

INSIGHT Interview with Javier Solana

“One country cannot solve all the world’s problems”

By Nicolas Gros-Verheyde

The European Union’s High Representative for the Common Foreign and Security Policy, Javier Solana, shared his views on the course of international events with journalists meeting for a training seminar organised by the French daily Ouest-France¹. Europolitics was present.

France has officially announced its decision to rejoin the NATO command. President Nicolas Sarkozy justifies the move as an advance for ‘Europe of defence’. Do you share that view?

This reintegration will strengthen the climate of confidence, among the EU and NATO member states alike and doubts as to a possible ‘hidden agenda’ on the part of France will be swept away. It will also help clarify relations with the NATO member states that are not members of the Union and allow progress on ‘Europe of defence’ issues. At the same time, we have another positive element on the American side. A US Secretary of State [Hillary Clinton], who spends three days in Brussels to meet all the country’s partners is something new. All of that creates a new dynamic. In Afghanistan, the Balkans, the Middle East, on climate change and energy, a global solution needs to be worked out with the United States, China and Russia.

If you had to name just one issue on which you would like to see headway in 2009, what would it be?

I hope to see progress on the situation in the Middle East. It will not be easy. There are still intra-Palestinian and inter-Arab problems. And on the Israeli side, it remains to be seen what policy stance the new government will adopt. But I have hopes. There was an important meeting in Riyadh, with Syria and Egypt (on 11 March). And the Arab League will meet at the

end of the month. That is important. Peace in the Middle East is not a question of days. So we have to persevere, make every effort to move forward with determination towards a solution.

Europe is engaged in Afghanistan alongside the Americans. What more can it contribute? Military forces, another solution?

Afghanistan is a major responsibility for each of us and we all have to act con-



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structively. The Americans are realists. They know perfectly well that the Europeans cannot double the military forces they have already deployed. However, there are other aspects on which we can work, in a more coordinated way, to bring about real change. Police reform, the development of a judicial system, reconstruction of the country: these are some of the tasks where Europe has an important role to play.

We cannot stay indefinitely. What might be a way out?

We have to set more realistic objectives than creating a 'Swiss Afghanistan'. The country has to be stabilised, made capable of living with its neighbours, with sufficient elements of democracy. Then we have to let the Afghans choose how they want to live their future. What is important is to create this stability and to have free elections. That means involving the entire region. We will all be in The Hague at the end of March for an initial meeting.

This meeting in The Hague is a first in every respect...

Yes. It is the first time that the regional and international actors will be present, not just the European Union and NATO countries, but also all the countries of the region: the Central Asian countries, India and Pakistan,

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Iran, Russia and China. This meeting will consider all the problems: security, drug trafficking, the question of borders and central government. There is a need to prepare for the elections and for the post-election period. Incentive needs to be given to all the countries that have historical relations with Afghanistan to work constructively. Pakistan is fundamental. Without stability in Pakistan, there cannot be stability in Afghanistan.

Isn't there a danger of being dragged into Pakistan?

Countries have to be added to the solution, not to the problem. The situation in Pakistan is different from the situation in Afghanistan. Pakistan is a very complex but structured state. The discussion on Afghanistan, which is regional in nature, could also be the opportunity for India and Pakistan to try to settle, historic problems constructively. We have two options today: either leave them alone or try to work together to find possibilities for coming up with a solution. I see only one solution: making a commitment. If India and Pakistan move forward, even just a little, it will be a major step forward for the region's stability. If China makes a commitment, it will be easier to act. That is the challenge.

Russia and China - you seem to act more and more beyond the framework of borders.

Yes, because we are faced with problems of a horizontal nature that oblige us to go beyond borders. For example, climate change or the economic crisis – where we need China - and disarmament and nuclear agreements – where we need Russia. The year 2009 will be important for the question of armaments. The START² agreements will be renewed at the end of the year. The negotiations have to start as soon as possible. We have to make progress on this issue. Problems are global in today's world and solutions have to be global too. One country cannot solve all the world's problems. The days when one country could solve an international crisis on its own are a thing of the past.

Does that imply a new age in international relations?

Mentalities have to change and decision making has to be shared more with the emerging countries with which, we have to admit, we have had less intense relations. At the G20 in London, in early April, a solution to the economic crisis will not be possible if the other countries do not make a commitment. The world is changing and the Western world accounts for barely one sixth of the global population today. In 20 years, this proportion will be even smaller. The world is changing and it is essential to adapt.

The first to take on this role

Javier Solana, high representative for the European Union's Common Foreign and Security Policy, is a curious character.

At first glance, one might think that because he is a discreet man, he is boring or timid. In fact, he is quite the opposite: he is tenacious and full of strong European convictions. But he knows very well that, as high representative of a common foreign and security policy that scarcely exists and that some member states do not want to exist at all, if he wants his bet – to give Europe a common foreign policy – to be successful, there is a price to pay: discretion and efficiency. And so he is constantly travelling and meeting people.

Although he is virtually unknown in Brussels and despised in some European capitals, he is nonetheless Europe's face and voice in the world. Whether in Iran, the Middle East or Africa, Solana is without a doubt one

of the best-known Europeans and one whose word counts. He is a man with an in-depth knowledge of the issues and a good sense of humour.

Most heads of state or foreign affairs ministers who stop by in Brussels pay him a visit. His special representatives, who he has posted to the world's hot-spots, keep him up-to-date with what is happening and allow him to make quick diplomatic responses. He also has access to Sitcen, as the situation centre or the European Union's mini-intelligence agency is called, and Coreu, the European diplomatic network. All in all, this makes him the best-informed person in Europe with regards to what is happening around the world.

Make no mistake. While his public profile may sometimes appear vague or hard to pin down, his silences and his interrupted phrases are sometimes symptomatic. He is a diplomat through and through. And he is also from the Mediterranean. His smiles, his grimaces, his questions sometimes say more than his words.

Another subject, Sudan. In retaliation for his indictment by the International Criminal Tribunal, Sudan's President

This is the first head of state in office to be indicted by the ICT so it is not an easy situation. That's logical. But the

Lisbon Treaty, it is clear that we would be in a much more advantageous situation. In foreign policy, the next treaty will enable us to work much more effectively and coherently. It offers two key advantages: a permanent president of the Council of Foreign Ministers and a common External Action Service. How many European partners did US President George W. Bush have to deal with during his eight years in office? With this treaty, the European Union will be more credible and better represented externally. That is why I say it has to be ratified.



In April 2001, Solana received in Brussels Commander Massoud of the Afghan Northern Alliance (left)

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Omar al-Bashir forced NGOs out of Darfur. The population is consequently left without assistance and the president is strengthened. Aren't we going against our objective? Has the international community been rendered ineffective?

Our position is clear. We strongly condemn the expulsion of the NGOs. And we support the work of the International Criminal Tribunal (ICT). The European Union was behind the initiative of creating the ICT. We think and will continue to think that it is a good thing. We should be proud of having worked for that. However, judicial decisions can have political consequences.

What do you mean?

It needs to be ensured that the citizens of Sudan do not pay the price. Law and politics have to be made compatible.

The African Union and China have called for a postponement of the decision. Will and should this decision be reviewed?

court's decision has to be maintained. According to its statutes, only a unanimously adopted Security Council resolution can oblige the court to suspend prosecution. Unanimity does not exist at present. The pressure has to be kept up.

With the Lisbon Treaty, it is clear that we would be in a much more advantageous situation

To get back to our European affairs, the Lisbon Treaty has not been ratified yet, but Europe is advancing. How will this new treaty change things? Is it still as necessary?

We did not await the Lisbon Treaty to move forward and I think that we have worked well considering the instruments at our disposal. But with the

Are you hopeful about the Irish referendum?

I am confident. In all likelihood, the referendum in Ireland will take place in October. And I have confidence in the Irish. If all goes well, we could count on entry into force on 1 January 2010.

Are you an optimist by nature?

I am a realist, but I never lose hope. ■

(1) *The regional daily Ouest-France launched an original initiative six years ago. It sends its entire staff (around 500 people), in successive groups, to Brussels and Strasbourg for a four-day introductory seminar on the working of the European Union. Other French dailies have joined the initiative (Nord-Eclair, Dernières nouvelles d'Alsace and La Croix).*

(2) *Strategic Arms Reduction Treaty*

PROFILE

A diplomat, Socialist, Atlanticist and European

By Nicolas Gros-Verheyde

Born on 14 July 1942, High Representative Javier Solana de Madariaga came from a well-known Spanish family. He was bathed in an alchemy of politics, diplomacy and European affairs from a tender age. His great uncle, Salvador de Madariaga, was head of the disarmament section of the League of Nations and then became an ambassador in France and the United States. An opponent of the Franco regime, he went into exile in London, in 1936. In 1947, he was involved in the Oxford Manifesto on liberalism

and was one of the founders of the College of Europe in Bruges. Javier Solana's elder brother was also opposed to the Franco regime and was imprisoned for his political activities.

In 1964, aged 22, Javier Solana secretly joined the Spanish Socialist Party, which was illegal. Like his chemist father, he followed a scientific path graduating in physics and studying in Spain, the United Kingdom and the United States. But he remained politically active: on the other side of the Atlantic, he was president of the association of foreign students and took part in anti-Vietnam war protests. In 1976, he was named federal secretary of the new Socialist Party. He represented Madrid from 1977 until December 1995.

A close friend of Felipe Gonzalez, Javier Solana joined his cabinet after the historic victory for the PSOE, in 1982. He stayed there almost 13 years, a record length. He was minister of culture, then, in 1988, minister of education, becoming minister of foreign affairs, in 1992. In 1995, Spain held the European Union

Presidency. Solana played a leading role in the Barcelona Process, whose aim is to strengthen relations between Mediterranean countries and Europe. In Decem-



Solana greets members of the EUFOR mission in Chad

ber 1995, he was appointed secretary-general of NATO, replacing Belgium's Willy Claes. A logical move for the man as well as for the party of which he was still a member. Pitting himself against NATO, both became strong supporters of 'reasonable' Atlanticism.

As the head of NATO, Solana first had to implement the Dayton Peace Agreement in Bosnia-Herzegovina by deploying a force (IFOR) of 60,000 men in the former republic of Yugoslavia, which had been torn apart by several years of war. The mission was later turned into a stabilisation mission (SFOR), keeping more than 30,000 men on the ground. Spurred on by him, NATO refined its strategy, integrated its members - France, partly, and Spain, completely, join the military structure - and negotiated agreements, particularly with the former Russian enemy, which gave birth to the NATO-Russia Council. In 1999, NATO intervened militarily in the Balkans again, this time directly in Serbia in order to stop the Kosovo police force and army. It was a successful intervention, militarily and politi-

cally (with a little help from Russia, which abandoned its Serbian ally). The majority Albanian Serb province was to be placed under international administration, security being guaranteed by NATO (KFOR).

In the meantime, Solana set his sights on new goals, still in Brussels but at the European Union. The 15-member EU agreed at the Cologne summit, in July 1999, to appoint the Spanish Socialist to a new position created by the Treaty of Amsterdam, that of the EU's chief diplomat, a hat that he wore for the first time on 18 October 1999. The Treaty of Nice gave him another role, that of secretary-general of the Council, which

allowed Solana to use administrative and financial means for the ambitions outlined by the European heads of state and government. His discretion went down well. His position was renewed in July 2004 for a second five-year term. During these years, he has been involved in particular in seeking a solution for the Middle East and in the talks started between Iran and several countries (France, Germany, the United Kingdom, Russia, the United States). About 20 civilian and military operations were launched on three continents in the name of the European Security and Defence Policy. And the European Union gradually emerged as a 'serious' player for 'good offices' missions. The latest to date was the armed conflict, in August 2008, between Georgia and Russia, which was of symbolic and political importance. Javier Solana's term ends on 31 October 2009.

But he will not bear the title of the EU's minister of foreign affairs, created by the European Constitution, which he had dreamed of. Finding a suitable successor for the next five years will not be an easy task. ■

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INSIGHT Jurisprudence

CAR INDUSTRY/PARALLEL EXPORTS

Peugeot denies accusations of impeding competition

By Sophie Mosca

The Peugeot Group disputed the European Commission's accusation that it had hindered competition, at a hearing before the EU Court of First Instance, on 11 March.

After receiving complaints from customers who wanted to buy cars in the Netherlands at lower prices exclusive of taxes than in their home state, the Commission found that the Peugeot Group and its Dutch subsidiary had committed a serious infringement of Article 81(1) of the EC Treaty, in agreement

with their dealers in the Netherlands, through the use of anti-competitive

The EU executive alleged that Peugeot Nederland had set up two restrictive measures

commercial practices. On 5 October 2005, it imposed a fine of €49.5 million for the implementation of measures from January 1997 to Septem-

ber 2003 aimed at hindering parallel exports of cars from the Netherlands for non-resident buyers.

The EU executive alleged that Peugeot Nederland had set up two restrictive measures consisting on the one hand of establishing a bonus system for Dutch Peugeot dealers, which discriminated against export sales of vehicles, and on the other of putting direct pressure on distributors who had developed significant export activities by threatening for example to reduce their supply of the best selling cars.

The Commission found that these measures were not unilateral on the part of Peugeot but that they had been built into contractual relations with dealers and approved by the latter at least tacitly.

Peugeot Nederland applied to the Court of First Instance for annulment of the Commission's decision (Case T-450/05).

First, it argued that the bonus system for dealers had been imposed unilaterally and that the Commission failed to prove the existence of an agreement on such a practice: the mere fact that dealers continued to buy cars could not be likened to an agreement.

The high volume of exports, moreover, is the best evidence of dealers' refusal to give in to the alleged pressure. Second, Peugeot maintained that the only objective of the bonus system for dealers was to develop its market share in the Netherlands and not to impede competition.

After 1997, internal circulars no longer referred to bonuses only for vehicles sold to residents; the duration of the alleged infringement should therefore be reduced to the year 1997.

Peugeot noted that the effects of this bonus system are insignificant on exports, moreover, and cannot constitute a serious infringement.

It therefore asked the court to annul the Commission's decision and/or reduce the amount of the fine. ■

Background

This case brings to mind a ruling handed down by the Court of First Instance (CFI), on 21 October 2003 (Case T-368/00) in which General Motors and Opel Nederland challenged the Commission's accusations of impeding competition. The EU executive argued that Opel Nederland had concluded agreements with its dealers in the Netherlands to restrict or prohibit the export of vehicles to non-residents and dealers in other member states. This strategy restricted both the delivery of cars to dealers and the bonuses paid to agents for vehicles bought by non-residents. The Commission's decision was matched with a fine of 43 million euro. The court nonetheless held that the Commission had not sufficiently proved restrictions on the delivery of vehicles to dealers and even less so that the measure was part of contractual relations between Opel Nederland and its dealers. As a result, it reduced the fine to 35.475 million euro. The ruling provided an opportunity for the court to review and give a practical interpretation of the fine calculation guidelines adopted by the Commission in 1998. The Court of Justice, to which an appeal was submitted, confirmed

the ruling of the Court of First Instance (Case C-55/03P).

In another important case related to vehicle distribution, the CFI found in favour of the manufacturer against the Commission: the case of Volkswagen AG vs the European Commission (T-208/01). The Court of First Instance annulled the Commission's 2001 decision prohibiting Volkswagen's business practices with its German dealers meant to impose the sale price of a given model through a ban on discounts. The Commission alleged that an agreement existed between Volkswagen AG and its German dealers that was incompatible with competition rules because it eliminated the competition between dealers based on the use of discounts. The CFI held that the Commission had failed to prove the existence of an agreement between the manufacturer and its German dealers since it did not provide evidence of express or tacit assent by the dealers. It pointed out that a concession contract in conformity with competition law could not be considered tacit prior acceptance of the manufacturer's anti-competitive initiatives. The appeal lodged by the Commission was found to be inadmissible by the Court of Justice (Case C-74/04P).