



The world this year



Events in Ukraine

overshadowed 2014 with a sense of cold war déjà vu. After scores of people were killed in mid-February during riots in Kiev, the government of President Viktor Yanukovich collapsed and he fled to Moscow. But **Russia** drew international condemnation when it reacted by taking control of **Crimea** and invading eastern Ukraine and backing separatists there. Since the “ceasefire” that began on September 5th at least 1,357 casualties have been recorded. More than 1m people have left their homes.

In response, Western governments imposed **sanctions** on Russia that targeted its banks and energy

firms. Russia’s energy-exporting economy was also left reeling by plummeting **oil prices**, which fell by almost 50% between June and December because of a glut in world supply and a lack of OPEC resolve. Forecasts for Russian growth were slashed and the central bank intervened to prop up the **rouble**, spending around \$80 billion of its reserves and using an emergency increase in its main interest rate from 10.5% to 17% in a failed effort to stabilise the currency.

Western governments were also caught unprepared by the rise of **Islamic State**. The militant group, led by a Rolex-wearing self-proclaimed caliph, expanded its *jihad* from fighting the Assad regime in Syria to Iraq, where it swept its way across half the country. IS massacred thousands of villagers. Its **beheadings** of American and British civilians in ghoulish videos provoked America and its allies to intervene with a campaign of air strikes. IS is a new security headache, sucking in Islamist radicals from Europe and America, but America has so far resisted sending regular troops to fight the militants.

After eight years in power, Nuri al-Maliki quit as **Iraq’s** prime minister. He was blamed for aggravating the Sunni-Shia tensions that befuddled Iraq’s ability to tackle Islamic State.

Israel invaded **Gaza** in response to an increase in rocket attacks into Israel by Palestinian militants. Seven weeks of Israeli air strikes and a ground invasion killed around 2,200 mostly civilian Palestinians, 66 Israeli soldiers and six Israeli civilians. The ceasefire resolved little. Both sides claimed they had won.

You took my dreams from me
Large pro-democracy protests and sit-ins in **Hong Kong** posed the biggest challenge to Chinese rule in the territory since the handover to Beijing in 1997. The protesters were incensed by China’s announcement that candidates for Hong Kong’s chief executive, to be directly elected for the first time in 2017, would be selected by a committee, rather than through an open nomination process.





An **Ebola** epidemic that spread rapidly in west Africa was the world's worst outbreak of the disease. Almost all the 18,000 cases and 6,400 deaths recorded so far have been in Liberia, Sierra Leone and Guinea (the actual numbers are reckoned to be much higher). The United States led international efforts to combat Ebola, sending military personnel and equipment to the region. Clinical trials of vaccines are continuing.

Argentina defaulted again, when it failed to make a payment on bonds issued to victims of a previous default in 2001. The governor of the central bank resigned after President Cristina Fernández de Kirchner accused him of trying to weaken the currency.

The **euro zone** remained stuck in the doldrums. In June the European Central Bank

announced a package of stimulus measures, including a **negative interest rate** of -0.1% on deposit rates to spur banks to lend. Even **Germany**, the euro zone's powerhouse, has lost "considerable momentum", according to the Bundesbank, which halved its forecast for GDP growth to 1% next year. In America the Federal Reserve brought its policy of **quantitative easing** to an end.

"Inversion" takeovers, which relocate an American company's tax base to a country with lower corporate taxes, featured heavily in business deals. Drug companies were noted for a flurry of activity in such acquisitions, though **Pfizer** failed in its \$118 billion bid to buy **AstraZeneca**. The American Treasury brought in rules to curb inversion deals, after warning that they would erode federal revenue.

They've got rivers of gold American regulators imposed more huge penalties on banks for past wrongdoings. **Bank of America** was fined \$16.7 billion, the largest civil settlement with a single company in American history, for mortgage-related misconduct in the run-up to the financial crisis. **Citigroup** agreed to pay \$7 billion to settle

similar claims. **BNP Paribas**, the largest bank in France, was handed a \$9 billion penalty for circumventing American sanctions.

Elections to the European Parliament were anything but dull for once, producing a political earthquake when **populist parties** in France, Britain and other countries made sweeping gains. The result reflected widespread dissatisfaction with politics as normal in the European Union. In by-elections the anti-EU UK **Independence Party** won its first two seats to the Westminster Parliament.

Anti-immigration sentiment formed the backdrop to the populists' success. Much of the focus was on the legal movement of workers across Europe. Less attention was paid to the soaring number of deaths in the Mediterranean of migrants trying to reach European shores. In one incident 500 perished off the coast of Malta. In America Barack Obama announced that he would use his presidential powers to bring around 5m **illegal immigrants** out of the shadows. Enraged Republicans vowed to stop him.





In America's **mid-term elections** the Republicans rode a wave of discontent to win control of the Senate. The Tea Party was somewhat subdued, though a candidate it backed ousted **Eric Cantor** from his seat in a primary; he was the first majority leader of the House to lose a re-election bid.

They howled out for more



More than 550m votes were cast in **India's** general election. Narendra Modi was elected prime minister, promising to reform the economy and cut red tape. So far, he has not delivered on that promise as much as some had hoped. His biggest impact has been in foreign policy.

In other big elections, Jacob Zuma was returned to power as **South Africa's** president, as was Juan Manuel Santos in **Colombia**. Joko Widodo was

elected as **Indonesia's** seventh president. **Japan's** snap election saw Shinzo Abe keep his job as prime minister; he called the poll after the country fell into recession. **Afghanistan** eventually got a new president, Ashraf Ghani, but only after months of bickering about the result. **Egypt's** military strongman, Abdel Fattah al-Sisi, became president after an election. A court banned the political wing of the ousted Muslim Brotherhood.

Recep Tayyip Erdogan changed jobs in **Turkey**, and was elected president after 11 years as prime minister. This was despite nationwide anti-Erdogan protests earlier in the year. The government was criticised over safety issues when at least 300 **miners** were killed in an explosion, the world's worst recorded mining disaster for 40 years. Mr Erdogan was jeered by miners' families when he visited the rescue site.

Can't make it all alone



After a sometimes tetchy campaign, voters in **Scotland** rejected independence by 55% to 45%. The main parties in Westminster promised more devolution, but this opened the hornets' nest of English nationalism, leaving unsettled the issue of Scotland's relations with the rest of the United Kingdom. Elsewhere, an unofficial vote in **Catalonia** recorded 81% in favour of seceding from Spain. But in **Quebec**, in elections for the Canadian province's assembly, the secessionist party saw its share of the vote fall to its lowest level since 1970.

Alibaba's IPO was the world's biggest to date, raising \$25 billion on the New York Stock Exchange. Elsewhere in the tech world **Facebook** made its biggest acquisition yet when it snapped up **WhatsApp** for a cool \$21.8 billion. And **Uber**





was valued at \$40 billion in its latest funding round, which would make it more valuable than Twitter if it were public. But the app-based taxi service found itself increasingly embroiled in regulatory fights.

Big internet companies came in for some flak over what their critics say are growing abuses of power. In a landmark ruling the European Court of Justice gave individuals **“the right to be forgotten”** on the internet by asking Google to take down old links to posts about them. In the weeks following the ruling Google received 70,000 such requests.

Pakistan suffered fewer terrorist attacks than in previous years. But even terror-weary Pakistanis were shocked by the local Taliban's assault on an army-run school in Peshawar that left at least 132 children and nine teachers dead. It was the group's deadliest attack yet in the country.

Venezuela saw its worst unrest in years, as protesters took to the streets to vent their frustration at the government of Nicolás Maduro. The president said the opposition movement was attempting a “Fascist coup d'état”, for which he blamed

America (as always). Venezuela's inflation rate climbed above 60%.

In **Thailand** there was an actual coup, when the army decided it had had enough of the ongoing feud between supporters and opponents of the Shinawatra political dynasty. Two weeks before the generals took over, Yingluck Shinawatra was forced to step down as prime minister by the constitutional court.



The world was mystified by the disappearance of **Malaysia Airlines flight MH370**. The airliner was en route from Kuala Lumpur to Beijing when contact was lost an hour after take-off. The search began in the South China Sea but switched its focus thousands of miles away to the southern Indian Ocean. It has not yet been found. In July a Malaysia Airlines flight crashed in eastern Ukraine. An investigation found the plane had been hit by “high-energy objects”, most likely a missile launched by pro-Russia

separatists.

And the bells are ringing out

Thousands of gay couples rushed to wed after the American Supreme Court unexpectedly decided not to hear an appeal against **gay marriage**, meaning that the number of states where it is legal has increased to 35. The court will probably revisit the issue in 2015. The first gay weddings in Britain also took place.

Brazil fell into recession in the first half of the year, though the grim economy did not stop Dilma Rousseff from being re-elected president in a roller-coaster election in which one of the candidates died in a plane crash. The run-up to the football **World Cup** was marked by protests from those who said the money could be better spent. The hosts made an ignominious exit from the tournament in a thrilling 7-1 defeat to Germany that made the mighty *pentacampeão* look like a Sunday beach team. Many Brazilians will be glad to see the back of 2014.

