Terrorism shakes Europe

The year when borders came back to Europe

After the brink, Greece seeks stability

Russia-EU relations: From Ukraine to Syria

December 2015
JN in Australia cancelled his subscription to EUobserver towards the end of 2015.

“I am cancelling my subscription today, because I find it depressing to read every day how the EU is gradually disintegrating,” he wrote.

“Once I found the EU’s evolution and trajectory inspirational. Alas, that ethos has vanished, because its policy makers keep on trying to “please everybody” instead of fulfilling the dreams of its founders . . . JN”

How true. How sad.
We discussed his message at our next editorial meeting.

How does it affect our readership and ourselves to be in the business of disseminating bad news from Brussels?
How can the situation be changed, and by whom?

Propaganda is clearly not the answer. As Open Society’s Jordi Vaquer put it at a recent conference on how to rebuild trust in Europe: “Propaganda always backfires, sooner or later.”

There is only one thing to do: The EU must improve.

Institutions must deliver better results in return for the sovereign powers they have been entrusted with, work harder and provide a better service for European citizens.

People look to Brussels for answers to big problems, but the lack of solutions in 2015 has been almost inversely proportional with the number of summits held.

EUobserver will continue to report on the EU exactly as it is - good or bad. But let’s hope there will be better news to report in 2016.

And perhaps JN in Australia will then return as a subscriber. That would be a good sign.

Lisbeth Kirk
Editor-in-Chief
A pyramid constructed with 1,000,935 Lithuanian cents was demolished to mark Lithuania’s entry into the euro area on 1 January as the 19th EU Member State.

Photographed: ECB president Mario Draghi cutting the blue tape at the inauguration of the European Central Bank’s New Premises in Frankfurt, Germany on 18 March 2015.

Photograph: © European Union, 2015 / Photo: European Central Bank / Andreas Varnhorn

Iceland definitively dropped its EU membership bid in March, nearly six years after its initial application.

Photograph: © European Union, 2015 / Photo: Juanjo Marin

The reception of Greek finance minister Yanis Varoufakis at the European Business Summit in May was worthy of a rock star.

Photograph: © European Union, 2015 / Photo: European Business Summit

EU Commissioner Christos Stylianides playing with a child during his visit to the camp of Syrian refugees Haouch El-Harime, in the Bekaa Valley.

© European Union, 2015 / Photo: Amro Anwar
TERRORISM SHAKES EUROPE

Attacks in Paris, Copenhagen and the Thalys train have revealed a lack of cooperation between member states and put the Schengen area under pressure.

By Eric Maurice

From the Charlie Hebdo killing in January to the Friday the 13th attacks in November, France and its capital Paris have become the epicentre of a growing terrorist threat in Europe.

The tremors could be felt in Copenhagen, Brussels and even the meeting rooms of EU institutions where the fundamental European principle of free movement has come under pressure.

The first attack hit Paris on 7 January when two gunmen burst into the Charlie Hebdo magazine newsroom, killing ten people and injuring 11 before killing a policeman on their way out.

Most of the victims were cartoonists for Charlie Hebdo, a satirical weekly whose offices had already been the subject of an arson attack in 2011. Islamist radicals targeted the magazine because of cartoons depicting Muhammad.

The attack hit a nerve in France, where some of those murdered were popular figures and where people felt it was an attack on freedom of expression and the country’s deep-rooted secular values.

The killers, brothers Cherif and Said Kouachi, were tracked down by police and killed two days later in a printing company office near Paris.

A terror alert led to the lockdown of Brussels’s inner city and shopping malls on 21-23 November, with the army deployed to secure streets, schools and public transportation.

Photo: Full-tactical
Meanwhile, a third man attacked a Jewish supermarket in Vincennes. Amedy Coulibaly killed 4 people and took 17 hostages for several hours before being killed during a police raid. It later transpired that he had killed a policewoman the day before near a Jewish school he may have intended to attack.

COPENHAGEN
About a month later, cartoonists and freedom of expression were once again under fire. This time in Copenhagen, where on 14 February, a gunman killed a debate on “Art, Blasphemy and Freedom of Expression”. One of the participants in this event, organised as a reflection on the Charlie Hebdo massacre, was Swedish artist Lars Vilks. Vilks was the author of drawings of prophet Muhammad in 2007.

Later that day the gunman, a 22-year-old Danish resident of Jordanian-Palestinian origin, killed a security guard and injured two policemen at the Copenhagen Great Synagogue. He was found and killed by police the following day.

The next alert came in late August and heralded a new era for Europe.

On 11 January, after the first Paris attacks, around 3 million people and 50 world leaders marched in Paris and many towns across the country.

Photo: Ben Ledbetter
BRUSSELS
On 21 August, a man boarded a Thalys high-speed train in Brussels and started to open fire on passengers with automatic weapons on the way to Paris. He was tackled and disarmed by several passengers including two off-duty US soldiers.

The attack prompted calls for security gates in train stations, as well as an initial debate over more checks on passengers travelling from one country to another inside the Schengen area.

The failed Thalys attack was also a first indication of a new tactic by Islamic terrorists, aimed at killing as many people as possible going about their daily occupations.

Contrary to the Madrid and London attacks in 2004 and 2005, when bombs were planted in public transportation, the latest attacks involve automatic weapons and terrorists ready to die in action.

The ultimate expression of this was the November Paris attacks when terrorists shot people before blowing themselves up.

PARIS
On 13 November, eight men carried out a series of three coordinated attacks in Paris.

They shot at people in restaurants and bars, they attacked the Bataclan concert hall and detonated three bombs next to the Stade de France.

The attacks left 130 people dead and 352 injured and prompted French president Francois Hollande to declare a state of emergency that was later extended for three months.

On 11 January, after the first Paris attacks, around 3 million people and 50 world leaders marched in Paris and many towns across the country. Under the motto “Je suis Charlie” (I am Charlie), the march was a symbolic move to support French and European values of freedom of expression and tolerance.

In November, the response was more muted, because demonstrations were banned under the state of emergency, and also because the trauma was deeper.

Politically the response was more operational.

Under the motto “Je suis Charlie” (I am Charlie), people marched in a symbolic move to support French and European values of freedom of expression and tolerance.

Photo: villedereims
MUTUAL DEFENCE
EU member states granted France the first activation of the EU’s mutual defence clause to help in operations against militant Islamic groups in Africa and the Middle East. They also decided to step up their security cooperation.

The attacks showed that countries do not share enough information about potential terrorists travelling from one country to another in the Schengen free-movement area.

The Paris attackers, though the majority were French, came from Belgium and had travelled to and from Syria without being checked or put under surveillance.

Belgium and Europe discovered that Molenbeek, a part of the Brussels region, was apparently a safe haven for terrorists.

A terror scare also led to the lockdown of Brussels inner city and shopping malls on 21-23 November, with the army deployed to secure streets, schools and public transportation.

SCHENGEN
At an emergency meeting after the Paris attacks, EU justice and interior ministers agreed to make more use of the Schengen and Interpol databases to track identified radicals and criminals.

EU officials complained that member states do not feed and use the existing databases, to the detriment of the fight against terrorism.

“Fifty percent of information put in our database comes from only five member states. Member states do not use it equally,” Europol chief Rob Wainwright told MEPs in November, adding “we need more connections between all services.

Ministers also decided to introduce systematic checks on EU citizens at Schengen external borders, in order to spot the so-called foreign fighters - EU nationals going to Syria and Iraq to train and fight with the Islamic State group - who could commit attacks in Europe.

The measure was also considered as a way to protect the Schengen area from the risk of controls at internal borders. Such controls were reintroduced by some countries, including Germany, in response to the migrant crisis and there were calls for more controls.
Around 70 percent of Poland’s 5.5 million households warm up their houses using coal installations – simply by using ovens.

**PNR**

Ministers put pressure on the European Parliament to adopt the Passenger Name Record (PNR) legislation before the end of the year. They said this EU database would allow police and intelligence services to spot suspect travellers.

Agreement on the PNR legislation between member states, the European Commission and the Parliament was delayed for many months because MEPs had concerns about the protection of personal data.

But despite these efforts, as well as measures to stem the funding of terrorism and radicalisation, the Europol chief warned that they might not be enough.

“It is reasonable to assume that further attacks are likely,” Wainwright told MEPs.

A terror scare led to the lockdown of Brussels inner city and shopping malls on 21-23 November, with the army deployed to secure streets, schools and public transportation.

Photo: Miguel Discart

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Europe used to take pride in inspiring the masses by its values, liberal democracy, freedom and solidarity.

In 2012, it was awarded the Nobel peace prize for having built a peaceful political structure through consensus in a war-ravaged continent, tolerant societies and being the biggest contributor to development aid to less fortunate spots in the world.

Yet since hundreds of thousands risked their lives to reach Europe’s shores fleeing war, persecution, or looking for a better life, the EU has been struggling to figure out what to do with the migrant influx, unprecedented in scope since the second world war.

The refugee crisis shook the border-free travel system, Schengen, one of the core principles of the EU, and eroded the idea that Germany’s Chancellor Angela Merkel is undisputed in her position.

According to figures from the UN refugee agency, UNHCR, over 876,000 people had arrived towards the end of the year by sea to the continent, with over 220,000 arriving in October alone.

Desperate and exhausted migrants from mostly Syria, Iraq and Afghanistan have crossed in rubber dinghies from Turkey to Greece aided by smugglers, and made their way through the Balkan states, re-entering EU soil in Hungary, later in Croatia and continued onto the popular destinations in Germany or Scandinavia.

Over the course of 12 months, eight formal, informal, and “mini” EU summits have been devoted to the refugee crisis, including one with the Balkan states and a separate summit with Turkey.

**RELOCATION PLAN**

Concrete European measures have remained weak and came rather too late.

Under a relocation plan, member states agreed after bitter bickering to distribute among them over a two-year period 160,000 people in need of international protection who were already in Greece or Italy.

The decision was made in September, when some 10,000 people had been entering the EU per day.
Only a few dozen asylum seekers have been actually relocated since.

Repeated pledges by member states to strengthen the EU’s external borders and register and filter genuine asylum seekers and economic migrants, have not materialised.

EU agencies, such as the border agency, Frontex, still lack manpower, and setting up registration points for refugees, so-called “hotspots” proved to be a tedious task.

In a desperate political attempt to stem the flow of migrants, the EU overlooked Turkey’s increasing tendency towards autocratic rule and pledged 3 billion euros to Ankara in exchange for Turkey’s help to stop people.

Not helping the politicians’ compass, the public’s attitude has been fluctuating.

The outpouring of sympathy after 71 Syrian refugees suffocated in August in a trafficker’s truck in Austria, and after Turkish shores washed up the body of drowned Syrian toddler, Aylan Kurdi, in September, was followed by anxieties about the costs and cultural implications of the migrant flow.

After the terrorist attacks in Paris in November that killed 130 people and a passport indicated that one of the attackers had travelled to Europe as a refugee, security concerns about the unidentified masses grew.

**BORDERS ARE BACK**

Member states were quicker to act on their own, and populist politicians exploited the European lull.

The EU’s so-called Dublin asylum system, under which the first member state where an asylum seeker enters the EU needs to register them, failed, as Greece struggled to handle the mass movement.

When the pressure grew over the summer, Hungary erected a razor-wire fence with Serbia and later with Croatia, the first between EU member states, to prevent the flow of people. Austria and Slovenia followed with shorter fences, while each country transported migrants towards Germany by bus.
The pressure on borders ignited heated exchanges and a brief economic embargo between Serbia and Croatia, short tempers seen for the first time since the Balkan wars ended.

Border controls were back in place throughout the migrant route, and the Paris terror attacks reignited debate on whether free movement within the EU is truly a blessing or a curse.

THE THREAT TO SCHENGEN
EU Commission president Jean-Claude Juncker warned in November that if the Schengen system fails, the single currency, the euro, would tumble as well, because then “it makes no sense”.

The threat to Schengen was also used as a political bargaining chip against the Eastern European states as the crisis unveiled an East-West divide with the easterners being less open to refugees.

The Czech Republic, Hungary, Romania and Slovakia were overruled in the council on the relocation scheme, with Budapest and Bratislava challenging the decision at the Court of Justice.

A bulk of European policies was driven by Germany, which officially expects to take in more than 800,000 asylum seekers this year.

In what has proven to be her most important political decision in her 10 years as chancellor, Angela Merkel announced an open-door policy during the summer, pledging to give asylum to all Syrians.

She was blamed at home and abroad for encouraging the mass influx.
In her dealings with European partners, a fundamental conflict has emerged: Germany is interested in slowing down the masses, the Balkan states and the EU countries along the way are interested in waving through the people as fast as they can.

Merkel’s persuasiveness was also on the wane at home, where the Bavarian sister party of the Christian Democrats challenged her welcoming policy, shaking up her imperturbable governing coalition.

NO END

Populists and extremists will continue to reap the benefits of the lacklustre European coordination efforts and make political gains, further eroding solidarity within Europe.

In the meantime, mainstream politicians are working hard to stop the influx, and a new Turkish effort might slow the flow of people. But refugees are determined, they have a lot to lose.

“I want to pay taxes, live a normal life, we don’t want to be a burden to anyone,” said one lawyer fleeing from Damascus, stranded between Slovenia and Croatia.

He told EUobserver in September, asking for anonymity out of fear for his family: “This is the first time in history, people pay to get killed. There are no words to describe how dangerous the journey is from Greece.”

He said he sold two cars, gold, and a house to pay for the journey, and decided to leave when it was clear that the war in Syria was not drawing to an end, and that the international community was not stepping in to help.

“You don’t want to see your child blown to pieces,” he said.
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The history of the European Union is full of endless nights of negotiations ending with a hard-worked, half-satisfactory compromise. The night from 12 to 13 July 2015 was the longest of all.

For the first time, a member state risked partial exclusion from the EU. Greece was faced with a simple alternative: accept the eurozone’s conditions for a new bailout plan or leave the single currency area for a period of up to 5 years.

An EU official told EUobserver that since the end of June “legal scenarios had been worked on, mainly by the European Commission, the European Council and the European Central Bank’s legal services”.

“The idea was to find measures to change the EU treaty or find ways to remove the euro from Greece for a certain period,” the official said.

In the early hours of 13 July, after 17 hours of talks and interruptions to rest, think and consult his cabinet back in Athens, the Greek prime minister Alexis Tsipras gave in and signed a deal he had refused until the last minute.

Greece would receive up to €86 billion but would have to submit to even stricter conditions and tighter controls than during the two previous programmes. Tsipras could get concessions only on the amount and use of privatisations to come.

GEOPOLITICAL RISK
The Grexit option had been put on the table by German finance minister Wolfgang Schaeuble, with the support of a majority of his Eurogroup colleagues.

In Berlin, chancellor Angela Merkel had to decide between Schaeuble, who thought the eurozone could manage without Greece, and her foreign affairs minister Frank-Walter Steinmeier, for whom it was important to keep Greece for geopolitical reasons.

“Merkel has a reputation of avoiding unknown risks,
and she decided not to take a geopolitical risk,” the official said.
“Greece is of regional importance,” Jens Bastian, an independent economic analyst based in Athens, explained.

“A Greek exit from the eurozone would have been a huge security risk,” he told EUobserver. “It is a Nato country with borders to other Nato countries, and the last thing you want in the Balkans is further destabilisation.”

Regional stability is also a matter of financial transmission, Bastian said.

“There was great concern in Romania, Bulgaria, Macedonia and Serbia,” where Greek banks have subsidiaries. “The central bank governors in these countries were very closely monitoring the operations,” Bastian said, in particular when capital controls were imposed in Greece by the ECB.

“Capital controls were inevitable,” the EU official said. “Of course, they went against the principle of free circulation of capital, but it was the only way to avoid capital flight.”

The option had been “discussed by the ECB’s governing council [during spring], and the idea wasn’t pushed only by the Bundesbank.”

VAROUFAKIS THE VILLAIN
Between Tsipras’ election on 25 January and the conclusion of the bailout agreement on 14 August, 15 Eurogroup meetings, 1 Eurozone summit, 3 tri-lateral meetings between Tsipras, Germany’s Angela Merkel and France’s Francois Hollande, several meetings between Tsipras and European Commission president Jean-Claude Juncker and countless experts meetings were necessary.

The most dramatic moment was when eurozone finance ministers met without their Greek colleague
Yanis Varoufakis on 27 June. The day before, Tsipras had called a surprise referendum on austerity.

At that time, “it was clear that Grexit was a real option,” the official said.

The dramaturgy was fuelled by the villain of the play, the outspoken and controversial Varoufakis.

After the first Eurogroup, it was already 18 [ministers] against one,” the source said. An economist turned politician at Tsipras’ request, the Greek minister ‘was not interested in doing diplomacy, he wanted grand discussions’.

According to this official close to the negotiations, “Varoufakis did not pass on the right things to Tsipras. Tsipras was not really aware of what was going on in the Eurogroup.”

As a result, “the Greek government always had a wrong assessment of its position” towards its creditors.

In July, the morning after the Greek referendum on austerity, Varoufakis resigned and Tsipras was in direct command of the talks.

**TSIPRAS’ COMEBACKS**

The Greek PM seemed to be a political illustration of the principle inherited from ancient Greek physicist Archimedes, by which a body immersed in a fluid comes back to the surface through an equivalent force.

The 41-year-old newcomer was elected on the promise to end austerity in January, was pushed to the brink of default in June, won a referendum with a 61 percent majority in July, signed a bailout agreement and lost his majority in July and August, and won a snap election in September.

Unfazed, he renewed his coalition with Anel, a right-wing nationalist party and has so far met his commitments towards the creditors.

In November, as a symbol of Tsipras’ evolution, a Syriza MP resigned to protest against the latest set of reforms voted at the creditors’ request. Gavriil Sakellaridis was no ordinary MP. From January to August, he had been Tsipras’ spokesman, the PM’s voice in Athens and Brussels.

**CHALLENGES**

For Greece, the Archimedes thrust is more problematic. In 2015, political uncertainties, capital flight followed by capital controls have taken their toll.

In its winter economic forecasts published in February, just 11 days after Tsipras’ victory, the European Commission banked on a 2.5 percent growth in 2015 and 3.6 percent in 2016, after a 1 percent increase of GDP in 2014.

Eight months later, in its autumn forecasts, the EU executive foresees a 1.4 percent decrease of GDP for 2015 and 1.3 percent contraction in 2016.

While public debt was expected to fall from 170 percent of GDP in 2015 to 159 percent in 2016, it is now up at 195 percent and should peak at 199.7 percent next year.

A large majority (61%) of Greek voters said No in a referendum on 5 July to the reforms asked by the country’s international creditors.
“Immigration is a bad thing. We shouldn’t view it as if it had any use because it only brings problems and peril to Europeans and so it must be stopped.”

When Viktor Orban, Hungary’s maverick prime minister, took the opportunity to demonise migrants in the wake of the attacks on Charlie Hebdo satirical magazine and a Jewish supermarket in Paris, few thought he had set the stage for the discourse on a refugee crisis just emerging in Europe.

In January, those comments raised eyebrows. By the end of the year, politicians from all over Europe echoed Orban’s sentiments.

His early call for tougher external border control, his strategy to build fences to channel the arrival of migrants, and thus passing on the crisis to neighboring countries, were either criticised or ignored at first.

But as the numbers grew and voters in Europe increasingly became anxious, border control became a priority and fences were mulled and subsequently built on the migration route.

STOPPING JOBBIK
Despite Orban’s combatant rhetoric to protect the EU’s external Schengen borders and the bloc’s asylum rules by registering migrants, Hungary did transport tens of thousands of people to Austria before all of its fences were erected.

And Orban’s tough rhetoric and measures on refugees also served to prevent the far-right Jobbik, Hungary’s second largest party, from luring his voters away.

Yet 2015 marked an unlikely vindication for Orban, whose autocratic governing style drew criticism for years, but is now hailed for his foresight.

Challenging political correctness and the liberal political consensus in Europe, Orban’s controversial right-wing politics are pulling Europe’s mainstream conservatives along with him.

Years of EU criticism of Orban abusing his majority to bend rules his way, has boiled down to a quip by EU Commission president Jean-Claude Juncker, who welcomed Orban at a summit with a salute: “Hello, dictator!”

At the end of 2015, Orban seems more indomitable than ever.
The European Council got a new Secretary-General on 1 July when Uwe Corsepius from Germany was replaced by Danish diplomat Jeppe Tranholm-Mikkelsen. Here attending the ‘Minute of silence’ for the victims of the Paris attacks in November in the Council’s Justius Lipsius building alongside EU Counter Terrorism Coordinator, Gilles De Kerchove.

Photo: European Union

Cash withdrawals were limited to €60 a day to avert the collapse of the Greek financial system in the week prior to July’s referendum on proposals needed to restore bailout aid from the eurozone.

Photo: EUobserver

European Ombudsman Emily O’Reilly opened an investigation into the transparency of “trilogues” with a view to boosting transparent law-making in the EU.

Photo: European Parliament

‘Wir schaffen das’ (we’ll make it) declared chancellor Angela Merkel on 31 August 2015, after German authorities had estimated that up to 800,000 asylum seekers would arrive in the country in 2015.

Photo: bundeskanzlerin.de

No easy ride for Uber in Europe. Its Amsterdam HQ was raided several times in 2015, the Belgian Commercial Court ordered its closure, and French authorities arrested two Uber executives for operating illegally.

Photo: EUobserver

Commission President Jean-Claude Juncker’s answer on Catalonia mysteriously grew in translation ahead of September’s regional elections. The Commission later stated that the English version was the official one and that the extra paragraph in the Spanish version was a “clerical error”.

Photo: EUobserver
The online gambling sector in the EU’s digital economy

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*The Cost of Non-Europe in the Single Market (study European Parliament 2014)
RUSSIA-EU RELATIONS

From Ukraine to Syria

The anti-Ukraine and anti-Western propaganda became so shrill EU leaders launched a new counter-propaganda cell in the EU foreign service.

By Andrew Rettman

“Allah only knows why they did it. And probably, Allah has decided to punish the ruling clique in Turkey by taking their mind and reason.”

So said Russian leader Vladimir Putin in his state of the nation speech on TV in December, after Turkey shot down a Russian jet on the Turkey-Syria border. “If anyone thinks Russia’s reaction will be limited to trade sanctions, they’re deeply mistaken,” he added. His 7,584-word speech didn’t mention “Ukraine” once.

In September, when Putin first launched Syria air strikes, his propaganda machine switched focus from Ukraine to Islamic State (IS). In late November, it switched to anti-Turkey hysteria, including blanket coverage of allegations that Turkish leader Recep Tayyip Erdogan is buying oil from IS.

The same day Putin spoke on TV, international monitors in east Ukraine reported “some explosions in Donetsk region” and “small-arms fire in Luhansk region.” The new propaganda also included anti-Western elements, such as allegations the US ordered Turkey to shoot down the plane.

MINSK

But the situation is a far cry from the start of the year. In the first days of January, Russian hybrid forces captured the strategic Donetsk airport in Ukraine.

Then they unleashed a salvo of grad rockets on Mariupol, killing dozens of civilians and prompting fears of a larger invasion.

Putin met with French, German, and Ukrainian leaders in Minsk in February to agree ceasefire terms. But a few days later, his forces launched a new assault, capturing Debaltseve, a railway hub.

The situation inside Russia also became darker. In March, unknown gunmen shot dead Boris Nemtsov, an opposition leader, on the doorstep of the Kremlin. As a former deputy PM, Nemtsov had been consid-
ered untouchable. His murder showed that no one can feel safe.

At the same time, Oleg Navalny, the brother of Alexei Navalny, the other big name in the Russian opposition, was jailed on spurious fraud charges. Navalny’s associates describe it as “a new policy of hostage-taking” against the opposition.

The anti-Ukraine and anti-Western propaganda became so shrill that EU leaders launched a new counter-propaganda cell in the EU foreign service.

Russian planes continuously buzzed Nato airspace. Russian soldiers, in massive wargames, simulated an invasion of the Baltic states, Finland, Norway, and Sweden.

**WWII PARADE**

On 9 May, Putin stood in Red Square watching the biggest show of Russian military might in modern history at a WWII parade.

In a sign of how low EU relations had sunk, even the German chancellor, for all of Germany’s WWII-era guilt, boycotted the event.

Robert Pszczel, Nato’s spokesman to Moscow, did go. He later said he was disturbed when Russian families roared in support, “the kind you hear at a football match,” when phalanxes of Iskander rockets rolled by. Iskanders are nuclear-capable rockets positioned to hit Berlin and Warsaw. “It looks like a country preparing for war,” Pszczel said.
Fighting in Ukraine flared up again in August. But with Ukraine unable to make territorial gains, and with Russia eschewing a full invasion, the conflict degenerated into skirmishes. It was still bloody.

The UN reported in September that 105 non-combatants were killed and 308 were injured in the past three months. It was also dirty. The same UN report contained testimonies of abduction and torture by both sides.

**COLOUR REVOLUTIONS**

But on 30 September, the first Russian bombs fell in Syria, and three days later, France, Germany, Russia, and Ukraine agreed a new “truce,” which continues to hold.

It doesn’t mean Putin won’t resume Ukraine hostilities in future. EU leaders are preparing to extend economic sanctions for six months in January 2016 because Russian forces are still in Ukraine and Russia still controls the border.

It doesn’t mean he’ll stop soft power intrigue against Kiev. In November he once again halted gas supplies. In January, he plans to impose trade sanctions. It doesn’t mean he’ll stop other forms of intrigue against EU interests, either. He’s now using the
same methods, in Moldova and Montenegro, that the US used, 10 years ago, to foment “colour revolutions” in Georgia and Ukraine.

He’s also funding anti-establishment parties in EU states. When asked why Russia is spending money on Ataka, a far-right party in Bulgaria, when it has a handful of MPs and no prospect of power, a Russian diplomat said: “Because they can put 10,000 people on the streets of Sofia in half an hour.”

But the Turkey spat shows that getting into a war in the Middle East is much easier than getting out of one. It’s a region whose leaders, like Erdogan, are also reckless gamblers, like Putin.

The EU has extended a hand of cooperation on the economic front, by offering to hold talks with Russia’s Eurasian Union. The US has invited Russia to join its anti-IS coalition. Nato has offered an olive branch by resuming Nato-Russia Council meetings.

Perhaps now is a good time for Putin to accept.
Big victories and rollbacks for data in a year of terror

The European Court of Justice delivered stunning verdicts in 2015 to protect citizens’ fundamental privacy rights over mass-surveillance.

By Nikolaj Nielsen

Austrian student Max Schrems walked out of the courtroom in Luxembourg with a large smile on his face.

In his first appearance before Europe’s top judges in late March, the privacy campaigner had scored another victory.

Judges backed his argument that a 15-year-old data sharing and transfer pact with the United States had been compromised. It was the first big crack in the so-called Safe Harbour agreement and a major blow to the social network giant Facebook.

A few months later in October, the same judges delivered a stunning verdict and invalidated the agreement for violating fundamental privacy rights.

Big companies like Apple and Google, along with some 4,000 other US firms, had relied on Safe Harbour to transfer and process the personal data of EU nationals. Now they had to look elsewhere.

“This is not bashing the US case, this is a mass surveillance issue”, Schrems told EUobserver after the final verdict.
Edward Snowden, the former NSA agent who blew the lid off US-led mass surveillance that helped nail Safe Harbour, congratulated the Austrian in a widely shared tweet. “Congratulations, @MaxSchrems. You’ve changed the world for the better.”

But the Luxembourg Safe Harbour verdict is not without precedent.

SAFE HARBOUR RULING

Last year, the same court scrapped an EU data retention agreement for similar reasons. That law was spawned in the aftermath of the Madrid and London bombings.

Both cases point to a broader clash between fundamental rights and national security where the European Commission, as guardian of the treaties, has proven itself out of its depth.

The Brussels executive sees no policy contradiction between the two. Earlier this year it said that security and respect for fundamental rights are “consistent and complementary policy objectives.”

But those policy objectives appear increasingly blurred.

The Safe Harbour ruling was all the more extraordinary given the widespread push for increased surveillance and police oversight following the Jewish museum shooting in Brussels last year and the Charlie Hebdo massacre in Paris in January.

"NEVER LET A SERIOUS CRISIS GO TO WASTE"

A dozen people died in the Paris shooting in January. Around a week later, the EU’s counter-terrorism co-ordinator, Gilles de Kerchove, told stunned onlookers that an unprecedented opportunity had arisen.

“It is a fact of political life that governments and parliaments are much more motivated just after an attack”, the Belgian senior European Union official said at a civil liberties committee (LIBE) meeting.

“Never let a serious crisis go to waste”.

It is a message that resonates.

A few months later the LIBE committee caved into pressure and endorsed a Commission proposal on passenger name records (PNR).

First proposed in 2011, PNR had been stuck at the committee level for years. Most MEPs opposed its broad underlying surveillance measures while others questioned its effectiveness in tracking down EU nationals who leave for Syria to fight alongside the Islamic State.

The Commission had been quietly financing national PNR projects throughout the debates.

German Green MEP Jan Phillip Albrecht warned PNR risked ending up in the scrap heap with data retention if it ever went to the European Court of Justice.

The EU’s data privacy chief Giovanni Buttarelli also voiced his complaints.

“I’m still waiting for the relevant evidence to demonstrate, even in terms of the amount of money, and years to implement this system, how much it is essential,” he said.
But French interior minister Bernard Cazeneuve was dispatched to Brussels to convince them otherwise. He lobbied individual MEPs to sign off on PNR following the Paris murders, saying it would help deter terrorism.

The coup worked. The controversial bill went into inter-institutional talks in September and is likely to get rubber-stamped into law before the end of the year.

SMART BORDERS

France had also evoked broad new national surveillance measures sparking outcry from civil liberty defenders.

At the same time in Brussels, French technocrats at the European council, representing member states, pushed for EU-wide rules requiring travelling EU nationals to give their fingerprints and possibly also have their faces scanned.

The idea is part of a larger digital dragnet known as the ‘smart borders’ package, to be proposed next spring.

Then Paris happened, again. On Friday 13 November, French and Belgian nationals killed 130 people in a carefully-staged attack.
A few days later, the centre-right EPP announced that talks should be suspended on a new EU data protection directive that grants law enforcement access to personal data.

Their lead negotiator said the draft contained too many bureaucratic privacy checks and safeguards for police to operate effectively. Suspending the talks could have implications for the wider EU data protection regulation. Both are linked and both are set, after years of talks, to be put into law before the end of the year.

The European Commission also jumped on the Paris bandwagon.

EU commissioner for migration Dimitris Avramopoulos announced an EU Internet forum “to strengthen cooperation” between government ministers and CEOs of major Internet companies in their fight against online jihadist propaganda.

It is an alliance that is set to test, once again, the Commission’s awkward balancing act on security and respect for fundamental rights.
EUobserver’s April Fools’ Day: France is to supply its Mistral warships to the EU foreign service instead of Russia in a move designed to forge a “genuine European defence policy”. “An April Fools’ joke we found clever”, Russian Insider noted after the news had been widely reported in Russia.

Photo: David Monniaux

European Commission President Jean-Claude Juncker teased Hungarian Prime Minister Viktor Orban when he jokingly greeted him as “dictator” when he arrived for the Eastern Partnership Summit in Riga on 21-22 May 2015.

Photo: © European Union, 2015 / Photo: Jacquemart Jennifer

David Cameron returned to Downing Street after general elections in May, with the Tories confounding pre-election polls when they secured an outright majority by winning 331 seats in the 650-member parliament.

Photo: Conservatives

Dress-code. European Commission President Jean-Claude Juncker put his tie on Greek Prime Minister Alexis Tsipras, who refused to wear one. Donald Tusk, on the left, and Laimdota Straujuma, Latvian Prime Minister.

Photo: © European Union, 2015 / Photo: Znotins Ilmars

Luxembourg prime minister Xavier Bettel put himself in the history books on Friday (15 May) by becoming the first EU government leader to marry someone of the same sex.

Photo: © European Union

Irish referendum: ‘The gayest day in history’ - the republic becomes the first country to ask its electorate to legalise gay marriage. A large majority of 62% voted Yes in the referendum on 22 May.

Photo: William Murphy
To regulate or not to regulate

Germany’s Volkswagen, fish restaurants in Brussels, Italian olive oil producers. 2015 had no shortage of European companies that were caught flouting the rules.

By Peter Teffer

Every time a scandal is exposed, the question ‘how could this happen?’ is asked.

The question was asked after US authorities, prompted to investigate by an NGO, announced in September that Volkswagen had cheated on emissions tests. The German firm acknowledged it had equipped several hundreds of thousands of diesel cars with illegal ‘defeat devices’ that would notice they were being tested in a laboratory, and switch to a more environment-friendly setting.

In reality, the cars were much dirtier than the lab test results claimed. As we enter 2016, several inquiries are under way in a number of EU countries.

An equally relevant question is: why is the misconduct in so many cases flagged by a non-governmental organisation or a news publication, and not a government agency?

One reason behind this is politicians’ espousal of deregulation and self-regulation.

Car companies are often allowed to test their vehicles themselves, with little independent scrutiny afterwards. Belgian restaurants receive less checks by authorities if they carry out regular checks themselves.

Not only restaurants, but a whole range of sectors in the food industry in Belgium can apply for a so-called ‘smiley’, which companies acquire if their auto-audit is approved by a “third party”, often a private company.

German emissions testing expert Axel Friedrich recently flagged up the private certification sector as problematic, because certification agencies compete and car companies can play them off against each other.

It is very common for industry lobbyists to advocate self-regulation before government rules and this frame of mind has found its way into European policy-thinking.
A 2001 European Commission white paper laid out some of the basis for this, noting: “The Union must renew the Community method by following a less top-down approach and complementing its policy tools more effectively with non-legislative instruments”, which includes self-regulation.

The current administration under Jean-Claude Juncker is not only in favour of “better regulation”, but also of cutting red tape. But the red tape is often there for a reason.

The UK-based Royal Society for the Protection of Birds published a report this autumn, in which it explored what works better: self-regulation, or top-down rules. The environmental group did this because they had found, to their surprise, “that there had been no systematic evaluation undertaken to assess the performance of voluntary approaches in policy making”.

The results were beyond doubt: “voluntary approaches are rarely if ever an effective substitute for regulatory or fiscal measures in seeking to achieve public policy objectives”.

It found, for example, that four years after British companies promised to reduce plastic bag use, they achieved a 6 percent decrease. Government-imposed levies in Ireland and Wales achieved a 80 to 90 percent decrease. “The principle of using regulation as a last resort is difficult to justify based on the findings of this assessment”, it said. However, the call for deregulation remains strong.
2015 was probably the hottest year since temperature measurements started in the nineteenth century.

But the United Nations’ highest ranking climate diplomat, Christiana Figueres, urges us to be optimistic. “I have not met a single human being who’s motivated by bad news,” she told The New Yorker recently. And there are at least four reasons to be upbeat about the fate of the world.

**1. POLITICS**

Although it is easy to be cynical about declarations made by politicians, some serious pledges were made in 2015.

In June, the leaders of the world's seven largest economies, including Germany, France, Italy, and the UK, said for the first time that there should be “decarbonisation of the global economy over the course of this century”. In other words: a complete phase-out of all greenhouse gas emissions from fossil fuels.
Some European countries, like the UK, have already promised to stop using coal, the dirtiest of the fossil fuels, in the coming decades. Germany and the Netherlands are also considering a similar move.

2. ECONOMICS

Increasingly, the idea of the ‘carbon bubble’ is gaining ground.

According to the concept, assets invested in fossil fuels are worth much less than currently estimated, because of the expected phase-out mentioned above.

A key development is the so-called divestment movement, which urges pension funds, universities and government agencies to remove their investments from fossil fuel projects.

In 2014, an estimated $50 billion was divested, but in 2015 the trend skyrocketed. By December, over 500 institutions, representing a whopping $3.4 trillion in assets, had promised to divest.

3. TECHNOLOGY

The price of renewable energy is falling rapidly. Solar panel prices have fallen by around 80 percent since the Copenhagen climate summit of 2009. And companies have started seeing renewable energy as a PR tool. Technology companies like Apple and Google promise that their energy-demanding data centres are green.

4. CITIZENS

Although large-scale protests in Paris were forbidden in the aftermath of the November terrorist attack, almost 10,000 people gathered ahead of the climate conference.

A total of over 600,000 people demanded more climate action in protests in 175 countries.
EU states will, next year, try to seal Greek borders, pay Turkey to keep refugees in place, and go further on refugee-sharing.

By Andrew Rettman

Some pundits began writing EU obituaries already in 2009. They said the sovereign debt crisis would kill the euro, destroy public trust in EU institutions, and catapult far-right and far-left parties into power.

Seven bailouts later, a trillion-euro money-printing scheme by the European Central Bank, sweeping economic powers for the European Commission, and the bloc is on course for modest growth in 2016.

But Greek finances are still a mess, public trust is low, and radical parties are growing stronger in France, Germany, Portugal, and Spain.

New obituaries came in 2014, also for Nato, when Russia invaded Ukraine, threatening an east-west rupture on how to react. The EU and US stuck together on Russia sanctions. EU states look set to extend them in January. Nato, in a show of strength, is to take in Montenegro, possibly at its Warsaw summit in July, and Russia, newly bogged down in Syria, has frozen Ukraine hostilities. But Russia is still cultivating an EU fifth column. Its troops are still in Ukraine and the war could reignite at any moment, bringing old fears back.

2015 OBITUARIES

The 2015 obituaries carry more weight. EU Council chief Donald Tusk said the refugee crisis could destroy Schengen, the EU’s free movement zone. European Commission chief, Jean-Claude Juncker, said the single market and the euro “don’t make
sense” without it. German leader Angela Merkel said the crisis could unravel the EU and provoke “military conflicts” in the Western Balkans.

The Dutch EU commissioner, Frans Timmermans, spoke of a “cascade effect,” which starts with Schengen lockdowns, leads to paralysis of “every aspect of European integration,” and ends in EU collapse as sudden as the fall of the Berlin Wall in 1989. EU states will, next year, try to seal Greek borders, pay Turkey to keep refugees in place, and go further on refugee-sharing.

They’re expanding Frontex, the EU borders agency, and posting hundreds of Frontex officers to the Greek-Macedonia line. They’re expanding Europol, the joint police agency. They’re paying Turkey €3 billion, tranche by tranche, to take care of migrants at home. They’re also preparing to open more accession chapters, if Turkey-Cyprus talks go well, and to grant visa-free travel by October.

Turkey has warned refugees will keep coming until the Syria war ends, however. France, Germany, and the UK are joining the US in bombing Islamic State (IS). But with Russia bombing Western-backed rebels, prospects look bleak.

SECURITY COOPERATION

Meanwhile, the IS murders in Paris in November show the cost of failure. When Dutch PM Mark Rutte, who takes over the EU presidency in January, outlined priorities, he spoke of deeper EU security cooperation. But he said he “can’t guarantee” to stop new, Paris-type attacks.

The Islamist terror threat is grist to the mill of populist leaders, for instance, in Hungary and Poland, who oppose refugee sharing. The Visegrad bloc in central Europe is trying to tear down Juncker’s scheme to relocate 160,000 people. The scene is set for a battle in March, with Juncker to propose “permanent” sharing rules and an overhaul of “Dublin” asylum laws. Recalling Timmermans “cascade,” Austria, Germany, Hungary, Slovenia, and Sweden have reimposed Schengen borders. Luxembourg has proposed a two-year Schengen lockdown. The Netherlands has floated the idea of a “mini-Schengen,” and Germany has created a core group of pro-refugee states. The fragmentation goes deeper, with Merkel’s coalition
also split on migrants.

**BRITISH REFERENDUM**

It’s not a good time to hold the British In/Out referendum.

British PM David Cameron wants to do it in June, but talks on EU reform are slow. If he does it in autumn, it coincides with the peak season for refugee arrivals, fuelling the Out camp.

He can’t do it in 2017 because it would clash with French and German elections. One of his demands is to protect non-euro states from ever-deeper eurozone integration, another EU fault line.

The big issues make Juncker’s legislative agenda look small. To-do items include getting EU states to agree burden-sharing on CO2 cuts and concluding a free-trade pact with the US. Other items include: creating pan-EU bank deposit guarantees; halting corporate tax avoidance; creating a digital single market and an energy union; creating a “circular economy” to cut waste; helping EU workers move from state to state; and launching a “mandatory” lobbyist register.

When Mark Twain, the US writer, read his own obituary, he said: “Reports of my death have been greatly exaggerated.”

EU officials like the cliche that “every crisis is an opportunity.” They say that doing the small things right helps to fix the big problems. For his part, Steven Blockmans, a Belgian scholar of EU affairs, says doomsday predictions are tools of political pressure. He took issue with Timmermans’ Berlin Wall analogy, noting that the EU isn’t a Soviet bloc held together by force.

It’s an alliance of willing participants, with a history of compromise for the sake of joint prosperity and security.

The next 12 months will show who’s guilty of exaggeration.
The Valletta summit on migration brought together European and African Heads of State and Government in an effort to strengthen cooperation and address the current challenges of migration. Nkosazana Dlamini-Zuma, Chairwoman of the African Union Commission (AUC), on the left, and Jean-Claude Juncker, European Commission president.

Germany, the economic and political powerhouse of Europe, marked in October the 25th anniversary of the reunification of East and West Germany after 45 years of separation in a world divided by the Cold War. The reunification was also celebrated in Brussels’ Parc du Cinquantenaire with a light show.

A group of 29 European journalists filed complaints with the EU’s Court of Justice, demanding access to documents that will show how members of the European Parliament (MEPs) have been spending their allowances.

Danish voters responded with a clear No (53 percent), when asked in a referendum in December to integrate deeper with the European Union.
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