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# There's a spy on your desktop

**E**VEN before the smoke from the Microsoft decision has cleared, a new furore is brewing over Google's €2.15 billion acquisition of DoubleClick, the world's biggest online graphic advertiser.

DoubleClick is estimated to reach some 80-85% of global web users; the merger announcement drove Google shares to an all-time high.

Google is now under investigation by competition authorities on both sides of the Atlantic. The proposed merger has implications both for competition and, more seriously, for individual privacy.

Google's expansion has in part come through launching new services, such as its planned 'Weaver' health information storage program, about which no-one can legitimately complain.

The rest comes from acquisitions such as that of YouTube last year, for €1.14bn, and now DoubleClick; both touch the exploitation of personal data, about which the European Commission has been commendably zealous.

Under Article 29 of the 1995 framework directive, a working party was established to ensure personal data is not abused, and under the 2002 directive on electronic communications, this body can investigate possible infringements. It recently wrote to Google asking it to explain why it retains users' web history data for up to two years.

The response is as suspiciously vague as its privacy policy, which states: "We may combine personal information collected from you with information from other Google services or third parties to provide a better user experience." Such data will be used for "good reasons".

Meaning what, exactly? Does a 'pledge' not to use the data for profile-making and other 'sly' commercial practices really cut it? Is it the same as not doing evil? Google obviously believes so.

"Google uses cookies and other technologies to enhance your online experience and to learn about how you use Google services in order to improve



**Double take? Data privacy watchdogs are concerned by Google's plans to take over internet advertising tracker DoubleClick/REUTERS**

**By Spyros Pappas**

the quality of our services," consumers are reassured.

As most people now know, cookies are files sent to your computer when you visit a website; they ensure you are

recognised when you come back.

It is possible, technically, to reset the browser to refuse all such invisible guests. In practice, many website features or services then do not work properly.

For the web advertising business, the technology is crucial. DoubleClick cookies track down user's Internet Protocol addresses and visited sites and

target ads based on their interests.

It has been prodigiously successful in building up a huge database, its back-end ad-server linking up advertising agencies, marketing companies and web-site publishers.

DoubleClick's 'Boomerang for Advertisers, Marketers and Agencies' service will, typically, "tag" anyone visiting particular sites but not buying anything. When the user moves on to visit a website where DoubleClick's client has placed an advertisement, he or she will be recognised via the so-called dart cookie and offered a targeted ad or promotion.

Combined with Google's own vast database, the system could exploit information about millions of web surfers to wipe the floor with the competition. Such a plethora of detailed information can also leak, albeit unintentionally, to third sources.

Google says it has shown "good will" by offering consumers an opt-out. In reality, how many will realise what is at stake, or take effective action to stop their data from being collected and stored?

The European consumers' organisation (BEUC) has expressed serious concerns about the risk of the pending DoubleClick merger creating an on-line advertising monopoly. It also argues that, since Google's and DoubleClick's databases are considered "complementary", their combination could violate user privacy (eg, by creating detailed portraits of users).

The European Commission is likely to take these concerns very seriously. It has already announced it is extending the deadline for its DoubleClick takeover inquiry to 13 November. A formal investigation now looks probable and with it a more serious examination of how far computers are being programmed to watch us.

■ Spyros Pappas is an international lawyer based in Brussels. He was director-general for information in the European Commission to 1995. Additional research and analysis by Dr Katerina Dimitrakopoulou.

## Why the EU must enlarge, engage and consolidate

**T**HESE are crucial times for the European Union as it prepares to jump the next hurdle of ratifying the reform treaty.

Relations with some key partners are reaching a critical stage. Russia and the US will soon have new presidents and China is activating its global role.

Yet the debate on Europe's global role remains curiously introverted, even wilfully ignorant, about how the dynamics of world politics are changing.

The European Security Strategy of 2003 talked of "an effective multilateral liberal world order". This is often discussed as if it were something the EU could impose.

The debate about the European Neighbourhood Policy is a case in point. More often than not discussion is about this or that aspect of the Union's own approach.

It never seems to be doubted, even for a minute, that the "neighbourhood" in question is necessarily in agreement with the Union's ideals, or the application of its "soft" power in the region.

In retrospect, the post-Cold War gave

**By Hiski Haukkala**

Europe an easy run. The collapse of the Soviet Union was a 'unipolar moment' not only for the US but for all actors with a strong stake in a liberal world order, the EU included.

But realising the liberal agenda may now start to become a great deal trickier and contentious.

The debate has only just started about the rise of economically successful but politically authoritarian powers, once dismissed as an impossibility, or at least unsustainable.

But we may be approaching an era where the success of this model may erode the hegemony of Western liberalism beyond repair.

Russia increasingly thumbs its nose at 'European values'. In Africa, China has cut the ground away from the EU strategy of political conditionality by engaging itself in significant development programmes with no overt political strings attached at all.

Even the US has managed to inflict considerable damage on multilateralism and liberal values with its relentless, often ham-fisted, 'war on terror'.

Contrary to received wisdom within the EU, it might no longer be up to the Union to make its global role effective – if we mean by that the ability to preserve and develop a more liberal world order in the future. The EU may well be increasingly marginalised with its normative approach to international relations.

That does not, however, mean that the EU will have to remain powerless in the future, only that there will be no easy fixes.

In essence, the Union has a three-way path: enlarge, engage and consolidate. Meanwhile some simple realities need to be faced.

It is, for instance, obvious that the EU simply cannot afford to lose both Turkey and Russia. This implies responding unequivocally and positively to requests for closer association and membership (with Turkey, perhaps also with Ukraine).

And it means responding positively to requests for dialogue and partnership, which means we must listen attentively to Russia.

Most of the things the Russians will be telling the Union will be what it does not want to hear. The EU must learn to walk the fine line between cultivating pragmatic co-operation and defending, even promoting, its core values vis-à-vis Russia. So far it has failed to do this.

The Union must also consolidate its efforts if it is to champion its ideas in an increasingly competitive global environment. It must also consolidate a joint vision with other, potentially like-minded, actors in the world.

The US under the next administration is of course a self-evident candidate.

By engaging countries like India and Brazil the EU has a chance to consolidate not only its own global role but also to sustain its own liberal ideals in the world.

■ Hiski Haukkala is a researcher at the Finnish Institute of International Affairs, Helsinki.