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KAS INTERNATIONAL REPORTS

EUROPE IN CRISIS



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EDITORIAL

Dear Readers,

When we began planning this issue in mid-August last year, the third bailout package for Greece had just been approved and Europeans were on tenterhooks about the “euro crisis”, a term that had come to symbolise the financial and debt crisis. Hardly anyone would have thought at that time that the EU could enter an entirely different crisis within just a few weeks – a crisis of unprecedented magnitude, a crisis that has since almost eclipsed all other topics, a crisis that many consider the greatest challenge the European Union has ever had to manage.

When “Europe in Crisis” figures in the title for this issue, this consequently refers first and foremost to the so-called refugee crisis. This is the subject addressed in an interview about the current situation in Europe with the Chairman of the Konrad-Adenauer-Stiftung, Dr. Hans-Gert Pöttering, as well as in a “Mood Barometer” reflecting the current state of the situation in different European countries and the partially different ways in which the individual countries are handling the crisis.

When reference is made to the European crisis in the title for this issue, this also still means the financial and debt crisis. As Susanna Vogt explains in her article, Greece in particular is still in an extremely fragile fiscal and economic state and nowhere near leaving the crisis behind for good. Somewhat different is the situation in Spain. In his article, Thomas Stehling paints a picture of a country that has at least turned the corner and has left the “intensive care unit”. It is therefore all the more important for the country to continue on its present course of reforms after the recent parliamentary elections.

Since at least Russia’s annexation of Crimea in contravention of international law – which Claudia Crawford und Dimitrie Weigel deal with in their contribution for the “Mood Barometer” – and the terror attacks in Paris, which Nino Galetti refers to in its article on France, a security component is added to the existing challenges for Europe. In this context, fighting the causes that compel people

to flee countries in crisis such as Syria, Iraq and Afghanistan is as important as securing the EU's external borders and a fair sharing of the burdens across Europe.

The host of economic, social and security challenges Europe is currently facing can only be overcome if the Western community stands shoulder to shoulder. This also applies to the United Kingdom, which – as Hans Blomeier reports – might vote on a “Brexit” in 2016, as well as for the United States, which – according to Lars Hänsel and Nikolas Ott – is looking upon the crisis-stricken partner across the Atlantic with concern. Konrad Adenauer's foreign policy maxim to do everything in one's power to ensure that the unity of the free peoples of the West appears as solid as a rock is therefore still as pertinent today as it was 50 years ago.

I wish you a stimulating read.

Yours,

A handwritten signature in blue ink, reading "Gerhard Wahlers". The signature is written in a cursive style with a large, stylized 'G'.

Dr. Gerhard Wahlers
Deputy Secretary General

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"THE EU IS THE ONLY ANSWER"

Interview with Dr. Hans-Gert Pöttering, President of the European Parliament ret. and Chairman of the Konrad-Adenauer-Stiftung

Images of streams of refugees moving towards Europe have been making the headlines for weeks. The member states of the European Union appear disunited in the search for solutions. What impact is the refugee crisis having on cohesion within the EU?

Overcoming the current refugee crisis represents a historic challenge for the European Union. There have not been this many people fleeing war and ruin at any other time since the end of World War II. The conflicts in Europe and at our doorstep affect and challenge us intensely. The dimension of this refugee crisis exceeds the absorption capacity of any single EU member state. We will therefore only overcome it if we look upon it as a European endeavour. Consequently, we must find common solutions for dealing with refugees that will above all require a spirit of solidarity. Unfortunately, not all member states see it that way, but it cannot be that individual states refuse to apply the principle of European solidarity. Not only would that be morally questionable in view of the crises in our neighbourhood, it would also be inconsistent with the humanitarian values to which the member states have committed themselves in the Treaty of Lisbon. Membership in a community not only entails benefits but obligations as well. We must remind the countries of the fact that have benefited from their EU membership in the past and are now refusing to support others. In this concrete case, solidarity means that every member state should accept refugees within its capabilities, thus making a contribution to an equitable sharing of burdens.

"There is not enough Europe in this Union. And there is not enough Union in this Union" and "... our European Union is not in a good state". These were the words with which the President of the European Commission Jean-Claude Juncker castigated the lack of solidarity shown by some EU members in the

refugee crisis in his State of the Union speech on 9 September. In view of the current situation, do you think the European Union is at a crossroads?

No! The situation may be serious, but the European Union has already mastered many crises where an agreement had initially appeared out of reach. Think back to the Greek national debt crisis, for instance, which occupied us in the spring and summer of this year and which put the solidarity of the members of the eurozone to the test. On that occasion too, a compromise was found after lengthy negotiations with the Greek government.



Looking for equitable solutions: Dr. Hans-Gert Pöttering talks about the future of the EU. | Source: © Benjamin Gaul, KAS.

However, we must not make the mistake of ignoring the different opinions of the member states on how to deal with the refugee issue. In our search for an equitable solution, it is beyond doubt that we must take seriously the worries and concerns of all member states about a quota-based EU-wide distribution of refugees – those of the states at the periphery of the EU and those of the states in Eastern Europe. No EU member must gain the impression that they are not being treated as an equal with respect to their concerns. This forms part and parcel of our obligation as a community of states to engage in a permanent and constructive dialogue about our common values and goals.

Besides disunity among the EU members, the debate over how to deal with the refugees seeking asylum in Europe also reveals deficiencies in the Common European Asylum System. Have the efforts to harmonise the asylum policy throughout Europe over the last few decades failed?

I wouldn't use the term "failed", as there are now a number of rules on how to treat refugees laid down that are binding for all members of the EU. However, these have not yet been adequately implemented. Asylum policy was communitarised within the European Union through the Amsterdam Treaty. The commitment to a common asylum policy is embodied in Article 78 of the Treaty on the Functioning of the European Union (TFEU); the principle of solidarity and fair sharing of responsibility in the area of border control, asylum and immigration in Article 80 TFEU. In a number of further agreements and treaties, such as the Dublin Regulation, common rules for treating asylum seekers were adopted. Most recently, consistent protection standards for refugees were laid down in the Common European Asylum System (CEAS), ratified in 2013.

However, the developments over the last few months have also shown that the existing regulations under the common asylum policy are inadequate for dealing with a situation such as the one we are facing today. I am referring here above all to the Dublin Regulation. It has transpired in practice that the procedures laid down in this regulation, according to which the particular member state where an asylum seeker first enters European territory is responsible for processing their asylum application, are no longer compatible with the principle of solidarity and the fair sharing of burdens across member states. Added to this is the fact that while the refugee status and minimum services for refugees are harmonised under EU law, the implementation continues to be subject to national law. One consequence of this is that there are great differences in the asylum standards and in the approval and repatriation rates across the EU. I believe this is where a reform of the Common European Asylum Policy should start, with the aim of harmonising these standards.

In the eyes of some observers, the temporary reintroduction of internal border controls and non-adherence to the Dublin Regulation are jeopardising important European achievements. Does this opinion have some validity? Is the European Union even still in control of the situation?

It is the case that in a small number of EU countries some European regulations have been temporarily suspended in view of the enormous influx of refugees and migrants and their unequal distribution. Some states, such as Greece, Italy and Hungary, have failed to properly register asylum seekers who had reached their territory and have allowed them to travel on to Western and Northern Europe unhindered. This is not, however, due to a lack of political will or inadequate legal foundation but to abruptly changing facts on the ground. Furthermore, the Schengen Agreement has been suspended for now through the temporary reintroduction of controls at the German-Austrian border. And for humanitarian reasons, Germany has temporarily ceased to insist on compliance with the Dublin Regulations and has not returned asylum seekers who had already entered the country to the countries at the EU periphery.

This may have given some people the impression that the situation has got out of control and everybody is doing what they want. And, to be honest, we must say that some EU countries have been overwhelmed by the events of recent weeks. But one has to bear in mind that the suspension of the regulations is only temporary and was only applied in response to the situation of the people in dire need. I don't believe these emergency measures are jeopardising the achievements of the European Union such as the Schengen Agreement. The question as to whether we shall be able to maintain the Schengen Area will, in fact, in the long term depend on the willingness of the EU member states to establish a permanent distribution mechanism for the refugees and in particular more effective protection of the EU's external borders. This poses great challenges to us. When the Schengen Agreement was adopted 30 years ago, the politicians had, in fact, taken into account that the abolition of the internal borders in a united Europe would need to go hand in hand with more efficient and better controls at the external Schengen borders; but we now realise that the agreement cannot be implemented with the instruments currently available. Added to this is the fact that one central point was left open when the Schengen Agreement was adopted, namely the question as to how the members of the Schengen Area should respond in emergency situations such as the current refugee crisis. This is where we need to fill in the gaps and lay down binding rules. I therefore back the proposal by the EU Commission for a permanent European distribution mechanism based on specific criteria. Only if we have effective common European border controls for the external borders and binding rules for

accepting refugees will we be able to facilitate orderly immigration and help those people who need our help most.

Dissatisfaction with the EU's crisis management is mounting among citizens in many European countries. To what extent does the debate on the refugee crisis provide a boost to populist and Eurosceptic parties?

Unfortunately, we see populist and Eurosceptic parties attempting to capitalise on the refugee crisis and the related concerns of EU citizens as well as the disunity among EU member states for their own political ends. Surveys have shown that populist and Eurosceptic parties are on the rise in many European countries. In their rhetoric, they frequently play on people's fears of rising refugee numbers and foreign infiltration and stir up hostility towards people from other cultures.

Particularly in countries and regions that have no historically developed experience with migration or where people have had negative experiences with the integration of immigrants or minorities, there are not only concerns and fears in evidence but also aggression toward refugees. In some Central European countries, this hostile attitude manifests in the form of an automatic defensive reaction against a Europe-wide regulation on the acceptance of refugees. Besides xenophobia, this reaction also reflects concerns about a potential loss of identity and uncertainty about people's own social and material future. Anybody feeling that anxious will be more receptive to populist slogans.

Eurosceptic parties, for their part, are capitalising on the doubts in the European Integration Project among some citizens, which had emerged during the euro crisis and which are now being reinforced by the handling of the refugee crisis, in order to fuel opposition to the European Union and promote national solutions.

How should democratic parties deal with this?

On the one hand, democratic parties should avoid the temptation to veer towards the messages of populists in their rhetoric; instead, they should counter them with objective arguments and not shy away from debates. On the other hand, they should take people's concerns seriously and actively engage with them. This will need to include an honest dialogue about our European claim to be a value-based society and – with respect to the refugee

issue – efforts to bring greater objectivity to the debate, which the populist parties are purposefully conducting on an emotional level in an effort to play on citizens' fears. Ultimately, the important thing is to re-establish trust in the EU's strength and capacity to act, which the populist parties are questioning. Politicians are therefore called upon to speedily find comprehensive and, above all, European answers to the unresolved questions of the refugee crisis, for instance through a reform of the asylum and immigration policy.

Whenever the European Union is put into question, one needs to remind people that the EU as a community of law, liberty and solidarity is the only answer to current and future challenges. As I already mentioned: no individual state will be able to master the current challenges alone. Only by standing together will we be able to defend our values and our interests in a globalised world.

On 13 November 2015, terrorist attacks in Paris claimed the lives of over 120 people. While the European Union was engaged in finding a solution for dealing with the refugees, the terror of the so-called Islamic State finally arrived in the heart of Europe. What repercussions will there be for the European Union in terms of security policy?

The acts of terror in Paris represent an attack on all of us and on our liberal democratic value system. It is therefore a matter of course that we stand shoulder to shoulder with France to jointly defend our value-based social model. The activation of the mutual assistance clause that has been part of the EU Treaty since Lisbon (art. 42, par. 7 TEU) by the President of France François Hollande is a clear call to the other EU member states to demonstrate solidarity in the fight against terror, which we must answer. All member states have committed to this. Combatting terrorism and its causes is a common European and international challenge.

Even before the refugee crisis began, we knew that we must make efforts to further stability outside our borders in order to maintain stability within our borders. Instability and war in our neighbourhood have been of concern to us for quite some time. Russia's 2014 annexation of Crimea in contravention of international law has effectively shifted borders by force in Europe for the first time since 1945. This represents a violation of all the principles of the peaceful order in Europe. While the Kremlin maintains the occupation of Crimea and supports the separatists in eastern Ukraine,

a return to normal relations is out of the question. To the south of Europe, large parts of North Africa and the Middle East are characterised by violence and upheaval. The war in Syria has now been raging for five years. It has so far cost over 300,000 lives and driven twelve million people from their homes. Not only does this war threaten to destabilise the entire region; its repercussions have long since reached us as well. The streams of refugees and Islamist terrorism are just two consequences whereby the war in Syria also directly impacts on us in the European Union and which have caused some EU member states to become militarily involved to combat the IS terrorists.

It is incumbent on us as the European Union, who understand ourselves as a peace project, to make a contribution to pacifying this conflict, which is becoming increasingly complex as time goes on, giving top priority to political solutions. The results of the talks in Vienna on 30 October and 14 November 2015 are encouraging in this context. It is now to be hoped that the agreed roadmap towards a process of political transition and a truce can be implemented in the near future. However, this will require all the involved actors, Russia, the USA, Iran, Saudi Arabia, Turkey and, of course, the Europeans, to make a contribution and to find compromises despite their greatly diverging interests. At the same time, it is crucial to find an effective strategy for the fight against the terror, which will need to be conducted simultaneously on several fronts, for instance also in the EU member states where terror cells have established themselves.

To ensure that the European Union as a community of states will be able to deal with future security challenges more effectively, the Common Security and Defence Policy (CSDP) will need to be revised in the medium term. We must develop Europe into a foreign policy actor capable of taking action as well as a reliable ally for the long term. The new European foreign and security strategy, which is to be available by next June, must take into account the changed security situation in Europe's neighbourhood and define regional priorities in EU foreign relations.

The interview was conducted by Martina Kaiser, Desk Officer for European Policy at the Konrad-Adenauer-Stiftung in Berlin.

REFUGEES AND MIGRATION

A EUROPEAN MOOD BAROMETER

While the topic of refugees and migration has been in the public eye for some time in Germany and throughout Europe, it has developed an entirely new dynamic with the latest influx of asylum seekers into Europe. Many believe the current streams of refugees represent the most serious challenge the European Union has had to overcome to date.

The Konrad-Adenauer-Stiftung has recently compiled articles on this topic composed by staff from various field offices of the Konrad-Adenauer-Stiftung in a comprehensive publication. The articles reflect the ways the topic of refugees and migration is viewed in different regions around the world and the ways individual countries are dealing with the current crisis. From among the large number of interesting articles in this publication, we have selected several that illustrate different European perspectives and present them in updated versions.

For anyone interested in further views from Europe as well as from around the world, we recommend the full publication, which is available (in German) at: <http://www.kas.de/stimmungsbild-migration>.

ITALY

*Caroline Kanter** (Finalisation: 19 Nov 2015)

The Mediterranean: Gateway to Europe

Since the beginning of 2015, 139,770 refugees have reached the Italian beaches. The proportionately largest groups are Eritreans (37,495), Nigerians (19,205) and Somalis (10,722).¹ By 1 November, 68,725 asylum applications had been submitted.

The Southern European country was confronted with the large wave of refugees already last year and subsequently had to deal with the ensuing political and social challenges; contrary to what happened in other European countries, the numbers in Italy have, in fact, declined in 2015 compared to the previous year, dropping by 9.09 per cent.



Refugees on the Riviera: The French Italian coastline has become a symbol for Europe's refugee problem. | Source: © Jean-Pierre Amet, Reuters.

* Head of the Konrad-Adenauer-Stiftung's office in Italy.

1 | Cf. Polchi, Vladimiro / De Panfilis, Giacomo 2015: Osservatorio immigrazione, nel 2015 menosbarchidell'annoscorso: tuttiidati, La Repubblica, 27 Oct 2015, in: http://www.repubblica.it/solidarieta/immigrazione/2015/10/27/news/osservatorio_immigrazione_140_mila_sbarcati_nel_2015_9_in_meno_dello_scorso_anno-126027064 (accessed 15 Dec 2015).

Currently, there are some 100,450 refugees living in Italian reception facilities.² Measured against the overall Italian population, this represents just over 0.15 per cent.³

The dispersal of the refugees across the different Italian regions is meant to be conducted according to a distribution key that has been in place since 2011. However, several regional presidents have rejected the call by the Italian Ministry of the Interior to fill the agreed quotas and relieve overburdened regions through a more efficient and rational distribution of the migrants. In a heated public dispute in June 2015, Roberto Maroni (Lombardy, *Lega Nord*) threatened to cut subsidies for any communities in his region that declared themselves willing to accept more refugees.

To date, Lombardy has accepted the largest proportion of refugees at 14 per cent; at twelve per cent, Sicily is in second place, followed by Latium at nine per cent.⁴ Three of 20 regions are therefore accepting 35 per cent of the people seeking refuge.

Due to the good weather conditions and calm seas, the floods of refugees arriving on the beaches of southern Italy increased during the summer months, which intensified and changed public discourse and the reporting in the Italian media. At the end of last year, surveys indicated that the issues seen as the country's greatest challenges by the public were unemployment (60 per cent), the economic situation (37 per cent) and only in third place immigration (18 per cent).⁵ By late summer, public perception had changed. At 25 per cent, immigration was cited as the second-greatest challenge to the Southern European country after the economic crisis.⁶

2 | Cf. *ibid.*

3 | Africa e Mediterraneo 2014: Immigration Quiz, Africa e Mediterraneo, p. 2, in: http://africaemediterraneo.it/public/2015/04/Immigration_quiz_Risposte.pdf (accessed 15 Dec 2015).

4 | Cf. Polchi / De Panfilis, n. 1.

5 | Testa, Alessandro 2015: Eurobarometro Autunno 2014, Italian Isfiduciati Ed Egoisti, Lumsanews, 27 Feb 2015, in: <http://www.lumsanews.it/2015/02/27/rapporto-eurobarometro-italiani-sfiduciati-ed-egoisti> (accessed 27 Feb 2015).

6 | IPSOS 2015: Sondaggio immigrazione, Renzi bocciato secondo IPSOS, Corriere della Sera, 6 Jul 2015, in: http://termometropolitico.it/1180117_sondaggio-immigrazione-renzi-bocciato-secondo-ipsos.html (accessed 15 Dec 2015).

The Mood in the Country

Dissatisfaction among the Italian population grew and the number of critical voices speaking out against refugees increased. The criticism was directed mainly at the government's poor crisis management and the lack of support and solidarity on the part of Europe, and there were increasing fears about Italy's domestic and external security.

The dissatisfaction of the Italian population rose in the past several months, as did criticism of the crisis management of the government.

During the last few months, there have been occasional acts of violence and protests by the Italian public, which some neo-fascist groups, such as *CasaPound*, latched onto.

Public discourse has been characterised by vocal disputes among politicians. Political verbal duels and harsh criticism by the opposition were eagerly picked up on in all the media – particularly social media – and consequently helped to colour the mood in the country.

While there have been sporadic acts of violence against refugees, one must emphasise the great willingness to help as well as the civil society and volunteering by many Italian citizens. This applies to the initial assistance given to the refugees when they reach southern Italy, where voluntary aid organisations provide assistance, and to the engagement in the local reception centers in the different Italian regions. The citizens' great willingness to provide help has manifested particularly at a local level. The support from the Italian population has made a particularly beneficial impact in the so-called *Sistema di Protezione per Richiedenti Asilo e Rifugiati*, which aims at providing an "integrated welcome".

Political Reactions: between Crisis Management and Polemics

Considering the increasingly negative mood among the population, the Italian government has been keen to keep the situation under control. On the one hand, it looked to its European partners to play their role; on the other hand, it put in place a number of measures and provided additional funding to improve the organisation of the reception and distribution of the refugees. These initiatives and efforts on the part of the Italian government must also be seen in the context of strained public budgets, the high level of national debt and the extensive current reforming

measures. A number of government departments and programs were therefore hit by heavy cuts and had taken hard-hitting savings measures.

Contrary to the opposition, the government responded to the above-mentioned violence with criticism and a heavy hand. Calls for greater support from Europe went hand in hand with a rejection of the Dublin Regulation, which the government of Prime Minister Renzi no longer considers workable as the circumstances since its adoption have changed radically, as shown by the refugee numbers and their countries of origin.

From an Italian perspective, the Dublin agreement is no longer appropriate due to dramatically changed circumstances.

Despite the increasingly negative stance of the population, it is to be expected that the Italian government will continue to implement its plans for the acceptance of refugees. "We will continue accepting refugees. There are 84,000 people involved. In Italy, there are 8,100 communities in total and 60 million inhabitants, i.e. ten migrants for each community on average. That is the 'invasion' that is being discussed. This has little to do with politics: we are dealing with people's lives here", said Prefect Mario Morcone, Director of the Department for Civil Liberties and Migration at Italy's Ministry of the Interior.⁷

Once the wave of refugees had reached other EU member states by the summer of 2015 – first and foremost Germany – and measures had been taken at a European level – such as the distribution of 120,000 refugees across the EU member states in September 2015 – the Italian government felt justified in its demand for a European solution and stated with a certain amount of sympathy that other member states had now also "woken up".

Over the last few months, the Italian government has repeatedly called attention to the causes of the refugee crisis – such as wars, poverty and dictatorships in the countries of origin – and called for stronger action to be taken to counter those. Due to the fact that approximately 90 per cent of the refugees arriving in Italy set out on their journey to Europe from Libya, that country plays a key role in the eyes of the Italian government.

7 | Reuters 2015: Migranti, per prefetto Morcone in Italia non è emergenza, Reuters Italia, 22 Jul 2015, in: <http://it.reuters.com/article/topNews/idITKCN0PW0KN20150722> (accessed 15 Dec 2015).

In a oft-referenced and clear statement made on 18 August 2015, Italy's President Sergio Mattarella had called for greater humanity and openness in dealing with refugees. "The humanity we show in receiving desperate refugees, the intelligence with which we face migratory phenomena and the firmness with which we fight human traffickers will be the way we show the world the quality of democratic life." Mattarella called upon Italian politicians and society to act more openly and with greater care, and spoke about the need to be more assertive in defending one's own values and ideals.⁸

The opposition parties *Lega Nord*, *Fratelli d'Italia* and the Five Star Movement monopolised the refugee debate with conspicuously polemic statements, calling for more restrictive action in granting protection to refugees, more numerous and faster deportations as well as greater support from the European partners and more equitable sharing of the burden.

There has been no fact-based and critical exchange between the opposition and the government. "The prefects should welcome the refugees in their own homes instead of 'giving' the locals, the mayors and the legal immigrants 'a hard time'", said Matteo Salvini, leader of *Lega Nord*.⁹ Statements such as this added further fuel to the public debate. The largest opposition party, the Five Star Movement, also made waves through extreme polemic slogans. The movement's leader, Beppe Grillo, wrote in his blog: "In all the countries of the world, illegal immigrants are deported: it's simply common sense."¹⁰ One can assume that in some sections of the population Grillo's statements fall on fertile ground: almost two million people follow him on Facebook and Twitter and several thousand read his blog every day.

8 | LiberoQuotidiano.it 2015: Mattarella: "Dal terrorismo i germi della terzaguerramondiale", Libero Quotidiano, 19 Aug 2015, in: <http://liberoquotidiano.it/news/politica/11820898/Mattarella---Dal-terrorismo-i.html> (accessed 15 Dec 2015).

9 | Askanews 2015: Salvini: i prefetti lavorino, non rompano le palle a sindaci, Askanews, 17 Jul 2015, in: http://askanews.it/politica/salvini-i-prefetti-lavorino-non-rompano-le-palle-a-sindaci_711562579.htm (accessed 15 Dec 2015).

10 | Grillo, Beppe 2015: Clandestino: segreto, occulto, di nascosto, Blog di Beppe Grillo, 22 Apr 2015, in: http://beppegrillo.it/2015/04/ clandestino_segreto_occulto_di_nascosto.html (accessed 15 Dec 2015).

The Italian political parties, which have taken a critical stance with respect to the refugee issue in recent months, have definitely found support among the population. The Five Star Movement, for example, has the support of 27.2 per cent of the electorate, while the percentage for *Lega Nord* is 14.1 (with the Prime Minister's *Partito Democratico* standing at 32.5 per cent and *Forza Italia* at 10.8 per cent.¹¹ No doubt, this popularity cannot be attributed and should not be reduced exclusively to the problematic refugee issue. But it has to be said that both parties have been able to attract a high level of support from the population over recent months.

The Vatican: Appeal for Humanity and Compassion

Since the beginning of his papacy, Pope Francis has repeatedly addressed the situation of refugees and called upon politicians and society to take action and to show greater compassion for the refugees; at times using blunt and highly critical language.

The Vatican and the Catholic Church have taken measures to help the refugees through numerous initiatives. In an appeal to Catholics, parishes and dioceses throughout Europe, the Vatican called for activities to draw attention to the refugees' dire situation on the next World Refugee Day, 17 January, under the motto: "Migrants and Refugees Challenge Us. The Response of the Gospel of Mercy."

Pope Francis repeatedly takes part in the public debate about refugees, at times using critical language.

In mid-August 2015, the Secretary-General of the Italian Episcopal Conference, Nuncio Galantino, made a strikingly critical statement, condemning the Italian government in relation to its refugee policy. He said the Renzi government was "totally absent" and that the processes and the asylum procedures were inefficient. Galantino criticised the Italian legislation, which had no provision for "positive" integration but only for "non-integration" and was skewed towards the deportation of migrants. He was particularly scathing about the residency legislation and the length of the asylum process. He believes Italy could learn from German legislation in this context and emulate it.

11 | Ipsos 2015: Sondaggi Politici, la media all'11 Dicembre, Termometropolitico, 11 Dec 2015, in: http://termometropolitico.it/1195077_sondaggio-ipsos-di-martedi-italiani-favorevoli-alla-proposta-boeri.html (accessed 15 Dec 2015).

BELGIUM, LUXEMBOURG AND THE NETHERLANDS

*Dr. Stefan Gehrold** / *Tina Mercep*** (Finalisation: 30 Nov 2015)

According to a recent survey on Belgian television, seven out of ten Belgians think there are too many migrants in their home country. 76.8 per cent of the Belgian population are very concerned about the refugee issue. The tone of the current debate is hardening in the Benelux countries as well, not least against the backdrop of the Paris attacks and in view of the fact that the terror warning level in the Belgian capital has been raised to the highest possible level as a result.

Many of the refugees seeking registration in Belgium are still living in tents in front of the central port of call for this purpose, the Immigration Office in Brussels, some having waited for weeks for their situation to improve. Some 200 applications can be handled per day, and approximately 1,000 people are still waiting to be processed. Because the number of applications that can be accepted per day is limited, refugees are being asked to return another day.



#movingpeople: The art project is trying to draw attention to the situation of refugees with small figures in Amsterdam. | Source: Martin Broek, flickr ©115.

* Head of the Konrad-Adenauer-Stiftung's European Office in Brussels.

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Theo Francken, Secretary of State for Asylum and Immigration, says the situation is under control, although there is a set capacity that must not be exceeded. Most of the arrivals come from Syria, Iraq, Afghanistan, Eritrea and Somalia. The rush does not show any signs of abating in the near future, which means new reception facilities should be created as soon as possible. Since the beginning of the year, over 12,000 asylum applications have been submitted in Belgium. Now that Sweden has filed an application with the European Commission asking for measures to give it respite in connection with the distribution of refugees, Theo Francken would like to follow Sweden's example.

Demands for stricter border controls had already found strong support in Belgium several months ago. 74.3 per cent of Belgians, for instance, support stronger measures and stricter controls at their country's borders so that the refugee crisis can be managed more effectively. Secretary of State Francken had threatened the reintroduction of internal border controls in view of the inadequate controls at the external borders early on. After the Paris attacks (and the revelations about the terrorists' links to Belgium) he made good on his threat and there have been stricter border controls at the Belgian border crossings now for several weeks. In addition, there are plans to conduct stricter controls at the reception centers. According to the Minister of the Interior, Jan Jambon (*Nieuw-Vlaamse Alliantie*), all refugees should be required to carry special ID cards in future so that they can be identified at any time.

The issue is also currently the subject of extensive debate in social media. The numerous articles on the topic of migration on online news pages include both negative and positive comments. There is a lively public debate, not only in the political sphere and in the media but also in society at large. As the Belgian state is rather more restrained in its financial support for refugees compared to Germany – the weekly amount provided per adult living in a refugee center is just seven euros – the bighearted private initiative of many citizens needs to be emphasized. Radical opinions on the refugee issue on the Internet – at least on the portals of the country's large newspapers such as *La Libre* and *Le Soir* – do not go overboard. However, there have recently been numerous calls for a stronger monitoring of (radical) mosques. There have also been calls for better vetting of those travelling to the country. The tone of the discussions on the Facebook page of the Belgian offshoot of Pegida (*Patriotische*

As the Belgian state is rather restrained in its financial support for refugees the bighearted private initiative of many citizens needs to be emphasized.

Europäer gegen die Islamisierung des Abendlandes), which has acquired over 1,700 followers, had been one of moderation for a long time. But on 10 November 2014, the page turned into a closed Facebook group, which is not accessible to outsiders.

The other two Benelux states have not been immune to the refugee crisis either. Luxembourg's Prime Minister Xavier Bettel recently said the refugee issue could become one of the greatest challenges for Luxembourg's EU Council Presidency, which will come to an end on 31 December 2015. He argued for the rapid creation of a common European list of safe countries of origin. He complained that there were currently only national lists of countries of origin that were considered safe. Bettel further stressed that asylum applications must be processed more quickly and those not entitled to asylum must be deported without delay. At the beginning of November, Luxembourg was the first country to accept refugees as part of the redistribution process, receiving 30 people, who were flown to Luxembourg City from the Island of Lesbos. While this action received a great deal of media attention, it only represented a drop in the ocean considering current refugee numbers.

Like Belgium and the Netherlands, the Grand Duchy will promote the idea that asylum seekers should be housed increasingly in private accommodation, which will assist with their integration into society. According to an opinion poll in October 2015, 68 per cent of Luxembourgers support the politicians' stance. However, many doubt that the EU will be able to gain control over the migration crisis as a whole. A large proportion of respondents stated that it is important to take care of the refugees' basic needs. But integration and language courses should be offered at the same time to enable the refugees to communicate with the population and to quickly become independent. Many also think it is crucial to convey the country's values, its culture and its customs to the refugees.

The asylum policy in the neighbouring Netherlands is considered one of the strictest in Europe. Human rights campaigners complain that there are hardly any options for failed asylum seekers to remain in the country legally. The affected people have to leave the country within 28 days. The deadline can be extended to twelve weeks; but after that, the person is considered an "illegal". The Dutch government hopes to discourage migrants with this asylum policy. But by November 2015, over 45,000 people

had entered the country as asylum seekers already, compared to some 25,000 people in the whole of the previous year. As is the case in the neighbouring states, the largest single group (38 per cent) came from Syria. The Dutch Immigration Office is currently receiving between some 4,000 and 5,000 applications per month. King Willem Alexander believes the rising wave of refugees is heightening tensions within the EU. In a speech he gave in September, he advocated limiting the refugee numbers and a better distribution of the refugees across the EU. In addition to the high numbers, the heightened terror threat plays a large role on the domestic front. To be better able to fend off terror attacks, more funds should be made available for prevention.

The Authorities' Response to the Rising Refugee Numbers

In Belgium, the organisation "Flemish Refugee Action" calls upon the government to set up new initiatives to manage the rising refugee numbers and to help people to integrate into society. The organisation is further in favour of measures to establish the right conditions to encourage the housing of refugees in private households. According to "Flemish Refugee Action", increasing numbers of people are contacting the organisation and offering accommodation. At the same time, refugees should be distributed across communities on a pro rata basis. Should any community refuse to accept refugees voluntarily, a compulsory distribution plan would have to be imposed, according to the Minister of the Interior. Currently, one can still say the situation is under control, although tense. While numbers were still rising from one week to the next in September, a first reduction in numbers for a long time was in evidence in October, probably due to the colder temperatures and therefore more difficult travelling conditions for the refugees.

The Dutch government has set up a working group to address the refugee crisis. Prime Minister Mark Rutte does not want to commit himself to a maximum numerical limit for refugees and is calling for greater involvement by the countries of Central Europe in particular with respect to the acceptance of asylum seekers. At the same time, he welcomes the agreement by the EU member states to make available more funding for the refugee camps near the Syrian border. He further considers the securing of the external EU borders vital. The so-called hotspots for refugees, which were decided on at the extraordinary Leaders' Meeting on 25 October, should be set up as soon as possible.

Prime Minister Mark Rutte considers the securing of the external EU borders vital.

Following the lead of its Dutch neighbour, the government in Luxembourg also set up a working group to better handle the problems thrown up by the refugee crisis. According to Prime Minister Bettel, Luxembourg is willing to take on greater responsibility. It is important to him to avoid establishing ghettos and to integrate people instead, for example through job creation.

What Is the View of the Way Germany Is Handling Migration/Integration?

The Belgian media report extensively about the problems created by the migrations issue in Germany. While they initially reported intensively about the great compassion of the Germans, this soon gave way to questions about the limits of Germany's capacity to accept refugees as well as the domestic dispute about the matter. Reporting on the welcoming culture in Germany has been replaced by a focus on the debate about the problems of homing the refugees as well as the violence erupting in many accommodation facilities and the socio-religious conflicts between different groups of migrants, which the refugees have brought with them. Another topic receiving attention has been the search for human traffickers along the German-Belgium border. From January to July of this year, as many as 47 perpetrators were caught at this border. Ten more were apprehended at the Dutch border.

For weeks, attacks on refugees in Germany made the headlines in the Netherlands and in Luxembourg, with attention also paid to the problem of violence erupting in the refugee centers themselves.

Does a "Welcoming Culture" Exist in the Benelux Countries?

In Luxembourg, the private initiative "Refugees Welcome to Luxembourg" was set up in mid-August. Its Facebook page has acquired close to 9,000 followers to date. On this webpage, people put forward ideas and suggestions on ways to deal with refugees and on integration. It is also used to organise concrete help, assisting people with starting their new lives in the Grand Duchy via social media. A similar initiative, which enjoys even much greater support, exists in Belgium. Its Facebook page has some 29,000 followers. The civil society platform recently had to reject donations in kind, as the rush of volunteers was too large. At the end of September, a demonstration in the Belgian capital in support of refugees attracted some 20,000 participants.

SERBIA

Norbert Beckmann-Dierkes/Aleksandra Popović**/Evelyn Haefs****

(Finalisation: 7 Dec 2015)

In Serbia, the refugee issue attracted a great deal of attention in all the media from the onset. The issue is present in the print media as well as in television and radio programs, and particularly in social media there is a striking amount of solidarity with the refugees in evidence, and examples of concrete measures to provide aid and support demonstrate great empathy. From 7 to 16 December 2015, for instance, a number of Serbian artists came together to support the Heartfact Foundation (an organisation based in Belgrade, which was founded in 2009 and links people who defend human rights, liberty and social responsibility through a creative and artistic exchange) with organising a "WakEUp! Festival". During this event, the refugee issue was examined from different perspectives to further solidarity and humanity. The Serbian authorities are portrayed as handling the situation well, and there is an absence of the criticism of the activities of the authorities evident elsewhere.



At the Serbian-Hungarian border: Most refugees have the EU as a destination. Serbia is in this sense "only" a transit country. | Source: © Marko Djurica, Reuters.

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The political dimension of the wave of refugees is not only seen in relation to the current situation in the country but also under aspects of domestic and foreign policy. In addition to the frequently voiced desire for more concrete financial and material assistance from the EU, Serbia is currently advocating a more active engagement and cooperation by the region as a whole as well as by the individual nations, which should work together to set up an effective system.

The continuous political engagement of the European Union, from bilateral talks and visits to the recent summit meetings, has eclipsed the only major supporting measure taken by Russia in the summer, which received enormous media attention at the time.

Germany, with its Chancellor Merkel, is still mentioned in the media as the only reliable partner and represented as the most important destination country of many refugees. The benefits paid to asylum seekers in Germany are mentioned in the media on the odd occasion. There are more frequent reports, though, about the fact that Serbia is a safe country of origin.

Perception of the Issue among the Political Parties

Nenad Popovic, leader of the Serbian Progressive Party (*Srpska napredna partija*) advocates a fortified border to guard against an uncontrolled flow of migrants. Popovic, who has been a lecturer on international business at the Faculty of Economy at Moscow's *Lomonosov* University since 2000, maintains that all refugees are economic migrants. Boško Obradović, leader of the Dveri party, which is not represented in parliament, but does have a public presence, maintains that the refugee crisis represents a problem for Serbia and that the EU is at fault. He believes Serbia is underestimating the social, economic and health risks the flow of refugees poses. Against this backdrop, B. Obradović supports the construction of a border fence along the Macedonian-Serbian border modelled on the one at the Hungarian-Serbian border.

Apart from these exceptions, the country's political leadership sees the refugee crisis as an opportunity and adheres to the country's fundamental openness. Prime Minister Aleksandar Vučić stresses that Serbia will do everything in its power to ensure the refugees' safety. Now that conscription has been abolished, empty barracks are to be converted into reception centers. Where the refugee issue is concerned, Vučić expects that the EU will continue

to provide support and places particular faith in German Chancellor Angela Merkel. After the decision of some EU states to only accept refugees from the war zones in Afghanistan, Iraq and Syria in future, the states along the so-called Balkans route, Macedonia, Serbia, Croatia and Slovenia, have followed suit. The Serbian Minister of the Interior Nebojša Stefanović stresses that Serbia cannot shoulder the entire burden resulting from the crisis, which is why Serbia too will now primarily grant access to war refugees.

The Serbian Minister for European Integration Jadranka Joksimović has stated that Serbia's migration policy demonstrates to the EU that Serbia is a reliable partner that implements European standards. A fence along the border to Hungary would not solve the refugee problem. In a meeting with the Hungarian Foreign Minister, Peter Szijjártó, she stressed that these questions and potential problems could only be overcome with good and open bilateral relations. Foreign Minister Ivica Dačić has made it clear that Serbia would not follow the example of Hungary and build a fence along the border to Macedonia in order to prevent the arrival of further refugees.

Brankica Janković, Commissioner for the Protection of Equality in the Serbian government, has remarked on the conduct of the Serbian population and praised the tolerant and sympathetic treatment of refugees. She believes the reasons for this understanding lie in Serbia's past and the country's experiences with people being driven out and having to flee their homes.

Refugees' Reception in Serbia and the Route Taken

The population has a positive stance towards the refugees and is showing tolerance towards them. Hairdressers, for instance, are offering their services for free and fast food outlets are giving away food or charging lower prices. Food outlets have also adapted their range to Muslim religious rules and are offering more lamb products. Many services and offerings are now advertised in Arabic. Due to its own past, the Serbian population is demonstrating solidarity in its dealings with the refugees.

In Serbia, there is a great willingness to help the refugees, both among individuals and on the part of businesses and state institutions. Doctors are providing extra clinical hours, the post office has extended its opening hours at the money counters at Belgrade's

main railway station, many people and businesses are donating food, clothing, shoes, hygiene products and the like.

Considering the great challenge for the state organisations, some friction losses have become apparent in the coordination, but overall, the work done by the authorities is effective.

The state authorities responsible for dealing with refugees are the Serbian Ministry of the Interior, the Ministry for Labour, Employment and Social Policy as well as the Commissariat for Refugees. In addition, an information center for asylum seekers has been set up in Belgrade. Considering the great challenge for the state organisations, some friction losses have become apparent in the coordination, but overall, the work done by the authorities is effective. So far, the procedures organised by the Serbian authorities have been adequate under the circumstances. However, they are looking for further support from the international community. The Serbian Minister of the Interior has stressed that the costs to Serbia are very high and that there is a need for concrete assistance with temporary accommodation, food and medical supplies.

The immigration process generally runs in an orderly fashion. Supporting measures by Church aid organisations, the Red Cross, the United Nations, the EU and the USA as well as private initiatives are making a difference. NGOs have organised interpreters, who support the refugees. One example is Atina, an NGO based in Belgrade, which links the measures taken by local authorities to aid refugees with those conducted by state institutions so that refugees can be helped more effectively. Apart from this work, Atina has developed an additional support project involving a bakery producing bagels, the proceeds of which are used to further the integration of refugees and other persons in need of protection. Another organisation providing valuable help is the Belgrade Centre for Human Rights, which uses its legal expertise to draw up and propose necessary changes to legislation. Successful cooperation between state actors and NGOs as in this case is extremely valuable.

Most refugees are heading for the EU, and Serbia merely represents a transit country for a maximum of 72 hours. In this scenario, people's movements into and out of the country are handled as follows: The refugees arrive at the reception center in Preševo in the south of Serbia, where they are registered. Very few apply for asylum in Serbia. In Preševo, the refugees are given food, the opportunity to rest and information on how to proceed on their journey. The route no longer passes through Belgrade.

There are several buses and trains running every day, taking the refugees to Šid on the Serbian-Croatian border, from where they travel on through Croatia and Slovenia. The numbers of refugees arriving from Bulgaria do not figure much in the official reporting. All those involved in Serbia are aware of the fact that a resolution of the refugee crisis can only be brought about through joint international cooperation.

CROATIA AND SLOVENIA

*Dr. Michael Lange** (Finalisation: 27 Nov 2015)

After the German Chancellor had warned in early November that closing the German border to refugees could trigger armed conflicts in the states along the Balkans route, the governments of those states intensified their efforts to minimise such a risk, even though the Prime Ministers of both Croatia and Serbia rejected this hypothesis as too pessimistic.¹² That said, at least the member states of the Schengen Area, first and foremost Slovenia, began preparing for a potential restriction of the influx of refugees by the German and/or Austrian government by taking initial measures to secure their borders.¹³

Current Position in the Affected Countries

When Croatia was faced with mounting problems caused by the never-ending flow of migrants at the border post of Tovarnik, the Croatian and Serbian governments agreed to begin transporting the migrants from the Serbian border post of Šid directly to the newly opened Croatian reception camp in Slavonski Brod¹⁴ by train. This was a camp built on generous lines to accommodate up to 5,000 migrants, where they were to be registered and from where they were to be moved on to Slovenia. After the European Commission had made available 16.4 million euros of emergency

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12 | Jutarnji List 2015: Closure of Germany's Borders Could Cause "Armed Conflicts" in Balkans, Says Merkel, 3 Nov 2015, in: <http://tinyurl.com/ozeqeyo> (accessed 11 Dec 2015).

13 | Jutarnji List 2015: Slovenia to Fence Part of Croatian Border, but Cooperation Continues, Says PM Cerar, 10 Nov 2015, in: <http://tinyurl.com/qxo6exj> (accessed 11 Dec 2015).

14 | HRT 2015: Arrival of First Groups of Migrants Starts at Slavonski-Brod Reception Center, 3 Nov 2015, in: <http://tinyurl.com/omz3xuo> (accessed 11 Dec 2015).

funds at the request of the Croatian government to help master the refugee crisis at the beginning of November,¹⁵ the situation calmed somewhat, although the number of migrants who had entered Croatian territory by that time had already risen to 330,000.¹⁶ During the subsequent so-called Leaders' Meeting in Brussels, the Croatian government undertook to provide (temporary) accommodation for 2,000 of the total of 12,000 refugees to be distributed across the affected member states (Austria, Hungary, Slovenia and Croatia). Despite or perhaps owing to these measures to accelerate the "transit" of the migrants coming from Serbia through Croatian territory, the Slovenian parliament, working through the night, felt compelled to take "technical measures" at its border to Croatia, intended to limit the numbers of people crossing from Croatia illegally or to redirect the refugees to the official border crossings. Croatia responded with irritation and accused Slovenia of intending to thereby restrict the acceptance of migrants from Croatia. Although the measure was not put into action until the day after the elections in Croatia, and Slovenia promised that it would continue to process refugees arriving from Croatia by train, a dispute broke out about whether the barbed wire fences erected by Slovenia at the border crossings of Harmica and Gibina had been installed on the Croatian or the Slovenian side of the border.¹⁷ Croatia demanded the immediate dismantling of these border fences. It then sent an official letter of protest to the Slovenian government, and 50 members of the border police of each country stood across from one another along a section of the border for a long time in an atmosphere of hostility until the two Prime Ministers agreed on a joint approach during the refugee summit in La Valetta. However, at the meeting of the EU Ministers of the Interior, the Croatian government once again expressed outrage over the decision made there that no migrants should be returned to Greece and Hungary, where refugees were not being treated humanely. The Croatian side maintained that it was not right that Croatia should have to carry a heavier burden from a backlog of migrants because of its compassionate treatment of migrants, benefiting those two countries.

- 15 | Jutarnji List 2015: Croatia Gets EUR 16.4 Million of Emergency EC Funding for Migrant Crisis Management, 6 Nov 2015, in: Hina 2015: <http://tinyurl.com/p869el6> (accessed 11 Dec 2015).
- 16 | Hina 2015: Over 320,000 migrants pass through Croatia, 4 Nov 2015.
- 17 | HRT 2015: Slovenia's Constructing Razor Wire Fence on Croatian Border Raises Tensions, 11 Nov 2015, in: <http://tinyurl.com/ow2fncd> (accessed 11 Dec 2015).



Tovarnik, Croatia: Meanwhile, the situation in the country has somewhat eased. | Source: © Stoyan Nenov, Reuters.

Refugees as an Election Campaign Topic

When one considers that the refugee crisis reached a peak just when the election campaign in Croatia was heating up, it is no wonder that the Croatian government responded with extreme irritation to any measures (taken by neighbouring states) that could potentially worsen the situation on Croatian state territory in the short or medium term. The politicians were very much aware of the fact that the Croatian population, or the Croatian electorate, would bear in mind in its vote whether the social-democratic government would show itself capable of mastering the crisis. The issue of managing the refugee crisis had highlighted differences between the two large Croatian mainstream parties. The conservative *Hrvatska demokratska zajednica* (HDZ), in line with the Hungarian government, expressed its willingness to also deploy measures which were more resolute for securing the border, while the *Socijaldemokratska partija Hrvatske* (SDP), in line with the German government, vehemently rejected even the erection of border fences.¹⁸ The partly rather harsh responses by Croatian Prime Minister Milanovic (SDP), aimed at his counterparts Orban and Cerar and the criticism by the latter with respect to the supposed lack of cooperation with his country, will probably have been

18 | Wölfl, Adelheid 2015: Große Lager liegen in Kroatien etwa gleichauf, Der Standard, 3 Nov 2015, in: <http://derstandard.at/2000024960460/Die-grossen-Lager-liegen-in-Kroatien-etwa-gleichauf> (accessed 11 Dec 2015).

beneficial to the Croatian Prime Minister in the election campaign because there is not only resentment against Serbia in Croatia but also against Slovenia, which derives from Slovenia's conduct during the EU accession process, from decades of an unresolved

The stance of the HDZ in favour of a more heavy-handed approach to prevent migrants crossing the border illegally may not have brought it the additional votes it had hoped for.

maritime border conflict, and most recently from the *Pirangate* scandal, reaching a new climax in the recent dispute about the way to deal with the influx of migrants. The stance of the HDZ, which advocates for a more heavy-handed approach to prevent migrants crossing the border illegally, may not have brought it the additional votes it had hoped for. While the SDP government had succeeded in routing the wave of migrants through the country, largely unnoticed by the electorate, its compassionate approach obviously struck a chord with at least those sections of the population that had had first-hand experience of being driven from their homes and having to flee during the Balkan War (1991 to 1995). In combination, these two circumstances, the "patriotic" argument between the top SDP candidate with the representatives from the neighbouring states and the compassionate conduct towards the refugees, which was reminiscent of people's own past suffering, may ultimately have contributed to the positive election result of the SDP electoral alliance, which few had thought possible.

Migration and the Risk of Terror

The realisation, gained soon after the terror attacks of Paris, that at least one of the two attackers had been registered in the Croatian reception camp of Opatovac back on 8 October, reignited the debate about the risks of the Croatian refugee policy. It was obvious that such news would no doubt unnerve not only the citizens of Croatia and Slovenia but all countries in which migrants were (temporarily) accommodated.¹⁹

Although Croatia's President as well as the responsible ministers assured the public immediately that the security situation was considered unchanged as Croatia was not a target country for terrorism, security measures were significantly strengthened.²⁰ Slovenia also demonstrated disquiet and saw itself confirmed in its

19 | HRT 2015: Milanovic and Ostojic Assure Croatia on High Security Alert; Paris Suspect was at Opatovac, 14 Nov 2015, in: <http://tinyurl.com/qf6kyun> (accessed 11 Dec 2015).

20 | Vecernnji List 2015: Croatia Not Immune to Terrorist Violence but Controls the Security Situation, 16 Nov 2015, in: <http://tinyurl.com/oxrk4ew> (accessed 11 Dec 2015).

more restrictive stance on border questions; but the government once more explicitly stressed the temporary nature of its measures for securing the border and denied reports that there were plans to close the borders totally completely.²¹

The Risk of Border Closures

In both countries, fears then mounted that the Schengen regime may break down altogether and Germany could begin to restrict the number of refugees admitted to the country. Against this backdrop, the Croatian Minister of the Interior Ostojic then stressed that if Germany were to close its border Croatia could not accept any more refugees.²² Similar opinions were also voiced in the neighbouring countries. Of course they were all keen to indicate that they did not want to be caught by surprise by such a decision and to find themselves unexpectedly having to cope with an unacceptably large number of migrants on their own territory. Everybody was aware that if Germany were to take such a decision, all other countries along the Balkans route would immediately close their borders and not allow any migrants to be returned to them.

The fact that this was not mere buster was confirmed a day later, when Croatia refused to let 162 migrants, whom the Slovenian government were not willing to accept, return onto Croatian territory. This "incident" was caused by the preceding decision by the Slovenian government only to accept refugees from war zones in future and not to let any other migrants enter and travel through the country. Seeing that there were by then a total of 420,000 migrants to be dealt with, Croatia no longer felt it could accept further risks, particularly as the influx of refugees showed no sign of slowing, and giving way in this matter would no longer affect the outcome of the Croatian election.²³ This was followed by an incident in Sarajevo, which did not attract much attention from the international press, where an assassin murdered two Bosnian soldiers and then took his own life. He is said to have been a follower of radical Islamists, who have been causing concerns among the security services in Bosnia and the surrounding region

21 | Zekic, Branimir 2015: Slovenia Denies Plans to Close Border, but Fence on Slovenian-Croatian Border Remains, HRT, 16 Nov 2015, in: <http://tinyurl.com/qfvfnfs> (accessed 11 Dec 2015).

22 | Jutarnji List 2015: Ostojic on Current and Future Issues of Migrants Transiting Croatia to Other EU States, 17 Nov 2015, in: <http://tinyurl.com/q9g555n> (accessed 11 Dec 2015).

23 | HRT 2015: Croatia to Refuse Entry of Migrants Not from War-affected Countries, 19 Nov 2015, in: <http://tinyurl.com/pu33dfw> (accessed 11 Dec 2015).

for months.²⁴ In view of the steps taken by the Croatian SDP caretaker government, it was not surprising that Karamarko, the leader of the former Croatian opposition, noted that he had advocated a more restrictive stance on the border question all along and that one definitely had to make sure to register or keep tabs on all migrants to prevent “terrorists melting away into the streams of refugees”. During an extraordinary meeting of the justice and interior ministers in Brussels on 20 November, the introduction of a “Passenger Name Record Directive” (PNR) was then adopted, the legislative implementation of which should reduce the risk of terror, although it will pose greater administrative challenges to the police authorities of the affected countries. While this new legislation is mainly aimed at states with an external Schengen border, Croatia feels it is affected as well as it is seeking membership of the Schengen Area.²⁵ Croatian MEPs have expressed displeasure at the stance and criticism the Croatian SDP government has displayed towards the policy of Hungary and later on also Slovenia, which was mainly aimed at fulfilling the contractual obligations of member states of the Schengen Agreement.

Rapprochement between the Presidents

Developments took another turn during a meeting of the Croatian and Slovenian representatives ahead of the *Brdo-Brijuni Process* summit in Zagreb initiated by the countries’ presidents, which began on 22 November and covered the refugee crisis among other topics. During the preparatory meeting between the two presidents Pahor and Grabar Kitarovic, it was agreed that the refugee crisis was not a bilateral but a European problem and that the influx of refugees could only be controlled or curbed by means of a joint agreement of all the states involved. They both wished above all for stricter controls at the Turkish-Greek border in view of the increasing terror risk, with greater emphasis on the distinction between war refugees and economic migrants. Referring to the conflicts at the Slovenian-Croatian border, the Croatian President expressed her hope that nobody would sustain serious injury because of the barbed wire fence there, which she hoped had only been erected as a temporary measure. The Slovenian President Pahor, for his part, replied that Slovenia was taking its

24 | Šprajc, Zoran 2015: Ostojic on BH Killings; Assures of “Highest Level of Readiness”, RTL Televizija, 19 Nov 2015, in: <http://tinyurl.com/ob6njw6> (accessed 11 Dec 2015).

25 | Matkovic, Damir 2015: EU Interior and Justice Ministers Agree to Systematic Controls of EU External Borders, HRT, 20 Nov 2015, in: <http://tinyurl.com/p39qzdr> (accessed 11 Dec 2015).

obligations under the Schengen Agreement seriously and could only control the border effectively if they could come to a mutually acceptable agreement on the number of refugees and the border crossing modalities.²⁶ The fact that it had not been possible to overcome all animosities between the two countries was demonstrated by the accusations by the Croatian government that the neighbouring country was violating important articles of the agreement in respect to the above-mentioned arbitration process to resolve the Piran border dispute between the two countries. How the interaction between Slovenia and Croatia with respect to the refugee issue will develop remains to be seen; trust between the two countries has been seriously damaged, and in the light of the never-ending streams of migrants, the apprehension is mounting day by day.

HUNGARY

*Frank Spengler** / *Bence Bauer*** (Finalisation: 25 Nov 2015)

Dramatic images of people fleeing across the Mediterranean dominated international media and therefore also the political debate in Europe for a long time. While Hungarian politicians had sounded the alarm bells in Brussels very early on and warned of an impending wave of refugees crossing the country's southern borders, the European Union did not react to the problems created by the refugees travelling along the Balkans route until much later. When the situation took a dramatic turn for the worse in 2015, the Hungarian government decided to take unilateral action in order to stem the massive influx of illegal immigrants. The so-called Balkan Corridor is used predominantly by Syrians, Afghans, Iraqis as well as Africans. According to figures from the Hungarian police, 391,115 people had crossed the country's borders illegally between January and 21 November 2015, roughly ten times the number of the previous year. Initially, the refugees arrived via Serbia and after the construction of the border fortifications via Croatia, with close to 10,000 people entering every day by the late summer of 2015. By mid-October

The so-called Balkan Corridor is used predominantly by Syrians, Afghans, Iraqis as well as Africans.

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26 | Dnevnik 2015: Grabar-Kitarovic Meets Slovenian President Pahor in Ljubljana to Discuss Brdo-Brijuni, 21 Nov 2015, in: <http://tinyurl.com/qhduch6> (accessed 11 Dec 2015).

of this year, some 176,000 asylum applications had been submitted in Hungary. In over 80,000 cases, the process was halted after the applicants could no longer be traced. 2,140 applications were rejected, while a total of 344 applications were approved. Only approved asylum seekers can move freely in the Schengen Area, and the Hungarian security forces made consistent efforts to prevent migrants lacking legal travel documents from moving on to the best of their ability until the beginning of September. This earned the country praise from many political decision-makers, but there was precious little practical support for this contractually agreed approach. The migrants, on the other hand, reacted to having their progress blocked so close to their destination after their lengthy journey with total incomprehension and very little willingness to cooperate.



Hungarian border: Over the course of the summer, the Hungarian government has secured the country's southern border via erection of a fence. | Source: © Dado Ruvic, Reuters.

Refugee Issue in Hungary: Public Sphere and Politics

In Hungary, the topic of migration dominated media reporting outlets for several months. But the problems are predominantly perceived under the aspect of illegal immigration. The aspect of the integration of refugees did not play a great role in public perception as Hungary was mainly a transit and not a destination

country for the migrants. The government's consistent stance on the migration issue enjoys broad support among the population, and Hungarian society also displays a high level of compassion. The opposition parties demonstrate an ambivalent stance. The right-wing extremist *Jobbik* party is calling for even stricter action against illegal immigration and would like to see the country sealed off more effectively. The socialists used to direct their criticism less against government measures than against the manner of their implementation. The green *Lehet Más a Politika* (LMP) demands above all a stronger joint European approach.

As far back as the spring of 2015, the Hungarian government prepared the population for more forceful action against illegal immigration. In April, it initiated a "National Consultation" on the topic of migration and terrorism. Eight million questionnaires were sent to adult citizens, and approximately one million of these were returned by July. The idea was that future Hungarian policy should be informed by the results of this consultation. Most respondents agreed with the statement that the immigrants would threaten Hungarian jobs and that they should look after themselves. The majority also thought Brussels politics had failed and demanded stricter legislation in Hungary in this context. The international press described the questions as suggestive and criticised the survey heavily.

This snapshot of the mood among the population is confirmed by current opinion polls. According to a survey by the Századvég Foundation published in mid-November, 75 per cent of Hungarians support the strengthening of the border fortifications in the south of the country. 65 per cent disagree with a quota system for the distribution of refugees in Europe. The opinion of the Hungarian population is also shared by the majority of people in other Central European states. The countries see their membership of the Schengen Area as a major achievement of their accession to the EU that is linked to concrete consequences. The open Schengen borders are therefore not being put into question. The external Schengen borders (e.g. with Serbia) are a different matter. There is no question within the region that an inadequately secured external Schengen border will be detrimental to the freedom of movement within the EU in the long term. That is something everyone is keen to avoid at all cost.

In the early summer of 2015, the government consultation was complemented by a very controversial, large-scale poster campaign ("You must not take away jobs from Hungarians" or "You must respect our culture"). While these warnings were directed at human traffickers and refugees, they were worded in Hungarian and were not only put up near the country's border. Many of the posters were overpainted or destroyed by people opposing the campaign, and "counter-posters" were put up later on. At the beginning of November, the government party *Fidesz* further began a campaign collecting signatures to protest against a potential EU quota system under the motto "Let us protect the country", which was signed by as many as 750,000 people within just three weeks.

In mid-November 2015, the Hungarian National Assembly called upon the government by a majority decision to reject the quota system for the distribution of the refugees, which had been pushed through by the EU Ministers of the Interior with a qualified majority. Justice Minister László Trócsányi announced that Hungary would file an action against the ministers' decision at the European Court of Justice in December, the reason being that the quota system violated the country's sovereignty and had no legal legitimacy.

The question of migration to and integration into Germany is the subject of intense debate in the Hungarian media and among the public. Germany's generous social benefits in conjunction with the lengthy legal process up to the potential deportation of failed asylum seekers are occasionally mentioned and criticised. The generous German social benefits exceed average Hungarian wages. They are seen as part of the cause of the wave of migration, even if this is not explicitly stated. Germany's welcoming culture meets with incomprehension in Hungary. There is little in the way of a comparable fundamental stance towards the migrants present in Hungary. To the majority of the population, the massively increasing refugee numbers seem more threatening, which has been confirmed by the National Consultation and the surveys.

Securing the Hungarian Border in the South

As far back as mid-June, the Hungarian government announced that there were plans to build a 175 kilometer-long fence along the border to Serbia to curb illegal crossings. "We are also doing this for Germany", said the influential *Fidesz* politician Gergely

Gulyás in a statement to *Frankfurter Allgemeine Sonntagszeitung* on 30 August 2015. Initially, the border was not hermetically sealed and guarded. But when the refugee numbers at the Hungarian-Serbian border, which was then only open at a railway crossing point, reached a new peak of nearly 10,000 people a day in mid-September, this gap was closed as well. Since then, people have only been able to submit asylum applications at the official border crossing points, in the so-called transit zones. After some violent scenes near Röszke near the Hungarian-Serbian border on 16 September 2015, the Balkans route changed direction towards Croatia virtually overnight. The Croatian security forces could not cope with the wave of refugees and took them to the Hungarian-Croatian border in buses and trains. From there, they were directed straight to the Austrian border. The Hungarian authorities decided not to register the refugees, maintaining that this should have already been done in Greece or Croatia. This situation did not change until the border fortifications at the Hungarian-Croatian border were completed as well on 17 October. While between 4,000 and 10,000 refugees arrived every day up to and including 16 October (reaching a peak on 23 September of 10,046 people), the number on the key date of 17 October was a mere 870, decreasing to just a few dozen a day thereafter.

These measures for securing the borders were complemented by an amendment to the penal code valid from 15 September, which made the illegal crossing of the border and damaging the border fence criminal acts. According to police statements, corresponding legal proceedings against 962 people had been initiated by 21 November. The efforts by the Hungarian government to prevent people from crossing the border illegally are supported by the Visegrád countries in a spirit of solidarity. Poland, the Czech Republic and Slovakia sent police personnel and supplied appropriate equipment. Hungary in turn supports Slovenia with security personnel and equipment for refugee accommodation. Macedonia has also been promised material support by Hungary. Since the November attacks in Paris, the Hungarian government has increasingly been drawing attention to the danger that is to be expected from the ongoing migration, entailing a rise in terrorism and criminality in Europe. Hungary's political leadership believes the recent events in France and Belgium are proof that it is justified in its rejection of immigration and in its warning of the emergence of parallel communities.

The efforts by the Hungarian government to prevent people crossing the border illegally are supported by the Visegrád Group in a spirit of solidarity.

A Question of European Identity

While the purpose of the construction of the border fortifications is first and foremost to retain law and order, the installations also have a symbolic impact that should not be underestimated. They are to signal that the government is willing and able to defend Hungary's sovereignty and the country's identity as well as security in Europe. Prime Minister Viktor Orbán has been drawing attention to the serious consequences of the impending wave of refugees for quite some time in numerous speeches and statements, thereby airing the topic in public. One of his statements drew criticism from the international media back in January 2015, when he made some comments on the occasion of the march to commemorate the victims of the Islamist terror attacks on members of the editorial team of the satirical magazine *Charlie Hebdo* in Paris. On that occasion, he explained to Hungarian television that "economic migration is a bad thing" and called for immigration to be stopped. Hungary did not want to become a multicultural society, said the Prime Minister. He repeatedly asserted that it was not up to Hungary to pass judgment on the immigration policy of other countries with their multicultural societies. But Hungary had no intention of going down that road. In the summer of 2015 he explained that the migration was a threat to "Europe, the way of life of European citizens, European values". It was ultimately a question of whether the Europe we know would survive. "We want Europe to belong to the Europeans", said the Prime Minister. The statements made by Viktor Orbán draw attention to the Central European perspective on the migration issue. Not having had either a significant immigration experience, or a colonial history with related intercultural conflicts, the societies of Eastern and Central Europe have undergone different developments than those of the Western European states, which have been destination countries for migrants for decades. People in Central and Eastern Europe do not want to become destination countries and consequently multicultural societies, but retain their own culture and identity as much as possible.

BULGARIA

*Dr. Marco Arndt** / *Borislav Wankow*** (Finalisation: 27 Nov 2015)

For the first time in its recent history Bulgaria finds itself facing a flood of refugees as a result of the crisis in Syria and Iraq. This has been exacerbated by the fact that its border is also an EU external border, though Bulgaria is not yet part of the Schengen area. Since then the issue of migration has become a hot topic in the Bulgarian media and public debate.

Refugees and economic migrants are coming to Bulgaria – often illegally – particularly across the border with Turkey, but also to some extent across the Black Sea. Some remain in the country (generally unwillingly) as most of them seek to get to Western Europe, particularly Germany.



Pizza dinner: Even NGOs and private individuals are involved in caring for refugees; here a family from Syria. | Source: © Stoyan Nenov, Reuters.

Bulgaria is currently completing a 33-kilometer-long fence on the border with Turkey in order to prevent illegal immigration. But this fence is very controversial, both morally and legally; the EU Commission and UN have both spoken out in this respect. In November 2014 a group of some 100 representatives of German human rights organisations visited the site to protest the fence. Indeed, it

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only protects a small section of the 273-kilometer border between Bulgaria and Turkey. 148 kilometers of this is a land border, while the remaining 125 kilometers consists of non-navigable rivers.

Over the last 25 years 500 to 3,000 refugees a year have sought asylum in Bulgaria. This figure soared in 2013 with 7,144 applications, and in 2014 the number of applicants exceeded 11,000. During the first ten months of 2015, 16,283 refugees have arrived in Bulgaria: 65 per cent are men, 25 per cent women and ten per cent children. Most asylum seekers come from Syria, followed by Iraq and Afghanistan. About half of these refugees are currently still living in reception centers, which are operating at around 50 per cent capacity.

On 15 October 2015 a tragedy occurred when a group of Afghan refugees were trying to illegally cross the Turkey-Bulgaria border. According to Bulgaria's Interior Ministry, they failed to follow the orders of Bulgarian border police. A police officer was forced to fire a warning shot, which resulted in a refugee being killed by a ricochet.

Over recent months the majority of refugees have been arriving via the "Balkan route" (Turkey-Greece-Macedonia-Serbia-Central European EU member states). According to media reports, refugees are taking this route and avoiding Bulgaria because it is much cheaper than making an illegal crossing of the Bulgarian border. In addition, the Dublin Regulation means refugees must register in Bulgaria, which makes it more difficult for them to move on to other, more attractive EU countries.

With reference to the ongoing talks on Bulgaria's accession to the Schengen area, Prime Minister Borissov stated that his country is investing heavily in protecting its external EU border. He believes the crisis can only be resolved in the long term if security zones are created in Syria and Turkey. He said he has made these proposals in writing to the leaders of all European institutions and the government heads of EU states.

Bulgaria's Interior Minister Rumiana Bachvarova said steps would be taken to handle the possibility of a flood of migrants, as has been the case in Macedonia. But she feels this is an unlikely scenario, because the Bulgarian borders are well guarded. Foreign Minister Daniel Mitov said the majority of refugees are in fact economic migrants, so they must be handled differently. According to

him, Bulgaria's borders are better guarded than those of Greece, so the risk for Bulgaria is lower.

The majority of political parties are trying to adopt a balanced approach towards the problem. Emil Radev, MEP for the largest of the ruling parties GERB (EPP) called on the EU Commission to develop a binding formula for the allocation of refugees within the EU on the basis of each country's GDP, economic development and levels of unemployment. The Reformist Bloc MEP Svetoslav Malinov suggested that Bulgaria should be mentioned in the same breath as Italy and Greece as countries that are currently subject to a huge amount of migration pressure. The government takes a similar view, but also believes countries such as Bulgaria that are subject to this kind of constant pressure should be given lower admission quotas than landlocked EU states. The socialist MEP Iliana Iotova has adopted a similar position.

The only party whose rhetoric is decidedly anti-refugee is the opposition nationalist Ataka party. It is calling for the border with Turkey to be closed, describes refugees as "Jihadists" and a "private Muslim army that is currently being trained in camps on the Turkey-Syria border" and warns against the "Islamisation" of Bulgaria.

How Germany is dealing with the issue of migration is a hot topic in the Bulgarian media. There have been reports about Germany's decision not to return Syrian refugees to the first country where they entered the EU. Chancellor Angela Merkel's words in this respect have been extensively quoted.

The Balkans and Bulgaria are ethnically diverse, so Bulgarians are used to co-existing with people from different ethnic groups and faiths. Politicians and analysts have often highlighted the Bulgarian people's traditional values of tolerance and hospitality. But the picture is more complex. Migrants from Europe, and particularly Western Europe, are considered desirable and made welcome. But this does not apply to migrants from other cultures, particularly Muslims. Some sections of the population have strong reservations. As a result of the Ottoman Empire, approximately twelve per cent of Bulgaria's population is Muslim (ethnic Turks), and it also has a large Roma minority, so it is not uncommon for people to fear being overrun by Muslim migrants.

Migrants from Europe, and particularly Western Europe, are considered desirable and made welcome. But this does not apply to migrants from other cultures, particularly Muslims.

In April 2015 *Pro Asyl* published a report on the refugee problem in Bulgaria. It strongly criticised the behaviour of the Bulgarian authorities and some sections of the population towards the refugees. It claimed refugees were being subjected to human rights violations, attacks, humiliation and abuse, particularly at the hands of officials. No doubt this is the case to some extent, but we cannot say this is a systematic or government-mandated practice.

RUSSIA

*Claudia Crawford** / *Dimitrie Weigel*** (Finalisation: 29 Nov 2015)

Public perception of the topic of migration as reflected in the media

The European refugee crisis has attracted a great deal of attention in the Russian media, not least because Russia has itself had to deal with large numbers of refugees in recent years, particularly from the Donbass region. The number of Ukrainian refugees over the last twelve months is estimated at one million,²⁷ although the numbers have been dwindling and are now probably closer to

500,000. It is also expected that one million refugees will have arrived in Germany by the end of 2015.²⁸ At first glance, it might seem that the European Union and Russia are currently in similar situations and so could learn

Key media outlets with close ties to the Kremlin have accused the West of destabilising the Middle East and North Africa.

from each other. However, the Russian media believe there are two significant differences between the refugee problem in the Russian Federation and the situation in the European Union. They think the biggest difference lies in the reasons why the refugees left home in the first place. Key media outlets with close ties to the Kremlin have accused the West of destabilising the Middle

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27 | Diveeva, Julia 2015: *Ukrainskij Krizis* (The Ukraine Crisis), *Komsomolskaya Pravda*, 1 Jun 2015, in: <http://kp.ru/online/news/2071099> (accessed 23 Nov 2015).

28 | Interfax 2015: *Minfin Germanii ozhidaet defitsita budzheta iz-za zatrat na bezhentsjev* (German Ministry of Finance expects a budget deficit due to expenses on refugees), *Vedomosti*, 22 Oct 2015, in: <http://vedomosti.ru/economics/news/2015/10/22/613899-germanii-defitsita-byudzheta-bezhentsjev> (accessed 25 Nov 2015).

East and North Africa.²⁹ Valentin Fedorov, Deputy Director of the Europe Institute of the Russian Academy of Sciences, has even suggested that the situation in Europe amounts to payback on the part of formerly oppressed peoples: "What we are seeing in Europe at the moment is effectively payback by the former colonies. They are now starting to cause problems for the developed countries. The West has brought this upon itself."³⁰ According to the country's public broadcaster, this is the price you pay for supporting regime change and intervention.³¹ In contrast, Russian media outlets with close ties to the Kremlin do not view Russia as the cause of the crisis in Ukraine, but rather as helpful neighbours who are willing to accept refugees from the Donbass Region out of a sense of solidarity.

The second significant difference is in the origins of the refugees. Russians and Ukrainians have much in common as a result of their history and their closeness in terms of religion, culture and language. This is why the integration of Ukrainians does not present a cultural problem. If there are problems, they are mostly of an economic nature and can be blamed on the currently restricted potential of the Russian economy. Russia has to deal with very few migrants from other countries. According to the head of the Federal Migration Service, Konstantin Romodanovsky, 2,000 Syrian refugees are currently seeking asylum in Russia.³²

Public perception of the wave of refugees heading for Europe as reflected in the media

The migration of refugees to the European Union is getting plenty of coverage in the Russian media. The main focus of much of the reporting is on the religious and cultural differences between the refugees and the European societies that are taking them in.

29 | Brajnin, Kirill 2015: V Evropu begut te, komu luchshuju dolu ustroili na rodine tsvetnymi revolyutsiyami i perevorotami (Those flee to Europe, on whom colored revolutions and changes of government bestowed a "better life" in their home countries), Pervij Kanal (Channel One Russia), 26 Apr 2015, in: <http://1tv.ru/news/world/282636> (accessed 25 Nov 2015).

30 | Baldina, Anna 2015: Istoricheskaya Mest byvshikh kolonij: Evropu razdelyayut Migranty (Historical revenge of the former colonies: Refugees divide Europe), Vesti, 19 Aug 2015, in: <http://vesti.ru/doc.html?id=2654362> (accessed 23 Nov 2015).

31 | Brajnin, n. 29.

32 | REGNUM 2015: Vremennoe ubezhische v Rossii poluchili okolo 2 tys. bezhentshev iz Sirii (About two thousand refugees received temporary asylum in Russia), REGNUM, 26 Nov 2015, in: <http://regnum.ru/news/society/2021076.html> (accessed 28 Nov 2015).

Russia Today suggested that the so-called Islamic State was threatening Europe with a million refugees, whose numbers include radical Islamists.

The resulting diversity is often portrayed in a negative light and media outlets with close ties to the Kremlin often try to put the idea in people's minds that there is a clear link between this new wave of migrants and the problem of Islamist terrorism.³³ In doing so, they are keen to point to the attack on *Charlie Hebdo* and the attacks in Paris on the night of 13 to 14 November 2015.³⁴ As early as February this year, Russia Today suggested that the so-called Islamic State (IS) was threatening Europe with a million refugees, whose numbers include radical Islamists.³⁵ Proponents of this view feel they have been proven right by the recent events in Paris. Some newspapers have suggested that right-wing parties are likely to gain in popularity as a result of the attacks.³⁶

In addition to the growing risk of Islamist terror attacks, which has resulted in heightened levels of security in France and Belgium in particular, Europeans also have to deal with financial difficulties and changes to their normal daily lives. According to the Russian paper *Nezavisimaya Gazeta*, the Schengen Agreement, which guarantees freedom of movement throughout most of the European Union, could now be at risk.³⁷

After the attacks in Paris there was something of a shift in the tone of comments coming out of Russia, initially from President Putin himself, and then a day later from the media. The tragedy in Paris itself was greeted with a mixture of solidarity and compassion. In addition to offering its deepest sympathy, Russia also called for more cooperation in the fight against terrorism and for joint international efforts – something Russia had been suggesting for some time. The West should finally set aside its differences with Russia. Alexei Arbatov, one of the experts at the Carnegie

33 | Guschina, Anna 2015: Bryussel' I Berlin grozhat otmenit' Shengen (Brussels and Berlin threaten to abolish the Schengen area), *Nezavisimaya Gazeta*, 24 Aug 2015, in: http://www.ng.ru/world/2015-08-24/1_shengen.html (accessed 24 Nov 2015).

34 | Chernenko, Elena / Tikhonov, Dmitriy / Shevchenko, Kseniya / Pavlov, Aleksandr / Zhalin, Yuriy / Gorshkova, Anastasiya / Tarkhanov, Alexej / Zlotnokova, Daria 2015: Eto akt vojny (This is an act of war), *Kommersant*, 14 Nov 2015, in: <http://kommersant.ru/doc/2854642> (accessed 25 Nov 2015).

35 | Russia Today 2015: "Islamskoe Gosudarstvo" ugrozhaet navodnit' Evropu bezhentsami (Islamic State threatens to flood Europe with refugees), *Russia Today*, 20 Feb 2015, in: <http://russian.rt.com/article/75395> (accessed 24 Nov 2015).

36 | Cf. for example *Vedomosti* and *Kommersant* on 16 Nov.

37 | Guschina, n. 33.

Moscow Center, suggested that the attacks in Paris would result in relations between Russia and the West shifting towards greater mutual understanding and willingness to cooperate.³⁸

Russia has made it clear that it is interested in a joint approach to the problems in Syria and that it wants more cooperation in this area.

Russia has made it clear that it is interested in a joint approach to the problems in Syria and that it wants more cooperation in this area.³⁹ As a result of the Islamist attacks in Paris⁴⁰ and the downing⁴¹ of a Russian plane carrying predominantly Russian passengers flying from Egypt to Saint Petersburg, there has already been a significant increase in cooperation between the two countries over military activities in Syria. France has recognised that Islamist terrorism is a common threat and has therefore indicated its willingness to cooperate with Russia.⁴²

It is worth referencing a new survey conducted on the issue of combating terrorism by the well-known Levada Center, an independent polling and research organisation. In response to recent terrorist attacks, 44 per cent of Russians say they are in favour of intensifying the fight against IS, while 41 per cent want to see a tightening of immigration policies and 39 per cent favour a strengthening of special powers. 26 per cent would like to see more efforts to combat terrorism in cooperation with the USA and Europe, while 21 per cent are in favour of independent military operations, and 28 per cent believe Russia should focus its efforts on protecting its own people on Russian territory. Only 13 per cent were in favour of seeking a diplomatic solution.⁴³

38 | Ivanov, Maxim / Samokhina, Sofya / Safronov, Ivan 2015 : Zapadu napomnili ob obschej ugroze (The West was reminded of the common threat), Kommersant, 16 Nov 2015, in: <http://kommersant.ru/doc/2854932> (accessed 26 Nov 2015).

39 | Saltykov, Evgenij 2015: Rossiya predlagaet SSHA vmeste spasat' letchikov v Sirii (Russia proposes to the US to jointly save pilots in Syria), Vesti, 13 Oct 2015, in: <http://vesti.ru/doc.html?id=2675001> (accessed 25 Nov 2015).

40 | Chernenko et al., n. 34.

41 | RIA novosti 2015: MID RF: terakt na bortu A321, veroyatno, mest' IG za Siriyu (Russian Foreign Ministry: The attack on flight A321 was probably a revenge of ISIS for Syria), RIA novosti, 20 Nov 2015, in: <http://ria.ru/world/20151120/1324637412.html> (accessed 25 Nov 2015).

42 | Artemjev, Alexandr / Makarenko, Georgij 2015: Bol'shaya koalitsiya: udastsya li Rossii i Zapadu stat' sojuznikami v Sirii (Great Coalition: Can Russia and the West become allies in Syria?), RBK, 18 Nov 2015, in: <http://rbc.ru/politics/18/11/2015/564c49b89a7947fe0d9a34d7> (accessed 27 Nov 2015).

43 | Ivanov, Maxim 2015: Grazhdane za radikalnoe reshenie problem terrorizma (Citizens are for a radical solution of the terrorism problem), 26 Nov 2015, in: <http://kommersant.ru/doc/2862403> (accessed 26 Nov 2015) and in: <http://levada.ru/2015/11/26/grazhdane-za-radikalnoe-reshenie-problem-terrorizma> (accessed 30 Nov 2015).



Stavropol: While Russia accuses the West of being responsible for the European refugee crisis, it presents itself in Moscow as a helper to people fleeing the Donbass. | Source: © Eduard Korniyenko, Retors.

How political parties perceive the issue

The situation in Europe is attracting a great deal of attention from populist politicians in particular. Here too, the focus is on cultural differences, which are viewed as a problem. The leader of the right-wing populist LDPR, Vladimir Wolfovich Zhirinovskiy, has talked of the collapse of Europe and says that Russia is ready to take in the French people and save them from being ruled by immigrants.⁴⁴ He suggested that if the European Union insisted on allocating refugees to countries on the basis of quotas, it would actually be exerting more control over its member states than was the case in the former Soviet Union.⁴⁵ However, in the wake of the Paris attacks most leading politicians see the risk of terrorism and the need to work with the West as a priority. Prime Minister Medvedev has spoken of the importance of this kind of cooperation and suggested that the country could pay a high price for attempting to go it alone.⁴⁶

44 | Chinkova, Elena 2015: Zhirinovskij predlozhit evakuirovat' vsekh korennikh frantsuzov v Rossiyu (Zhirinovskij proposed to evacuate all French citizens to Russia), *Komsomol'skaya Pravda*, 14 Nov 2015, in: <http://kp.ru/daily/26458.7/3328405> (accessed 25 Nov 2015).

45 | Mix Media Group 2015: Zhirinovskij: Evrosojuz otdal Latviyu afrikantsam (Zhirinovskij: European Union gave Latvia to Africans), Mix Media Group, 9 Jun 2015, in: <http://www.mixnews.lv/ru/politics/news/2015-06-09/178005> (accessed 22 Nov 2015).

46 | RBK 2015: Medvedev obvinil Zapad v blizorukosti za nezhelanie sotrudnichat' s Rossiej (Medvedev accused the West for be unwilling to cooperate with Russia), RBK, 18 Nov 2015, in: <http://rbc.ru/rbcfrenews/564bcd169a7947ac48494253> (accessed 27 Nov 2015).

Perceptions of how Germany is handling migration and integration

Media with close ties to the Kremlin and those that take a more critical stance believe Germany is bearing the brunt of the migration crisis and is meeting with much opposition from East European countries, particularly on the issue of allocating refugees on the basis of quotas.⁴⁷ However, Germany is also seen as the key player, the one country that has, by seeking compromises, really taken the initiative on the issue,⁴⁸ and which therefore has the best chance of seeing an outcome that best reflects its own interests.⁴⁹

However, the media are also quick to point out that there are divisions within German society as a whole when it comes to the refugee question. The protests in Heidenau, which resulted in the use of tear gas, were seen as clear evidence of just how deep these divisions really are.⁵⁰

The *Echo of Moscow* radio station, which tends to be critical of the Kremlin, reported on the German Chancellor's visit to the scene of the protests in Heidenau, where she was booed and jeered by local people.⁵¹ On 17 October, Henriette Reker was attacked with a knife the day before she was elected Mayor of Cologne, which was seen as evidence of the insecurity felt by many sections of the population with regard to refugee policy.⁵²

47 | Baldina, n. 30.

48 | Dobrov, Dmitrij 2015: Germaniya: chto delat' s bezhentsami (Germany: what to do with refugees), INOSMI, 23 Aug 2015, in: http://inosmi.ru/op_ed/20150823/229806347.html (accessed 23 Nov 2015).

49 | RIA 2015: Merkel obeschala obsuzhdat' "chestnoe raspredelenie" bezhentsev v ES (Merkel promised to discuss a "fair distribution" of the refugees in the EU), RIA novosti, 27 Aug 2015, in: <http://ria.ru/world/20150827/1211358514.html> (accessed 23 Nov 2015).

50 | Kommersant 2015: V Germanii proizoshli stolkoveniya mezhdru protivnikami priema immigrantov i poliziej (Clashes in Germany between adversaries of the refugee absorption/politics and the police), Kommersant, 22 Aug 2015, in: <http://kommersant.ru/doc/2794828> (accessed 24 Nov 2015).

51 | Echo Moskvy 2015: Kantslera Germanii Angela Merkel osvistali v lagere dlya bezhentsev v Hajdenau, gde proizoshli besporyadki (Chancellor Angela Merkel was hooted at at the refugee camp in Heidenau, where riots took place), Echo Moskvy, 26 Aug 2015, in: <http://echo.msk.ru/news/1610648-echo.html> (accessed 23 Nov 2015).

52 | Korostikov, Mikhail 2015: Burgomistrom Kyolna stala zhertva bor'by za prava bezhentsev (Victim of fight for refugee's rights became new Mayor in Cologne), 19 Oct 2015, in: <http://kommersant.ru/doc/2835604> (accessed 25 Nov 2015).

The Russian daily newspaper *Kommersant* suggested that Germany is now paying the price for a level of tolerance that is not necessarily shared in German society. This excessive tolerance is actually seen as a potential obstacle to integration into German society.

Berlin's Kreuzberg district is seen as a good example of the failure of integration and the development of a parallel society.⁵³ There has been a general increase in negative attitudes towards refugees within German society and these attitudes have started to become almost socially acceptable and no longer limited to marginal movements.⁵⁴ Some commentators point out that demographic change means that Germany actually needs more young workers, but state that the majority of refugees are only interested in getting financial support from the German state and are not prepared to conform to European standards of behaviour.⁵⁵ However the principle of inclusivity, which the German people were happy to embrace after the war, should ensure that the majority of people will still be prepared to accept the influx of more foreigners.⁵⁶

53 | Pankratov, Sergej 2015: Kuda bezhat' ot bezhentssev? (Where to flee from the refugees?), 24 Aug 2015, in: <http://kommersant.ru/doc/2790194> (accessed 24 Aug 2015).

54 | Ibid.

55 | Dobrov, n. 48.

56 | Korostikov, n. 52.

FRANCE: CHALLENGES AND CRISES

Nino Galetti

“La France est en guerre” – “France is at war”. This is how President François Hollande began his address to Congress, a joint sitting of the *Assemblée Nationale* and the *Sénat*. Just three days earlier, 130 people had been murdered and hundreds more injured during terrorist attacks in Paris. The terror attacks of 13 November 2015 have changed France’s political agenda. In the public debate, criticism of the government’s economic and labour market policies have now been ousted by the issue of security. According to President Hollande, security is now more important than economic stability. At the same time, Germany’s closest ally is facing some major economic challenges: government debt is growing, the economy is stagnating and unemployment is on the rise.



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Although France was not as badly hit by the effects of the 2008 financial crisis as Spain, Ireland and Greece it has still suffered much more than Germany. Of course France is one of the world’s leading industrialised nations and plays a leading role in international politics and the global economy. It is home to many companies that are market leaders in their fields, such as energy, aerospace and pharmaceuticals. But in recent years French companies have been struggling to maintain their global position, and the market share of French products is shrinking. In some sectors, France’s global market share has halved since the fall of the Iron Curtain. France has below-average representation in the world’s growing markets.

The impact of the financial crisis and a reluctance to implement long-overdue structural reforms have only served to exacerbate this trend. Compared to Germany, France is falling ever further behind.

ECONOMY IN CRISIS

Since the start of the financial crisis, France's national debt has grown from 65 per cent to 94 per cent. The country's deficit is averaging four to five per cent of GDP, well above the three per cent figure specified in the Maastricht criteria. On the heels of President Nicolas Sarkozy's plan to cut the deficit to below three per cent by 2013, the French Socialist-led government shifted the target date to 2015 and then 2017. But in his speech to Congress three days after the 13 November attacks, President Hollande also gave up on this aim. Now security is more important than economic stability. Fighting terrorism costs money. But money is a somewhat scarce commodity in France at the moment.



On the barricades: French pharmacists protested in September 2014 against government plans to deregulate the pharmacy market, as here in Nantes. | Source: © Stephane Mahe, Reuters.

Economic growth is hovering steadily around zero. While unemployment in Germany has fallen to a historic low, the French government's various employment programs in recent years have had little success in reviving the labour market. In the summer of 2015 over 3.5 million people were unemployed, representing more than ten per cent of the workforce. This is almost twice the unemployment rate in Germany. And among young people under 25, the rate is close to 25 per cent.

The French economy is not as dynamic as it could be. At the turn of the millennium, unit labour costs were lower in France than in Germany, but today they are 20 per cent higher. One reason for this is French labour laws: the standard working week is 35 hours and the statutory minimum wage is relatively high at 9.20 euros per hour. In recent years, wage increases in

France have outstripped those of their European neighbours. Tax and social security contributions are high and there are strict laws to protect employees against dismissal. Large companies have been able to circumvent these conditions by shifting their production

Large companies have been able to circumvent the administrative and regulatory obstacles by shifting their production abroad, but small and medium-sized companies have been left to face these challenges.

abroad, but small and medium-sized companies have been left to face these myriad administrative and regulatory obstacles. As a result, employers are reluctant to take on new staff. All this means that French-manufactured products have become more expensive and France now has a weaker position in global markets.

Clearly France has to respond to these developments. At the last presidential and parliamentary elections, large sections of the French public demonstrated a desire for their country to be governed with a steady hand that would build the economy while retaining the social model. This is one of the reasons François Hollande and his Socialist Party emerged victorious from the 2012 elections.

POLITICS IN CRISIS

François Hollande has been at the helm since May 2012. He was elected president in the second round with a small majority, winning 51.6 per cent of the vote. He was supported by an alliance of Socialists, Greens and Communists and by many voters from the political center who were keen to keep Nicolas Sarkozy from winning a second term.

During the election campaign, François Hollande tried to put most of the blame for the crisis in France and Europe on President Sarkozy's failed policies. He claimed that Sarkozy's reforms and austerity policies had worsened the crisis rather than resolving it and prevented growth rather than promoting it. Hollande's proposal was that the state should not pursue austerity measures in the current situation but stimulate economic growth through broad programs for economic development and employment.



President Hollande: During the election campaign he had claimed that the crisis in France and Europe was a result of the failed policies of his predecessor Sarkozy. | Source: © Philippe Wojazer, Reuters.

As soon as he took office, Hollande launched a number of initiatives in this respect. He introduced a “tax on the rich”, imposing a 75 per cent tax rate on people with incomes in excess of one million euros. He lowered the retirement age from 62 to 60. He increased the minimum wage. He reinstated taxation on overtime earnings. But he did not dare to tackle France’s generous welfare system, rigid labour laws and bloated public service.

THE POTENTIAL OF A EUROPEAN ECONOMIC GOVERNMENT

During his election campaign, President Hollande liked to portray himself as a political student of former Commission President Jacques Delors. But since taking office in May 2012 few of his policies have given the impression that he has his own ideas for steering the future of the European Union and the euro zone. At first he sought to distance himself from his predecessor, Nicolas Sarkozy, so he spoke out against the austerity policies that are largely being driven forward by Germany. He was keen to renegotiate the rules for maintaining a balanced national budget, which set him on a collision course with German Chancellor Angela Merkel. This inevitably led to problems between Paris and Berlin and cast a shadow over German-French relations that lingered for some time after he took office.

In May 2013 Hollande proposed the creation of an economic government for the euro zone as the next step towards European integration and political union. This was by no means a new idea, as it had already been supported by the French during the negotiations on a common European currency as part of the Maastricht Treaty. President Sarkozy returned to this idea with the onset of the financial crisis. And now Hollande was proposing that the economic, fiscal and welfare policies of the euro zone countries should be coordinated by a full-time, elected president and a cabinet that should meet on a monthly basis. Legislative oversight would be the remit of a separate parliamentary chamber in addition to the existing European Parliament.

The aim of this proposed “economic government” was to harmonise the economic and labour market policies of individual EU member states. The community principle would be applied to a policy area that it was sensible to govern in a collective way after the introduction of the euro. Along with implementing rigorous economic measures, an economic government could also take a targeted approach to combating unemployment in Europe.

This kind of “economic government” would also act as a political counterweight to the independent, supranational European Central Bank (ECB). Such an institution would provide the individual member states with greater policy-making powers. But it would also have the authority to issue directives that the ECB and the governments of euro zone countries would have to follow. Many countries, and Germany in particular, have no interest in this. This was one of the main reasons behind the German government’s lukewarm reaction to the proposal.

Many countries, and Germany in particular, have no interest in an “economic government”. This was one of the main reasons behind the German government’s lukewarm reaction to the French proposal.

President Hollande’s ambitious proposal failed to build any lasting momentum because of this lack of enthusiasm on the part of his European partners. At the same time it is becoming ever clearer that the economic policies of Hollande and his government are not working and that France’s economy is lagging behind countries such as Germany. Germany is currently doing much better in many areas, such as fighting unemployment and reducing the national debt.

Germany's strong position also means France is in danger of seeing its role diminish still further. This is also a source of some frustration, as France has traditionally considered itself to be a leader in Europe and a vital link between the continent's north and south. However, the French president has not allowed himself to be drawn into creating a southern European counterweight to the north-east part of the European Union that is led by Germany. Early in 2015, Hollande rejected the attempt made by newly elected Greek Prime Minister Alexis Tsipras to forge such an axis against Berlin. Paris is in no doubt that close relations between France and Germany provide the foundations for a successful European Union.

Many French people wish the German government would display more willingness to compromise. This last erupted in July 2015 when senior French politicians publicly voiced strong criticism of Germany.

But Germany's tough and at times rigid approach is not always considered to be helpful. Many French people wish the German government would display more willingness to compromise. This last erupted in July 2015

when senior French politicians publicly voiced strong criticism of Germany's behaviour during talks on whether Greece should remain in the euro zone. And almost 15 years after the introduction of the common currency, Germany and France still hold very different views on financial policy. The idea of emphasising distributive justice and increasing purchasing power continues to be popular among left-wingers in the ruling *Parti Socialiste*. In contrast, the more centrist Socialists are keen to make the French economy more competitive. The ruling party is split into two camps, and their views on how to overcome the crisis could not be more different. The president weaves his way between the two camps and seems to spend most of his time trying to keep these two wings of the Socialist Party happy.

THE FRENCH APPROACH – A “SPECIAL PATH”

It is not only the Socialists who believe France's current economic problems are the result of external factors rather than their own shortcomings. This view is shared by large swathes of the French public. They readily blame the difficulties currently being experienced in France and many other EU countries on globalisation in general and above all on the strict austerity policies Germany in particular has pushed through in the euro zone. Many in France are sceptical of the idea that streamlining structures and boosting entrepreneurship may help the country to find a way out of the crisis. With its long tradition of etatism, in France there is a

general feeling that the state should play an active role in the economy. The government is not expected to justify making interventions it deems appropriate.

France's model of "capitalism à la française", a market economy that involves government intervention and an extensive welfare system, has run smoothly for many decades. Of course it is not only the French who are wedded to the idea that "if it ain't broke, don't fix it", and indeed this has worked well over the years.

Even more than in Germany, there is a feeling that the consequences of globalisation – known as *mondialisation* in French – pose a danger. Not only the Socialists but also broad sections of the public think a potential solution lies in relaxing austerity policies, reducing the public debt more slowly and launching government programs for growth and economic development. There is a widely held belief on both wings of the political spectrum that France has forged a "special path" based on its former economic and social model, and that this will allow it to escape the consequences of globalisation.



Angela Merkel in Paris: The admiration of the French for Germany has grown in recent years due to her leadership and personality. | Source: © Philippe Wojazer, Reuters.

There is no doubt that one of the European Union's largest economies after Germany has the potential to conquer the crisis. Its infrastructure is one of the best in the world, its people are highly

educated and open to technological innovation. But President Hollande has been unable to transform his political victory of May 2012 into a new impetus for change to boost the recovery of France's ailing economy. On the contrary, indicators remain negative, while admiration for their neighbours across the Rhine is growing – admiration for Germany's current economic strength and capacity for innovation, its willingness to introduce reforms, the way it is dealing with new challenges (such as accepting refugees) and for the leadership and personality of its Chancellor.

President Hollande has quickly frittered away voter sympathy, despite consistently sticking to his campaign promises and pandering to the many sensibilities within his party. Apart from short-term outliers the approval ratings for his policies were constantly below 20 per cent. After the attacks of 13 November, the popularity of the president has doubled to over 40 per cent.

LES RÉPUBLICAINS – OPPOSITION IN CRISIS

In these circumstances, it should have been easy for the center-right opposition to make political capital from the divisions within the *Parti Socialiste* and the weak performance of the president and his government. But the *Union pour un mouvement populaire* (UMP), which in May 2015 changed its name to Les Républicains, still seems to be largely engaged in navel-gazing. After its defeat

The main reproach of the Republicans under Sarkozy directed at President Hollande and his government is that they display a lack of leadership.

in the presidential elections of May 2012 and the parliamentary elections of June 2012, the party descended into months of internal bickering. In December 2014 former President Nicolas Sarkozy returned to take the reins of the party, which now seems to be consolidating under his leadership. The main reproach directed at President Hollande and his government is that they display a lack of leadership. All too often François Hollande, his Prime Minister Manuel Valls and the government have failed to fulfil the leadership role that France has traditionally held in Europe. All too often this is being left to the German government. When it comes to the conflict between Russia and Ukraine, the Greek debt crisis and the acceptance of refugees – it has always been the German Chancellor who has taken the lead in Europe, while the French President travels to European summits seemingly lacking in ideas and fresh initiatives.

The *Républicains* are similarly lacking in ideas and initiatives of any substance. The French have not forgotten that the president in power from 1995 to 2012 came from this party, and that it also provided the government for twelve years during this period (1995 to 1997 and 2002 to 2012). Today's economic and political situation in France is not solely the result of President Hollande's term of office, but the policies pursued during this time have played their part. Many projects were not implemented systematically because the opposition of the unions and interest groups and the desire to maintain standards of living in France were also very strong when the center-right were in power. The announcements of politicians often failed to produce the promised results. The French public have not forgotten the polarising style and frantic "doing for the sake of doing" that characterised the presidency of Nicolas Sarkozy, and the majority do not have fond memories of the presidencies of Nicolas Sarkozy and Jacques Chirac.

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The public's fractious mood, the weaknesses of the government and divisions among the *Républicains* have led to the *Front National* making great gains over recent years. Their leader Marine Le Pen has gradually whittled away at its extreme right-wing image and now presents it as a young, dynamic party, making it electable to new target groups in the process. Of course this has involved papering over many cracks, such as when Marine Le Pen's father, former party leader Jean-Marie Le Pen, came out with anti-Semitic, racist and homophobic statements or when it was revealed that the *Front National* had taken money from Russia. However the party managed to win almost 25 per cent of the vote at the 2014 European elections, the largest share of all the parties. Of course not everyone who votes for the *Front National* is an extremist. In many cases people voted for the *Front National* as a form of protest.

IDENTITY IN CRISIS

Much of this widespread mood of protest is also directed against the European Union. France continues to view itself as one of Europe's leaders, a country that provides ideas and initiatives in pursuit of European integration. Germany is one of France's key partners because of its political and economic size and importance. But Europe and German-French relations have changed fundamentally in the 25 years since the fall of the Iron Curtain. Since

its reunification Germany has a larger population and a stronger economy. France is no longer the key country in a community of twelve members whose geographical center and economic focus runs along the Rhine on a line between London and Milan, and whose undisputed center and regular meeting place is Strasbourg, a town with a French and German history. Today France is a large country in a community of 28 members whose geographic heart has shifted to the east. It now finds itself on the western edge of the European Union.

The globalisation that has increased since the fall of the Iron Curtain has favoured the march of the English language to the detriment of French. Of course French is still spoken in many African countries, but they are not the countries that are experiencing really dynamic growth and development. In these countries – South Africa, Nigeria and Kenya – people speak English. In Syria (which was under French control between 1920 and 1946) French is now only spoken by the educated elite. When tens of thousands of Syrian citizens flooded into Central Europe in the summer of 2015, most of them were not heading for France. By the end of September 2015 less than 1,000 Syrians had sought asylum in France. Most of them who applied for asylum said they wanted to come to France because they had relatives, friends or business contacts in the country. There is an ongoing public debate about why migrants do not want to come to France.

After the Second World War France hoped that European integration would allow it to maintain its claim to be a world leader. But these hopes were to be dashed.

This development does not exactly lead to the French feeling a stronger sense of identification with Europe. After the Second World War and the loss of its colonial empire,

France hoped that European integration would allow it to maintain its claim to be a world leader as it worked with other (Western) European states to influence political developments around the world. But these hopes were to be dashed. Every voter must recognise the advantages of European integration, but in France – much more than in Germany – the public debate is imbued with the feeling that the country would be better positioned to meet the challenges of the new millennium if it were on its own.

The January 2015 attacks on the office of the satirical magazine *Charlie Hebdo* and the Jewish supermarket and the terror attacks of 13 November 2015 have highlighted France's crisis of identity. French policies on integration, the place of Islam, the concept of secularism (the strict division between church and state) are all

being called into question – and hence the model of the French Republic as a whole. In the wake of the attacks, politicians are faced with the challenge of how to fight radicalisation and ensure young Muslims participate in society. Youth unemployment in France is generally high, but for young people with African origins the rate doubles to around 40 per cent. Frustration and disillusionment provide the perfect breeding ground for seeking a new identity, an identity that Muslim youth are increasingly finding in fundamentalist forms of their religion.



“Undaunted”: Flowers and candles at the Place de la République. The French do not let themselves be intimidated by the November attacks. | Source: © Eric Gaillard, Reuters.

France’s underlying principle of secularism means that public debate about the role of religion has been avoided for centuries. Changes in the structure of the population and the increase in the numbers of Muslim citizens whose parents and grandparents came from Africa or the Middle East have led to a sense of insecurity in many areas of French society. The phrase “Islam belongs to France” has come under fire, as was the case when German Chancellor Merkel commented that “Islam belongs to Germany”. But at the same time there is no disputing that France is a country of immigration. The law of *ius soli* applies: any child born in France is automatically a French citizen.

PROFILE-RAISING THROUGH SECURITY POLICY?

It is only in the area of foreign and security policy that France still has a commanding presence, harking back to its long tradition as a major power. In these areas of policy, Hollande has seized the opportunities that accompany the office of French president. In 2013 in Mali and recently in Syria Hollande very deliberately made use of the political and military options that were available to France. After the terrorist attacks of 13 November 2015 Hollande increased air strikes in Syria and seized the initiative to forge an international coalition against the terrorist organisation Islamic State. Working with the German Chancellor, since 2014 he has developed and successfully pressed ahead with the "Normandy format" for resolving the conflict between Russia and Ukraine. In the run-up to the COP21 climate conference, held from 30 November to 13 December in Paris, the President presented himself as a player on the global stage and France hosted the event in the tradition of great international conferences of the past. There are suggestions that it is the policy of the Élysées to position François Hollande as a statesman, climate saviour and peacemaker – and since the attacks also as a warlord with a human face. This may be a way of concealing his lack of success with the economy and employment.

But war costs money. Even before the 13 November attacks, France had regularly highlighted the fact that its global engagement in the fight against Islamic terrorism was an important and expensive operation to increase the security of all EU member states. This is why in the wake of the attacks President Hollande asked the other member states for assistance under the obligation set out in art. 42, par. 7 of the EU Treaty. This did not only – or even primarily – mean military assistance, but also financial aid. The idea behind this is that France's military engagement and the cost to the public purse should in future be deducted from France's deficit.

CONCLUSION

The 2008 financial crisis has left France weakened. Its governments have lacked the courage and power to push through the necessary reforms. Prior to the attacks of 13 November, 80 per cent of the population were dissatisfied with the work of François Hollande and his government. In the European elections of May 2014 the ruling party won only 14 per cent of the vote.

The appointment of Manuel Valls as Prime Minister in March 2014 and the dismissal of left-wing economics minister Arnaud Montebourg in August 2014 showed that President Hollande is now more ready to pursue a clear direction of austerity and reform. In August 2014 the French government set out its austerity program with a view to making 50 billion euros in cuts by 2017. It remains to be seen what effect this will have on the national deficit.

It is doubtful whether the president has the support of his party for the necessary reforms. The *Parti Socialiste* has a majority in the *Assemblée Nationale*. In the vote on the autumn 2014 budget, the government's proposals were only passed thanks to the support of the Greens. 37 Socialist MPs abstained. It remains difficult for President Hollande and Prime Minister Valls to push through their planned reforms. All the reforms have to be agreed with the *frondeurs*, the left wing of the ruling party. So it is also doubtful whether the remaining 18 months of President Hollande's term will see any major decisions on economic and social reforms. François Hollande has linked his personal political destiny to the success of his policies. He has repeatedly emphasised that he will not stand for re-election unless unemployment falls and the economy grows. But the terror attacks have shown that it is not all about the economy. France is now in a state of emergency. The President announced to Congress that "La France est en guerre" – "France is at war". Hollande has left it open as to whether he will stand again in 2017. This is one of the reasons why there is already strong public interest in the presidential elections planned for May 2017. According to the latest polls, the President would not make it to the second round but would be beaten into third place. In the first round Marine Le Pen of the *Front National* would probably win the most votes, followed by candidates from the *Républicains* – a prospect that does nothing to lift the spirits of the French people.

THE UNITED KINGDOM: REMAINING AT THE HEART OF EUROPE?

Hans-Hartwig Blomeier



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INTRODUCTION

In a speech he gave in 1992, British Prime Minister John Major stated that the United Kingdom belonged “at the heart of Europe”,¹ and he repeated this phrase when speaking at an event held by the Konrad-Adenauer-Stiftung in 2014.²

This political statement aside, the question remains as to where the United Kingdom stands today regarding the role it plays or is willing to play within Europe. The referendum planned by Cameron’s government even poses the fundamental question as to whether the UK is to remain part of the European Union or leave it. Are the EU and the UK becoming increasingly alienated from each other, or have they never truly been a good match? Would *Brexit* therefore be a logical consequence, or would it represent a catastrophe for the UK and/or the EU that is to be prevented under any circumstances?

Can the relationship between the UK and the EU be characterised as a permanently uncomfortable partnership? Or could the British stance on the EU not in fact provide an opportunity (and a certain amount of pressure) for the EU to question some positions and to aspire to some reforms that are ultimately essential for the continued existence of the Community?

- 1 | Major, John 1992: Leader’s speech, Brighton 1992 (speech), 9 Oct 1992, in: <http://britishpoliticalspeech.org/speech-archive.htm?speech=138> (accessed 27 Oct 2015).
- 2 | Major, John 2014: Britian and the EU: in or out? (speech), 13 Nov 2014, in: http://kas.de/upload/dokumente/2014/11/141113_Rede_John_Major.pdf (accessed 27 Oct 2015).

There are no simple answers to these questions, particularly as views in the UK are by no means unanimous, there are obvious conflicts of interests, and Eurosceptics and Europhiles can be found right across the political spectrum. The EU referendum will no doubt bring the debate to a head and lead to an intensification of arguments and emotions on both sides.

This *British Question* harbours significant explosive potential not only in the domestic political arena (e.g. the so-called Scottish Question) but also in the wider European context. Euroscepticism has not been a purely British phenomenon for some time; anti-EU movements and parties have gained considerably in popularity throughout Europe. This fact alone makes it fitting to give serious consideration to the British questions and demands, not only to retain the UK as a fundamental part of the EU, but also to shape the EU on the whole as a sustainable unit. This will require credibility and acceptance by the citizens of all member states, whose concerns and questions need to be taken seriously. Consequently, the Brexit debate does not only present a problem and risk to both sides but also an opportunity for the UK and for Europe.

THE BACKSTORY

It is indicative of the current debate on the role of the UK within the EU ahead of the referendum that historians have begun speaking up on both sides.³ On the side of the Eurosceptics are the Historians for Britain, who have issued a manifesto entitled "Britain: apart from or a part of Europe?", in which they put forward a number of (partly questionable) arguments maintaining that the UK has always been an independent part separate from continental Europe. The historians on the pro-European side responded immediately by stating the Historians for Britain had confirmed that the UK had belonged to Europe for centuries and that the interrelationship was so intensive that this could not be seriously denied. Although British History and European History are taught as separate units of study at British universities, and the term European is used to refer to the continent excluding the island, it is truly difficult to imagine how the interaction between the two can be ignored. After all, even the most British of institutions, the monarchy, is not exempt. By the time a Dutch duke was placed on the British throne in 1689 and a German Elector became King of Great Britain and Ireland in 1714 at the latest, the

3 | Cf. Chabal, Emile / Malonowski, Stephan 2015: Ganz aparte Briten?, in: Die Zeit, 16 Jul 2015.

influence of continental Europe on the UK had become reality at that level as well.

While it is therefore clear that the UK forms part of Europe, it must also be understood that this does not automatically resolve its difficult relationship with the European Union. Most British still associate the term Europe spontaneously with continental Europe, in other words with everything beginning beyond the Channel (there is therefore no comprehensive and automatic emotional affinity; even World

Accession by the UK to the EEC in 1973 was primarily driven by economic incentives. The EEC's evolution into a political union was never aspired to.

War II was experienced differently in the UK despite the bombardment of its cities because it did not suffer a ground invasion), and the UK's accession to what was then the EEC in 1973 was "only" that: accession to an economic and trading bloc. The British people have to a large degree not acknowledged its development into a political union or at least only with increasing scepticism. One should not forget that the lack of affinity, at least during this foundation period, was mutual. As is well-known, the UK's first application to join the EEC in 1961 failed due to persistent objections by the French.⁴ The UK was finally admitted on the second attempt (application submitted in 1967) in 1973 after lengthy negotiations.

This also explains current expectations regarding the impending referendum. The last referendum held in 1975 dates back as far as four decades (and therefore over a generation). Most people also think that the original referendum had been about joining an economic community, which no longer exists in the same form, making a renewed referendum not only sensible but necessary.

In view of this complicated and partly confusing situation and the distinction between Europe, Continental Europe and the European Union, which goes beyond semantics, there are no satisfactory answers yet to the questions as to what unites the UK with the

4 | Charles de Gaulle once pointed out that England was "insular, maritime and linked by her exchanges, her markets and her supply routes to the most diverse and often farthest-flung of nations". And the country "has in all her doings very marked and very original habits and traditions". The British and the other candidates joining would therefore irrevocably change the Community. The result would be a "colossal Atlantic community" under U.S. direction and leadership that would "quickly absorb" the European Community. Cf. Krupa, Matthias 2013: Ein Königreich für Europa, Die Zeit, 31 Jan 2013, in: <http://zeit.de/2013/06/Grossbritannien-EU-Beitritt-Geschichte/seite-2> (accessed 27 Oct 2015).

European Union in particular, what joint interests and requirements there are, as well as which limits and considerations are sensible and necessary in this relationship if it is to survive sustainably in the long term.

No doubt the Channel Tunnel has brought the *Continent* and the *Kingdom* closer together in terms of logistics; but the old witticism that fog over the Channel has cut off the continent still expresses quite eloquently the way the British see themselves.



The Union Jack and the flag of the EU: In the context of the most recent crisis, distance between the European Union and the United Kingdom has intensified even more. | Source: Dave Kellam, flickr ©1.

THE CURRENT SITUATION

Against this historical backdrop, the relationship between the EU and the UK is characterised by increasing tension or even alienation. Britain has not completed the journey from EEC to EU either emotionally (in terms of a deeper bond) or practically, as illustrated by numerous special arrangements and opt-outs. While the UK has actively encouraged and supported the Eastern expansion of the EU, it then increasingly resisted the practical consequences, for instance in the area of the free movement of labour. This distancing stance has not only manifested clearly in the context of the recent crises in the EU, but even intensified. The euro debt crisis has given the country grounds to feel justified in its decision not to join the euro and it consequently does not consider itself obligated to become involved in a bailout solution, such as in the

case of Greece. From a British perspective, this concept or a joint stability pact and other financial security instruments of the ECB are restricted to the eurozone in any event and are therefore not seen as relevant to the UK's own future in the EU.

At best, the British will admit to a certain (almost compassionate) understanding of the fact that the countries making up the eurozone will need to grow closer and become more integrated to enable the euro to function as a joint currency. But the eurozone crisis has strengthened the strongly ingrained conviction across all parties that joining the euro will not represent a desirable option for the country for the foreseeable future.

Under these circumstances, it is fundamental to the British that the EU is not equated with the eurozone and that no credence is given to the idea that EU membership will only be viable in the

The United Kingdom aims at a Europe à la carte with different levels of integration and different currencies.

medium and long term with a joint currency for all members. The concept of a two-speed Europe is consequently not acceptable to the British as a vision of the future either, as different speeds will ultimately still lead to the same goal. British ideas in fact aim at a Europe with different levels of integration and different currencies, which critics in turn frown upon as a Europe à la carte.

THE MIGRATION CRISIS

In the context of the refugee crisis across Europe, the public debate in the UK hardly differentiates between migrants seeking work, economic migrants and asylum seekers, or only between "legal" and "illegal" immigrants, if at all. The official migration statistics are further inflated by the large number of foreign students in the UK (some 180,000 last year). The term migrants is used to describe all these groups, which makes the debate about the causes and ways of dealing with the phenomenon more difficult.

While this used to be a rather diffuse issue, coming to public attention mainly in the context of the regularly published immigration statistics, the images and the confrontations between police and migrants near the Eurotunnel near Calais in the summer of 2015 have brought it to the forefront. Back in spring, the British government refused categorically to participate in a Europe-wide quota system for accepting refugees (although the British were not alone in this). However, the government abandoned this

intransigent stance (obviously in response to the impression the images of the drowned boy in Bodrum had made on the British public) and announced that it intended to bring 20,000 Syrian refugees to the UK directly from the refugee camps over the next five years. In addition, the UK is to increase its direct aid budget from 115 million to 1.1 billion British pounds. However, the UK still refuses to participate in the EU plan to address the refugee crisis and to commit to the financial contribution this would entail.

The topic of migration has, in fact, been central to the domestic policy debate in the UK for some time and not just since the recent exacerbation of the refugee crisis. This issue was at the center of the 2014 European election campaign. The debate essentially boiled down to the question on the extent to which EU membership is ultimately responsible for the uncontrolled flow of migrants to the UK and the extent to which the country has reached its capacity limits (social security, housing, education system).



Refugees in Calais: Thousands of them hope to somehow get to Great Britain from there. | Source: © Regis Duvignau, Reuters.

The remarkable thing in this debate over the extent and control of migration is the causal link that is being drawn between the UK's EU membership and the free movement of workers. The equally significant immigration from non-EU countries and the special relationships with the Commonwealth countries hardly get a mention. The (justified) pride of being a country with a welcoming

tradition has given way to increasing concern about not being able to cope with the steadily increasing flow of migrants.

THE SCOTTISH QUESTION

The independence referendum of 18 September 2014⁵ has for the time being – narrowly – prevented the threatened breakup of the United Kingdom. The hope that the decision would stand for a generation, which the government voiced in this context, may well prove to be unfounded. During the course of the referendum campaign, the question was frequently posed as to what the impact on Scotland would be if the UK were to leave the EU. Even at that time, there was open speculation that another independence referendum would be sought in that case to enable a then independent Scotland to remain a member of the EU or to re-join. Whatever the potential complications under international

Even though Scotland is generally considered less Eurosceptic, it would be wrong to conclude from this an unanimous Scottish approval of the EU.

and EU law, this discussion also showed that there are significant differences with respect to relations with Europe within the UK. Scotland is generally considered less Eurosceptic, or even Europhile.⁶ But to conclude from this that there is unanimous approval of the EU in Scotland would be erroneous. The Scottish government has also pushed for EU reforms, although its demands have been comparatively more restrained in both scope and tone.⁷

However, it is appropriate and important to bear in mind that the questions of the UK's EU membership and of its internal cohesion or the question of Scottish independence are closely linked and that this will no doubt play a correspondingly important role in the referendum campaign. This can and probably will go so far that the pro-EU campaign will argue that leaving the EU will inevitably result in Scotland leaving the United Kingdom.⁸

5 | For a detailed analysis see Blomeier, Hans-Hartwig 2014: Britain Remains United. But What Now?, KAS International Reports 10/2014, in: http://kas.de/wf/doc/kas_39341-544-2-30.pdf?141104140238 (accessed 27 Oct 2015).

6 | After all, the flags flying outside the Scottish Parliament include the European flag in addition to the Flag of Scotland (the Saltire) and the Union Jack; an unlikely picture in the rest of the UK.

7 | Cf. Scottish Government 2013: Scotland's Future: Your Guide to an Independent Scotland, Nov 2013, p. 216 ff., in: <http://gov.scot/resource/0043/00439021.pdf> (accessed 27 Oct 2015).

8 | Cf. Stephens, Philip 2015: Britain would not survive a vote for Brexit, Financial Times, 25 Jun 2015, in: <http://on.ft.com/1MDPFzB> (accessed 9 Nov 2015).

However, the converse argument, namely that the UK remaining in the EU would put an end to the Scottish quest for independence, does not apply. The landslide victory of the Scottish National Party (SNP) at the general election of 7 May, when it succeeded in winning in 56 of the 59 Scottish constituencies, has buoyed the party's commitment to the ambition of gaining independence for Scotland. The Scottish Parliament election in 2016 will show whether the trend will continue. National unity is currently an existential issue for the United Kingdom. And there are, of course, parallels elsewhere in Europe (Catalonia, etc.); one could even say there is a trend throughout Europe. The challenge is to reconcile regional identity, nation state and European integration.

THE REFERENDUM

The last and so far only referendum on EU membership dates back 40 years. In 1975, 67.23 per cent voted in favour of joining the EEC.

In the current referendum debate, frequent reference is made to this first referendum and naturally also to the fact that much has changed in Europe during four decades, which not only justifies a new referendum, but in fact makes it necessary. The question as to what extent Prime Minister Cameron has put himself under pressure unnecessarily with his promise of a referendum made in 2013 is now moot as it will definitely take place. Only the precise timing is yet to be determined. The referendum will come, but it will not resolve the issue; it is worth taking another look at Scotland to see why.

In Scotland, the referendum campaign aroused passions with respect to the question of independence to an unprecedented degree. The main impact of the referendum, however, was that the SNP emerged greatly strengthened despite losing the vote. The EU referendum harbours a similar risk. Even if it produces a clear vote in favour of the UK remaining in the EU, as current surveys suggest,⁹ the question remains as to who within the political landscape will back the "out" vote. One has to remember that UKIP was able to attract close to four million votes during the last general election and was limited to just one seat in the House of

9 | Results from a YouGov survey of June 2015 on how people would vote on the question "Should the United Kingdom remain a member of the European Union?": 43 per cent responded "Yes", 36 per cent "No", 18 per cent "Don't know" and three per cent said they would not vote. Handelsblatt 2015: Britanniens Sonderweg in der EU, 26 Jun 2015.

Commons only because of the idiosyncrasies of the British voting system. The potential referendum votes in favour of leaving could give a renewed boost to UKIP as well as igniting a difficult internal debate in the Conservative Party.

By making the promise of holding such a referendum by the end of 2017, David Cameron and his Conservative Party effectively started the referendum campaign in 2015. The Conservatives were the only party explicitly promising such a referendum.¹⁰ Since then, there have been increasing indications that the British government intends to hold the referendum as early as 2016¹¹ to avoid clashing with the French presidential elections in the first half of 2017 and the German Bundestag elections in the late summer of 2017.

It is due to the recent challenges Europe currently faces that the Brexit debate has become the centre of political debate in the UK.

In the domestic arena, the next few weeks and months promise to be an exciting time, partly or precisely because of the referendum. While Europe had not been a key topic in the previous election campaign, this has changed abruptly. The debate on asylum and migration throughout Europe, the Greek crisis and the intensifying Brexit debate have placed the EU back at the center of political debate in the UK; and these issues in particular have certainly not made things easier for the pro-EU camp.

Both sides officially began campaigning in the middle of October. There are two "out" campaigns rivalling to act as opinion leaders, namely Leave.EU (backed primarily by UKIP and Nigel Farage) and the Vote Leave campaign (backed by politicians from various parties and entrepreneurs with Nigel Lawson as the figurehead); they have since attracted considerable donations, boosting their capacity to engage in effective campaigning. Those on the side of the "in" campaign (Britain stronger in Europe) are headed by the former Marks & Spencer CEO, Lord Rose; further supporters include former Prime Ministers John Major, Tony Blair and Gordon Brown.

10 | The Conservative Party 2015: The Conservative Party Manifesto 2015, p. 72-73, in: <https://conservatives.com/manifesto> (accessed 9 Nov 2015).

11 | Currently, 5 May 2016 is excluded as a possible date, as local elections take place in the UK on that day. Possible dates include days in June or October 2016. The second reading of the Referendum Bill in the House of Lords having been scheduled for October 2015 means the required legislation could be in place and a date could be set for polling day by the end of the year.



Protest against Scotland's independence: The UK remaining in the EU is closely connected with Scotland remaining in the UK. | Source: © Cathal McNaughton, Reuters.

BRITISH IDEAS ON EU REFORM

David Cameron has avoided spelling out the British ideas on EU reforms publicly in too much detail. And for good domestic policy reasons: UKIP, parts of his own party, the mostly Eurosceptic press and probably, for tactical reasons, also the opposition parties would “take apart” such a detailed catalogue of demands and reject it as both insufficient and unrealistic.

It is obvious that the British government has learned from mistakes made during its previous term in office. Instead of making unrealistic demands in public, there are indications that the government, first and foremost Prime Minister Cameron but also Foreign Secretary Hammond and Chancellor Osborne, has begun an intensive marathon of diplomatic negotiations, promoting the UK's reform ideas and sounding out potential solutions in all member states as well as in Brussels. Significantly, there are signs of a high level of willingness to consider the British suggestions particularly within the Commission (despite the UK's earlier fundamental opposition to the President of the Commission).¹²

12 | Cf. Posener, Alan 2015: Cameron hat schon gewonnen, *Die Welt*, 2 Jun 2015 und Barker, Alex / Spiegel, Peter 2015: Frans Timmermans, the man standing between Brussels and Brexit, *Financial Times*, 19 May 2015.

The British government seeks reforms in the economic, political and social spheres. The ideas on economic reform center on the consolidation of the single market, particularly through a further opening up in the area of services and the digital market, as well as the consideration of the concerns and needs of the non-euro states. In the area of politics, the symbolic demand that the principle of “ever closer union” be removed from the Treaties of Rome reflects the concern that the UK might be drawn inexorably into the closer integration required within the eurozone despite being a non-euro country. The ultimate aim here is to be granted an opt-out from this principle for the UK and potentially other countries outside the eurozone. Added to this is the demand for the repatriation of powers or for state sovereignty. While a comprehensive study commissioned by the British government¹³ on the questions as to which powers are ultimately more appropriate to reside at a national level did not produce particularly significant requirements, this demand continues to hold high symbolic significance.

The social topics center on migration. The demands concentrate on curbing social benefits for migrants or on imposing a waiting period for eligibility in the hope of achieving an overall reduction in immigration numbers – a hope that will probably prove illusory in view of the situation in Calais and elsewhere in Europe.

The difficult balancing act the UK government is still striving to achieve consists of putting forward reforms that are sufficiently substantial to be acknowledged as relevant within the UK while not being overly ambitious or obviously appearing to represent pure British self-interest, which would preclude their implementation or a consensus being reached.

In any event, it has been remarkable to see the recent change in wording. The British chief negotiators are clearly intent on presenting the reforms as serving to strengthen Europe as a whole, and the fundamental demand for changes to the EU treaties as a *sine qua non* has given way to more nuanced proposals, which could conceivably also be achieved within the existing treaties. The migration debate is the best case in point. After it had quickly become clear that the free movement of persons is considered an essential component of the EU in all other EU member states

13 | Foreign & Commonwealth Office 2014: Final reports in review of EU Balance of Competences, 18 Dec 2014, in: <https://gov.uk/government/news/final-reports-in-review-of-eu-balance-of-competences-published> (accessed 9 Nov 2015).

and a principle to which Germany is highly committed and which is therefore not up for negotiation, the British side has concentrated on denouncing the abuse of the social benefit system by migrants, which immediately prompted a substantially greater willingness to negotiate. The exacerbation of the asylum and migration problems throughout Europe and the associated debate about border controls and the like have increased Cameron's scope for further negotiation further.

The change in the British strategy with regard to the migration issue prompted greater willingness to negotiate among EU member states.

Prime Minister Cameron, who performed a remarkable political shift towards the socio-political center in his much-noted party conference speech in early October during which he homed in on socio-political topics, also used the opportunity to once again clearly state his current position on the UK's European policy. In the negotiations about EU reforms, his main concern is "what is in Britain's best interest". He stressed further that it was not an emotive issue for him ("I have no romantic attachment to the European Union and its institutions"). But he also stressed his intention and willingness to fight for a stronger Europe from within the EU.

ANGLO-GERMAN RELATIONS

Germany has played a special role in the discussions about the UK's EU membership for over three years now. This is due above all to the significantly heightened regard in which Germany is now held in the UK (in matters of the economy, politics and even football), a cool-headed analysis of the true balance of power in the EU (specifically a marked decrease in France's relevance from the UK's perspective) and consequently the significance of potential support for the British reform ideas on the part of Germany or, more precisely, the German government and particularly Chancellor Merkel. This regard manifested particularly during the Chancellor's visit in February 2014, when she was invited to speak in front of both chambers of the British Parliament and met with the British Prime Minister and Queen Elizabeth II within hours. Following diplomatic protocol, the Queen went on a return visit to Germany in June 2015. The subject matter at the center of this occasion was the reform of the European Union, confirmed by the presence of Prime Minister Cameron at the state banquet in Bellevue. However, the regard for Germany is coupled with expectations that occasionally clearly exceed reality. This became particularly clear in connection with Cameron's failed attempt to

prevent Jean Claude Juncker from being elected President of the European Commission. He had obviously hoped for support from Germany, which had never been a realistic possibility. Despite this gap between expectation and reality, Angela Merkel remains “probably the best friend of the British people”,¹⁴ even though this friendship has been seriously tested on several occasions.¹⁵



Chancellor Merkel on a visit to Great Britain: With regard to EU reforms, the German Chancellor is regarded as “probably the best friend of the British people”. | Source: Arron Hoare, MoD, flickr ©①③③③.

But British EU membership is also to some degree in Germany's self-interest and of strategic importance in some respects. The Financial Times quoted an unidentified German minister as saying that leaving the EU would be a disaster for the UK and a catastrophe for Germany.¹⁶ This view was also confirmed by a FORSA survey commissioned by the British think tank Open Europe conducted in early October,¹⁷ according to which there is a considerable amount of sympathy for the EU reforms put forward by the British government among the German population. Particularly where questions of the transfer of powers, veto rights for

14 | See Thibaut, Matthias 2015: Die ziemlich beste Freundin der Briten, Handelsblatt, 8 Jan 2015.

15 | Examples: the Conservative Party leaving the EPP-ED group 2009 and the AfD joining the ECR group in 2014.

16 | Parker, George / Barker, Alex 2015: Europe: The British question, Financial Times, 20 May 2015.

17 | Forsa 2015: Quo vadis EU? Meinungen der Bundesbürger zur EU-Reform und einem möglichen Brexit, 13 Oct 2015, in: http://openeuropeberlin.de/Content/Documents/Event_BCCG_EU_131015.pdf (accessed 9 Nov 2015).

parliaments and the restriction of access to benefits in member states are concerned, the opinions of the Germans and the British coincide to a large extent.

It is a fact that the UK, with its powerful economy and its military potential, is not only enormously important for the EU as a whole as a member state in foreign, economic and trading matters, but also demonstrates a significant affinity with German positions on many regulative issues. The frequently cited Northern or North-eastern counterbalance to EU positions skewed towards the outlook of the Mediterranean countries would be significantly weakened without the UK. This counterbalance benefits the EU and to a not insignificant extent also Germany, assuming the UK will bring these convictions and positions into the political EU debate for the good of all and not just to maintain specific interests.

This assessment applies also, and at closer inspection particularly, in the context of the Grexit debate. While UK public opinion sided with Greek interests, occasionally using very strong language and painting Germany as the villain,¹⁸ the British government showed noticeable restraint, keen not to let the matter put a strain on relations with Germany. However, this restraint was subsequently abandoned in the course of the massive inflow of migrants and asylum seekers to Germany and the resulting statements by the German government on migration policy, giving way to expressions of general incredulity and open criticism.

THE FUTURE OF THE UNITED KINGDOM IN EUROPE

The debate about the potential or threatening Brexit is reshaping the question about the future of the UK as a nation as well as the future of Europe as a community of states.

From a British perspective, the question ultimately goes beyond the debate on domestic and economic policy matters and relates to the country's role in the world. The difficult

process of international self-discovery of the former world power of the British Empire is in full flow. The avowed aspiration to remain an independent nation as well as a serious and relevant player on the international stage, refusing to be "dictated to"

Britain's aspiration to remain an independent nation as well as a relevant player in the international area increasingly faces practical boundaries.

18 | Cf. KAS-Stimmungsbild 2015: Einigung in der Griechenland Krise – Weltweite Reaktionen, Jul 2015, p.24-27, in: http://kas.de/wf/doc/kas_42136-544-1-30.pdf?150728164946 (accessed 9 Nov 2015).

by Brussels (which is the general perception in the country), is increasingly coming up against factual obstacles (budget cuts in defence and foreign policy, blunt calls from the USA, for instance, to engage at an international level as a member of the EU). But there is also much at stake for the EU. As a nuclear power and a member of the UN Security Council, even a less powerful UK plays an essential role in EU foreign and security policy. A "Brexit" would therefore also weaken the EU significantly and for the long term.

In the search for a "fair deal"¹⁹ between the EU and the UK over the next few months, there is therefore much at stake for both sides. The situation requires all parties to adopt a conciliatory approach, seek pan-European solutions and raise the level of mutual acceptance. To phrase it differently: ultimately, it is about a more British EU and a more European UK.

In the UK, and particularly with a view to the outcome of the referendum, both hard facts and emotional perception will play an important role. With respect to the first, what will ultimately count is brute self-interest, as the Economist rightly put it,²⁰ i.e. whether EU membership will put more money into British citizens' pockets or send more migrants to British employment agencies. The organisation Business for Britain has already taken up the issue on the side of the "out" campaign. A study it conducted indicates that the UK leaving the EU would mean an extra 933 pounds per year for each British household. To appeal to people's emotions, the organisation has further put forward the argument that the UK is "culturally and psychologically" closer to its former colonies than to its European neighbours. The "in" campaign will have to respond in kind with hard facts and emotional counter-arguments; there has not been much sign of either so far.

Ultimately, the question that undecided voters will also have to bear in mind is what kind of country the UK is and wants to be, looking back at its illustrious past, but also taking account of reality and changing global circumstances. And this is precisely where the challenge lies for the "in" campaign. Its supporters must link a positive future for the UK with remaining in the EU and avoid concentrating on painting a bleak picture of a potential exit. The emotional debate will play a substantial part, or as Rafael Behr put

19 | Cf. Pöttering, Hans-Gert 2015: Ein fairer Deal mit Großbritannien, Frankfurter Allgemeine Zeitung, 1 Jul 2015.

20 | Cf. The Economist 2015: The psychology of a peninsula, 25 Jul 2015.

it in the Guardian: "The EU Vote won't be won on the Eurostar but in the pub."²¹

Those who view the UK as a part of Europe, or even – like John Major – as belonging at the heart of Europe, may take hope from the opinion expressed in the Economist that while the UK may be an island, it has the political and economic character of a European peninsula, idiosyncratic, but nonetheless clearly linked to the rest of Europe (and not just through the Eurotunnel). In fact, even Margaret Thatcher, hardly considered to be particularly Europhile, once quoted Harold Macmillan as saying: "We are European, geographically and culturally and we cannot, even if we would, disassociate ourselves from Europe."²² For the good of Europe and for the good of the UK, one would do well to remember these words during the months of negotiation and campaigning until the referendum and beyond.

21 | Behr, Rafael 2015: The EU Vote won't be won on the Eurostar but in the pub, The Guardian, 26 Aug 2015.

22 | Speech held on 16 April 1974 at the beginning of the referendum campaign in front of the Conservative Group for Europe, in which she included this quote from former Conservative Prime Minister Harold Macmillan. Cf. Thatcher, Margaret 1975: "Speech to Conservative Group for Europe (opening Conservative referendum campaign)", 16 Apr 1975, in: <http://margaretthatcher.org/document/102675> (accessed 9 Nov 2015).

GREECE: FROM OPPORTUNITY TO CRISIS AND BACK?

Susanna Vogt



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Since 2009, the eyes of the international community of states have been on Greece, the country at the center of the European debt crisis still today. Critical moments during this crisis drew an unprecedented amount of public attention to this small country with a population of under eleven million generating under 1.5 per cent of European GDP. Six years and three bailout programs later, Greece is still in a highly fragile state, with respect to both its fiscal situation and its economy. The latter has contracted by roughly a quarter. Besides the economic crisis, there are also obvious signs of an equally significant social and political crisis, which has built up gradually over several decades and many of whose elements have contributed to the economic plight. Since the demise of the old two-party system, the Greek party political landscape has become unrecognisable and now has little in common with the established structures that dominated the still-young Greek republic.

The developments of the last six years, which have been extremely difficult for Greece, have also always entailed opportunities – and that still applies today. The engrained structures of the Greek state, which have experienced a shake-up in the course of the crisis, had resulted in a bad state of affairs developing in many areas, which was then frequently maintained to the detriment of the population as a whole. The crisis now offers the opportunity of ridding the country of those structures. But after long years of Greek governments of different hues or of a technocratic nature opposed to many of the key demands for reforms, the frequently evoked dichotomy of *crisis and opportunity* has become a cliché, threatening to undermine that which gives its crucial momentum to any kind of reform: people's participation in and support for the process – a process that will require fundamental changes to the fabric of the Greek state.

FROM OPPORTUNITY TO CRISIS

The accession to the European Union in 1981 presented Greece not only with the important opportunity of finally returning to the circle of Western democracies after the military dictatorship. It also offered the country a chance for modernisation during the subsequent years, to which the substantial transfer payments from the European structural funds were to make a major contribution. But there were already clear indications during this early phase that opportunities to sustainably strengthen the country's economic competitiveness were being missed: Greece adapted speedily to Western patterns of consumption while the country's economy failed to take the necessary steps for modernisation in both manufacturing and the service sector. This would later prove to have been a fatal error in the context of the European Single Market and the emerging global value chains.

Greece was offered a further opportunity in 2001 with the accession to the Monetary Union and the introduction of the euro. The substantially reduced interest rates resulting from the adoption of the single currency offered the country advantageous credit opportunities in the international markets. These could have been used to invest in sectors promising sustainable growth and to adapt various outdated economic structures. Purely in terms of economic figures, Greece, in fact, presented an impressive picture with an annual growth rate of close to four per cent between 2000 and 2009 – compared to an average growth of two per cent in the rest of the eurozone. The income gap to the other countries of the eurozone was reduced from 25 to ten per cent. Domestic demand boomed, manifesting particularly in increased consumption and property investments. The liberalisation in the financial sector and the above-mentioned low interest rates went hand in hand with substantial increases in actual earnings and loan volumes. The very light-handed fiscal policy of the Greek state contributed to the astonishing but unsustainable growth. The fact that the contribution made by exports to Greek GDP dropped from 25 to 19 per cent between 2000 and 2009 indicated that there was a fundamental flaw inherent in this development. Furthermore, the rise in actual earnings in Greece during this period was in stark contrast to productivity – the country's competitiveness was further undermined by the inexorable rise in unit labour costs, particularly in comparison with the rest of the eurozone. The strong growth in domestic demand in conjunction with a simultaneous

deterioration of the country's international competitiveness meant the Greek trade deficit increased rapidly and finally amounted to 14 per cent of GDP by 2008.

The rapid loss in confidence in the international markets put the Greek state under so much pressure that it submitted a bailout request to the international creditors in April 2010.

The acknowledgement of these developments came in 2009, when the incoming government under Georgios Papandreou had to admit to the actual figure for the budget deficit being 15.6 per cent rather than the previously stated five per cent. The rapid loss in confidence in the international markets put the Greek state under so much pressure that it submitted a bailout request to the EU and the IMF in April 2010. The saga of the bailout programs and credit agreements between Greece and the *troika* of the EU, the ECB and the IMF began. Initially, loans of 240 billion euros were agreed in the first two bailout programs; the third program for 86 billion euros was approved in August 2015.

With many simply looking on, a problematic situation had been building up in Greece for decades, which would, almost overnight, plunge the country into the greatest crisis of its recent history, starting in 2010. It all began with the public finances. But underlying these budgetary problems, which were very real and could no longer be concealed, was a deeper crisis of the Greek state relating to its central functions. This crisis involves the public administration and the education system as well as the country's economic framework and its banking system. Then there is the Greek party system and its entanglement with the official institutions, the public procurement system, the media and private enterprise. The process of transformation in these areas is still ongoing.

CRISIS OF A STATE APPARATUS

It was the extremely loose fiscal policy of changing Greek governments, particularly from the 1980s onwards, that triggered the crisis. In the period from 2000 to 2009 alone, the proportion of state expenditure as a percentage of GDP rose from an already high 44 per cent to over 50 per cent, with increasing benefit expenditure playing an important role. At the same time, state revenues decreased steadily over the same period. However, it was a structural crisis that did and still does underlie the debt crisis. The government apparatus and the country's central administration are characterised by opaque and inefficient public institutions

and a lack of clarity regarding the assignment of responsibilities. The executive suffers from departmental powers constantly being reorganised and from a lack of control and communication across departmental boundaries. At the same time, decision-making processes are highly centralised, frequently involving the Prime Minister's office. The detrimental effect of all this was exacerbated by a bloated public sector. The populist decade of the first Pasok government from 1981 to 1989 in particular was characterised by an expansive fiscal policy as well as a strong expansion of the public sector and the jobs that entailed. Then Prime Minister Andreas Papandreou aimed at increasing wages in all areas and encouraging consumption. The number of public employees rose from 510,000 in 1980 to 722,000 in 1991 – making up some 20 per cent of the workforce. Despite many reforming measures, the public employment sector still represents a source of social injustice. For one because of the privileges that still prevail in the public sector, particularly in comparison with the private sector. There is also an *insider-outsider* problem separating frequently older employees, who are well organised and networked via trade unions, from young, highly qualified people, who cannot gain access to jobs in the public sector because of the austerity measures. This situation harbours the danger that Greece may lose motivated and qualified professionals who could help to inject some urgently required efficiency into the country's administration.



Greece's central bank: In the context of demonstrations, violence is frequently directed against central state institutions – often triggered by leftist groups from the autonomous scene. | Source: © Alkis Konstantinidis, Reuters.

The central state apparatus is both subject and object of the highly challenging structural reforms in Greece. The apparatus has for a long time suffered from a lack of skills in the areas of strategic planning, implementation and evaluation. This scenario, which is difficult in itself, is made worse by the role party politics play in the sector. Posts are constantly reassigned on the basis of corresponding loyalties, which prevents the required continuity across the increasingly fast changes in government configuration. Added to this is the fact that many reforms adopted in parliament are not implemented in practice because of a lack of administrative acts. Similar structural problems can be seen in the justice system: the institutions are weak, laws are often of poor quality and not applied with sufficient rigour, resulting in the population losing faith in these important public institutions. The inadequate skills and efficiency of the Greek justice system also have concrete detrimental consequences for the economy, as excessively drawn-out lawsuits and a lack of process transparency have a direct impact on investors and entrepreneurs.

ECONOMY WITH BLOCKED POTENTIAL

The Greek economy is still characterised by rigid, monopolist structures that hamper export. The political instability of the last few years, continuing complex administrative requirements, the precarious condition of the Greek banks and the lack of appropriate adaptation in the education system link the difficult economic situation with almost all key reform demands in Greece. High bureaucratic hurdles and cartelised product markets are blocking market processes and fair competition. Advantages for the few therefore bring about disadvantages for the many, increase consumer prices and lower living standards in times of austerity. Added to this is the fact that it is very difficult and costly for businesses to secure loans, complemented by the capital controls imposed in July 2015, which have still not been lifted and which are very damaging to the Greek economy. Many businesses have to rely on supplies from abroad for their production, and the associated transactions have become a great deal more expensive, if not impossible.

Since the crisis came to light in 2009, the Greek economy has contracted considerably. Unemployment runs at between 25 and 27 per cent. Small-scale manufacturing in Greece, which focuses mainly on import substitution and domestic demand, is suffering greatly from the decline in domestic demand. State revenues

have been hit hard since the end of the credit-funded consumer boom and the contraction of the public sector. This public sector and the high number of people employed in it involved predominantly (semi-)public companies. Large numbers of poorly managed private businesses had been nationalised.

Public corporations still form a significant part of Greece's blocked economic and growth potential in areas such as energy, transport or manufacturing.

These businesses and other public corporations still form a significant part of Greece's blocked economic and growth potential in areas such as energy, transport, the railways, ports and airports as well as in manufacturing. While one may have reservations about the part-privatisation of the Port of Piraeus involving a concession being awarded to the Chinese state-owned company COSCO, this example alone demonstrates the potential inherent in some of the business assets in state ownership in Greece. The Greek state is doing well out of the deal involving the 35-year concession awarded to the Chinese. There is no question of a valuable state asset having been "sold off cheaply" in this case, an argument often put forward by those opposing privatisation. The Chinese operator has, in fact, invested in the latest port technology and thereby increased the container turnover in the privatised section of the port by 80 per cent to over three million containers annually within seven years. The counterexample can be seen immediately next door, in the remaining state-owned part of the container port in Piraeus, where only a fraction of that number of containers is handled. Similar hubs of growth and innovation could mobilise jobs and produce important network effects to the benefit of the transport industry and many other sectors linked to ports.

However, this requires strong political will – particularly to stop the advantages of a few well-organised interest groups being maintained to the detriment of the general public. Unfortunately, no such will has transpired in the actions of the left-wing/right-wing populist government of Syriza and Anel to date. Instead, the Greek taxpayer is being asked to keep inefficient and loss-making state-owned businesses afloat. The heavily indebted Hellenic Sugar Industry (EBZ), for instance, was propped up with 30 million euros as recently as April 2015, although it had been in the red for seven years and generated losses of over 58 million euros in 2014. At the same time, the state-owned company advertised over 200 new jobs. The fact that the Syriza-Anel government has blocked one of the largest foreign direct investments in Greece in recent years at the gold mine in Skouries in the north of the country also illustrates its stance. The Syriza decision-makers

rely on a different vision, having themselves often been heavily engaged in a political fight against privatisation and direct foreign investment. They come from a time when the state dominated the business sector, and competition and the market were denounced as negative principles.

There are further opportunities to be mobilised by encouraging young entrepreneurs and start-ups. While a rather hostile image of the entrepreneur used to prevail, a great deal has happened in the recent past in this respect. Particularly in the major cities of Athens and Thessaloniki, a small boom in company foundations is taking place, particularly in the IT, biotechnology and pharmaceutical sectors. While many of these new businesses still need to prove their viability in the market and, above all, their potential to do business outside Greece, things are happening. However, these tender shoots of a business founding culture need lobbying skills and political support – in the positive sense – at many levels; progress will require the elimination of bureaucratic obstacles, access to venture capital, strategic consulting and sustained political and financial support. And politicians will need to listen to the concerns of small and medium-sized enterprises (SME) – a group that has frequently been neglected under the logic of Greek politics in the past.



Ichthyology (Fish Science): The future of Greece's aquaculture industry is important for the country as a whole, as it tries to claw back years of lost competitiveness. | Source: © Yorgos Karahalas, Reuters.

The Greek economy is still based predominantly on small-scale businesses. It focuses on the food, beverages and tourism industries, which offer little scope for innovation. However, there has been a great deal of movement on the cost side through wage and salary cuts as well as greater flexibility in the labour market. Greek unit labour costs have come to be among the lowest in the EU. But for these steps to lead to growth, urgent changes are required in the structural framework supporting the labour market – administration, justice system, banking, state-owned businesses and universities – to sustainably strengthen competition and boost incentives for investment. Over the last few years, Greece has in fact risen steadily in the Doing Business ranking of the World Bank, reaching position 61 in 2015 – but it is still trailing among the EU countries. Greece must forge new paths. The scope that there had been with respect to unit labour costs has been exhausted after years of massive cuts; the problems of the Greek economy now no longer derive from costs but from structures and the state of the administration. No doubt, a comprehensive strategy of innovation including successful areas of the manufacturing and service industries, a creative start-up scene as well as the universities could generate a substantial dynamic.

SEIZING OPPORTUNITIES IN THE EDUCATION SECTOR

In any society, education has an important impact on economic opportunities, income distribution as well as social progress. The education sector will also play an important role for Greece's future – and it is not ready to take on this task as things stand. In Greece, education has generally been of great significance: historically, socially, politically – and financially. It is considered aspirational, and it is every family's goal to enable their child to go to university, for which they are willing to spend a disproportionate amount of money. Parents, for instance, spend substantial amounts on private tuition to prepare their children for the crucial university admissions tests in Greece – the "Panhellenic Examination". Even before the crisis, up to 20 per cent of household income went on private tuition on average. And even now that household incomes have fallen by an average of 30 per cent, families are still spending significant amounts per child on crammers, the so-called *frontistiria*, which provide lessons in the evening after regular school hours. Many teachers top up their frequently low state salaries successfully in these private schools. The result is a perfectly distorted

Private tuition has led to a perfectly distorted market, where the crucial teaching happens out of school.

market, where the crucial teaching happens out of school. The situation produces a high level of pressure on the pupils. There is also a wide gap between claims and reality in the education sector. While the concept of elites and support for merit is frowned upon in public and politicians regularly stress the importance of social equality and of an egalitarian society – particularly in the education sector – and the fact that privileges are to be avoided wherever possible, four times more well-to-do parents send their children to the *frontistirio* than poorer families.

The structures in the Greek education sector also suffer from a lack of coherence. The country's geography with its numerous islands as well as remote mountain regions has produced a fragmented school system with a generally imbalanced teacher-pupil ratio. At the same time, the teachers' workload is low in an OECD

The Greek curriculum focuses strongly on pupils memorising and reproducing theoretical facts rather than teaching the application of knowledge.

comparison, which means that the costs per unit of instruction are very high in Greece. While the system itself is decentralised in terms of structures, efforts are made to control it from Athens through an excessively

strong centralised apparatus, partly to (supposedly) prevent any regional discrepancies from emerging. The Ministry of Education, Religious Affairs, Culture and Sport plays a very important role in this, including the determination of the teaching content. The Greek curriculum – from school to university – focuses strongly on pupils memorising and reproducing theoretical facts rather than teaching the application of knowledge. The teaching content concentrates often on Greek history and culture. Greek schools are of great importance as places of national self-assurance.

In terms of contemporary history, public universities in Greece have played an important role since the military junta brutally crushed the student uprising at the Athens Polytechnic in 1973. Since then, there has been a public acceptance of the – frequently very left-wing – politicisation of the universities, which is still evident today. Student associations, ranging from left-wing and beyond to communist and anarchist groupings, play a very important role in university life. They have a strong influence on the decisions taken at the universities. The right to strike and strike measures taken by these groupings in particular have paralysed universities in part for entire semesters.

To go forward from the crisis, the Greek education system must turn into a central innovation and investment sector because it offers huge development potential. But this will require acceptance within society. Entrenched opinions and patterns of behaviour will need to be adapted to modern requirements.

Quality assurance and evaluation should be systematically implemented. Dispensing with an outdated rejection of elitism, meritocracy must become the decisive factor overriding

In Greece's educational system, meritocracy must become the decisive factor, overriding party political or personal connections.

party political or personal connections. A reform strategy for a modern education system should be developed by the relevant Greek authorities themselves and will then need to be monitored continuously in its implementation to achieve more sustainable cost structures for an education system that will have to meet growing international requirements. Research is still not playing a sufficiently significant role. Only 0.8 per cent of the GDP is invested in research and development (compared to almost three per cent in Germany). As the manufacturing sector in Greece will not be able to generate the necessary added value to ensure prosperity in the country, Greece will need to raise its game with an appropriate innovation strategy in the area of research and development. While the Greek state finances will remain characterised by cuts and a narrow budgetary scope for the foreseeable future, the distribution of the existing funds will be of importance. There will also be possibilities of substantial financial support from the EU available for this area in the new EU funding period.

The opportunities for universities, research institutes and the business world to interact have also been ignored for too long. Especially in the scientific faculties, some of which are very well set up, entrepreneurial thinking is frowned upon. There is insufficient collaboration between different disciplines to launch innovative joint research projects. State-funded programs to support such endeavours are poorly set up and universities pose obstacles through complicated bureaucratic hurdles rather than providing support where the submission of patents is concerned. The Greek constitution provides additional obstacles when it comes to public-private cooperation in the field of education. There are some excellent research institutes in Greece, but these need to establish far closer contacts with universities, businesses and start-ups as well as with other comparable institutions within Europe, with purposeful state support.

POLITICAL PARTIES SEEKING NEW CERTAINTIES

The Greek party political system has no doubt also been undergoing a fundamental transformation since 2009. The old structures of the *dikomatismos*, the two-party mechanism that had been in place for many years with the *Nea Dimokratia* (ND) party and the social-democratic Pasok party alternating in power, are a thing of the past. From 2012 at the latest, fundamental changes have taken place with the rapid rise of the left-radical Syriza alliance, which ultimately developed into a party ready to take on governmental responsibility. After gaining an absolute majority in 2009, the formerly strong Pasok party came to doubt whether it would gain any seats at all in subsequent

Opinion polls have shown repeatedly that the Greek population, breaking with tradition, would like to see the parties working together to enable the country to move forward.

elections. New political forces have entered the field, and old party political mechanisms, often relying on generous public subsidies, no longer exist. With the demise of the old large blocs, the party landscape has become polarised and fragmented, and the composition of the parliament now means that coalitions have become necessary for forming a functioning government in the last few years – a highly unfamiliar concept in Greek political tradition; this scenario now requires different groups to be willing to make compromises to reach a consensus. Opinion polls have shown repeatedly that the Greek population wishes for a break with tradition in this area as well and would like to see the parties working together during this difficult phase to enable the country to move forward. One recent decisive step in this direction was the decision by President Alexis Tsipras and his Syriza party to abandon their strong opposition against the *memoranda* on further cuts and structural reforms agreed with the international creditors. This did away with the old division into pro and anti-memorandum forces with which all parties had sided since 2010 – occasionally changing sides. Now, the division of the party spectrum is between parties for and against remaining in the eurozone – with the electorate clearly showing its contempt for the latter stance in the elections in September 2015.

All the democratic and pro-European parties in the Greek parliament are in a phase of self-discovery and reorientation; this applies to Syriza after Tsipras's change in course in the direction of a reforming stance, at least in its rhetoric, as well as to the *Nea Dimokratia* party, which was repeatedly punished by the electorate. Under its interim leader Evangelos Meimarakis, it has consistently followed a consensus-oriented center course of late,

going so far as to contemplate coalition with Syriza. The ND is split into several camps over this strategy, and the course the party will follow will be decided during the leadership elections in the beginning of January. In any event, an internal debate will have to follow to ensure that the new path to be followed will enjoy broad support. Reform will also be necessary within the diminished Pasok party if it wishes to find a way to regain its former importance. In the *post-memorandum* era when voters no longer identify with parties on the basis of the *dikomatismos*, the parties need to define their orientation by presenting strategic concepts and issue-related positions – a novelty in the Greek party system. This also offers opportunities for the country.



Coast of Lesbos: Due to its geographic location as the first Schengen member state along the Eastern Mediterranean migration route, Greece has developed into the central entry and transit state for refugees and migrants heading for Europe. | Source: Mònica Parra, Fotomovimiento, flickr @1999.

THE REFUGEE CRISIS AS A CHALLENGE

Apart from the described economic and structural questions affecting Greece's future, the country is facing a further major challenge with the strong increase in the flows of refugees and migrants. Due to its geographic location as the first EU member state along the Eastern Mediterranean migration route, Greece has developed into the central entry and transit state for refugees and migrants heading for Northern Europe. This year, the number of those entering the EU via the Mediterranean has risen by over

800 per cent compared to last year. In trying to deal with these massive numbers, Greece is not only overextended in practical terms, but also in terms of concepts and administration. The situation is further characterised by ideological trench warfare about how to deal with migration and integration. The decision by the Syriza government to adopt a “more humane” refugee policy, one consequence of which was the free movement of migrants out of the rather controversial reception camps, has not received truly effective political or administrative support. The previous Greek policy, which was very dubious under humanitarian, EU law and integration policy aspects, had come under increasing pressure. At the same time, Greek government representatives rightly point out that the country needs greater European support due to its exposure as well as appropriate joint solutions for many of the problems that Greece is currently mainly facing on its own.

CREATING THE RIGHT CONDITIONS FOR OPPORTUNITIES

Greece is suffering a structural crisis that has been in the making for decades, resulting from political failure and – partly in reaction to this failure – social dysfunction. The country is undergoing a process of change that bears comparison with the fundamental transformation many countries experienced after the fall of the Iron Curtain. In a first step, the transformation addressed mainly the country’s finances at surface level. However, the country is also in need of a reshaping of its most fundamental structures. This reshaping will need to go hand in hand with a similarly fundamental change in mentality within society. Over the last six years, it has become increasingly difficult for the Greek population to see how the austerity measures that were hitting them hard could produce the obviously necessary change for the better. The population gave the government the benefit of the doubt in accepting the measures. But so far, there has not been sufficient political courage to go up against clientelistic interests and entrenched habits and make decisions encouraging the setting up of new, modern and efficient structures and processes as well as contributing to the creation of a state sphere and a civil society sphere not dominated by party political allegiances. These fundamental changes could offer Greece the chance of a development for the better. However, the opportunities to take this chance have diminished over the years and are further made more difficult through the close links and correlations between all the above-mentioned sectors. Because of the persistence of the correlations between the existing systems, the structural changes required as a

prerequisite for initiating positive developments demand a correspondingly greater and therefore more challenging effort and an uncompromising will for reform, first and foremost at the political level. Only then will the fundamental crisis yield up the opportunity that many in Greece have long been waiting for.

SPAIN: FROM CRISIS TO RENEWAL

Thomas Bernd Stehling (Finalisation: 13 Dec 2015)



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When the Spanish go to the polls on 20 December to elect a new parliament, they will decide on the future of a country that has experienced and shaped changes over the last four years like never before in its democratic history since the transition. The partly painful path of financial consolidation and economic recovery has gone and is still going hand in hand with fundamental changes in the party landscape and a disempowerment of society elites, the consequences of which have yet to be seen. That said, doubts in Spain's stability are as unfounded as concerns about the country's pro-EU orientation under a new government.

The fact that the Spanish have succeeded in mastering times of great economic challenges and social tensions without letting themselves become infected with the demons of violence, radicalisation and xenophobia raging elsewhere deserves great respect and supports the expectation that they will also be able to find the strength to manage the impending process of reconciliation within society. That will also, most importantly, require new and binding basic principles for the collaboration between the democratic parties as well as the state institutions at national and regional level.

BACKDROP

It looked like Spain's new Prime Minister, who had just been elected to office with a comfortable absolute majority of his *Partido Popular* (PP) in parliament, had not yet woken up to the country's harsh reality. But maybe it had also been one of his failed predecessor's most successful moments when he managed to give the fresh and highly motivated new team, which was about to take over the affairs of state in the early winter of 2011, the impression that the situation in the country was far less dramatic than generally claimed.

Be that as it may, after having held his first cabinet meeting on 23 December 2011, Mariano Rajoy began his term in office by issuing an assurance that it would not be necessary to either cut pensions or increase taxes. Many Spaniards raised their eyebrows in surprise. They had expected a “blood, sweat and tears” speech, because Rajoy’s socialist predecessor Zapatero had just thrown in the towel after seven years in office and found himself compelled to call an early general election in view of a deep crisis of confidence, panic sales of Spanish government bonds, and interest rates at unprecedented high levels.

The *Partido Popular* had already won the local and regional elections in May and was in control of the majority of the town halls and of the governments of the 17 Autonomous Communities. Including the results of the elections to the Congress of Deputies and the Senate of 20 November 2011, the PP was able to concentrate political power as no other political party had managed in democratic Spain since the end of the Franco era. The socialists had only held on to power in Andalusia, their traditional stronghold. During the November elections, however, they were overtaken by the PP for the first time, which sent 33 deputies to Madrid compared to the PSOE’s 25. With the exception of Catalonia and the Basque Country, the *Partido Popular* had become Spain’s determining force.

HOW TO DEAL WITH A BURDENSOME LEGACY

After this success, Rajoy hoped to achieve the final breakthrough in the Andalusian regional elections in the spring of 2012. This was probably one reason he initially held back from predicting “atrocities”. But to no avail. The *Partido Socialista* remained in power in Andalusia, albeit without the absolute majority it had been accustomed to.

Rajoy’s credibility suffered when he announced drastic measures affecting taxes, pensions and the labour market not long after the elections. Although most had expected this and many considered the measures essential, people resented the fact that he was going back on his pre-election promise so quickly. His reputation as an upright Galician was damaged. Just six months after his triumphant election victory, 78 per cent of Spaniards stated that they had “no or little” confidence in him. The head of government has been low in the ratings in all opinion polls ever since where the reputation of the Spanish political elite is concerned.



Children in the outskirts of Madrid: In 2011, almost a quarter of all Spaniards lived below the poverty line – defined as 60 per cent of the average income. | Source: © Susana Vera, Reuters.

It has to be said that if asked personally any sensible person would have declined to accept the legacy that Rajoy and his government took on in the winter of 2011. Unemployment had risen to nearly five million, and a truly scandalous youth unemployment rate meant that almost every second young person under 26 had no career prospects. 21.8 per cent of Spanish people were living on less than the 60 per cent of average earnings that was defined as the poverty limit, particularly large numbers in Extremadura (38 per cent) and on the Canary Islands (31 per cent). And while Zapatero had inherited a budget surplus from his conservative predecessor Aznar back in 2004, the coffers were empty when Rajoy took over, Spain was heavily in debt and there was no further scope for measures to boost the economy.

On the very evening of election day, 20 November 2011, Mariano Rajoy therefore described what the main themes for the next few years would have to be: "Our enemies are unemployment, the budget deficit, excessive debt and economic stagnation." And he continued: "We will not cease to think of those who lost their jobs or did not find a way to enter the job market, those who were forced to close down their own business or give up their self-employed activities, those who have to live on a pension that hardly covers their basic needs, those who are ill or have other problems. We want to give the Spanish back their pride in being Spanish."

Those were aspirations that were easy to support considering how generalised they were. The majority of the Spanish also agreed that things could not go on as before. Particularly where the bloated public sector was concerned, 62 per cent of respondents stated that cuts were necessary and bearable, and in the Autonomous Communities as many as 68.9 per cent believed that things could not go on as they were.

However, an essential element for tackling the crisis was missing: the willingness of all political parties and social groups to work together to find comprehensive answers.

Overcoming the crisis in Spain requires shared efforts by the country's politicians, trade unions, employers and society's elite.

The dominance of the *Partido Popular* was so overwhelming that the coming together and closing of ranks would not materialise despite the dramatic situation particularly in the labour market. The debate was characterised by agonising mutual recriminations instead of the efforts of politicians, trade unions, employers and the social elite that were necessary for overcoming the crisis. Such efforts should have been preceded by the general acknowledgement that Spain's problems were to a large extent self-inflicted, the causes including the way the parties exert substantial influence over large parts of the economy and the financial market as well as the overextension of the public sector and the significant amount of redundancy in the public administration through parallel structures. However, when there is insufficient analysis and when problems are not spelt out, it becomes difficult to lead people on a course of reform that asks them to make sacrifices and concessions. Consequently, what was seized upon as an opportunity elsewhere did not materialise in Spain for a long time: the perception of the crisis as a chance to embrace joint responsibility.

Instead, the Spanish found that many of those who had been instrumental in causing the economic and financial crisis or – despite being in positions of responsibility – had done nothing to prevent it, were able to continue with their lives largely unaffected, while the weak and less privileged of all people often became the victims. As confirmed by OECD figures, Spain is thus among the European countries with the largest disparities between rich and poor.

REVITALISATION MEASURES

The reality of the situation came as a shock. For years, the Spanish had enjoyed a virtually unhindered construction boom as well as cheap loans, with which they could easily fulfil all manner of dreams. Politicians and the banks had led them to believe that the (borrowed) prosperity and *joie de vivre* would last forever. While banks had previously encouraged even people on a low income to ignore their (financial) limits, they were now sending their emissaries or even the police to clear the homes of those who could no longer pay the interest they owed.



Cranes on the roof of the former headquarters of the Spanish credit bank: The building will be converted into a five star hotel. In recent years, Spain has experienced an almost unchecked construction boom. | Source: © Susana Vera, Reuters.

It was, in fact, especially the regional *cajas*, semi-public savings banks, whose expansionist aspirations and risky lending had fuelled the economic and financial crisis in Spain. They symbolised a type of self-development that was unfettered by any rationality or monitoring and in which representatives from politics, business and the trade unions eagerly took part.

Consequently, revitalisation of the economy and job creation topped the Rajoy government's agenda. It has since addressed these goals very consistently, demonstrating the courage to make unpopular decisions.

The challenges were many and varied. Directly after taking over responsibility, Finance Minister Montoro, for instance, saw himself confronted by demands from national and international companies for the Spanish state to finally pay invoices, which had in some cases been outstanding for years, to give them back capital and the means to invest. 3,794,532 invoices from 29,107 suppliers totalling 17.7 billion euros were paid; most of them had been gathering dust in the offices of the Autonomous Communities.

In mid-2012, the government adopted a 35-point package of measures intended to generate 65 billion euros of savings, an ambitious and comprehensive undertaking. It included measures such as raising VAT from 18 to 21 per cent, abolishing the Christmas bonus for public servants and cutting the holiday entitlement and unemployment benefit after six months, lowering social security contributions, cutting party and trade union funding, abolishing tax relief on the purchase of residential property, harmonising the remuneration of mayors and town councillors at a local level, abolishing 30 per cent of town council posts, introducing a sustainability factor in social security and revising the early retirement regulations, conducting an integrated administration reform to save public funds, reducing or abolishing state-owned businesses at the local authority level, improving financial oversight, reforming the energy sector, creating a consistent framework for competition and competition rules in Spain, harmonising accreditations and certificates issued by public bodies, abolishing duplication of monitoring functions performed by administrative units, reform and liberalisation of the service sector, creating greater flexibility in commercial opening hours, liberalisation and privatisation of services in the railway sector and at ports and airports.

The major project of reforming the labour market also required courage and determination. The architects of the package of legislative measures put forward for this purpose realised that the benefits would not manifest overnight; on the contrary, greater flexibility, particularly less stringent protection against dismissal, would initially produce job losses. The protests by trade unions and by the opposition, who regularly called for large-scale countrywide demonstrations, therefore fell on fertile ground because the reforms did not immediately bring the results that people had expected them to yield. At 16.7 million, employment remained at the 2002 level, and although unemployment fell by 65,000 during the first year

Since the reform of the labor market did not yield immediate results, many Spaniards joined the protests of the trade unions and political opposition.

of reform, there was an even greater overall drop of 268,000 in the number of people employed. Most new jobs were temporary, while the number of permanent full-time jobs dropped steadily. In 1.6 million households, not a single family member was employed, and the number of long-term unemployed was rising. Labour market experts agreed: a solid reduction in unemployment could only be achieved with an economic growth rate exceeding two per cent.

FIRST SIGNS OF A TURNAROUND?

Against this backdrop, the months before the elections on 20 December of this year could indeed mark the beginning of a turnaround. The Spanish economy is experiencing growth exceeding three per cent, once again reaching the pre-crisis level for the first time. In July 2015, the Ministry of Employment and Social Security was able to announce that at 4,046,276 million unemployed, this key figure had dropped to the lowest level since 2010. In the second quarter of 2015 alone, 477,000 jobs had been created (+2.9 per cent), and in July, 1.8 million job contracts had been signed, a nine per cent year-on-year increase. The proportion of permanent jobs, however, was only 6.9 per cent. The OECD is therefore talking about a “dual job market”, with a (relatively low) proportion of permanent job contracts and a (relatively high) proportion of temporary contracts. Overall, the number of those employed and paying social insurance contributions increased to 17.3 million, a year-on-year increase of 3.4 per cent. “Record numbers” are also reported for new businesses, with a year-on-year rise by 9.6 per cent during the second quarter of 2015. The number of business closures went down by 27.1 per cent over the same period. There were 8,254 new businesses as opposed to 1,426 closures.

According to OECD figures, it will take a young person employed in Spain an average of six years before securing a permanent position. This compares to an average two years in Denmark.

One area where the situation remains totally unsatisfactory is that of youth unemployment. According to OECD figures, it will take a young person employed in Spain an average of six years before securing a permanent

position. This compares to an average two years in Denmark. The measures to improve professional and vocational education and training have only shown signs of very modest initial improvements. The situation has further caused a general loss in confidence and optimism among the young. If they remain outside the labour market for too long, the education and training they have undergone ultimately become obsolete because of their lack of practical experience.

The Governor of the Spanish central bank believes that unemployment may decline further to 19.7 per cent by 2016 "if all indicators continue to remain positive". These do, however, include the currently low oil price and export revenues, which have been buoyed by strong demand in the emerging economies and a weak euro. There is no certainty that this situation will continue – considering the developments in China alone. The political crisis in Catalonia and the outcome of the December elections are also bound to have an impact on economic development.

The pension reform adopted in 2013 entailed first and foremost an increase in pension age to 67 and the decoupling of pensions from inflation. These measures are intended to produce savings of 33 billion euros by 2022. The intention is that the sustainability factor, which a commission of experts has set at a minimum of 0.25 per cent, should only be raised in years of economic prosperity. Taking stock for the first time since introducing the reforms, the government has found that the number of people retiring early has fallen by 6.5 per cent and that the average actual retirement age has increased to 64.3.

After Prime Minister Rajoy's government having raised over 50 tax rates in total since coming into office and with the top tax rate at 56 per cent, the 2015 tax reform is intended to stabilise the recovery and reduce the burden on businesses and private households. To this end, income tax rates are being revised, the lower rate being reduced to 15 per cent and the top rate to 45 per cent. As this is a shared tax, the Autonomous Communities will need to decide if and when they will fall in line. The competitiveness of businesses is being improved through a reduction in corporate tax from 30 to 25 per cent.

According to the OECD, there is also still substantial scope where tax collection is concerned. In this respect, Spain lags behind the EU average by two per cent. An expert report

An expert report has estimated the Spanish black economy at 253 billion euros, which is almost a quarter of the Spanish GDP.

has estimated the Spanish black economy at 253 billion euros, which is almost a quarter of Spanish GDP. If this situation could be remedied, it would be possible to bring the Spanish budget deficit, which is still notoriously high, down below the agreed three per cent limit.

The government places great importance on reforming the public administration; this is a particularly complex and controversial project, even considering that most of those who will be involved in the implementation belong to the same party. But in view of the circumstances, this undertaking was absolutely necessary. Between 2007 and 2011, under the socialist predecessor government, the number of public sector employees had risen by 288,700. Since the Statutes of Autonomy had come into force in 1982, the number of jobs in the local authorities has quadrupled, that in the regional administrations had multiplied by a factor of 30. When the Rajoy government took office, close to 2.5 million Spaniards worked in the public sector, a quarter of them in public administration at various levels, the rest in the healthcare, education, justice and defence sectors. During Prime Minister Zapatero's term in office, the public employment rate rose from 38.4 to 47 per cent of GDP. What was even more significant, however, was the fact that Spanish citizens no longer knew who was responsible for what and that political control was lost in a chaos of overlapping powers.

In parallel with the major domestic reforming endeavours, Rajoy wanted to win back the world's respect and esteem for his country. It was very hard for the proud Spanish people to see the damage done by the crisis to a country that was once the fourth largest economy in the *Champions League* of European nations and to envisage losing face and prestige in the eyes of the growth regions of Latin America, former colonies and long-term trading partners. Respect and esteem, which the Spanish had always taken for granted, had increasingly given way to a loss of influence.

Rajoy found himself caught between mounting conflicts within the country and a threatening loss of influence abroad. Consequently, integration with Europe and consensus on the reforming efforts were essential to him. He had this to say on the matter: "We will ensure that Spain's voice will once again gain greater respect. We will be the most loyal, but also the most demanding of the EU member states, the most compliant and the most vigilant. We will no longer be the problem, but part of the solution."

The process of *greater integration* in Europe, which Rajoy has called for, has begun in his own country with the willingness to engage in greater transparency vis-à-vis the European institutions and a debate – not popular in this particular case – about what a eurozone member state in a precarious budgetary situation can

afford. Spain has begun to learn that a loss of sovereignty may be the price to pay for the European solidarity it demands.



Harbor in Jaraguá do Sul, Brasil: It was unbearable for the Spanish to see their reputation and weight in the growth regions of Latin America threatened in the context of the crisis. | Source: © Reuters.

The process did not run smoothly. When the International Monetary Fund called upon the Rajoy government to take further steps to consolidate the budget while praising the reform packages adopted to date, the head of government responded by saying that what Europe needed now was “policies rather than directives”.

In the public debate, there were growing indications of nationalist sentiments and increasing criticism particularly of the German stance, which was perceived as being rigid and inflexible. Europe, the argument went, needed Spain at least as much as Spain needed Europe. The “external” assistance that was being sought was ultimately self-help on the part of Europeans and it was therefore appropriate for Spain to claim it. Upon publication of his memoirs, Spain’s former head of government Zapatero boasted that he had not given in to Chancellor Merkel’s urging for him to seek financial assistance.

When it became obvious that Spain would not be able to cope without a bailout package, at least where the consolidation of the banks was concerned, efforts were made to achieve a “bailout without humiliation”. Consequently, Prime Minister Rajoy and

Minister of Economic Affairs de Guindos sold the bank bailout of up to 100 billion euros, which was finally agreed, as the result of their negotiating skills, which had prevented a “submission” such as that suffered by Greece, Ireland and Portugal. This did not make communication with the electorate any easier for Enda Kenny in Ireland and for Pedro Passos Coelho; the only counterargument they could put forward was that they had voluntarily adopted the reform agenda agreed with the troika based on their own insights.

However, by the time the EU finance ministers found that the program of funding provided through the EFSF in July 2012 to bail out the banks had come to an end already by mid-November 2013, Spain had only needed to claim some 40 billion of the available total funds. In the meantime, the Madrid government had made significant efforts to reform the Spanish finance sector. Savings banks were wound up or merged, one *bad bank* now administers toxic (property) securities, the supervisory bodies of the Spanish central bank have been strengthened, and best-practice rules have been put in place. Regional politicians have lost their influence over the way the savings banks are run, and legal proceedings have been initiated against some former supervisory board members.

INTERNAL SECURITY AND MIGRATION

The attacks in Paris have brought back memories of the terror attack in Madrid, which took the lives of 191 people and left over 1,800 injured on the morning of 11 March 2004, three days before the parliamentary elections in Spain. Initially, it was blamed on the Basque organisation ETA; it was subsequently attributed to a group affiliated with Al Qaeda and associated with the Spanish involvement in the Iraq war. Since the attack, the Spanish security services have been successful in foiling a number of attacks, partly in close cooperation with their European and international partners.

They further make a frequently undervalued contribution to securing the external European borders. This includes not only measures for border security and border control but also, importantly, a repatriation agreement with Morocco, which has greatly lessened the appeal of this route to Europe. The agreement also covers the deportation of “undocumented” migrants, whose identity and country of origin cannot be determined.

Spain has maintained its liberal stance towards legal immigration, which is relatively generous by comparison with other countries, largely unchanged even during the times of the economic crisis. There are currently some 4.5 million foreigners living in the country, with Romanians representing the largest group (15.9 per cent), followed by Moroccans (15.4 per cent) and British (6.8 per cent). Many immigrants from Latin America, on the other hand, left the country again during the crisis years since 2009.

By 2012, illegal immigrants had also been granted free access to the Spanish healthcare system. This access was restricted by the Rajoy government, but has since been reintroduced even by regional governments controlled by the PP. According to Amnesty International, this applies to some 750,000 people without a residence permit.

Spain is one of the EU member states that had initially rejected a distribution key for refugees, as was proposed by the EU Commission in mid-2015. This was due to the fact that, from the Spanish perspective, the ten per cent weighting given to the level of unemployment in a member state was clearly too low. But the government now supports the agreed compromise.

One point worth stressing is that the general stance of the Spanish people towards immigrants has hardly changed even with the crisis affecting the job market. None of the traditional parties or the newly founded ones is advocating xenophobic positions or opposing further immigration.

CONCLUSION: OUT OF INTENSIVE CARE

Today, just four years on, Spain presents a different picture in many respects. And the government has contributed significantly to this. Leaving politics to one side, the small and medium-sized businesses in particular have regained courage and are instrumental in helping the country to get back on an even keel. Together with the Spanish corporations operating worldwide, they have become the symbol of a country that has emerged from intensive care.

The crisis has shown that one pillar of society has stood the test of time: family cohesion and solidarity. Families helped to alleviate misery and despair, organised assistance for relatives who were out of work and in need, gave a home and hope to young people without prospects.

King Carlos' abdication was a consequence of the public's frustration over corruption and the abuse of political and economic power in Spain.

It was families that provided help when the economic crisis turned into a social crisis, with deep cuts in the social sector, from education to healthcare. While people of course directed their outrage at the government, they also blamed almost to the same extent the "1978 regime", the elites in political parties, business, trade unions, the media and the Churches, who had determined the country's direction since the transition. Growing numbers of people within society felt that those elites had abandoned them. The anger about that, about corruption and the way the elites seized the instruments of governmental and economic power mobilised entire swathes of the population. The *indignados* (outraged) and the *15M* (15 May) movement as well as the Podemos and Ciudadanos parties later on are manifestations of the longing for regeneration and political change. Juan Carlos' abdication in June last year was offered not least in response to this mood in the country.

Whatever the verdict on the individual new political parties and groupings will turn out to be, they have helped to give people who had previously lost faith in their political representatives the feeling that they are represented once again. The last few elections, from the European elections to the regional and local elections, have since placed many people in positions of responsibility who were not prepared for it and whose only previous political experience had been their involvement in a protest movement. They will now have to pass the political acid test.

While the focus is currently on the competition between old and new parties, the political landscape could soon be determined more strongly by issues and individuals once again, assuming that the PP and the PSOE have learnt from the experiences of the last few years. A new political climate of joint responsibility may then emerge, an essential prerequisite for tackling the largest of the remaining political challenges: ending the conflict in and with Catalonia. This conflict has long moved beyond any political rationale and will only produce losers if it continues to be conducted in the same manner.

The overdue turnaround will require a rethink of Spain's institutional structures and an answer to the question of whether the 1978 constitution, which has only undergone two changes since, can provide the answers for the 21st century as well in its present form. There is no lack of expertise and ideas. It is incumbent upon

those holding political responsibility to demonstrate the will and skills required to conduct the necessary discourse. Should this discourse prove successful, it could become a symbol of a new understanding of responsibility for Spain and Europe.

USA: THE EUROPEAN PARTNER IN CRISIS

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INTRODUCTION

The transatlantic partnership between the United States of America (USA) and the European Union (EU) is considered fundamental to their foreign policy by all EU member states. Germany, for instance, regards the USA as its closest ally outside Europe.¹ While the USA maintains bilateral relations with numerous countries around the world, the transatlantic partnership remains a very important mainstay of U.S. foreign policy.² Consequently, the USA is looking upon Europe's current challenges with concern.

There is a belief in the USA that Europe is caught in a deep crisis. There are increasing concerns that the multiple challenges could be weakening, or even destabilising, its strategic partner, Europe. After it took tough negotiations to save Greece from having to leave the euro, there are growing doubts in the USA about the EU's fundamental governmental structure. These doubts are currently being fuelled by Europe's response to the refugee crisis. Particularly in U.S. government circles, there is an opinion that the lack of strong institutions to implement political decisions is now taking its toll and making itself felt in the EU's increasing inability to take effective action.

However, the USA still has a great interest in a strong and stable partner on the other side of the Atlantic, in a Europe that has the traditional characteristics of being "whole, free, at peace" and, as

1 | Cf. Federal Foreign Office 2015: Die transatlantischen Beziehungen, 9 Oct 2015, in: http://auswaertiges-amt.de/DE/Aussenpolitik/RegionaleSchwerpunkte/USA/TransatlantischeBez-allg_node.html (accessed 5 Nov 2015).

2 | Nuland, Victoria 2015: "Unity in Challenging Times: Building on Transatlantic Resolve" (speech), 27 Jan 2015, in: <http://state.gov/p/eur/rls/rm/2015/jan/236820.htm> (accessed 5 Nov 2015).

is now frequently added, “prosperous”,³ as the concerns are also to a large extent related to economic development. U.S. politicians are aware that they need Europe to be able to realise many of their foreign policy interests. There is no other similarly strong and developed transnational partnership between the USA and another country or region worldwide. That said, the USA is finding itself in a situation where it has to review its own global role. Even now that the financial crisis has been overcome, the country is facing enormous domestic challenges, relating to the need to strengthen a hard-pressed middle class, infrastructure, education policy, the integration of some eleven million illegal immigrants, etc. It is also facing foreign policy challenges. This applies in particular in regard to its relations with the up-and-coming power China. Relations between the two countries are complex, and U.S. policy wavers between engagement and containment. A strong Europe, which at many levels pursues similar interests based on common values, is considered an important factor for the USA's continued capability of projecting its influence globally. This has become particularly relevant since the Western democratic system is coming under ever stronger challenge, not least from countries engaging in state capitalism such as China (and Russia). The illusion of a post-ideological era has evaporated in Washington as well by now.

Transatlantic security experts consider Russia a serious threat to the partnership between the USA and Europe.⁴ Leaving aside the debate about the right societal model, the main question is who has a better understanding of the currently complex world and can use that to their own tactical advantage. According to one opinion that is frequently aired in Washington, Russia managed to steal a march on the West with Syria and the Ukraine because of a lack of decisiveness. Heather Conley, Vice President of the think tank Center for Strategic and International Studies (CSIS) and director of its Europe Program, spoke of a new Russian “Iron Curtain” in early October and warned against Russia's new geopolitical strategy.

According to the Center for Strategic and International Studies, the West has forgotten to “conduct effective deterrence” against Russia and underestimated its military threat.

3 | Cf. Kerry, John 2014: Remarks at the Atlantic Council's “Toward a Europe Whole and Free” Conference (Speech), 29 Apr 2014, in: <http://state.gov/secretary/remarks/2014/04/225380.htm> (accessed 11 Dec 2015).

4 | Stavridis, James 2014: Vladimir Putin Hates the TTIP: Which is exactly why Europe and America need to get it done, Foreign Policy, 19 Nov 2014, in: <http://foreignpolicy.com/2014/11/19/vladimir-putin-hates-the-ttip> (accessed 11 Dec 2015).

The West had forgotten how to “conduct effective deterrence” against Russia and had underestimated Russia as a military threat for too long. Strategic cooperation between Russia and NATO had become a thing of the past and this required an adjustment of NATO’s long-term strategy. This in turn required a stronger constant military presence by the USA and the European NATO member states at the northern and eastern boundaries. Heather Conley believes that the NATO summit in Warsaw this coming year will have to mark a turning point in NATO strategy vis-à-vis Russia in order to re-establish an effective counterbalance to Russia.⁵ Although Heather Conley’s remarks were addressed to a national audience, they reflected the widespread concern that the USA and NATO may be losing their influence in the security arena and may no longer be capable of regaining it.

The following text contains a summary of the U.S. perspective on Europe’s current trouble spots, which is then placed into context. First, the authors provide a short overview of the current state of the negotiations on the “Transatlantic Trade and Investment Partnership” (TTIP) and the transatlantic component of the nuclear deal with Iran as well as the UK’s potential exit from the EU. This is followed by a comprehensive report on the current refugee crisis in Europe, the fears about Greece leaving the eurozone, the Ukraine conflict and the battle against Islamic State. There are a number of further relevant topics (such as Europe’s relationship with China), which exceed the scope of this report, but which also play a role within the transatlantic alliance.

THE “TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP”

Negotiations over the “Transatlantic Trade and Investment Partnership” between the USA and the EU are ongoing. On 24 June 2015, the U.S. Congress granted a so-called Fast-Track Authority to the President by passing the Trade Promotion Authority (TPA). A few days later, on 8 July 2015, the European Parliament adopted a resolution on the continuation of the TTIP negotiations. Shortly afterwards, the tenth round of negotiations was held in Brussels from 13 to 17 July 2015. The negotiating parties have met four times in total in 2015, most recently from 19 to 23 October 2015 in Miami (Florida). While it is to be expected that the

5 | Conley, Heather 2015: “Russian Strategy and Military Operations” (statement in U.S. Senate), 8 Oct 2015, in: https://csis.org/files/attachments/ts151008_Conley.pdf (accessed 5 Nov 2015).

negotiations between the European and U.S. negotiating teams will continue, the likelihood of a decision in Congress will diminish as the presidential election campaign is heating up. It is the case that, by contrast with the “Trans-Pacific Partnership” (TPP), the negotiations for the TTIP are considered particularly complicated and the political decision about the agreement simpler. But most observers no longer believe that there will be a political vote in Congress under President Obama. The decision by the European Court of Justice to declare the Safe Harbor agreement invalid will probably hamper the TTIP negotiations. This decision has clarified the need for U.S. companies to modify the way they deal with European user data. The decision has further strengthened the doubts of some on the U.S. side about the Europeans’ commitment to engage in more intensive transatlantic cooperation.



John Kerry: Had it not been for the strong negotiation partners in Europe, the nuclear deal with Iran might not have been signed. | Source:

© Ruben Sprich, Reuters.

THE NUCLEAR DEAL WITH IRAN

The nuclear deal with Iran, on the other hand, is cited in U.S. government circles as an example of a joint transatlantic achievement in an international conflict. The broad European support for the deal helped the U.S. government to present it as a positive negotiation outcome. That said, the cooperation between the E3 (Germany, France and the UK), the EU and the USA during the final phase of the negotiations on the Iran nuclear program were described as important in the media, but not as instrumental to

the breakthrough in the negotiations. The U.S. media portrayed the E3 as relevant actors, but focused their reporting on Secretary of State John Kerry and his negotiating team. The breakthrough was ultimately attributed to Secretary Kerry. At government level, however, the significance of the U.S.-E3 cooperation is definitely appreciated. The deal would not have been concluded without a strong negotiating partner in Europe, in this case actually three. The U.S. government is aware that the E3 had a crucial influence on the lengthy negotiations and that the diplomatic resolution of this conflict can also be attributed in large part to the E3. Shortly after the conclusion of the negotiations, there was some uncertainty in the USA as to whether Congress would accept the deal. The EU, on the other hand, declared the negotiations concluded and initiated the lifting of the sanctions. This briefly caused some concern among U.S. companies which feared that European businesses may gain an advantage in the resumption of trade relations with Iran. This fear quickly manifested in some critical reporting about the lack of cooperation on the part of Europe. Ultimately, there was no majority in the U.S. Congress for blocking the nuclear deal. The USA will once again play a special role in the coming implementation phase, but the two parties either side of the Atlantic are expected to engage in close cooperation to ensure that Iran actually adheres to the deal.

POTENTIAL BREXIT

For a long time, the USA considered the UK its most important partner in Europe. A strategic "special relationship" connected the two countries. British politicians, including not least Eurosceptics, have also had significant influence on the U.S. interpretation of European politics in the past. This influence was (and is) strengthened by the fact that British media, such as *The Economist*, also have an impact on decision-makers. But there has been a change in perception over recent years. Europe is seen less and less from the British perspective and perceived increasingly as an entity of its own, partly due to Germany playing a greater role in Europe. These days, eyes are turning to Berlin rather than London in connection with many issues.

The UK leaving the EU would have negative repercussions for U.S. relations with both the EU and the UK and therefore to transatlantic relations generally. Consequently, a potential Brexit would affect U.S. key interests. During David Cameron's latest visit in June 2015, Barack Obama stated publicly that the U.S. expected

the UK to remain part of the EU.⁶ This was an astonishing statement by the U.S. President, reflecting the U.S. interest in the EU retaining its cohesion.

The “special relationship” between the USA and the UK is likely to survive – whatever the outcome of the British vote. But the gulf between the two parties would probably widen. The debate about defence expenditure in London and the UK’s limited military engagement, for instance in the current fight against IS,⁷ is calling into question the UK’s role as a strong partner in security matters. The USA had exerted substantial pressure on the UK with respect to both issues.

Economic relations are also likely to suffer substantially. The USA would not seriously consider a separate trade agreement with the UK; the preference for multilateral free trade agreements over bilateral agreements is too strong. The TPP and TTIP clearly demonstrate that fact. Even if a bilateral agreement were to be considered, this would be unlikely to produce more favourable terms for the UK. Only very recently, U.S.

Trade aspects also contribute to the U.S.’ attitude of favoring a UK which is a member of the EU.

Trade Representative Mike Froman, who leads the U.S. negotiating team, made it clear that the U.S. has a definite interest in the UK remaining in the EU from a trade perspective as well.⁸ The burgeoning relations with the EU – particularly in the expectation that the TTIP will materialise – are already determining U.S. economic interests more strongly than the economic relations with the UK.

Most recently, the UK’s decision to join the Asian Infrastructure Investment Bank (AIIB) has been a great disappointment to the USA, as it left the country isolated. China’s recent efforts to woo the UK are being viewed with suspicion.

Leaving the EU will hardly make the UK more interesting as a strategic partner – particularly against the backdrop of British influence in the EU waning. Conversely, there are fears that the EU would change as well. The UK is viewed as an important guarantor

6 | Cf. Schliess, Gero 2015: On UK “Brexit,” Obama is thinking US – not EU, 25 Jul 2015, in: <http://dw.com/en/a-18607337> (accessed 5 Nov 2015).

7 | “Daesh” is the Arabic acronym for ISIS. This term is increasingly being used by analysts with the aim to avoid conveying the impression that the terrorist organization is an Islamic state. In accordance with that, “Daesh” instead of IS or ISIS will be employed in the following.

8 | Cf. Financial Times 2015: Brexit and the delusions of new free-trade deals, 30 Oct 2015, in: <http://ft.com/intl/cms/s/0/aba86dce-7efa-11e5-98fb-5a6d4728f74e.html> (accessed 5 Nov 2015).

of a strong transatlantic alliance within the EU, not least in the area of security and with respect to geostrategic issues. The UK is further considered the guardian of the open market in the EU, which is also in the USA's crucial interest. Even though the USA may be focusing increasingly on Germany in connection with issues concerning Europe, the UK remaining in the EU is still of central importance to the USA.



U.S.-Mexican border: Migration, immigration and integration are similarly controversially debated issues in the USA. | Source: © Frank Duenzl, picture alliance.

THE REFUGEE CRISIS

Unlike most European states, the USA has seen itself as a country of immigration since its very foundation, which has given many people refuge and the chance of a better future through the centuries. Nevertheless, migration, immigration and integration have become highly controversial topics in the USA as well, with respect to both domestic and foreign policy, although the circumstances are different, particularly on the domestic front. The main difference is that the U.S. debate about immigrants is almost exclusively about illegal immigrants already living in the country. The humanitarian dimension of the refugee crisis that is particularly relevant in Europe is almost totally absent in the USA, with one exception being the some 84,000 children from Central America, who crossed the border from Mexico into the USA in 2014 and 2015.

However, there is one thing the situations in the USA and the EU have in common, namely that the issue of foreigners and immigration is a politically highly charged subject. The potential Republican U.S. presidential candidate Donald Trump derives a great deal of his political energy from his hostile stance towards foreigners. Among other things, Trump announced his intention to expel the eleven million illegal immigrants and to reform the process for obtaining U.S. citizenship. Border control is a further significant issue, as large parts of the border to Mexico are not fortified. Trump announced that if he became President he would fortify the border with a huge security wall. Yet the USA has a long history of successful immigration and integration. Some one million foreigners (legally) immigrate to the USA each year.

The USA observes the current flow of refugees into Europe with concern. Since 2012, the EU member states have experienced a significant rise in the number of asylum applications.⁹ By September 2015, the entire previous year's volume of 700,000 applications had already been exceeded.¹⁰ The refugee drama is frequently viewed in the broader context of the multitude of challenges currently facing Europe. The way migration is being dealt with at the present time is viewed as a failure by many. This is due to the perception that there is no effective common European policy on migration. Many Americans see European migration policy as an example of the lack of cohesion within the EU and of the fact that action based on a common European vision in this area represents an enormous challenge. Migration experts from the USA question Europe's asylum application structure ("Dublin III Regulation") because of the vast numbers of refugees. During discussions in think tanks and the like, people point out that these developments can no longer be described as a refugee crisis and that there is a larger dimension involved: global migration flows. This view then reinforces the scepticism about whether Europe is up to managing these developments.

Many Americans see European migration policy as an example of the lack of cohesion within the EU.

9 | Cf. Eurostat 2015: Asylum in the EU: The number of asylum applicants in the EU jumped to more than 625,000 in 2014 (press release), 20 Mar 2015, in: <http://ec.europa.eu/eurostat/documents/2995521/6751779/3-20032015-BP-EN.pdf> (accessed 5 Nov 2015).

10 | OECD 2015: Is this humanitarian migration crisis different?, Migration Policy Debates 7, Sep 2015, in: <https://oecd.org/migration/Is-this-refugee-crisis-different.pdf> (accessed 5 Nov 2015).

The USA is also particularly concerned about extremists potentially exploiting the current situation to enter Europe. The fear is that there are some terrorists among the migrants. The terror attacks in Paris on 13 November have pushed this concern back onto the political agenda. So far, it is unclear whether the attackers pretended to be Syrian refugees and in fact travel from Syria through Greece into Europe. Regardless, such suspicions are enough for radical right-wing groups, as for example the Front National in France, to question the entire European refugee crisis management. Similar opinions are expressed among conservative news reporters in the USA. The potential exploitation of the Syrian refugee crisis by Islamic extremists is one of main reasons the USA has only been accepting a very limited number of refugees from Syria to date.¹¹ But what worries observers in Washington even more is the thought that the integration of the migrants may fail. The fear is that a failed integration process would facilitate the dissemination of radical propaganda by Islamists and recruitment for terrorism.



Refugee child: American politicians mostly depict Germany's dealing with the refugee crisis as exemplary. | Source: © Srdjan Zivulovic, Reuters.

11 | Cf. Fidler, Stephen / Pop, Valentina 2015: Paris Attacks Shine Light on Europe's Failing Border Policies, Wall Street Journal, 19 Nov 2015, in: <http://on.wsj.com/1HbL6zD> (accessed 11 Dec 2015); Fox News 2015: Paris massacre ringleader used migrant crisis to get into France, PM says, 20 Nov 2015, in: <http://fxn.ws/1QxBbas> (accessed 11 Dec 2015).

U.S. media are reporting extensively about the refugee crisis. In an op-ed piece in the LA Times, Dalibor Rohac commented that the refugee crisis revealed the weak points of the incomplete institutional underpinnings of the EU.¹² While the adoption of the Schengen Agreement facilitated the free movement of people throughout the EU for political reasons, the individual peripheral states carried the main burden of securing the borders. Rohac further commented that the current refugee crisis was buoying up nationalist tendencies in Europe. The columnist Roger Cohen wrote in the New York Times that Europe had no vision: "Europe is caught between those who want to get in, those who want to get out, and those who want to destroy it."¹³ There have also been corresponding reports in various media on the fact that the Eastern European countries in particular are opposed to ideas such as fixed distribution quotas imposed by Brussels. Slovakia, for instance, only wanted to accept Christians and was calling the Western European model of multi-culturalism into question. Hungary's current refugee policy is also viewed in a very negative light in the U.S. There is general incomprehension about the slow pace of the distribution of the burdens the refugee crisis entails. In addition, the USA is also concerned about a potential political polarisation of Europe, and there are fears that the willingness to help others within Europe will decline further if no decisions are made to realise effective reforms as soon as possible.¹⁴

U.S. politicians usually cite Germany's way of handling the refugee crisis as a positive example. By contrast with the national debt crisis, no advice is being offered on how Germany should conduct itself in this crisis. On the contrary: the Chancellor receives praise. In a telephone conversation with the Chancellor, President Obama expressed his appreciation of Germany's engagement and reiterated this opinion during President Gauck's visit to the USA in October 2015. Previously, Assistant Secretary of State for Population, Refugees, and Migration, Anne C. Richard, had already made a point of emphasising Germany's commitment. At the same time, there is an implied expectation that Germany must be capable not

12 | Rohac, Dalibor 2015: A borderless Europe under siege, Los Angeles Times, 6 Aug 2015, in: <http://fw.to/OPesOre> (accessed 5 Nov 2015).

13 | Cohen, Roger 2015: The Migrant Crisis in Calais Exposes a Europe Without Ideas, New York Times, 3 Aug 2015, in: <http://nyti.ms/1KLsjfe> (accessed 5 Nov 2015).

14 | Cf. Applebaum, Anne 2015: Europe's Deadly Denial: The refugee crisis is the consequence of Europe's refusal to confront the wars on its borders, Slate, 4 Sep 2015, in: http://slate.com/articles/news_and_politics/foreigners/2015/09/europe_refugee_crisis_the_eu_has_failed_to_confront_the_wars_in_syria_and_.html (accessed 11 Dec 2015).

only of solving its own problems but, in view of its leading role in the EU, also of making a major contribution to resolving other European problems.

In the media too, Germany is frequently cited as a positive example in the EU. Other countries are called upon to increase their engagement. The New York Times commented that particularly richer European countries such as the UK and France could accept more refugees and stated that poorer countries at the southern

Angela Merkel's appearance in a German TV discussion and her exchange with a young Palestinian girl was positively reported on by U.S. media.

periphery had to carry comparatively higher burdens. The German government, and first and foremost the Chancellor, is singled out for particular praise because of its engagement, although there have also been reports

of xenophobic rioting in Germany. Angela Merkel's appearance in a German TV discussion and her exchange with a young Palestinian girl played a role in this context. This was generally seen in a positive light. It was thought that Chancellor Merkel had had the courage to spell out the truth, namely that not every person could come to Europe. Esther J. Cepeda argued in the Mercury News that one could not demand honesty from politicians and then complain when they spoke the truth. The Chancellor is therefore also thought highly of in connection with the migration issue.

Victoria Nuland, Assistant Secretary of State, recently put it succinctly at a public event: "Germany is living the values that bind us."¹⁵ But this does not mean that Washington is blind to the enormous challenges the refugee issue entails for Europe.

THE GREEK NATIONAL DEBT CRISIS

Politicians in Washington have been keeping a very close eye on the development of the Greek national debt crisis from the beginning. The USA is concerned mainly about the potential repercussions for its own economy and for Europe's development as a strategically important partner. It quickly became general knowledge in the USA that U.S. banks and private investors had only invested modestly in Greek government bonds. The direct impact on the USA would therefore be very minor in the event of a default. This is probably also the reason why the U.S. administration was largely restrained in its comments in the early days of the crisis.

15 | Victoria Nuland uttered this statement at the following event: "Europe 25 Years After German Unification: Crisis, Unity, and Opportunity", which was hosted by the German Marshall Fund in Washington, D.C. on 6 Oct 2015.

In early 2015, President Obama expressed sympathy towards the new Greek government and warned against hampering growth through excessive insistence on reforms and debt repayments. Growth was the best way to achieve deficit reduction and fiscal stability, according to the President speaking in a CNN interview in January 2015. Europe “cannot keep on squeezing countries that are in the midst of depression.”¹⁶ Particularly in Germany, this caused quite some irritation.

Later on, the problems with Greece were viewed generally as Europe’s problems and not much commented upon. Only when it became apparent that the European decision-makers may be losing their grip on the situation and that the survival of the euro-zone seemed to be in jeopardy did the U.S. administration feel compelled to criticise the austerity policy towards Greece and to demand compromises from both sides. A Grexit with unpredictable consequences was seen as detrimental to the USA’s (geostrategic) interest.

The USA also coordinated closely with the International Monetary Fund (IMF) to help stabilise the situation in Greece. It was probably due to U.S. pressure that an IMF report was published shortly before the Greek referendum, which made clear that any further assistance by the IMF was contingent upon a restructuring of the debts. U.S. Treasury Secretary Jack Lew made a point of praising the report, stressing that he too believed Greece’s debt was not sustainable. Lew closed his comments by calling the agreement an important step in the right direction.

After the successful negotiations about a third bail-out program in July between the heads of state and government of the euro-zone and Greece, concerns about economic repercussions for the USA lessened significantly. However, the potential impact of the national debt crisis on the geostrategic partnership continues to play a role. In principle, the USA has a clear interest in a strong European partner that is increasingly capable of accepting international responsibility. Consequently, there is great interest in the integrity of the eurozone. Germany is seen as the leading nation in Europe in this context as well. As the Greek national debt crisis evolved, USA observers

The U.S. has a clear interest in a strong European partner which is increasingly capable of accepting international responsibility.

16 | Cf. Ackerman, Andrew 2015: Obama Expresses Sympathy for New Greek Government, Wall Street Journal, 1 Feb 2015, in: <http://on.wsj.com/16925k5> (accessed 5 Nov 2015).

therefore mainly turned their attention to Germany and to Chancellor Merkel as the key figure for overcoming the crisis.

According to some observers, the positions taken by the USA over recent months were probably also influenced by concerns about the possibility that a Greek exit from the eurozone – or even worse from the EU – would provide Russia with new scope for exerting influence in Europe.

Even though conservative economists view the current agreement with Greece politically as a submission to the creditors' demands, they also consider it the only way to encourage new growth. The current crisis has reignited the dispute about the question of whether high debts hinder growth. Conservative economists such as Romina Boccia from the Heritage Foundation, who invoke economists like Ken Rogoff, believe the USA is also on a course towards a level of debt that will stifle growth. At the same time, they acknowledge that there are crucial institutional and structural differences. The USA, for instance, prints its own money and a large proportion of its debts is in the hands of domestic creditors. Nevertheless, they call for stronger budgetary discipline in view of the current experience with Greece. On the other side of the divide are economists such as Joseph Stiglitz and Paul Krugman. Krugman, one of the few old-school Keynesians who place great trust in an expansive monetary policy, accused the EU negotiators of wanting to stage "a coup" in his column in the New York Times.¹⁷ He was particularly doubtful about Germany's good intentions. To him, the harsh demands of the current agreement are calling Greek sovereignty into question. And he believes any new growth is only possible in conjunction with some debt relief. Krugman caused considerable irritation in Germany by voicing his opinion, but was paid hardly any attention in the USA beyond the expert audience.

During the phase of negotiations in July, the major quality newspapers published editorials that were generally critical about the management of the crisis, particularly by Germany. The key question was mostly what this would mean for European cohesion.

17 | Cf. Krugman, Paul 2015: Killing the European Project, New York Times, 12 Jul 2015, in: <http://nyti.ms/1URLzdC> (accessed 5 Nov 2015).

THE UKRAINE CONFLICT

The USA and Europe are linked by a common political stance towards Russia's aggressive conduct in Ukraine. Consequently, the USA expects Europe to take a clear position and follow up with action. While the Normandy format brought about the Minsk peace deal, doubts remain in U.S. government circles about the leadership role of Germany and France and about the EU as a general coordinating body in the Ukraine conflict. The USA also considers the Ukraine crisis a serious challenge to the European construction project.¹⁸ Progress in the implementation of the peace agreement has been sluggish, and the USA fears Russia could exploit Europe's current softly-softly approach to establish government-type institutions in Eastern Ukraine, thereby cementing the current territorial division. Politicians in the USA further believe only a strong Europe will be capable of setting clear limits to Russia. Although the EU has joined the USA in imposing sanctions against Russia, it seems that the multitude of challenges within Europe make it unlikely that expectations of Europe demonstrating a strong security policy can currently be fulfilled.

While the U.S. economy is recovering from the global financial crisis,¹⁹ most of the European countries remain in a state of stagnation.²⁰ The USA fears that an economically weak Europe may be reluctant to impose stronger sanctions against Russia. It also makes it more difficult to justify increases in military spending to the public at home. Russia is aware of these problems and may well seek to use them to its advantage in the near future. Ultimately, the Ukraine crisis cannot be resolved without an economically strong and politically united Europe; at least that is the opinion in the USA.

The Ukraine conflict also illustrates the expectation in the USA for the European member states to show a greater financial commitment to NATO. As the USA sees it, the withdrawal of a large proportion of U.S. troops from Europe after the end of the Cold War created a vacuum, which now needs to be

According to the U.S., the European NATO member states need to fill the power vacuum that emerged after the end of the Cold War.

18 | Cf. Blinken, Antony J. et al 2015: Remarks on Transatlantic Cooperation and the Crisis in Ukraine, 5 Mar 2015, in: <http://state.gov/s/d/2015/238644.htm> (accessed 5 Nov 2015).

19 | Cf. Chandra, Shobhana 2015: U.S. GDP Rises 2.3% in Second Quarter; First Quarter Revised Upward, Bloomberg, 30 Jul 2015, in: <http://bloom.bg/1LZoIdz> (accessed 5 Nov 2015).

20 | Cf. The Economist 2015: The euro-zone recovery is losing momentum, 14 Aug 2015, in: <http://econ.st/1J4eUIz> (accessed 5 Nov 2015).

filled in view of Russian aggression. The U.S. government believes it is predominantly up to the European NATO member states to take on this task. But some European NATO countries are continuing to cut their defence budgets, although the agreement made at the NATO summit in Wales in September 2014 set down a defence budget of two per cent of GDP. The U.S. government is sticking to this goal, at least in public, although experts have drafted numerous alternative, more effective reform plans for NATO's role in Europe.²¹

Since October 2015, Ukraine is no longer the only trouble spot where Russia as well as the USA and the EU member states are involved. As a result of Russia's intervention in the Syrian conflict, the transatlantic security alliance seems to have a new serious challenge to deal with.

THE FIGHT AGAINST DAESH

In the fight against Daesh, there is currently a lack of viable options in Washington D.C. The air strikes have so far only had limited success, and the costly training of moderate rebels has ended in fiasco.²² The hope of the USA for a strong coalition with numerous active members has so far not materialised. Even among NATO members, support has been rather limited. Currently, only the UK, France and the Netherlands are actively involved in the air strikes against Daesh. Other European states, such as Belgium, Denmark, Italy, Norway, Spain and Germany, are only providing logistical support to the alliance.²³ France's military response to the 13 November terrorist attacks initiated a discussion within Europe as to whether there should be a joint military engagement against Daesh.²⁴ Both the UK and Germany have already expressed their

21 | Cf. Techau, Jan 2015: The Politics of 2 Percent: NATO and the Security Vacuum in Europe, Carnegie Europe, 09/2015, in: http://carnegieendowment.org/files/Techau_NATO_paper_final.pdf (accessed 5 Nov 2015).

22 | Cf. McLeary, Paul 2015: U.S. Acknowledges Reality and Scraps Failed Syria Training Program, Foreign Policy, 9 Oct 2015, in: <http://foreignpolicy.com/2015/10/09/u-s-acknowledges-reality-scraps-failed-syria-training-program> (accessed 5 Nov 2015).

23 | Cf. U.S. Central Command 2015: Counter-ISIL military coalition concludes operational planning conference, 1 May 2015, in: <http://centcom.mil/en/news/articles/counter-isil-military-coalition-concludes-operational-planning-conference> (accessed 5 Nov 2015).

24 | Davidson, Helen / Jalabi, Raya 2015: Paris terror attacks: France launches fresh airstrikes on Isis in Syria – as it happened (Live-blog), The Guardian, 17 Nov 2015, in: <http://gu.com/p/4e99e/stw> (accessed 11 Dec 2015).

solidarity as well as support to France's military engagement against Daesh.²⁵ Both countries have recently passed legislation to expand their military operations against Daesh. Some American security experts recommend a joint military engagement through NATO, although it remains to be seen whether this proposal will materialize.²⁶

In January 2015, Assistant Secretary Victoria Nuland was still speaking of the transatlantic alliance as the foundation for the international coalition in the fight against Daesh.²⁷ This reflects the U.S. expectation of greater European engagement in this area. Due to the massive influx of Syrian refugees to Europe, the European engagement in Syria could well increase in order to curb the flow of refugees. At the same time, the large numbers of Syrian refugees have had no effect on the fundamental differences in the stance taken by different European states with respect to military intervention in Syria. Countries such as the UK and France, which are directly affected by the IS terror, have a stronger motivation fuelled by public opinion and are therefore engaged more strongly in the fight against Daesh.

Russia's military engagement in Syria is now forcing the USA to subject its strategy for Syria to a critical review. It appears that Russia has timed the start of its operation very

It is not in the interest of the U.S. to be shown up by Russia in Syria. It needs to critically review its strategy.

well as the USA is only one year away from the next presidential elections, and Europe is currently mainly dealing with its own challenges. While it is not in the interest of the USA to be shown up by Russia in Syria, Russia's military operations appear to be in clear conflict with President Obama's demand that President Assad has to go. Russia has made it clear that it wishes the Assad regime to remain in place and is prepared to provide it with military support.

According to official U.S. policy, cooperation with Russia in Syria would be feasible as long as it entailed a plan for a change in political leadership in Syria and the removal of Assad from power. However, Russia is currently not prepared to discuss a post-Assad

25 | BBC News 2015: Syria air strikes: MPs authorise UK action against Islamic State, 3 Dec 2015, in: <http://bbc.com/news/uk-politics-34989302> (accessed 11 Dec 2015); Rising, David 2015: Germany OKs military mission against Islamic State group, The Washington Post, 3 Dec 2015, in: <http://wpo.st/ymyw0> (accessed 11 Dec 2015).

26 | Stavridis, James 2015: NATO's Turn to Attack, Foreign Policy, 14 Nov 2015, in: <http://foreignpolicy.com/2015/11/14/natos-turn-to-attack-paris-terrorist-isis> (accessed 11 Dec 2015).

27 | Nuland, n.2.

scenario. Consequently, the USA now needs to fundamentally review its anti-Daesh and Syria strategies. The USA may see itself forced to tolerate Assad, at least for a certain period, in order to engage in stronger cooperation with Russia in the fight against Daesh.



Al-Rakka: In the stronghold of Daesh, billboards convey confidence with regard to the Islamic State's ability to resist attacks by the international coalition. | Source: © Nour Fourat, Reuters.

Furthermore, Russia's military operations in Syria are hampering U.S. plans for a possible no-fly zone near the border to Turkey to establish a safe zone for civilians. Another question currently under discussion is to what extent Russia is actually fighting against Daesh or whether it may only be interested in keeping Assad in power. While Russia's intentions may be unclear, Russian activities provide some indication: the installation of highly sophisticated anti-aircraft systems is deemed to be of strategic significance as these are unsuitable for fighting Daesh in the current scenario.

Occasionally, one hears people in Washington voicing the opinion that Russia is also intent on exerting pressure on Europe through its military intervention in Syria. Most refugees are, in fact, trying to escape Assad rather than Daesh.²⁸ Putin, on the other hand,

28 | Cf. Reimann, Anna 2015: Syrische Flüchtlinge in Deutschland: Die meisten fliehen vor Assad – nicht vor dem IS, Spiegel Online, 7 Oct 2015, in: <http://spiegel.de/politik/deutschland/a-1056567.html> (accessed 5 Nov 2015).

stated the opposite before the beginning of the Russian military action.²⁹ Some analysts consequently think it is in Russia's interest – not least in view of the sanctions – for the tensions the flows of refugees cause in Europe to increase. However, observers also draw attention to Russia's close links with Europe, particularly in the area of energy, which is why Russia should not be intent on a destabilisation of Europe.

CONCLUSION

Many observers in the USA believe Europe is facing fundamental problems. Besides the crisis affecting Greece, these include security challenges such as how to deal with the Ukraine crisis. Furthermore, many experts express concern regarding the question of how Europe will be able to manage the never-ending flow of refugees. Most observers are sceptical as

to whether the EU is capable of overcoming the challenges. The prospect of a potential Brexit fuels the concern that the European Project could be jeopardised by increasing

For the transatlantic partnership to be able to resume its previous success, Europe needs to achieve inner cohesion.

centrifugal forces. From a U.S. perspective, only a coherent and strong Europe would remain relevant to the USA as a partner for solving global challenges. At the same time, joint achievements, such as the nuclear deal with Iran, illustrate the potential of the transatlantic partnership when the same or at least a very similar view of an issue is held on both sides of the Atlantic. The Ukraine conflict is another case in point. U.S. and European sanctions against Russia are being upheld and are sending a clear message to Moscow. Many experts describe Russia's activities in Ukraine as a serious threat to Europe's stability and to the transatlantic partnership between the USA and Europe.

However, joint transatlantic responses to trouble spots have so far been lacking. This also applies to potential long-term impacts of these challenges. As the refugee crisis has unfolded, there has neither been a request for assistance by Europe nor an offer of support or advice by the USA. Not enough energy is invested in maintaining the transatlantic partnership, unlike the situation involving Asia, where the USA is making efforts to establish closer links – especially economic links as with the current conclusion of the transpacific trade agreement. The Transatlantic Trade and

29 | Cf. RT 2015: Putin: People flee from Syria because of ISIS, not Assad regime, 4 Sep 2015, in: <http://rt.com/news/314435-putin-isis-syria-refugees> (accessed 5 Nov 2015).

Investment Partnership has always come second to the Pacific agreement, both chronologically and politically, and will very probably not be concluded and voted on in Congress before the end of Obama's term in office. The recent decision by the European Court of Justice that the Safe Harbor agreement must be revised represents another clear illustration of this trend of increasing tension and drifting apart of the transatlantic partners.

It is still the case that the USA maintains keen interest in a strong Europe. While hopes for a strong and united Europe are high, many Americans worry about how long Europe will be able to manage its various challenges. It has become obvious to Washington that the EU has been forced to expend large parts of its political resources on dealing with internal challenges over the last few years. Considering this situation, people in the USA are wondering to what extent they need to adjust their expectations in the transatlantic partnership. It may very well be that the USA has not invested sufficiently in the transatlantic relationship over recent years. But it is still interested in a strong transatlantic partnership and hopes that Europe will overcome the current crises. Germany is seen in a leadership role in Europe; U.S. hopes rest predominantly on Chancellor Angela Merkel and on her ability to provide a lead in re-establishing stability in Europe.

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