have a common program that consists of seminars, weekly breakfast and lunches among ourselves and with Faculty members or prominent people, participation in each other's papers, and three study tours: one to Canada in the fall, one through the U.S. in the winter, and one to East Asia in the spring.

The non-Americans have just returned from the study tour of the United States, invited by the US Government. In two weeks we have been in Washington D.C., Houston, Seattle, Sacramento and San Francisco, and have had intensive meetings with politicians, legislators, influential media people such as the

National Empowerment Television where the Contract with America was drafted, think tanks (Brookings and Hoover), members of the private sector, and leaders of inner-city rehabilitation projects.

At the end of the trip it was interesting to reflect on our perceptions of 1995-America and, for the Europeans, on how Europe appears to be perceived in the United States. We all agreed on two striking observations. One was that Europe was hardly mentioned, (in their few spontaneous references Americans mentioned Germany, France, Italy or Spain, but rarely to the European Union), and that in the rare instances when Europe was mentioned, it was generally with negative connotations. The second one is that we found ourselves at great distance from current American perceptions of the World, particularly with those of the new Republican majority in the House and with the proponents of the Contract with America.

First: how do many Americans look at Europe? A fairly common view, shared by many Canadians, is that Europe is less interesting, appealing and promising than the emerging economies of East Asia, where there is much more potential for economic growth. Europe is seen as endogamic, too preoccupied with its own integration process, a process that is introducing economic distortions in the world economy and particularly in the agricultural sector. There seem to be growing gaps within Europe, with a core of Central European countries doing much better than the mismanaged and corrupt southern ones. With some exceptions (like "Fast Forward" of Carlson & Goldman

who predict that the 21st Century will be European), many Americans see the center of the world permanently switching from the Atlantic to the Pacific.

Second, we thought that, while some of the U.S. domestic measures proposed in the Contract with America seemed very sensible, we disagreed with most views concerning the world, US foreign policy and national security, foreign aid and the role of the United Nations.

I have devoted my year to look at different scenarios for the future of the world, and then to focus on Spain's problems and opportunities and how it can by acting now, improve the lives of our children and grandchildren. (*). In my study I have looked at trends, and at the different sets of opportunities and problems that lie ahead for Europe and for East Asia. While I concede that problems faced by Europe appear more serious and difficult to solve than the ones seen in the horizon for Japan, China and East Asia in general, I share the views of other European Fellows that the American conservative views writing Europe off are oversimplifications of the problems.

Just a few concrete examples. For the U.S. Africa has ceased to exist, while, as we shall see later, we think that it will pose a major challenge and will be an area of increasing concern and responsibility for the whole world. We think that it is in the U.S. interest in particular and in the interest of rich countries in general, to reduce inequalities in the world because developing countries in a desperate situation due to population explosion,

poverty, unemployment and chaos will pose serious environmental and terrorist threats. When speaking about foreign aid, nine of ten people respond that "charity starts at home" and that the US should solve poverty problems in the US before thinking about those abroad; this leads to an isolationist view of the U.S. role in the world precisely at a time when it should be greater. A Times Mirror poll taken in the U.S. in 1993 revealed that 28% of Americans thought that welfare was the biggest item in the U.S. budget, and another 19% thought that the biggest was foreign aid. This is obviously a gross misperception of reality¹. (*). Finally many Americans demean the role of the U.N. saying that it does not work, a fallacious argument since, were this true, the U.S. could try to make it work instead of abandoning it.

After this introduction what is my view of Europe in the 21st Century? I will discuss seven broad themes.

1. Scenarios for Europe

¹ The United States, a generous country in the 1940's through 1960's when a position of enlightened self-interest produced the Marshall Plan, is now one of the stingiest. Foreign aid, even if one includes military aid and that tied to U.S. procurement accounts for 0.2% of GDP. Even a country like Spain, with no foreign aid tradition and a PPP (purchasing power parity) per capita GDP 70% lower than the U.S. devotes a higher percentage to foreign aid. In Spain there are street demonstrations demanding more solidarity with the developing world, while in the U.S. foreign aid is extremely unpopular. public misinformation is one of the factors to blame. The other is the simplistic view but alibi-serving view that foreign aid goes to the pockets of elites and ends up in Switzerland. This is a reason for changing the mechanics of foreign aid and for greater control, but not for eliminating it.

- united or separate
- prosperous or decadent

2. What will "Europe" mean?
3. Europe's problems
4. Europe and Islam²
5. Europe and Subsaharan Africa
6. Europe and America + Asia
7. A brief mention to Spain

I. Scenarios for Europe. There are two essential issues, each of them with different scenarios. First, will Europe be united or divided? and, second, will it be prosperous or face a crisis?

On the first question most people would agree that the scenario of a united Europe is much more likely than the divided one. The question in most Europeans minds is not "whether?" but "how?".

Among the futurologists I have read, only John Naisbitt, the author of *Megatrends* and *Global Paradox*

²Or just Europe and the Middle East and North Africa

presents the scenario of a fragmented Europe. For those who have not read his very interesting and entertaining book, John Naisbitt says that in fifty years the world will have 1,000 countries. He says that in the global world of the 21st Century the actors will be small, and while they will trade and move capital globally, people will base their identity and place their affection on their small community. However there is a tremendous error on page 1, and he appears to base a good part of his argument on this example: Andorra³ (*).

Aside from Naisbitt most people think that Europe will be a megastate, with not only free trade, and free movement of capital, as, say, NAFTA or ASEAN, but also with a huge addition to other blocs in the rest of the world: free movement of people. Then there may be, and I think there will be, a monetary union, a common foreign and security policy, and a move towards federalism albeit with a gradual and painful cession of sovereignty from the national legislative bodies to the European Parliament.

There are several reasons that support the notion of Europe as a bloc. The most important one is that it is already in place, has succeeded in integrating 15 countries, and already presents most of the united features I have mentioned. There is already a

³ Naisbitt claims that one day in 1993 Andorra, a village on the Pynennes between France and Spain, decided to be independent. Andorra then called for a referendum, and when the independence vote received a majority, it moved to independence. He made it sound as if any village could do that if it decided to. In reality, as undoubtedly most of you know, Andorra had always been independent and the 1993 vote was to become a member of the United Nations.

huge infrastructure, institutional and emotional investment in Europe that to go backwards is almost inconceivable. Most hurdles have already been overcome, including the incorporation of poorer-than-average countries like Greece in the early eighties and of Spain and Portugal in 1986, the inclusion of the former DDR, and the difficult but decisive national ratifications of the Maastricht Treaty with the close referendum in France and the negative referendum in Denmark, later reversed⁴. Other hurdles, fears about excessive German power and British objections, have not been completely overcome but, at least, they are being addressed. (*)

Before showing economic scenarios that have to do with prosperity, we should deal with issue II.

II- What will "Europe" be? What countries will integrate Europe? A first question is when will the EC of 15 become the EC of twenty, incorporating the Czech Republic, Hungary, Poland and other countries of Eastern Europe? Some informed visitors to Harvard like Minister Strauss-Kahn from France or two of my own colleagues in the Community think that the EC will need a few years to integrate its three new members, and that the next date may be around 2002. But, although there are doubts as to when it will happen, there are none that it will happen.

⁴ An anecdote whose source and truthfulness I will not confirm explains some of the difficulties between Germany and Britain.

How will Europe be in two or three decades? You would need a crystal ball to answer this with some assurance. My own assumption based on present trends and convergence criteria is that by 2020 to 2030 there will be a Europe comprising countries in three categories of membership: they are labeled "first-speed, second-speed and third-speed countries".

The first ones will be those able to join a currency union and political confederation; they may have achieved a higher degree of integration and been capable of making the most necessary sacrifices to keep up with Germany. They will include, besides Germany, France, Netherlands, Belgium, Luxembourg, Sweden, Finland, Austria and perhaps a country that has not yet joined the EC: the Czech Republic. Switzerland and Norway could join at any time, and belong to this group.

The second-speed countries will include the U.K., Ireland, Portugal, Slovenia, perhaps Greece, and, unfortunately, probably Italy and Spain. They will fall into that category in some cases because of being poor or less developed, mismanaged, corrupt but mainly because of their inability to get the necessary political consensus or economic will to take painful decisions will take many years in joining the monetary union and political confederation

The third-speed countries, operating at about the present EC level of free trade and movement of capital and people will include most other countries: Poland, Hungary, Bulgaria, Slovakia, the three Baltic States, Croatia and Macedonia. Other

countries will be even slower in their integration: Romania, Serbia, Moldova and Albania. Bosnia will have been sadly negated to anything but an object of pity.

The big issues are of course Turkey and Russia. Both are what Sam Huntington calls "torn countries" in his Clash of Civilizations. To discuss the prospects for either of them joining the EC would be too long, and a topic for another full lecture. I think that either is unlikely to join the E.C. in the foreseeable future.

III. Will Europe be prosperous or decadent? What are its main problems - and opportunities -?

Among the long-term forecasters and futurologist think tanks I have encountered there are two widely different approaches when building scenarios for the future:

1. Those, predominantly based in America, who, reflecting the conventional logic of today's world, base their views on free trade, technology and competition. These. T, FT and C, are the main driving forces for the future. The main feature of this view is that its proponents are not overwhelmed by demographic or environmental considerations; they do not see anything that could change the World Economic Order.

2. Those predominantly based in Europe⁵ who think that (a)

⁵ European Commission, Club of Rome, Group of Lisbon, but also now Paul Kennedy and some Americans

competition has devastating social effects, and is not an effective answer to the world's problems, and (b) environmental dangers, population explosion, growing inequalities, nuclear proliferation and technology will pose unescapable threats to affluent countries. According to this view, international economic competition has proved to be a competition in terminating jobs and in reducing standards of living of the most vulnerable people in society. Scenario 1 would be ideal, but its unavoidable conclusion is that non-competitive people, companies, cities and nations are left behind. The conclusion of scenario 2 is to realize that desperate people left behind not only pose a moral dilemma, but also a danger for the winners. These forecasters propose a New World Order based on common governance, a system in which North and South countries will share power.

The consequences of pushing these scenarios well into the future get us to two wildly different results. As we will see later, for some time the USA and Japan will be able to pursue the first scenario, while Europe, facing threats much closer to home in the Middle East and Africa and possibly although not probably in its Eastern border, will be torn between the two paths.

What are Europe's advantages and problems? Firstly, Europe has a very highly educated population; its education system up to 12th grade is, on average, much better than in the U.S. although that changes at the university level; this human capital will be a competitive advantage in the future. Secondly, in a very brief summary, Europe has some sectors in which it is still competitive.

One of Europe's weaknesses, the dominance of the Public Sector, is a source of strength. In these days in which Government is "all bad" and privatization is all good, allow me to make a specific contrarian argument. Only the public sector can face huge infrastructure projects that make a lot of economic sense in telecommunications, transport or urban planning.(*). The fast trains TGV and the AVE are examples of projects costing \$ billions that no company could have undertaken on their own; they are extremely successful and badly needed in the U.S. But a large Government sector, positive as it is to launch large productive investments, has other negative features that I will refer to later.

The very large internal European market is a strong advantage. The 15 countries already members of the European Community have an aggregate population of 380 million, and a global GDP of nearly \$8 trillion, already slightly more than the 370 million and \$ 7 trillion in the three NAFTA countries, and much more than the 125 million people and about US\$ 4 trillion in Japan.

There are sectors where Europe is still competitive, but one has to realize that there has been a steady decline in competitiveness over the last decades, particularly in new technologies.

What will happen? For those who want to go more deeply into the subject I recommend a superb study done three years ago by the Dutch Government called "Scanning the Future". It

explores four scenarios: (a) the Global Shift, in which competition, technology and free trade rule the world, and Europe grows more slowly than the U.S. and East Asia. (b) the Global Crisis, where the whole world goes into a downward spiral, (c) the European Renaissance, where Europe will regain dynamism and lead the world, and (d) the Balanced Growth, a dream world in which all blocs and countries will prosper. The study does not say which of these scenarios is more likely and neither will I, but, having outlined some of Europe's advantages, I will proceed to go quickly through the formidable problems, obstacles and challenges that lie ahead.

The first one is employment. The situation is very bad in Europe, with an average of 11-12% unemployment, double the US rate (in Spain unemployment is 24%, double the European average and four times the US). Looking at the future, the main problem is that one sees which sectors are almost certainly going to lose jobs (manufacturing, still some in agriculture), but not the sectors in which jobs can be created. In Spain, tourism is a sector with great potential, but also very vulnerable to instability in the Southern Mediterranean

A second problem: Eurosclerosis is the label for a certain lack of dynamism, of new ideas, of allowing time to pass without initiatives to leap forward. It is eurosclerosis that has allowed other countries to gain competitive advantages in the newest and most promising technologies. Europe has a larger government sector than either the U.S. or Japan. After having referred to the positive aspects of a strong government, I must

admit that it has two tremendous disadvantages for Europe:

-the private sector is less powerful or dynamic than in the U.S. or Japan

-the economies are so heavily taxed that any measures to solve problems by tax increases are ruled out (for example, economists say that a tax of \$1/ gallon of gasoline could balance the budget in the U.S.; a gallon of gasoline already costs \$3.20 in Spain, and over \$4 in France)

Consumer prices are generally much higher in Europe than in the U.S. (not than in Japan) not necessarily because the currencies are overvalued, but mainly because the commercial system is much less efficient than in the U.S. There are more intermediaries between manufacturer or importer and consumer, each taking higher margins than in the U.S. This negative can be seen as a positive, room for improvement, if the system is changed.

Endogamy: Europe has been accused of looking at itself without concern for what is going on in the rest of the world. I think that the accusation is unfair, particularly coming from the United States. It could be said that the United States, with the possible exception of Australia, is the country that looks abroad the least. The chief of the Washington Post Tokyo office was recently at the CFIA and told us that results of a recent poll indicated that for every article written in the U.S. about Japan

there were 15 written in Japan about the U.S.; the proportion with regard to Europe is 2:1. Nevertheless, while there may be some ground for the charge, I think that what is most lacking in Europe, and certainly in Spain, is self-perception: I see a failure in identifying and analyzing the position of Europe itself with regard to the rest of the world and Europe's own weaknesses and problems.

Economic distortions: Europe is sometimes described as the last bastion of protectionism. This is true, but it could also be said of Japan in certain sectors. In addition, particularly in the agricultural field, there is a very complicated system of subsidies that I will not go into, that results in farmers getting more money for what they do not grow than for what they produce and sell. But U.S. and Japanese farmers are also subsidized.

Aging population and the welfare state: this is a problem that neither the United States nor Japan are facing to the same extent as Europe. In Spain, in my view (there are others who disagree), the pension system funded by the government will go bankrupt before the century ends unless drastic changes are introduced in the parameters (retirement age, extent of benefits, etc..) because the stagnation of the population and the increase of life expectancies are staggering and because the ratio of contributors to pensioners is the lowest in Europe, at 1.9 to 1, and will be 1 to 1 in 2025. In Europe, it will not be bankrupt until ten years later. The problem is that the issue is politically untouchable, and it will have to explode before enough

consensus is generated to redress the situation. In the meantime it will weigh down any efforts that Europe may launch to be competitive.

Geopolitical considerations: Last week, the CFIA Fellows Program held a seminar on NATO and the future. The seminar left the participants quite uneasy concerning the future of the institution, particularly concerning the willingness of the United States to maintain its strong and reassuring presence. I am not going to speculate on the future of NATO. For Europe, it remains important, and it complements the OSEC (which integrates Russia), the WEU, and the UN to give Europe security against threats (or "risks", using NATO terminology). While the Cold War was on, the risk was clear. Now, particularly from the perspective of the U.S., the dangers have changed: they are qualitatively different, quantitatively lower, diffuse and distant.

It is true that the U.S. has easier neighbors to deal with than Europe. Aside from Russia, a big enough country to be neighboring the five great powers of the next century (the U.S., the European Community, Japan, China and India) the U.S. has had to deal with a nice and easy northern neighbor, and three slightly conflictive situations in the South: Mexico, Cuba and Haiti, besides the drug imports from further South. Europe has much more conflicting neighbors. This takes me to the next point.

IV. Europe and the Clash of Civilizations. I am referring

to the widely read and controversial article of Sam Huntington published in Foreign Affairs in 1993. In this article he argued that, although nation-states will remain the most powerful actors in world affairs, future conflicts will occur along the fault lines between different civilizations, and one of the most likely conflicts in the future will be Islam vs. the West.

The Arab World is indeed unstable. The Middle East and North Africa have an unpleasant combination of high population growth, general poverty, widespread illiteracy and corrupt undemocratic governments; frustration with economic and political failure, rejection of Western values and increasing unemployment make these countries ripe for Islamic fundamentalism. Algeria is in a state of civil war with no solution in sight. Egypt looked as if it was going to become an Islamic state by evolution, but with Mubarak's recent crackdown on the Muslim Brotherhood it may follow a similar path to Algeria's. Sam Huntington's scenario of Islam against the West seems plausible.

Is the next big conflict in the world Islam vs. the West? I am not going into a detailed refutation of S.H.'s theory tonight, although I will say that I do not believe in it for many reasons

- cultural boundaries between civilizations are not that clear
- cultures are neither stable nor irreconcilable
- civilizations are not monolithic
- cultural differences do not necessarily spell war-like conflict
- Islam is not necessarily prone to violence, irrationally committed to religion and has not been more aggressive to the

West than the West to Islam

- the theory ignores nationalism, and the fact that Islamic movements in different countries have different origins and constituencies

However, whether one believes the theory of the Clash of Civilizations or not is somewhat irrelevant from a practical point of view. Even if it can be dismissed, Europe cannot ignore the poverty, population explosion, unemployment, inequalities and hostility towards the West. In 2025 Morocco will have 43 million people, Algeria 47, Tunisia 14, Libya 5 and Egypt 86. When I started working for the World Bank in 1968, their combined population was less than 70 million. By 2025 it will be 200 million. Even though Arab nations will not unite against the West, a radical government or an uncontrollable subnational group could create chaos in the Mediterranean.

The threats are twofold: unwanted immigration, and terrorism. For the United States the problem appears distant: it is inconceivable that a nuclear missile from North Africa could reach the US, but not at all that it could reach Paris or Rome. The dilemma for Europe is to choose between a combination of two extremely expensive measures: "Star Wars" and/or onerous economic cooperation? Only a very heavy investment in the economic rescue of these countries will buy security for the European Union.

V. Europe and Sub-Saharan Africa. For the United States, after the public perception of failure of humanitarian missions

undertaken in Somalia and Rwanda, Subsaharan Africa does not exist any longer. It is seen, perhaps rightly, as a hopeless continent⁶, characterized by

- ethnic and tribal clashes
- hopeless corruption
- no democracy
- unchecked population growth
- at the same time decimated by AIDS
- of no value or threat to the US since the end of the cold war

In Europe, although there is agreement with this view, after a deeper analysis, there are some nuances: (a) there is light at the end of the tunnel if South Africa succeeds, or if corruption is eradicated, governments are made accountable, economic reforms work and labor-intensive export-oriented activities are gradually implemented; (b) there is some moral responsibility, combined with cultural ties, for Africa's predicament; (c) a desperate Africa may not be a threat to the U.S. but is definitely a long-term threat to Europe. The immediate threat is North Africa, but Subsaharan Africa is already a source of refugees, unwanted immigration, and moral dilemmas, and this will increase dramatically in the next century.

⁶ This was not obvious to me or to anybody in the World Bank or in the U.N. system in the late sixties or early seventies, when per-capita incomes in several Subsaharan African countries was only ten years behind those of Greece or Spain, and growth rates and hopes were high. For some reason it was obvious to Franco, Spain's dictator (McNamara's visit to Spain and anecdote with Franco in 1973).

Thus Africa will not be completely abandoned by Europe; a portion of 0.7% of European GDP devoted to aid will go to Africa.

VI. Europe, America and East Asia. Europe is bound to be more inward looking than it has been in the past; it has to "put its own house in order" before it can reengage in economic competition with the US and East Asia on more equal footing. For America and Japan there are also domestic agenda considerations, some of them urgent, but whether they put the priority on domestic or foreign priorities is a matter of choice. Europe, in my view, does not have this choice, and its future role in the 21st century will depend on how it copes with its internal problems in the years ahead.

The patterns of international trade have changed drastically in the last few years. Europe accounts for a rapidly decreasing proportion of U. S. exports, now about 25%, and East Asia has increased to 37%. Three weeks ago, the Harvard CFIA Fellows visited Seattle's large representative U.S. exporter, Boeing. In 1990-1991 Boeing's sales to Europe still accounted for 55% of exports, and Asia only 25%. In the last two years, sales to Asia have gone up to 60% of total sales, doubling exports to Europe. This is a dramatic change over a very short period of time, and underscores the need for Europe to get its act together.

The future of NATO, as we have seen, is a critical factor in Europe's future, not only from a security point of view, but also because facing threats alone would entail a huge financial cost.

The health of the international organization system (UN, World Bank and IMF) is also essential for Europe to cope with the need to reduce poverty in the South Mediterranean.

The ties between Europe and Japan, and with other Asian countries, are important in the long run.

VII. Spain.

I will finish with just two minutes on my country, Spain. Today is a very poignant date in our history. Exactly fourteen years ago, on Feb. 23, 1981, there was a coup attempt by parts of the Army. The King, who had already gained worldwide reputation as a statesman of vision leading the unprecedented and peaceful transition from dictatorship to democracy, put down by himself the attempted army coup and preserved the constitutional order. Everybody at least as old as I am remembers where he was when he or she learned that President Kennedy was shot. Everybody in Spain remembers where he was on February 23, 1981.

Until just two years ago Spain was the biggest success story in Europe. With the socialist government, Spain joined NATO, integrated fully into the European Community, and became one of the most influential countries in Europe. In 1992, after having hosted the first Arab-Israeli peace talks, it organized the World Expo, the Barcelona Summer Olympic Games, and the meeting of American Heads of State, showing that Spain had overcome historical antagonisms with its former colonies. Spain also

modernized its industry and infrastructure, attracted over 50 million visitors annually was the seventh in the world in GDP, ahead of Canada who is in the G-7 group.

However, in only two years, Spain's situation has deteriorated. The socialist government has depleted all of its political capital due to a series of political and financial scandals and trails badly in the polls, but the conservative popular party is not seen as a credible alternative. In 1992 \$1 was worth 90 pesetas; it is now 133 pesetas despite inflation below 5%. Several large companies decided to downsize drastically or to relocate to other countries. Official unemployment soared to over 24%, the highest in Europe. While Spain came out of the recession in 1994 (GDP grew by 2% with the tourism sector growing by 13%), the employment situation has not improved. There is a lot of uncertainty felt by old and young people about their future.

Our problems are more severe than those of Europe as a whole. First, Spain has a tradition of labor-intensive industries (shoes, leather goods, textiles), and there formerly high-skilled workers have become low-skilled for other jobs since they lost or will lose their jobs as they were put in competition with billions of workers in low-wage countries. Second Spain has failed to find new fields to move to; the government wanted to promote high-tech companies, but unfortunately our university system is antiquated and too theoretical. We have, with Italy, the lowest computer knowledge in the European Community. Third, the so-far politically-untouchable government-funded

pension system, unviable in most of Europe in the long run, is going to be bankrupt in Spain in four or five years.

What are the lights at the end of our tunnel? I see quite a few. First, we have tremendous potential in tourism, catering to retirees, and in converting Spain into the main Arts and Culture country in Europe. But our future for job creation and prosperity depends very heavily on our capacity to attract people from abroad. Spain is in first line against the threat of instability in the Southern Mediterranean. We cannot afford to lose our tourism sector as happened in Egypt a few years ago. Spain will have to lobby the rest of Europe to address the North African problem as quickly as possible. Two, a paradoxical strength is that at least two factors, unemployment and the pension system bankruptcy, will force a crisis and national debate sooner than in the rest of Europe. It will force us to take a drastic solution and, hopefully, take off again before other European countries can. Finally, we have the unexploited common culture and language with Latin America, with growing potential markets for cultural products and Spanish-based high tech products.

I feel that I should conclude with a few words of summation. Just three thoughts:

1. America's world leadership has grown from pragmatism and that enlightened self-interest I have referred to. Do not be misled by politics of isolation.

2. Don't write off Europe yet. The words of the poet "No man is an island" are ever true.

3. We all need our market niche - no less Spain than the whole of Europe or the United States. Let us examine and cultivate our strengths to the mutual benefit of all.

Thank you for listening to me. The topic was very broad, and I have left many issues unanswered. I will be happy to try to answer any questions.

Convergence criteria

Where are the countries today?

Nato and CSEC

Bosnia