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Featured Speaker:

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P R O C E E D I N G S

MR. INDYK: Good afternoon, ladies and gentlemen. Welcome to Brookings. We're very glad to have an opportunity to host Baroness Catherine Ashton for this special Stateswoman's Forum. I'm Martin Indyk, the vice president and director of the Foreign Policy Program at Brookings. And this is a special event brought to you by the Center for the U.S. and Europe here at Brookings and the Heinrich Böll Foundation. It's special because you don't often have a chance to hear from the high representative of the European Union for Foreign Affairs and Security Policy and the vice president of the European Commission.

Baroness Ashton had a distinguished political career in the United Kingdom before she assumed this high office, both in the public-private and voluntary sectors and then in the House of Lords, where, in 1999, she became a life peer and took on a ministerial position as parliamentary undersecretary of state in the Department of Education. Subsequently, she also served as minister in the Department for Constitutional Affairs and the Ministry of Justice. She was appointed leader of the House of Lords and lord president of the Queen's Privy Council in Prime Minister Gordon Brown's first cabinet in June 2007. And she was responsible for taking the Lisbon Treaty through the United Kingdom's House of Lords.

On December 1, 2009, she was named the high representative of the European Union. You're probably all familiar with this, as a result of the Lisbon Treaty, the European Union's institutions were changed and Baroness Ashton, in effect, became officially the foreign minister for the European Union. It's in that capacity that she has taken the lead in so many of the crises that are affecting Europe today, and it's in that capacity that she's here in Washington again, in part as a representative of the quartet for Middle East peace. And she has agreed that she will make some informal comments

first, then we'll have a little bit of a conversation up here, and then we'll take your questions. And we are on the record.

Baroness Ashton, welcome to Brookings. (Applause)

LADY ASHTON: Thank you very much. And it's a great pleasure to be here, Martin, in Brookings again and always a pleasure to be in the United States. So having just come from Juba, I appear to have brought the weather from South Sudan with me. (Laughter)

Thank you all for coming. I thought what I would do is just concentrate a little bit on some of the key issues that are happening in our neighborhood in the European Union, collectively known as the Arab Spring, and then make some comments about how we in Europe are responding to that. And then do what I like best, which is to have a conversation both with you, but also with you in the time that we have.

I want to start, though, with a little bit about the relationship between the European Union and the United States because I think we're at an important moment, a moment when that relationship is changing and I think changing for the good. It used to be the case that the United States focused very much on Europe as a place where it was necessary for it to intervene to support and deal with problems that were created over the last 50 years, and not least, of course, in the Western Balkans in most recent times. And I've always believed that the European Union needs to take more responsibility for what it has to do in its own neighborhood and that as we get better at doing that, our relationship with the U.S. changes to being collaborative partners in solving the problems rather than perhaps relying on you.

I say that because sometimes in Europe and sometimes here people question whether there's as much interest from the U.S. in the EU. I think the interest is as great as ever. The amount of traffic between my office and State Department and my

meetings and conversations with the U.S. are endless and consistent and constant. And the reason for that is because we're now working together to try and address these problems. But I say all that in the spirit of knowing how much the United States has meant to the European Union and how much we want to keep that strength of relationship into the future.

So we then turn to our neighborhood. When I became high representative, which was a little bit of a shock to me, as you may have read, I said that there were three things I needed to do in my mandate.

The first was to create this new service, the European External Action Service. The Lisbon Treaty gave snappy little titles to everything. I'm the high representative for Foreign and Security Policy. There is a European External Action Service, but essentially it was about bringing politics and economics together in one focal point after the European Union, so that countries, individuals, civil society, people trying to talk to Europe didn't feel they had to talk to an endless parade of different institutions, but rather they could talk through one to the European Union.

Secondly, I said we should be judged as the European Union by our effectiveness in our own neighborhood. I said that long before the Arab Spring, long before the changes that we've seen in our neighborhood. But I felt it then and I feel it now.

And thirdly, that we needed to develop our strategic partnerships of which the relationship with the U.S. is perhaps the most obvious and, at times, the most important.

When we think about what's happened in our neighborhood I think we can kind of divide it into three different possible areas of concern. In a sense, what happened in Tunisia and then on to Egypt demonstrated the desire of people to deal with

their concerns about both the political situation, the corruption that they faced, and also the economic challenges, and I'll say more about that later. And the results of that were yet to be finally determined, but are in interim governments trying to move forward towards elections and trying to tackle some of the economic problems.

We have countries like Syria and Libya which are in violence and quite a lot of chaos, and Syria's very hard to read exactly where that's going to come out. But what we stand with the United States on is being very determined to try and get this violence to stop, to stop the internment of thousands of people, 10,000+ in prisons, and to see Assad really move forward with a dialogue, frankly, the results of which this week have hardly been the sort of dialogue that's necessary. And in Libya, to see Qaddafi to go and the people of Libya to be able to determine their own future and their own government. I was in Benghazi quite recently to open an office for the European Union in order that we can channel through that office, a sort of support that people not only in Benghazi, but across Libya, are going to need. And again, I'll say a little bit more about that.

And then my kind of third group are countries who are trying to make the change without chaos of reform now. And perhaps the two that strike me the most are Morocco and Jordan. Incidentally, both led by kings. I have no idea what that says, but it's just interesting. And who are trying to find the right kind of political and economic reform to respond to what the people are asking for and to what they know needs to happen in order to, if you like, politically modernize those societies as well as economic modernize.

And then at the heart of our region, the Middle East peace process and the needs which we're trying to deal with this week in Washington in our conversations and discussions to find a way to get the parties back into negotiation. And again, we can

talk about that in greater detail.

But I just mentioned those countries and I could mention others to try and give a sense of the different flavor of what is happening in the region and the way in which we need to approach the needs of people. I would argue that there are two fundamentally big challenges in all of those countries, and they're very familiar challenges for all of us.

The first is the political challenge, of how do you build what I've described in some of the things I've written "deep democracy." That means thinking beyond the idea of an election as being that great crowning moment when you put a real election to work and elect a government, to building the sort of institutions and the framework you need to make sure that democracy has roots that are long and deep, and that you don't just elect a government at once, but, most importantly of all, you have the right to kick them out and elect somebody else.

And that means thinking through how do we build with them independent judiciary? How do we build a kind of society and civil society that's able to respond to the needs of people and hold the government to account? And a particular area that I worry about a lot, which is how do you build the role of opposition, because in so many countries across the world winner takes all in elections and we don't have the framework that allows the opposition to hold the government to account and to be, if you like, the government-in-waiting. And that's going to be one of the challenges that we have to tackle and face.

If you talk to Egypt, they talk to me sometimes about how they'd like a retired president to be walking around. Because as they would say, in 7,000 years nobody's ever retired. (Laughter)

SPEAKER: And they're not going to either.

LADY ASHTON: and you know how important it is to see that governments do come and go and that political people have a shelf life after which they have to retire and go back in a sense into another form of life. And that's something that for some countries they've not experienced for a very long time, if ever, but something that they think about a great deal.

Equally, too, finding ways in which we develop for particular groups in society, this capacity to be able to engage, when you look at the Southern Mediterranean, North Africa, you're always particularly struck by two groups. The first of them are the young people and the role of young people has been well documented already, but never to be underestimated in terms of what they did and what they continue to do to make the demands for their own political future and the demands for their freedom and their human rights, to end corruption and to see a way forward, and the building of political parties.

And also for women in that part of the world, who are particularly concerned to make sure they can take their place in that political process, again, you can hear some concerns that having participated in the changes and the revolutions that maybe they might be invited to go back to a role that they used to have. Or else importantly, and this is certainly true when I talked to some of the women in civil society in Libya, in Benghazi, that they have no history of being involved in civil society and no knowledge about how to engage and how to encourage other women to engage and feel they can do it; the classic problem of self-esteem and thinking it's not for you, this is somehow a man's world. It's a problem that still exists in most countries in the world in my experience, but particularly exists where there's been no traditional history of this at all.

So trying to engage and develop the capacity for them and the political

party process, again, one of the challenges where you don't have political parties that have had time to develop is how to ensure that they, too, can take root and that we respect all political parties who are willing to say we stand for the values of democracy and we stand for fundamental freedoms and human rights, whoever they are and from whatever tradition they come. But we've got to be clear about what we're saying about what we hold dear and what we believe to be very important.

So the challenge of helping them build that and make it deep is an ongoing challenge that we have to be very much engaged in. It's interesting for us in the European Union because within the 27 member states we have a number of countries who themselves have been through a revolution and change, who saw walls come down, and who had to find a way to build their democracies and to rebuild their political process and to find ways to do it in a deep and enduring manner. So there is actually a lot of experience, especially among, again, young people who can talk to each other and who can engage with that. And so finding ways to provide that opportunity is going to be very important, but I don't underestimate the challenge.

And so making sure that the constitutions are in place that can support the people and be the guardian of that process on behalf of the people is equally important. And that's something that particularly in Egypt they're engaged in now, thinking about what it should do. Their constitution is based on the Belgian constitution and was done in 1952. Belgium's an interesting example at the moment for those of you who look at how actually countries function extremely well despite the political process perhaps not seeming to be as complete as it might be. But it is a good example and it shows what you can do if you take what exists already and try and engage with trying to take that further forward, but building the constitution, supporting the growth of political parties; helping the institutions that make democracy possible, come into being, and

flourish; knowing that you have that independent judiciary; knowing you have if you like the kind of civil service side of things; and building civil society.

When I first went to Tunisia and met with civil society groups for the first time, they were in a room together for the first time because they'd never been allowed to meet each other before. So building for them is partly about learning to work with each other.

In Benghazi, when they called a meeting at the local university of people interested in forming organizations. Two hundred organizations turned up who had formed themselves in the last few weeks along with 55 newspapers that are now flourishing in Benghazi. Freedom of the media and the press an incredibly important aspect of all of this for that whole bit of building the political process.

And then I would argue the second area, which is economic, that democracy will only take root if people are also able to see the potential for economic growth and development. You know the statistics on the levels of unemployment, particularly, again, amongst young people and the need to try and develop the economy to support especially the young who want to get themselves into jobs and have a future and a potential. Alongside that, the building of the infrastructure that needs to take place to enable all of that to flourish efficiently. And I would link that back to also the building of the rule of law and justice and so on. That inward investment is only going to come when business feels that they're actually able to flourish in an atmosphere where the rule of law is going to work for them, too.

So a huge amount of work to be done in getting the economy to growth. I think in Egypt tourism is running at 35 percent. It really is the time to go and see the Pyramids. It really is the time to support countries who need to see that tourism come back and who's got the potential to try and deal with the debt that's building up and to

really want to get their economies moving.

A particular aspect of that for me is about small businesses, the backbone of all economy. Three percent of small businesses within the European Union, the 27 countries, trade outside the European Union. It's a very small figure. And if you could double that, you could do a lot with the European economy. Imagine, too, what we could do if we could support small- and medium-sized businesses in the countries in our neighborhood to be able to grow and develop their potential, too, as well as building, as I said, against the backbone of some of the economic needs.

Jordan, 52 percent of the water is lost in the pipelines that bring it to where it needs to go. They have massive infrastructure needs. Cairo, the metro needs to be extended. Tunisia, the road network needs to be built. And there is an ambition in Egypt to have a massive housing program that will build social housing right across the country, around which -- many of you will be aware of this -- you can plan whole communities and sustainable development for people able to work and live together in those communities, including training, education, jobs that will help those communities be sustainable into the long term. So a huge amount to be done.

And so my final point is about what does Europe do in response to those two big needs. I think all I'd say is this really. First of all, for Europe, this is about -- as I said at the beginning -- whether we are going to be effective or not. To be effective in our neighborhood is the proof of the European Union Foreign Policy Project. And I think we have to and we have committed to be there not just for the short term, but for the medium and the long term because this is a long-term job.

We've rewritten our neighborhood policy to build on three Ms. Money, getting additional resources into the area, so as well as the 5.7 billion euros we already had (inaudible), we've added another 1.2 billion. Getting other investors, so getting the

European Investment Bank to add another billion euros a year for the southern neighborhood while continuing to support what's needed to be done in the East; and the European Bank for Reconstruction and Development responding to my request, working with others to add 2-, 2-1/2 billion a year each year over the next few years in public and private sector investment to get business moving and to get the infrastructure in place.

I think as well the building of the political parties, as I've said, and the building of the political process to provide the kind of long-term support that's going to be necessary, helping them with them with their electoral observation so that you can see that the elections are done properly, supporting them in security issues. Libya border management's a big issue. Concerns about the reform of the security sector, police reform and so on, so important as you move into democracy and you build confidence in the people, that they can rely on those institutions to operate on their behalf supporting their human and fundamental rights as well, and trying to do that in the context of all that big support.

So three Ms: money, which I've just described; mobility, offering the support, especially for young people and for businesses to take advantage of educational opportunities in the European Union, business opportunities in the European Union, and supporting them in doing that, recognizing this is a young workforce that we're going to need in the European Union into the future; and market access, the third M. How do we support them through trade to enable them to grow their economies and to get the kind of support that they need, bearing in mind that as their markets grow, they provide markets for us? All that within the background of recognizing that if we can support our neighborhood into the future it will be to our advantage as well.

Just one very final comment on all that. We're doing this against an extraordinarily difficult economic backdrop. You know that in the U.S. We know that in

Europe. And it's very important that we send the message very clearly to our people that this is about foreign policy in their own interests; that if we have a good neighborhood that is sustainable and secure, that is democratic, that is economically growing, then that is to our advantage because we're able to trade with them, to work with them, to support them, and to see them as our neighbors into the future.

So as I began, Europe should be judged by its ability to operate in its own neighborhood. My determination is to make sure that the judgment is a positive one. Thank you. (Applause)

MR. INDYK: Thank you. That was refreshing, a tonic for those -- some of our colleagues in other institutions will say, well, Europe is history and we should move on.

LADY ASHTON: No.

MR. INDYK: You know, you were in this position for one year before the Arab Spring took -- burgeoned forth. And I wonder if you look back at that year before and now the year which you've just spoken so eloquently about, you said it was a defining moment for Europe, do you also feel it's like a defining moment for the transatlantic relationship that there's now a new project for the United States and Europe to work on in terms of promoting Western-style secular democracy in a critical region of the world?

LADY ASHTON: I think it's part of the defining moment, but we could equally have talked about the Western Balkans and what we're doing with Serbia and Kosovo and what's happening in Bosnia as areas where the transatlantic relationship is critical. I think for me it's not about a particular moment. It's more about the definition of this relationship. And the more that we're able to collaborate in offering what we offer best, which is different from each other, then I think that's going to be very important.

But it really goes back to what I said before, that I know that Europe has to take its responsibilities very seriously. These are our neighbors, literally. And however much the U.S. is engaged with that, it will be a slightly longer distance relationship to these countries. It's very important -- very important -- but perhaps a different one to the one that you have with your neighbor.

MR. INDYK: In Libya, Europe is, in effect via NATO, taking the lead and the United States is playing a supporting role, not one that is normal in the relationship. How's that working out? And do you see that producing a positive outcome in any reasonable timeframe?

LADY ASHTON: I attend the NATO foreign ministers meetings and the defense ministers meetings, so I've heard Secretary Gates a number of times at NATO as well as Secretary Clinton. I think how I would define it is a partnership rather than a lead supporting role because the support that each gives in terms of the military aspects of this are incredibly important. Arguably, you can't have one without the other.

In terms of what we do as we build towards the post-Qaddafi Libya, again, we've been working with the Africa Union and the Arab League, the Organization of Islamic Communities to try and develop the strategy under the U.N. umbrella of what happens next, what happens on day one and day two. Because, again, we think that Europe has an important role it must play and that will be different to the role of the U.S.

MR. INDYK: We had the Libyan transitional prime minister, Professor Jibril, here. He was actually sitting in this chair. He actually came across as quite impressive. And the way that you described your visit to Benghazi and the kind of blooming of civil society out of nothing there is really an image that is contrary to at least what I've known of the Libyans and the expectation that things would fall apart there, that there was really not there because Qaddafi had, for so long, basically ensured that there

were no institutions of governance. Do you have a sense of optimism about that situation?

LADY ASHTON: I was surprised when I went Benghazi how much people had thought about the future in what were very difficult circumstances, where I met all of the members of the Transitional National Council, 31 of them. And they talked about health and education and redevelopment and support for the infrastructure. And there were quite a few Libyans who had gone home, people from the World Bank and others, who had a lot of knowledge and experience to offer. And with civil society there were people who were highly educated and had been engineers who were now running newspapers. So what you had were people shifting professions, if you like.

I don't think they underestimate the challenge, and this was one tiny part of a huge country where the action as it were and the real problems were farther away. But what I did feel were the people were really thinking about what needed to happen. But my goodness, they're going to need a lot of help.

MR. INDYK: Syria. You in your presentation just now drew a distinction. I mean, Qaddafi's got to go; Assad's got to get serious about reform. Why? What's the reason for the distinction?

LADY ASHTON: I take the view that you can't just take one idea with one country and say, well, that applies to this or the next country. And I don't think Libya and Syria are the same. I think there are real problems for the future of the regime in Syria, but I've always taken the view that it's for the people of the country to decide what they want to do. And one of the challenges, for example, in Syria's going to be that Article VIII of the Constitution of Syria says only one party, al-Assad's party, can be the governing party. So they've got a whole mass of things to do if they want to make real changes on a Constitution.

I think we're all looking for the Security Council lead on this as well. And I think we're all trying to work out how best to do the kind of economic and political pressure on Syria. I've done three rounds of sanctions on Syria so far. We're trying to reach out. I've still got people on the ground in Syria to -- civil society to people who can give us a sense of how best we can support them. And we work as closely as we can with the U.S. to try and do that, but I don't think any of us underestimate just what a complicated situation it is.

MR. INDYK: Here again in the case of Syria there's this sense, at least in Washington there's been this sense, that if Assad goes, chaos will follow, the minority communities will be slaughtered, Muslim Brotherhood will take over, and so on. I, myself, am skeptical of that, but I'd just be interested in your view. Are you concerned about what might come after or do you see the same thing as what's happening in Libya, that is people taking responsibility in the opposition for trying to make sure that the transition, if it comes, is going to be a peaceful and moderate one?

LADY ASHTON: Well, that's one of the reasons to reach out and try and work out how civil society and how people are able to organize themselves. And we're working, as you'd expect, with Turkey to an extent on this as well because they've been dealing with the refugees who've been heading over the border who have terrible tales to tell. I've sent people to talk to the refugees and to see how best the country can go forward.

I say it's complicated because, again, in countries where you don't have a history of opposition or of people being able to gather together and create semi-institutions, if not full institutions, that it's complicated for them to come together and work out what they want to see happen. And as far as possible, I believe you should be guided by what the people there want, not try and impose what I think should happen

onto them. And that's, I think, in Syria one of the real challenges.

MR. INDYK: You mentioned Turkey and you're on your way to Istanbul. Now, is what's happening in the Middle East, particularly in Syria, creating grounds for a better relationship between Turkey and the EU?

LADY ASHTON: Well, in foreign policy terms Turkey is incredibly important to me and to the European Union. In terms of our kind of neighbors I spend more time talking to Turkey than anyone else, as you'd expect. They have a huge amount to offer and a big role to play and they do and they collaborate with us in a whole range of different ways, not least, as I've mentioned before, in the Western Balkans. So they are a big partner. And I don't say that the Syrian situation has added to that in terms of the strength of our relationship, but it's certainly adding to that in terms of working closely with them on a particular issue.

We've offered support to them for the refugees. They don't need that support. The refugees are being very well cared for. But I wanted Turkey to know that we would support them and help if they need it.

MR. INDYK: Is it likely to have some positive ramifications in terms of Turkish accession?

LADY ASHTON: Well, I've always been very straightforward in saying that personally I've always wanted to see Turkey eventually get into the European Union, but it's a long journey. And it's a journey that countries who've experienced it -- most recently the Croatians who are about to find themselves there -- will tell you it's a long journey that's quite difficult at times and has pitfalls on the way because of the expectation of what you have to do to get what's called the acquis, which is basically to make sure that your laws and regulations are the same as the European Union's and the requirements we have on all sorts of issues that you would expect on justice and so on.

So it is a long journey. But for me, I hope one day we'll see Turkey there.

MR. INDYK: My last question and then we'll go to the audience is about your three Ms. The second one was an interesting one I hadn't heard before, the mobility one, which the way that you presented it, at least the way I heard it, meant that you were going to welcome young people from the Arab world coming into work in Europe. If I heard you correctly, how's that going to be received in Europe where there's been so much concern about that very question of migration from the Arab world into Europe?

LADY ASHTON: Well, the concern in Europe has mainly been about illegal immigration and the issue of how you do this with what we call mobility partnerships, where you do it properly and it's on the basis of opportunities for young people. The particular thing I referred to with young people was to do with education and the potential of that. And a lot of universities and colleges across Europe have strong relationships already with that part of the world, so here's an opportunity for us to do more, and we have plenty of scholarships. The European Parliament, for example, has a program that we want to look at expanding and so on.

My point was mobility done properly through partnerships where we work collaboratively with those countries in order that it's done in a way that respects the needs of both sides.

MR. INDYK: what sort of numbers are we talking about? Thousands? Tens of thousands?

LADY ASHTON: I haven't put any numbers on any of that because it will depend on what's necessary. For most of the young people in these countries their education and future lies in those countries. It's about an opportunity to get the experiences outside. And, again, it will depend on what seems to work best and how countries want to do this and how the European Union wants to do it. The point is we

shouldn't ignore it. You know, you can't just say, well, that's something we don't do. It is something we do, but we do it properly and we do it in a way that member states are very clear about the offer that they're making.

MR. INDYK: Interesting. Okay, let's go to your questions. I would ask you to wait for the microphone, identify yourself to the baroness, and please make sure there's a question mark at the end of your statement.

I guess is there one who would come up here, to the front here?

DR. ALYAMI: Thank you. Nice to see, Martin. My name is Ali Alyami from the Center for Democracy & Human Rights in Saudi Arabia, but here in Washington, D.C.

I am a little confused. You may help me actually sort things out. In the one hand, our administration and the European Union support democracies in Libya and Tunisia and Egypt and, to a point, in Yemen. On the other hand, we are -- we and you are supporting the most absolute regimes that treat people with utter contempt like the government of Saudi Arabia, Bahrain, and other people. We sell them arms. We build the nuclear (inaudible) for them. We train their soldiers.

MR. INDYK: Let's have the question.

DR. ALYAMI: My question is do you think this is the right way to bring about democracy (inaudible) by supporting absolute dictators that have the money and influence, actually, to derail what the Egyptian and other people are dying for?

LADY ASHTON: I think the important issue in what you're saying is this kind of scale between what I call isolation versus engagement. And one of the challenges of what's happened in our neighborhood has been to think through how do we work that dilemma sometimes of engagement and isolation.

My view is that 99 percent of the time engagement is what works and

engagement is what you try and do in order to support the values that you have. We work all over the world with governments and regimes that we may like very much and some we don't like very much at all, but we work with them because that's how you develop foreign policy and that's how you develop the relationships in order to support the values that you have. But it's always against a backdrop of knowing that you are working in the context of that scale between isolation and engagement.

We've worked very closely with many countries in the Gulf states, including Saudi Arabia and others, and will continue to do so for member states to make their decisions economically in what they do within the guidelines that the European Union lays down. And, again, they will continue to do that and we try and address some of the issues that come up in terms of rights and so on as they come up. But I'm afraid there's no perfect solution.

MR. INDYK: I think there's a question down the back there.

MR. FANUSIE: Thank you very much. My name is Yaya Fanusie. I'm the lead person for the Special Operations Division of the United States of Africa 2017 Project Task Force.

I'm a little bit concerned about your neighborhood issue because from our perspective no part of Africa is part of Europe. And secondly, if Qaddafi goes, you're putting the rest of the Arab population in Africa in jeopardy.

Trust me what I just said to you. You have no idea who I am. I'm 68 years old. I was involved in the decolonization process in Africa. And during my time I didn't want no whites or Arabs in Africa.

MR. INDYK: What's the question?

MR. FANUSIE: Whites could stay because apartheid is gone. So just take note of what I said.

LADY ASHTON: Well, one of the great joys of being here is the capacity to have the chance to listen to different viewpoints. I didn't say that Africa was Europe. I said that we have a neighborhood and many of the countries that we've been talking about or I've been talking about are literally our neighbors. And that's meant to be a positive because it implies in the word "neighbor" that they are countries that we care about and we work with and that we recognize that we have good links to. And for me, that's important.

MR. INDYK: Yes, the woman halfway down there. Yes, please.

MS. McGAUGHY: Hi. My name is Lauren McGaughy. I work for the *Asahi Shimbun*. It's a Japanese newspaper here in D.C.

Can you give us a better idea of how the quartet meetings went last night and why perhaps a statement wasn't issued today? Can you give us a little bit more on what was discussed, the details?

LADY ASHTON: Well, the quartet at different meetings has issued statements at different times, and one of the issues that you'll appreciate at the moment is we're trying to work through a way in which the quartet can support both parties coming back into talks. So designing and devising the right elements to anything we might say that can actually help that is a bit more complicated than a quartet meeting which is simply going to say something quite quickly and potentially supportive, but not actually trying to achieve that.

So the principals met last night. We had dinner. We had a very good substantive talk. And we asked the envoys to meet again this morning, which they did, and they're going to talk again on Thursday, probably by phone conference rather than meeting. In the meantime, there's some consultations going on on the basis of different ideas on bits of text to see what we can do. But it's not surprising and shouldn't be read

as anything other than trying to get to the point where we think we might have a text that could really support the process moving forward. It takes a little bit longer and the principals only had the chance last night to really talk to each other about what the substantive elements of that might be.

MR. INDYK: Let me just ask you in relation to that, how big a problem for the EU is what could come down the track in September in New York at the U.N. General Assembly?

LADY ASHTON: Well, we don't know what will come down the track in New York at the General Assembly. There are lots of bits of speculation. I've heard a variety of different resolutions that may or may not happen.

For my part, the EU has a strong united position and I'd like to keep the EU into that strong united position. But at the end of the day, members of the General Assembly are individuals. Individual states make their decisions, and many have a long history of different views, but we'll have to see. We're talking, of course, with each other and with the Palestinians about what the resolution might be. We'll have to see what it turns out to be.

MR. INDYK: So what is the strong united position going into this at the moment?

LADY ASHTON: Well, the position that we've set out on a number of occasions about our view about the need to have two states living side-by-side, our view about the '96 southern borders with agreed land swaps, the issues of tourism as a capital for both, and refugees. Those kinds of issues the EU is united on as 27. And, therefore, it just depends what the resolution is. And I don't preempt that where we are in July may be a different place to where we are in September.

MR. INDYK: Okay. I think there was another one. Yes, please.

SPEAKER: Hi. I'm Teddy from the University of Saint Andrews. My question is how can the European Union demonstrate overcoming ethnic differences and the development of a civil society while the EU itself is combating questions of Islamophobia and cultural tensions within the Union itself? Thanks.

LADY ASHTON: I think the challenge for every society is how to collaboratively work together in an inclusive and coherent way. And no society has yet finished that project because we're always working towards making it even better than it was before. The question really is how to make sure that the way in which you do and the lessons you've learned from it you take into your relationships with other countries.

I think for all societies making sure that you combat most things with the word "phobia" at the end of them is really important. And making sure that when we work with countries we do so with a degree of humility and certainly with respect, that it is for countries to determine their own future and for us to support them in that journey to democracy, which may be a long journey, but one which they want to take, and not to take our own views into that. Democracies look different in different parts of the world and that's one of the great joys of it.

MR. INDYK: I just want to follow up on the point that you made about the monarchs who are engaged in evolutionary form of democratization, Morocco being the most obvious one. The king has taken quite a bold position in that regard. Jordan, it's a little more complicated. Our colleague, Marwan Muasher, the former foreign minister of Jordan, has just published a paper in which he goes through the last decade of the king's efforts to undertake reform. It's quite clear that the king of Jordan gets it, but it's also quite clear that he has very strong resistance from an East Bank establishment backed up by the Saudi royal family. And there's no interest on the part of these two powerful players in the kind of reform that the king would like to undertake.

So what is the role that the United States and Europe can play in those circumstances where if he doesn't move forward, we could see things blow up in a very sensitive part of the Middle East? But moving forward is incredibly difficult for him even though he'd like to do it.

LADY ASHTON: Well, I've been to Jordan I think four times this year and I've met with King Abdullah a number of times. And, you know, I don't take anything away from the expertise in the paper, but the sense I get is that he has quite a strong view of how to get the reforms moving. His challenges are, in part, the economic ones I was describing earlier, that for many people in Jordan the need to see economic growth is going to support the whole reform program because where the opposition is able to say but look at the economy and there isn't an opportunity for you, that plays into people's concerns about their own future. I think these economic and political challenges in all countries are very much interlinked. We'll have to see, but the impression I get and certainly the moves that I think he's trying to make suggest that he is willing to move forward.

It's also worth saying that whatever's happened over the last decade, his neighborhood had changed, too. And the neighborhood that they're thinking about and how people in Jordan are approaching this is different.

MR. INDYK: Bahrain we haven't talked about, but there, you know, the lid's been slapped back on and the safety valve's been turned off. Are you worried about the situation there?

LADY ASHTON: Yeah, I mean, I was very impressed with what the crown prince originally had stepped forward some months and we spent quite a lot of time talking to envoys from Bahrain. And I met with the king of Bahrain a while ago in the Gulf and talked with him at great length because, to be honest, I have high expectations

of what they could do because there is actually a program that's been thought about and set out. And I know that it's easy to talk about a program and to implement it is very different. But, yes, I am concerned about it, and this is the situation that we would not wish to see.

You know, again, we still hope that they will try and find a way to implement what was a sensible set of proposals that could move the country forward in a different way and would deal with the aspirations that people have there.

MR. INDYK: Justin, do you --

MR. VAÏSSE: Yes. Justin Vaïsse, Brookings Institution.

Defense is part of your portfolio as well as many other issues. But in the context of declining defense budgets, which are something that has been pointed at by Secretary Gates before he left, what are your views and what are your plans to ensure that Europe has this as a tool in its quiver as well as other more civilian tools?

LADY ASHTON: Well, I'd approach it from two directions. One is the use of military assets, European military assets, to deal with some of the crisis situations that we face in the world. The obvious example that I saw for real was what happened after the terrible earthquake in Haiti, when a lot of hospital ships, military equipment to move goods around the island, and so on were put to very effective use alongside civilian support through different teams who were out there. So there's, on the one hand, for me, it's about trying to make sure that we have available on-call, if you like, the kind of assets that might be necessary in a crisis situation that is not, if you like, a war situation.

And the second is that the results of the economic changes that we see and the tightening of defense budgets perhaps provides an opportunity to do a bit more what we call pooling and sharing, which is a big part of the work that I do with defense ministers. How do we use the economies of scale on research and development to

better use? One example is improvised explosive devices. Well, we've actually, as an EU, worked together to do a lot of work on understanding how to deal with those devices, who makes them, where they come from, and so on, information that's then shared with everybody because there are many different areas and theaters where IEDs are now used more and more, training people in helicopters for Afghanistan, and so on. There's a variety of different ways.

So the focus I've put on it is if defense budgets are shrinking how do we use the assets we have more effectively? What can we do in R&D? What can we do to share assets where necessary? What can we do to pool them together in order that if something happens we're able to use them?

The best example I can probably give you is Atlanta, which is a mission off the coast of Somalia, which is an EU-led mission of ships who are dealing with piracy, collaborating with countries like South Africa, with China, with Russia, with all sorts of countries who have joined in with us and, of course, with NATO, too. But it's 13 countries operating all year round and supporting each other to try and combat piracy and support trade and enable the World Food Program to deliver the food it needs to deliver.

MR. INDYK: We're going to have to cut it to two questions here. Let's take one right further on down the back, the guy with the two fingers up. Yes, please.

MR. LANDE: Two very quick and short questions, one related, one not related.

MR. INDYK: Could you introduce yourself, please?

MR. LANDE: Steve Lande, Manchester Trade. Question one: Given the fact that many of the friendly relationships with Israel were foisted by -- were supported by those people who seemed to be losing power, particularly Mubarak and the Arab (inaudible), which is a more negative reaction to Israel. Again, looking at Egypt, the

(inaudible), a lot of other things, how do you balance the two? Because there's a chance the Israelis' reaction will be, hey, guys, we may make a deal with the leaders, but we'll see what happens when the democracy comes, which is in our way.

And the second question is it is clear to many of us that economic integration is moving along very nicely in Africa. The economic partnership agreements by their very definition is selective between least developed and non-least developed countries. Might the EU slow up a little bit in pressure in these areas and give the new tripartite agreement, a new agreement in ECOWAS, a chance to get together so there could be a more unified negotiation vis-à-vis the EPAs? Thank you.

MR. INDYK: Thank you.

LADY ASHTON: On the first question about Israel, Israel's security is extremely important. To have a viable state of Israel that's able to operate long, long into the future matters enormously. And there doesn't seem to be any suggestion that the agreements that they've reached with Egypt are going to be ripped or thrown away. I would suggest to you that more than ever getting the security of Israel to be as strong as it possibly can be is something that would to their benefit at the present time, and that would be enhanced by an agreement with the Palestinians, for sure. So part of the reason I spent a lot of time in that region is to try and work with Prime Minister Netanyahu and with others to support getting talks moving again in order that we can solve this forever. And solving that forever will also support the neighborhood and the relationships that Israel needs to have with its neighbors in a secure way. And making sure that agreements that are reached are stuck to is going to be really important as part of that.

In terms of economic partnership agreements, you'll know that the reason we have them at all is because we lost a court case in the World Trade Organization. Essentially what Europe was doing was giving subsidies to countries that

we had a relationship years gone by that, sadly, I'll describe as colonial. And that meant that we gave the better preferences to the produce of those countries. And we were challenged by other poor countries in other parts of the world who said that's not really fair. And they were right to that extent. So we had to create a new partnership where we were able to support countries in a different way, but a way that doesn't breach the agreements we have with the World Trade Organization. And so economic partnership agreements were created to do that.

Now, I don't deal with them anymore, but I know that when I was dealing with them ECOWAS was a very important partner in trying to work how to do that effectively. The reason least-developed countries are different is because they come under a different program called Everything But Arms, which means they get duty-free, quota-free for everything because they're least developed. The countries affected by EPAs are those who are developing. And where it's only right that the system be put in place doesn't mean that poor countries in other parts of the world don't get the same benefits.

MR. INDYK: I'm afraid our time is up. We're going to take the last question from our hostess, Fiona Hill, the director of the Center on U.S. and Europe.

MS. HILL: Thank you very much. A final question about one of your other big neighbors that you've mentioned just in passing, Russia. Sergey Lavrov, your counterpart in the quartet, has also obviously been here and gave a speech this morning at the Russian embassy about how he sees the relationship with the U.S. and, to some degree the EU, playing out. Obviously that's one of the very big neighbors. You didn't mention the Eastern neighborhood quite as much for obvious reasons in your presentation today, but I'd like to see how you think this is going to play out as we come up to the Russia elections in the next year, but also against the backdrop of some real

difficulties that the EU has had just over the last month with the relationship with Russia over the vegetable ban in the wake of the tragedy with the E. coli in Germany and more broadly. I mean, how do you see this playing out on the various fronts in which you're engaging with Russia?

LADY ASHTON: It's a big question, so I'll try and give you kind of two or three straightforward answers.

First of all, Russia is extremely important. We share the same land as it were. And I've no doubt that we need to develop the relationship with Russia. And I don't know what Sergey said this morning, but I know him well, so I can probably guess some of it.

I'm trying to develop with Russia the relationship that says not only are they a key bilateral partner, but we have a lot that we can do together. And that means thinking about some of the conflicts, frozen or otherwise, that affect us. On the one hand, of course, we continue to press Russia to do what it should do with Georgia and the South Abkhazia and South Ossetia areas. But equally, we're working on Transnistria and what we can do to try and resolve the conflict where actually the end product, if you like, of the conflict we all agree on. So working with Sergey to try and move forward on that is a big priority for me.

And so I see Russia as a key partner, a very strategic partner, strong bilateral. I'd like to get them in the World Trade Organization so we could open negotiations on a free trade agreement, and I see them as a partner with whom we have to work, whether it's through the quartet or another (inaudible). And yes, there are problems sometimes. The vegetable ban we did solve. We were at the summit and we worked out an agreement with President Medvedev and with the prime minister, which we were able to then implement. And there will be problems from time to time. That

happens with all our strategic partners. When I was Trade, I remember some of them very well, but they're very important to us.

And I don't know what else I can add without giving you an hour's lecture on Russia, which I will spare you. (Laughter)

MR. INDYK: And spare yourself since you have to get a plane. Baroness Ashton, thank you. I know that your feet barely can touch the ground these days, so we're very grateful to you for spending an hour with us and sharing your thoughts and insights so clearly and lucidly. So please join me in thanking. (Applause)

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