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- REVIEW & OUTLOOK EUROPE
- January 9, 2013, 3:09 p.m. ET

## Europe's Bankrupt Welfare State

**The vaunted social model has struggled to generate growth or jobs for decades.**

The euro survived 2012 intact, and once again Europe's leaders are declaring victory in the fight to preserve the single currency. In a speech in Portugal Monday, European Commission President Jose Manuel Barroso said the existential threat to the euro was a thing of the past. If only.

[Mario Draghi](#)'s offer last summer to buy unlimited quantities of government bonds to keep yields under control has certainly calmed down the bond markets in Spanish and Italian debt. The ECB President has achieved this even without so far having to act on the promise.

But the euro-zone unemployment numbers out Tuesday are a reminder that the euro crisis is not so much over as quiescent. Joblessness in the single-currency bloc hit a record 11.8%. Youth unemployment stands at 24.4% and is above 50% in Spain and Greece.

Some observers will blame the joblessness and lack of growth in the euro zone on the austerity supposedly being imposed on the Continent by Berlin. But the real story is more ominous.

Europe's vaunted social model has struggled to generate growth or jobs for decades. Prior to the creation of the euro, national governments masked this problem with a combination of deficit spending and devaluation. The borrowed money would help pay for generous welfare benefits for those driven out of work by inflexible labor-market rules and economic stagnation. Currency devaluation would ease the burden of all that borrowing by allowing governments to pay back debt with devalued lire and francs while offering a short-term boost to wage-cost competitiveness.



European Central Bank President Mario Draghi

The euro closed off that release valve for Europe's most sclerotic welfare states. But because it also lowered their borrowing costs initially, it facilitated a spending binge that kept the party going for a time. More sober economic observers warned that if the euro was to survive, reforms were necessary in countries for whom beggar-thy-neighbor devaluations had become a way of life. But until Greece stopped the music in late 2009, political leaders in most countries largely disregarded the warnings.

Germany was a notable exception, pushing through painful reforms of its tax system, labor markets and welfare benefits in the euro's early years, and it is now vilified for its trouble, even as it outperforms its neighbors and helps keep the euro zone afloat.

The discovery of Greece's serial budget deceptions also helped close off Southern Europe's other main release valve—permanent deficit spending. It is commonplace to say that Europe can't afford to keep borrowing and spending the way it's done in recent years, but it's closer to the truth to say it could never afford it. What's changed is that the biggest spenders have run out of palliatives.

And this is Europe's present and continuing danger. Budgets are being cut in places like Greece, and there are halting, reluctant signs of reform around the edges of the welfare state. But there remains no clear consensus, at least outside Germany, that the European way of welfare itself is bankrupt, that it never worked as well as its defenders pretended, and what we're witnessing is the coming due of all the checks kited over decades to keep it afloat.

The euro zone may be enjoying a respite. But the economic evidence shows how little has been fixed. Mr. Draghi's blank check addressed the symptom, but not the cause, of the euro zone's economic woes. And unless those are addressed—with more flexible labor markets, a smaller state and lower taxes—the crisis will be back in the form of social unrest, political populism and a generation of young Europeans who don't know what it is to be able to find a good job.

- [http://online.wsj.com/article/SB10001424127887324391104578227543258640614.html?mod=WSJ\\_Opinion\\_L\\_EFTTopOpinion](http://online.wsj.com/article/SB10001424127887324391104578227543258640614.html?mod=WSJ_Opinion_L_EFTTopOpinion)
- [BOOKSHELF](#)
- January 9, 2013, 4:02 p.m. ET

## A Nasty Neologism

# The term Islamophobia treats political ideology as akin to race.

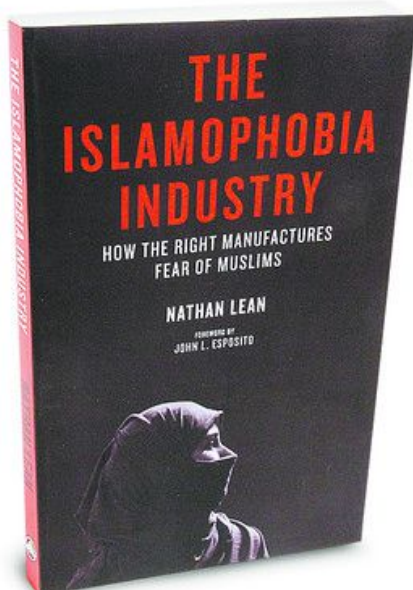
By [JONATHAN SCHANZER](#)

"The enemy of America is not our many Muslim friends," President [George W. Bush](#) declared soon after the 9/11 attacks. Mr. Bush's statement set the tone for the tumultuous decade to come, one in which the nation prosecuted a war on terrorism in two Muslim lands while taking great pains to protect the rights of Muslim Americans.

Yet if the author Nathan Lean is to be believed, Americans today are caught in the grip of an irrational fear of Islam and its adherents. In his short book on the subject, Mr. Lean, a journalist and editor at the website Aslan Media, identifies this condition using the vaguely medical sounding term "Islamophobia." It is by now a familiar diagnosis, and an ever widening range of symptoms—from daring to criticize theocratic tyrannies in the Middle East to drawing cartoons of the Prophet Muhammad—are attributed to it.

In reality, Islamophobia is simply a pejorative neologism designed to warn people away from criticizing any aspect of Islam. Those who deploy it see no difference between Islamism—political Islam and its extremist offshoots—and the religion encompassing some 1.6 billion believers world-wide. Thanks to this feat of conflation, Islamophobia transforms religious doctrines and political ideologies into something akin to race; to be an "Islamophobe" is in some circles today tantamount to being a racist.

American Islamophobia, Mr. Lean claims, is fomented by a "small cabal of xenophobes." "The Islamophobia Industry: How the Right Manufactures Fear of Muslims" is less a book than a series of vignettes about some of these antagonists, who are "bent on scaring the public about Islam." His Islamophobic figures and institutions range from political leaders like Mr. Bush, Sen. John McCain and New York Mayor Rudy Giuliani, who, Mr. Lean says, have "harnessed Muslims and Islam to terrorism"; to the pro-Israel community, which is alleged to be animated by a "violent faith narrative" and funded by magnates who inject "eye-popping cash flows into the accounts of various fear campaigns"; to pretty much everyone who campaigned in 2010 against the construction of the so-called Ground Zero Mosque near the site of the 9/11 attacks in lower Manhattan.



The Islamophobia Industry *By Nathan Lean* (Pluto, 222 pages, \$17)

Mr. Lean tars with the same brush the likes of the scholar Daniel Pipes and the Muslim activist, physician and U.S. Navy veteran Zuhdi Jasser. Mr. Pipes, the author writes, is "deeply entrenched in the business of selling fear." He portrays Dr. Jasser as a puppetlike figure, "a 'good Muslim,' one that openly and forcefully denounced various tenets of his faith."

These are crude and uncharitable caricatures of these men. Mr. Pipes was one of the first Western commentators to raise the alarm about the subterranean spread of extremist attitudes in both the Middle East and among some Muslim communities in the West. Dr. Jasser, a devout Muslim, is the founder of the American Islamic Forum for Democracy, an organization that advances the notion that "the purest practice of Islam is one in which Muslims have complete freedom to accept or reject any of the tenants or laws of the faith no different than we enjoy as Americans in this Constitutional republic." Both men argue that the real contest is the serious war of ideas raging within Islam itself, between the forces of liberalism and pluralism and those of obscurantism.

To Mr. Lean, though, any such distinction is simply a false perception manufactured by Islamophobes. Thus the author fails to grapple with the fact that, unlike average Muslims, Islamist terror groups like al Qaeda, Hamas and Hezbollah *do* commit unspeakable acts of violence in the name of Islam—actions that surely help account for why many Americans (49%, according to a 2010 poll) hold an unfavorable view of Islam, even when they view favorably Muslims that they personally know.

Mr. Lean also can't seem to tell the difference between Islamist organizations and ordinary Muslims. Consider his view of the Council on American Islamic Relations, a self-proclaimed civil-rights organization that wields outsize influence on questions of Muslim integration in the U.S. Mr. Lean barely mentions CAIR and, when he does, it is in invariably glowing terms. The author lauds "cooperation between the FBI and CAIR" that supposedly "led to the capture of five American Muslim men in Pakistan suspected of trying to join radical, anti-American forces." But he neglects to mention that CAIR was named by federal prosecutors as an unindicted co-conspirator in the Holy Land Foundation terror-finance trial of 2007. The same group, according to an unclassified State Department cable, sought to raise \$50 million for an Islamophobia campaign from Saudi Arabia and the United Arab Emirates.

Islamist states and groups have been at the forefront of promoting the concept of Islamophobia. As far back as 1999, the United Association for Studies and Research, a group founded by Hamas leader Mousa Abu Marzook, published a book that purported to expose "The Truth Behind the Anti-Muslim Campaign in America." After 9/11, Muslim states mounted a campaign to characterize the fear of Muslim violence as blind hatred. In 2004, United Nations Secretary-General Kofi Annan assured the world that U.N. "special rapporteurs continue to monitor the exercise and infringements of this right [freedom of religion], and to recommend ways to combat Islamophobia."

According to anti-Islamophobia crusaders, though, even questioning the origins of the concept is itself a form of Islamophobia. Such dogmatism chills the crucial conversations that need to take place about Islamism here in the West. It also does a profound injustice to liberal Muslims around the world. After all, if Islam is dominated by its most violent and illiberal elements, and questioning these forces is deemed by intellectual elites to be a form of racism, then reform-minded Muslims really stand no chance.

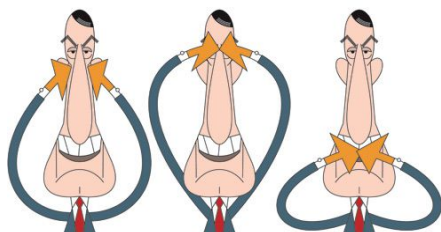
*Mr. Schanzer, a former terrorism-finance analyst at the U.S. Treasury Department, is vice president for research at the Foundation for Defense of Democracies.*

## Austerity

# Portugal : Government heads for end of the line

10 January 2013

[Público](#) Lisbon



Cartoon of Portuguese President Aníbal Cavaco Silva. His hands are replaced by the arrow logo of his Social Democratic Party

**Cristina Sampaio**

**In requesting that the constitutional court re-examine the state budget for 2013, president Cavaco Silva runs the risk of plunging his country into a political crisis, warns a researcher and political analyst. As a result, the Portuguese people may be called on to take responsibility for the remedy chosen to cure the country's economic ills.**

[José Filipe Pinto](#)

In accordance with the law, President Aníbal Cavaco Silva had three options, each of which had different implications, when responding to the state budget presented to him by the government.

In choosing a median solution, which consisted of approving the budget, while, at the same time, requesting that it be retrospectively examined by the constitutional court, the president was probably unaware that his decision, which he considered to be a judgement worthy of Solomon, effectively amounted to announcing “Terminus, everybody off” for Pedro Passos Coelho’s government, even if it did not derail it immediately.

If the constitutional court invalidates the [three articles singled out by the president](#), the executive will have to find another means to collect the sum of \$1.7bn (€1.3bn) which these measures were supposed to generate. Without this revenue, the government runs the risk of being unable to complete its programme, which is also an indispensable condition for the financing of the country stipulated in the memorandum signed with the troika [FMI-BCE-UE](#).

If the programme is not completed, there will be no release of the tranches of cash that Portugal so desperately craves – for proof, look no further than the dark circles under the finance minister’s eyes.

### *Where to find the money?*

And this is the crux of the problem! When you consider the unbearable weight of the tax burden already weighing on the population, and when you take into account that the measures adopted to combat the black economy (which are wholly justified in my opinion) will not yield immediate results, or, what would have been better still, retroactive results, you have to ask: where can the government hope to find such a sum?

Sadly, the answer to this question will likely be one that Passos Coelho, who fought so hard to gain power, will have no desire to hear: the train will grind to halt, and the government will find no other means to bring in revenue.

In this situation, Pedro will have virtually no option but to return home to [his wife] Laura – the price that has to be paid for the familiarity of his Christmas message [on Facebook](#) – once he has presented his resignation to Cavaco Silva, leaving him to sort out the problem.

### *Drastic action*

The solution could be for the president to demonstrate a greater commitment (for example by nominating a government, as [Portugal's first post-dictatorship] president Ramalho Eanes did in his time), or by calling for early general elections, which would force the people, regardless of whether they like it or not, to take responsibility for the austerity cure.

Having said that, there is no guarantee that the electorate, if called on prematurely to vote, will grant a majority to a single party, and given that governmental instability is not necessarily compatible with the handover of the tranches that the state needs to fulfill its obligations, Pedro Passos Coelho will certainly not be the only victim of this crisis. Late in the day and in the wake of harsh criticism of his silence, Cavaco Silva, has finally decided to speak his mind in a speech that was rich in ambiguity. As for the opposition, already beguiled by the vision of a path to power, it has put its own interest ahead of the interests of the nation.

### *End of Portuguese political model?*

With all eyes fixed on this Greek tragedy, the country understands that there is more at stake than the political condemnation of the current government, what we are seeing is the end of the Portuguese political model, or the end of our way of doing politics in Portugal.

The persistent presence in the corridors of power of a restricted political class that has no vision of the national interest – and the penury of voices that are gifted with incantatory force – has allowed the right to take control of politics.

Portugal will not thank those responsible for what they have done!

### *On the web*

- [Original article at Público](#) pt
- [Público article \(€\)](#) pt
- [Público editorial \(€\)](#) pt

## **IMF proposals could be against the constitution**



"IMF pour more fuel on to the constitutional fire," writes *Público* a day after *Jornal de Negócios* reported details of an 80 page document sent to the [Portuguese government by the IMF](#), in which the Fund suggests a list of permanent cuts in wages, pensions and redundancies in the public sector.

These recommended measures have the potential to spark even more constitutional debate in the country, notes the newspaper, which spoke to two constitutional experts. Both considered the following reforms "likely to be unconstitutional": The permanent cut of 15 per cent of all pensions, the payment of the 13th and 14th month salaries being linked to GDP growth, the increase of the retirement age from 65 to 66, the new calculation formula for future and current pensioners and permanent salary cuts to civil servants.

In its editorial *Público* writes that –

The IMF document takes two contradictory approaches. On one hand, it suggests that interest groups are responsible for the fact that state spending has created inequality and also shows how state inefficiency punishes the citizen. But, on the other hand, the bulk of the IMF proposals are redundancies and wage cuts in the public sector or cuts in pensions. And then, the debate goes back to a point where we have been before: What are we really talking about when we speak of state "excess"? The conversation is serious and unavoidable.

## Großbritannien

### Noch bei Trost?

10.01.2013 · Die spinnen, die Briten! Ohne die EU wäre London weltpolitisch tot, der Westen stünde verstümmelt da. Die Warnung Amerikas an seinen engsten Verbündeten kommt zur rechten Zeit.

Von [Klaus-Dieter Frankenberger](#)

Jenseits gelegentlicher Dispute und Gehässigkeiten ist die amerikanische Haltung in Bezug auf Europa, auf die EU klar: Die Vereinigten Staaten wollen einen starken Partner, einen, der nach draußen blickt, der etwas anzubieten hat, kurz, der in der Welt von heute und noch mehr in der von morgen relevant ist. Deswegen fällt die Warnung der Regierung Obama an Großbritannien, nicht den Weg des Rückzugs aus der EU zu beschreiten, so eindeutig aus.

Premierminister Cameron gehört nicht zu der Fraktion der Konservativen, die nur in einer Existenz Britanniens jenseits der EU das Heil zu finden glauben. Aber er widersteht diesen Kräften nicht energisch genug; er müsste Führungsstärke zeigen angesichts einer, zugegeben, verbreiteten antieuropäischen Stimmung. Vielleicht kommt die amerikanische Warnung zur rechten Zeit: Man darf nicht alles so dahintreiben lassen. Ein Britannien, das die EU verlasse, beginge interessenpolitisch Harakiri; eine EU ohne Britannien wäre vielfach geschwächt; und der Westen insgesamt stünde verstümmelt da. Das kann niemand wollen, der bei Trost ist.



January 10, 2013

## Sharp Words From European Minister for Countries in North

By [JAMES KANTER](#)

BRUSSELS — Jean-Claude Juncker, the departing leader of the group of ministers who oversee the euro currency, sharply criticized Northern Europeans on Thursday for demanding austerity budgets from their southern neighbors.

But in the same speech he appeared to endorse as his successor an official from the Netherlands, one of countries that has made the toughest demands for fiscal rigor in the euro zone.

Mr. Juncker, himself a Northern European and prime minister of Luxembourg, told members of the European Parliament's influential Economic and Monetary Affairs Committee that northerners had falsely painted themselves as more economically virtuous than southerners. "I'm totally against this distinction," he said.

Mr. Juncker warned that some members of his own country's Parliament had become fed up with "the German diktat," and he said countries making painful economic adjustments should be rewarded for their efforts.

"We have been arrogant" toward countries like Greece, he said.

Still, Mr. Juncker said his successor as head of the ministers of the Eurogroup would most likely speak one of the languages of the Benelux, a grouping that comprises Belgium, the Netherlands and Luxembourg. Mr. Juncker's comments were characteristically cryptic, but appeared to lend weight to the chances of the front-runner for the job, Jeroen Dijsselbloem, the Dutch finance minister.

The president of the Eurogroup plays a coordinating role among finance ministers when they make critical decisions like giving political approval for bailouts or pressing governments to shore up their finances to preserve the stability of the euro. Mr. Juncker has held the post since 2005; although his term expired last summer, he indicated he would stay on for a limited period to allow for a transition.

At a news conference on Thursday, Mr. Juncker said a decision on his successor should be made on or soon after Jan. 21, because that would be the last meeting of the Eurogroup at which he would serve as president.

Although the president of the Eurogroup is supposed to be elected by ministers, as a practical matter the person is chosen by consensus among governments, opening the way for political horse-trading.

Mr. Dijsselbloem's candidacy gained strength in recent weeks partly because he comes from a country that still holds a triple-A debt rating, making him a natural ally of Germany. But his candidacy is more problematic for the French, the other top power in the euro area.

France's government, led by President François Hollande, has emphasized giving the most vulnerable members of the euro area leeway when making painful economic adjustments. By contrast, the Netherlands, along with Germany and Finland, has pressed indebted nations like Greece and Portugal to tighten their belts despite the recessionary effect on their economies.

One factor that could help the French swing in support of Mr. Dijsselbloem, a member of the Dutch Labor Party, is that he, like Mr. Hollande, is a socialist.

Regarding the soon-to-be created single banking supervisory agency for the euro zone, Mr. Juncker suggested on Thursday that a Frenchwoman could be offered a senior role. And although Mr. Juncker again did not offer

names, there are reports in the French news media that Danièle Nouy, an official at the Banque de France, could be offered such a role, partly to assuage French concerns.

Mr. Dijsselbloem, 46, won the finance portfolio, his first Netherlands cabinet post, late last year, and he has little experience at the top levels of government or in European affairs. But he did take office in time to participate in a round of marathon meetings by finance ministers to forge agreements on resuming aid to Greece and the creation of the single banking supervisor.

“I suppose he is suitable, as he wouldn’t be finance minister,” said Sophie in ’t Veld, a Dutch member of the European Parliament for the Democrats 66, a liberal and pro-European political party.

“But how,” she asked, “is he going to navigate between the deeply euro-skeptic electorate and a deeply euro-skeptic Parliament that will expect him to be a troublemaker in Europe and, on the other hand, show compromise and consensus as the head of the Eurogroup?”

Mr. Dijsselbloem told the Dutch daily newspaper De Volkskrant at the end of December that he regarded “strengthening European cooperation inevitable and good for the Netherlands.” But he also cautioned that, “when it comes to Greece, for example, everyone looks to the Netherlands, and we have to take the floor” and that, “from us, from Germany and Finland, it’s expected that we exhibit some strictness.”

That, though, is an approach that Mr. Juncker on Thursday cautioned his successor against taking. For countries like Greece and Portugal facing brutal austerity, he said, there should be rewards for meeting targets and “not only a big stick.”

Mr. Juncker also called for euro area countries to adopt a legal minimum wage so as not “to lose the support of the working classes.”

And in a marked contrast to the stance of some Dutch politicians, Mr. Juncker suggested that countries like Spain and Ireland should have some scope for using European bailout funds to bail out their banks directly. Otherwise, Mr. Juncker said, the purpose of the bailout fund “would lose a large part of its sense.”

Mr. Juncker said at the news conference that he would concentrate on winning another term as the prime minister of Luxembourg and use that perch to continue to play a role in European affairs.

“You will hear from me,” he said.

January 10, 2013

## In Cyprus Bailout, Questions of Whether Depositors Should Shoulder the Bill

By [LONDON THOMAS Jr.](#)

LONDON — On their Web sites, the largest of Cyprus's failing banks brag that their client representatives are fluent in Russian. No indication, though, whether *strizhka* — Russian for haircut — is part of their lexicon.

As negotiations with Europe over a bailout for Cyprus near an end, the country's banks, flush with Russian deposits, hope they do not have to force haircuts, or losses, on some of their wealthiest depositors.

Europe, struggling to complete a potential 17 billion euro, or \$22.2 billion, rescue package for Cyprus, is under intense pressure to make private sector investors, rather than European taxpayers, pay a bigger share of the bill than in past bailouts. Officials in Brussels and Berlin are said to be considering a controversial plan that could require depositors in Cypriot banks to accept losses on their savings. Russians, who hold about one-fifth of bank deposits in Cyprus, would take a big hit.

That step would be a radical departure from the bailouts of Greece, Portugal and Ireland. In those rescues, while investors holding Greek bonds were eventually forced to take haircuts, it was largely loans from European countries that financed the bailouts, with bank deposits held sacrosanct.

In a Europe where big banks hold outsized political and financial power — Cypriot banks wield assets eight times the size of the country's economic output — any move to punish depositors is certain to attract bitter opposition.

And though the plan may have some merit on paper, it would be hard to carry out in practice, given the ties that bind Cyprus to Russia.

Demetris Christofias, the Cypriot president, is a Communist who received his higher education in Russia. What is more, Russia provided Cyprus with \$3.3 billion in emergency financing last year. And the largest individual shareholder of the Bank of Cyprus is Dmitry Rybolovlev, a billionaire Russian businessman.

But European officials see Cyprus as a new opportunity to censure banks for what they describe as their too-big-to-fail sense of entitlement, according to some people involved in the bailout discussions. Cyprus's loosely regulated and tax-friendly banking climate has long made it a favorite destination for Russians seeking to place their rubles in a euro zone bank that does not ask too many questions.

People in favor of forcing depositors to share the cost of the bailout make this argument: It was an unusually high, \$14.4 billion spike in Cypriot bank deposits in 2010 — as much as half of it from Russia — that prompted the banks to make the bad lending decisions that led to their collapse. The banks put much of the money into Greek government bonds, only to absorb big losses when those bonds were restructured last year.

Of the \$22.2 billion needed to keep Cyprus afloat, at least \$13.1 billion would need to be pumped into the country's banks.

European officials caution that while it may still be a long shot, a move to force large, uninsured depositors to share the pain with Europe's taxpayers would send a powerful message to the market that risky financial conduct has consequences.

"If it is just the official sector that does this, then what you end up doing is bailing out Russian oligarchs," said Alessandro Leipold, chief economist of the Lisbon Council, a research organization in Brussels, and a former top executive at the International Monetary Fund. "I would be very surprised if there is no private sector involvement here."

German lawmakers have said they will reject any deal that has the effect of bailing out Russian depositors. And Chancellor Angela Merkel, who plans to visit Cyprus on Friday, said Wednesday that the country would be given “no special conditions.”

Forcing losses on bank depositors is a last-ditch measure taken by bankrupt governments when all other measures have been exhausted. During the debt crisis in Latin America in the '80s, depositors lost money when their dollar accounts were changed into the local, devalued currency. Another way to make depositors share the pain would be to convert long-term deposits into bonds with stretched-out maturities.

In Europe, such an action is rare. That it is being discussed at all underscores how serious international creditors have become in ensuring that any coming euro zone bailouts will extract a toll from private investors.

European attitudes have hardened in recent weeks in the wake of the sky-high profits that hedge funds locked in when Europe decided not to try to force investors to accept a lower price for their bonds in the buyback of Greek debt last month.

No final agreement on the Cyprus bailout is expected until after the country's presidential election on Feb. 17. Mr. Christofias, who opposes tough austerity measures like selling state assets, is not running for re-election. The favorite to succeed him, Nicos Anastasiades of the center-right DISY party, is seen by European officials as a better negotiating partner.

Other possibilities for extracting a price from private investors are also being examined, people involved in the discussions say. Those include steep write-downs in the value of the senior bonds in the country's two largest financial institutions, Bank of Cyprus and Cyprus Popular Bank.

Another possibility is imposing losses on foreign investors holding Cypriot government bonds.

“All options are on the table,” said a senior European official who is participating in the talks but spoke only on condition of anonymity.

Of course, going after depositors carries significant risks. As much as \$18.3 billion of Cyprus's \$91.5 billion in deposits is said to be Russian-held, and any hint that savers will have to take a hit could prompt a bank run and seriously damage its standing as an [offshore banking](#) hub. Russia, as the country's largest creditor, would no doubt raise strenuous objections. Euro zone countries with fragile banking systems, moreover, would worry about the risk of contagion.

But the main alternative — loading losses onto investors holding government bonds — has its own drawbacks. The country's banks own about \$2.6 billion of the \$4.97 billion worth of government bonds outstanding; hedge funds and other foreign investors hold the rest.

The banks' bond losses, in the meantime, would be added to Europe's bailout bill.

Analysts also argue that with a ratio of debt to gross domestic product of just below 80 percent — lower than Germany's or France's — Cyprus is not guilty of the sort of borrowing excesses that forced the Greek government to seek a bailout. Instead, it was the reckless conduct of its overambitious banks, which lent aggressively to Greece.

Unlike larger euro zone economies, Cyprus's bonds are governed by the investor protections of English law — something Cyprus had to agree to in order to lure investors to its smaller, inherently riskier economy. English law makes it easier for private investors to sue if their bonds are restructured as part of a bailout.

And experts argue that with foreign funds now willing once again to make substantial investments in European banks and government securities, there is no point in testing the fragile nerves of portfolio managers.

Better that Europe pinch its nose and write Cyprus a \$22.2 billion check, some analysts say — and if that means happy returns for hedge funds and Russian depositors, it is a small price to pay when the stability of the euro zone is at stake.

“If you did not do this in Ireland, then it is not worth doing now that Europe is on the mend,” said Gabriel Sterne, an analyst at Exotix, a securities house in London. “Cyprus is so small and piddly — why bother?”

But there’s the rub. Ireland, as part of an \$111 billion bailout in 2010, granted a blanket guarantee to its depositors and investors who owned the senior bonds of its collapsed banks. That decision quickly rendered the country insolvent. Even now, having passed a raft of austerity measures, Ireland has a debt-to-G.D.P. ratio just below the 120 percent level that most economists, including the I.M.F., say is unsustainable for a country to bear.

The cost of making a Cyprus bailout an official-sector-only affair would push its debt-to-G.D.P. ratio above 140 percent.

“What you have here is an insolvent banking system that you are deliberately turning into an insolvent government,” said Adam Lerrick, a sovereign debt specialist at the American Enterprise Institute.

That might well be. But the Cypriot government “will fight deposit haircuts to the death,” said Alexandros Apostolides, an economist in Cyprus.

If the country gets its preference, when its Russian-speaking bankers say strizhka, they will be referring only to a trip to the barbershop.

January 9, 2013

## State Department Official Urges Britain Not to Loosen Ties With European Union

By [STEPHEN CASTLE](#) and [ANDREW HIGGINS](#)

LONDON — The United States entered [Britain](#)'s debate over its relationship with the [European Union](#) on Wednesday, when a senior diplomat implicitly warned the British government not to do anything that might endanger its membership in the 27-nation union.

The comments, made in London by Philip Gordon, the assistant secretary of state for Europe, echo sentiments expressed by a number of European officials. But they are likely to have a bigger impact in Britain because of the closeness of its ties to Washington, a point of pride in London.

The timing of the rare public intervention is also significant, coming shortly before a long-awaited speech by Prime Minister [David Cameron](#) in which he intends to lay out plans for a redefinition of Britain's relationship with the European Union.

Mr. Gordon's remarks, in which he stressed the importance of Britain's role in the bloc, add Washington's voice to growing alarm in European capitals and in Brussels, the headquarters of the union's bureaucratic apparatus, over the possibility that Britain will distance itself from the union.

Speaking at a news conference in Dublin on Wednesday, Enda Kenny, the prime minister of Ireland, which took over the union's rotating presidency this month, said it would be "disastrous for a country like Britain to leave the union." He pleaded with London to stay fully engaged with the bloc.

Mr. Cameron, whose Conservative Party faces a growing electoral challenge from a stridently anti-European Union group, the U.K. Independence Party, has said he wants Britain to stay in the union but to negotiate a looser relationship. He has indicated that he will seek the approval of British voters for such an arrangement. In Mr. Cameron's speech, expected before the end of the month, he may specifically promise a referendum.

In London, Mr. Gordon indicated that any British withdrawal from the union would be unwelcome and said that referendums held by other nations on European Union agreements "have sometimes turned countries inward."

"We have a growing relationship with the E.U. as an institution, which has an increasing voice in the world, and we want to see a strong British voice in that E.U.," he told British reporters, according to a transcript released by the United States Embassy in London. "That is in the American interest. We welcome an outward-looking E.U. with Britain in it." He added: "Britain is such a special partner of the United States — that shares our values, shares our interests, has significant resources to bring to the table. More than most others, its voice within the European Union is essential and critical for the United States."

Britain joined the European Economic Community, the predecessor of the union, 40 years ago this month. But the ideals of European unity have never been embraced by a majority of Britons, and the country tends to see its membership in more pragmatic terms than most continental nations do. Britain has "opted out" of several of the union's major integration initiatives, most notably the single euro currency, and the debt crisis in the euro zone has tended to sharpen public hostility to the union in Britain.

Responding by e-mail to Mr. Gordon's comments, the British Foreign Office said that "the prime minister has been clear that he wants Britain to be at the heart of a reformed E.U. and that our approach is determined absolutely by the national interest."

“We think there need to be changes in the E.U. to better meet the interests of all member states,” the Foreign Office statement added. “And we believe that the current debate about the changes the euro zone countries require to protect their national interests provides the opportunity for the U.K. to ask for changes too.”

The idea of Britain’s quitting the bloc, once almost inconceivable, has gained ground in recent months, to the alarm of some business leaders, who have spoken in favor of continued membership. These include Roger Carr, president of the Confederation of British Industry, the country’s most prominent business lobby.

It has also stirred deep unease in Ireland, which has developed close ties with Britain after years of mutual suspicion and is aghast at Mr. Cameron’s policy toward Europe. The two countries have developed starkly different views on the merits of European integration. While Dublin credits the union with playing a key role in Ireland’s economic and social development and in its weathering of a banking crisis in 2008, London tends to view the bloc’s bureaucracy as meddling and an affront to national sovereignty.

Mr. Kenny, the Irish leader, said it was highly unlikely that the European Union would agree to rewrite treaty terms to allow for what Mr. Cameron called a “new settlement,” an arrangement that would let Britain retain access to the single market but exempt it from rules it did not like.

Revising treaty terms to suit Britain, Mr. Kenny said, would only “open the floodgates” to demands from other member states and undermine the union’s foundations.

Stephen Castle reported from London, and Andrew Higgins from Dublin.

Charlemagne

Celtic metamorphosis

## Is Ireland a model of adjustment through austerity?

Jan 12th 2013 | from the print edition



“CAN’T wait to celebrate” declare posters at Dublin airport with a picture of revellers enjoying fireworks. The marketing of “The Gathering”, a year-long succession of festivals and feel-good events, is meant to draw the Irish diaspora back to the ancestral island. Some scornfully see this as a mere ploy to squeeze dollars from sentimental foreigners. A stronger criticism is that the Irish clans are scattering once more. Emigration, Ireland’s traditional response to its economic woes, has resumed and is even accelerating.

Ballads have long evoked the sorrow of separation. “Many young men of twenty said goodbye,” sang The Dubliners in the 1960s. By the 1980s the archetypal emigrant was not just the poor labourer but the frustrated graduate. Then the economic boom of the “Celtic Tiger” years seemed to break the curse. Young men and women could get well-paid jobs at home. Ireland attracted back some of the departed, whose skills and networks acquired abroad fuelled the boom. For the first time Ireland drew in many foreign workers, especially from eastern Europe.

That the Irish are once again on the move is taken as one more indictment of the incompetent political and business caste that wrecked the economy. Radio talk-shows tell bittersweet stories of churches installing webcams so that emigrants (and the elderly at home) can follow services. For all the anger, emigration provides an economic and social safety-valve. It has reduced Ireland’s unemployment rate and the burden on the state’s overstretched finances. And emigration may help to explain a puzzle of Irish politics: why the Irish people, for all their history of political revolt against British rule, have been less rebellious against austerity than, say, the Greeks.

Other factors are at play, not least the strong electoral mandate in 2011 for the coalition of Fine Gael and Labour led by the prime minister, Enda Kenny; a deal with trade unions to preserve public-sector pay that was controversial but avoided big strikes; and the fact that Sinn Fein, the natural party of protest, seeks respectability after its connection to Northern Ireland’s troubles. Still, many in Ireland accuse Mr Kenny of



being too subservient, in particular to Germany. The former schoolteacher prefers to capitalise on his image as the good pupil of the euro-zone periphery to secure better terms for Ireland's bail-out. The country, he says, is a "unique and special case".

This is not to draw a parallel with the euro zone's other unique case, Greece, but to stand as its antithesis. If the obstreperous Greeks recently got a softening of their bail-out terms (in essence a partial debt write-off) to avert the threat of "Grexit" from the euro, surely the Irish deserve help to secure their exit from the bail-out and return to markets on schedule at the end of the year. At the start of its six-month rotating presidency of the European Union, Ireland says it wants to lead the euro zone out of crisis-management to the era of recovery.

Ireland has a good claim to being a model of adjustment through austerity and structural reform. After suffering a catastrophic banking and property bust, it has met its deficit-cutting targets. It has recovered much of its export competitiveness. Multinational firms that use Ireland as a low-tax base are investing keenly once more. The Irish economy has been growing, albeit slowly, in contrast with the shrinking in the troubled periphery of the euro zone. And Ireland is regaining market confidence, this week selling €2.5 billion (\$3.3 billion) worth of bonds at a lower interest rate than its bail-out loans.

Yet success is far from assured. The Irish economy is a strange hybrid: the front legs of its export sector may have recovered tigerlike strength, but the hind legs of the domestic economy are more akin to those of a sickly Mediterranean goat. Both parts are vulnerable. As a big exporter Ireland is exposed both to recession in the rest of Europe and to a global slowdown. At home the burden of its collapsed banking sector is a heavy drag on the economy (Ireland's public debt shot up from 25% of GDP in 2007 to about 120% this year, and the budget deficit is still 8% of GDP).

There may be more banking losses if the housing market has not bottomed out, as some fear. In March Ireland must make a €3 billion repayment on expensive promissory notes (a form of IOU) issued to try to save the doomed Anglo Irish Bank, the most cavalier of its banks. By cruel coincidence, this is roughly the same amount that the government has had to cut from the 2013 budget. During his EU presidency Mr Kenny must show fellow Europeans that his government can impartially run EU ministerial business. But to his citizens he must demonstrate that he is seizing the opportunity to press Ireland's case for relief.

### **From debt to equity?**

There are two parts to this. First, Mr Kenny wants an extension in the maturity of the promissory notes. Secondly, he wants the European rescue fund to take over some or all of the government's stake in two surviving Irish banks as part of the emerging banking union. The IMF is supportive, but the ECB has reservations about making concessions on the promissory notes and Germany says it never promised to take over past liabilities of other countries' banks. Some in Europe resent Ireland's free-market ethos, its low-tax strategy and the past recklessness of its banks. The Irish, for their part, resent the fact that they were prevented in late 2010 from imposing losses on senior bondholders of the kind now envisaged in the latest EU proposals for banking union. There is much blame to spread for what went wrong in the past; for every irresponsible borrower there was an irresponsible lender. Yet everybody in the euro zone could do with a confidence boost. If Ireland succeeds, then it is not just the country and its émigrés that will rejoice. All of Europe could celebrate too.

## Wegen guter Konjunktur in Deutschland

### Sozialversicherung erzielt weiteren Milliarden-Überschuss

11.01.2013 · Weil die Arbeitslosigkeit gering ist und die Löhne steigen, haben die Sozialversicherungen einen Überschuss von beinahe 6 Milliarden Euro erzielt. Dieses Jahr wird er aber kleiner sein, erwartet die Bundesbank.



© dpa Gute Zahlen dank des robusten deutschen Arbeitsmarktes

[Rekordbeschäftigung](#) und steigende Löhne haben der deutschen Sozialversicherung abermals einen Überschuss in Milliardenhöhe eingebracht. Renten-, [Kranken-](#) und Pflegeversicherung sowie die Bundesagentur für Arbeit nahmen bis zum 30. September 2012 5,9 Milliarden Euro mehr ein als sie ausgaben, teilte das Statistische Bundesamt mit. Gegenüber dem entsprechenden Vorjahreszeitraum ist der Überschuss damit rund 100 Millionen Euro geringer ausgefallen.

Grund für den Überschuss sind boomende Beitragseinnahmen. Sie summierten sich auf knapp 393 Milliarden Euro - ein Plus von 1,8 Prozent. „Grund hierfür ist vor allem der beständige Anstieg der sozialversicherungspflichtigen Beschäftigung“, hieß es. Die Ausgaben stiegen um 1,9 Prozent auf fast 387 Milliarden Euro.

### Geringerer Beitragssatz zur Rentenversicherung

Die Deutsche Bundesbank geht allerdings davon aus, dass die hohen Überschüsse in diesem Jahr schmelzen werden. „Zum einen entfällt der positive Konjunkteinfluss“, heißt es von Seiten der Bundesbank. „Zum anderen wird sich die hohe Rücklage der Rentenversicherung schrittweise reduzieren.“ Grund dafür sei der mit Jahresbeginn von 19,6 auf 18,9 Prozent gesenkte Beitragssatz.

Zudem seien höhere Ausgaben zu erwarten. „Auch im Bereich der gesetzlichen Krankenversicherungen sind eher wieder Defizite angelegt“, erwartet die Bundesbank.

Quelle: RTR

## The year of Ireland?

By [Zsolt Darvas](#) on 9th January 2013

Ireland has assumed the role of the [Presidency](#) of the Council of European Union for the first half of 2013, which will likely attract more attention to the country. Yet the major question of the year is if Ireland will be able to return fully to market funding when the current official financial assistance programme expires at the end of this year.

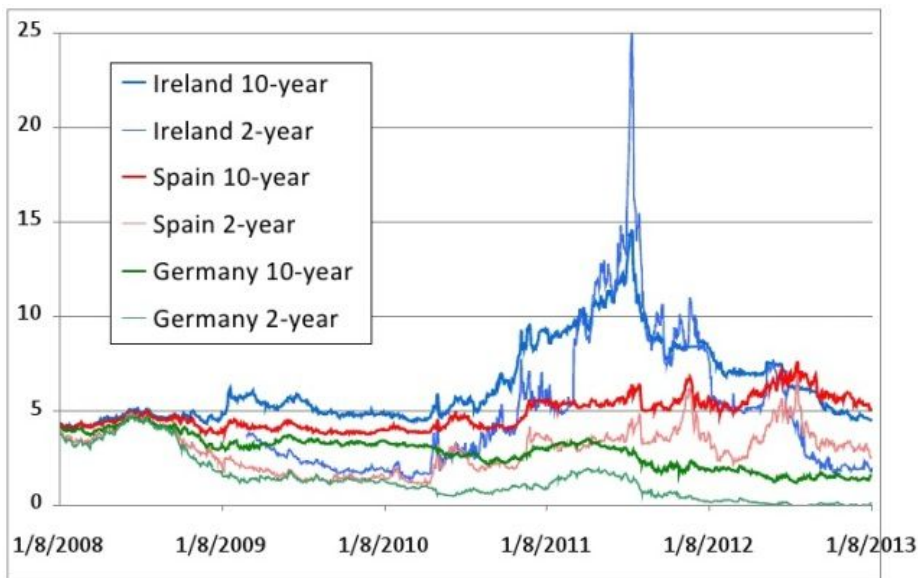
There are some encouraging signs. Secondary markets yields have fallen significantly (Figure 1). The Irish government could already [return to market borrowing in July 2011](#) and [yesterday](#) there was a very successful syndicated bond issuance at a 3.3 percent yield, largely purchased by foreign investors. Since autumn 2011 deposits are returning to banks. There was a sizeable injection of private capital into the Bank of Ireland. Also, growth outlook is much brighter than in the rest of the euro area (Figure 2).

In my view the possibility of a full return to market funding will depend on two crucial issues: growth and a new deal on the promissory notes, ie notes that the Irish government issued to cover the losses of the Anglo Irish Bank and some other banks.

First, growth will be crucial to convince investors that the country can return to solvency and hence the adequacy of current forecasts needs to be seen. And while the total economy growth has resumed (a rare development among hard-hit countries), there is an uneven development across sectors. A few sectors dominated by large multinationals, such as the pharmaceutical industry, are thriving, but most of the other sectors have not yet recovered, as I studied in [paper](#) published last June. Also, the unemployment rate is forecast to diminish very slowly (Figure 2), prolonging the social pain.

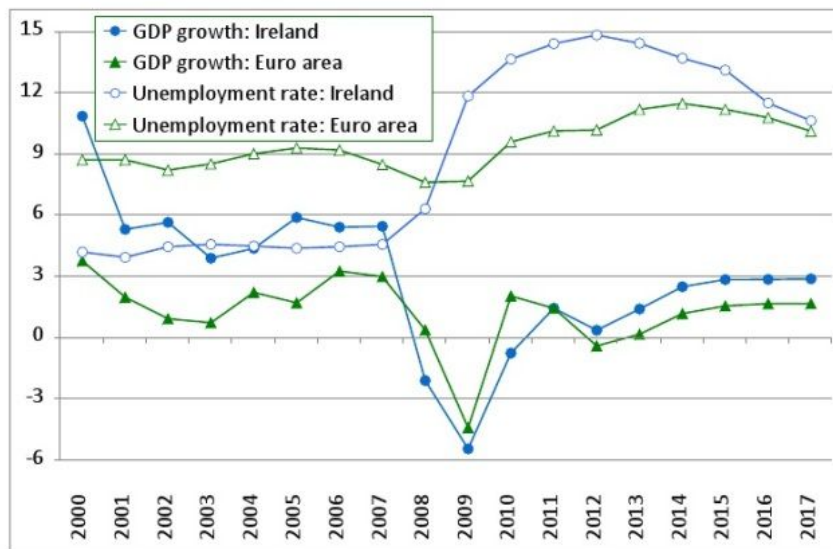
Second, payments for the promissory notes will induce a huge burden for the Irish government in the coming years (see an excellent account of this debate in a recent [paper by Karl Whelan](#)). It is clear that other euro-area countries have benefited from the Irish socialisation of a large share of bank losses, which has significantly contributed to the explosion of Irish public debt. This calls for a banking union, as [I argued in late 2011](#), and it is also in the best interest of European partners to make the Irish case a success story, by considering equitable measures. Indeed, the [29 June 2012 Eurogroup](#) meeting has not just called for a banking union to break the vicious circle between banks and sovereigns, but also concluded that “*The Eurogroup will examine the situation of the Irish financial sector with the view of further improving the sustainability of the well-performing adjustment programme.*” It is time to deliver on this commitment.

**Figure 1: Government bond yields, 8 January 2008 – 8 January 2013**



Source: Datastream

**Figure 2: Real GDP growth and the unemployment rate, 2000-2017**



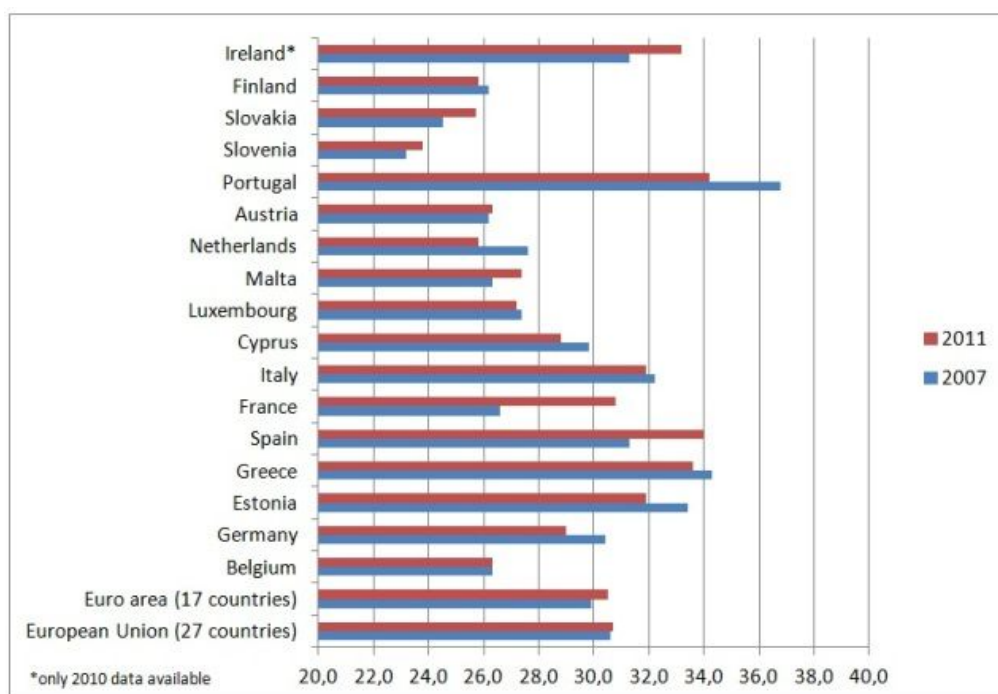
Source: IMF World Economic Outlook October 2012

## Inequality and adjustment in Europe

By [Guntram B. Wolff](#) on 10th January 2013

*Inequality differs across Europe. Some countries in major economic adjustment have been hit hard by an increase in inequality together with an increase in unemployment in the last couple of years. Especially France and Spain saw strong increases. At the same time, Germany has seen a significant fall in inequality and in unemployment during the last 5 years. Yet, this story cannot be generalized: Inequality has fallen in Greece, Italy and Portugal despite their major macroeconomic adjustments. More research is needed to uncover the factors behind these differences so as to reduce the repercussions of adjustment processes on inequality.*

Inequality changes very differently in different European countries. Data show a small rise of inequality for the EU as a whole measured in terms of the Gini coefficient of disposable income (see graph). At the same time, there are striking differences across EU countries with some countries seeing rising inequality and others falling inequality. Most notably, inequality in Germany, the Netherlands, and Estonia has been falling significantly, while it has increased very substantially in France and Spain.

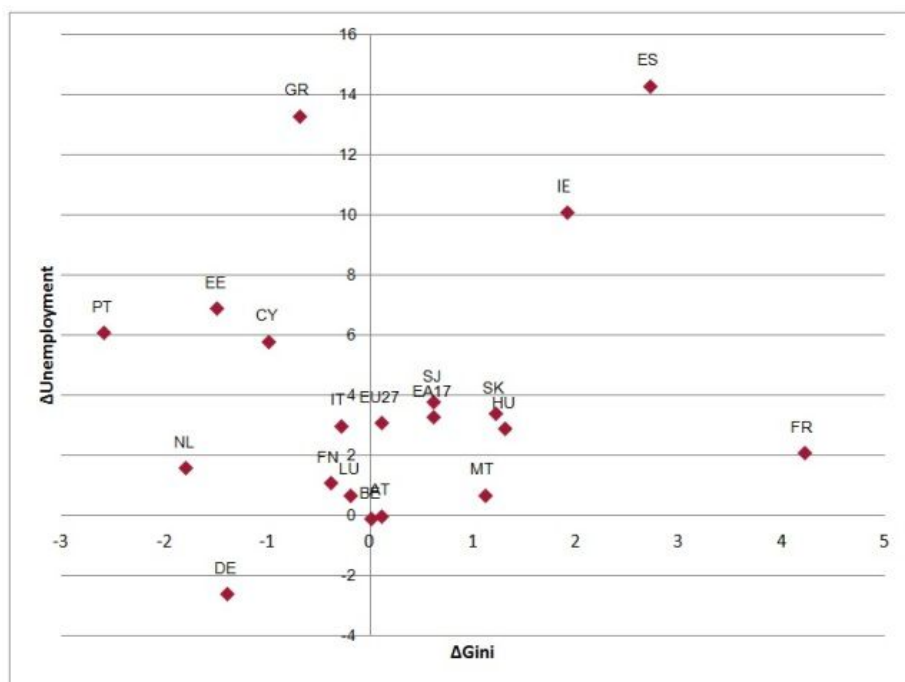


Note: Gini coefficient - relationship of cumulative shares of the population arranged according to the level of equalized disposable income, to the cumulative share of the equalized total disposable income received by them. The equalized disposable income is defined as the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into equalized adults; household members are equalized or made equivalent by weighting each according to their age, using the so-called modified [OECD](#) equivalence scale.

Source: Eurostat, 2013

So what could explain the differences across countries? A simple hypothesis would be that all countries adjusting large current account deficits in the course of the eurozone crisis would exhibit a large increase in inequality while the opposite is true for the countries of the North. However, a simple look at the data shows that this is not the case. Among the programme countries, inequality has actually fallen in Greece and Portugal. It has also fallen in Italy. Adjustment therefore does not necessarily mean an increase in inequality.

A second hypothesis relates the increase in inequality to an increase in unemployment. More unemployment increases in the low to middle income ranges would imply an increase in inequality of disposable incomes. A simple scatter plot relating the increase in unemployment to the increase in inequality during 2007-11 however does not confirm this general hypothesis.



Note: Differences in Unemployment and Gini-coefficient 2007-2011; Gini-coefficient Ireland only 2010 data.

Source: Eurostat, 2013.

Looking at four major countries in the Eurozone, it becomes apparent that some countries that have been hit hard by the financial crises are subject to a steep rise in inequality, resulting from increases in income inequality as well as unemployment. Spain and France both suffer from rises in income inequality and unemployment, respectively. On the other side, Germany experienced significant decreases in both income inequality and unemployment. Yet, this is not a general rule: Greece, Italy and Portugal had sharp increases in the unemployment rates while inequality actually decreased.

More research is needed to uncover the complicated link between adjustment and inequality in the EU. The topic is certainly central to the well being of our societies and the future of the EU.

		2007	2011
Germany	Gini	30.4	29.0
	Unemployment	8.2	5.6
France	Gini	26.6	30.8
	Unemployment	7.7	9.8
Italy	Gini	32.2	31.9
	Unemployment	6.5	9.5
Spain	Gini	31.3	34.0
	Unemployment	8.8	23.1

Source: Eurostat, 2013

## Democracy and central banking

### Long to reign over us

Jan 11th 2013, 9:48 by Buttonwood

STEPHEN King of HSBC has an interesting [piece](#) in today's FT on how central banking is becoming politicised, suggesting that the era of independent central banking is coming to an end. There is a contrasting [blog](#) from Gavyn Davies also on the website.

It is worth remembering that this is not a new debate. The British Labour government nationalised the Bank of England after the Second World War, a step widely seen as an act of revenge for the "bankers' ramp" that ousted its predecessor in 1931. Back then, the Bank, as the guardian of the currency and keeper of the gold reserves, demanded sharp cuts on public spending to please the markets; the Labour cabinet split and a Conservative-dominated coalition took over (it could never happen again!). The Bank didn't get the chance to set interest rates again till 1997.

The Fed may have had nominal independence but in the 1970s, Arthur Burns was perceived to have fallen too much under the sway of the White House, allowing inflation to get out of control. It was down to Paul Volcker to create the idea of central banker as superman; his success in breaking inflation in the early 1980s inspired other nations (starting with New Zealand) to go down the independent central banking route. Of course, this was part of the intellectual shift that occurred in the 1970s when the use of Keynesian fiscal policy to fine tune the economy was perceived to have failed and the emphasis of economic management moved to monetary policy.

There are really two justifications for independent central banks. The first is that certain economic decisions can only be made by experts, and that politicians (and voters) lack the intelligence or training to reach the same decisions. We defer to the central banker as we defer to our doctor. The problem here is that there is no economic consensus (contrast Paul Krugman with John Cochrane, for example) and even the mainstream economic view changes over time (from classical to Keynesianism and back again).

The second justification is that politicians cannot be trusted with the levers of monetary policy, for they will adjust interest rates to suit the electoral cycle or attempt to bribe voters with their own money. This is the central bankers as benign parent, stopping the kids from overdosing on ice cream and doughnuts.

The implication here is that central bankers will often be unpopular, particularly with elected politicians (Paul Volcker was perceived as ruining Jimmy Carter's re-election chances). However, as Gavyn Davies points out

none of the recent actions of the central banks, including the 2008 bank rescues and the subsequent credit easing, have been contrary to the wishes of elected officials, such as the US Treasury secretary, the UK chancellor, or a clear majority in Congress. As a result, there are very few signs that the political process sees any urgent need to re-assert any control over central bankers in these areas. Obviously, this could change if central bankers were to become more hawkish in ways that could prove politically unpopular, but to date there is little sign of that happening either.

Stephen King argues in contrast that central banks

can no longer be properly "independent" because their policies are creating both winners and losers. They are making decisions that are inherently political. Once politicians recognise this, they will surely be tempted to take over the reins.

Like Mr Davies, I am not sure that point will come soon: what government will complain that a central bank is buying its bonds and making it easier to finance its deficit? Holding down the yield curve may be the right

macro-economic policy to follow but, in purely democratic terms, the Republicans surely have a point; a government that can persuade a central bank to finance its deficit has a huge advantage over the opposition.

In Europe, Mario Draghi was portrayed as the saviour of the markets in 2012 for his promise to do "whatever it takes" to save the euro. Here there is even more scope for democratic doubts; **Mr Monti was using the balance sheet of the ECB, the bank of all euro-zone electors, to back the bonds of a limited portion of euro-zone electors. He was doing it with the tacit agreement of the German government but against the wishes of the Bundesbank**, not that long ago seen as the font of all wisdom in German economic policy. (And this ECB/Bundesbank clash was another indication that there is no universally-agreed *correct* policy to which all central bankers adhere; indeed, Mr Draghi's predecessor, Jean-Claude Trichet, seemed to take quite a different view.)

How do Germans vote if they want to get rid of Mr Draghi? Like it or not, they are stuck with him. In Britain, we will soon have a Canadian, Mark Carney, as one of the most important decision-makers in the British economy; someone not just unelected, but earning several times more than our prime minister. Mr Carney has hinted at switching away from inflation-targeting to nominal GDP targeting; an interesting concept when GDP gets revised up and down so often. Now perhaps we, as electors, are all too stupid to make these decisions. But if such vital economic matters aren't the subject of democratic decision-making, what is?



## Race in the Netherlands

### The aftermath of a football tragedy

#### Religious and racial tensions resurface in Dutch society

Jan 12th 2013 | *AMSTERDAM* | from the print edition



EPA A senseless death

ALMERE and Osdorp are two of the working-class suburbs that ring Amsterdam, modern planned towns of blocky flats and town houses interspersed with parks and football fields. In recent years upwardly mobile Muslim and Caribbean immigrants have been leaving the inner city for the suburbs, turning places like these into staging grounds for the Netherlands' rocky integration process. It was here that the country's latest racial tragedy took place.

After a match against a youth football club in Almere in early December, several teenaged players from a visiting Osdorp team pummelled and brutally kicked a volunteer linesman after an unexplained dispute. The linesman, the father of an Almere player, died the next day. He was white. His young assailants were ethnic Moroccans. The incident has touched off a month-long resurgence of religious and racial tensions that have preoccupied Dutch politics for over a decade. And it has resurrected the fortunes of Geert Wilders, a populist right-wing politician who best exploits those tensions.

Ethnic and religious conflicts have racked the Netherlands for years. Yet the latest flare-up came as something of a surprise. The euro crisis eclipsed the issues of immigration and Islam last year, leading even Mr Wilders to downplay his demands for banning the burqa and to emphasise anti-European politics instead.

The Dutch election in September led to a centrist coalition government. Mr Wilders's Freedom Party took just 10% of the vote. But while ethnic politics may have quieted temporarily, the roots of the conflicts are as strong as ever. A report released in mid-December by the Netherlands Institute for Social Research found that social contact between white native Dutch and the main immigrant groups (Moroccan, Turkish, Antillean and Surinamese) has actually shrunk over the past 17 years. Half a century after the first Turkish and Moroccan guest workers arrived in the Netherlands, only 28% of ethnic Turks and 37% of ethnic Moroccans identify themselves strongly as Dutch. And while their Dutch language skills have improved, immigrant groups felt less accepted in Dutch society in 2011 than they had in 2002.

The authors pin much of the blame on “the image native Dutch have of Muslim groups”, which seems only to have worsened in recent years. But Dutch conservatives say immigrants themselves are to blame for their image. Crime rates among young Moroccan men are triple those of white Dutch youths.

In the aftermath of the football clash, ethnic politics leapt to the fore again. The national football association cancelled every amateur game in the country the next weekend, and with Mark Rutte, the Liberal prime minister, called for measures to reduce violence in sports. Mr Wilders attacked this as political correctness. “We don’t have a sports-violence problem, we have a Moroccan problem.” He called for the alleged offenders, all aged between 14 and 17, to be stripped of their Dutch citizenship and sent “back” to Morocco.

A string of other incidents over the past month have scratched ethnic sore spots. An Amsterdam newspaper reported that a social-housing corporation was creating “*halal*-flats” with partitions separating men and women. A Moroccan woman in a small town stabbed her daughter to death in a possible honour killing, triggering calls for closer police monitoring. And an amusement park established a Muslim prayer room.

All this has combined to push anxiety over race and religion back to the top of the political agenda. The latest polls give the Freedom Party 17% of the vote, tied with Labour for first place. Mr Rutte’s Liberals have slipped to third. Pundits speculating that Mr Wilders’s politics had grown stale may have written him off too early.

## Mark Grant: "2013: The Year The Resplendent Masks Are Removed"

Submitted by [Tyler Durden](#) on 01/11/2013 09:25 -0500

*From Mark Grant, author of **Out of the Box**, Managing Director of Southwest Securities, Mark Grant*

### The Trifling Consequences Of Cyprus

“Expect the best. Plan for the worst. Expect to get surprised.”

-The Wizard

Cyprus downgraded to Caa3 by Moodys and not a snivel, barely mentioned anywhere and thought of “no consequence” by all but a trifling few. It is not just the size of the nation but the suit of armor pronounced by Mr. Draghi and, while not tested to date, it hangs proudly in the vestibule for all visitors to note and admire and point to proudly in moments of troublesome aggravation. The country is too small, the amounts of money required but a few days work at Volkswagen or Siemens. Yet I recall Arch Duke Ferdinand and the beginning of World War I. An event thought of as “no consequence” by all but a trifling few.

“His ignorance was as remarkable as his knowledge. Of contemporary literature, philosophy and politics he appeared to know next to nothing. Upon my quoting Thomas Carlyle, he inquired in the naivest way who he might be and what he had done. My surprise reached a climax, however, when I found incidentally that he was ignorant of the Copernican Theory and of the composition of the Solar System. That any civilized human being in this nineteenth century should not be aware that the earth travelled round the sun appeared to me to be such an extraordinary fact that I could hardly realize it.”

-Doctor Watson

You see Cyprus will raise the principles upon which Europe now rests and the decisions will cast a shadow far past the economic consequences as the conclusion is meted out to the rest of us. Was Greece in fact a one-off event or did Europe mean Greek speaking people? Will Cyprus’s refusal to shed state assets and to raise taxes raise the ire and perhaps the rancor of those resting comfortably in the Bundestag enough to cause their Prussian backs to stand-up straight again and refuse on principle regardless of monetary minutia? Will other European nations roll-over once again like dogs on a hot summer day and bow to the Bürgermeisters of Berlin and accede to the demands of “More Europe” which is the German translation for “More Germany?” I would not be casting Cyprus so listlessly aside. The resolution of pending bankruptcy here may indeed spring some interesting surprises.

“When a resolute young fellow steps up to the great bully, the world, and takes him boldly by the beard, he is often surprised to find it comes off in his hand, and that it was only tied on to scare away the timid adventurers.”

-Ralph Waldo Emerson

You hear it now all across Europe. “We are out of the woods, the crisis has ended, the worst is over” but I take scarce solace from these comments. The numbers have been falsified, the figures have been altered, and that which should have been counted as been ignored as a matter of political expediency. Bills uncounted do not mean that they do not have to be paid and obligations ignored do not erase them. The problems of Greece, Cyprus, Spain and Portugal have been wallpapered over and the “new look” has been sung to the Press and the

citizens alike but the wet plaster remains behind the façade and the upcoming peeling will commence in our New Year. More money equates to lower yields in the short run and assurances of health prevail in the world for the moment but the raw data tells another story as capital diminishes and debts build and uncounted liabilities surface once more.

2012 was a year of a vast and complicated charade. 2013 is likely to be a year when the resplendent masks are removed.

“It is not necessary that you leave the house. Remain at your table and listen. Do not even listen, only wait. Do not even wait, be wholly still and alone. The world will present itself to you for it’s unmasking, it can do no other, in ecstasy it will writhe at your feet.”

-Franz Kafka

REVIEW & OUTLOOK EUROPE

January 10, 2013, 3:42 p.m. ET

## Don't Save Cyprus

**Even a Greek default was likelier to have systemic effects.**

The word out of Berlin this week is that Social Democrats in the Bundestag might not ratify Germany's contribution to a bailout of Cyprus. The center-left opposition doesn't like the idea of subsidizing dodgy dealings at Cypriot banks, which would be the primary beneficiaries of the €17.5 billion rescue.

Add in skeptical Christian Democrats and Free Democrats, their even more skeptical coalition partners, **and suddenly there's a real risk that the Bundestag could scupper the whole deal.** It would be the euro zone's smallest rescue to date in absolute terms but the largest as a percentage of the rescued state's GDP.



*European Pressphoto Agency* Cypriot President Dimitris Christofias

Well, it's about time. Nicosia first petitioned Europe for a rescue last June, after Greece's second debt restructuring left Cypriot banks hurting. Angela Merkel and the Christian Democrats have vowed solidarity with their euro-zone partner, though bailout talks have taken so long because the Chancellor wants to impose tougher conditions on Cyprus for receiving aid. The country's communist President, Dimitris Christofias, has refused to privatize government assets and is resisting tax hikes.

But domestic politics in Germany are playing a role too. The Social Democrats are hoping to draw sharper lines between themselves and Mrs. Merkel ahead of this year's federal election. The coalition, meanwhile, sees a rapidly shrinking window for securing this latest step toward euro-zone salvation. A bad result for the CDU in this month's election in Lower Saxony would give the opposition a majority in the Bundesrat. That could neutralize the hopes of Christian Democrats who want to wait until Cyprus chooses a new President next month (Mr. Christofias isn't running for re-election) to do a better deal with whoever wins.

At bottom, Mrs. Merkel's concern is to avoid damaging her re-election odds by opening the door to more financial turmoil. But it's scandalous to ask euro-zone taxpayers to bear the cost of the German Chancellor's political insurance.

**That's true even if a Cypriot bailout would cost pennies next to Europe's other sovereign lifelines. In early 2010, as Brussels was pondering whether to save Greece, even skeptics couldn't deny that a sudden Greek default could have serious knock-on effects. If the eventual restructuring proved a mere tremor for the euro zone, a Cypriot default would be barely a wobble. Time to draw the line.**

January 11, 2013

## Unions Back Revisions of Labor Law in France

By [LIZ ALDERMAN](#)

PARIS — French labor unions and business leaders struck a deal on Friday to overhaul swaths of [France](#)'s notoriously rigid labor market, moving to tame some of the most confounding rules in the 3,200-page labor code as the country tries to increase its competitiveness and curb unemployment.

The changes would include giving employers more flexibility to reduce working hours in times of economic distress without incurring union strikes. High levels of compensation that courts can award to laid-off workers would be trimmed. The five-year period that former employees now have to contest layoffs would be reduced, a shift that Medef, France's employers' union, said would "reduce the fear of hiring" by businesses.

President [François Hollande](#) has said the changes are needed to burnish France's international allure as a place to do business, and the accord capped weeks of sparring among the five top labor unions and Medef.

The labor measures would help address what Louis Gallois, Mr. Hollande's investment commissioner, has called a "two-speed" labor market in France. Under that system, employees on long-term contracts enjoy extensive, costly job protections and benefits, while temporary workers, whose ranks have surged to a third of the French labor force, have minimal job security and relatively few benefits.

In November, the government introduced a tax credit for companies, potentially worth a total of 20 billion euros (\$26 billion), aimed at easing high employment costs. In exchange, business negotiators agreed on Friday, as a concession to unions, to pay higher taxes for short-term work contracts. Two hard-line unions, the Confédération générale du travail and the Force Ouvrière, rejected the offer as insufficient and refused to sign the deal, which was nonetheless binding because France's three other main labor unions backed it. A formal agreement will be signed next week.

The tax would help expand government coffers meant to support the unemployed while also nudging employers toward favoring long-term contracts. Employers would also pay somewhat higher contributions for private health insurance.

The deal "will change life for businesses in France," Laurence Parisot, the president of Medef, said in a statement. "This marks the advent of a culture of compromise after decades of a philosophy of social antagonism."

The negotiations were clouded recently by a series of public episodes, including a government threat to nationalize an ArcelorMittal plant in France to preserve jobs. There was also the decision in the last week by the French actor Gérard Depardieu to take Russian citizenship to escape a proposed 75 percent marginal tax rate on incomes of more than 1 million euros (\$1.3 million).

Whether any of the changes will come fast enough to fix France's problems is an open question. Some economists say that France could become the next sick nation of Europe if it does not improve the environment for investment and hiring.

"Given the gap we still have between the level of labor market regulation in France and in countries like the United States, Britain and Ireland, it is very clear that when observers look at the outcome, they will say it's a step in the right direction, but not enough," said Dominique Barbet, the European economist for BNP Paribas in Paris.

“But we also need to keep in mind that in France, if you want to make reforms, you have to go through small steps first,” he said. “You can’t try to change the system overnight. That usually results in mass protests in the streets.”

Mr. Hollande’s government is expected to sign off on the deal. He has said it will help him keep a promise of reducing unemployment, now at a 13-year high of 10.7 percent, by the end of the year. Youth unemployment is about 25 percent. By contrast, unemployment in Germany, which last decade made deeper cuts to labor costs and regulations than France is doing, is at 6.9 percent and joblessness among the young is around 8 percent.

Mr. Hollande sought the accord after Mr. Gallois issued a [stark assessment](#) of the French economy in November, saying the country needed a “competitiveness shock” that would require politicians to curb the “cult of regulation” that Mr. Gallois said was choking business.

Under current labor rules, many entrepreneurs in France hesitate to hire large numbers of workers. Some employers even resort to operating several companies with no more than 49 employees each instead of running larger ones that employ hundreds. That is because after the 50th employee is hired, a stack of new regulations come into play, including long firing procedures even for underperforming employees and requirements for numerous union representatives.

Temporary contracts fall on the other end of the scale: they are often lower paid and offer far fewer protections, something that has alarmed French labor unions. More than 80 percent of new contracts issued in France are short term, a trend that has grown steadily as employers turn to them to escape the costly rules protecting permanent workers.

Mr. Gallois’s report said that unless France relaxed its labor rules, the country would continue on an industrial decline that destroyed more than 750,000 jobs in a decade and helped shrink France’s share of exports to the European Union to 9.3 percent from 12.7 percent. The report also called for cuts to business taxes used to pay for government and France’s costly social safety net.

While it will take time for any changes to take effect, France has already taken steps that could help it skirt the worst in coming years. A fiscal consolidation begun in 2010 is continuing, in which tax increases and spending cuts are being applied to bring the overall budget deficit down to 3 percent of gross domestic product in 2013, from an estimated 4.5 percent in 2012.

“What’s most important is that France get an economic recovery,” said Mr. Barbet, of BNP Paribas. “If we don’t have that, people won’t hire no matter what the new labor rules are.”

## Why Austerity Works and Stimulus Doesn't

By Anders Aslund Jan 8, 2013 12:55 AM GMT+0100

Anders Aslund is a senior fellow at the Peterson Institute for International Economics. He is co-author with Valdis Dombrovskis, the prime minister of Latvia, of "How Latvia Came through the Financial Crisis." The opinions expressed are his own.

After five years of financial crisis, the European record is in: Northern [Europe](#) is sound, thanks to austerity, while southern Europe is hurting because of half-hearted austerity or, worse, fiscal stimulus. **The predominant Keynesian thinking has been tested, and it has failed spectacularly.**

**The starkest contrasts are [Latvia](#) and [Greece](#)**, two small countries hit the worst by the crisis. They have pursued different policies, [Latvia](#) strict austerity, and Greece late and limited austerity. Latvia saw a sharp gross domestic product [decline](#) of 24 percent for two years, which was caused by an almost complete liquidity freeze in 2008. This necessitated the austerity that followed.

Yet Latvia's economy grew by 5.5 percent in 2011, and in 2012 it probably expanded by 5.3 percent, the highest growth in Europe, with a budget deficit of only 1.5 percent of GDP. Meanwhile, [Greece](#) will suffer from at least seven meager years, having endured five years of recession already. So far, [its GDP](#) has fallen by 18 percent. **In 2008 and 2009, the financial crisis actually looked far worse in Latvia than Greece, but then they chose opposite policies. The lessons are clear.**

A successful stabilization program must appear financially sustainable so that it can [restore confidence](#) among creditors, businesses and people. **Usually, a sound stabilization program can revive economic growth within two or three years, as Latvia's did.** A few rules of thumb need to be followed. Latvia did them all; Greece not at all.

## Regain Confidence

**To regain confidence fast, reforms should be front-loaded.** In 2009, Latvia carried out an arduous fiscal adjustment of 9.5 percent of GDP, 60 percent of the total needed, **while Greece foolishly tried to stimulate its economy, as [Spain](#), [Slovenia](#), [Cyprus](#) and other southern crisis countries did at the flawed advice of the [International Monetary Fund](#) under [Dominique Strauss-Kahn](#), who was then the managing director.**

**In a severe crisis, it is much easier to cut public expenditures than to raise revenue.** Moreover, taxpayers think the government should tighten its belt when they are forced to do so. Cuts in public spending accounted for two-thirds of the Latvian fiscal adjustment. It decreased government expenditures from a high of 44 percent of GDP in the midst of the crisis to a moderate level of 36 percent of GDP this year. [Latvia](#) has kept a flat personal income tax now at 21 percent and a low corporate profit tax of 15 percent.

**Greece, by contrast, maintained [high public expenditures](#) of 50 percent of gross domestic product in both 2010 and 2011, when it was supposed to be pursuing austerity. It should cut its public spending to 40 percent of GDP to become financially sustainable.** Then the Greek crisis would end. Greece has carried out a fiscal adjustment of 9 percent of GDP to date, but that is too little and too late. It is less than Latvia did in the first year, and Greece needs to do more.

An advantage of sudden and sharp cuts in public expenditures is that they can't be even, as some items can't be cut. Therefore they drive reforms. **The Latvian government hit hard at the stifling bureaucracy that swelled during the preceding boom. It fired 30 percent of the civil servants, closed half the state agencies, and reduced the average public salary by 26 percent in one year.**

It prohibited double-dipping by officials, who had earned more in fees from corporate boards of state-owned companies than in salaries. The ministers took personal wage cuts of 35 percent, while pensions and social



benefits were barely reduced. The cuts prompted deregulation, and Latvia saw a boom in the creation of new enterprises in 2011.

## ‘Most Corrupt’

By contrast, Greece has allowed clientelism and corruption to thrive. During the purported austerity, Socialist Prime Minister [George Papandreou](#) increased the number of civil servants by 5,000 from 2010 to 2011, because they were his power base. [Transparency International](#) ranks Greece the most corrupt country in the EU.

A serious financial crisis requires international emergency funding. Latvia received substantial credits from the IMF, the European Union and neighboring countries. Altogether, the committed funds amounted to 37 percent of Latvia’s GDP in 2008, but Latvia used 60 percent of the credits committed. **In late December it paid back all its IMF loans almost three years earlier than necessary because it can borrow more cheaply on the market.** Its six-year bond yields have plummeted to 1.7 percent, while the Greek 10-year bond yields are 11 percent.

**In May 2010, Greece received far more help than Latvia did -- the largest IMF credit ever -- but its stabilization program was neither credible nor executed.** The Greek public debt has been excessive, and it remains so after two substantial, yet insufficient, debt reductions. **The government needs to seriously cut its spending, reduce its bureaucracy and prosecute corrupt leaders, and the IMF and EU have to become adamant about their conditions.**

Furthermore, a front-loaded austerity program shows people that the government is up to the task. Latvia experienced violent riots in January 2009, but in March 2009 Valdis Dombrovskis became prime minister. **He stated that there were two alternatives, one bad and one worse, and he preferred the bad alternative. He reached agreement on his stabilization program with the trade unions and employers.** Nothing works like success. Dombrovskis (with whom I co-wrote a book on the Latvian crisis) was re-elected in 2010 and 2011.

Greece has suffered from [huge demonstrations and riots](#), and for good reason. For too long, public employees have maintained their privileges while others expressed frustration with an irresponsible government. Since June, it appears the new Greek government is finally becoming serious.

## IMF Warning

**Recently, the IMF warned that cutting government spending had more negative effects than previously thought. But the fund focuses on one single year. What really matters is how quickly a crisis can be resolved and the long-term growth trajectory, as Latvia shows so elegantly.**

Last June, the IMF’s managing director, [Christine Lagarde](#), went to Riga to celebrate Latvia’s success and did so in no uncertain terms: “We are here today to celebrate your achievements, but also to make sure that you can build on this success as you look to the future.”

Now, however, the IMF complains that Latvia has cut social spending too much. Unemployment remains the main concern, but it has fallen substantially from 20.7 percent in early 2010 to 13.5 percent in the fall of 2012. Latvia is undergoing a major structural change, as an oversized construction sector has collapsed, and new manufacturing companies are expanding. Real adjustment takes time. Another complaint is the country’s inequality, but that can only change gradually.

The U.S. situation is quite different. As the world’s biggest economy issuing the dominant [reserve currency](#), it doesn’t feel the pressures from the international credit market that a small economy does if it has a public debt exceeding GDP, as the U.S. now has. With Treasury yields at record lows and a required fiscal adjustment of only 3 percent to 4 percent of GDP, the U.S. fiscal problem might be perceived as too small to solve. That is the great danger for the country.

## The U.K. and the EU: Irreconcilable Differences?

By [Clive Crook](#) Jan 9, 2013 12:30 AM GMT+0100

Clive Crook is a Bloomberg View columnist and member of the Bloomberg View editorial board. His column appears ...

The European Union is a remarkable achievement that now faces its most threatening crisis. The reason for both is the same: Its insistence through the years on combining ambition and ambiguity.

Theoretically dedicated from the outset to “ever-closer union,” member governments never settled on what that might mean, or bothered too much about whether their [citizens](#) would want it, supposing they knew what it was.

The euro crisis raises this core question of the EU’s final destination with fresh urgency. I wouldn’t bet against its leaders finding a way to swerve around this reckoning yet again -- their ingenuity in evading tough questions seems boundless -- but it’s going to be harder than before.

For one thing, the U.K., ever the reluctant European, is getting ready to insist on answers. Prime Minister [David Cameron](#) has promised a speech later this month that will set out goals for talks on a new European treaty, together with plans for a referendum on any subsequent “new settlement.”

Opinion polls in Britain show majorities in favor of withdrawal. That’s why Cameron, an instinctive pro-European, talks about repatriating powers already ceded to the European center in Brussels. He wants the U.K. to stay in, but the country’s mood is hostile.

### Eroding Sovereignty

If the EU’s response to the current crisis is a great leap forward toward full political union, the U.K. won’t go along. It’s already chafing under the present dispensation, and would hardly welcome a new one that further erodes its sovereignty and hollows out its domestic political institutions.

Fiscal union is now widely seen as a logical requirement for the preservation of the single currency. (What a shame the euro’s designers didn’t think of this before.) The logic is questionable, in fact, but Britain needn’t accept it, because the U.K. wisely chose not to join the system in the first place.

The nine other members of the EU that don’t use the euro are in the same position. You could say they’re already halfway out of the union. The question is whether semidetachment will continue to be possible.

Britain’s uncompromising euroskeptics believe their country should never have joined in the first place and want nothing more to do with the project. British pro-Europeans say that leaving the EU is unthinkable; some even say it’s wrong to suggest repatriating powers already transferred to Brussels, as though stepping back violates some immutable law.

Both these extremes are wrong. The U.K. would be crazy to ignore (or try to ignore) the rest of Europe: It has a compelling economic and geopolitical interest in the partnership. Equally, though, the terms of that partnership should be up for debate, and they should be revisable in both directions.

In the end, outright withdrawal from the EU would be an unfortunate outcome, but shouldn’t be dismissed as an unthinkable one. Everything depends on the details of the new settlement. The agreement Britain should press for -- and that [France](#), [Germany](#) and other [core countries](#) should accept in their own interests -- is an officially acknowledged, properly worked- out, permanent two-tier union.

Europe's present constitutional design, if you can call it that, upholds the principle of one size fits all -- one European Union, one EU body of law -- then violates that principle in practice. Many countries have various "opt-outs" from EU laws. Britain, for example, has opted out of the euro.

## Constitutional Anomalies

In each case, however, the opt-outs are constitutional anomalies: They typically create complications that have to be addressed through ad hoc adjustments. In maintaining the presumption of one EU, one law, subsequent treaty revisions have to work around these complications.

The result is a constitutional fog that leaves everybody complaining and steady pressure for a closer union for all, regardless of what citizens may want.

Until [Europe](#)'s economic crash, the thinking was that one day all EU members would adopt the euro, even Britain. If countries that haven't already joined the currency aren't having second thoughts about that idea, they should be.

The new settlement needs to break with the idea of Europe's manifest destiny. It should sanctify the idea of an inner EU of countries in the euro system, and an outer EU of countries that may never choose to adopt the single currency.

The inner countries can then debate closer political union -- as an end in itself, to facilitate the working of the single currency or both. The outer countries, not driven by the demands of euro membership, can jointly or severally choose looser political ties. They would be constrained, under common EU law, by the demands of the single market, though not by the heavy additional demands of euro membership.

This is a radical departure from the model that has guided European integration up to now. Yet it is no more than an acknowledgement of facts on the ground.

The European project is in trouble because the model -- of a single, ever-closer union -- has moved so far away from the reality of what people want and economies can stand. The answer is to formally embrace a [two-tier design](#), not as a stop-gap measure as current doctrine dictates, but as a permanent constitutional settlement.

If Britain makes this case in the right spirit, it will probably find allies across the EU. Suppose, however, it loses the argument and eventually has to choose between remaining as part of a closer political union or leaving the EU altogether. What then?

Under those circumstances, Britain's exit would be desirable for all concerned. The U.K. shouldn't get in the way of countries that wish to dissolve what remains of their national sovereignty and press on to create a United States of Europe.

## Similar Relationship

Outside the EU, it could remain part of Europe's common market as a non-EU member of the [European Economic Area](#) (like [Norway](#)), or it could negotiate a bilateral trade agreement with the EU (like [Switzerland](#)). In that event, it would be choosing a relationship similar to the one [Canada](#) has with the U.S.

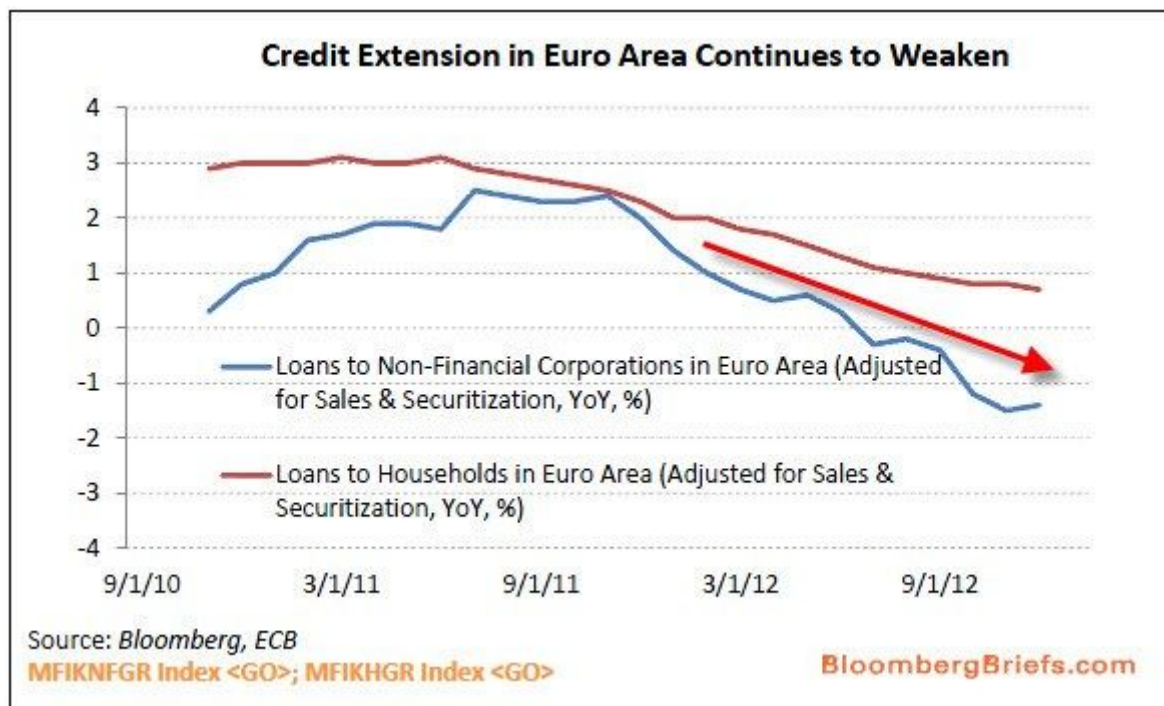
On balance, a closer partnership with Europe than Canada's with the U.S. is still in Britain's interests. As a member of the EU -- and a big, influential one -- the U.K. has a voice in shaping European policy, even if it can't always get its way. That's a big plus. A friendly separation, though, would hardly be the end of the world.

Unthinkable? Canadians seem to find the Canadian alternative viable. Divorce shouldn't be out of the question.

(Clive Crook is a Bloomberg View columnist. The opinions expressed are his own.)

January 10, 2013

## Fundamental Eurozone Problems Covered Up With Cheap Money



Mario Draghi believes that the Eurozone will slowly return to health over 2013 as a result of the bond market's ongoing stabilization. He calls the effects that we are observing a "positive contagion." The ECB's intervention has merely hidden the symptoms of the economic malaise rather than curing it, and the Eurozone will continue to stagnate under current monetary policy.

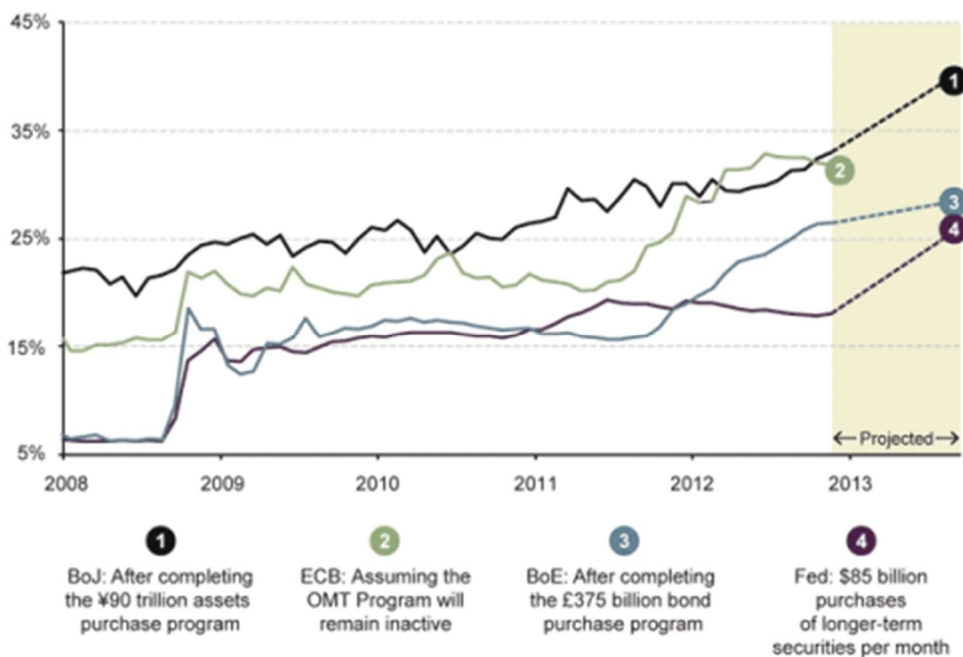
The bond buying pledge via the ECB's OMT program combined with monetary easing is the cause of the decrease in yields of PIIGS debt. While Draghi also points to significant political progress on a closer economic union among the Eurozone states, this is a fiction. There has been much talk of banking unions and fiscal compacts but no measures have been implemented. The FANG countries will still be required to pay for a banking union, and they have shown no desire to do so.

Draghi boasts of several improvements in the Eurozone financial picture:

1. Lower bond yields and CDS spreads
2. Higher stock markets
3. Low volatility
4. Low inflation

What is important to remember about these cosmetic improvements is that economic fundamentals underpinning the crisis have barely changed. The PIIGS still have large budget deficits and uncompetitive economies. Unemployment is high, and large internal balances remain within the Eurozone.

The ECB has created trillions of Euros out of thin air, and this money must be deposited somewhere. European banks are purchasing high-yielding PIIGS bonds with cheap ECB loans. Note the steep rise in the ECB's balance sheet starting in 2011 when it began purchasing PIIGS debt to stabilize the market.



In response to the easing of credit, stock markets have risen. Bears have been driven from the market because no one can fight the printing press. The liquidity provided by the bears has been removed from the system, but the consequences of this event will not be known until there is a panic.

The official rate of inflation remains low because of the recession, not the excellent monetary management techniques of the ECB.

The most significant problem that the Eurozone must solve is its zombie banking sector. The chart at the top of the post illustrates that shoveling money into dying banks may keep them from failing but it does not spur lending. Loans are what the economy needs to begin growing again.

All of this extra money is either being hoarded at the ECB, or it is being used to purchase higher-yielding PIIGS debt. **With the ECB's OMT guarantee sitting around waiting to be activated, a virtual guarantee on PIIGS debt allows the banks to purchase sovereign bonds yielding 2% or more while paying just 1% to finance the transaction. Since banks are earning riskless profits from this trade, there is very little incentive to originate much riskier loans to the private sector. Large government financing needs are crowding out the private sector.**

As long as this monetary policy persists, the periphery should be able to finance itself, particularly since the Swiss National Bank is enabling the ECB's actions, but this is the topic of another post. Money printing will maintain the stable disequilibrium currently in place in Europe.

**The downside to a world where banks and sovereigns are not permitted to fail is economic stagnation. The banks will continue refusing to lend to the private sector, and increased economic activity will not take place.**

January 13, 2013 5:55 pm

## Mali puts focus on French foreign policy

By Scheherazade Daneshkhu in Paris

France's president François Hollande has spent most of his first year in office embroiled in domestic issues, but the Socialist leader's decision to embark on [military action in Mali](#) has thrust his largely untested foreign policy into the spotlight.

Domestic issues still took centre stage in France on Sunday, as news channels were dominated with coverage of a large demonstration in Paris against the government's legal approval of gay marriage.

While that issue has divided the French population and its politicians, the president's authorisation of air strikes in its former colony secured almost unanimous political support. "Hollande caught between consensus [on Mali] and confrontation [on gay marriage]," ran a headline in the *Journal du Dimanche* newspaper in a comment on the twin issues.

The air strikes against the Islamist extremist fighters had "complete international legitimacy", in the words of Jean-Francois Copé, leader of the centre-right UMP.

But in her endorsement, Marine Le Pen, head of the far-right National Front, hinted at the potential dangers ahead.

She said the "legitimate" action highlighted only that France had "paved the way" for the resurgence of Islamist groups through its 2011 intervention against Libya's Colonel Gaddafi – which her party opposed.

While the Libyan intervention was led by former president Nicolas Sarkozy, Mr Hollande's most significant foreign policy action on taking office was one of disengagement. This was in relation to Afghanistan where his withdrawal of France's combat troops last month – ahead of schedule – initially riled France's US and UK allies in the Middle Eastern country.

Like French presidents before him, Mr Hollande has pledged to end "*Françafrique*" – a pejorative term denoting the network of often corrupt influence helping to maintain France's influence in the region.

The unilateral decision to intervene in Mali suggests that adhering to that promise will be as hard as it has been for his predecessors.

France has significant economic and mining interests in the region, including in neighbouring Niger, where French and local employees of Areva, the French nuclear group and Vinci, the engineering company were kidnapped in 2010 and smuggled across the border to Mali.

Amel Boubekeur, visiting fellow at the Brookings Doha Center and research fellow at the EHESS in Paris, said France's decision to intervene alone – albeit after conferring with allies – was a surprise given Mr Hollande's emphasis to date on political dialogue and multilateral action, where needed.

"He wants to reshape the regional balance, challenge the rising influence of other actors in the region, such as China as well as resolve the situation on the ground," she said. "But the war in Mali is nothing new and it is not clear that France knows how to stabilise a political transition before embarking on the military intervention."

The deployment follows a plea on Thursday from the Malian government for urgent French military assistance after Islamist forces ventured beyond their northern stronghold with the capture of a town further south towards the capital.

Jean-Yves Le Drian, defence minister said on Sunday: “The threat is that a terrorist state will be created near Europe and France ... We had to react before it was too late. They won’t succeed. We are determined to prevent this.”

The question now is whether France becomes bogged down in a messy military conflict with no clear exit or whether the operation will remain relatively limited.

France’s has no interest “other than the goal of fighting against terrorism”, said Mr Hollande on Friday.

That open-ended aim and Mr Hollande’s acknowledgment that he would take all the time necessary to achieve it, carries the risk that his first foreign military intervention ends up becoming as divisive as gay marriage.

## Government Bond Ponzi Bubble Has To Bust

**VIDEO:**Dec 07

By Charles Biderman

I cannot get over Paul Krugman's recent comment that as long as bond buyers keep buying US government debt, deficits do not matter.

Krugman said on NPR Tuesday, "The idea we should be obsessed with the deficit right now is insane, It's crazy, the way that we created this fiscal cliff crisis out of thin air, when the government is able to borrow at just about the lowest interest rates in history."

To Krugman, that means it does not matter that the US government is running a \$1+ trillion annual deficit. So what if taxable income would have to grow by 50% just to generate enough taxes to pay the current deficit. And that assumes spending will not grow from today's levels. How can that not matter?

Here's what Krugman is missing. The main buyers of government bonds have been the big global banks, and there is only one reason they keep buying government bonds. if they don't keep buying they will go broke as will the government.

These are the same institutions that have been bailed out by the US, European and Japanese central banks. How have the central banks bailed out the big banks? Simple, The central banks "bought" all the big banks toxic loans in exchange for newly printed paper.

So when these governments sell new bonds, one guess who are the big buyers? You are correct if you guessed that the same banks that were saved by the government now regularly buy all the government bonds being sold in order to keep the financial fraud intact.

Does any of that mean that government deficits do not matter? Or does it really mean that bond buyers know that their survival is based upon buying all the government bonds being offered them.

For example the financial media wants to make a big deal that bond rates have dropped on French, Spanish and Greek debt. But what the media does not report is that interest rates are dropping because the Euro banks are buying those new bonds using some of the billions given them by the ECB in exchange for their problem loans.

No Mr. Krugman US government bond buying is not happening because deficits do not matter. Bond buyers are buying because if they do not buy, their banks will go bust and they will lose their jobs.



This circular game of governments buying bad loans from banks who use the money to buy government bonds eventually will spin out of control. The widely-used expression of “kicking the can down the road,” really means the governments are kicking reality down the road, praying for a miraculous economic recovery that is not in the cards. As in all frauds, the perps are hoping for a miraculous score in order to paper over their lying thieving ways.

I do not see any chance of a miraculous economic recovery anytime soon. Therefore, the entire government bond Ponzi scheme has to collapse. The only question is when. My best guess is that will happen sometime during this current Obama administration.

And yes, the bond bust could get messy. But there is a robust underlying global economy based upon broadband that is growing rapidly. After the bust out, and we get our government obligations restructured, I predict there will be a miraculous economic recovery. But before the boom there will be a lot of pain.

## Japan Will Lead the Coming Government Bond Ponzi Scheme Collapse

Dec  
21

By Charles Biderman

Yesterday Zero Hedge had a link to [Kyle Bass' one hour brilliant dissection](#) of the present disastrous condition of the global financial world that he says within two years will result in a fiscal collapse led by Japan and followed by Europe, including Germany, China and of course the US.

Kyle, who runs the Hayfield Capital Management hedge fund, goes into great detail to explain how the collapse of the government Ponzi bond scheme that I've often talked about will result in the coming international fiscal disaster. Some of you may want to reference Wikipedia while watching to understand some of his acronyms and terms.

In the video he references actual numbers delineating the how leverage banks are to ever growing piles of government debt. Kyle also explains in simple terms why Japanese government bonds are likely to be the first to collapse. He points out that German and Chinese banks' debt leverage are at secular highs, more than wiping out current equity. Kyle also points to today's zero interest rates amid global monetary printing as the beginning of the end.

I have been delivering the same message as Kyle, but I must add that I also learned a great deal from the global financial data and personal contacts he shares in this video. And the most important takeaway for me is Kyle's premise that what has allowed the government bond Ponzi scheme to go on this long is the prevalent positive magical psychology dominating the financial markets. In other words: Since it has always worked out well in the past, it will all eventually work out this time as well. Of course what this really means is we can keep kicking the can down the road forever.

That insight alone for me was worth the one hour to watch [this video](#).

<http://www.zerohedge.com/news/2012-12-19/hour-company-kyle-bass>

## An Hour In The Company Of Kyle Bass

Submitted by [Tyler Durden](#) on 12/19/2012 21:25 -0500

[Last year's AmeriCatalyst interview](#) with Kyle Bass provided much more color than the normal 30-second soundbites that we are subjected to when serious hedge fund managers are exposed to mainstream media. This year, Bass was the keynote speaker and in the following speech (followed by Q&A), the fund manager provides 60 minutes of eloquence on the end of the grand experiment and its consequences. From Money Printing and Central Bank Balance sheets to Japan and the psychology of the current situation - which in many cases trumps the quantitative data - the question remains, "when will this unravel" as opposed to "if?"; Bass provides his **fact-based heresy against the orthodoxy of economic thought "On The Financial Nature Of Things"** extending well beyond [his recent note](#). *Must watch (there's no football or X-Factor on tonight).*

Make sure to stay tuned to the last 2 minutes when Kyle succinctly sums up our society...

*Clip not embeddable - click image for jump to YouTube.*



Average:

4.757575

## [Kyle Bass On The End Of The Debt Super-Cycle](#)

"When you let the politicians run monetary policy, well, that is how it [ends]... All of the ingredients are there [for Japan now] for this vicious cocktail to fall apart" is how Kyle Bass concludes this broad and succinct recent interview. With total credit market debt-to-GDP globally around 350% (or ~\$200 trillion), his thesis remains that many countries will reach their profligate endpoint soon (*if not already in Greece's case - where investors have already lost 90c on the dollar*); but that managing around this current evolution is the single-hardest period for investing of the last few decades. The modest Texan notes it is **naive to think he can call the end of a 70-year debt-super-cycle with any precision** (as in mid-December's Japan fiscal data and Abe's election) but when you look at all of the inputs, he believes that *Japan has crossed the proverbial Rubicon in the last two months* and describes in this rather breathtaking clip how the end of twenty years of conjecture on what will happen to Japan will come to pass.

From his belief in the possibility of ongoing rate compression in developed nations and negative nominal yields in more than just Germany and Switzerland, Bass expounds on the structure of his fund (funding via low-duration 'high'-yield vehicles along with a long-short equity book and the core 'convex' Japan credit book) and how his template is playing out... must watch

### **VIDEO**

And more detail in his recent letter to investors: **TEXT and slides!**

<http://fr.scribd.com/doc/113621307/Kyle-Bass>

## **Année de tous les dangers en 2013 : quitte ou double ?**

En ce début d'année 2013, je vais vous dresser, de façon synthétique, un bilan de l'Union européenne pour 2012, largement dominé par l'économie et en particulier par la crise économique, sociale, budgétaire et financière.

Le bilan 2012 présente, objectivement, des avancées importantes pour l'Europe, quoiqu'insuffisantes pour répondre réellement à la hauteur des enjeux et défis qui attendent l'UE face à un monde (Asie, Afrique entre autres) en pleine mutation du fait d'une croissance qui ne ralentit pas, malgré les faiblesses durables de l'Europe du Sud, ou plus temporaires des Etats-Unis. Globalement, en effet, l'économie mondiale croîtra de + 3,6% en 2013, après un -quasi-définitif - + 3,3% en 2012 et + 3,8% en 2011. Avec ce que cela signifie en terme de richesse produite, d'élévation du niveau de vie, d'émergence de classes moyennes, d'épargne disponible qui servira à nous prêter à nous, pays cigales, ou à racheter nos dettes abyssales. Le chiffre à lui seul peut faire rêver les Européens du « vieux-continent » qui oscillent depuis trois ans entre une quasi-stagnation et une quasi- récession, avec un écart grandissant entre le Nord et le Sud.

Même si 2012 a mieux finie qu'elle n'avait commencé, passant de la dégradation par Standard and Poors de la note française le 10 janvier, sans conséquence majeure pour l'instant, à la ... « regradation » de la note grecque le 18 décembre, passant de « défaut sélectif » à « B - ». La raison est que nos prêteurs européens et mondiaux ont renouvelé leur confiance à l'euro et ont été rassurés par les mesures prises par l'UE (BCE et institutions européennes), faisant baisser du coup les taux d'intérêt, y compris pour les pays malades.

Toutefois, 2013 n'échappera évidemment pas à la crise économique, avec la progression accélérée du chômage et donc de la précarité dans plusieurs pays de l'UE et de la zone euro, endettés jusqu'au cou et incapables d'adapter leur économie à la mutation du monde... Pour les Etats membres les plus fragiles (Grèce, Irlande, Portugal, Espagne, Italie, France), l'année 2013, voire également 2014, sera l'année à risque maximal, entre une incertitude sur l'acceptabilité sociale de réformes structurelles forcément impopulaires et une reconnaissance de nos bailleurs de fonds sur le sérieux et l'efficacité de ces réformes.

Au sein de la zone euro, la France, chef de file des pays du « Sud », en tant que seconde économie de l'UE, sera tout particulièrement à surveiller en 2013 : croissance nulle (entre 0,0 et 0,2% pour les analystes les plus optimistes !), chômage en augmentation (entre 10,5 et 11%), avec de nombreux plans sociaux attendus, exportations toujours largement déficitaires. Evidemment, malgré la « méthode Coué » en matière de communication économique gouvernementale (remake de la méthode Sarkozy ?!), personne, absolument personne, ne croit une seconde que la France puisse retrouver une croissance de 0,8% en 2013 et atteindre le fatidique 3% du PIB en terme de déficit budgétaire. Qu'à cela ne tienne, les dirigeants, année après année, privilégient toujours le « volontarisme politique » aux faits et mécanismes factuels ou objectifs. Pour tenter de rassurer, sans doute ? Personne n'est dupe ! Les élections corrigent ensuite les errements. La réalité est qu'en

2013, la France sera le premier emprunteur de l'UE pour le financement de sa dette (1.840 milliards d'euros), passant devant l'Italie. En l'absence de politique de réduction réelle des dépenses publiques, et faute de politique de relance économique à l'échelle européenne (à la différence de l'Italie et de l'Espagne), la seule option reste une hausse significative des impôts (solidarité intérieure) et des emprunts massifs sur les marchés de l'ordre de 150 à 200 milliards d'euros (soit 40 à 60 millions par jour !), pour boucler son budget (solidarité extérieure). A quel taux ? Là est, je crois, avec une situation sociale tout à fait incertaine, face à la précarité et à l'explosion du chômage, l'enjeu majeur de 2013 pour la France. Saura-t-elle alors inspirer toujours autant confiance à ses prêteurs et investisseurs, comme c'est le cas depuis six mois, avec des taux d'intérêt d'emprunts historiquement bas (de 0 à 1,5% pour des emprunts à deux ans ; et 1,5 à 2,5% pour des emprunts de 5 à 10 ans), et ce, malgré une dégradation en début d'année ? Il est vrai que la France conserve des atouts : sa position géographique, sa main d'œuvre de qualité, ses infrastructures remarquables, sa stabilité politique. Rien n'est moins sûr, même si (soyons optimistes, en ce début d'année !...) le « pire n'est jamais le seul probable » !

La France inquiète beaucoup d'analystes, d'experts, et d'institutions majeures (OCDE, FMI, Commission, FED) et même quelques dirigeants leaders en Europe, parmi les plus puissants (suivez mon regard...). A ce jour, la France paraît toujours incapable de se réformer réellement en coupant drastiquement dans les dépenses publiques, en réformant le marché du travail, en remettant à plat la réforme boiteuse, car temporaire, des retraites, et en mettant en place, avec ses partenaires européens, une vraie réforme industrielle (je rappelle ici que l'Europe est née par une politique industrielle audacieuse et magistralement réussie, la CECA). Et, le pire de tout, François Hollande refuse depuis juin la main tendue de Madame Merkel, et même de Monsieur Monti (qui, espérons le, ne disparaîtra pas de la scène politique italienne) pour aller plus loin dans la voie de l'intégration politique et institutionnelle, et pour tout dire, fédérale. La classe politique actuelle, sans courage ni vision, démontre toujours un attentisme frileux, trop prudent et souvent ambigu à l'égard du fait européen. Syndrome du « nonisme » de 2005, la France n'a pas « digéré » ses extrêmes, de plus en plus – crise oblige – nationalistes déclarés et fiers de l'être... Fallait-il pour autant créer un ministère du « redressement productif », pour développer l'illusion de solutions nationales, surtout pour l'industrie ? Là où partout, seuls les Etats-continentaux survivront avec la nécessité de géants industriels ayant la taille critique du type Airbus, ou Ariane Espace ?

« La France, problème de l'Europe ? » titraient quelques gazettes anglo-saxonnes, fin 2012. On se rassure parce qu'elles sont anglo-saxonnes. Mais le « hic » est que cette phrase cruelle est prononcée partout en Europe, aussi : à Berlin (entourage de Mme Merkel), à Bruxelles (Commission, Parlement européen), et même à Paris par nombre d'économistes sérieux, de droite comme de gauche. Et chacun de déplorer l'incapacité à se réformer vraiment. On en parle toujours, on diagnostique, on fait des milliers de rapports, on en reparle, mais au final, on avance peu, comparé à nos voisins. En moins d'un an, Mario Monti a réussi à prendre des mesures drastiques pour relever le pays : explosion des impôts, allongement de la durée du travail jusqu'à ... 67 ans, réforme du monde du travail, véritable réforme en profondeur de la fiscalité (ce dont on est incapable en France, depuis 30 ans, alors on bricole), mesures contre les désindustrialisations . Résultat : Mario Monti a vu

sa côte de popularité chuter, bien sûr, mais l'Italie garde sa place de 2<sup>ème</sup> puissance industrielle de l'UE, derrière l'Allemagne, et 3<sup>ème</sup> économie de la zone euro. Il a redonné confiance à l'Union européenne, et aux marchés (les taux d'intérêt sont retombés de 7 à 5%). L'Italie a même retrouvé une situation excédentaire de sa balance commerciale sur les produits manufacturés et industriels.

Bref, la France, avec ses réformes en demi-teintes, donne du souci à beaucoup, et notamment à ses amis allemands, italiens : refus du fédéralisme (plus tard, toujours plus tard, a dit Hollande...), alors qu'il est la seule solution pour exister, refus, sur le plan des réformes économiques, de prendre le tournant du 21<sup>ème</sup> siècle, refus d'augmenter le budget européen (là « Hollande » n'est pas le seul...), refus de renégocier intelligemment la PAC, régression même sur l'Union bancaire (j'y reviendrai plus loin). La France lance même « sa » réforme bancaire en attendant, ou « sa » réforme fiscale radicalement différente des propositions européennes... Le problème est que la France a du poids (légitime) au sein de l'UE et de la zone euro, compte tenu de son influence démographique, spatiale, économique. Elle présidera peut-être l'Eurogroupe un jour (Moscovici ?), et se devrait donc de montrer l'exemple, et de donner moins de leçons aux autres.

La France peut ainsi, comme l'Allemagne, freiner, voire bloquer des avancées du Conseil européen, ou revenir en arrière comme pour l'Union bancaire. Si la France, très endettée, perdait la confiance des marchés et des prêteurs, sa dette et ses taux de remboursement exploseraient et sa situation connaîtrait une dégradation sans précédent. Cela inquiète beaucoup l'Allemagne qui a besoin de la France pour aider financièrement les plus modestes qu'eux... Or tout le monde sait que ces engagements de ramener le déficit budgétaire à 3% fin 2013 sont intenables, sans coupes drastiques dans les dépenses, et sans croissance. Une hausse d'impôt ne suffit pas à redresser les comptes...

A l'heure de l'interdépendance totale et constante de nos économies profondément imbriquées les unes dans les autres, la chute d'un domino affecte de plus en plus rapidement tous les autres. Jacques Delors et Giscard d'Estaing, nos consciences vivantes pour l'Europe (avec Helmut Schmidt et Helmut Kohl) le rappelaient encore récemment à nos dirigeants « nationaux » - voire nationalistes – actuels. Tous deux disent en substance que l'Europe est à la croisée des chemins : sans intégration politique poussée, elle accentuera son déclin. Si l'on n'explique pas aux Européens, et aux Français en particulier, qu'il vaut mieux accepter un transfert de souveraineté (budgétaire, fiscale, sociale et politique bien sûr) plutôt que de décrocher du monde et de l'Histoire tout court. Les opinions publiques deviennent de plus en plus individualistes, inquiètes d'une mondialisation qu'on ne leur explique pas, ou mal (car elle n'a pas que des inconvénients, loin s'en faut !), identitaires, et, hélas, de plus en plus nationalistes. Cela tombe vraiment mal, d'autant qu'en France, on a toujours rêvé, finalement d'une Europe qui « devait » ressembler à une « France en plus grand ».

Résultat : plus on perd de temps pour avancer sur le nécessaire fédéralisme européen, perte de temps savamment orchestrée et « dosée » au gré des Conseils européens par Merkhollande et consorts, plus on perd, en fait, au nom de la sauvegarde de « notre » souveraineté, notre capacité d'autonomie. Les Etats-Unis et la Chine doivent bien rire de nos postures suicidaires ! Nos dirigeants ( peu aidés, il est vrai, par les médias) ne

parviennent même pas à convaincre leurs compatriotes qu'il vaut mieux une souveraineté partagée que... plus rien du tout ! La décadence et le déclin ! Et nos dirigeants pensent déjà être réélus avec un tel programme ! La naïveté le dispute parfois au mensonge, en politique !

L'avenir proche dira si la France devient le « problème de l'Europe ».

Pour l'heure, et malgré toutes ces insuffisances, l'UE s'en est relativement bien tirée en 2012, par rapport à 2011. Franchement, le bilan global pour l'UE, et surtout pour les 17 pays de la zone euro, est loin d'être négatif. Car la crise économique, budgétaire, fiscale et sociale, et même politique (12 chefs d'Etat et de gouvernement remerciés en 3 ans, à l'issue de leur mandat !) a poussé nos dirigeants européens frileux à sortir enfin du bois et à se rapprocher les uns des autres dans une Union un peu plus solidaire. Ce doit être cela, le réflexe de survie !

Bref, on a beaucoup plus fait, en 2 ans, pour l'intégration européenne qu'en dix ans. Même si cela ne suffit évidemment pas à nous rendre compétitifs par rapport aux Etats-continentaux qui émergent à toute allure, avec des taux de croissance insolents de 3 à 8% par an, comme le Brésil, l'Inde, la Chine, l'Afrique du Sud, la Russie. Il faut s'y faire, la route tourne, et le vieil Occident (surtout l'Europe) doit s'unir et se réformer s'il veut survivre. En Europe, les pays nordiques l'ont bien fait, ainsi que l'Allemagne, l'Autriche, les Pays-Bas. Pourquoi pas nous ?

Mais quand même, nos gouvernants se sont décidés à sauver la Grèce, en la maintenant dans la zone euro afin d'éviter un démembrement en cascade, et un délitement de l'Europe. En quelques mois, ils ont réduit sa dette (privée et publique), ils l'ont massivement renflouée avec un programme drastique de redressement des comptes. Résultat : chacun a compris (marchés et spéculateurs) que l'UE ne « lâchera » aucun Etat en difficulté, et l'accompagnera autant que nécessaire. Fin 2012, Standard and Poors viennent de « regrader » la Grèce de « Défaut sélectif » à « B - » Chapeau !

Les dirigeants européens ont enfin pu s'entendre, grâce à la crise, pour mettre en place des mécanismes de solidarité efficace, pour renflouer les pays défaillants : le Fonds européen de stabilité financière (FESF), puis le Mécanisme européen de stabilité (MES). On a même su assouplir les politiques de la Banque centrale européenne (BCE) en la faisant intervenir dans le rachat des dettes, en injectant massivement des liquidités à des taux nuls ou très bas pour irriguer l'économie de liquidités.

En 2012, la crise a également fait énormément bouger les choses pour sortir les Etats d'une spirale infernale. En effet, la crise financière terrible née aux Etats-Unis a contaminé rapidement l'Europe en créant la crise des dettes souveraines, puis la crise économique tout court... Pourquoi ? Car la crise financière a entraîné la faillite de Lehman Brothers, géant mondial de la finance, des géants aussi de l'assurance (Freddy Mac et Fanny-Mae), et des centaines de petites banques. D'où un dérèglement mondial de financement des Etats, des collectivités, des entreprises, des particuliers. En Europe, où la régulation et le contrôle bancaire sont plus importants qu'ailleurs, il y a eu moins de faillites, mais des situations très difficiles pour nombre de banques (qui avaient des créances à risque un peu partout dans le monde), comme nos principales grandes banques. Les plus atteintes



sont à ce jour Bankia et Dexia, renflouées depuis. Des banques malades ne prêtent plus, ou peu. L'économie est donc moins irriguée, et les faillites en chaîne d'entreprises (même prospères !) commencent. De plus, les Etats sont pris dans cet engrenage, car outre leurs propres dettes, ils doivent recapitaliser leurs banques fragiles ou en état de quasi faillite.

L'idée est donc de briser le cercle vicieux entre les banques et les Etats, ce qui a caractérisé la crise de la dette en Europe, en faisant refinancer les banques non plus par les Etats, mais par la BCE, via un mécanisme garanti par elle : le MES (Fonds de 500 milliards d'euros). Mais le Conseil européen a institué une contrepartie à cette aide financière à taux d'intérêt exceptionnellement très avantageux : une supervision bancaire très poussée, appelé MSU (mécanisme de surveillance unique), composée de la BCE et... des autorités nationales compétentes. Ce mécanisme de surveillance contrôlera la solvabilité des banques mais aussi leur activité, notamment dans le cadre d'opérations financières qui pourraient s'avérer être à risque. Il est même prévu qu'en cas de dysfonctionnements particulièrement graves et avérés, l'établissement financier fautif se voie interdire d'opérer.

Et c'est ainsi que le dernier Conseil européen a terminé l'année 2012, avec un accord historique, sur la supervision des banques par la Banque centrale européenne, première étape d'une Union bancaire, qui recapitalisera les établissements financiers, via le Mécanisme européen de stabilité, en allégeant ainsi la dette des Etats, déjà bien endettés. Mais cette supervision bancaire portera sur les banques les plus importantes dans un premier temps, c'est-à-dire celles qui détiennent au moins 30 milliards d'euros en actifs (exemple la BNP-Paribas, la Société générale, le Crédit Lyonnais), soit + de 80% des opérations bancaires de l'UE. L'Allemagne et l'Espagne ont obtenu que le contrôle des petites banques (leurs caisses d'épargne) reste sous l'égide des Etats... Bien sûr, on est toujours dans le marchandage entre Etats... C'est encore l'Allemagne qui a repoussé la mise en place de cette supervision bancaire à ... mars 2014, soit après les élections allemandes de septembre 2013. C'est un recul grave par rapport aux décisions de juin... Et tant pis pour les banques espagnoles, qui sont en grande difficulté dès maintenant. Les Etats paieront, en attendant la BCE et le MES.

L'année 2012 a encore fait bouger les choses, en adoptant le Traité sur la Stabilité, la Coordination et la Gouvernance (TSCG), interdisant aux Etats cigales de continuer à dépenser plus qu'ils ne gagnent. Ce Traité a été validé, en 2012, par une décision positive de la Cour constitutionnelle de Karlsruhe. Sinon, le projet européen aurait été fort compromis. Ce Traité s'est enrichi aussi, à la demande de la France sous présidence Hollande, d'un Pacte de croissance de 120 milliards, pour relancer l'économie, et donc l'emploi. C'est mieux que rien, mais certainement pas à la hauteur des enjeux : on a augmenté le capital de la Banque européenne d'investissement. On va recycler 55 milliards de fonds européens inutilisés et lancer quelques projets bonds. Face aux 45 milliards de dollars qui s'ajoutent aux 40 autres milliards mensuels déjà prévus qui sont injectés chaque mois dans l'économie des Etats-Unis par la Réserve fédérale américaine (FED), ce Pacte de compétitivité européen est dérisoire. Certes, en faisant autant marcher la planche à billets, les Américains prennent le risque d'une inflation forte et d'une dégringolade du dollar... qui ferait grimper l'euro !...

Face à cette émergence de solidarité européenne, les Etats forts se portant garants des Etats faibles (comme aux Etats-Unis), les marchés, c'est-à-dire tous nos bailleurs de fonds du monde entier, ont peu à peu repris confiance dans l'UE et la zone euro, ayant compris qu'on ne lâchera jamais l'euro, symbole de réussite de toute la construction européenne depuis 60 ans. Il était temps ! D'ailleurs, l'euro est demandé, acheté par tous les pays émergés, qui veulent diversifier leur portefeuille et ont confiance dans la monnaie européenne, et c'est pour ça qu'il est fort.

Solidarité budgétaire, monétaire, et bientôt bancaire, l'UE a progressé aussi en 2012 sur la taxe financière puisque 11 pays ont signé un accord qu'a ratifié le Parlement européen le 12 décembre 2012 par un vote massif (533 voix pour, 91 contre et 32 abstentions), instaurant une taxe sur les transactions financières. Cette taxe concernera tout actif, opération d'achats d'action ou d'obligations d'une société dont le siège social est en UE. Même si la taxe sera de 0,01% du prix de la transaction, la Commission a calculé que cela représenterait 60 milliards d'euros par an, soit presque la moitié du budget européen annuel !

La Commission européenne a beaucoup travaillé aussi sur une ré-industrialisation européenne, l'industrie manufacturière représentant aujourd'hui 15,6% du PIB européen. L'objectif est d'atteindre 20% de ce PIB européen en 2020. L'UE s'appuiera pour cela sur l'Institut européen de technologie, qui réunit depuis deux ans des entreprises, des centres de recherche et même le monde universitaire.

Fin 2012, l'UE a enfin créé le brevet européen, car l'addition de « brevets nationaux » pénalisait outrancièrement les entreprises européennes qui, pour protéger leur brevet, devaient multiplier les frais d'enregistrement ! Désormais le coût du brevet européen sera divisé par sept, se situant à un coût autour de 4 à 5.000 € pour toute l'Europe.

Tous ces dispositifs ont donc fait retomber la pression sur les marchés, et les taux d'intérêt n'ont jamais été aussi bas, même pour les pays cigales du Sud de l'Europe. La France n'a jamais emprunté à un taux si faible ! Même les taux espagnols et grecs ont baissé. L'Italie (de Monti) a vu ses taux bien baisser également. La fin de la crise financière peut être un préalable utile pour envisager (2014 ? 2015 ? ) un début de reprise économique, pour quelques Etats bien réformés.

Enfin, cerise sur le gâteau, 2012 aura été une consécration pour l'Europe de la paix et de la démocratie retrouvées, il y a 67 ans, après des siècles de guerres civiles et de barbarie entre Européens. Ce Prix Nobel de la Paix décerné à l'Union européenne est une consécration du chemin parcouru et un encouragement pour s'unir davantage, dans une voie plus fédérale, plus solidaire.

Mes satisfecits s'arrêtent là. Car l'UE ne sera pas allée assez loin dans la relance économique, dans l'intégration fiscale, et surtout politique de l'UE, seule capable de redonner à l'Europe un poids déterminant face aux nouveaux géants du monde. De même, sans politique commune d'innovation et de recherche, l'Europe souffrira d'un manque de compétitivité qui l'éjecte progressivement des secteurs économiques clés.

L'Europe entamera 2013 sans véritable diplomatie européenne, sans être une puissance de défense autonome, sans budget européen digne de ce nom. Budget est de 1% du PIB européen, quand un Etat fédéral comme les Etats-Unis, a un budget global de ... 23% de son PIB !

Sans compter nos désunions, nos dissensions permanentes, surtout entre Français et Allemands, masquées par des sourires hypocrites, de dirigeants n'ayant aucune vision de long terme sur notre nécessaire vivre-ensemble. Les Allemands, déçus de la France cigale, lorgnent sur l'Asie (comme les USA). Les Français, eux, ne sont toujours pas remis du rejet du Traité constitutionnel de 2005, et voient toujours dans l'Europe, une « Europe à la française », tout en refusant réformes structurelles et ouverture sur le monde. La France ne parvient pas à prendre vraiment le tournant du 21<sup>ème</sup> siècle, et à sauter le pas fédéral que lui proposent les Allemands depuis 20 ans, et à présent, également, les Italiens, ou les Polonais.

L'illusion d'un « Etat-nation » pour s'en sortir, est totalement utopique, à l'heure d'une globalisation et mondialisation. Car l'Europe nécessite, de plus en plus, mutualisation des dettes, des investissements, des budgets de recherche, et des cerveaux.

L'Europe d'aujourd'hui, c'est 7% de la population mondiale, et 21% du PIB mondial. Dans 30 ans, ce sera 5% de la population mondiale et 10% du PIB mondial. La France aura, au mieux, la 15<sup>ème</sup> ou 20<sup>ème</sup> place sur l'échiquier économique mondial. L'avion chinois, le COMAC, va bientôt concurrencer Airbus et Boeing. La crise industrielle ne saurait se limiter à l'automobile, à la sidérurgie et au textile. Elle touche en fait de très nombreux secteurs. Dans un article du « Monde » du 18 décembre 2012, Michel Barnier et Antonio Trajani, respectivement membre de la Commission européenne et vice-président de la même Commission, expliquent que la crise touche de plus en plus des secteurs à forte teneur technologique. Ils prennent l'exemple des télécoms : « sur les huit industriels occidentaux qui dominaient le marché il y a dix ans, seuls quatre existent encore aujourd'hui. Dans le même temps, deux industriels chinois, Huawei et ZTE, sont devenus des champions mondiaux ».

Je pourrais d'ailleurs donner un autre exemple : des trois grands constructeurs européens, Renault, Peugeot et Volkswagen, on sait bien qu'un seul demeurera (après fusion) d'ici 15 à 20 ans maximum. Il semble bien que ce sera... Volkswagen. Et pourtant, l'Europe a des atouts pour des projets d'avenir : véhicules du futur, hôpital numérique, maisons à faible consommation énergétique, nanotechnologie, macro et nano-électronique, biotechnologie ; sans oublier les investissements dans le secteur de la défense, qui a donné tant d'innovations technologiques transposables dans le civil : internet ; les micro-ondes ; le GPS ou encore l'ingénierie médicale. Encore faudrait-il que l'on se décide à mutualiser nos financements et nos cerveaux au bénéfice d'une véritable politique industrielle, plutôt que se concurrencer bêtement entre 27 micro-industries nationales. Car, encore une fois, le monde en pleine croissance, Asie et Afrique, ne nous attendra pas.

Nous devrions profiter vraiment des élections européennes de 2014 pour faire le saut qualitatif si nécessaire à une Europe crédible. L'année 2014 pourrait être ainsi (devrait être..) décisive pour l'UE, si l'on avait le courage

d'accélérer le pas sur les propositions et travaux du Parlement et de la Commission, en rendant les élections législatives européennes enfin visibles, enfin... européennes, pour qu'elles ne soient plus l'otage des partis politiques nationaux qui ne cessent, à chaque échéance, de « renationaliser » les débats et cette élection. Or, les élections européennes, ce scrutin majeur, au suffrage universel direct, permettent d'élire des députés qui voteront dans de plus en plus de domaines, des lois essentielles pour la vie quotidienne de 500 millions d'Européens. En bref, il faudrait organiser des élections transnationales le même jour, sur un vrai programme européen. En commençant par l'organisation d'un vote au Parlement européen, qui lui permettrait de s'ériger en Assemblée Constituante, afin de préparer les réformes institutionnelles nécessaires à l'élaboration d'une Constitution fédérale.

J'ose encore espérer, que, « grâce » aux années de crise économique qui nous attendent encore, les dirigeants sud-européens comprendront enfin que la seule voie du salut est dans la démarche fédéraliste. Auront-ils ce sursaut dès ces élections de 2014 ? J'en doute, au vu des positions actuelles de la deuxième économie de la zone euro... Un tel courage politique est pourtant urgent, car plus la crise économique dure, plus elle radicalise les opinions publiques dans le nationalisme et le repli sur soi, entretenu de surcroît par du « national-populisme ». On vient encore d'en avoir un exemple pitoyable avec le vote du budget européen, où nos politiciens se chamaillent pour des « queues de cerise », pour faire baisser leur propre contribution au budget, ce qui est la négation même du projet européen communautaire et solidaire créé par les Pères fondateurs.

L'Europe et le monde sont de plus en plus interdépendants. Rester seul ou en repli dans un protectionnisme arrogant et démagogique est aussi stupide que suicidaire. Nous avons (presque) tout à vendre à l'autre moitié du monde, qui s'éveille et s'enrichit. Saisissons cette chance, et fusionnons enfin nos forces, stratégiquement, économiquement et politiquement.

Sinon, ce sera le délitement et l'enlisement, car nos Etats-nations, isolés, divisés, minuscules, seront balayés par le choc des mutations du 21<sup>ème</sup> siècle.

Puissent nos « dirigeants » être un jour à la hauteur de ces enjeux....

J'ai présenté ces thématiques lors d'une intervention à la Maison de l'Europe et des Européens de Lyon-Rhône-Alpes, dans le cadre des « Jeudis de l'Europe » créés par Alain Reguillon.

Frankreich

## Reformen im Schneckentempo

13.01.2013 · Die französische Regierung will ein neues Gesetz erlassen, das Unternehmen mehr Flexibilität und Arbeitnehmern mehr Arbeitsplatzsicherheit bringen soll. Auf dem Weg zu mehr Wettbewerbsfähigkeit ist das nicht wenig - doch noch längst nicht der „historische“ Fortschritt, wie die Regierung hofft.

Von [Christian Schubert](#)

In letzter Minute haben Gewerkschaften und Arbeitgeber in Frankreich einen kleinen Flecken gemeinsamen Bodens gefunden. Unter dem Druck der Regierung erzielten sie in vier Monate währenden Arbeitsmarkt-Verhandlungen einen [Kompromiss](#). Die Arbeitgeber akzeptieren unter anderem höhere Abgaben für kurze Arbeitsverträge und den Abschluss einer Zusatzkrankenversicherung für die Beschäftigten. Dafür bekommen sie mehr juristisch abgesicherte Freiheiten, um in Wirtschaftskrisen Arbeitszeiten und Gehälter zu senken.

Das ist nicht wenig; unter Sarkozy waren entsprechende Verhandlungen noch gescheitert. Beim jetzt gefundenen Kompromiss handelt es sich jedoch nicht um einen „historischen“ Fortschritt hin zu mehr Wettbewerbsfähigkeit bei gleichzeitiger Beschäftigungssicherung, wie die Regierung hofft.

In der taktischen Vorgehensweise hat Präsident François Hollande allerdings vollständig recht bekommen. Seiner Ansicht nach kann die Politik in Frankreich Reformen nur erreichen, wenn die Interessengruppen vorher zugestimmt haben. Es geht also voran in Frankreich, jedoch kaum schneller als im Schneckentempo.

## Kampfeinsatz in Mali

### Hollandes Kehrtwende

13.01.2013 · Frankreichs Präsident führt nun doch Krieg in Afrika. Die Risiken des Alleingangs sind groß, Hilfe ist erwünscht.

Von [Michaela Wiegel](#)



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Frankreichs Staatspräsident François Hollande: Vom Zauderer zum Kriegsherrn?

François Hollande ist kaum wiederzuerkennen. Als Kriegsherr tritt der französische Präsident, der seine ersten Monate im Amt als Reformzauderer vertändelt hatte, plötzlich entschlossen auf. Er hat kurzerhand französische Soldaten in den Wüstenkampf geschickt, die Freiheit Frankreichs in Mali zu verteidigen. Mit Waffengewalt will der Präsident verhindern, dass vor den Toren Europas „ein zweites Afghanistan“, ein Rückzugsort für islamistische Terroristen entsteht. Über Nacht hat sich der Sozialist in einen „Chef der Armee“ verwandelt, der seine verfassungsgebene Machtfülle auszuschöpfen weiß.

Die hehren Sonntagsreden über das Gebot der Zurückhaltung für die frühere Kolonialmacht, das Ende der „Francafrique“ und die Pflicht zur Transparenz sind vergessen. Obwohl er für Afrika, anders als die meisten seiner Vorgänger, keinerlei Leidenschaft entwickelt hat, knüpft Hollande an die Tradition der französischen Militärinterventionen im afrikanischen Hinterhof an. Das stellt eine spektakuläre Kehrtwende in seiner noch jungen Präsidentschaft dar.

Denn wie kein anderer predigte Hollande im Wahlkampf und in den ersten Amtsmonaten, dass Frankreich nicht länger zum Gendarmen Afrikas taugt. Er versicherte den Franzosen, dass ihre Soldaten nicht mehr an vorderster Front auf ehemaligem Kolonialboden kämpfen sollten. Deshalb setzte er alle diplomatischen Anstrengungen darein, eine afrikanische Einsatztruppe für Mali unter UN-Schirmherrschaft zusammenzubringen. Der Einsatzbefehl für die eigenen Streitkräfte kommt dem Eingeständnis gleich, dass es ohne die Ordnungsmacht Frankreich eben doch nicht geht.

Einen ersten, nicht zu unterschätzenden Erfolg hat Hollande mit dieser Entscheidung erzielt. Die Opposition zollt ihm - mit Ausnahme des linken Wortführers Jean-Luc Mélenchon - Respekt. Im Kampf gegen den Terrorismus, und sei es jenseits des Mittelmeers, rückt Frankreich zusammen. Am autoritären Entscheidungsverfahren stört sich ohnehin kaum jemand. Dass die Volksvertreter erst an diesem Montag über den Auslandseinsatz informiert werden - abzustimmen haben sie erst bei einer Verlängerung -, gehört zur Normalität des präsidentialen Regimes. Es fällt nur auf, wie schnell sich Hollande von seinen Vorsätzen verabschiedet hat, die eine bessere Behandlung des Parlaments und mehr Transparenz in der Informationspolitik vorsahen.

Der militärische Blitzschlag, mit dem sich Frankreich gegen den Vormarsch der islamistischen Krieger in Richtung der Hauptstadt Bamako aufbäumte, verfehlte seine Wirkung nicht. Die islamistischen Einheiten zogen sich in Stellungen hinter der Demarkationslinie zurück, die den Norden vom „freien“ Süden Malis trennt.



© REUTERS

Kampfbereit: Soldaten der radikalen Fraktion der Tuareg-Rebellen „Ansar al Dine“ im Juni 2012 im Nordosten Malis

## Vor einer langen Militäroperation

Die größte Herausforderung aber wird für Frankreich darin bestehen, die in Eigenregie geführte Operation „Serval“ in einen von der Staatengemeinschaft unterstützten afrikanischen Einsatz münden zu lassen. Hollande hat die Franzosen zwar auf eine möglicherweise lange Militäroperation („so lange wie eben notwendig“) einzustimmen versucht. Aber der Präsident weiß auch, dass es seinen Wählern wenig behagt, die frühere Kolonialmacht an vorderster Front eines unübersichtlichen Partisanenkrieges in der Wüste zu sehen. Schließlich hatte sich Hollande bei den Linkssympathisanten mit antimilitaristischen Tönen eingeschmeichelt. Er versprach, die französischen Soldaten frühzeitig aus Afghanistan zurückzuholen und die früheren Kolonien künftig als gleichberechtigte Partner zu behandeln.

Die Erwartungen Hollandes werden sich deshalb an die in der Wirtschaftsgemeinschaft Ecowas organisierten afrikanischen Truppenstellerstaaten und an die EU-Partner richten. Frankreich hat sich allein vorgewagt, dem malischen Übergangspräsidenten in höchster Not zu helfen. Hollande übertrieb nicht, als er die Existenz des malischen Staates als bedroht bezeichnete. Der Vormarsch der islamistischen Krieger aus dem Norden war vor allem eine Demonstration der Stärke gegen die schwache Interimsregierung unter Präsident Dioncounda Traoré.

Mittelfristig ist die französische Armee jedoch mit der Aufgabe überfordert, dem gescheiterten westafrikanischen Staat aus eigener Kraft auf die Beine zu helfen. An einem Scheitern Frankreichs an der Seite der desorganisierten malischen Armee kann niemand Interesse haben. Die Bundesregierung teilt das Ziel, Mali nicht in die Hand islamistischer Terrorgruppen fallen zu lassen. Paris hätte, im Kampf gegen den islamistischen Terror stehend, nichts gegen einen konkreten Freundschaftsbeweis, der pünktlich zum 50. Jubiläum des deutsch-französischen Elysée-Vertrages käme.

January 13, 2013

## Japan Steps Out

*OP-ED* By [PAUL KRUGMAN](#)

For three years economic policy throughout the advanced world has been paralyzed, despite high unemployment, by a dismal orthodoxy. Every suggestion of action to create jobs has been shot down with warnings of dire consequences. If we spend more, the Very Serious People say, the bond markets will punish us. If we print more money, inflation will soar. Nothing should be done because nothing can be done, except ever harsher austerity, which will someday, somehow, be rewarded.

But now it seems that one major nation is breaking ranks — and that nation is, of all places, Japan.

This isn't the maverick we were looking for. In Japan governments come and governments go, but nothing ever seems to change — indeed, Shinzo Abe, the new prime minister, has had the job before, and his party's victory was widely seen as the return of the “dinosaurs” who misruled the country for decades. Furthermore, Japan, with its huge government debt and aging population, was supposed to have even less room for maneuver than other advanced countries.

But Mr. Abe returned to office pledging to end Japan's long economic stagnation, and he has already taken steps orthodoxy says we mustn't take. And the early indications are that it's going pretty well.

Some background: Long before the 2008 financial crisis plunged America and Europe into a deep and prolonged economic slump, Japan held a dress rehearsal in the economics of stagnation. When a burst stock and real estate bubble pushed Japan into recession, the policy response was too little, too late and too inconsistent.

To be sure, there was a lot of spending on public works, but the government, worried about debt, always pulled back before a solid recovery could get established, and by the late 1990s persistent deflation was already entrenched. In the early 2000s the Bank of Japan, the counterpart of the Federal Reserve, tried to fight deflation by printing a lot of money. But it, too, pulled back at the first hint of improvement, and the deflation never went away.

That said, Japan never had the kind of employment and human disaster we've experienced since 2008. Indeed, our policy response has been so inadequate that I've suggested that American economists who used to be very harsh in their condemnations of Japanese policy, a group that includes Ben Bernanke and, well, me, visit Tokyo to apologize to the emperor. We have, after all, done even worse.

And there's another lesson in Japan's experience: While getting out of a prolonged slump turns out to be very difficult, that's mainly because it's hard getting policy makers to accept the need for bold action. That is, the problem is mainly political and intellectual, rather than strictly economic. For the risks of action are much smaller than the Very Serious People want you to believe.

Consider, in particular, the alleged dangers of debt and deficits. Here in America, we are constantly warned that we must slash spending now now now or we'll turn into Greece, Greece I tell you. But Greece, a country without a currency, doesn't look much like the United States; surely Japan offers a more relevant model. And while doomsayers keep predicting a fiscal crisis in Japan, hyping each uptick in interest rates as a sign of the imminent apocalypse, it keeps not happening: Japan's government can still borrow long term at a rate of less than 1 percent.

Enter Mr. Abe, who has been pressuring the Bank of Japan into seeking higher inflation — in effect, helping to inflate away part of the government's debt — and has also just announced a large new program of fiscal stimulus. How have the market gods responded?



The answer is, it's all good. Market measures of [expected inflation](#), which were negative not long ago — the market was expecting deflation to continue — have now moved well into positive territory. But government borrowing costs have hardly changed at all; given the prospect of moderate inflation, this means that Japan's fiscal outlook has actually improved sharply. True, the foreign-exchange value of the yen has fallen considerably — but that's actually very good news, and Japanese exporters are cheering.

In short, Mr. Abe has thumbed his nose at orthodoxy, with excellent results.

Now, people who know something about Japanese politics warn me not to think of Mr. Abe as a good guy. His foreign policy, they tell me, is very bad, and his support for stimulus may have more to do with old-fashioned pork-barrel (tofu barrel?) politics than with a sophisticated rejection of conventional wisdom.

But none of that may matter. Whatever his motives, Mr. Abe is breaking with a bad orthodoxy. And if he succeeds, something remarkable may be about to happen: Japan, which pioneered the economics of stagnation, may also end up showing the rest of us the way out.

January 13, 2013

## Hollande, Long Seen as Soft, Shifts Image With Firm Stance

By [STEVEN ERLANGER](#)

PARIS — President [François Hollande](#) of [France](#) has regularly been criticized as indecisive, even complacent. But the events of the last few days will go some way toward changing his image, as Mr. Hollande has moved swiftly to use the French military in [Mali](#) and [Somalia](#) after pulling off an important compromise with domestic unions over job creation.

The sudden French military intervention in Mali, which took only half a day to set in motion, together with a bold, if failed, hostage rescue mission in Somalia, have displayed Mr. Hollande in a more somber, decisive light that could represent a turning point for his presidency. The French, like the Americans, judge presidents on their ability to make tough decisions, and there are few tougher ones than to send young soldiers into battle.

While the future of the Mali intervention is unclear, it has begun well, with French forces hitting two columns of Islamist rebels with jet fighters and attack helicopters and appearing to halt a rebel march south toward the capital, Bamako. Mr. Hollande's actions have garnered widespread political support in France and abroad, from African countries, the United States and Britain, all of which have promised to move more quickly to help Mali recover a vast piece of land lost months ago to the rebels.

Even the failure of the raid in Somalia, in which two French commandos died and the hostage is believed to have been killed by his captors, does not seem to have hurt Mr. Hollande. Many of his countrymen do not expect warfare to be risk-free, and France is seized by both worries about the rise of radical Islam and the plight of several French hostages in North Africa believed to be held by religious extremists. "This is the first occasion Hollande had or seized upon to act decisively, without the sort of waffling that had appeared to be his trademark," said François Heisbourg, a defense expert at the Foundation for Strategic Research in Paris. "So in that sense, it changes his image instantaneously."

Throughout his career in the Socialist Party, Mr. Hollande has been criticized and even ridiculed for being soft and compromising, likened in the early days to a [wobbly custard dessert](#) called "Flanby." But he has always said that his critics underestimate him, and his victory last May over the energetic incumbent, Nicolas Sarkozy, surprised many.

Now Mr. Hollande has "demonstrated that he can decide on matters of war and peace, which in the French system, as in the U.S., is very important," Mr. Heisbourg said.

"Until you prove that, you haven't proved much," he said, comparing the impact of Mr. Hollande's actions with that of President Obama's decision to approve the raid on Osama bin Laden.

A cartoon on Saturday in the centrist newspaper *Le Parisien* showed Mr. Hollande as commander in chief, with a bystander saying, "Must admit that sometimes he surprises."

On Sunday, Bruno Jeudy, an editor at the newspaper *Le Journal du Dimanche*, wrote: "Finally president! Finished, the hesitant and nonchalant François Hollande of the first months of his mandate." Like many, Mr. Jeudy noted that once begun, the operation in Mali — to help dismantle a safe haven for radicals linked to terrorist groups — will be long and difficult. (In the same newspaper, Dominique de Villepin, a former foreign minister, warned that the operation in Mali was likely to fail because it had too many ambitious goals.)

"Wars are rarely popular," Mr. Jeudy said. "But by putting on the uniform of a war leader, he rose to the rank of his predecessors." He also lowered the domestic pressure on him to back off his proposal to legalize [same-sex marriage](#), turning the national conversation more toward foreign policy.

A week ago, all the talk in France was of the large demonstration called for Sunday against same-sex marriage. The proposed law has created significant opposition because it would allow married gay couples to adopt children. Religious leaders and many ordinary citizens are troubled by the proposal, and opposition parties have tried to make political capital out of opposition to the bill.

Up to 340,000 demonstrators came out in Paris on Sunday to protest the bill, according to the police, while organizers gave a turnout of 800,000.

Emmanuel Bogeat, 35, a lawyer, and his wife, Laetitia, 32, a teacher, came from Nice, upset about a move they believe would add instability to the troubled institution of the family. “This is once again hurting the family’s core,” Ms. Bogeat said.

Mr. Bogeat said he knew the law would pass, “but it’s my duty, since I’m against it, to be here.”

Like many, Alexis Ludeau, 24, who works at a university, is less opposed to same-sex marriage than to giving gay couples adoption rights, which he called dangerously experimental — “taking a bet.” The country’s real problem is debt and jobs, he said. “We see that our government isn’t in touch with what’s going on in France today.”

Still, many of those on the right who oppose Mr. Hollande on same-sex marriage, including the main opposition party, the Union for a Popular Movement, support him on Mali and Somalia.

Mr. Hollande, whose Socialist Party and its allies control the legislature, has vowed to push through the bill, saying that policy will not be made in the streets. But he has refused to allow some of his own legislators to attach a provision to allow state financing for procreation assistance to lesbian married couples. In both instances, Mr. Hollande has again shown his ability to make a decision and keep it, as well as working to manage his own party.

Similarly, after months of negotiations, Mr. Hollande and his government were able to announce late Friday an agreement between entrepreneurs and trade unions over how to liberalize the labor market, to make it easier to hire young people, who are facing unemployment levels nearing 25 percent.

While the details are vague, and the impact on unemployment may not be big, Mr. Hollande has managed to get some concessions from France’s famously strong unions without a strike. That was especially important for Mr. Hollande, given the ridicule produced by the actor Gérard Depardieu’s [feud with the government](#) over high taxes favored by the Socialists and a ruling that a 75 percent tax rate on the rich was unconstitutional.

For Mr. Hollande to have succeeded with the unions and corporate leaders was vital. Failure would have been seen as disastrous for his ability to carry the country, however incrementally, toward improved competitiveness and lower budget deficits.

There was even praise from a sharp critic, the business leader Laurence Parisot. The deal “will change life for businesses in France,” she said.

“This marks the advent of a culture of compromise after decades of a philosophy of social antagonism,” she said.

The complications of war are many, but for now, joked Mr. Heisbourg, the defense expert, it seems like “springtime in Holland,” a play on the president’s name. The French “don’t know yet if he’s really competent,” he said.

“But he shows little sign of stress or unease, and he certainly looks relaxed.”

Arthur Touchot contributed reporting.

January 11, 2013

## Unions Back Revisions of Labor Law in France

By [LIZ ALDERMAN](#)

PARIS — French labor unions and business leaders struck a deal on Friday to overhaul swaths of [France's](#) notoriously rigid labor market, moving to tame some of the most confounding rules in the 3,200-page labor code as the country tries to increase its competitiveness and curb unemployment.

The changes would include giving employers more flexibility to reduce working hours in times of economic distress without incurring union strikes. High levels of compensation that courts can award to laid-off workers would be trimmed. The five-year period that former employees now have to contest layoffs would be reduced, a shift that Medef, France's employers' union, said would "reduce the fear of hiring" by businesses.

President [François Hollande](#) has said the changes are needed to burnish France's international allure as a place to do business, and the accord capped weeks of sparring among the five top labor unions and Medef.

The labor measures would help address what Louis Gallois, Mr. Hollande's investment commissioner, has called a "two-speed" labor market in France. Under that system, employees on long-term contracts enjoy extensive, costly job protections and benefits, while temporary workers, whose ranks have surged to a third of the French labor force, have minimal job security and relatively few benefits.

In November, the government introduced a tax credit for companies, potentially worth a total of 20 billion euros (\$26 billion), aimed at easing high employment costs. In exchange, business negotiators agreed on Friday, as a concession to unions, to pay higher taxes for short-term work contracts. Two hard-line unions, the Confédération générale du travail and the Force Ouvrière, rejected the offer as insufficient and refused to sign the deal, which was nonetheless binding because France's three other main labor unions backed it. A formal agreement will be signed next week.

The tax would help expand government coffers meant to support the unemployed while also nudging employers toward favoring long-term contracts. Employers would also pay somewhat higher contributions for private health insurance.

The deal "will change life for businesses in France," Laurence Parisot, the president of Medef, said in a statement. "This marks the advent of a culture of compromise after decades of a philosophy of social antagonism."

The negotiations were clouded recently by a series of public episodes, including a government threat to nationalize an ArcelorMittal plant in France to preserve jobs. There was also the decision in the last week by the French actor Gérard Depardieu to take Russian citizenship to escape a proposed 75 percent marginal tax rate on incomes of more than 1 million euros (\$1.3 million).

Whether any of the changes will come fast enough to fix France's problems is an open question. Some economists say that France could become the next sick nation of Europe if it does not improve the environment for investment and hiring.

"Given the gap we still have between the level of labor market regulation in France and in countries like the United States, Britain and Ireland, it is very clear that when observers look at the outcome, they will say it's a step in the right direction, but not enough," said Dominique Barbet, the European economist for BNP Paribas in Paris.

“But we also need to keep in mind that in France, if you want to make reforms, you have to go through small steps first,” he said. “You can’t try to change the system overnight. That usually results in mass protests in the streets.”

Mr. Hollande’s government is expected to sign off on the deal. He has said it will help him keep a promise of reducing unemployment, now at a 13-year high of 10.7 percent, by the end of the year. Youth unemployment is about 25 percent. By contrast, unemployment in Germany, which last decade made deeper cuts to labor costs and regulations than France is doing, is at 6.9 percent and joblessness among the young is around 8 percent.

Mr. Hollande sought the accord after Mr. Gallois issued a [stark assessment](#) of the French economy in November, saying the country needed a “competitiveness shock” that would require politicians to curb the “cult of regulation” that Mr. Gallois said was choking business.

Under current labor rules, many entrepreneurs in France hesitate to hire large numbers of workers. Some employers even resort to operating several companies with no more than 49 employees each instead of running larger ones that employ hundreds. That is because after the 50th employee is hired, a stack of new regulations come into play, including long firing procedures even for underperforming employees and requirements for numerous union representatives.

Temporary contracts fall on the other end of the scale: they are often lower paid and offer far fewer protections, something that has alarmed French labor unions. More than 80 percent of new contracts issued in France are short term, a trend that has grown steadily as employers turn to them to escape the costly rules protecting permanent workers.

Mr. Gallois’s report said that unless France relaxed its labor rules, the country would continue on an industrial decline that destroyed more than 750,000 jobs in a decade and helped shrink France’s share of exports to the European Union to 9.3 percent from 12.7 percent. The report also called for cuts to business taxes used to pay for government and France’s costly social safety net.

While it will take time for any changes to take effect, France has already taken steps that could help it skirt the worst in coming years. A fiscal consolidation begun in 2010 is continuing, in which tax increases and spending cuts are being applied to bring the overall budget deficit down to 3 percent of gross domestic product in 2013, from an estimated 4.5 percent in 2012.

“What’s most important is that France get an economic recovery,” said Mr. Barbet, of BNP Paribas. “If we don’t have that, people won’t hire no matter what the new labor rules a

14 janvier 2013

## Mali: le grand écart allemand

Deux ans après la Libye, l'Allemagne va-t-elle refaire le coup du soutien sans participation au Mali ? Les premières déclarations du gouvernement allemand depuis l'annonce de l'intervention française illustrent une fois de plus les contradictions de la politique extérieure allemande. Comme Guido Weserwelle son collègue des affaires étrangères, Thomas de Maizière, ministre de la défense, déclare dans le *Frankfurter Allgemeine Zeitung* de lundi 14 janvier que l'intervention française est *"logique et juste"*.

Parfait. Mais attention, ce n'est pas pour autant que l'Allemagne compte rapidement envoyer des hommes au Mali. Bien au contraire. *"Bien sûr l'Union européenne peut former des soldats maliens par le biais d'un petit contingent de formateurs allemands. Mais (...) nous devons répondre avant tout à la question de savoir qui il faut former. Nous avons besoin d'un consensus national au Mali sur la procédure. Comme condition préalable, il faut faire la clarté sur qui dirige le pays. Des putschistes ne doivent pas avoir le dernier mot. Et nous avons besoin d'un accord sur le calendrier qui aujourd'hui n'existe pas. C'est seulement ensuite que l'Union européenne peut prendre sa décision puis qu'il peut y avoir une décision sur la participation de l'armée allemande."*

On a connu ministre plus enthousiaste. Le gouvernement allemand risque d'avoir du mal à expliquer sa position au président de Côte d'Ivoire, Alassane Ouattara, attendu mercredi à Berlin et qui devrait demander l'aide de l'Allemagne.

Même le Parti social-démocrate critique la prudence du gouvernement. Rainer Arnold, le spécialiste des questions de défense au sein du SPD déclare que *"si on assume vouloir une politique extérieure et une politique de défense commune en Europe, on ne peut pas se permettre d'unilatéralisme"*. Et le député d'ajouter: *"Si la France a besoin d'aide dans le domaine du transport aérien, l'Allemagne doit apporter son soutien."*

Un beau sujet en perspective pour la rencontre entre les deux gouvernements mardi 22 janvier à l'occasion des 50 ans du traité de l'Élysée qui prévoyait notamment une approche si possible commune en matière de politique extérieure.

01/14/2013 02:19 PM

## The World from Berlin

### French Mission in Mali 'Is Not Without Risk'

The German government on Monday unexpectedly offered Paris concrete support as French troops battle Islamist extremists in Mali. Though ruling out a combat role, Germany's military will provide transport and medical assistance.

French President François Hollande's rapid decision last week to take an active role in preventing Islamist fighters from pushing into southern Mali caught the international community off guard. Now, however, more and more countries are lining up to support the Paris offensive, which entered its fourth day on Monday.

And Germany, on Monday, unexpectedly became one of them. The government in Berlin has announced that it is prepared to provide cargo planes as well as medical personnel. Andreas Peschke, spokesman for the Foreign Ministry in Berlin, said that Germany did not want to "leave France alone in this difficult hour."

On Sunday, French Foreign Minister Laurent Fabius said that several other allies, including the United States, Britain, Denmark and other countries in Europe, had offered assistance, though none have indicated a willingness to send troops and warplanes. The US has offered communications, transportation and intelligence support. Sources in Copenhagen on Monday told the German news agency DPA that Denmark was considering the provision of active support. Several African countries have pledged to send troops as well.

German Foreign Minister Guido Westerwelle on Sunday once again ruled out the deployment of German troops. "The involvement of a German fighting force is not up for debate," he said. Still, Berlin has voiced support for the French offensive. "France has acted and that was decisive, correct and deserves our support," German Defense Minister Thomas de Maizière said on German radio on Monday.

Germany also remains involved in a European Union effort to develop plans for a military training mission to Mali. On Sunday, Westerwelle said: "The development of plans for an EU training mission for the Malian military will continue. Whether and how Germany will participate will be decided when the plans are complete."

### Widely Applauded

For now, Hollande hasn't just gotten support from abroad either. Despite his vow to scale back France's decades-long support of Francophone Africa, the move to block the Islamist advance has been widely applauded in France.

But the mission, which began last Friday after Islamists began moving south toward the Malian capital of Bamako, is not without its dangers. French forces have spent the last several days pounding Islamist strongholds in northern Mali, including near Gao and Kidal, the epicenter of the rebellion. But the Islamists are well armed, flush with weapons that flooded into the country from Libya and they managed to shoot down a French helicopter early in the offensive, killing the pilot. Currently, some 550 French troops are on the ground in Mali according to news reports.

In addition, the offensive puts the lives of eight French hostages, who are likely being held by their abductors in northern Mali, in danger. Furthermore, a second French commando, wounded in a failed French attempt over the weekend to rescue a Frenchman held hostage in Somalia since 2009, has died according to the Somali rebel group al-Shabaab on Monday. It is believed that the hostage too was killed.

Paris believes that the offensive against Islamists in Mali could put its citizens at even greater risk of attack from Islamist extremists. Indeed, Paris has ordered increased domestic security.

For now, though, Hollande has widespread domestic support and the backing of the international community. German commentators are also largely backing the move on Monday although many seem uncertain what response would be the most appropriate for Berlin.

Center-left daily **Süddeutsche Zeitung** writes:

"A collection of Islamist terror groups have created an international network of wrong in North Africa; they finance themselves through the trade in drugs, weapons and people; they destabilize and they threaten. That has to be stopped. France has now taken the first step."

"But it is not without risk. Mali and the catastrophic failure of the mission to free the hostage in Somalia ... show that France is not strong enough militarily. Hollande is dependant on help. First and foremost, a functioning international force made up of African units must be created. But France also needs military assistance from its allies in Europe."

"Germany and its foreign minister have been particularly conspicuous for the inverse relationship between the amount of advice offered and the help actually provided. The German government is hesitating while France is becoming exasperated with Berlin's strategic short-sightedness. Berlin has warned against traveling to the crisis area -- and that's about it."

"Germany is already suffering from the Islamist ring of terror that has encircled North Africa. Refugees are driven north, new drug routes have been created and the Arab revolutions are struggling to define their relationship to extremism. Nobody in Europe can ignore what is happening on the other side of the Mediterranean. ... France has taken the risk and offered help. It cannot be left alone with the problem."

Center-right daily **Frankfurter Allgemeine Zeitung** writes:

"The biggest challenge now facing France is that of transforming their current unilateral operation into an African mission supported by the international community. Hollande, to be sure, has sought to prepare the French public for a potentially extended mission. ... But the president also knows that his voters are not interested in seeing the former colonial power become involved in a complicated conflict in the deserts of Africa."

"Hollande's expectations will thus be directed toward those African nations that belong to the West African economic alliance ECOWAS and toward his European Union allies. ... In the medium term, the effort to help Mali back to its feet will overextend the French military. And nobody has an interest in French failure at the side of a disorganized Malian military. The German government shares the goal of not allowing Mali to fall into the hands of Islamist terrorist groups. Paris would certainly have nothing against a concrete sign of support as the 50th anniversary of the German-French Élysée Treaty approaches this month."

Conservative daily **Die Welt** writes:

"Where is Europe? The former colonial power France became the first to help Mali in the form of troops and weapons from its base in neighboring Senegal. And it didn't take long before the first successes against the Islamist rebels were reported. But it won't be enough for a resounding success. The 3,000 troops being provided by the West African alliance ECOWAS also won't be enough, and neither will the 250 military trainers the EU hopes to send, according to a plan unveiled in December."

"British Prime Minister David Cameron agreed with French President Hollande over the weekend to send two cargo planes to Mali to help send materiel and troops, though not yet any British soldiers.... Who in Europe is going to join them?"

Left-leaning **Die Tageszeitung** writes:



"In principle, it is difficult to criticize the use of assault helicopters and air attacks against armed Islamists. ... But the problem with the French intervention is that it is a French intervention. And one in the classic, neo-colonial style of dirty African wars: Without involvement of the French parliament, French troops head out from former French colonies in Africa while cabinet ministers in Paris deny it. The operation only becomes official long after it has begun."

"Traditionally, Africa is a policy area where the French government doesn't believe it needs to talk to anybody, even as it often crows for European unity. A left-wing foreign policy in France would involve changing that. Is it too much to expect from Hollande's government that he change his country's approach to Africa? Apparently it is."

-- *Charles Hawley*

01/14/2013 12:17 PM

**Haven for Oligarchs**

## **Europe's Mounting Reluctance to Bail Out Cyprus**

By SPIEGEL Staff

There is growing resistance in Europe to the planned aid program for Cyprus, because it would also benefit illegal Russian money parked in bank accounts in Cyprus. The government in Nicosia is willing to make concessions, but Brussels is demanding more reforms.

It was a long way to go to deliver a short message. German Chancellor Angela Merkel flew almost four hours last Friday to Cyprus, where she spent a few minutes campaigning for the conservative presidential candidate in the February 17 election, Nikos Anastasiades. Speaking in the city of Limassol, Merkel praised Anastasiades, saying that she had known him for a long time and valued his openness to change, and that the country urgently needed "structural reforms."

After smiling for the cameras, Merkel returned to wintry Berlin.

Her destination in the eastern Mediterranean has a smaller population than the little German state of Saarland, but that hasn't stopped it becoming one of the biggest trouble spots in global politics at the moment. The question of whether the government in Nicosia should be allowed to bolster its ailing banks with [more than €17 billion \(\\$22.7 billion\) from Europe's bailout funds](#) is dividing the euro zone, causing uncertainty in international markets and adding to the woes of the coalition government of Chancellor Angela Merkel, made up of her center-right Christian Democratic Union (CDU), its Bavarian sister party, the Christian Social Union (CSU), and the business-friendly Free Democratic Party (FDP). Now that the center-left Social Democratic Party (SPD) and the Green Party have announced their opposition to the plan, Merkel's coalition could for the first time [fail to muster a parliamentary majority](#) on an important decision relating to the euro crisis.

The financial woes of Cyprus are a thorny issue for the German government, the mood in global financial markets and, most of all, for Europe's bailout policy. Ever since last fall, when SPIEGEL published a report by Germany's Federal Intelligence Service (BND) on money laundering in Cyprus, it has been clear that an aid program for the country would also benefit Russian oligarchs who have deposited billions in assets from dubious sources on the Mediterranean island. According to the BND analysis, if Brussels released the requested aid money, German taxpayer funds could very well be used to protect the illegal assets of Russian business magnates.

This realization triggered hectic activities in various places. In Brussels, the Euro Group of euro zone finance ministers postponed its decision on the bailout program last week, while donor countries like Germany, Finland and the Netherlands voiced concerns. In Cyprus, the government is trying to show it's tough on tax dodgers and money laundering. "Cyprus is no tax haven," Finance Minister Vassos Shiarly insists in an interview with SPIEGEL.

The euro rescuers face a dilemma. On the one hand, they want to prevent the country from going bankrupt. On the other hand, they lack the support of a majority of member states for an aid program that would mostly benefit rich Russian tax fugitives.

The tricky situation is prompting European leaders to do what they always do when a crisis comes to a head: play for time. They want Nicosia to satisfy additional conditions in the fight against tax dodgers and economic criminals. At the same time, Brussels is hoping that current President Dmirtis Christofias will be ousted in the February election.

It wants a change in government on the island to show the European public that the Mediterranean country is indeed prepared to clean up its act. Experts agree that, for decades, Cyprus has seen itself as a prime destination for honest and dishonest investors from around the world. Until now, someone who wanted a safe haven for his money could simply take a plane to Nicosia, because the country is an EU member and yet is lax when it comes to financial regulation, say German investigators.

### **Popular Destination for Russians**

The Russians are particularly well of the island's attractions in this respect. Last year, once again, entrepreneurs from Moscow and St. Petersburg moved about \$60 billion in assets out of the country, much of it through Cyprus. Several dozen oligarchs and financial sharks have set up offshore companies in Cyprus, where they can protect their assets, at very favorable tax rates, from the Kremlin-controlled Russian justice system.

The list of Russian investors in Cyprus is almost identical with that of the country's richest men. Together with a partner, Roman Abramovich, known internationally as the owner of some of the world's largest private yachts and London's Chelsea Football Club, controls his Evraz holding company through a Cyprus-based company, Lanebrook. The financial magnate and former presidential candidate Mikhail Prokhorov, who owns mining companies in Russia, registered Intergeo Management Ltd. in Cyprus in 2008. Magnate Vladimir Lisin, worth an estimated \$15.9 billion, controls more than two-thirds of his most important company, a steel mill in Novolipetsk, through the Cypriot company Fletcher Holding Ltd.

Owners of other companies registered in Cyprus include Lisin's competitor Alexei Mordashov (worth \$15.3 billion), nickel tycoon Vladimir Potanin (\$14.5 billion) and oil baron Vagit Alekperov (\$13.5 billion). There is also Suleyman Kerimov (\$6.5 billion), a dubious investor who was interested in buying a three-percent stake in Deutsche Bank in 2008, and Internet czar and friend of Prime Minister Dmitry Medvedev Alisher Usmanov, who topped the list of Russia's richest men last year at \$18.1 billion. Yelena Baturina (\$1.1 billion), the wife of former Moscow Mayor Yury Luzhkov, who has been accused of corruption by the Kremlin, has also allegedly moved some of her assets through Cyprus.

The case of fertilizer magnate Dmitry Rybolovlev shows how closely intertwined Russian oligarchs are with the Cypriot financial system. More than two years ago, Rybolovlev increased his share in the Bank of Cyprus to just under 10 percent. This makes the Russian, whose assets are estimated at \$9 billion, the biggest single shareholder in the Mediterranean country's most important bank.

In the 1990s Rybolovlev, now 46, developed Uralkali into the largest potash producer in the country in the Siberian region of Perm. In 1996, he was held in jail for 11 months on the suspicion he was involved in the murder of another businessman, although he was ultimately acquitted for lack of evidence. He acquired a \$100-million estate in Palm Beach, Florida from American real estate tycoon Donald Trump in 2008. In 2011, Rybolovlev, a sports fan, bought the AS Monaco football club. He owns a \$110-million yacht, and his exquisite art collection includes paintings by Modigliani, Van Gogh and Picasso.

But tax fugitives aren't the only ones drawn to the island. "A classic route for laundering illegal Russian funds first passes through offshore companies, in the Caribbean, for example, and then through accounts in Cyprus," says Mark Pieth, a Swiss criminal law expert and chairman of the Organization for Economic Cooperation and Development (OECD) Working Group on Bribery. He cites as an example the scandal surrounding Russian attorney Sergei Magnitsky, who in 2009 was tortured to death in a Moscow prison at the age of 37, apparently because he had uncovered a large-scale corruption case that the government was trying to suppress.

Russian government officials allegedly embezzled \$230 million in conjunction with the affair, with some \$30 million reportedly being sent abroad through Cypriot banks. Magnitsky's former employer, financial investor Bill Browder, who has spent years painstakingly investigating the murder and its background with a team of half a dozen employees, is convinced that the allegations are true. His conclusions prompted Switzerland to freeze bank accounts, and the United States to recently bar entry to Russian officials involved in the case, triggering sharp protests from the government of President Vladimir Putin. After charges were brought in July 2012, the Cypriot officials responsible for combating money laundering didn't respond for months, says Browder.

Cypriot investigators reject the accusations, saying that the country's attorney general initiated proceedings in the fall, and that they are still underway. But they also note that the investigation is complex.

### **'Gateway for Money Laundering Activities'**

In last fall's report, however, the BND concluded that Cyprus is indeed a "gateway for money laundering activities in the EU." The Germans pointed out that it is "relatively easy" to open accounts anonymously in Cyprus, and that auditing requirements are inadequate. According to the BND report, attorneys and trustees in Cyprus have specialized in financial services, some of which "are used to conceal money earned illegally." Ironically, the BND reached some of its conclusions on the strength of information supplied by Russian authorities.

German investigators also complain about enormous hurdles when it comes to legal assistance. "They place such high demands on the inquiries and want to know so much that we might as well put all of our information on the table right away," says Sebastian Fiedler, a money-laundering expert with the Federation of German Police Officers.

Cyprus has only a one-percent share of the global market for international financial service exports. Nevertheless, it's in the top third of countries listed on the Financial Secrecy Index, a sort of international ranking of tax and money-laundering havens. According to Swiss money-laundering expert Pieth, "the scrutiny and bank regulation is very poor there. Many requirements are complied with formally, but it's a different story in practice."

The Cypriot government, on the other hand, stresses that upon joining the European Union in 2004, the country adopted all regulations and laws to fight money laundering, as well as creating new government agencies. Independent auditing institutes and international organizations have given Cyprus their seals of approval again and again, and the parliament has also approved the measures called for by the "troika," made up of the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF).

But Cyprus must also implement the many rules and be prepared to bear the consequences -- that's the key. "If Cyprus regularly sanctions money laundering, the entire country's business model as a fiscally attractive location for holding companies will be called into question," says a tax expert with a large Frankfurt law firm.

For this reason, European politicians involved in the bailout talks are determined to put more pressure on the government in Nicosia. According to internal documents prepared for euro zone finance ministers, many foreign investors in Cyprus disguise their identity, and about a third of investors are unknown to the Cypriot authorities. The European politicians are also troubled by the fact that Cyprus seeks to attract investors with excessively low tax rates. Currently companies on the island are only subject to a 10-percent corporate income tax.

European Central Bank policymaker Jörg Asmussen is now calling for further concessions from the Cypriot government. "The current memorandum is a draft; there has been no political approval from the Euro Group yet," says Asmussen. To achieve it, he adds, a key section of the declaration would have to be improved. "My impression is that improved transparency of the financial sector will be critical to obtaining approval of the program in the partner countries." In other words, Asmussen is saying, Cyprus should fight money laundering more resolutely, but it should also raise its corporate tax rates.

Otherwise there might not be an aid program at all, German government representatives are indicating, and they're resorting to the cynical jargon of international bailouts to send their message. There are limits, they note, to how "system-relevant" Cyprus is.

## French foreign policy

### France goes it alone

Jan 14th 2013, 12:55 by S.P. | PARIS



FRANCE'S decision on January 11<sup>th</sup> to begin air strikes against Islamist rebel positions in northern Mali, designed to prevent “the establishment of a terrorist state” in the African Sahel, contained elements of both surprise and familiarity.

The surprise was that François Hollande, the president, a Socialist leader not known for decisive action and untried in foreign policy, moved so swiftly to order French fighter jets and attack helicopters into action. Using warplanes based both in France and at a permanent base in nearby Chad, the French struck rebel columns advancing out of Islamist-held territory and towards Bamako, the Malian capital. Such groups, with ties to Al-Qaeda, have ruled a big chunk of the north of the country since March last year.

The French government said that the weekend air strikes, part of what it is calling Operation Serval, had stopped the rebel advance, and helped Malian troops to regain control of the town of Konna; one French helicopter pilot was killed, as well as a dozen Malian soldiers. On the third day of air attacks, the French struck deeper into Islamist-held territory, targeting training camps and logistics centres, according to Jean-Yves Le Drian, the defence minister.

France has certainly been in the lead in pushing for intervention in Mali. It drafted a United Nations Security Council resolution authorising a regional African force to retake rebel-held territory, which was unanimously passed last October. In a speech to a gathering of French-speaking countries in Senegal last year, Mr Hollande spoke of a “reign of terror” in Islamist-held Mali, where sharia law has been applied in the furthest north.

France is particularly worried that the Sahel is becoming an “Afghanistan”—a breeding ground for terrorists—thanks in part to modern weaponry that has spilled over the Libyan border after the war there. France itself has been named as a target by groups based in the north; this weekend, as the airstrikes began, the country raised its terrorism-security alert. France also has strong commercial links in the region, and there are currently eight French hostages in the region.

Mr Hollande had also made clear that it was no longer his intention for France to play the role of regional gendarme, stepping in to prop up African rulers, as has been the post-colonial tradition under the Fifth Republic. “*Françafrique*”, the opaque mesh of military, political and commercial ties, was over, he claimed. Until now, he had insisted that France would offer no more than logistical support to a regional African force, which was laboriously being put together for this autumn.

Which is where the element of familiarity comes in. The reality, acknowledged privately by French sources, is that the Malian army was in no position to defend itself, and that the regional African force was going to take too long to assemble. Mr Hollande stressed that France was acting with a legal international mandate, and responding to a request from the Malian president, Dioncounda Traoré, for help. In a diplomatic breakthrough of sorts, Algeria granted France permission for fighter jets to fly over its airspace. Laurent Fabius, the French foreign minister, said on French radio on January 13th that France had little choice but to intervene urgently or Islamist forces might have made it to Bamako, with “appalling consequences”.

However much successive French presidents say that they want to put an end to post-colonial intervention in Africa, with few other takers for the job it usually proves irresistible at some point. Nicolas Sarkozy, Mr Hollande’s predecessor, had also promised a new era, only to end up sending the French army to help Côte d’Ivoire forcibly evict Laurent Gbagbo, the loser of that country’s presidential election, from office.

The question now is how long the French are prepared to intervene, and how fast a decent African ground force can realistically be put in place. Mr Fabius has talked of “a question of weeks” for the French intervention. He insists that its main contribution is air power, with the few hundred special forces on the ground essentially picking out and verifying targets.

It is the West African force that is supposed to carry out the operation to retake the north from Islamists, and there is a regional meeting on this now set for January 19th. Initial contingents of troops from Senegal, Niger, Burkina Faso, Nigeria and Togo are now due to arrive within days. But a properly manned force will still take time to assemble. France, in short, is likely to find itself involved for a while. Mr Hollande himself has stated that the French operation would last “as long as necessary”.

## Britain and the EU

### Muscles in Brussels

Jan 14th 2013, 14:25 by J.C.



Britain's attitude towards Europe is marked by one central paradox. On the one hand, Britons take pride in their unique place in European history, particularly during the second world war. From some angles, the country seems obsessed with its "bulldog" strengths: small, plucky, indefatigable. On the other, the same commentators who revel in past triumphs behave as if the country were a shrewish backwater: unable to hold its own in the cut-and-thrust of Brussels parley, forced to its knees by all-powerful Eurocrats. The current debate on the European Union reflects the anomaly particularly well.

The past weekend brought a new flurry of commentary. David Cameron's speech on the EU, the prospect of which has hovered over Westminster for the past four months, seems imminent. January ~~23rd~~ 18th is the latest estimate, though Downing Street sources insist that the exact date is yet to be confirmed. The prime minister took to the airwaves this morning to defend his plan to renegotiate British membership.

That the speech has taken so long to materialise reflects the sensitivity of its subject. Mr Cameron is trapped. On the one hand, Labour, the Liberal Democrats and most of the business community are broadly in favour of Britain's membership of the EU. On the other, a mostly eurosceptic Conservative Party is hostile. Some, such as Open Europe, a think-tank, reckon that a third pole is emerging: in favour of continued membership of a drastically reformed, more economically liberal (read: more British) European Union. Lord Wolfson, boss of the fashion chain Next, gave voice to this camp in an interview with the *Telegraph* this weekend. Others reckon that such aspirations are for the birds.

The debate therefore turns on Britain's influence in Brussels. Many there are willing to expend quite some effort binding their cantankerous, Anglo-Saxon island neighbours into the European project. The Dutch, the Scandinavians—and to a lesser extent, the Germans and East Europeans—would make considerable sacrifices to keep Mr Cameron sweet. They like his fiscally conservative, free-market credo, and want to keep him inside the tent if at all possible.

That Britain holds such sway amongst the majority of its EU neighbours (Mr Cameron's fellow travellers represent some 60% of the union's population) may come as a surprise to London's declinist commentariat. But

it represents the tip of the iceberg. Elsewhere on the continent, politicians are baffled at the notion that Britain's membership implies a loss of sovereignty. From abroad, it appears to give the country power beyond its size.

For example, Britain traditionally does well in negotiations over jammy Commission posts. Because the country's journalists lack interest and language skills (usually both), this is rarely reported. The UK's Catherine Ashton, some may be surprised to learn, is Europe's foremost foreign policy representative. One close colleague explains that though her role is to represent the EU as a whole, she makes frequent and influential interventions on behalf of British interests. Her predecessor, Peter Mandelson, imbued the EU's trade policy with a distinctly British philosophy. Not an insignificant achievement, considering that the European single market is the world's largest economy.

Similarly, French and German newspapers reported the cautious first steps towards an EU Banking Union as a British coup. For some non-Brits (particularly those hostile to the UK's role in Europe), the country's recalcitrant power is downright distasteful. In 2006 Jacques Chirac stormed out of a meeting when a French business leader spoke in English. It was, he blustered, the latest in a series of incidents in which Britain's influence had disrupted Europe's traditional Franco-German engine.

The remarkable aspect of Britain's euro-dominance is not just that the press at home barely clocks it. It is that the country achieves it without bothering. The UK is hopelessly under-represented in the European institutions. In 2010 only seven British candidates made the final stages of the Commission's fast-stream recruitment programme (out of 323 available places). Poor language skills erect a solid barrier between Whitehall's mandarins and their counterparts in Brussels, Paris and Berlin.

Anti-Europeans speak nostalgically of Britain's buccaneering Victorian heyday—without acknowledging that despite the eurozone crisis, the rise of the BRICs and a long economic slump, the country still plays a leading role in the world's largest trading bloc. Without noticing their strength, its diplomats and politicians have influenced many existential characteristics of today's European Union: the single market, the Lisbon agenda, European defence cooperation, myriad consumer protections and energy regulations. But unless they act accordingly, Britons' reputation as “little Englanders” may prove dangerously self-fulfilling.

That is why the past week has seen London's ideological companions and allies—the USA, Ireland, Germany—protest its slide towards the exit. Eurosceptics should ask themselves: if Britain were so impotent, why would they care?



## Deutschland und der Krieg in Mali

# Solidarität ja, Waffengang nein

*Ein Kommentar von Daniel Brössler*

Berlin lobt Frankreichs bewaffneten Einsatz in Mali - und betont zugleich, dass sich deutsche Soldaten keinesfalls daran beteiligen werden. Dieses Glaubwürdigkeitsproblem lässt daran zweifeln, ob Deutschland eine verlässliche Größe in Sachen internationaler Sicherheit ist. Will es das werden, muss es seine Kultur militärischer Zurückhaltung anders leben.

Wenn nun von Mali die Rede ist, weiß der Bundesaußenminister schon deshalb, wovon er spricht, weil er dem Land vor nicht einmal drei Monaten einen kurzen Besuch abgestattet hat. Mit einem Militärflugzeug ließ sich [Guido Westerwelle](#) Anfang November in die Hauptstadt Bamako fliegen, um vor einer deutschen Beteiligung an einer europäischen Ausbildungsmission für die malischen Streitkräfte die Lage zu sondieren.

Dabei mahnte er jenen "politischen Prozess" an, ohne den militärische Hilfe allein sinnlos sei. Zusammen mit dem Pochen auf eine "Kultur militärischer Zurückhaltung" ist dieses Einfordern eines politischen Prozesses zu einem Leitmotiv der Außenpolitik des Ministers geworden. Das Motiv zeigt insofern Wirkung, als die heimischen Beliebtheitswerte Westerwelles sich erholen. Als Handlungsanleitung stößt es, wie Mali zeigt, aber an Grenzen.

Das plötzliche Vorrücken der Islamisten gen Süden drohte dort eine Situation zu schaffen, in der ein politischer Prozess obsolet geworden wäre. Frankreich entschloss sich zum raschen Eingreifen und folgte dem Hilferuf aus Bamako. Zwar entsprach das nicht den Plänen von Präsident François Hollande, der sich für das Agieren in den früheren Kolonien mehr Zurückhaltung hatte auferlegen wollen. Unvorstellbar wäre für Frankreichs Führung indes gewesen, mit Verweis auf eine "Kultur militärischer Zurückhaltung" Mali den Islamisten zu überlassen.

Es ist dies der Punkt, an dem in Deutschland gerne Einspruch erhoben wird. Als unfair wird hierzulande angesehen, Deutschlands Bereitschaft zu militärischem Engagement an jenem von Ländern wie Frankreich oder Großbritannien zu messen. Und es stimmt: Deutschland hat eine andere Geschichte. Es stimmt nur nicht, dass die Sache damit erledigt wäre.

### **Auslandseinsätze [Wo die Bundeswehr aktiv ist](#)**

Die Bundesregierung hat das französische Eingreifen als richtig gewürdigt. Sie ist der Auffassung, dass von einem Sieg der Islamisten in Mali eine Gefahr für Europa und damit auch für Deutschland ausgeht. Dass die Deutschen wieder einmal auf den Erfolg der Franzosen hoffen, weckt Erinnerungen an die Enthaltung im Fall Libyen. Damals wünschte die Kanzlerin den Bündnispartnern viel Erfolg. Grundsätzlich spricht sie zudem gerne über "Ertüchtigung", was oft Waffenexporte meint. Insgesamt entsteht so der Eindruck, dass Deutschland in Sachen internationaler Sicherheit eine Größe sein mag, aber keine verlässliche.

Zumindest offenbart sich ein Glaubwürdigkeitsproblem. Deutschland wird nämlich nicht von der Linkspartei regiert, die in ihrem Programm den Austritt aus den militärischen Strukturen der Nato postuliert und jedwede Beteiligung an UN-Militäreinsätzen ablehnt. Die Linke hält diese Einsätze grundsätzlich für falsch, woraus sich logisch für Afghanistan, Mali und jeden anderen bewaffneten Konflikt die Forderung nach einem Heraushalten Deutschlands ableitet. Alle anderen Bundestagsparteien hingegen vermeiden es, sich so grundsätzlich

festzulegen. Sie müssen daher im Einzelfall erklären, warum Deutschland andere Länder für die internationale - also auch die deutsche - Sicherheit kämpfen lässt.

### Die zwei Linien der Bundesregierung

Die Bundesregierung verfolgt hier zwei Linien. Zum einen erinnert sie an das vielfältige Engagement der Bundeswehr. 5800 deutsche Soldaten sind derzeit im internationalen Einsatz, insbesondere in Afghanistan. Zum anderen verweist sie auf die besondere Kompetenz Frankreichs in Mali. Beide Argumente sind an sich nicht falsch und dienen doch der Ablenkung von einer simplen Wahrheit: Nach den Erfahrungen in Afghanistan fürchtet die Bundesregierung jedwede Diskussion über eine neue Entsendung deutscher Soldaten dorthin, wo sie Kriegsteilnehmer werden könnten. Solidarität zeigt Deutschland nur dann gerne, wenn diese Gefahr real so wenig besteht wie bei der *Patriot*-Verschickung in die Türkei. Dahinter steht die wohl richtige Annahme, dass der Wähler - aktuell jener in Niedersachsen - alles andere bestrafen würde.

Deshalb also vollführt die Bundesregierung das Kunststück, die Franzosen einerseits zu loben und ihnen Solidarität zuzusichern, andererseits aber jedwede Beteiligung am Kampfeinsatz auszuschließen. Natürlich bietet die Bundesregierung humanitäre Hilfe an und nun immerhin auch logistische - auf keinen Fall aber mehr. Verteidigungsminister Thomas de Maizière hat oft betont, dass Deutschland seiner internationalen Verantwortung auch künftig gerecht werden müssen. Das aber wird nur dann möglich sein, wenn es seine Kultur militärischer Zurückhaltung nicht immer so versteht, dass andere Staaten militärische Aufgaben übernehmen und Deutschland sich zurückhält.

URL: <http://www.sueddeutsche.de/politik/deutschland-und-der-krieg-in-mali-solidaritaet-ja-waffengang-nein-1.1573072>

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Quelle: SZ vom 15.01.2013/mike/gba

## Mali: France's necessary but risky bet

65/75

14 January 2013

Presseurop

Libération, Le Monde, Süddeutsche Zeitung & 4 others



French president François Hollande trying to defuse off Al Qaeda's bomb in Mali

[Plantu](#)

**On January 11, the French army launched a series of air strikes to keep Islamist armed groups, who have controlled the north of Mali since the spring, from spreading to the south of the country. While generally recognising the need to intervene, the European press points out the risks that such a military operation entails.**

Under the mandate of the UN, the French forces are acting with the logistical support of the British to support Malian troops against the National Movement for the Liberation of Azawad, fighting for independence for the provinces of Gao, Timbuktu and Kidal, and against the Salafists under Ansar Dine, who are fighting to establish an Islamic regime in this part of Mali.

“François Hollande can be happy to have stopped the Taliban of the sands,” writes *Libération*, [which nevertheless wonders](#) where Operation Serval is headed –



Will it be content just with stopping the irresistible rise of the Islamists in Mali? Will it, with some token African troops, recover the north, which for nine months has been in the hands of religious fanatics who are imposing an Islamism that is at odds with the moderate and tolerant practices of Malians? [...] Today, French troops may be welcomed by an exhausted population, which is largely opposed to the Islamists. But the Malians will not support the presence of the troops of the former coloniser for very long, and for good reason. There is no military solution and, and what's more, no French solution to the Mali crisis.

Faced with the rise of the Islamists, French President François Hollande has “chosen the lesser evil,” [writes Le Monde](#).



Doing nothing is not an option, and would probably lead to a situation requiring much more significant military action later. But France cannot stay the course alone. To help Mali reclaim its territory is, first of all, the business of the states in West Africa. To prevent the establishment of a jihadist hotbed in the Sahel is the interest of all Europe.

By intervening in Mali, “François Hollande has taken a risk,” writes *Süddeutsche Zeitung*, adding it's a risk he must not be left to take alone.



International troops, drawn in the main from countries of the African Union, should be brought in. France also needs military aid from its European allies. [...] The European Union has been debating the Malian issue for months, and should be ashamed of itself for what it has accomplished. [...] Even today, Europe is suffering from the Islamist terrorist network located in North Africa. What happens on the other shore of the Mediterranean, which is not called \*Mare Nostrum\* by chance, can leave no one in Europe indifferent. This is not the filthy backyard of Europe, but its very neighbourhood.

“The problem with the French intervention is that it is French,” [says Tageszeitung](#). The alternative daily from Berlin deplores a “colonialism of the left” and notes that –



[Nicolas] Sarkozy was much criticised for the French participation in military operations in Libya and Côte d'Ivoire, but at least these operations kept strictly to internationally defined conditions. That Hollande would fall into step behind Sarkozy - who would have thought it?

Furthermore, warns *The Independent*, intervening in Mali may “fuel radical Islamists' narrative of yet another... assault on Islam.” For columnist Owen Jones –



It is disturbing - to say the least - how [Prime Minister David] Cameron has led Britain into Mali's conflict without even a pretence at consultation. Troops will not be sent, we are told; but the term “mission creep” exists for a reason, and an escalation could surely trigger deeper British involvement. The West has a terrible record of aligning itself with the most dubious of allies: the side we have picked are far from human-rights-loving democrats... It is the responsibility of all of us to scrutinise what our governments do in our name; if we cannot learn that from Iraq, Afghanistan and Libya, then it is hopeless.

In Bucarest, [Adevărul is worried about](#) “the major consequences for a vast swathe of Africa” of Operation Serval, and about “the security of the EU and its citizens, inside or outside the community space.” Despite this, the paper notes, “the intervention was necessary due to the unprecedented increase in the number of Islamic cells [...] both north and south of the Sahara.” It adds, however –

**adevărul**

Now that France is directly involved in military operations, it is possible to expect scenarios like Iraq or Afghanistan to develop, only on a broader and more complex scale.

“The question now is whether and how the EU will mobilise,” [adds European Voice](#). The Brussels-based weekly inquires about the state of European defence and asks

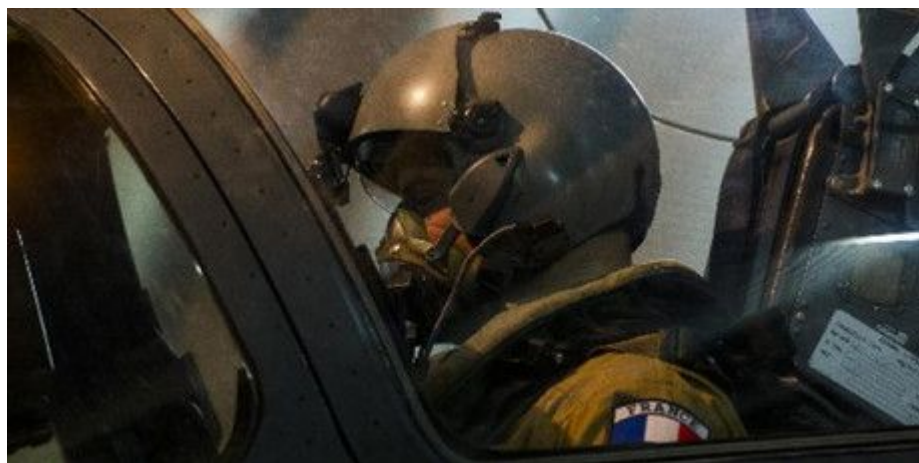
**EuropeanVoice**

Will some EU countries send troops to fight with the French? Will the EU limit itself to training others' troops?[..] Islamist control of the desert - a base for potential attacks around the region and in Europe - is clearly a huge cause for concern for France and, it thinks, it should be for Europe as a whole. But the intervention and the questions that it will throw up will presumably concentrate minds on a big EU summit in December on defence co-operation. Issues related to Europe's military capability clearly mean a lot to European Council President Herman Van Rompuy. With Mali's 'help', those questions will probably matter a lot more to other policymakers and ordinary Europeans by the end of the year.

## *Frankreichs Intervention in Mali ist problematisch*

### **Linker Neokolonialismus**

Kommentar von Dominic Johnson, Co-Leiter des Auslandsressorts der taz mit dem Arbeitsschwerpunkt Afrika.



Neokolonialismus am Steuer: Kampfpilot der französischen Luftwaffe. Bild: reuters

Prinzipiell ist wenig dagegen einzuwenden, mit Kampfhubschraubern und Luftangriffen gegen die bewaffneten Islamisten in Mali vorzugehen. Die islamistischen Milizen genießen kaum Unterstützung unter der Bevölkerung Malis, sie erheben die Zerstörung der malischen Gesellschaft und Kultur zur Tugend, sie haben das legitime Streben der malischen Tuareg nach Autonomie unterwandert und instrumentalisiert, und sie haben das einst stabilste Land der Sahelzone in einen Brandherd verwandelt.

Jetzt schicken sie sich an, nach der Eroberung der Nordhälfte Malis auch den Süden des Landes unter ihre Kontrolle zu bringen. Eigentlich wäre das, was Frankreich jetzt tut, schon im Frühjahr 2012 fällig gewesen, als der islamistische Feldzug begann, und nicht erst jetzt, viele leidvolle Monate später.

Das Problem bei der französischen Intervention ist, dass es eine französische Intervention ist. Und zwar eine im klassischen neokolonialen Stil schmutziger Afrikakriege: ohne Beteiligung des französischen Parlaments machen sich französische Kampftruppen aus ehemaligen französischen Afrika-Kolonien auf den Weg, während Minister in Paris noch das Gegenteil behaupten.

Die Operation wird erst offiziell, nachdem sie längst im Gange ist. Aber nicht einmal dann wird die genaue Anzahl der eingesetzten Soldaten bekanntgegeben, geschweige denn Ausmaß, Umfang, Dauer und genaues Ziel des Einsatzes. Andere frankophone Länder der Region werden eingespannt, um dem Feldzug einen afrikanischen Anstrich zu geben. Das hat System.

Weihnachten ist erst drei Wochen her, aber seitdem haben französische Soldaten diskret in der Zentralafrikanischen Republik eingegriffen, die französische Diplomatie trommelt für ein verstärktes Eingreifen gegen Rebellen im Kongo und jetzt landen französische Fallschirmjäger in Mali. Selbstverständlich alles ohne jede öffentliche Debatte in Frankreich selbst.

Afrika ist traditionell ein Politikfeld, bei dem Frankreich überhaupt nicht einsieht, dass es sich mit seinen europäischen Partnern absprechen sollte – während es ansonsten immer wieder nach der europäischen Einigung kräht. Eine linke Außenpolitik in Frankreich würde bedeuten, das zu ändern. Ist es zu viel verlangt, von der neuen sozialistischen Regierung Hollande eine reformierte Außenpolitik in Afrika zu erwarten? Offenbar schon, leider.

Als die Sozialisten zuletzt an der Macht waren, unter Francois Mitterrand, unterstützten sie den Völkermord in Ruanda. Eine wirkliche Aufarbeitung hat es in Frankreich nicht gegeben, vor allem nicht auf Seiten der Linken. Es war der konservative Präsident Nicolas Sarkozy, der 2007 mit seinem ersten Außenminister Bernard Kouchner erstmals Bewegung in den verkrusteten Gaullismus brachte.

Sarkozy wurde dann viel kritisiert für die französischen Beteiligungen an Militärinterventionen in Libyen und der Elfenbeinküste, aber diese Einsätze hielten sich immerhin streng an international definierte Rahmenbedingungen. Dass Hollande hinter Sarkozy zurückfällt – wer hätte das gedacht?

## United Kingdom: Lost illusions on Europe 65/80

14 January 2013

[Financial Times](#) London



Angela Merkel, Barack Obama and David Cameron.

[Peter Schrank](#)

**In his forthcoming speech on Europe, due on January 18, UK Prime Minister David Cameron must take account of the Conservative Party's eurosceptic mood, but above all speak for the country rather than the party and keep Britain in Europe, argues a Financial Times editorial.**

**Financial Times**

The United Kingdom has long been a reluctant European. From the moment of accession to the then European Economic Community, four decades ago, its membership has been marked by misguided assumptions and missed opportunities.

The [UK's troubled relationship](#) is a matter of culture, geography and history. Britain is a post-imperial power with an affinity to other English-speaking countries, especially the US. Mutual incomprehension between the UK and Europe comes down to a basic difference in outlook: while the UK sees membership of the club in economic terms, France and Germany, the co-founders, see the European Union as a political project forged from the ashes of the second world war.

### *Hardening divisions*

These divisions have hardened in the wake of the eurozone crisis. Europe's response, though initially faltering, has since stripped away the illusion that the Continental notion of an "ever closer union" is a figment of fevered imaginations in Brussels. Faced with the euro's collapse, the case for a more integrated economic government is now received wisdom in all European capitals, including London.



## The Year Ahead in the Eurozone: Lower Risks, Same Problems 65,81

Author: [Nouriel Roubini](#) · January 14th, 2013 · [Comments \(0\)](#) Share This Print 23 3

Financial conditions in the eurozone have significantly improved since the summer, when eurozone risks peaked because of German policymakers' open consideration of a Greek exit, and the sovereign spreads of Italy and Spain reached new heights. The day before European Central Bank President Mario Draghi's famous speech in London in which he announced that the ECB would do "whatever it takes" to save the euro, bond yields in Spain and Italy were at 7.75 percent and 6.75 percent, respectively, and rising. When the ECB announced its outright monetary transactions (OMT) bond-buying program, the euro zone was at risk of a collapse.

### Since then, risks have abated significantly, thanks to a number of factors:

- The ECB's OMT has been incredibly successful in reducing the risks of breakup, redenomination and a liquidity/rollover crisis in the public debt markets of Spain and Italy. Although the ECB has yet to spend a single additional euro to buy the bonds of Spain and Italy, both short-term and longer-term sovereign spreads against German bonds have fallen substantially.
- Following a number of political and legal hurdles, the successful operational start of the European Stability Mechanism (ESM) rescue fund provides the euro zone with another €500 billion of official resources to backstop banks and sovereigns in the euro zone periphery, on top of the leftover funds of its predecessor, the European Financial Stability Facility (EFSF).
- Realizing that a monetary union is not viable without deeper integration, euro zone leaders have proposed a banking union, a fiscal union, an economic union and, eventually, a political union. The last is necessary to resolve any issue of democratic legitimacy that might result from national states transferring power from national governments to EU- or euro zone-wide institutions. This transfer of power also would have to involve the creation of such institutions to ensure solidarity and risk-sharing are developed in the banking, fiscal and economic unions.
- The open talk in the summer by some German authorities about an exit option for Greece has turned into a tentative willingness to prevent and postpone such an exit. There are several reasons for this. First, Greece has done some austerity and reforms in spite of a deepening recession, and the current coalition is holding up. Second, an orderly exit of Greece is impossible until Spain and Italy are successfully isolated. **Such an exit would lead to massive contagion, which would hurt not only the euro zone periphery but also the core, given extensive trade and financial links.** Third, an economic disaster in Greece would be damaging to the CDU Party's chances of winning the German elections. Thus, even when Greece inevitably underperforms on its policy commitments, Germany and the troika (the IMF, EU and ECB) will hold their noses and keep the funds flowing as long as the current coalition holds up.

### Given these developments, the risk of a Greek exit in 2013 has been significantly reduced, even if the risk of an eventual Greek exit from the euro zone is still high, close to 50 percent by my estimation.

Meanwhile, the narrowing of Spanish and Italian sovereign spreads has significantly diminished the risk that either country will fully lose market access and be forced to undergo a full troika bailout like Greece, Portugal and Ireland. Both Spain and Italy may in 2013 opt for a memorandum of understanding (MoU) that opens the taps of ESM and OMT support, but such official financing would inspire confidence as it would not be associated with rising, unsustainable spreads and a loss of market access.

While there is a much lower likelihood of disorderly events in the euro zone, there are still significant obstacles to deeper integration, as well as country-specific economic and political vulnerabilities. **The biggest obstacle to the formation of a banking, fiscal, economic and political union is that Germany is pushing back against the time line for action, with the initial skirmish on ECB supervision of euro zone banks. This backpedaling reflects deep German skepticism on whether the resolution of the eurozone crisis requires a move toward greater union.** Without a more credible commitment to austerity and reforms from euro zone periphery countries, lurching forward would imply that risk-sharing will turn into a large, **long-term transfer union,**

**which is unacceptable to Germany and the core.** Thus, Germany will do whatever is necessary to delay the integration process, at least until after elections in fall 2013.

Meanwhile, there is a deep recession in the eurozone periphery that is spreading even to parts of the core: France will experience a recession in 2013, and even Germany is sharply decelerating as two of its main export markets, the euro zone periphery and China, contract and slow, respectively. **The balkanization of economic activity between the eurozone core and the periphery persists.** The balkanization of banking is ongoing as cross-border flows, interbank flows and smart money have left the periphery banks and found shelter in the core; in the case of public debt markets, balkanization and domestication continue as cross-border investors have left the periphery public debt markets, in spite of reduced yields, on top of abandoning periphery banks and corporates.

The eurozone periphery recession will continue in 2013: Fiscal austerity is ongoing; the euro is still too strong; periphery banks have capital shortages and liquidity concerns, and thus are achieving required capital ratios by contracting credit and selling assets; and consumer and business confidence is still depressed given falling output and employment. **Moreover, private and/or public debts are still very high and possibly unsustainable over the medium term in a number of periphery countries, while the lack of growth adds to the debt sustainability risks. Potential growth is still very low in most of the periphery as demographic aging is ongoing, while structural reforms are occurring too slowly and only affect productivity growth after long lags.**

Underlying all this is the issue of the loss of external competitiveness associated with external current account deficits that private foreign investors are unwilling to finance. **Some internal devaluation is ongoing, leading to a reduction in unit labor costs, but that process is recessionary and occurring too slowly. Thus, though financial conditions have improved and tail risks have lessened, the fundamental problems of the euro zone remain.**

*This piece is cross-posted from [Reuters.com](http://Reuters.com) with permission.*

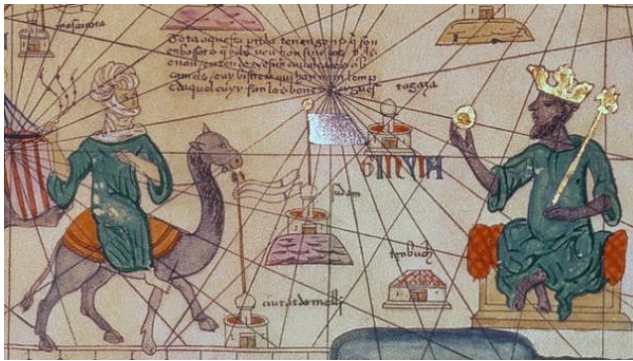
## Mali

# Das sagenhafte Reich voller Gold und Bodenschätze

65,83

15.01.2013 · Am Rand der Sahara wird ein Krieg um Rohstoffe geführt, heißt es. Doch diese spielen aus französischer Sicht kaum eine Rolle. Malis wichtigster Handelspartner kommt ohnehin längst aus Asien.

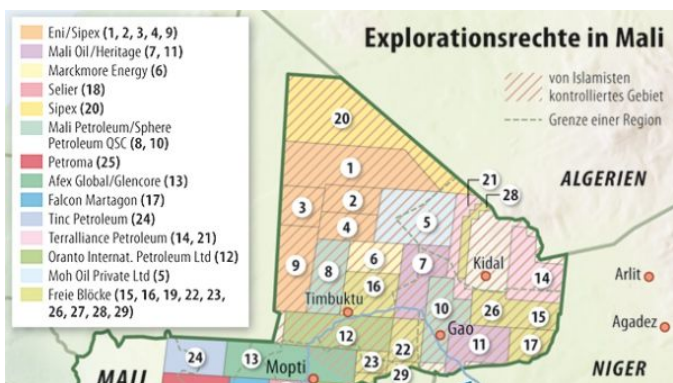
Von Christian von Hiller



© mauritius images Mit Goldklumpen in der Hand: der sagenumwobene König von Mali, Mansa Musa

Es gibt die Legende des sagenhaften Königs Mansa Musa I. Er lebte im 14. Jahrhundert und regierte von Timbuktu aus das Königreich von Mali, das er zu sagenhaftem Reichtum verhalf. Mansa Musa ist so etwas wie der Krösus Afrikas. Auf seiner Pilgerfahrt nach Mekka kam er durch Ägypten und gab dort so viel Gold aus, dass die ägyptische Währung Dinar, die auf Gold basierte, auf Jahre hinaus zusammenbrach. Auf einer zeitgenössischen Darstellung wurde Mansa Musa mit einem riesigen Goldklumpen in der Hand dargestellt. Wo hatte der König so viel Gold her, dass der Glanz Timbuktus über die Jahrhunderte strahlte? Wahrscheinlich ließ er - so wie heute Tausende von Maliern auch - im Sand der Sahelzone nach dem Edelmetall graben.

Mali ist eines der ärmsten Länder der Erde. Der Boden ist meist karg, trocken bis dürr und bietet nur in wenigen Regionen im Süden genügend Feuchtigkeit, um dem Boden Hirse, Zwiebeln, etwas Gemüse oder am Ufer des Niger, wo Bewässerung möglich ist, auch Reis und Baumwolle für den Export abzurufen. Die Schätze Malis liegen tief im Boden verborgen. Doch dafür dürfte der Reichtum so groß sein wie in wenigen anderen Ländern: So liegt das Land mitten im „Goldgürtel“, der sich von Senegal über Guinea, Ghana (die ehemalige britische Kolonie Goldküste), Mali, Burkina Faso, Niger, Nigeria und Kamerun durch ganz Westafrika zieht. Daneben gibt es Erdöl, Erdgas, Phosphat, Kupfer, Bauxit, Diamanten und andere Edelsteine - diese und einige andere Rohstoffe zählte der damalige Bergbauminister Mamadou Igor Diarra vor knapp einem Jahr auf. Sogar reiner Wasserstoff wurde tief im Boden des Landes entdeckt - eine Sensation, denn bis dahin hielten es Bodenkundler für sehr unwahrscheinlich, dass sich dieses flüchtige Element überhaupt in reiner Form in der Natur finden lässt.



© F.A.Z.

Immerhin hatte die Regierung unter dem Ende März vergangenen Jahres weggeputschten Präsidenten Amadou Toumani Touré, den alle nur „ATT“ nannten, begonnen, die Explorationsrechte im Land zu verteilen. Seitdem suchen viele internationale Rohstoffunternehmen, aber auch einige malische, den Boden systematisch nach Rohstoffen ab. Das italienische Ölunternehmen Eni beispielsweise hält Rechte im Norden des Landes, auch der internationale Rohstoffkonzern Glencore ist in Mali präsent. Genauso eifern die großen internationalen Schürfkonzerne Randgold Resources oder Anglo American Mansa Musa nach und suchen den Boden Malis nach Reichtümern ab.

Im Westen des Landes wurde sogar Uran gefunden. Dies nährte das Gerücht, Frankreich habe in den Konflikt nur eingegriffen, um seine Atomkraftwerke mit billigem Uran zu versorgen. Denn bisher ist Frankreichs staatlicher Atomkonzern Areva weitgehend auf Vorkommen in Niger angewiesen, die nördlich von Agadez nahe Arlit liegen und die Niger zum größten Uranförderer Afrikas aufsteigen ließen. Doch da die Gefahr durch islamistische Terrorgruppen in Niger kaum weniger groß ist als anderswo in der Sahelzone, verfolge Frankreich das Ziel, durch die Entsendung von Truppen seine Versorgung mit Uran sicherzustellen. Diese Vermutung äußerte am Montag etwa die Gesellschaft für bedrohte Völker.

## **Überall im Süden der Sahara sind islamistische Fanatiker aktiv**

Doch ist die Mali-Intervention tatsächlich ein Kampf um Rohstoffe? Diese Deutung ruft viele Fragezeichen hervor. So ist der größte Handelspartner Malis nicht die ehemalige Kolonialmacht Frankreich, sondern längst schon China mit einem Anteil von mehr als einem Viertel. Mali liefert Baumwolle und einige andere Produkte nach Frankreich, für dessen Unternehmen das arme Land am Rande der Sahara vor allem als Absatzmarkt von Interesse ist. „Mali bleibt für Frankreich ein Handelspartner von untergeordnetem Interesse“, stellte das französische Finanzministerium 2011 lapidar fest. „Frankreich ist nicht einmal mehr der wichtigste Auslandsinvestor in Mali.“

Daran dürfte auch das Uran-Vorkommen wenig ändern. Bis das wirklich gefördert werden könne und wie groß es tatsächlich ist, sei alles noch nicht gesichert, heißt es. Areva habe nicht einmal zuverlässige Bodenkarten über das Gebiet. Von Mali dürften dagegen vor allem geopolitische Risiken ausgehen. Überall im Süden der Sahara sind islamistische Fanatiker und Terrorgruppen aktiv - ihr Aktionsgebiet zieht sich von Somalia über Sudan, Niger, Tschad und Mali bis in den Norden Nigerias. Auch die Tuareg sind zwar islamisiert, doch wie die allermeisten Westafrikaner praktizieren sie einen sehr toleranten Islam. Die Allianz mit den Islamisten haben sie längst aufgekündigt.

## **Rohstoffe größtenteils unerschlossen**

Die Rohstoffe Malis sind zum größten Teil unerschlossen. Im Süden gibt es einige Goldminen, die Mali nach Ghana und Südafrika zum drittgrößten Förderer des Edelmetalls in Afrika machen. Doch hier werden keine Klumpen unterirdisch aus Gestein gehauen. Vielmehr waschen die Goldsucher wie zu Zeiten Mansa Musas winzige Körner aus dem Sand. Das an der Frankfurter Börse notierte Rohstoffunternehmen Pearl Gold AG hält eine Beteiligung an der Mine Kodiéran nahe der Grenze zu Guinea. Dort sei die Lage ruhig, sagt Vorstandsmitglied Lutz Hartmann. „Derzeit spüren wir keine akuten Beeinträchtigungen.“ Unklar sei allerdings, wie lange sie noch Zugriff auf Diesel hätten, auf den sie zur Stromerzeugung angewiesen sind.

## Studie

### In Deutschland arbeiten 3 von 4 Frauen

65, 85

14.01.2013 · In Deutschland sind heute so viele Frauen berufstätig wie in kaum einem anderen Land. Und die Verdienstlücke zu den Männern beträgt in vielen Fällen nur 2 Prozent, behaupten Wissenschaftler.



© Pilar, Daniel

Moderner Alltag: Unter deutschen Bürotischen dominieren zunehmend Frauenschuhe

In Deutschland kommen einer Studie zufolge immer mehr Frauen in Lohn und Brot. Hatten im Jahr 2000 nur 63 Prozent einen Job, so seien es 2011 schon 72 Prozent und damit fast drei Viertel gewesen, heißt es in der Untersuchung des arbeitgebernahen Instituts der deutschen Wirtschaft Köln (IW). „Aufgrund des demografischen

Wandels muss Deutschland das Beschäftigungspotenzial von Frauen besser nutzen - und das ist in den vergangenen zehn Jahren auch gelungen“, sagte IW-Direktor Hüther. **„Nur in skandinavischen Ländern ist die Erwerbsquote der Frauen höher.“ In Schweden liege sie beispielsweise bei 78 Prozent, im EU-Schnitt dagegen nur bei 65 Prozent.**

### Gehaltsunterschied nur 2 Prozent

Der Beschäftigungszuwachs der vergangenen Jahre sei auf eine zunehmende Teilzeitbeschäftigung zurückzuführen. Seit 2006 sei aber auch der Anteil der Frauen gesunken, die nur deshalb in Teilzeit arbeiten, weil sie keine Aussicht auf eine Vollzeitstelle haben. Der Gehaltsunterschied zwischen Frauen und Männern beträgt nach IW-Berechnungen derzeit weniger als 2 Prozent. **Zwar habe der Bruttostundenverdienst von Frauen 2011 um 25 Prozent unter dem von Männern gelegen. Würden aber Faktoren wie Bildungsstand, Wohnregion, Alter, Dauer der Betriebszugehörigkeit, Unternehmensgröße, Art der beruflichen Tätigkeit oder Berufserfahrung berücksichtigt, schmelze die Lohnlücke auf rund 11 Prozent. Sie sinke weiter, wenn Frauen nach familienbedingter**

**Auszeit rasch wieder in den Job zurückkehrten. Bei Arbeitnehmerinnen mit einer Auszeit von maximal 18 Monaten liege der Verdienstunterschied nur noch bei knapp 2 Prozent.**

January 14, 2013

## Mali's Atrocities Began When It Lost Its Democracy 65,86

OP-ED By LANDRY SIGNÉ

IN 2005, after the world failed to prevent mass atrocities in Rwanda, the Balkans and Darfur, the [United Nations](#) declared that nations had a responsibility to protect populations everywhere from [genocide](#), war crimes and crimes against humanity.

It is a fine idea, but not easy to implement, especially in Africa. There, frail democracies too often fall victim to corruption, social division, greed and dictatorship. So there, especially, the world needs to add another “responsibility to protect” — a duty of democratic nations to safeguard popular rule in neighboring lands. Too often, a failure of democracy is what starts a country down the road to atrocities.

The failure this year to protect and [restore democracy in Mali](#) is a perfect case in point. Less than a year after a coup last March, Mali has slid into a devilish civil war and national breakup accompanied by reports of war crimes, atrocities and crimes against humanity. The coup did not cause the current rebellion in the north, but it allowed it to succeed, with hundreds of thousands of people forced to leave their homes. In addition, more than 4.6 million people are at risk of running out of food when the war and drought are both taken into account, the United Nations has said.

Last summer, [Human Rights Watch](#) was reporting “the use and recruitment of child soldiers, looting and the pillaging of hospitals, schools, aid agencies ... public floggings and amputation ... rape and abduction of girls and women.” [Amnesty International](#) was urging the International Criminal Court to investigate “killings, rapes and torture and other possible crimes.” But the world, and the region, kept dithering until the rebels who had seized the mostly Arab north seemed about to expand their reach into the sub-Saharan south.

That finally brought a direct response from France last week, and a sudden new interest by Western nations in implementing, at last, a regional West African military intervention against the rebels. In fact, the 15 countries in the Economic Community of West African States, along with the African Union, had been seeking permission to intervene since early last summer, but a major stumbling block was the coup leaders' fear that the foreign military forces might undermine their own firm grip on the country; in the face of this, the decision-making process of the United Nations Security Council moved at a crawl. The picture might have been different had Mali's neighbors intervened more decisively against the coup in the first place. **At this time last winter, Mali was widely admired as a successful democracy. But then heavily armed fighters from North Africa's nomadic Tuareg group, having failed to keep Col. Muammar el-Qaddafi in power in Libya, crossed into the Arab northern half of Mali and joined forces with Islamist rebels, some of them from Algeria. It became clear within weeks that they were outperforming Mali's army.**

But rather than focus the army's efforts more effectively against the rebels, and perhaps appeal for outside aid, Capt. Amadou Sanogo and other military officers turned their forces against Mali's elected president, Amadou Toumani Touré, and seized power, blaming the civilian leaders for Mali's weakness.

Mali's neighbors condemned the coup and suspended aid. But after a month — which would have been a good moment to restore the constitutional order — they foolishly agreed to negotiate with Captain Sanogo, rather than insist that he quit power and leave the country until peace and democracy were restored. After that, the Security Council frittered away the summer, saying it needed more information before it would grant African nations a mandate to intervene militarily.

The hesitation only emboldened the rebels. While Captain Sanogo agreed under pressure to the appointment of an interim government and started a wave of repression against his political opponents, the rebels conquered the

northern half of Mali and declared it independent. Reports of inhuman applications of Shariah law, like amputations as punishment for theft, followed, continuing into the fall and winter.

So now, from their failure to protect democracy in Mali, the West African nations, and with them the West, have reaped a heavier responsibility — the duty, laid out by the United Nations at a global summit meeting in 2005, to protect “populations from genocide, war crimes, ethnic cleansing and crimes against humanity.” The task is far more complicated than it would have been last spring. Under international pressure for change, Mali acquired new civilian leaders, but leaders of the coup were involved in the selection process, and the new government cannot be said to have been elected freely and democratically. And yet, the first task ahead of all of Mali now, and of those from outside who would help it, is not the restoration of democracy but primarily the restoration of Mali itself — its central state authority and territorial integrity. First the rebels must be driven from control in the north; only then can the country start a truly democratic process, in which all citizens of Mali can choose their next leaders in free, fair and internationally supervised elections.

In fact, Mali is not the first African country in which a failure to protect the constitutional order or quickly restore an overthrown democracy opened a path for grave atrocities. In Kenya, a disputed election in 2007 was followed by violence in which more than 1,000 people were reported to have died and 500,000 others were displaced. In Guinea, a coup in 2009 was followed by the killing of more than 150 opponents of the junta. In Ivory Coast, Laurent Gbagbo refused to relinquish the presidency in 2010 after losing an election; mass atrocities followed. It took a civil war to dislodge him the following spring. Finally, late in 2011, he was turned over to the International Criminal Court to be tried for crimes against humanity.

So, how can the concept of responsibility to protect democracy be further developed?

Where institutions and traditions prove no match for a crisis of democracy, the region or the continent should step in. The African Union’s charter already empowers that organization to intervene to prevent war crimes and genocide, and it condemns “unconstitutional changes of government.” Such ideals need to be invoked boldly and quickly; that may be the strongest argument for a new doctrine of a responsibility to protect democracy, with a protocol for military or other forms of firm coercion when diplomacy fails.

Member states will not always agree on when to intervene, of course. But having a clear responsibility to do so in extreme cases would make prompt action more likely, by adding a sense of urgency. And it would help the United Nations Security Council play its own important role — by bringing the five permanent members into unison to avoid blocking or delaying a lifesaving intervention.

In addition, the International Criminal Court should announce that it will seek to punish all those responsible for any coup d’état that results in war crimes or crimes against humanity. In Mali and across Africa, the evidence shows that a failure of democracy is all too likely to lead quickly to such crimes.

Landry Signé is a fellow in the Center on Democracy, Development and the Rule of Law at Stanford University.

January 14, 2013

## Why We Must Help Save Mali 65,88

By VICKI HUDDLESTON

Vicki Huddleston, the United States ambassador to Mali from 2002 to 2005, has been a deputy assistant secretary in the State and Defense Departments.

SANTA FE, N.M.

FRENCH airstrikes that began on Friday have stopped, for now, a network of terrorists, criminals and religious extremists from taking over [Mali](#). Until the French stepped in, the near-collapse of the military had threatened to turn Mali, a landlocked, desperately poor country, into a desert stronghold for jihadists.

America, which has spent more than \$500 million over the last four years to keep Islamist militants at bay in West Africa, has its hands full in Afghanistan, Pakistan, Egypt and Libya, among other places, but it is in our national interest to support the French. North African countries, in particular Algeria, must also help save Mali from catastrophe.

This conflict is not like other African wars that had only marginal effects on the West. The Islamists in Mali have linked up with Boko Haram, the Nigerian militant group that [blew up United Nations offices in Abuja](#) in 2011, and with Ansar al-Shariah, which is thought to be responsible for the murders last September of Ambassador J. Christopher Stevens and three other Americans in Benghazi, Libya.

The French aerial attacks have stopped the Islamists — including Al Qaeda in the Islamic Magreb, its offshoot the Movement for Oneness and Jihad in West Africa, and Ansar Dine, a group of Tuareg rebels from the north — from seizing an airport and river port, and marching on the capital, Bamako. But the militants are reconstituting and rearming in their northern desert stronghold.

The United States need not put combat troops on the ground. Instead, we should provide intelligence, equipment, financing and training for a West African intervention force that the United Nations Security Council approved in December (but did not finance). The French will not be able to depart quickly — even if the West African force is assembled, France will have to mentor and coordinate troops from its former colonies like Mauritania, Niger and Chad.

International cooperation has been effective against Al-Shabab, a Qaeda affiliate in Somalia, and it can succeed in Mali. In Somalia, American troops and contractors trained and equipped African Union troops, including soldiers from Uganda and Burundi. Together with a new Somali army, they pushed Shabab terrorists out of Mogadishu and much of southern Somalia last year.

North Africa, not West Africa, is the key to saving Mali. One proposal, to have Nigeria lead a coalition of West African forces in Mali, has little chance of success; Nigeria lacks the capacity to fight a guerrilla war or an urban war. It has English-speaking Christian troops who might exacerbate Mali's ethnic and religious tensions, and its heavy-handed attempts to counter its own Boko Haram extremists have so far failed.

Algeria is the only country on the continent with the military capacity, seasoned officers, counterterrorism experience and geographic proximity to take over from France in bringing peace to Mali. Algeria's military leaders know the extremists' tactics and their leaders. It defeated them in a civil war that lasted from 1991 to 2002 and resulted in extremists' setting up terrorist operations in northern Mali. Algeria has a moral responsibility to act, but if it continues to stay on the sidelines, then Morocco or another North African country should take the lead — with support from Niger, Mauritania, Mali and Chad, which, like Algeria, have been fighting Al Qaeda in the Islamic Maghreb for the past eight years.



Algeria is also essential to ending the rebellion of the nomadic Tuareg, who are culturally, ethnically and linguistically North African and resist the rule of the sub-Saharan ethnic groups that run Mali. Their rebellion began in late 2011, when Tuareg fighters who had fought in Libya alongside its deposed ruler, Col. Muammar el-Qaddafi, returned home. They joined with Islamist militants who had moved in to northern Mali from Algeria, but the Islamists then turned on many of the Tuaregs and consolidated power.

Algeria has negotiated the peace during past Tuareg rebellions in northern Mali and can do so again. The key to peace in Mali is to first defeat the Islamist insurgents and then for Bamako to negotiate autonomy for the northern nomads — who, in concert with the African peacekeepers, will be responsible for their defense. The arrangement might look something like that of Somaliland, a region of northern Somalia that has held democratic elections, maintained peace and become a de facto sovereign state.

Mali's army has never effectively controlled the region north of the Niger River; its troops fear the warlike nomads. A tribal chief in northern Mali once told me, "If you want to control the Sahara, you will have to work with us. We have been masters of the desert for thousands of years and we will continue to rule here."

Years of training by United States Special Forces did not stop the Malian military from fleeing when the Islamist insurgency started last January. In fact, the military exacerbated the chaos by overthrowing Mali's democratically elected government last March.

Reconstituting Mali's broken government and discredited military will take years, but making sure that Mali doesn't become a launchpad for terrorism is an even greater priority. France has begun to exercise leadership; the United States must not dither in doing its share.

## La langue de bois de l'équipe Hollande selon *The Economist* 65,90

Par [Jean-Pierre Robin](#) Publié le 14/01/2013 à 18:51 [Réactions](#) (31)

L'hebdomadaire britannique décrypte pour ses lecteurs internationaux le langage de la classe politique française qui a peur d'appeler un chat un chat. Au lieu de «flexibilité», on parle de «sécurisation de l'emploi»...L'hebdomadaire britannique [The Economist](#), qui voue une affection exceptionnelle à la France, dresse dans sa dernière livraison un [glossaire des expressions favorites du gouvernement Hollande](#). Ce lexique vise à faire comprendre à un public international le sens réel des mots employés couramment dans notre débat politique et social, mais pratiquement incompréhensibles si on les prend dans leur acception première.

Ainsi l'expression «sécurisation de l'emploi» a-t-elle servi à lancer les négociations sur la réforme du marché du travail. Elle n'a strictement aucun sens en soi, quand on la prend au pied de la lettre. Une «sécurisation» désigne normalement le fait de rendre plus sûr quelque chose de dangereux, une route par exemple. Le travail serait-il donc dangereux? La «sécurisation de l'emploi» est en réalité la façon d'introduire plus de «flexibilité» dans les relations professionnelles. Un mot tabou pour l'opinion publique française.

### Une réalité jugée désagréable

*The Economist* met également en garde contre les erreurs de traduction de la formule «partenaires sociaux». Il ne s'agit pas de partenaires de danse ou de tennis, mais des représentants des syndicats et des patrons, insiste-t-il. Le terme de «partenaires» sert à occulter l'opposition consubstantielle entre ces deux groupes sociaux en France. Et cela ne date évidemment pas du gouvernement Hollande.

En revanche «le redressement productif» relève bien du génie propre du septième président de la Ve République. C'est le nom «du ministre chargé de stopper les fermetures d'usines, ou leur faillite (voir Florange, Peugeot)», explique, narquois, l'hebdomadaire économique le plus influent au monde. Il s'amuse également de «la modernisation de l'action publique», ce que dans tout autre pays on appellerait «élimination des inefficacités du secteur public, coupes budgétaires», note-t-il.

Le principe de base de la langue de bois est d'utiliser une expression positive pour qualifier une réalité jugée désagréable. Dans le même registre on parlera donc de «redressement du pays dans la justice», ce qui en fait veut dire «accabler d'impôts les riches», traduit *The Economist*.

Quant à l'adjectif très banal de «minable», il s'applique désormais à une situation bien précise, «le départ des nationaux français qui considèrent que les impôts sont trop élevés (voir Depardieu, G)», traduit notre confrère.

### Longue tradition

La traduction de «social-libéral» peut également laisser perplexe un observateur qui ne baigne pas dans le débat français. Cette juxtaposition de deux adjectifs apparemment contradictoires désigne en fait «la forme suspecte de pseudosocialistes qui adoptent l'économie de marché». Autre formule qui semble vouloir dire l'opposé de ce qu'elle décrit, un «plan social» n'est nullement «l'organisation d'une activité sociale, d'un club», mais bien au contraire «des suppressions d'emplois».

Le génie de la langue française consisterait-il à édulcorer les dures réalités? On a peur d'appeler un chat un chat. *The Economist* rappelle que le gouvernement de Lionel Jospin a plus que tous ses prédécesseurs de droite privatisé des pans entiers de l'économie. Mais il n'a jamais employé le mot, se contentant de parler «d'ouverture du capital».

Les ambiguïtés linguistiques de l'équipe de [François Hollande](#) s'inscrivent dans une longue tradition à laquelle participent tant la droite que la gauche, estime notre confrère. Il termine son lexique par le terme «ultralibéral», ce qui signifie «inacceptable» dans le vocabulaire politico-économique français, dit-il. Et il donne comme exemple concret, *The Economist*. C'est effectivement ainsi que le journal britannique est présenté en France. Notamment lors de ses récentes enquêtes publiées en 2012 et toujours très critiques sur la politique économique tricolore accusée de ne pas être à la hauteur des défis de l'heure.

14. Januar 2013, 20:54 Uhr

Umfrage bei Franzosen und Deutschen

91,95

## Delikatessen gegen Disziplin

Von [Stefan Simons](#), Paris

Die Deutschen? Einflussreich und arrogant. Die Franzosen? Lebenskünstler, aber wirtschaftlich desolat. Eine Doppel-Umfrage zum 50. Jubiläum der Élysée-Verträge zeigt: Die deutsch-französische Beziehung steckt in der Krise.

Donnerwetter, was für ein Land: Die Stadt der Liebe mit dem Eiffelturm, Saint-Tropez, Bretagne, Normandie oder Wein, Baguette, Champagner und Camembert - kurz Kultur, Mode, Luxus, Savoir-vivre. Die spontane Antwort der Deutschen über ihre Nachbarn liest sich wie eine Mischung aus Speisekarte und Reiseführer. [Frankreich](#) erscheint als Hort pastoraler Regionen und gastronomischer Delikatessen, als beneidenswerte Heimat kultureller Reichtümer, bevölkert von wonnetrunkenen Bonvivants.

Bier, Berlin, Autos, Nazi, Krieg: Das Land der Dichter und Denker löst bei Franzosen vergleichsweise wenig schwärmerische Assoziationen aus, als Inkarnation Deutschlands an der Spitze der spontanen Antworten: Kanzlerin [Angela Merkel](#), 29 Prozent. Und sonst? Wiedervereinigung und Mauerfall, Disziplin, Ordnung, Macht, dazu Kraft, Arbeit, Industrie. Immerhin - auch Begriffe wie deutsche Städte, Wurst und Sauerkraut erscheinen in der Hitliste von zwei Dutzend Eigenschaften auf.

Hier das bukolische Bild Frankreichs, dort der Auftritt einer freudlosen teutonischen Wirtschaftsmacht - Stereotypen, die unter Jugendlichen eher noch weiter verbreitet sind. Der janusköpfige Auftritt der Partnernationen ist das Ergebnis einer Umfrage, die zum 50. Jubiläum der Élysée-Verträge von der Botschaft der Bundesrepublik in Paris in Auftrag gegeben wurde. Die repräsentative Doppelerhebung des Forschungsinstituts ifop unter den Nachbarn bescheinigt Deutschen wie Franzosen zwar eine "beiderseits weitgehend positive Meinung". Doch der Katalog von Klischees und Vorurteilen zeigt verblüffende Unterschiede.

Nach dem "Honeymoon" der Gründerväter [Charles de Gaulle](#) und [Konrad Adenauer](#) und einem halben Jahrhundert organisierter Völkerfreundschaft zollt ein Drittel der Franzosen den Deutschen überwiegend Respekt; umgekehrt sind es gerade zehn Prozent. Sympathie äußern hingegen 65 Prozent der Deutschen, aber nur 26 Prozent der Franzosen. Schlimmer: Jeder Dritte verspürt Neid, Misstrauen, Ärger, Unverständnis oder gar Angst. Deutsche gelten als arrogant.

Nur in der trauten Rückschau ist die bilaterale heile Welt noch in Ordnung: Die "besonderen Beziehungen", Polit-Mantra auch der jetzt bevorstehenden Jubelfeiern, werden gewürdigt - dabei stehen die ökonomischen Nützlichkeitsabwägungen längst im Vordergrund. Geografische Nähe oder gemeinsame Werte? Quantité négligable, soll heißen Nebensache.

### Ein Gefühl der Rivalität

Die Wirtschaftskrise hat Spuren hinterlassen, und nach fünf Jahrzehnten zeigt die Beziehung Risse. Zwar hat sich der Eindruck nicht grundlegend geändert, tendenziell ist das Deutschlandbild bei den Franzosen im Aufwind - rein ökonomisch betrachtet. satte 91 Citoyens sind der Meinung, Deutschland habe seinen Platz als "große Industriemacht" erhalten können, 86 Prozent sind überzeugt, Deutschland habe "viele Anstrengungen unternommen, um angesichts der Globalisierung wettbewerbsfähig zu bleiben", es habe sich damit in Europa als "tonangebende Kraft" profiliert - für fast zwei Drittel hat der Nachbar gar Vorbildstatus gewonnen. Gewünscht wird daher von Franzosen mehr Zusammenarbeit bei Arbeitsrecht oder Steuern.

Zugleich hat das Wahlkampfgeklingel vom "deutschen Modell" aber für Überdruß gesorgt. Unter Franzosen hat sich binnen der vergangenen zehn Jahre neben dem Eindruck der Bewunderung auch ein Gefühl von Rivalität verbreitet, mit einem deutlichen Anstieg von sieben auf 18 Prozent. Umgekehrt schauen die Bundesbürger mit wachsender Skepsis auf den Zustand der desolaten Volkswirtschaft im Nachbarland. Als politische und ökonomische Größe ist Frankreich vom Radar der Deutschen verschwunden. Mag ja sein, dass man dort gut leben und essen kann, dass die Regionen ein schönes Reiseziel abgeben - als Modell taugt Frankreich ganz und gar nicht: "Armut und Ungleichheiten haben dort während der vergangenen Jahre zugenommen."

### **Jetzt sind die Franzosen Nachbarn wie alle anderen**

Fühlt sich in der Beziehung Paris-Berlin der französische Hedonist vom rackernden Deutschen dominiert? Attribute wie Ernsthaftigkeit, Arbeit, Reichtum und neuerdings auch "internationaler Einfluss" ordnen Franzosen ganz überwiegend den Deutschen zu. Die räumen den Nachbarn im Gegenzug einen Vorsprung beim kulturellen Erbe ein oder bei Wohlfühlkategorien wie Alltag und Geselligkeit.

Dennoch verbirgt sich hinter der deutschen Zuneigung für die französische Lebensart eine deutlich andere Vision der künftigen Zusammenarbeit. Zwar ist das Zweckbündnis für die Zukunft der EU "wichtig", in dem Punkt sind sich alle Befragten einig. Doch schon bei der Frage, ob die viel beschworene Kooperation "zufriedenstellend" sei, klafft die Einschätzung auseinander. Wo 85 Prozent der Deutschen die Beziehung als mehr oder minder "ausgeglichen" werten, sind es unter Franzosen nur 59 Prozent.

Die Kluft könnte sich noch vertiefen, warnt Ifop-Direktor Jérôme Fourquet. Denn wenn Franzosen zur knappen Hälfte die "privilegierte Partnerschaft" verlängern wollen, sieht nur noch einer von fünf Deutschen die Notwendigkeit für einen engen bilateralen Schulterschluss. Das Tandem Paris-Berlin hat für eine Mehrheit der Bundesbürger ausgedient - mit einer dramatischen Zunahme während der vergangenen 24 Monate, von 58 auf 71 Prozent.

Bei aller gefühlten gegenseitigen Sympathie, dem gemeinsamen Aufbau der EU und der Erfolgsgeschichte der Élysée-Verträge - die Sturm- und Drangphase der innigen Beziehung ist Vergangenheit, jetzt ist gleichberechtigte Normalität angesagt. Im politischen Alltag sind die Menschen jenseits des Rheins Nachbarn wie alle anderen EU-Bürger. "Leben wie Gott in Frankreich"? - bitteschön, aber nur während des Urlaubs.

## La croissance démographique française au point mort

65,93

Par [lefigaro.fr](http://www.lefigaro.fr) Mis à jour le 15/01/2013 à 13:56 | publié le 15/01/2013 à 13:19 [Réactions](#) (14)

Voir aussi en détail *Le Monde* 15 janvier : [http://www.lemonde.fr/societe/article/2013/01/15/la-france-vice-championne-d-europe-de-fecondite\\_1816955\\_3224.html](http://www.lemonde.fr/societe/article/2013/01/15/la-france-vice-championne-d-europe-de-fecondite_1816955_3224.html)

**La population française, qui compte 65,5 millions d'habitants, a connu, en 2012, sa plus faible croissance depuis dix ans. Le nombre de décès n'a jamais été aussi élevé depuis plus de trente ans.**

Au 1er janvier 2012, l'Insee comptabilisait, [dans son bilan annuel](#), 65,35 millions d'habitants. Un an plus tard, la population de la France affiche la plus faible croissance démographique que le pays ait jamais connue depuis dix ans.

La France métropolitaine et les départements d'Outre-mer comptaient, au 1er janvier 2013, 65.586.000 habitants sans compter Mayotte, selon les données de l'Insee, soit environ 300.000 personnes de plus qu'un an auparavant (+0,47%).

### • Léger recul des naissances

Les [naissances](#) sont restées quasiment stables sur un an (-0,17% à 822.000 naissances). Une constance qui s'explique par une diminution du nombre de femmes en âge de procréer et une stabilité de la fécondité, à 2,01 enfants par femme. L'âge moyen à l'accouchement a continué d'augmenter pour atteindre 30,1 ans.

### • Nette hausse des décès

Les [décès](#) ont été, eux, «particulièrement nombreux» en 2012, en raison d'une vague de froid exceptionnelle et de plusieurs épidémies (grippe, gastro-entérites...), souligne l'Insee. Ils ont progressé de près de 5% à 571.000 décès, soit leur niveau le plus élevé depuis plus de trente ans. Ce grand nombre explique qu'en 2012, l'espérance de vie a stagné pour les hommes (78,4 ans) et a même diminué de deux mois pour les femmes (84,8 ans).

Conséquence, le «solde naturel», soit la différence entre le nombre de naissances et le nombre de décès, qui explique l'essentiel de la croissance, est «parmi le plus bas de la décennie».

### • Un Français sur dix a au moins 75 ans

Le vieillissement des classes nombreuses du baby-boom devrait mécaniquement augmenter le nombre de décès et ralentir la croissance démographique à l'avenir. «Le moteur de la croissance démographique française est structurel, pas éternel», a souligné Pascale Breuil, responsable du département démographie à l'Insee. Au 1er janvier 2013, la France comptait 17,5% d'habitants âgés d'au moins 65 ans et près d'un habitant sur dix avait au moins 75 ans.

### • Rebond du nombre de mariages

L'année 2012 a aussi marqué le retour en force des mariages, qui après une baisse quasiment continue depuis 2000, ont vu leur nombre augmenter significativement l'an dernier. Quelque 241.000 mariages ont été célébrés, soit environ 4000 de plus qu'en 2011. De son côté, le nombre de divorces affiche un léger recul à 132.977 ruptures (-1000).

<http://www.touteurope.eu/fr/organisation/etats-membres/france/actualite/actualite-vue-detaillee/afficher/fiche/6194/t/107623/from/4904/breve/revue-de-presse-catherine-ashton-pressee-de-reagir-face-a-la-situation-au-mali-mutation-de-la-per.html?cHash=1af705af5f>

## 15/01/13 *Toute l'Europe* - Revue de presse

**Catherine Ashton pressée de réagir face à la situation au Mali, mutation de la perception des relations franco-allemandes et recul de la production industrielle dans l'Eurozone**

### **L'attitude de l'UE vis-à-vis du Mali interpelle en France et à l'étranger**

Alors que les troupes françaises entament leur cinquième jour d'offensive dans la région de Konna, au Mali, l'attentisme des institutions européennes et de la haute représentante de l'Union pour les Affaires étrangères, Catherine Ashton, fait de plus en plus l'objet de critiques. Ce matin, le ministre des Relations avec le Parlement, Alain Vidalies, avouait au micro d'LCI qu'il regrettait la "mobilisation minimale de l'Europe" et "l'absence regrettable" de celle-ci au Mali [[Le Point/AFP](#)]. La veille, le président du Parlement européen, Martin Schulz, avait déjà vivement critiqué la décision prise par la chef de la diplomatie européenne, de ne pas participer au débat sur la situation au Mali, organisé ce mercredi dans le cadre de la session plénière. Mme Ashton s'est justifiée de cette absence pour des raisons d'agenda [[Le Figaro/AFP](#)].

Hier après-midi, le porte-parole de Catherine Ashton a tenu à rappeler que l'UE n'avait pas de mission militaire, mais qu'elle avait en revanche "accélééré son programme de formation à l'intention de l'armée malienne" [[Le Temps](#)]. L'UE s'apprête en effet à envoyer, d'ici la fin du mois, un contingent de 400 à 500 militaires européens, qui seront chargés de former et de préparer l'armée malienne à reconquérir le nord du pays [[La Croix](#)]. Dans le même temps, Mme Ashton a annoncé la tenue, ce jeudi, d'une réunion exceptionnelle des ministres des Affaires étrangères européens, afin de "débatte des possibles actions de l'UE en appui au Mali".

### **La crise économique a modifié la perception des relations franco-allemandes**

De chaque côté du Rhin, la perception des relations franco-allemandes a semble-t-il beaucoup évolué depuis le traité de l'Elysée. Selon un [sondage de l'institut Ifop](#) publié ce lundi, 69% des Français et 59% des Allemands considèrent que le terme de "partenariat" est le plus apte à définir les relations franco-allemandes. A l'inverse, le mot "amitié" ne remporte que 30% des suffrages, contre 40% outre-Rhin. Alors que la réconciliation et les traités d'amitié ont fait le lit des relations franco-allemandes, ces dernières semblent, selon [les Echos](#), "relever maintenant du registre du partenariat et de la coopération".

En outre, la crise est passée par là et a modifié la vision respective des deux pays. Ainsi, l'image économique et industrielle de la France s'est détériorée en Allemagne, tandis qu'une grande majorité de nos compatriotes considèrent que, malgré la crise, l'Allemagne a su préserver sa place de grande puissance industrielle. Par ailleurs, la comparaison systématique avec l'économie et le marché du travail allemands, renforcée depuis quelques années par la crise, exaspère certains Français (18%), qui considèrent que le terme de "rivalité" exprime à l'heure actuelle le mieux les relations entre les deux pays.

L'enquête révèle également que, de part et d'autre du Rhin, on souhaite une harmonisation de la réglementation du travail, des impôts et de la fiscalité, ainsi que la création d'une agence publique de l'emploi franco-allemande. La publication de ce sondage plutôt positif vient à point nommé, une semaine avant les célébrations des 50 ans du traité de l'Elysée, auxquelles assisteront François Hollande et Angela Merkel.

## Crisis Strain

# Survey Shows Cracks in German-French Relations

By [Stefan Simons](#) in Paris

The relationship between Germany and France has suffered as a result of the economic crisis, according to a new survey undertaken on the eve of celebrations marking the 50th anniversary of the signing of the Elysée Treaty. Germans are seen as arrogant and the French as economically unimportant.

What a country! The City of Love with its Eiffel Tower, Saint Tropez, Brittany and Normandy, a land of wine, baguettes, champagne and camembert. It is a country defined by culture, fashion, luxury and *savoir vivre*.

Germany's view of its neighbors, the result of a new cross-border survey on the occasion of this month's 50th anniversary of the signing of the Elysée Treaty, reads like a mixture between a menu and a travel guide. France is seen as the enviable homeland of cultural riches peopled by elite *bon vivants*.

And what do the French think of when they think of Germany? Beer, Berlin, cars, Nazis and war. The spontaneous associations that the French have regarding their neighbors to the east tend not to be as flattering. While Chancellor Angela Merkel led the list with 29 percent, the rest of the list was more history book than travel guide: Reunification and the fall of the Berlin Wall, discipline, order, power, work and industry. At least sausage and sauerkraut made its appearance on the list of two dozen characteristics associated with Germany.

The collection of stereotypes held on either side of the French-German border is the product of a survey conducted on behalf of the German Embassy in Paris by the French public research institute IFOP. Both sides had "largely positive views" of the other. But the catalogue of clichés and prejudices showed

significant differences. Following the French-German "honeymoon" orchestrated by French leader Charles de Gaulle and German Chancellor Konrad Adenauer after World War II and the ensuing half a century of friendly relations, a third of those surveyed in France are largely respectful of Germans. But only 10 percent of Germans say the same about France. On the other hand, some 65 percent of Germans say they are sympathetic to the French, where as only 26 percent of the French said the same of the Germans. Even worse, one third of the French harbor envy, mistrust, anger or even fear when it comes to Germany. Germans are seen as being arrogant.

## Shared Values?

Officially, politicians speak often of the "special relationship" between Germany and France. That, indeed, is the focus of the celebrations planned for the upcoming anniversary of the signing of the Elysée Treaty. But economic interests have long since trumped geographical proximity or shared values.

On that score, Germany's reputation among the French has only improved in recent years. Some 91 percent of the French say that Germany has been able to maintain its position as a "major industrial power," with 86 percent saying that Germany has "expended much effort to remain competitive in the face of globalization" and has thus become a "leading power" in Europe. Almost two-thirds of French respondents say that Germany has become an example to the rest of Europe, despite their professed desire for more cooperation on labor and tax policy.

Still, the economic crisis has left its mark, and the relationship between Paris and Berlin is showing new cracks. There was much talk during the French presidential election campaign last year of the "German model," and the country has tired of it. An increasing number of people in France have come to see Germany as a rival, from 7 percent 10 years ago to 18 percent today. In the other direction, a growing percentage of Germans is concerned about economic developments in France. Indeed, people in Germany no longer see their neighbors as being a political and economic power. Even as they like to travel there for good food and the good life, France is no longer seen as a model to be emulated. A majority of Germans agreed with the statement: "Poverty and inequality has risen there in recent years."

### **End of its Usefulness**

This year's survey also revealed a worrying discrepancy in how the two countries view their close cooperation as the key actors in the European Union. While the vast majority of people on both sides of the border see the alliance as being "important" for the EU, French and Germans disagree as to whether the cooperation is "satisfactory." Fully 85 percent of Germans view the relationship as more or less equal; in France only 59 percent agree.

IFOP Director Jérôme Fourquet warns that the divide could continue to deepen. He notes that, whereas half of those surveyed in France believe in the value of a "privileged partnership" with Germany, only a fifth of Germans agree. In just the last 24 months, the percentage of those in Germany saying that the Berlin-Paris partnership has reached the end of its usefulness has climbed from 58 percent to 71 percent.

That could, however, be a positive sign -- a sign that the French-German alliance has become just one of the many that tie Europe together.



01/15/2013 11:21 AM

## 2012 GDP Figures Released

# German Budget Back in Surplus Despite Slowdown 65,97

The euro crisis took its toll on the German economy in 2012, but the budget swung to a surplus for the first time since 2007. Still, data released on Tuesday showed a paltry growth of just 0.7 percent.

The German economy shrank by 0.5 percent in the fourth quarter of 2012 as a result of the euro crisis which hit exports and investment, preliminary figures released by the Federal Statistical Office on Tuesday showed.

Growth for the full year slowed sharply to 0.7 percent from 3.0 percent in 2011, but that still compares favorably with much of the rest of the euro zone, which remains mired in recession as a result of austerity measures and burgeoning debt.

Germany, Europe's largest economy, was able to offset part of the export declines in its core European market with [strong growth in exports](#) to the US and big emerging markets like China, hungry for German automobiles and industrial goods.

"The German economy might not be an island of happiness any longer but it remains at least an island of growth in a still recessionary euro-zone area," Carsten Brzeski, an economist at ING, told Reuters.

## Swing to Budget Surplus

The Statistical Office also said that the public budget was in surplus for the first time since before the financial and debt crisis in 2007. The surplus amounted to 0.1 percent of GDP after a deficit of 0.8 percent in 2011. In 2010, the deficit had been 4.1 percent, above the 3 percent limit set by European Union rules.

The swing to a surplus has been caused by record employment levels and rising wages, which many countries in Europe, especially in the austerity-hit south of the continent, can only dream of.

The 2012 GDP growth figure was slightly below forecasts. The sharp slowdown was partly explained by above-average growth rates seen in 2010 and 2011. "In the previous two years, GDP growth had been much larger but that was due to a catching-up process following the worldwide economic crisis of 2009," the Statistical Office said in a statement. The German economy shrank by 5.1 percent in 2009, at the height of the global economic crisis.

Predictions for 2013 are mixed. Some economists expect German growth to accelerate slightly. Business confidence, as measured by the Ifo Business Climate Index, rose in December to its highest level in five months.

But according to a report in business daily *Handelsblatt* on Tuesday, the German government expects 2013 growth of around 0.5 percent. Economy Minister Philipp Rösler will release the latest forecast on Wednesday when he presents the government's annual economic report. The OECD also expects 0.5 percent for Germany.

The economists at the Ifo Institute is a little more optimistic, expecting unchanged growth of 0.7 percent. The German Institute for Economic Research in Berlin predicts 0.9 percent.

*cro -- wth wire reports*

## **EU dilemma over Malian armed forces training**

14/01 21:47 CET

The EU is on course to revise and accelerate its training program for the Malian army.

200 instructors now look set for deployment over 15 months.

But any intervention via European ground troops has firmly been dismissed by the Commission.

Michael Mann, the EU Commission's spokesperson reinforced the need for sustained training and development.

“The mission will probably be launched in either the second half of February or early March. The situation on the ground has changed but it remains urgent and it's still important to train the Malian armed forces because right now the major weaknesses in these forces are still very apparent.”

While the European Union was supposed to form three or four battalions to send to the front line, its projects have been overtaken by the war.

Bérangère Rouppert, a Research Fellow at GRIP, told euronews:

“With the fact that the Malian armed forces have already gone into battle alongside the French army support forces, it poses the question of what troops remain for the European Union to train. They will have to undergo a short-term review of the type of training to put these armed forces through to allow them to become operational as quickly as possible and even able to conduct high-intensity combat.”

EU foreign ministers are set to hold a meeting about Mali's escalating situation on Thursday.

## Crisis: No common front in the fight against joblessness

15 January 2013

[Alternatives économiques](#) Paris



A job centre in Berlin's Kreuzberg district **AFP**

**The latest figures are grim: unemployment has soared to record levels in the eurozone, with 11.8 per cent of the workforce unemployed. So far, however, European countries have been unable to harmonise their social policies in an effort to get out of the crisis.**

[Laurent Jeanneau](#)

Four years after the crisis began, Europe is still struggling with a depressed labour market. To return to the levels of 2008, 2.7m jobs would have to be created in the eurozone, and 2.8m at the European Union level. In the Union overall, the number of unemployed has risen by 8m over four years and the unemployment rate has shot up from 7.1 per cent to 11.8 per cent.

Not all countries have been affected in the same way. In countries hard hit by the financial crisis or trapped in excessive public debt, the fall in employment has been dizzying: Ireland and Spain have lost one job in six since 2008, Greece one in seven, and Portugal one in 10. Outside the eurozone, the Baltic countries and Bulgaria have also paid a heavy price. Poland, Belgium, Germany, Austria and Sweden, on the other hand, have fared considerably better and are now slightly above their 2008 levels. Falling between the two groups, France is just above its pre-crisis level, according to Eurostat data.

How do you explain such differences? Employment policy, and not merely the intensity of the recession in 2009, has made the difference. Far from harmonising their responses to the crisis, European countries have in effect bet on different strategies, with greater or lesser success.

### *Swift and uncompromising shocks*

In some countries, the adjustment of the job market to the financial shock was swift and uncompromising. Faced with a slump in orders, companies quickly slashed their workforces to preserve their margins. This is what happened in the United Kingdom, where the labour market is highly flexible. In Spain and Denmark, employment fell more sharply than the demand for companies' products, which resulted in significant productivity gains and a surge in unemployment. It was often those employed in temporary jobs (fixed-term or temporary contracts) who served as an "adjustment variable": their contracts were not renewed. Those countries that have created the most flexible labour markets are the ones that have seen the sharpest spikes in unemployment rates.

In other countries, however, the adjustment of the job market was marked by half-measures. Faced with falling demand, companies preferred to reduce wages and the number of hours worked rather than dismiss employees outright. This is the strategy used most widely in Germany, Belgium and Italy, due to an intensive deployment

of short-time workers. To a lesser extent, this is also what happened in France. Faced with a downturn, the pain was shared out among all the employees of the same company, rather than primarily on those to be laid off.

Other types of policies have been brought in. Austria, for example, chose in early 2011 to subsidise semi-skilled and unskilled jobs. It is indeed the low-skilled workers who are usually the first to be dismissed. Hungary, Slovakia, the United Kingdom, Finland, Sweden, France and Spain have also supported the demand for jobs, to encourage the hiring of young, elderly or low-skilled workers, but in a more timid manner and with more mixed results. In contrast, recourse to jobs largely funded by the public has been limited. The number of those fell by 15 per cent between 2007 and 2009 in the European Union.

### *EU unemployment insurance*

Finally, the tool most widely used has been professional development, or job training. Apart from this relative consensus around the need for training, however, the crisis has not been exploited to harmonise social policies in Europe. Some states stick to the laissez-faire approach, while others go in for massive intervention. In 2010, spending on employment policies in effect ranged from 0.7 per cent of gross domestic product (GDP) in the United Kingdom to 2.3 in Germany, 2.5 in France, 3.4 in Denmark, 3.8 in Belgium and 3.9 in Spain.

In such a context, the idea put forward by France and being studied by the Commission to set up an unemployment insurance system at the European level is quite a puzzle – because when it comes to unemployment benefits, it's a free-for-all. Rules differ from country to country, and so do the levels of the benefits paid out.

Even if a European system of unemployment insurance set out not to replace the national systems but rather to take the form of a basic benefit supplemented by each country, the harmonisation needed in terms of coverage and eligibility would be no simple matter – especially since, hampered by severe budgetary constraints, most states have recently overhauled their unemployment insurance systems in a way that has left the unemployed worse off.

### *Cutting unemployment benefits*

In 2010, Denmark cut the period unemployment benefits can be paid from four to three years. France did the same in 2002, reducing it from three years to two. In Spain, the benefit was cut by 10 per cent from the seventh month of unemployment. In Portugal, the maximum compensation has been reduced, its total sum is declining, and the period it will be paid has been reduced as well. Only Belgium, swimming against the tide, has raised the amount of the allowance and facilitated youth access to unemployment insurance.

European countries, in short, are orienting themselves towards the lowest common social denominator. The unemployment compensation systems, however, have an economic interest, not just a social one. Without this buffer the crisis would have done even more damage. Even the OECD has finally recognised that. To unravel the safety net while Europe is not yet out of the woods risks bogging the continent down a little deeper in the economic slump.

## Economy: Saint Precarious – new icon of Europe

65,101

15 January 2013

[NRC Handelsblad](#) Amsterdam



A statue of Saint Precarious during the Mayday parade in Milan

**Austerity and free market regulations have created a band of loyal followers: The Precarious. And they are threatening the jewel European civilization, social security, argues Belgian writer Geert Van Istandael. Excerpts.**

[Geert van Istandael](#)

Are you familiar with the Church of Saint Precarious? It can easily be found without the aid of a guide, and once you enter you will have every reason to despair.

For the Church of Saint Precarious has no room for hope. Most of its parishioners work for the most meagre of wages to secure the privileges of the higher clergy, religious leaders who have replaced theology with economics.

Growth figures are the subject of worship at the Church of Saint Precarious. In fact, the budget always shows a surplus. How is that possible? It's simple. Just lower the wages. And, above all, eradicate all solidarity. Rid yourself of those expensive social costs that you had to pay in those backward times on the egocentric, lazy unemployed and the sickly with their illusionary afflictions. And long live the select privileged minority.

So what does the Church of Saint Precarious look like? The building has high walls without windows or roof that could protect its parishioners from the rain or scorching sun. Don't try climbing over the walls, as you would only tear your nails. Proudly displayed above the altar are the letters TINA, as an abbreviation of the new Latin: There Is No Alternative [a reference to a famous statement made by former UK prime minister Margaret Thatcher].

*Not a dream*

So you think the Church of Saint Precarious is the product of the rampant imagination of a melancholy poet? No, it actually exists. In 2004, the first procession paraded through Milan, bearing the image of [Saint](#)

Precarious. The striking thing was that devotees consisted exclusively of young people, recently graduated, recently employed, recently unemployed. These young men and women begged for mercy at the feet of Saint Precarious.

Let me remind you of one of the meanings of precarious, or its Latin stem *precarius*: obtained by prayer. The whims of the benefactor are unpredictable. Today, he scatters money throughout Europe. Tomorrow, he may hand out even more rare pieces of gold to the Chinese or Nigerians. This is called “globalisation”. And globalisation is the future.

My position is the following. The financial and economic crisis that has been plaguing Europe for four years now is being used to destroy the foundations of European civilisation. The welfare state. Democracy.

But by whom? By the European Commission and the European Central Bank, but also without a doubt by the Council of Ministers, and outside Europe by the International Monetary Fund (IMF), even though the IMF is clearly being torn apart by different schools of thought.

Also, politicians in too many member states of the Union act like missionaries spreading the destructive message with blind religious zeal.

### *Economy strangling youth*

And the ranks of followers grow. Every day. In Spain, in Portugal, in Greece, in Italy, one can see how the economy they preach is strangling the youth.

But concern is growing too. In November 2008, perhaps the most important contemporary political philosopher of Germany, Jürgen Habermas, expressed his outrage in *Die Zeit* about the disgraceful social justice.

If Habermas were less of a modest man, I would proclaim him a prophet. The governing elites have unilaterally terminated their tacit agreement with their citizens, which was: The ruling class may acquire as much wealth as they wish, as long as they allow the average citizen a reasonable standard of living backed by a degree of social security. That contract has been ripped to shreds.

The end of the crisis is in sight, say Draghi, Barroso and Van Rompuy, but the financial markets still have Europe in an iron stranglehold. Europe can struggle for all it's worth, the outcome remains the same. It may breathe easy for a couple of hours, like when Spain received €100bn from the ECB. The respite may even last a day. Or a week.

### *Trading democracy for technocracy*

Indeed, the financial markets appear to be less bloodthirsty since the chairman of the ECB, Mario Draghi, strong-armed his Board to approve a decision whereby the bank would use the European solidarity mechanism to buy government bonds from stricken countries in order to sharply reduce the interest on those bonds. But does anybody care about the sacrifices that those countries have to make to qualify for such aid? The fact that they have to trade in their democracy for a technocracy.

But there is something else. What the ECB has essentially decided to do is create money. Simply said, Mario Draghi can print money as and when he pleases. While I always associated that power with people like Mobutu [the former president of the Democratic Republic of Congo].

Not only populists, communists or outright fascist have come to the conclusion that there is something wrong with the tactics and strategy of Europe. Its peace-loving, hard-working citizens feel fear in their hearts, people who aspire to no more than a simple home, children, and a wage with which they can give their family a reasonable future. But even that most meagre of happiness is now being denied them, forcing them into the Church of Saint Precarious.

Fairly paid work, a small house, a family. For me, those are rational wishes. But it increasingly appears that only one rationale has right of existence: the economic dogma that dictates that people must always strive to achieve the maximum benefit for themselves.

### *Threat to the welfare state*

The existence of humdrum peace, that limited, but democratically assured ambition, was made possible by one of the greatest achievements of European civilisation. I am referring to the welfare state, also known as social security.

**The social security systems that Belgium, Sweden, France, the Netherlands and until recently Germany created during the 19th Century, and especially in the years after 1945, may without reserve be acclaimed as a crown jewel of European civilisation, as valuable as the French cathedrals, the symphonies of Beethoven, the paintings of Vermeer, Faust by Goethe or the novels by Camus. The development and retention of social security call for vision, imagination, technical know-how, expertise, rationality; exactly those qualities that Beethoven required to compose his symphonies.**

So, if Mr Draghi says in the [\*Wall Street Journal\*](#) that Europe's social model no longer exists and that the traditional social contract of the continent is outdated, the chairman of the ECB indeed declares himself an enemy of European civilisation. Draghi is a high priest in the Church of Saint Precarious.

Fracking 65,104

## Amerikas fatale Rettung

14.01.2013 · Die Vereinigten Staaten erleben einen neuen Goldrausch: Fracking lautet das Zauberwort. Doch die Technik birgt auch gewaltige Risiken. Deswegen formiert sich der Protest.

Von [Jordan Mejias](#), New York



© dpa Fluch oder Verheißung: Fracking könnte die Vereinigten Staaten von Energieimporten unabhängig machen. Doch welche Gefahren birgt dieses Verfahren?

In einem einzigen Laden gibt es hier alles, was der Mensch zum Leben braucht. Guns, Groceries, Gas, Guitars, so steht es draußen auf dem Schild, das schon bessere Zeiten gesehen hat. Wie der ganze Ort.

Es ist ein schwermütiges Stück Amerika, ein Überbleibsel aus einer bukolisch verklärten Vergangenheit, abgewirtschaftet und nutzlos für die Gegenwart. Ein Kinderspiel also für Steve Butler. Er handelt mit Utopien. Und er ist sich sicher, dass er die Männer in den karierten Flanellhemden und blauen Latzhosen schnell auf seine Seite bringt und sie ihm in ihren zerdellten Pick-ups bald in eine wieder lukrative Zukunft folgen. Butler ist gekommen, um sie von ihrer Ausweglosigkeit zu erlösen und dafür von ihnen eine Unterschrift zu erhalten, mit der sie der Firma Global erlauben, den Boden unter ihren Füßen wegzubohren. Global will das Gas aus dem Schiefergestein tief unter ihren Äckern und Wiesen herauspressen und herauspressen. Global will fracken.

## Leute, macht mal langsam!

Das Kinderspiel des Erwerbs der Bohrungsrechte, für das Butler ein, zwei Tage angesetzt hatte, zieht sich in die Länge. Unruhe ist unter den Flanellhemdenträgern aufgekommen, die ihr Land und ihr Leben auf einmal mit anderen Augen sehen, gegen Kräfte ankämpfen müssen, von denen sie bisher nur vom Hörensagen wussten, und sich zwischen Umweltschützern und einem übermächtigen Energiekonzern zurechtfinden sollen. Am Ende gibt es kein Aufatmen. Die Sache bleibt verfahren, das Problem ungelöst. Global, kein Zweifel, ist eine Firma, die sich nicht scheut, den Weg zur Profitmaximierung mit Leichen zu pflastern. Steve Butler zieht der Geschäftskarriere die Liebe mit der supersympathischen Volksschullehrerin vor.





© dapd

Szene aus dem Film „Promised Land“ mit Matt Damon als Steve Butler

Aber wie geht es weiter mit dem Fracking? Überraschend wäre es freilich nicht, wenn die Bohrtruppe demnächst über die schmalen Landstraßen rumpelten. Denn mit Global ist nicht zu spaßen. Was die Firma will, setzt sie auch mit unlauteren Mitteln durch. Nur ist das, was sie will, wirklich so schlimm? Ist Fracking der Frevel an der Umwelt, die jüngste Sünde, der die Welt dringend entsagen muss? Es ist kaum zu glauben, dass Hollywood da nicht deutlich Stellung beziehen mag. In dem in Amerika gerade angelaufenen Film „Promised Land“ mischt sich Matt Damon, der nicht nur die Rolle des Steve Butler spielt, sondern gemeinsam mit seinem Schauspielerkumpel John Krasinski auch das Drehbuch geschrieben und die Produktion übernommen hat, in die wissenschaftliche Debatte so gut wie nicht ein. Über die Folgen des Fracking werden keine klaren Aussagen gemacht.

Von der Handlung und dem Gefühl her lautet die Botschaft jedoch: Leute, macht mal langsam mit der Erdgasbohrerei! Schaut euch gründlich um, was ihr damit aufs Spiel setzt, und denkt darüber nach, wie leicht das so verlockende Abenteuer schiefgehen könnte! Obwohl ein Gus Van Sant Regie führte und ein Dave Eggers an der Geschichte mitbastelte, ist „Promised Land“ ein kleiner, lächerliche fünfzehn Millionen Dollar kostender Film, dem nicht zuzutrauen ist, die alles entscheidende Revolution gegen das Fracking auszulösen.

## **Erdgas als miraculöses Heilsversprechen**

Er bringt auch nicht als erster das Thema auf die Leinwand. „Gasland“, ein Dokumentarfilm von Josh Fox, prangerte vor drei Jahren die Grundwasserverschmutzung an, die nach Bohrungen in den Bundesstaaten Pennsylvania, Wyoming und Colorado aufgetreten war. Die Independent Petroleum Association of America schlug daraufhin zurück mit der Gegendokumentation „Truthland“, und von Exxon Mobil über Chevron bis Conoco Phillips taten sich in den folgenden Jahren die gasgierigen Energiegiganten zusammen, um eine allmählich verunsicherte Öffentlichkeit zu beruhigen und die ökonomischen und ökologischen Segnungen des Fracking in den verführerischsten Farben zu schildern. Über „Promised Land“, einen „einfachen Lehrfilm“, wie Gus Van Sant schlitzohrig verkündete, wird nunmehr per Facebook und Twitter gestritten.

Der Streit übers Fracking weitet sich jedenfalls aus, und zwar rund um die Welt. Dass Frankreich das hydraulische Aufbrechen von Felsschichten zur Gasförderung als erste Nation verboten hat, lässt Amerikaner naturgemäß kalt und könnte sie gar zum Gegenteil inspirieren. Fracking, beruhigt die Industrie, sei ein Energiegewinnungsverfahren, das auf amerikanischem Boden seit Mitte des 19. Jahrhunderts angewandt werde. Damals habe man noch Nitroglyzerin eingesetzt, um Quellen aufzusprengen. Für den gegenwärtigen Boom gibt es allerdings keinen Vergleich. Dank neuer Gewinnungstechniken haben sich ganze Landstriche in Gasförderungsanlagen verwandelt, in Texas nicht anders als in North Dakota, wo Fracking für die niedrigste Arbeitslosenquote in der gesamten Nation sorgt und den Haushalt des Bundesstaats saniert hat. Welcher Preis dafür zu zahlen ist, deutet sich in einem amtlichen Bericht über die Gasgewinnung in Pennsylvania an, für die mehr als achtzig verschiedene Chemikalien, unter ihnen krebserregende Substanzen wie Formaldehyd und Naphthalin, ins Gestein gepumpt wurden.

Gleichwohl will weder die Bundesregierung noch die Environmental Protection Agency, die oberste Umweltbehörde der Vereinigten Staaten, irgendeine Eile verspüren, die Gefahren des Fracking gegen seinen Nutzen abzuwägen. Nicht vor Ende 2014 sollen die Ergebnisse einer Untersuchung vorliegen, die lediglich die Auswirkungen auf die Wasserversorgung in Betracht zieht. Studien der staatlichen Umweltschützer haben es

immer schwerer, sich in einem politischen Geschacher zu behaupten, das Erdgas als geradezu miraculöses Heilsversprechen entdeckt hat. Widerstand formiert sich eher auf lokaler Ebene und dort meist auch nur an verstreuten Orten. Longmont, nahe Denver gelegen, ist die erste Gemeinde in Colorado, die sich gegen das Fracking ausgesprochen und jetzt mit einer Prozesswelle zu rechnen hat, wie zu erwarten von den Energiekonzernen, aber auch vom Bundesstaat Colorado, der das Entscheidungsrecht für sich allein beansprucht.

## **„Wir haben es mit einem Aufstand zu tun“**

Während Andrew M. Cuomo, der populäre Gouverneur des Staates New York, noch das Für und Wider abwägt, hat seine Gesundheitsbehörde bereits das Fracking als unbedenklich fürs Wohlergehen aller städtischen und ländlichen New Yorker erklärt. Viele Leute im Bezirk Otsego wollen das aber nicht glauben und haben in neun Orten schon ein provisorisches oder permanentes Frackingverbot durchgesetzt. Flyer und Poster, die unter den Umrissen eines toten Vogels die Gleichung „Fracking = Death“ aufstellen, konkurrieren mit Schildern, auf denen gefordert wird: „Drill Here, Drill Now“ und „Let's Boost Our Local Economy“. In der Southside Mall von Oneonta läuft „Promised Land“, aber der Film hätte hier auch gedreht werden können. Wird Fracking die Gegend verpesten oder Geld für bessere Schulen bringen? Wird es Farmen zerstören oder das Überleben unrentabler, wenn auch bildschöner Farmen finanzieren? Der Ausgang des Dramas ist ungewiss, im Kino wie in Otsego County.

Die Kinobesucher aber bekommen von einem niedergeschlagenen Matt Damon zu hören, dass die Industrie, wie Hollywood sie in der Firma Global zusammengefasst hat, kaum zu stoppen ist. Schwenk ins sozusagen wahre Leben: Auf der inzwischen berüchtigten Tonaufzeichnung einer Konferenz, zu der das Führungspersonal von Energiekonzernen vor einem Jahr ins texanische Houston gekommen war, feuert ein Teilnehmer seine Kollegen an, Bohrungsgegner mit militärischen Taktiken auszuschalten: „Ladet euch das U.S. Army Marine Corps Counterinsurgency Manual runter, denn wir haben es mit einem Aufstand zu tun.“ Matt Pitzarella, Kommunikationschef von Range Resources, brüstete sich auf derselben Veranstaltung damit, dass seine Firma Veteranen der psychologischen Kriegsführung in den Kampf schicke.

## **Ein Test patriotischer Gesinnung**

Der Propagandakrieg setzt sich unter wissenschaftlichen Experten fort, an denen auf beiden Seiten kein Mangel herrscht. Ohio, bisher kein Erdbebengebiet, wurde von zwei Erdstößen heimgesucht, seit im Umkreis von Youngstown gefrackt wird. Zufall? So versichern es uns wenigstens jene Fachleute, die das Bohrverfahren für harmlos halten, ohne jedwede negativen Konsequenzen für Luft, Wasser, Boden, Tiere und sogar Menschen. Erhöhte Werte von Methan? Steigende Radioaktivität? Wasser, das sich als feuergefährlich erweist? Selbst wenn Wissenschaftler einer Meinung wären, hieße das noch lange nicht, Politiker müssten daraus übereinstimmende Schlüsse ziehen. Im heutigen Washington macht die Politik sich, je nach aktuellem Bedarf, die Wissenschaft gefügig. Fracking kann folglich gut und böse, nützlich und schädlich, Segen und Fluch sein. Jetzt aber überstrahlt eine riesengroße Hoffnung alle Erwartungen und Befürchtungen. Fracking soll Amerika von Grund auf sanieren, als Retter in höchster Not.

In „Promised Land“ weiß der schmierige Lokalpolitiker, dass seine Wähler für manches offene Ohren haben, nur für eines nicht, nämlich den Vorschlag, ihren Energiekonsum zu reduzieren. Fracking bannt diesen Albtraum fremdländischer Genügsamkeit. Eine nicht ganz neue Vokabel macht dafür neu die Runde, ein Zauberwort, das Herzen öffnet, den nationalen Pulsschlag beschleunigt und Umweltschutzgesetze seltsam weltfremd aussehen lässt: Energieunabhängigkeit. Womit nicht die Unabhängigkeit von fossilen Quellen gemeint ist, sondern die von Energieimporten. Eine Geschichte, die der Film sich nicht einmal anzutippen traut. Ein Wunschbild, das die Debatte über Fracking zu einem Test patriotischer Gesinnung verzerrt. Amerika, nicht länger angewiesen auf arabisches oder venezolanisches Öl, ach, Sie sind dagegen? Sind Sie auch gegen eine hausgemachte Industrie, die für die kommenden dreißig Jahre Millionen und Abermillionen von Arbeitsplätzen in Aussicht stellt? Und gegen Steuerzuwächse in Billionenhöhe, gegen einen rasanten Anstieg des Bruttoinlandsprodukts von drei Prozent, gegen den dann unausweichlichen Aufschwung der Stahlindustrie?

„Unsere Gebete wurden erhört“, frohlockt im „Boston Globe“ der Rohstoffhändler Phil Flynn. Die Nation muss nun endlich zugreifen. Windräder und Solarzellen gäbe Flynn gern zur Entsorgung frei. Die nächsten hundert Jahre brauchte über Energie nicht mehr nachgedacht zu werden, sie wäre billig, in Überfülle vorhanden, immerzu bereit, den Motor Amerikas triumphal aufheulen zu lassen, genau wie in der guten alten Ölzeit.

## Von unamerikanischen Kräften bedroht

Mit einer frisch florierenden Wirtschaft, so die Erzählung der Fürsprecher des Fracking, und mit dem Vorsprung, den das Land nun bei der Erdgasförderung gegenüber dem Rest der Welt gewinnt, wäre aber auch seine globale Vormachtstellung wieder gesichert. Sein Niedergang, wenn es denn einen gab, wäre nicht bloß aufgehalten, er wäre umgekehrt worden. Ein solches Szenario ist mit Hinweisen auf die noch weithin unerforschten Gefahren für Umwelt und Gesundheit schwer zu entkräften.

„True Capitalism“, die Website, deren Name Programm ist, fährt schließlich das Geschütz auf, mit dem in Amerika alles wegzudonnern ist: „Sollte dem aufgeblähten Staat erlaubt werden, Farmern und Ranchern vorzuschreiben, was sie mit ihrem Eigentum machen und nicht machen dürfen?“ Freedom, die Freiheit, soll abermals von unamerikanischen Kräften bedroht werden. „Fracking = Death“ ist auf den Schildern der Umweltschützer zu lesen. Sie stehen auf verlorenem Posten, sobald „Fracking = Freedom“ sich einzuprägen beginnt.

Zwischen normalem Erdgas und Schiefergas gibt es große Unterschiede. So handelt es sich bei Schiefergas meist um reines Methan, während konventionelles Erdgas auch viele höhere Kohlenwasserstoffe enthalten kann. Methan brennt somit „sauberer“ als Erdgas - es entstehen lediglich Wasser und Kohlendioxid. Der wichtigste Unterschied zwischen den beiden natürlich vorkommenden Gasen ist aber die Art der Lagerstätten. Herkömmliches Erdgas ist meist in porösem Sandstein gespeichert. Von dort kann es nicht entweichen, weil diese Formationen von Schichten aus Ton oder anderem undurchdringlichen Material bedeckt sind. Bohrt man eine solche Lagerstätte an, strömt das Gas meist von selbst zum Bohrloch, von dem man es abpumpt.

Das Schiefergas ist dagegen in dichtem Schiefergestein gebunden. Will man es fördern, genügt es nicht, die gasführende Schicht anzubohren und es vom Ende des Bohrlochs aus abzupumpen. Man muss es aus dem festen Gestein herauslösen. Deshalb geht man unter Tage ziemlich rabiat vor. Zunächst werden an der tiefsten Stelle des Bohrlochs kleine Sprengladungen gezündet. Anschließend pumpt man unter hohem Druck von bis zu 1000 Bar ein Gemisch aus Wasser, Sand und einigen Chemikalien in das Bohrloch hinein. Dort, wo die Explosion den Fels zerrüttet hat, sprengt das Hochdruckwasser das Gestein auf, aus dem das Gas dann strömen kann. Der Sand soll verhindern, dass sich die entstehenden Klüfte wieder schließen. Die Chemikalien helfen, das Gas aus dem Schiefer herauszulösen. Um Umweltschäden zu vermeiden, muss das Bohrloch hermetisch gegenüber dem Gestein abgedichtet sein.

Dieses Fracking ist allerdings nicht unbedenklich. So ist der Wasserverbrauch extrem hoch. Um das Gestein unter Tage zu brechen, sind pro Bohrloch bis zu dreißig Millionen Liter Wasser notwendig. Obwohl die Schiefergaslagerstätten durchweg weit unterhalb des Grundwasserspiegels liegen, können sich die im hineingepressten Wasser enthaltenen Chemikalien mit dem Grundwasser mischen. Eine größere Gefahr geht aber vom Methan selbst aus. Sobald die gashaltige Schicht angebohrt ist, kann ein kleiner Teil entweichen, entlang des Bohrlochs in höhere Gesteinsschichten wandern und schließlich ins Grundwasser gelangen. Es sind Fälle bekannt, bei denen das Methan aus privaten Brunnen zusammen mit Trinkwasser gefördert wurde und sich dann am Wasserhahn im Waschbecken entzündet hat. (mli)

Quelle: F.A.Z.

## "Splendeurs et misères du libéralisme", de Michel Santi (L'Harmattan)

LE MONDE ECONOMIE | 14.01.2013 à 11h39 • Mis à jour le 14.01.2013 à 18h21 Par Adrien de Tricornot 65,108



Splendeurs et misères  
du libéralisme

L'Harmattan

Ecrit par un économiste érudit et ancien financier, qui conseille depuis 2005 les banques centrales du [Liban](#), du [Paraguay](#) ou d'[Indonésie](#), ce livre est "à ne pas rater" si l'on veut [comprendre](#) la crise que nous subissons, et surtout les moyens d'en [sortir](#).

Michel Santi démonte les mécanismes qui ont conduit à la crise de la zone euro, "superflue et parfaitement évitable" si la Banque centrale européenne (BCE) avait joué - ou pu [jouer](#) - son rôle de prêteur en dernier ressort des Etats attaqués par la spéculation sur leur dette. "En effet, explique l'auteur, les engagements des banques importantes étant nettement plus massifs que ceux des Etats, il aurait été moins coûteux (pour tout le monde) que la BCE soutienne précocement des Etats - auréolés de légitimité populaire - que tardivement des banques en mains privées." Et de [rappeler](#) la formule du général américain MacArthur, "les batailles perdues se résument en deux mots : trop tard".

Pour M. Santi, la séduction de la théorie monétariste - qui fait confiance à l'efficacité des marchés pour gérer l'économie et prône par conséquent la réduction du rôle de l'Etat - a fait [perdre](#) aux pouvoirs publics leur rôle protecteur en cas de crise.

De plus, la dérégulation des activités financières, justifiée par leur efficacité supposée, a permis de créer de nouveaux instruments sophistiqués échappant aux lois, si bien que, sur la [planète](#) finance, "la fraude n'est pas une anomalie : elle fait partie intégrante du système, elle en est un des éléments incontournables".

Son diagnostic est clair : l'Etat ne doit pas [craindre](#) de s'[endetter](#), si besoin auprès de sa banque centrale, tant que les ménages et les [entreprises](#) n'auront pas recommencé à dépenser, à [investir](#), à [embaucher](#) pour [enclencher](#) une reprise auto-entretenu de l'économie. De plus, ce redémarrage n'aura lieu qu'avec un assainissement et une véritable régulation du secteur financier, afin qu'il prête à l'économie réelle.

### LES EXCÉDENTS DES UNS SONT LES DÉFICITS DES AUTRES

Antilibéralisme ? Pas si sûr. En 1997, l'économiste américain [Milton Friedman](#) recommandait à la Banque du [Japon](#) de [racheter](#) de la dette publique quitte à [augmenter](#) sa masse monétaire et à [retrouver](#) un peu d'inflation. "Aujourd'hui, les prescriptions de Friedman pour remédier aux maux européens seraient identiques", juge M. Santi.

A l'inverse, le remède administré en [Europe](#) - rigueur, baisse du coût du travail - vise à [imiter](#) le succès allemand à l'export. Mais les excédents des uns sont les déficits des autres, et tous les pays européens ne peuvent en même temps [mener](#) cette [politique](#) qui mine la [consommation](#) en Europe...

L'Allemagne redoute la répétition de l'hyperinflation de 1923 ? En réalité, elle devrait plutôt s'[alarmer](#) au [souvenir](#) de 1931, où une conjugaison de crise bancaire et d'austérité a plongé le pays dans la déflation, un contexte économique et [social](#) sur le terreau duquel le nazisme a pu prospérer et [faire basculer](#) l'[Allemagne](#), l'Europe et le monde dans l'horreur.

Admirateur de l'économiste britannique Keynes, l'auteur plaide donc avec conviction pour une relance coordonnée des investissements publics et privés, pour la préservation de la protection sociale et la revalorisation du travail. Mais cette vision semble loin, encore, des esprits de nombre de responsables européens.

*Splendeurs et misères du libéralisme*, de [Michel Santi](#). L'Harmattan, 2012, 178 pages, 18 euros.

Adrien de Tricornot

Updated January 15, 2013 11:08 PM

## A New Line in the Sand Against Terror?

65,110

### Introduction



Romarc Hien/Agence France-Presse — Getty Images Islamic rebels have controlled northern Mali since March 2012. France is trying to stop the rebels from expanding into the south.

The arid northern African state of Mali once seemed like one of the continent's rare stable democracies. **But a coup, an influx of Libyan arms after the fall of Muammar el-Qaddafi, and an uprising by well-financed militants have led to Islamists controlling the north.** Even as they [face off](#) against French troops protecting the south, the stronghold raises the specter of a [new base of terror](#) just south of the Sahara.

With Islamist groups in Mali connecting with militants from Libya, Nigeria, Algeria and elsewhere, how can northern Africa avoid fostering terrorism and becoming the next Afghanistan?

### Debaters



#### [Parallels In More Ways Than One](#)

J. Peter Pham, Atlantic Council

France's allies, including the U.S., should carefully reflect on the objectives as they consider how they will respond to requests for assistance.

January 15, 2013

Analogies in international affairs are fraught with peril, but there is no denying the parallels between the situation in Afghanistan in the months and years leading up to 9/11 and recent developments in Mali.

Rebels in Mali — a loose coalition of Al Qaeda in the Islamic Maghreb, the Movement for Oneness and Jihad in West Africa and the local Islamist group Ansar Dine — seized control of three northern provinces, an area

roughly the size of Texas, after the March coup. Since then, the region has become a magnet for militants from across Africa and beyond, including Nigerian, Sudanese and Sahrawi fighters, drawn by the prospect of a safe haven where they can train and operate freely.

These extremists forcibly sidelined the largely secular Tuareg nationalists in the region and imposed a harsh religious totalitarianism reminiscent of the Taliban, banning alcohol, smoking, music and other “un-Islamic” behavior, instituting brutal punishment like floggings and amputations, and razing Sufi shrines and other monuments deemed idolatrous, including half a dozen World Heritage sites in Timbuktu.

France’s allies, including the U.S., should carefully reflect on the objectives as they consider how they will respond to requests for assistance.

To make matter worse, the Al Qaeda in the Islamic Maghreb leadership in the region spent much of the last decade engaging in criminal activities — kidnapping for ransom, protecting narco-traffickers and smuggling — from which they built up a significant war chest. That came in handy when the collapse of [Muammar Qaddafi's](#) regime flooded the black markets with weapons and newly unemployed fighters willing to use them.

And, as with Afghanistan and Pakistan, potential militants are being attracted to the area. Last month, [the F.B.I. arrested two U.S. citizens](#) from Alabama and charged them with conspiring to join up with the extremists in northern Mali.

Thus, at a certain level, France’s case for intervention presents a variant of the Bush doctrine of pre-emption. But it is sobering to consider that the parallel does not end there.

In wading into the fight against Al Qaeda and its cohorts in North Africa, French leaders have yet to articulate their objective.

Is it to prevent the extremists from expanding the area they control? If so, the intervention has failed, since the rebels, galvanized, have bypassed the French force and gone on the offensive in places they had previously not been active. They’ve even captured a town 200 miles from the Malian capital.

Is it to push back the Islamists and liberate the region they took over? If so, the number of troops France has said it will deploy, combined with the African force authorized by the United Nations Security Council (when and if it gets assembled), will still be less than what is needed for the task.

Is it to rebuild what is essentially a failed state in Mali? In that case, far more resources will be required, especially on the political and economic fronts, than anyone has thus far volunteered.

France’s allies, including the United States, should carefully reflect on these points as they consider how they will respond to requests for military assistance. As is the case with the original, in dealing with the African Afghanistan, a finely calibrated and carefully sequenced approach — to which all those with a stake in preventing the spread of violent extremism ought to contribute — is key to the viability and sustainability of any solution.



## No Refuge in the Desert

Mark Schroeder, Intelligence analyst

Unlike Afghanistan, with its mountains, Mali, and other areas of the Sahel, are easy to surveil and poorly suited for terrorist camps.

For a brief time Mali might have been a threat to become a base for terrorists, namely Al Qaeda in the Islamic Maghreb.

But unlike Afghanistan, with its mountainous terrain, Mali, and other areas of the arid Sahel, are easy to surveil and thus poorly suited to host terrorist training camps. With Western and African military forces converging on Mali, Al Qaeda in the Islamic Maghreb will struggle to survive.

Unlike Afghanistan, with its mountains, Mali, and other areas of the Sahel, are easy to surveil and poorly suited for terrorist camps.

The Malian army and government collapsed -- leading to a coup in March 2012 and paralysis the rest of the year -- because of the deep stresses they faced in battling a rebel insurgency. Were it an ordinary indigenous insurgency, the international community would have left it to Mali and perhaps its neighbors to manage. But when ethnic Tuareg militias joined forces with Al Qaeda in the Islamic Maghreb, and especially when the latter hijacked the rebellion and claimed authority in northern Mali, Malian forces proved incapable of responding to the breach of not only national security, but international security as well.

France is capturing the headlines for its intervention in Mali, with images of troops landing in Bamako and Rafale and Mirage fighters bombing militant positions in towns like Gao, Kidal and Timbuktu. France was instrumental in repelling a fresh advance by the jihadist fighters, who aimed to capture the whole of the country.

In the coming weeks, contingents from more than a dozen Western and African countries will arrive in Bamako to support the French and Malian forces. Once these multinational forces, intelligence and logistics elements are deployed behind French lines and establish secure and reliable lines of communication, they will then move into northern Mali to seize and hold territory that had been taken by Al Qaeda in the Islamic Maghreb.

The militants need sufficient stocks of not just ammunition but also water, food and fuel, none of which is abundant in northern Mali. Militants in Mali's north have historically gotten these supplies by smuggling them in along ancient trade routes that cross the Sahel region from countries like Mauritania, Algeria, Niger and Libya. However, each of those countries is hostile toward Al Qaeda in the Islamic Maghreb, especially right now, given the intervention and threat of potential spillover. France and others are pressuring government and security officials in those countries to interdict shipments bound for Al Qaeda forces. To make matters worse for the jihadists, the French are attacking known supply depots in northern Mali.

Local citizens will be affected, but the intervention forces will try to minimize the impact. And the jihadist groups have already affected the local population to a great degree, enforcing Shariah law among other harsh restrictions.

Though there are varying opinions on the nature of the threat in northern Mali, Russia, the West (including the United States) and Africa -- especially Mali's neighbors -- agree that Al Qaeda in the Islamic Maghreb cannot remain in Mali.



January 15, 2013

## France to the Rescue 65,113

By *FRANÇOIS HEISBOURG*, special adviser at the Fondation pour la Recherche Stratégique, a Paris-based think-tank.

PARIS — On Jan. 11, French military forces entered Mali, taking and inflicting casualties in a war as sudden as it is important.

Even at this early stage, broadly applicable lessons can be drawn from the conflict. Although the future course of the fighting is laden with risks, skillful diplomacy can turn it into a major opportunity in the struggle against international terrorism.

The French intervention was prompted by the combined offensive towards Bamako, the capital of Mali, of the three jihadi organizations which seized control of the northern half of the country last year. This unforeseen attack prompted the president of Mali to ask France for immediate help.

One lesson, as old as the history of war, but as often forgotten, is that one should not expect one's enemy to cooperate. The general assumption had been that the jihadis would not move until a Western-trained African force was ready to free northern Mali next fall.

Given the situation on the ground, only an instantaneous counterstrike could have prevented the jihadis from seizing the capital within days. Were Bamako to fall, Mali could form the basis of what some call "Sahelistan" — a safe haven for terrorist fighters akin to pre-9/11 Afghanistan, with a similar threat potential to both the region and to the West, notably Europe.

Although French forces garrisoned in West Africa did not possess the latest in combat aircraft, speed was deemed to be of the essence. High stakes entailed high risks. It was only later that state-of-the-art Rafale jets and Tiger helicopters started being sent to the theater of operations.

The French have blocked and smashed one of the jihadi columns, while the other arm of the jihadi pincer attack is being dealt with at the time of this writing.

Another consideration was the crucial importance of effective in-place forces and **the political decision-making** enabling their prompt release. **France is one of only a handful of countries which has that speed of reaction.**

This in turn confirms another lesson, drawn by Donald Rumsfeld (admittedly Europe's least favorite American politician) after 9/11: it is the mission that makes the coalition.

The cast of France's military supporters ranges from the Economic Community of West African States (Ecowas) to the United States, and many in between. **But NATO as such is absent — as is, for the time being, the European Union. The E.U. in particular has proven yet again that the words "speed and urgency" don't figure in its lexicon.**

Finally, the capability gaps that became evident in the war in Libya continue to bedevil the French — in-flight refueling and strategic reconnaissance (notably in terms of drones) are a big problem and U.S. help in these areas is always appreciated.

For the time being, the war poses few political problems. Domestic support in France is broad, and the French president is enjoying what I've called "springtime in Hollande."

Behind a world-weary façade, the French support their soldiers, revile terrorism and accept casualties if the mission is seen as just and achievable. The United Nations Security Council and the African Union have been supportive, as have all of France's allies.

But such popularity has a due date. **If operations drag on and casualties pile up to no obvious advantage, the mood will sour. In the case of Mali, several conditions have to be met simultaneously to avoid an Afghanistan-style outcome.**

First, the number of French soldiers must not increase beyond the 2,500 now being deployed in Mali, and their prime function should be to fight the jihadis, not to occupy territory.

Holding territory should be the responsibility of Mali and Ecowas troops from neighboring countries, supported by training and assistance from the West.

Second, the momentum of the current fighting should be sustained. Far from their logistical bases, the jihadi columns (with some 150 vehicles each) are being savaged. As Al Qaeda's affiliates and their jihadi allies try to head back to the Sahara, they should not be allowed to recover.

In other words, the remaining weeks of the dry season should involve risk-taking by ground forces and air operations in order to break the enemy in the north.

**That will entail some serious diplomatic footwork to ensure that this is seen as Africa's war, supported by France and others, rather than a remake of Afghanistan.**

Just as importantly, **Algeria's cooperation must be secured.** By accepting the overflight of its territory by French combat aircraft and closing its border with Mali, Algiers has displayed a new spirit in the international fight against cross-border terrorism.

If confirmed, this shift could be critical, as the retreating jihadis get caught between the hammer of French and African intervention and the anvil of Algeria's combat helicopters and desert fighters. However, such a stance will come with a price for French diplomacy, with its policy of choosing Morocco in its perennial standoff with Algeria.

**President François Hollande, as commander-in-chief, has proven that he can act decisively. Now comes a severe test of political and diplomatic skill.**

January 15, 2013

## Nationalists or Islamists? 65,114

OP-ED By PETER RUTLAND is a professor of government at Wesleyan University. He blogs about nationalism at [www.nationalismwatch.com](http://www.nationalismwatch.com).

WESTERN powers were taken by surprise by the sudden emergence of an Islamist regime in northern Mali, and are scrambling to understand what has transpired there. Increasingly, the narrative is one of militant Islam. But the core of the conflict is the nationalist secession movement of the Tuareg people — one that in recent months has been hijacked by Islamist radicals.

In the Cold War, the West had a hard time separating out communism from nationalism. That failure led to a string of disastrous interventions, from Cuba to Vietnam. It was easier to see leaders such as Fidel Castro and Ho Chi Minh as tools of Moscow than try to deal with their legitimate nationalist demands.

The same mistake is now being made in the “war on terror.” For many years the international community largely ignored the demands for self-determination by the Tuaregs who inhabit the northern half of Mali, known as Azawad. The Tuaregs are nomadic pastoralists who number about 1.5 million and speak Tamashek, one of the Berber languages. They are ethnically distinct from Arabs, who make up the nations to the north, and the Africans who inhabit southern Mali and control the national government.

Across Africa and the Middle East, Western powers supported the post-colonial state with economic and military aid, which more often than not was used to crush self-determination movements by ethnic minorities. Some of these were well-known, such as the Kurds; others were more or less invisible to Western eyes, such as the Berbers and Tuaregs in North Africa.

Mali achieved independence from France in 1960, and the first Tuareg uprising broke out in 1962. A second rebellion in 1990 resulted in the 1991 Tamanrasset Accords promising the Tuaregs self-government, which were abandoned by the Malian authorities. After 2001 the United States stepped up its military aid to the Malian government in the name of the war on terror, though this assistance could have been just as easily used to crush Tuareg rebels as against Islamist radicals.

The third Tuareg rebellion, which broke out in 2006, was complicated by the rise of Al Qaeda in the Islamic Magreb (AQIM), meaning that there was now a three-way struggle among Islamists, Tuareg nationalists and the Malian state.

At first the Tuaregs and Malians formed an alliance against the Islamists, but in 2011 the Tuaregs switched sides and aligned with the Islamists. A new Islamist movement emerged, [Ansar Dine](#), led by Iyad Ag Ghali, who had been one of the leaders of the 1990 and 2006 Tuareg revolts.

October 2011 saw an influx of Tuareg fighters and Islamist radicals from Libya following the defeat of the Qaddafi regime. A new unified National Movement for the Liberation of Azawad (MNLA) was formed, and it started an all-out war against the Malian government in January 2012.

After a string of military victories, they achieved in a few weeks the goal that had eluded them for decades — the expulsion of the Malian Army from northern Mali. The humiliation of the Malian armed forces led to a coup in March that brought down the democratically elected president, Amadou Toumani Touré. The independence of Azawad was declared on April 6, 2012.

However, Ansar Dine and some smaller jihadist groups turned on the MNLA — a contest in which they had the advantage of economic and military support from the transnational Islamist network. They imposed harsh Shariah rule on the towns under their control, causing at least 400,000 residents to flee.

It was their continued advance south — to spread Islamist rule, not to secure independence for the Tuaregs — that triggered French military action this past weekend after months of efforts by the African Union had failed to organize a military intervention to deal with the problem.

The position of the U.S. government (and the African Union) is still to ignore the Tuareg independence movement and instead call for democracy and reconciliation within a unified Mali. This despite the fact that previous attempts to form power-sharing governments repeatedly broke down due to failure to protect the rights of the Tuaregs.

At this stage, however, it might be too late for the Western forces that are entering the fray to distinguish and win over the moderate nationalists within the Tuareg ranks.



## Hollande songe à diminuer le nombre de députés

65,118

Le Monde.fr | 16.01.2013 à 11h52 • Mis à jour le 16.01.2013 à 12h09 Par Patrick Roger



En présentant ses vœux, mercredi 16 janvier, aux bureaux des assemblées parlementaires, [François Hollande](#) devrait notamment préciser ses intentions de [réforme](#) sur le cumul des mandats, mais pas sur le scrutin législatif. Ce dernier est pourtant le point central du vaste chantier de modification des régimes électoraux que le président a engagé après [avoir](#) reçu, le 9 novembre 2012, le rapport de la Commission de rénovation et de déontologie de la vie publique, présidée par Lionel Jospin, puis après [avoir](#) consulté les responsables des formations politiques.

Pourquoi le chef de l'Etat n'entend-il pas dès à présent dévoiler la règle qui devrait être appliquée pour l'élection des députés ? Parce que, selon nos informations, recueillies de sources concordantes, sa réflexion ne se limiterait pas à la seule introduction d'une dose de proportionnelle. M. Hollande songe en effet à [accoler](#) à cette réforme du scrutin législatif une diminution du nombre de députés. « *Il est au taquet sur cette idée* », confie un de ses proches.

### DES PARTISANS AU-DELÀ, COMME M. BAYROU

Dès lors, cette double proposition – [mode](#) de scrutin et réduction du nombre de députés – pourrait être une des questions posées dans le cadre d'un référendum sur les institutions. Le moment n'est pas venu, toutefois, de [lancer](#) une consultation de cette nature. La priorité actuelle de M. Hollande se porte sur le front économique et [social](#), sans [parler](#) du conflit au [Mali](#) et du dossier "[mariage pour tous](#)". Pas question de s'[aventurer](#), dans l'immédiat, sur le terrain risqué d'une consultation populaire dont le message serait brouillé. "*C'est dans l'horizon, mais ce n'est pas dans les priorités*", admet une source gouvernementale.

Diminuer le nombre de députés tout en introduisant une dose de proportionnelle s'inscrit dans une perspective globale visant à [renforcer](#) le rôle du législatif et à [garantir](#) l'expression du pluralisme. Il n'a pas échappé à M.Hollande, au cours de ses consultations avec les responsables politiques, que cette proposition trouvait des partisans bien au-delà de sa majorité, comme [François Bayrou](#), du [MoDem](#).

[http://www.telegraph.co.uk/finance/comment/ambroseevans\\_pritchard/9798790/Mario-Draghi-has-saved-the-rich-now-he-must-save-the-poor.html](http://www.telegraph.co.uk/finance/comment/ambroseevans_pritchard/9798790/Mario-Draghi-has-saved-the-rich-now-he-must-save-the-poor.html)

## Mario Draghi has saved the rich, now he must save the poor 65,119

The European Central Bank has washed its hands of any further responsibility for the 27m people across the eurozone listed as unemployed or classified as discouraged workers.



ECB President Mario Draghi unveils the new €5 note on Thursday

By [Ambrose Evans-Pritchard](#)

6:57PM GMT 13 Jan 2013  [262 Comments](#)

The Governing Council has concluded that nothing more can usefully be done to lift the region out of double-dip recession, a relapse that it failed to foresee and to a great extent caused by allowing all key measures of the money supply to contract in early-to-mid 2012.

It will not take fresh action to offset fiscal tightening this year of 2.3pc of GDP in Spain, 2pc in France, or 1.2pc in Italy -- not to mention draconian retrenchment in the three indentured states of Greece, Portugal, and Ireland -- or take action to cushion the shock of deep reforms.

Japan's premier Shinzo Abe has more or less ordered his central bank to both reflate and target jobs creation. The US Federal Reserve stands ready to inject stimulus until America's jobless rate falls to 6.5pc. Yet the ECB professes itself helpless in the face of 11.8pc unemployment, a post-EMU record and rising each month.

**The ECB's Mario Draghi said there is "not much" that monetary policy can do to fight structural unemployment. If it really was "structural", his plea might convince. It is not.**

Ireland has one of the world's most flexible labour markets yet its jobless rate has risen from 4.6pc to 14.6pc, and that includes the safety valve of massive job flight to the UK, US, and Australia.

Spain's rate has jumped from 7.8pc to 26.6pc in four years, or 55.8pc for youth. This has occurred very fast precisely because it is easy to sack Spanish workers on short-term contracts.

The [European Commission's 400-page report last week](#) on the jobless crisis quietly demolishes the claim that labour rigidities are the elemental cause of the social tornado sweeping across Club Med and parts of Eastern Europe.

It dutifully lists the sorts of things that can be done to help: Nordic flexi-security, or a lower "tax wedge" on labour.

But then goes on to finger a "demand shock" as the real culprit. All else is "less relevant". **The report subverts the central claim of Europe's austerity mandarins that labour reform will somehow, magically, deliver recovery before the democracies of these countries take matters into their own hands.**

Note the latest surge of the eurosceptic Izquierda Unida to 15.6pc in the Spanish opinion polls, nearing a 'sorpasso' of the Socialists at 23pc. The Left speaks at last.

We learn that Greece's unemployment has just reached 26.8pc. The headline rate for Italy is a deceptively low 11.1pc, but as you can see from this chart in the Commission's report, a further 12pc are discouraged workers who have dropped out of the data. Italy's combined rate is around 23pc.

The share of those out of work for a year or more -- two million in Spain alone -- has jumped from 33pc to 43pc, and is expected to rise further.

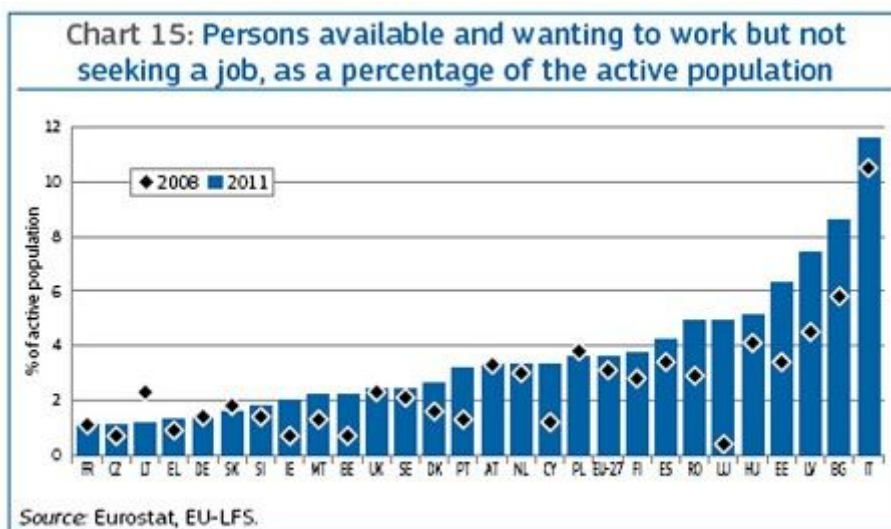
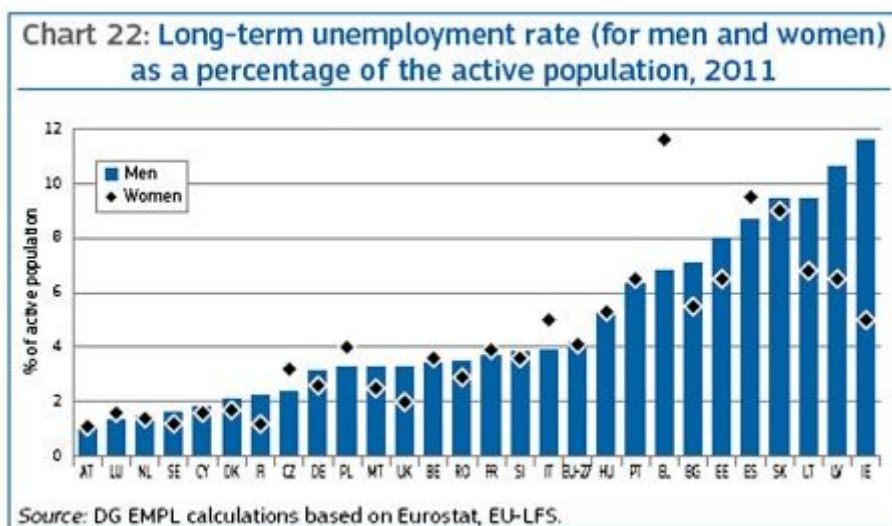
A fifth have never had a job in their lives. The longer this goes on, the more hopeless it becomes. Notice how badly Ireland scores in this chart. That surprised me.

The report warned that "new divide" is emerging between the EMU core and those countries "that seem trapped in a downward spiral of falling output, fast rising unemployment and eroding disposable incomes. The waiving of austerity policies raise important questions about the viability of Europe's welfare states," it said. Indeed.

The Economist Poll of forecasters expects the eurozone to contract 0.2pc this year, with scant growth in 2014.

By then millions of people will have fallen into an "enormous poverty trap," to borrow the words of EU jobs chief Laszlo Andor.

It is why Gustav Horn -- head of Germany's IMK Institute and one of the country's five 'Wise Men' -- called for an end to the contractionary torture last week. "It's a



vicious circle. Excess austerity is not reducing debt, it is causing debt to rise," he said.

Dr Horn has concluded that the only viable way to close the gap is for Germany to tolerate an inflationary boom with 4pc wage growth for a while. He is right.

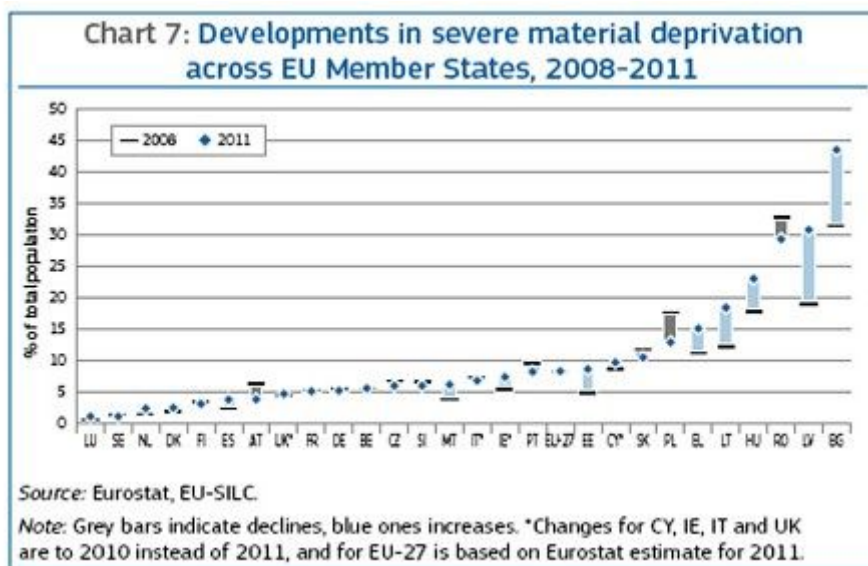
By any measure half of Europe is now in a great depression, less acute than it was for the same bloc of states in the early 1930s (America is another story) but more protracted and ultimately deeper.

Those who have the time should [take a look at the Commission's report](#), packed with fascinating charts.



You will see that very large numbers of people in Baltics, Slovakia, and the Balkans are in dire distress, the human sacrifice of ruling elites determined to defend EMU membership or euro currency pegs at all costs.

"Severe material deprivation" has surged to 31pc in Latvia and 44pc in Bulgaria. The great majority of those in their fifties in Latvia, Lithuania, and Estonia who lost their jobs in the crisis have not found work again and have little chance of doing so ever again, at least in their own countries. They are the forgotten residue.



Latvia's 12.5pc jobless rate does not begin to tell the story. Another 7pc have dropped off the rolls. Some 10pc of the population has left the country.

Reveroty is underway but ouput is still 12pc below the peak. Would it have been better to let Latvia's currency devalue and spread the pain more evenly, as the IMF privately advised? We will never know. But those selling Latvia as an austerity success story pass lightly over the cost.

Former ECB governor Athanasios Orphanides -- a world expert on

deflation --has broken loose, rebuking his ex-colleagues for standing "idly by" as Europe's socio-economic disaster unfolds.

"We are in the middle of a policy-induced recession and monetary policy can do more to contain it, without compromising price stability," he said.

Jacques Cailloux from Nomura says money is still ferociously tight for a string of countries. Their sovereign bond yields have fallen far, but not far enough to keep pace with GDP contraction.

Nor have the gains fed through to the economy. Italian and Spanish companies still pay twice as much to borrow as German rivals. The North-South gap is becoming hard-wired into the system.

He calculates that a string of states need drastic rate cuts this year under the classic 'Taylor Rule' or shortfall in potential output: 150 basis points for France, 230 for Holland, 240 for Ireland, 330 for Portugal, 350 for Spain, and 400 for Italy. For Greece, theoretically 1100, "no amount of easing would appear sufficient.

You cannot cut below zero. That is why you do quantitative easing, a crude proxy. The victim states need dollops to survive. But the ECB is betting instead that a fresh cycle of global growth and "positive contagion" from surging asset prices will lift Europe off the reefs later this year.

History may judge this to be a tragic policy error.

I do not wish to criticise Mr Draghi harshly. He has played a weak hand with great skill, true to his Jesuit training. By securing German assent for his plan to backstop the Spanish and Italian bond markets, he has for now defused the financial crisis. It comes very late, and in the wrong way, but that is not his fault.

Yet, it is worth remembering how we got here, and what this rescue implies.

Berlin was cocksure this time a year ago that it had mastered the crisis, so much so that Wolfgang Schauble and others seemed think it was safe to kick Greece into the Aegean as a salutary example.

The Germans were shaken out of their complacency only when the Spanish banking system went into melt-down in July 2012, and Latin bloc leaders finally rebelled and threatened to wield their Council voting power.

Some like to claim that the "Draghi Put" vindicates EMU crisis strategy. It does no such thing. The Nordic creditor states were forced to allow drastic measures because all else had failed.

I might add that ECB bond purchases amount to fiscal union by stealth, outside democratic control.

Chancellor Angela Merkel has mutualized EMU debt without telling German taxpayers. This may be necessary if the goal is to save the euro -- not a goal of any moral content -- but it is hardly a healthy state of affairs. The Bundesbank's Jens Weidman is right to warn that it will come back to haunt.

That is a story for another day. The horror before our eyes right now is social ruin. Europe's crisis strategy is to break the back of labour resistance to pay cuts by driving unemployment through the roof. That is what 'internal devaluations' are. It stinks. And the ECB is adding to the cruelty by keeping money too tight.

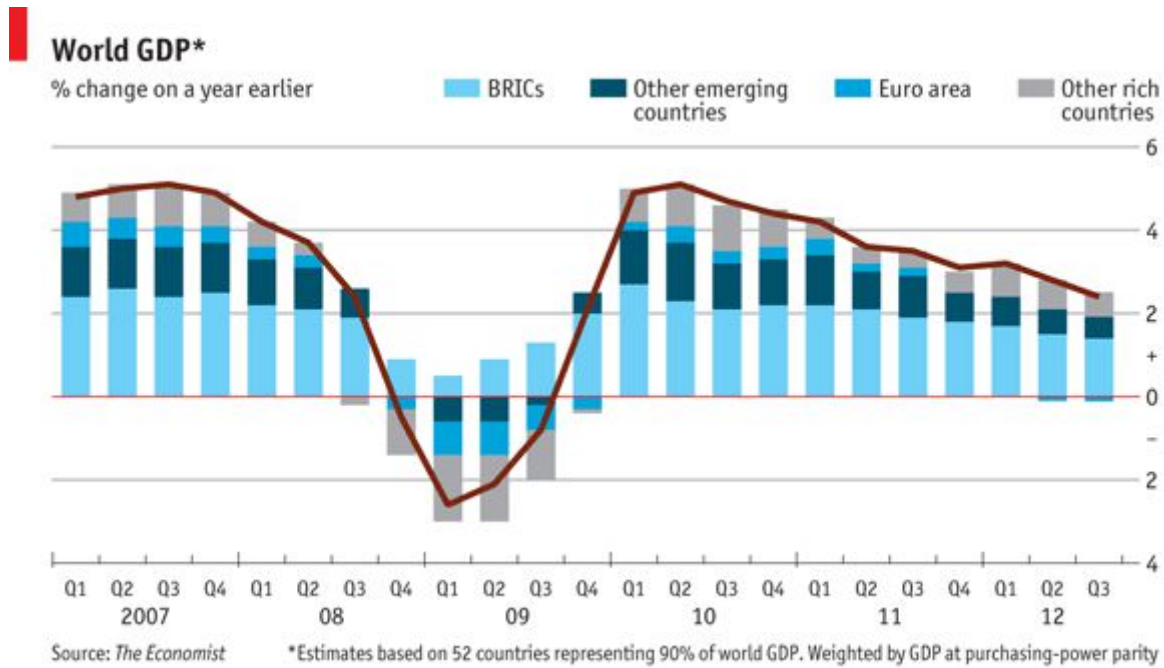
Mr Draghi deserves his accolades, but his job is not yet done. He has saved the rich. Now he must save the poor. Coraggio.

Focus

# World GDP 65,123

Jan 15th 2013, 20:20 by Economist.com

THE world's growth continued to slow in the third quarter of last year, according to *The Economist's* measure of global GDP, based on 52 countries. Global growth fell by 0.4 percentage points from the previous quarter to 2.4%, its lowest level since the end of 2009. Emerging economies accounted for four-fifths of global GDP growth. Developed countries, weighed down by a slow recovery in America and the ongoing euro crisis, contributed little. The coming year is expected to be much the same. The three economies forecast to contract the most in 2013 are all euro members (Greece, Portugal and Spain), while the fastest growers (Macau, Mongolia and Libya) are all emerging economies. See more on 2013 forecasts [here](#).



## L'immobilier français serait le plus surévalué au monde

Par [Jean-Bernard Litzler](#) Mis à jour le 16/01/2013 à 12:32 | publié le 16/01/2013 à 10:54 [Réactions](#) (60)



Les tarifs français sont surcotés de 50% pour les loyers et de 35% pour les prix. Crédits photo : Ron/www.jupiterimages.com

**Selon une étude internationale du magazine *The Economist*, l'immobilier français est l'un des plus surcotés au monde tandis que les prix en Allemagne sont les plus sous-évalués d'Europe.**

[La légère baisse des prix](#) amorcée ces derniers mois n'y a rien changé, l'immobilier français serait parmi les plus surévalués au monde selon une étude récente du magazine [The Economist](#). Il y a quelques mois encore, la France était le deuxième pays européen le plus surcoté (derrière la Belgique), elle est aujourd'hui le numéro un en Europe pour la surévaluation des loyers par rapport au prix de vente (seuls le Canada, Hongkong et Singapour sont devant) et le numéro un mondial pour la surévaluation des prix par rapport au revenu des ménages (devant le Canada, les Pays-Bas et l'Australie).

### [L'Allemagne, «l'exception européenne»](#)

Selon l'étude, les tarifs français sont surcotés de 50% pour les loyers et de 35% pour les prix. Elle relève au passage que malgré le [dévissage des prix espagnols](#) (près de 10% après une baisse de 5,5% l'année précédente), le marché ibère reste trop cher de 20%. Il y aurait donc peu de chance d'un retour rapide à la normale en France puisque «la chute des prix en France devrait vraisemblablement être modeste comparée à celle d'Espagne».

Mais plus encore que la France, *The Economist* distingue l'Allemagne comme «l'exception européenne». Avec une hausse des prix modérée de 2,7%, la même que celle de l'année précédente, le magazine souligne que «les propriétaires allemands ont de bonnes chances de continuer à enregistrer des plus-values», d'autant que les taux d'intérêt et de chômage sont particulièrement bas. Au total, les loyers outre-Rhin, tout comme les prix seraient sous-évalués de 17%.

Global house prices 65,125

## Home truths

Our latest round-up shows that many housing markets are still in the dumps

Jan 12th 2013 | [From the print edition](#)



THE house-price boom that preceded the financial crisis was remarkable for its scope and scale. With a very few exceptions, there seemed only one way for prices to go: up. Things have been more diverse since, and our latest review of house prices is a picture with dramatic *chiaroscuro*. A brightening outlook for America stands out against the darkening tones of the beleaguered economies on the periphery of the euro area.

In the countries we track, house prices are rising and falling in equal numbers. Over the past year prices have jumped most in Hong Kong (see table), prompting further government efforts to cool the market. They have dropped by 9.3% in Spain, the heaviest faller. The overall trend is down, however, since in three of the countries where prices are rising they are doing so at a slower pace than a year ago—in Canada, for example, they are up by 3.3% compared with 7.1% 12 months ago.

A similar diversity characterises valuations. To gauge whether homes are cheap or expensive we use two measures, both of which compare current estimates with a long-run average (in most countries, going back to 1975). This average is our benchmark for “fair value”.

The first gauge is a price-to-rents ratio. This is analogous to the price-earnings ratio used for equities, with the rents going to property investors (or saved by homeowners) equivalent to corporate profits. The measure displays a massive range, from a whopping 78% overvaluation in Canada to an undervaluation of 37% in Japan. The other measure, the ratio of prices to disposable income per person, stretches from a 35% overvaluation in France to a 36% undervaluation, again in Japan.

America’s housing-market revival looks sustainable in part because the sharp correction in house prices over the past few years has made homes cheap by historical standards. A year ago house prices were still falling, by 3.6%. There has been a turnaround since: the latest data show prices rising by 4.3%. But based on the ratio of prices to rents, houses are still 7% undervalued; judged by the price-to-income ratio, they are 20% below fair value. It also helps that mortgage rates are at historic lows and are likely to stay that way, since the Federal Reserve has promised to keep an extremely loose monetary stance for the next couple of years.

## The Economist house-price indicators

	Latest, % change		Under(-)/over(+) valued, against*:	
	on a year earlier	since Q4 2007	Rents	Income†
Hong Kong	21.8	86.8	69	na
Austria	10.1	23.3	-13	na
South Africa	5.0	12.2	-5	10
United States	4.3	-20.5	-7	-20
Switzerland	3.6	21.6	nil	-8
Canada	3.3	20.0	78	34
Singapore	2.8	24.1	57	na
Germany	2.7	8.8	-17	-17
Australia	0.3	10.4	45	23
China	-0.5	16.7	7	-35
Britain	-0.9	-11.2	21	12
France	-1.3	2.7	50	35
Sweden	-2.6	8.1	31	18
Japan	-2.6	-14.2	-37	-36
Italy	-4.0	-11.3	-1	12
Ireland	-5.7	-49.4	-1	-5
Netherlands	-6.8	-13.5	17	33
Spain	-9.3	-24.3	19	21

Sources: BIS; Haver Analytics; Hong Kong RV; Nationwide; OECD; Teranet and National Bank; Thomson Reuters; *The Economist*

\*Relative to long-run average  
†Disposable income per person

Homeowners may be coming up for air in America, but their plight is deepening across much of Europe. The agony is most acute in Spain, where declines have gathered momentum (the 9.3% fall in our latest round-up follows a drop of 5.5% the previous year). Other big euro-zone economies are also heading in the wrong direction. In Italy and the Netherlands the pace of decline has quickened; in France prices are now edging down after a brief recovery.

European valuations are most stretched in France, by as much as 50% judging by rents and by 35% on the basis of incomes. This compares with around 20% overvaluation on both counts in Spain, despite the price falls to date. But any house-price collapse in France is likely to be modest compared with Spain's. Spain's bust reflects a massive oversupply of housing built in the construction boom, and an unemployment rate that rose to 26.6% in November, the highest in Europe. France's unemployment rate has edged up to 10.5% but that is in a different league to Spain's; its banks are in better shape than Spanish ones, too.

The anomaly among Europe's big economies is Germany, where house prices are rising by a restrained 2.7%, the same pace as a year earlier. Thanks to their good fortune in missing the housing party before the financial crisis, German homeowners have a decent chance of making further gains. Homes there are 17% undervalued compared with historical averages on both our measures. German purchasers can benefit from rock-bottom borrowing costs, unlike their counterparts in peripheral Europe. One of the lowest rates of unemployment (5.4%) in Europe further underpins the housing market.

British house prices have posted only modest overall declines over the past five years (although rising rents and incomes have also helped bring things closer to fair value). But the British market may do rather better than still-stretched valuations suggest. For one thing, it does not suffer from the glut of empty homes that has created ghost towns in Ireland and Spain. And according to the Bank of England's latest credit-conditions survey lenders are more willing to make mortgage finance available than at any time since the financial crisis. The number of mortgage approvals for new purchases is at its highest for almost a year.

Overvaluation is especially marked in Canada, particularly with respect to rents (78%) but also in relation to income (34%). Mark Carney, the country's central-bank governor, who is soon to jump ship to join the Bank of England, where he takes over from Sir Mervyn King in July, may have shown good market timing with his move to London as well as a deft hand in negotiating his lavish remuneration. Singapore and Hong Kong also look vulnerable to a correction, given the overvaluation on their price-to-rents ratios.

Misalignments with our gauges of fair value can persist for a long time, of course. That may spare countries where house prices have clearly overshot from a painful bust, but it may also mean that some markets end up mimicking Japan's long descent and badly undershoot. At some point, central banks will have to take away the balm of easy money. If housing markets remain so fragile when they are getting so much help, they may break when it is removed.



*Afrika*

## Frankreichs Interessen in Mali

Deutsche Welle 16. Januar

65,128

Frankreich greift in Mali ein, um den Vormarsch islamistischer Rebellen zu stoppen - auf Wunsch der Regierung in Bamako und mit dem Segen der UN. Doch Kritiker vermuten, Paris verfolge neokolonialistische Ziele.

Wie lange das militärische Engagement Frankreichs in Mali dauern wird, ist völlig unklar. Um zu verhindern, dass radikal-islamische Bewegungen weiter vordringen, muss die Region langfristig stabilisiert werden. Die Gesellschaft für bedrohte Völker (GfbV) fordert deshalb, einen realistischen Plan dafür vorzulegen. "Denn die Islamisten werden ihre alte Taktik anwenden und sich schnell zurückziehen, um sich im Schutz von Bergmassiven und Höhlen neu zu formieren", sagt GfbV-Afrikareferent Ulrich Delius.



Frankreichs Präsident Hollande: neokoloniale Ziele?

Offiziell stehen für Frankreich sicherheitspolitische Interessen im Vordergrund. Die französische Regierung begründet den Eingriff damit, dass sie frühzeitig verhindern will, dass die Rebellen in Westafrika zur Gefahr für Europa werden. "Frankreich fürchtet, dass Mali zu einem Rückzugs- und Ausbildungsraum für islamistische Terroristen wird, falls dort ein islamistischer Staat entsteht", sagt Katrin Sold von der Deutschen Gesellschaft für Auswärtige Politik (DGAP).

Außerdem sieht sich die ehemalige Kolonialmacht Frankreich offenbar dem Risiko ausgesetzt, Ziel terroristischer Anschläge zu werden. Seit 2010 halten beispielsweise radikale Islamisten vier französische Mitarbeiter des Energiekonzerns Areva in Mali gefangen. Und das Terrornetzwerk Al Kaida droht nun mit weiteren Entführungen und Anschlägen in Frankreich und auf die etwa 5000 französischen Staatsbürger in Mali.





Uranmine in Niger: Nachschub für französische Atomreaktoren?

## Erdöl und Uran

Es geht aber nicht nur um mögliche Terrorgefahren. "Langfristig hat Frankreich ein Interesse daran, Bodenschätze in der Sahelzone zu fördern, insbesondere Erdöl und Uran, das der französische Atomkonzern Areva im Nachbarland Niger bereits seit Jahrzehnten gewinnt", sagt Katrin Sold. Bis jedoch die Vorkommen in Mali erschlossen sind, wird viel Zeit vergehen - bei der gegenwärtigen Intervention stehen sicherheitspolitische Überlegungen darum im Vordergrund, so die Politikwissenschaftlerin zur Deutschen Welle. Ulrich Delius erinnert an Frankreichs Angriff auf Libyen vor knapp zwei Jahren: "In Sachen Libyen hatten natürlich viele Länder ein Interesse. Vor allen Dingen am Öl. In Sachen Mali ist es anders", sagt der Afrikaexperte: Hier verfolge in erster Linie Paris konkrete strategische Ziele.



Katrin Sold, Deutsche Gesellschaft für Auswärtige Politik (DGAP)

Das Engagement in Mali ist für Frankreich eine Gratwanderung: Auf der einen Seite stehen die sicherheitspolitischen und auch wirtschaftlichen Interessen, auf der anderen besteht die Gefahr, als neokolonialistisch dazustehen. Immerhin: Bei diesem Einsatz hält sich Frankreich an ein im Dezember 2012 verabschiedetes UN-Mandat. Und: "Es gibt ein Verteidigungsabkommen zwischen Frankreich und Mali, das für genau solche Fälle geschrieben wurde", betont Alexander Stroh, wissenschaftlicher Mitarbeiter am German Institute of Global and Area Studies (GIGA). Frankreich erfüllt also eine Bitte der Regierung von Mali, um die Rebellen auf ihrem Marsch Richtung Hauptstadt zu stoppen.

## Innenpolitische Widersprüche



Alexander Stroh, German Institute of Global and Area Studies (GIGA)

Frankreichs Präsident François Hollande muss außerdem die Innenpolitik im Blick behalten: Im Wahlkampf hatte er den Truppenabzug aus Afghanistan angekündigt und daraufhin Soldaten nach Hause geholt. Nachdem er nun den Militäreinsatz in Mali angeordnet hat, könnte seine Glaubwürdigkeit leiden. Aber auch die schwierige Haushaltssituation des Landes reduziert seine Handlungsmöglichkeiten. Wenn der Präsident sein wirtschaftliches Konsolidierungsprogramm umsetzen möchte, ist sein Spielraum für kostenintensive außenpolitische Entscheidungen gering.

Frankreich wird in Mali keinen Alleingang wagen und dringt darauf, die Intervention multilateral einzubetten und afrikanische Truppen an die Front zu schicken. Der UN-Sicherheitsrat hat den Einsatz bereits befürwortet. Die Europäische Union hat versprochen, die malischen Regierungstruppen auszubilden - auch das ist ein wichtiger Punkt für Paris, denn das bedeutet eine europäische Aufgabenteilung und Rückendeckung aus Brüssel.

## The Europeans aren't fit for purpose

16 January 2013

[Süddeutsche Zeitung](#) Munich [Martin Winter](#)



[Tom Janssen](#)

**France's war in Mali is a fight for all of Europe that France is fighting alone, writes the Brussels correspondent of the SZ. Brushing Paris off with a few aircraft isn't just shirking on the part of its European Union partners, it's a fatal blow to a common European defence.**

If the situation in Mali were merely just about Mali, French soldiers would hardly have been sent to [fight against Islamist militias](#). The interests of the former colonial power in Africa aren't great enough for France to take that risk. France has intervened because the problem state in the Sahel threatens to blow up into a serious threat to Europe. And it has gone in alone, it is because the other Europeans have shirked the responsibility. That says a lot about the state of the common European security and defence policy. And none of it is good.

If Paris gets nothing more from its European partners than some fraternal backslapping and a few transport aircraft, then something is going wrong in the European Union. To block the take-over of Mali by Islamists and terrorists is truly in the European interest.

Europe has known of the danger for more than a year. In the hands of Al-Qaeda in the Magreb and their like-minded friends, Mali would turn into an [Afghanistan](#) on Europe's doorstep: **a starting point, training camp and rest area for international terrorism.**

### *Lack of support*

This EU has certainly recognised this risk, but has been unable to agree on a comprehensive response. A small training mission for the Malian army was the most they could come up with: Europe's joint will wasn't capable of any more. There was no precautionary planning for a response to a military emergency, which is what the French are now reacting to.

The news that the training mission is now to be sped up verges on the comical. On the one hand, the problem won't be fixed by the other Europeans looking on with folded arms as the French step up to the line for their common interests.

And on the other hand, the Malian soldiers can hardly have time for European trainers while in the centre and north of the country they're bogged down in fighting the militants. Developments have overtaken the European plans.

## *Serious about EU security policy?*

Today, rather, the EU must answer the question whether they are truly serious about a [common security policy](#). That would mean not leaving France on its own militarily here and now. Former French Foreign Minister Hubert Védrine recently gave a damning verdict on the common security and defence policy that the EU has been working on for the last two decades. **If the leaders of the EU countries cannot agree quickly on reliable principles for their cooperation, then the European claim to be a world power is finished.** Védrine could probably not have imagined that Europe would be so quickly put to the test and that the decisive test would be in the Sahel.

There is strong evidence that Europe is failing that test, because the foreign and security policy interests of the EU member states are still too far apart. Just to take the example of Mali, all the Europeans agree about the danger – but not about how to deal with it. Nor about the fact that in such situations you have to prepare for anything, even war. European security policy suffers from disunity, lack of capability, and lack of will. Those will not fade away so quickly.

Nonetheless, the other Europeans must now help Paris militarily. It is a question of solidarity, but there is also a long-term reason: those who want to keep the door open for a true European security policy must not run the risk that Paris will have to call NATO if it cannot go any further militarily. That would be the ultimate proof that the Europeans simply aren't up to the job.

## **Paris alone in Malian battle**

When he launched the military operation in Mali, French President François Hollande was probably expecting, as was the case with Libya, that his European partners would offer a helping hand. However, five days after the start of the war, [this has not proved to be the case](#). “Wherever they look in Europe, French diplomats and France’s general staff are likely to find only good excuses,” [writes \*Le Figaro\*](#). “Germany, the most recent European power to increase its military budget, cannot commit soldiers or armoured vehicles without a vote in the Bundestag — a scenario of which Angela Merkel will be wary in an election year,” even though she has voiced her “support” for Hollande.

In Berlin, [Die Tagesspiegel is critical](#) of Germany’s attitude —

Germany would like the French – and the Germans themselves – to believe that it will stand by its closest European ally. However, it has ruled out deploying combat troops and is satisfied to provide only logistical support. If, instead of fluttering about, Hollande took this affront seriously, the Franco-German axis would be severely tested. Today everyone, with the exception of the jihadi groups, is putting on a front.

As for the other European partners, not much can be expected of them, remarks *Le Figaro* —

Italy, which is in the throes of an election campaign, and Spain, which has been worn out by the crisis, have shown no enthusiasm. In the north, seasoned NATO contributors the Netherlands and Denmark have very little interest in Africa. In the east, Poland has pointed out that it still has commitments in Afghanistan...

Neither [the debate launched on Tuesday](#) in the European parliament, or the meeting of the EU’s 27 foreign ministers scheduled for Thursday will change this situation. At best, it will be a chance for diplomatic leaders to take stock of the disappointing outcome of the [“Initiative for the Sahel”](#), which was designed to reinforce countries like Mali and launched with a great deal of fuss in March 2011. Although Brussels did allocate funding, the military-security component of the strategy never followed.

The absence of reinforcement from the EU will complicate general staff calculations for the “second phase”, in the wake of several days of airstrikes which have succeeded in halting the jihadi advance.

## L'Allemagne va rapatrier tout son or entreposé à Paris

65,132

Par Jean-Pierre Robin | Publié le 16/01/2013 à 16:47 | Mise à jour le 16/01/2013 à 18:04 | [Réactions \(44\)](#)



L'Allemagne est aujourd'hui l'État qui détient le plus d'or, derrière les États-Unis. Crédit Photo : FRANK RUMPENHORST/AFP

Les 374 tonnes d'or déposées par la Bundesbank dans les caves de la Banque de France vont être transférées en Allemagne. L'opération prendra cinq ans, pour des raisons de sécurité.

C'est un dernier vestige de la guerre froide qui disparaît: la [Bundesbank](#) va rapatrier une grande partie de ses gigantesques réserves de métal jaune qu'elle entreposait à Paris, à Londres et à New York. L'annonce officielle en a été faite ce mercredi à Francfort au siège de la banque centrale allemande.

Alors que l'[Allemagne](#) est aujourd'hui l'État qui détient le plus d'or, derrière les États-Unis, soit quelque 3396 tonnes pour une valeur estimée de 143 milliards d'euros aux cours actuels, elle en conserve moins du tiers (1036 tonnes) dans son territoire. Le reste est entreposé en majorité à New York (1536 tonnes dans les caves de la Fed), alors que 450 tonnes sont logées à Londres à la Banque d'Angleterre et 374 tonnes à Paris dans les caves de la Banque de France.

Même si de nombreuses banques centrales ont pris l'habitude de faire garder leur métal précieux à l'étranger, essentiellement aux États-Unis, au Royaume-Uni et en France, la situation de l'Allemagne constitue une anomalie du fait de l'ampleur de ses réserves ainsi délocalisées.

### [Crainte d'une invasion soviétique](#)

L'habitude remonte aux années 1950 et au «miracle économique» de l'après guerre quand la RFA s'est mise à accumuler des excédents commerciaux extérieurs et à convertir une partie de ses surplus financiers en métal précieux. Les achats se sont fait au prix extraordinairement avantageux de 35 dollars l'once (cinquante fois moins que les cours actuels). Mais pour des raisons de sécurité, en clair la crainte d'une invasion soviétique, la Bundesbank a entreposé son or dans les banques centrales de pays amis.

C'est précisément l'explication invoquée ce mercredi par la Bundesbank de faire revenir son trésor sous ses yeux: la fin de la Guerre Froide ne justifie plus sa délocalisation.

En réalité cette décision répond à un mouvement politique bien ancré dans l'opinion publique allemande que la crise de la zone euro inquiète. Un groupe de pression civique s'est constitué il y a un an, «Rapatriez notre or», rassemblant des députés de la majorité CSU et FDP. La Cour des comptes fédérale a été saisie et elle a

recommandé à l'été 2012 d'effectuer un audit sur la qualité des lingots d'or déposés à l'étranger, que ce soit «par la Bundesbank ou un vérificateur agréé». Étrange suspicion!

### Un certain embarras

En pratique la Bundesbank a donc annoncé, lors d'une conférence de presse, qu'elle allait rapatrier une bonne partie de son or détenu à l'étranger, mais pas la totalité. Ainsi il est prévu de ne faire revenir que 300 tonnes sur les 1536 entreposées à New York. De même les réserves stockées à Londres y resteront. Il est vrai que la Buba avait déjà rapatrié quelque 900 tonnes des caves de la Banque d'Angleterre depuis l'an 2000. En revanche l'intégralité des 374 tonnes déposées dans les caves de la Banque de France seront ramenées en Allemagne, ce qui prendra les cinq prochaines années.

La Bundesbank justifie ces différences de traitement par le fait qu'elle pourrait éventuellement avoir besoin de changer ses réserves métalliques en devises, d'où le maintien d'une certaine quantité sur les places financières américaines et britanniques. Carl-Ludwig Thiele, le directeur de la Bundesbank, qui a présenté l'ensemble de ces mesures, n'a pu cacher un certain embarras. «La Banque de France reste un important partenaire, que nous remercions d'avoir gardé notre or», avant d'ajouter que cela ne devrait susciter «aucun problème diplomatique».

À une semaine du cinquantième anniversaire du Traité de coopération et d'amitié franco-allemand signé à l'Élysée en janvier 1963, c'est en tout cas une drôle façon de célébrer ses noces d'or.

## The debt crisis

65,134

## National balance sheets

Jan 16th 2013, 16:08 by Buttonwood

MORGAN STANLEY has an interesting (but, alas, privately distributed) research note on the debt crisis arguing that most developed governments are effectively insolvent. It draws up a stylised balance sheet for a government: its assets are the ability to tax (the discounted value of future tax revenues), plus real assets (buildings, equipment), equity stakes and cash. On the liabilities side, there are the market debts (bonds and bills) and the net present value of future "primary" expenditure (items such as pensions and health care). Now, one could surely push tax revenues up a bit in some countries (where they are lower than average) and bring down spending on the health and pensions items. But Morgan Stanley reckons the shortfalls are so large (between 800% and 1,000% of GDP in the US and UK) that the situation is hopeless.

In effect, the public sector must impose a burden on the private sector but the only question is how. Greece has already had to opt for outright default. Those countries that can borrow in their own currencies will opt for financial repression—keeping interest rates negative in real terms. When financial repression was practised after the second world war, there were foreign exchange controls, outright caps on interest rates, restrictions on the ability to buy gold and much besides. At the moment, real interest rates are negative; in part, this is down to central bank purchases of government bonds but it is also the result of investors' desire for safe-haven assets. The paradox is that central banks (and governments) would like risk appetites to return to normal, but not if this means a sharp rise in government bond yields.

As Morgan Stanley points out, financial repression was associated with quite benign outcomes after the second world war. The economy steadily grew its way out of the debt. But the big difference with today is that although post-1945 governments were burdened by war debts, the private sector was relatively unlevered; now both sectors carry high debt. This makes it much more difficult to grow your way out of the crisis. As Japan shows, you can hold rates near zero for ages without prompting companies or consumers to borrow.

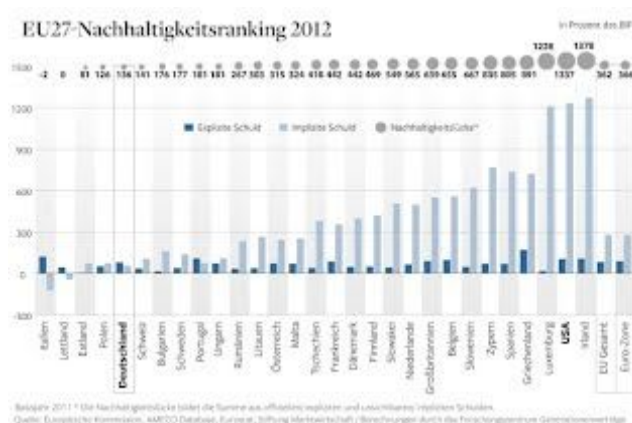
The implications for investors, says the bank are that

With fixed income yields at record lows due to financial repression, we prefer equities over bonds. However, with yields likely to stay low for a long time because of repression, we wouldn't make a major move out of bonds, as significant losses are unlikely.

### 1. Debt sustainability and hidden debt: **Two Graphs:**

[USA sind stärker verschuldet als Griechenland](#) (US's hidden debt bigger than Greece's), Die Welt December 6

[An examination of true public debt in Europe](#) Stiftung Marktwirtschaft December 2011



January 16, 2013

## U.S. Sees Hazy Threat From Mali Militants

65,136

By [MARK MAZZETTI](#) and [ERIC SCHMITT](#)

WASHINGTON — As Islamic militants methodically carved out a base in the desert of northern [Mali](#) over the past year, officials in Washington, Paris and African capitals struggling with military plans to drive the Islamists out of the country agreed on one principle: African troops, not European or American soldiers, would fight the battle of Mali.

But the surprise French assault last Friday to blunt the Islamists' advance upended those plans and set off a cascading series of events, culminating in a raid on Wednesday by militants on a foreign-run gas field in Algeria. That attack threatens to widen the violence in an impoverished region and drag Western governments deeper into combating an incipient insurgency.

And yet the rush of events has masked the fact that officials in Washington still have only an impressionistic understanding of the militant groups that have established a safe haven in Mali, and they are divided about whether some of these groups even pose a threat to the United States.

**Moreover, the hostage situation in Algeria has only heightened concerns that a Western military intervention could transform militant groups that once had only a regional focus into avowed enemies of the United States — in other words, that the backlash might end up being worse than the original threat.**

Largely for these reasons, the Obama administration adopted a strategy over the past year to contain the Islamists in Mali until African troops were ready to confront them, rather than to challenge them directly with an American military campaign of drone strikes or commando raids.

During Congressional testimony in June, Johnnie Carson, the assistant secretary of state for African affairs, played down the terrorist threat to the United States from Mali, saying that the Qaeda affiliate operating there “has not demonstrated the capability to threaten U.S. interests outside of West or North Africa, and it has not threatened to attack the U.S. homeland.”

Some Pentagon officials have long taken a more hawkish stance, and they cite intelligence reports that fighters with ties to Al Qaeda in the Islamic Maghreb, which has a loose affiliation to the remnants of Osama bin Laden's terrorist network, played a role in the deadly attack in September on the American diplomatic compound in Benghazi, Libya. They have pushed for targeted strikes against Islamist leaders in northern Mali, arguing that killing the leadership could permanently cripple the strength of the militants.

The administration has embraced a targeted killing strategy elsewhere, notably in Pakistan, Yemen and Somalia, after top White House, Pentagon and C.I.A. officials determined that militants in those countries were bent on attacking the United States.

Asked if fighters from Al Qaeda in the Islamic Maghreb posed such an imminent threat, Gen. Carter F. Ham, the top American commander in Africa, said, “Probably not.” But, he said in an interview, “they subscribe to Al Qaeda's ideology” and have said that their intent is to attack Westerners in Europe and, “if they could, back to the United States.”

Defense Secretary Leon E. Panetta made it clear on Wednesday that he considered the group a serious danger. “This is an Al Qaeda operation,” he told reporters while traveling in Italy, “and it is for that reason that we have always been concerned about their presence in Mali, because they would use it as a base of operations to do exactly what happened in Algeria.”

It is too early to judge the impact of the French-led offensive in Mali, which came after an urgent plea by Mali's government for help in repelling Islamist fighters who were rapidly moving south. **But on Wednesday, some American officials said that the hostage episode in Algeria could be just the beginning of a wave of attacks against foreigners in the region.** And there is a chance that if the Americans taken hostage on Wednesday are killed by their captors, American officials might reconsider their pledges not to commit ground troops to the battle.

As Islamists have tightened their grip on northern Mali over the past year, the American military has expanded spying operations in the region in the hope of gathering intelligence both about the strength of the militants and about their connections to tribal groups in Mali and elsewhere across North Africa.

According to current and former American government officials, as well as classified government cables made public by the group WikiLeaks, in recent years the military has set up a constellation of small bases in Africa for aerial surveillance missions flown by turboprop planes designed to look like civilian aircraft. One of the principal bases used for the missions in Mali is in Ouagadougou, the capital of Burkina Faso, according to one former official and the government cables.

But the surveillance missions in northern Mali have had only a limited effect. Islamist leaders have banned cellphones, closed Internet cafes and shut down cellular towers in an effort to cut the region off from the outside world. With the clock turned back decades, there are few electronic communications for American eavesdroppers to intercept.

General Ham said that it had been very difficult to get consistent, reliable intelligence about what he called a militant "safe haven" in Mali.

"It's tough to penetrate," he said. "It's tough to get access for platforms that can collect. It's an extraordinarily tough environment for human intelligence, not just ours but the neighboring countries as well."

The surveillance flights in Africa, which are mostly run by private contractors, are part of a classified Pentagon program called Creek Sand. The Washington Post [first reported](#) about the flights last year.

After a military coup overthrew Mali's government last year, the northern part of the country — an area larger than France — was taken over by three militant groups.

The group most worrisome to American officials is Al Qaeda in the Islamic Maghreb, which emerged out of Algeria's civil war in the 1990s and originally was strictly focused on overthrowing Algeria's government.

The group rebranded itself several years ago with the name AQIM, and since 2008 it has collected several million dollars in ransom payments for kidnapped Westerners in Mali, Mauritania, Niger and southern Algeria. According to a report by the Congressional Research Service released this week, the group's influence in the region appeared to be waning before the coup last year gave it a safe haven in northern Mali.

The Qaeda affiliate controls the region in an alliance with a homegrown Islamist movement, Ansar Dine, or Defenders of the Faith, and another radical splinter group, the Mujao, or the Movement for Oneness and Jihad in West Africa. Together, these groups share the goal of imposing an extreme form of [Shariah law](#) on the people of northern Mali.

But what remained an open question, at least until last Friday, was whether the militant threat in Mali was serious enough to justify military intervention. Now, the context of that debate has changed.

General Ham put the matter succinctly in the interview, which took place last Friday, just hours after he learned about the French incursion into Mali.

"The real question," he said as he raced off to a secure teleconference with senior Obama administration officials, "is now what?"



## L'intenable solitude française au Mali, par Gilles Kepel 65,137

Le Monde.fr | 17.01.2013 à 10h47 • Mis à jour le 17.01.2013 à 12h36 Par Gilles Kepel, membre de l'Institut universitaire de France, du Haut conseil de l'Institut du monde arabe et professeur à Sciences Po.

**En envoyant l'aviation française [frapper](#) les colonnes djihadistes qui se dirigeaient vers Bamako, puis en dépêchant les troupes au sol pour [pallier](#) les défaillances de l'[armée](#) malienne, le président de la République, [François Hollande](#), gère d'abord les effets pervers de la frappe de son prédécesseur sur les colonnes blindées de Kadhafi qui faisaient route vers Benghazi le 19 mars 2011.**

Ce que l'on nomme aujourd'hui encore en [Libye](#) avec émotion "*Darbet Sarkozy*" ("la frappe de 'Sarko'") a indéniablement sauvé des milliers de civils dans la capitale de la Cyrénaïque, et permis à la révolution de [prendre](#) le tournant qui aboutirait à la chute du tyran. Mais faute d'accompagnement [politique](#), et parce qu'elle n'a pas mobilisé – au-delà de l'émotion de départ – les connaissances et les [savoirs](#) de fond disponibles sur les [sociétés](#) arabo-islamiques, l'intervention de la France et de l'[OTAN](#) en Libye s'est traduite par l'implosion de ce pays en une myriade de factions locales, ethniques ou idéologiques, appuyées sur des katibas (phalanges) surarmées auxquelles le chétif Etat post-kadhafiste ne peut [imposer](#) le monopole d'une quelconque force légitime.

Du fait de cette imprévoyance de nos décideurs et stratèges, toute la région, du Sahel au [Moyen-Orient](#), est noyée sous un afflux d'armements provenant du pillage des énormes arsenaux libyens – et cela a constitué une aubaine pour les groupes salafistes radicaux. Leur prolifération profite du désenchantement généralisé des couches déshéritées deux ans après les révolutions arabes, confrontées à la récession économique et à l'aggravation de la misère. L'impunité des djihadistes de tout poil bénéficie aussi de l'affaiblissement des instances de maintien de l'ordre après la chute des régimes autoritaires, ainsi que des ambiguïtés de certains dirigeants des partis portés au [pouvoir](#) par les élections, issus des Frères musulmans, et qui les favorisent en sous-main pour [combattre](#) leurs ennemis communs laïques.

### FLAMBÉE SALAFISTE

Comme on le voit en [Tunisie](#), en [Egypte](#) et en Libye notamment, ces groupes prônent aujourd'hui en guise de panacée sociale l'établissement par la violence d'un Etat islamique et la stricte application de la charia – dont les mesures ont été mises en œuvre spectaculairement au nord du [Mali](#) par les [AQMI](#) (Al Qaida au Maghreb islamique) et autres Ansar Ed din (les partisans de la religion) ; mais elles se sont traduites également avec l'attaque du consulat américain de Benghazi et de l'ambassade américaine à Tunis par des groupes salafistes portant le même nom, Ansar al Charia (Les partisans de la charia) en septembre dernier. Boucs émissaires de ces exactions : d'abord les femmes non voilées, les universitaires et artistes, les minorités religieuses, et les adeptes de l'[islam](#) traditionnel non radical.

Les antiques mausolées de ces derniers sont aujourd'hui dynamités pour "impiété" de Tombouctou à [Sidi Bou Saïd](#) et de Tripoli à la vallée du Nil, par des jeunes barbus fascinés par les fatwas de prédicateurs d'[Arabie Saoudite](#) et autres pétromonarchies, téléchargées sur internet. Cette flambée salafiste a désormais atteint la révolution syrienne, où les groupes les mieux dotés en fonds par des donateurs des Etats arabes du Golfe détiennent le meilleur armement et attirent les recrues, au milieu du dénuement général et sous les bombardements de l'[armée](#) d'Assad.

Ces groupes radicaux sont ultra-minoritaires dans les populations. Toutefois, la déréliction générale des structures policières et militaires après les révolutions, ou dans les Etats faillis (comme le Mali), survalorise l'impact de mouvements à la fois soudés par un endoctrinement très prégnant et par un solide armement - sans [parler](#) de leurs financements généreux, dérivés pervers de la rente pétrolière. Même l'[Algérie](#), dont l'appareil de répression donnait un sentiment de puissance, car il était parvenu à étouffer les répliques locales du séisme révolutionnaire arabe en 2011, n'échappe plus au phénomène.

## LA FRANCE EST-ELLE ÉQUIPÉE POUR [MENER](#) À BIEN SON OPÉRATION ?

La prise d'otages occidentaux, advenue à In Amenas, dans le sud-est du pays, à quelques dizaines de kilomètres de la frontière libyenne, en rétorsion à l'autorisation de survol du territoire donnée par Alger aux Rafale qui allaient [bombarder](#) le Mali, indique l'ampleur d'une menace d'autant plus préoccupante qu'elle est réticulaire et polycentrique.

La France est-elle équipée pour [mener](#) à bien l'action de restauration de la souveraineté malienne et de coup d'arrêt à la prolifération djihadiste au Sahel ? En d'autres termes, quel le que soit l'issue des combats le véritable test sur le terrain sera sa capacité à [favoriser](#) la transition politique démocratique, à se [garder](#) des errements qui ont suivi les opérations de l'OTAN en Libye, des Etats-Unis en [Irak](#) ou de la coalition internationale en [Afghanistan](#). La solitude française, dans un enjeu qui concerne toute l'[Europe](#) dans sa façade méridionale, n'est pas tenable, sauf à [vider](#) l'Union de son sens .

Et la prise d'otages d'In Amenas, parce qu'elle concerne dans leur immense majorité des ressortissants de pays anglo-saxons et scandinaves, et qu'elle a lieu sur un site d'extraction d'hydrocarbures – la clef de l'insertion du monde arabe dans le système économique mondial - va [impliquer](#) par force de nouveaux Etats dans le conflit, fût-ce contraints et forcés. Pour cela, la connaissance du terrain et des ramifications régionales, de l'imbrication entre le Sahel et un monde arabe où les révolutions s'effilochent, et des liens de ces régions avec leurs ressortissants expatriés en France, est cruciale pour la réussite de l'opération.

Dans un contexte où le cyberterrorisme est une ressource de guerre, ou les mises en scène macabres sur les sites de partage de vidéo sont utilisées comme moyen de chantage sur la société, et où l'[affaire Merah](#) reste dans toutes les mémoires, tout conflit prend instantanément un caractère à la fois global et local. La complexité et la multiplicité d'enjeux interpénétrés fait de cette guerre contre un djihadisme post-moderne quasiment doté d'ubiquité un véritable défi de société : il suppose à la fois une grande cohésion de la communauté nationale, et une maîtrise des savoirs et des connaissances sur les mondes arabe et musulman contemporains. Dans ce domaine, la France, il y a peu l'un des leaders mondiaux, accuse depuis les cinq dernières années un retard considérable.

### UN DÉFI DE CIVILISATION

Là où les Etats-Unis, nos partenaires européens, et désormais les pays d'Asie et même du Golfe ont investi considérablement pour développer centres d'études et de recherches, enseignements, [think tanks](#), ont su [nouer](#) de multiples partenariats avec les [sociétés](#) civiles du monde musulman, notre pays, qui compte pourtant le plus grand nombre d'Arabes et de musulmans en Europe occidentale, est à la traîne. A [titre](#) d'exemple, l'Institut du Monde Arabe, paralysé par la politique politicienne de l'Hexagone, est passé totalement à côté de la signification des révolutions arabes – alors que, dans le même temps, ont été élus dix députés de France au Parlement tunisien. A [Sciences-Po](#), les études sur le monde arabe, un fleuron de l'établissement pendant le dernier quart de siècle, ont été fermées en... décembre 2010, le mois où Mohammed Bouazizi s'est immolé par le feu en Tunisie. C'est désormais de l'autre côté de la Manche ou de l'Atlantique que beaucoup vont quérir le [savoir](#) que l'on venait autrefois du monde entier [chercher](#) à [Paris](#).

Ce qui se joue au Mali n'est donc pas seulement une affaire de militaires et l'on voit que, dans les jours qui ont suivi sa survenue, la guerre a fait tâche d'huile dans un grand pays voisin. Cela demande la mise en œuvre d'une stratégie internationale et la maîtrise d'enjeux de société complexes – c'est un défi de civilisation à l'heure de la mondialisation, de l'interpénétration des cultures et de la circulation accélérée des doctrines et des idéologies, des images et des [vidéos](#), des hommes, des biens et des armes à travers les frontières. De ce phénomène le Sahel constitue à la fois la victime par excellence et le lieu d'incandescence.

Gilles Kepel, membre de l'Institut universitaire de France, du Haut conseil de l'Institut du monde arabe et professeur à Sciences Po.

## Jihad in the Sahara

No sooner had France set about stopping jihadists from taking over Mali, than their sympathisers in Algeria perpetrated another outrage to display their regional reach

Jan 19th 2013 | BAMAKO | [From the print edition](#)



FOR half a year African governments in the region and various ones in the West, especially in France and the United States, had been fretting over Mali, where rebel groups tied to al-Qaeda had taken over the northern half of the country. Earlier this year matters dramatically worsened when the jihadists suddenly pushed south, threatening even Bamako, the capital.

So France's President François Hollande decided to act. On January 11th French aircraft swooped in, bombarding the rebels and their bases. For the moment Bamako is safe. But the French president has given himself a daunting task. No one is sure of his campaign's precise aim, nor how or when his forces will get out.

Moreover, the jihadists dramatically displayed their own transnational reach on January 16th, by storming a gasfield facility at In Amenas, in south-eastern Algeria. A Frenchman, a Briton and an Algerian are said to have died in the attack. The terrorists, who call themselves the Signed-in-Blood Battalion, seized scores of Algerians and a clutch of foreigners as hostages, said by the attackers to number 41. They have reportedly dressed the hostages in explosive belts, threatened to kill them, and are demanding that France and its Western allies abort their campaign in Mali. A nerve-racking stand-off in the Algerian desert looks likely as efforts to beat back the jihadists in Mali continued.



Earlier this year the rebels in Mali, a mixture of Tuareg tribesmen and assorted jihadists, many of them from abroad, suddenly captured the town of Konna, well south of the vast Saharan terrain where the guerrillas have imposed a harsh Islamist rule along the lines of Afghanistan's Taliban. From Konna they threatened a military airport near the town of Sevaré and were in range of a bridge over the Niger river at Markala. If they had captured it, they could have headed for Bamako.

Though Mr Hollande's action has halted them, the conflict is far from over. The rebels may number only 2,000-odd men, but they are well-armed and bold. Bolstered by ransoms paid for kidnapped Europeans, they have weapons captured from Malian bases they overran in the north or smuggled from Libya after Muammar Qaddafi fell. Some are veterans of Iraq and Afghanistan. Most know the desert far better than the French forces or those expected to be sent from countries in the Economic Community of West African States (ECOWAS), the region's 15-member club.

After France's counter-attack on Konna, a separate column of rebels responded on January 14th by attacking the town of Diabaly, about 400km north-east of Bamako. It was unclear whether the rebels had later fled or were merely biding their time and lying low. Residents in Timbuktu, one of the three biggest northern towns, along with Gao and Kidal, all held by the rebels since April, said that some of the jihadists had left but others remained. Men were still too nervous to smoke in the street; women were afraid to go out unveiled. Nor have the rebels all been chased out of Konna. A spokesman issued hellfire threats against France and its citizens.

By January 16th the number of French troops in Mali had risen to more than 750; another 2,000 or so were expected imminently. French officials say they are working closely with Malian troops and are keen to welcome ECOWAS forces as soon as possible; 190 Nigerians were expected on January 17th, with several hundred more to follow shortly. But the French seem sure to carry the burden of the battle for some time. British aircraft have ferried in French supplies. The Americans may provide intelligence and logistics, perhaps including drones. But neither country is likely to put boots on the ground.

Though ECOWAS plainly supports the French venture, some countries in the region are still edgy. Though Algeria let French aircraft use its airspace, it sounded wary at the outset. But the hostage-taking on its soil may prod it into endorsing the anti-jihadist campaign in Mali more keenly. Mali's own feeble army has been plagued with defections and divisions since a coup led by Captain (now General) Amadou Sanogo in March last year. It is in no state to tackle the rebels on its own.

In any event, most Malians seem happy with Mr Hollande. "Vive La France!" cried a newspaper headline. In one of Bamako's crowded streets, where women hitch up their bright dresses to ride scooters to work and shops blare out hypnotic Malian melodies, Seyba Keita, owner of Bar Bla Bla, explained that Malians were secular, humane and easy-going. "The whole population is against the Islamists," he said, as he poured another beer.

But few Malians have much confidence in their own government. Last month General Sanogo summarily sacked the civilian prime minister. The acting president, Dioncounda Traoré, is too weak to force the country's squabbling politicians and soldiers to accept a timetable leading to an election. There were demonstrations earlier this month in Bamako, just as the rebels were about to make their push, calling for Mr Traoré to be replaced by an army nominee. Mr Hollande may be keeping the jihadists at bay. But rescuing Mali from the political mess in Bamako is quite another issue, which he will avoid trying to solve.

## France: We're not the pacifists you think we are

By Jean-Michel Blanquer, special to CNN

65,141

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Source: CNN

### STORY HIGHLIGHTS

- France's refusal to commit forces to Iraq in 2003 was interpreted as a pacifist doctrine
- French foreign policy attempts to balance two sometimes conflicting goals, says Blanquer
- He says France has to take into account importance of migrants from former colonies
- French intervention was desired by most Malians in France, writes Blanquer

***Editor's note:** Jean-Michel Blanquer is president of the Paris-based [Institut des Ameriques](#). He is a government adviser on education policy and has published a number of works on constitutional law, theory of law and Latin America.*

**Paris (CNN)** -- [France's military intervention in Mali](#) has surprised many who believed French foreign policy was committed to disengagement from international conflicts.

The country's refusal to commit forces to the war on Iraq in 2003 was interpreted in the United States -- not only in government but in the American media and public opinion -- as the consequence of a pacifist doctrine and even as a scandalous betrayal of its allies. More recently the withdrawal of French troops from Afghanistan could have reinforced the impression that France was pulling out of international military commitments.

The notion that France is withdrawing from international military engagements fails to grasp the realities of French foreign policy. France remains amongst the Western countries most likely to make a direct military intervention in a foreign country. It is not only consistent with French foreign policy doctrine -- France is also one of the few major global powers with the capacity to do so.

It nonetheless legitimates questions about the consistency of French foreign policy. The socialist government just sent troops into Mali to combat Islamic extremists only days after President Francois Hollande refused to intervene in Central Africa after its government was asked for military assistance.



Jean-Michel Blanquer

President Hollande's predecessor Nicolas Sarkozy ordered a military intervention in Libya against Colonel Gaddafi after refusing to engage his troops in the Ivory Coast during the initial phase of the crisis in that west African country.

[Panetta: U.S. could provide logistical, intel support in Mali](#)

So where is the logic in French foreign policy? To answer this question, it is necessary to grasp that French foreign policy attempts to balance two sometimes conflicting goals -- objective and subjective. The first corresponds to French commitment to work with international institutions to maintain a global order that is

multi-polar and regulated by law. The second refers to France's goal of protecting and enhancing its own national interests.

Let's first take the "objectivity" paradigm. France has consistently emphasized the pre-eminent role of the United Nations in conflict resolution. As a permanent member of the U.N. Security Council, French policy is based on the belief that international military interventions must seek the legitimacy of the United Nations. This does not mean smug French pacifism. On the contrary, membership on the security council imposes special obligations. France is willing to back a U.N. commitment to muscular military interventionism.

France is actively involved in various U.N.-supervised military missions. France advocates that emerging countries be accepted as members of the U.N. Security Council if those countries show a commitment and capacity to take on the responsibility of U.N.-sanctioned military interventions. To cite one example, France has urged Brazil to take action in the Haitian crisis under the U.N. aegis.

France considers itself an "agent" of the United Nations where necessary, but often works behind the scenes to influence U.N. decisions. This occurred with Libya, following Moammar Gadhafi's offensive on Benghazi. To do so, France imposed an expansive interpretation of the [U.N. Resolution 1973](#) [that imposed a no-fly zone over Libya]. Its position highlighted a conception of international law and sovereignty opposed to that of China and Russia.

The French position was even bolder than that of the United States and Great Britain. Indeed, one could argue that France was more aggressive than its allies about legally sanctioned military intervention in foreign countries.

France's status as the philosophical cradle of human rights also impacts its foreign policy.

Recent French military interventions have invoked the need to protect civilians against their own government and to prevent crimes against humanity. We witnessed this in the case of Libya, but also in the mid-1990s when France intervened in Bosnia and Kosovo. In both cases, French intellectuals were exercising pressure in favor of intervention on behalf of human rights.

These pressures can have a substantial impact in a country like France where intellectual elites work through petitions or direct influence on the government citing the special status of France in the world. They are less effective, of course, when there are obstacles within the U.N. Security Council, as in the case in the Syrian crisis.

### [What's behind instability in Mali?](#)

François Hollande has reaffirmed France's commitment to have a special role in defense of human rights. At the same time, France's "subjective" interests cannot be overlooked -- especially when the French "post-colonial paradox" comes into play. Like Britain, France has stronger ties, and when necessary a greater military presence, in former colonies from Djibouti to Senegal.

French colonial history explains why the government of Mali has called on France for military assistance to combat Islamic terrorism. At the same time, French governments are reluctant to intervene in these countries precisely because France wishes to avoid looking like a colonial master.

It was easier for Nicolas Sarkozy to take a quick decision regarding Libya than on the Ivory Coast for this reason. Libya is not a former French colony. In like manner, François Hollande's refusal to directly involve the French army against the rebels held in Central Africa is partly based on a desire to avoid the accusation of French colonial meddling in the internal affairs of a former colony.

Furthermore, France has to take into account the importance of migrants related to its former colonies. The intervention in the former Yugoslavia was also a message for the Muslim community that French interventionism was not inspired by the crusade spirit. And one could say the same for the French positions in

Libyan, Ivory Coast or Syrian crisis. This time, in Mali, it must be acknowledged that the French intervention was desired by most of the Malians who live in France.

The French counter-offensive has been in the works for many months. France feared, above all, the prospect of direct intervention. That's why France was urging African countries to set up their own forces to support Mali. Direct French military action became urgent however when the Islamic insurgents threatened to invade the country's southern region. Pragmatism suddenly took priority over law.

In conclusion, France intervenes in foreign countries according both to doctrine and to the pragmatic parameters of circumstance. French foreign policy is based on balancing these sometimes conflicting goals of objectivity and subjectivity.

In international relations, the hard reality is that actions are often commanded by facts.

## EU set to back French war in Mali

65,144

European foreign ministers expected to finalise plans to send hundreds of military personnel to train Malian army

- [Ian Traynor](#) in Brussels
- [guardian.co.uk](http://guardian.co.uk), Thursday 17 January 2013 08.54 GMT



The French media have applauded François Hollande's decision to intervene in Mali. Photograph: CHESNOT/SIPA / Rex Features

European foreign ministers have been summoned to an emergency meeting in Brussels on Thursday to decide how to support France's war in [Mali](#).

They are expected to finalise plans to dispatch hundreds of EU military personnel to Bamako to train half the Malian army and appoint a head of that mission as well as a senior diplomat as an EU special representative to the Sahel.

Caught by surprise by the Islamist surge at the weekend from the north of the country, individual EU countries have been quick to offer the French logistical support, mainly in the form of transport aircraft from the Germans and the British. While the French media have largely cheered on the president, François Hollande, in what is considered to be a rare display of decisiveness in [Africa](#), they have also showered scorn on the other Europeans, seen as failing to step up to the plate.

Senior diplomats and officials in Brussels on Wednesday admitted they had been stunned by the rebel offensive and also surprised by the Islamists' prowess, capability, assets, and level of training, while rejecting the charge of fecklessness.

"It's all happened extremely fast," said an EU military officer. "But it's the postcolonial legacy. It was always going to be a French ball."

"It's important the EU shows unity of purpose and determination in support of the Malian government," added an EU diplomat, although there was palpable dismay in Brussels at the political chaos in Bamako since last year's coup, the disarray among government forces, and the lack of progress towards elections and constitutionality. Around €230m (£190m) in EU aid is currently being withheld.

The training mission for four battalions of the Malian army or 2,600 troops – half the government forces – is expected to be launched next month, with a reconnaissance team due in Bamako this weekend. Britain is expected to supply two staff officers to the training mission. Up to 12 EU countries have offered to take part.



Senior French diplomats told their EU colleagues on Tuesday that France's initial aims in Mali were to drive the rebels back into their northern heartland, contain them there, "prevent the collapse of the Malian state", "create a political space" and slowly enable troops from the Ecowas grouping of west African states to supplant the Europeans.

The EU appears alarmed at the incipient threat posed to Mali, the wider region, and Europe by the Islamist militants.

"AQIM [al-Qaida in the Maghreb] is growing, reinforcing itself, deepening itself in the region," said another senior diplomat. "It's becoming more and more a safe haven for jihadis coming from Europe and is a threat to the EU. There is also an increasing threat to Bamako. If Bamako had fallen, the situation would have deteriorated drastically. The only way to remove the risk is to remove the threat."

The initial plan was to dispatch an army training mission of around 250, but officers involved in the planning said this would now need to be augmented by "several hundred" combat troops deployed to protect the mission.

The training would take place in a safe area north-east of Bamako and the EU troops would stay put, not venturing into the northern battle zone.

"We need to have very strong force protection," said the official. "We won't do mentoring. We won't go up north."

## Mali is France's problem, not Europe's

65,146

The foreign ministers of the EU states have convened for an emergency meeting in Brussels on the crisis in Mali this Thursday morning. It remains open whether France's desire for greater European involvement will be addressed. The conservative daily Lidové noviny advises against such action:

"Is there any argument in favour of [concerted European intervention](#)? Paris would welcome greater commitment on Europe's part and has made no bones about this. **Whether they like it or not the Europeans must, however, keep in mind that France in the end remains France and is doing what it always does. Let us remember where and how France defends its interests.** When it comes to the Mediterranean, the Arab world and North Africa France is always active. But when in August 2008 Georgia had to fight off a Russian offensive it was Paris that opposed any [steps](#) against Moscow and threatened to put a stop to the EU partnership with the eastern states. **With all due respect, it's only logical now that Mali is France's problem, not Europe's.**" (17/01/2013)

[» more information \(external link, Czech\)](#)

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## **Trapped Between France and War**

By [Matthias Gebauer](#) and [Philipp Wittrock](#)

Germany is eager to prove it is a reliable ally, particularly after it snubbed France and stayed out of Libya. Wary of getting pulled into the violence in Mali, it has instead offered two planes to transport troops.

German Chancellor Angela Merkel is an extremely disciplined politician. Even when speaking off the record, she weighs her words carefully and avoids strong language. But a few weeks ago, during a classified meeting of the Federal Security Council, Gerhard Schindler, head of Germany's foreign intelligence agency, the Bundesnachrichtendienst (BND), gave a presentation on the situation in Mali. The chancellor exclaimed: "What a crap region."

Her assessment likely hasn't changed in recent days. Since France began taking an active role last Friday in an attempt to prevent Islamists in the northern part of the country from moving south, [Mali](#) has suddenly become an outsized item on her government's agenda. Originally, Berlin had intended to send a few trainers as part of a European Union mission to help local soldiers prepare for hostilities against the Muslim extremists. But now, following a call for help from the Malian president, the West is right in the middle of the fight, [with France leading the way](#).

The international nature of the conflict became even clearer early on Wednesday with the assault on a natural gas pumping station in Algeria. Forty-one foreign nationals, including several from the United States, Britain, Japan and continental Europe were taken hostage in a raid that militants made clear was a direct response to what they described as "the brutal aggression against our people in Mali." It seems likely, given concerns that extremists in the region are well armed with weapons from defeated Libyan forces, that Wednesday's mass kidnapping won't be the last such revenge operation.

"This is a dangerous and rapidly developing situation," British Foreign Secretary William Hague told reporters on Thursday in Sydney. "The safety of those involved and their co-workers is our absolute priority and we will work around the clock to resolve this crisis."

### **Not in an Election Year**

While Germans don't seem to be involved in the hostage incident, it has become increasingly clear that Berlin cannot stand on the sidelines. On Wednesday, Germany provided more details about its offer of logistical assistance, saying it will rapidly transfer two Transall cargo airplanes to the region. They are primarily to be used for flying soldiers into Mali from the West African alliance ECOWAS, which has pledged to send up to 3,300 troops to join the 2,500 French soldiers that Paris has promised. The German planes will only be authorized to fly into the relatively safe Malian capital city of Bamako.

The narrow limits of the mission presented by Defense Minister Thomas de Maizière and Foreign Minister Guido Westerwelle are by design -- it means that German parliament does not have to grant its approval. But it also shows just how nervous Germany is about the new foreign hotspot. Under no circumstances does Germany want to become involved in a messy conflict with no clear end in sight -- particularly not in an election year.

At the same time, however, the "culture of military restraint" frequently invoked by Westerwelle must also find a balance with Germany's foreign policy obligations. Berlin wants to once again be seen as a reliable partner and is eager to make up for its hurried and categorical refusal to participate in the international operation in

Libya against dictator Moammar Gadhafi. Germany's allies were unimpressed -- a fact that limits its wiggle room this time around. Furthermore, France, one of Germany's closest allies, has taken the lead both times. Even if President François Hollande's sudden offensive came as a surprise to Merkel and other world leaders, she cannot leave him in the lurch.

### **EU Mission On the Way**

The deployment of the two Transall planes is an attempt at a solution to this dilemma. Germany has opted for a minor role in the battle against the extremists in Mali, far away from the front lines. Merkel defended her country's minimalist approach on Wednesday during a visit to Berlin by Ivory Coast President Alassane Ouattara. Great Britain and Denmark, she noted, have made a similar contribution. In addition, she said, Germany could assist by providing aid to refugees and later could support the political process in Mali.

Each country, said Merkel, "must determine its capacity to contribute without endangering the safety of its soldiers involved in other missions." Merkel referred pointedly to the ongoing hostilities in Afghanistan, a country from which France has already withdrawn its forces.

In addition, Germany is to participate in a planned European Union mission to help train the Malian military. The undertaking has been under discussion for months. Now, following a meeting of EU foreign ministers in Brussels on Thursday, it will be pushed forward rapidly. A team is set to head for Mali already on Sunday to begin laying the groundwork.

Still, Germany's military would be able to do more. On Wednesday morning, top German military officials told a confidential meeting of the parliamentary Defense Committee that four Transall planes and two MedEvac aircraft -- modified Airbus jets equipped with the latest in first-aid technology -- were available.

### **'Completely Satisfied'**

The quick decision to send just two planes to help fly in ECOWAS soldiers rather than directly participating in the French offensive demonstrates how carefully Berlin is proceeding. And the approach is perhaps not unjustified. The first firefights between French troops and extremists on Wednesday provide a clear illustration that the French mission is a dangerous one. Hollande said on Wednesday that "we didn't expect more from the German government than has now been offered." He added that he was "completely satisfied."

Berlin remains uneasy, though. Experience has shown that those involved, no matter what their capacity, can quickly become enmeshed in war, says on source in the Merkel government. Germany fears that if the French meet more resistance from the Islamists than expected, Paris could request additional urgent military support from its partners. Such a situation would place Berlin in a difficult dilemma, having to choose between solidarity with France and its own declared unwillingness to become directly involved in the fighting. Some parliamentarians in Merkel's governing coalition are even unwilling to rule out such an eventuality. War, they say, can't be planned.

Merkel and her cabinet aren't willing to go that far, but the chancellor and Defense Minister de Maizière have indicated a willingness to review their current offer as needed. "If the situation changes, then we would of course not shy away from petitioning parliament for a mandate," Merkel said. Such a mandate is necessary for "armed" missions. German troops, in other words, could ultimately become more involved.

## Algeria hostage crisis sparks fears of escalation across region

65,149

Sahel and Sahara region is home to a tangled mix of social and economic problems which shift seamlessly

- [Angelique Chrisafis](#) in Paris
- [The Guardian](#), Thursday 17 January 2013

The attack on the Algerian gas field has raised fears of the conflict in [Mali](#) becoming an international battle bleeding across the porous borders of the Sahel and Sahara region.

It also presents a major challenge to the military-dominated regime in Algiers – still in the shadow of a decade of bloody civil war – which had been accused of having an ambiguous stance towards the Mali crisis.

[Algeria](#) will now firmly be dragged into resolving the Mali conflict, while also dealing with the return of major action by Islamist groups on its home turf.

The hostage-taking has spelled out the complexities of the unrest in the Sahel: a tangled mix of communal tensions, economic struggle, desertification, poverty, criminality, kidnapping and smuggling, which shifts seamlessly across borders.

With six days of French airstrikes failing to erode the Islamist gains in Mali, French special forces prepared to launch a land assault on Wednesday around Diabaly, 250 miles (450 km) from the capital.

France's aim is to secure the vast desert area seized last year by an Islamist alliance, which combines [al-Qaida](#) in the Islamic Maghreb (AQIM) – the terrorist network's north African wing – with Mali's homegrown Movement for Oneness and Jihad in West [Africa](#) (Mojwa) and Ansar Dine rebel groups. But the Algerian hostage drama at the BP oilfield far away to the north at the Algerian-Libyan border marks a turning point and a widening of the game.

Attacks on oil-rich Algeria's hydrocarbon facilities are very rare, despite the country's decades of fighting an Islamist insurgency, mostly in the north.

Jon Marks, associate fellow at Chatham House, London's leading foreign affairs thinktank, said: "The attack is remarkable for a number of reasons.

"If you look at Algeria's conflict of the 1990s, out of which AQIM sprang, the major oil and gas fields of the deep south, a strategic interest to [Europe](#), were not attacked. Even in Algeria's bloody history, this is the first time there has been major attack on a hydrocarbon facility.

"It shows the degree to which the events in Mali are an international Sahel and Sahara-wide issue. These groups are international: including Malians, people who came from the Libya conflict, but also from Algeria and Mauritania."

He said the attack showed how deep-rooted those groups were. "The groups we are now calling AQIM, that the French military are targeting, have roots going back decades in the region. They have been involved in cigarette smuggling, electronic goods smuggling, guns, drugs, a lot of criminality."

He described it as a potent "interface" where criminality meets politics in an area that is "more and more desperate".

Algeria, the region's economic and military powerhouse where the regime of generals holds firm despite the Arab spring elsewhere, had been a major opponent of foreign armed intervention in Mali, preferring negotiations.

Until now, it fiercely clung to its policy of non-intervention in its neighbours. But has now opened its airspace to the French air force, a historic event, and vowed to secure its vast desert border with Mali, an undertaking commentators say is almost impossible in the poorly patrolled desert wastes.

Although an ally of the US and France in fighting terrorism for years, Algeria has been accused by some of playing a double game in the Sahel where Islamist groups have flourished since the country's bloody war of independence. The regime's involvement in Mali and the Sahel will now become more of a focus, as the conflict looks likely to be drawn out.

A poll on Wednesday found 64% of French people felt the Mali intervention would increase the risk of a terrorist attack on French soil, and armed patrols were in force at potential targets such as the Eiffel Tower.

France had been acutely aware that hostage-taking in the Sahel would be the key immediate risk of its sudden Mali intervention.

Unlike Algerian terrorist operations in the 1990s, AQIM has never struck on French soil. But the militant groups that seized control of northern Mali last year had targeted foreigners for years on their own turf.

They already hold seven French hostages as well as four Algerian diplomats, seized several years ago. AQIM has made tens of millions of dollars from kidnapping Algerian businessmen or political figures for ransom, as well as foreigners.

On the same day that France launched its sudden Mali intervention last week, it staged a rescue attempt of a French intelligence agent held for more than three years by rebels in Somalia, and referred by the fake name of Denis Alex.

If the French rescue mission to save Alex was destined to deliver a warning against hostage-taking and head off reprisals against French hostages, the operation went spectacularly wrong. Two French soldiers died and the hostage was presumed to have been killed by his jailers during the failed assault.

The French president, François Hollande, was at pains once again on Wednesday to say France had "no interest" in Mali and was just "serving peace". Hollande emphasised his promise to break with murky post-colonial relations of the past.

Mali is small beer within the wider context of French economic interests in west Africa, but Mali's neighbours are a different matter. Niger's uranium services one third of the French nuclear power stations which produce most of the country's electricity.

It was in Niger that workers for French nuclear firm Areva were kidnapped in 2010, four are still held in the Sahel. Algeria – Africa's biggest country and France's biggest African economic partner – is a major exporter of oil and gas to Europe. The oil field hostage-taking shows the wider global interests that could now come into play.

## La presse anglo-saxonne s'inquiète de l'élargissement du conflit malien

Le Monde.fr | 17.01.2013 à 15h24 • Mis à jour le 17.01.2013 à 16h03 Par Delphine Roucaute



Au lendemain de la prise d'otages en [Algérie](#) d'au moins une centaine de personnes, la presse anglo-saxonne s'accorde à [dire](#) que le conflit malien commence à [prendre](#) une dimension internationale. [Le quotidien britannique The Independent](#) va jusqu'à évoquer "la peur que le conflit malien puisse déclencher une guerre contre l'Occident dans le désert nord-africain".

[Pour le quotidien britannique The Guardian](#), "l'attaque du site gazier en Algérie laisse [craindre](#) que le conflit au [Mali](#) ne devienne une bataille internationale se diffusant à travers les frontières poreuses du Sahel et de la région saharienne". Pour étayer ses propos, le journal cite également [Jon Marks](#), un des associés du think tank britannique [Chatham House](#) : "Même dans la sanglante histoire de l'Algérie, c'est la première fois qu'il y a une attaque de cette ampleur dans une installation d'hydrocarbures. Cela montre à quel point les événements au Mali sont un problème sahélien et saharien. Ces preneurs d'otages sont internationaux, incluant des Maliens, des personnes issues du conflit libyen, mais aussi d'Algérie et de Mauritanie."

Dans un article du [New York Times](#), [les journalistes Adam Nossiter and Scott Sayar renchérissent](#) : la prise d'otages a mis au jour la menace qui pèse sur les expatriés de tous les pays qui travaillent dans cette région d'[Afrique](#). "La prise d'otages diffuse potentiellement ce conflit au-delà des frontières maliennes et accentue la possibilité d'[impliquer](#) directement un nombre grandissant de pays étrangers", soulignent les journalistes, évoquant surtout que "les expatriés [qui] deviennent des cibles". "Cela double également, au moins, le nombre d'otages non africains que les islamistes du nord et l'ouest de l'Afrique ont utilisés comme monnaie d'échange pour [financer](#) leurs actions ces dernières années grâce aux millions de dollars amassés par leurs rançons", écrivent-ils.

### "MENACE POUR LES ÉTATS-UNIS"

[L'analyse menée par les journalistes Mark Mazzetti et Eric Schmitt](#) dans le même [New York Times](#) évoque le bouleversement de la position des États-Unis qu'a entraîné cette prise d'otages. En effet, pour le journal, avant l'intervention française, les autorités américaine, française et africaine s'accordaient sur un point : "Ce sont les troupes africaines, pas américaines ni européennes, qui vont [mener](#) l'opération au Mali." Selon eux, l'assaut lancé par la France vendredi 11 janvier "a bouleversé ces plans et amorcé une série d'événements qui a culminé mercredi avec le raid de militants [islamistes] sur un site gazier en Algérie. Cette attaque menace d'élargir la violence dans une région appauvrie, et d'[embourber](#) les gouvernements occidentaux dans l'insurrection naissante."

Quelques journaux posent la question de la position que vont [prendre](#) les États-Unis dans le conflit. "Jusque-là, la précipitation des événements a masqué le fait que les autorités américaines n'ont toujours qu'une compréhension très impressionniste des groupes militants qui ont établi leur refuge au Mali, et sont divisées sur la question de [savoir](#) si ces groupes représentent une menace pour les États-Unis", peut-on [lire](#) dans le [New](#)

*York Times*. [Une citation reprise par le \*Financial Times\*](#), pour qui la France a eu raison de [lancer](#) une opération militaire au Mali, afin de [stopper](#) l'avancée des djihadistes maliens. Pour le journaliste [James Blitz](#), "*la prise d'otages en Algérie montre clairement la menace que représentent les djihadistes*", pour ceux qui se posaient encore la question, notamment parmi les hauts responsables américains.

## "LA FRANCE A REDYNAMISÉ [AL-QAIDA](#)"

*The New York Times* commence à [envisager](#) que les Etats-Unis puissent [devenir](#) directement la cible des djihadistes maliens. "*La prise d'otages au Mali n'a fait que [rehausser](#) les craintes qu'une intervention militaire occidentale puisse [transformer](#) des groupes militants avec un but uniquement régional en ennemis des Etats-Unis – en d'autres mots, que la réaction n'empire la menace originale*", peut-on [lire](#) dans le journal. Une inquiétude que *Time* ne reprend pas à son compte, [puisque le journal affirme](#) qu'après le lancement surprise de son opération militaire, "*la France a remplacé les Etats-Unis à la première place de la liste des cibles des terroristes*".

[Le quotidien californien \*Los Angeles Times\*](#) n'hésite pas, lui, à accuser "*l'action précipitée de la France*", d'avoir "*peut-être élargi le conflit et redynamisé Al-Qaida*". Une mise en cause directe du choix du président Hollande d'[intervenir](#) au Mali en prenant quelques libertés avec la résolution 2085 de l'ONU qui prévoyait un soutien occidental à une intervention menée exclusivement par des troupes africaines.



## Mali-Konflikt

### Auf sich allein gestellt

17.01.2013 · Die französischen Truppen in Mali können sich nicht auf die afrikanische Unterstützung verlassen. Es wächst die Sorge, dass der Konflikt eine Nummer zu groß ist.

Von [Thomas Scheen](#), Bamako



© AFP Schwer bewaffnet: Islamisten am Samstag bei Gao

Hauptmann Tiebilé Alhousseyni Touré steht vor einer großen Karte Malis und versucht, die Truppenbewegungen der Islamisten zu erklären. Ständig springt sein Zeigefinger auf der Karte um Dutzende Zentimeter, was einigen hundert Kilometern Distanz im Wüstengelände des Nordens von Mali entspricht. „Das ist alles ein bisschen unübersichtlich“, sagt der Hauptmann entschuldigend. „Aber zusammen mit den Franzosen kriegen wir das schon hin“, prophezeit er dann, und dabei hellt sich seine bis dahin kummervolle Miene schlagartig auf.

In diesen Tagen in Mali ein böses Wort über Frankreich oder die französische Arme zu hören, ist so gut wie ausgeschlossen. Seit dem militärischen Eingreifen Frankreichs gegen den Vormarsch der Islamisten auf die Stadt Mopti in der vergangenen Woche sind die Malier voll des Lobes über ihre alte Kolonialmacht. Tatsächlich hätte nicht viel am Donnerstag vergangener Woche gefehlt, und die Dschihadisten hätten nicht nur Mopti, sondern auch Bamako angegriffen. „Wir haben uns schon gefragt, ob wir jetzt alle Bärte tragen müssen“, sagt Mahmadou Koné, ein bekannter Fernsehjournalist, und er meint das nur halb im Scherz. „Ehrlich: Ohne die Franzosen wäre das hier jetzt ohne Zweifel ein Land unter der Kontrolle von afrikanischen Taliban“, sagt er.

Doch so fulminant die französische „Opération Serval“ in der vergangenen Woche auch begann, so sehr droht sie jetzt zu einem Kampf an unzähligen Fronten zu werden. Seit Mittwoch sind zudem französische Einheiten in heftige Kämpfe in der Ortschaft Diabali 400 Kilometer nördlich von Bamako verwickelt. Die malische Armee behauptet, dort spiele sich Straßenkampf ab. Zu überprüfen ist das nicht, weil alle ausländischen Journalisten systematisch daran gehindert werden, in die Kampfgebiete zu gelangen. Das geschehe zu ihrer eigenen Sicherheit, heißt es im malischen Verteidigungsministerium, das sich offenbar einer entsprechenden Anweisung der französischen Streitkräfte umgehend gebeugt hat.



Waffensysteme wie die Extremisten: schnelle und extrem geländegängige Pick-Ups mit schweren Maschinenwaffen auf der Ladefläche. Der Verteidigungsminister des Landes sagte, das Kontingent werde „selbstverständlich“ in Abstimmung mit der französischen Armee und der Eingreiftruppe der Westafrikanischen Wirtschaftsgemeinschaft (Ecowas) operieren. Er lehnte es aber ab, die tschadischen Einheiten unter das Kommando der Ecowas-Truppe zu stellen. Der tschadische Präsident Idriss Déby hatte das operationelle Konzept dieser 3300 Mann starken Truppe vor kurzem als „totales Chaos“ bezeichnet.



© AFP

Soldaten der malischen Nationalgarde in der Nähe des Flughafens von Bamako

Die Ankunft der westafrikanischen Soldaten in Bamako lässt auch weiter auf sich warten. Am Donnerstag sollte ein 200 Mann starkes Vorauskommando aus Nigeria eintreffen. Das Land will sich mit 600 Mann an der Mission beteiligen und stellt damit das einzige einsatzbereite Bataillon. Der Rest der Truppen, die aus Senegal, Niger, Togo, Benin und Ghana kommen sollen, sind dem Vernehmen nach so schlecht vorbereitet und vor allem so schlecht ausgerüstet, dass sie einer Befreiung des Nordens eher im „Weg stehen werden“, wie es ein europäischer Diplomat ausdrückt. Ein ähnlich ernüchternder Befund lässt sich auch mit Blick auf das geplante EU-Trainingsprogramm für die malische Armee erstellen, an dem sich auch Deutschland beteiligen will und das in der kommenden Woche offiziell beginnen soll. Die malischen Soldaten sind alle im Einsatz, viele davon fern der relativ sicheren Hauptstadt Bamako. An eine geordnete Ausbildung, bei denen die Ausbilder den Kampfgebieten nicht zu nahe kommen, was beispielsweise der deutschen Regierung am Herzen liegt, ist überhaupt nicht zu denken.

Knapp eine Woche nach dem Einmarsch französischer Truppen in Mali steht jedenfalls fest, dass die Franzosen in diesem Krieg vorerst auf sich allein gestellt sind. Hilfe können sie bestenfalls von den tschadischen Truppen erwarten. Doch die sind weithin für ihre exzessive Brutalität bekannt, so dass man mit ihnen eigentlich nicht zusammenarbeiten möchte. Und das nährt die Sorge, Frankreich habe sich in einen Konflikt verstrickt, der eine Nummer zu groß für die ehemalige Kolonialmacht ist. Alleine die geografische Ausdehnung des potentiellen Kampfgebietes ist atemraubend groß. Die amerikanische Regierung, so ist in Bamako zu hören, ist jedenfalls trotz ihrer Versicherung, den französischen Einsatz zu unterstützen, alles andere als glücklich damit, wenngleich sie eingesteht, dass es angesichts des Vormarsches der Islamisten keinen Raum mehr für Verhandlungen gab. Die Sorge der Amerikaner speist sich aus einer historischen Erfahrung. Als die französische Armee 1956 den Krieg in ihrer Kolonie Indochina verlor, mussten die Amerikaner einspringen. Daraus wurde der Vietnamkrieg.

## Get stuck in but don't get stuck

**President François Hollande has made the right call. But he must not get bogged down**

Leader Jan 19th 2013 | [From the print edition](#)



MALI is one of those barely governable countries which almost nobody except its hapless inhabitants much worries about, until disaster suddenly looms, threatening to spread poison beyond its borders. On January 16th it did just that, when jihadists acting in sympathy for their Malian brethren stormed a gasfield facility in remotest southern Algeria, which abuts Mali, and took hostage scores of Algerians and as many as 40 foreign workers from countries including America, Britain, France and Japan. This has concentrated minds on the Saharan region, where a jihadist menace has been growing.

**The attack in Algeria is actually a response to bold action by France.** In Mali bad blood has been curdling since al-Qaeda-linked insurgents took over the northern half of the country nearly a year ago. Then, earlier this month, jihadists moved farther south, imperilling the **capital, Bamako**. That prompted France's Socialist president, François Hollande, who has been wary of throwing his weight around in his country's former colonial domains, to send troops to bolster Mali's feeble and fractious administration (see [article](#) and [article](#)). On January 14th French troops went into action alongside Malian soldiers to recapture the town of Diabaly, the closest the rebels had come to Bamako.

Mr Hollande's action is decisive, vigorous and entirely justifiable. An initial deployment of 650 soldiers is to be followed by the dispatch of another 2,000 or so. They will need to drive the jihadists out of cities farther north, such as Timbuktu. The jihadists must not be allowed to move to the south, where 90% of Malians reside, or to set up a base for Islamist attacks across north Africa and into Europe.

**The United States and Britain are rightly giving the French logistical and intelligence support.** Once the jihadist advance has been reversed, the baton should pass to pan-African diplomacy and military reinforcements from across the continent, especially from the Economic Community of West African States (ECOWAS), a 15-country club led by Nigeria.

Even before the latest hostage-taking outrage, the co-operation of Algeria, Mali's strongest neighbour to the north, which has had much bloody experience of beating back its own variant of al-Qaeda, had become vital. In the past Algeria has been loathe to be on the same side as France and has opposed Western intervention in such places as Libya. But the taking of Western and other hostages on its soil underlines the importance to Mali's neighbour of working with its old colonial master to try to halt the jihadists' advance.

Hand over to the Africans, then leave

**Getting into a war is always easier than getting out. France therefore needs to limit its ambitions.** It should concentrate on driving the rebels out of the north's three main cities and keeping the urban areas safe. Once the jihadists have been chased into the surrounding wastelands, it may prove impossible, at least in the short run, to rout them there. Rebellious tribes such as the Tuareg, whose desire for autonomy the jihadists have exploited, may never be entirely pacified.

**Diplomacy must thus be applied in an effort to prise the Tuareg away from their alliance with the jihadists.** ECOWAS and the African Union could provide mediation, though the UN Security Council may also have to weigh in. **Provided the south is reasonably safe, Europeans and others should help with economic development and military training.** But for the country to have a hope of working properly, Malians must also sort out their chaotic politics. A year ago, soldiers at the head of Mali's ragged army overthrew an elected government. On paper, civilians are back in charge, but no one is sure who really pulls the strings. Outsiders can clear the way, but in the end it is the Malians who must mend Mali.

## EU troops will not fight in Mali

65,158



**Publiée le 15 janv. 2013**

Despite the unexpected French military intervention against Islamist rebels in Mali, the European Union on Monday dismissed taking a combat role in the conflict.

Instead, the EU plans to speed up its preparations to train the Malian army in combating the Islamist rebels who seized the north of the country last spring.

According to the EU's executive, the training mission will be sent in late February or early March.

'We are planning an EU training mission to Mali. Those plans will go ahead. No blueprint will be ripped up and that plan will be put into practice as quickly as possible and the planning will be accelerated. The situation in the field has changed but it remains important and urgent that we train the Malian arm forces properly. We have seen clear shortcomings in their actions. If the EU can help remedy these weaknesses, that's all to the good'. (...) The mission would probably be launch on the second half of february or maybe early march', said EC's spokesperson Michael Mann.

Earlier last December, EU leaders agreed to provide the Malian troops with European military trainers and financial and logistical support. But France decided last Friday to go solo and sent 700 troops to its former colony to counter the Islamist insurgency.

European Commission President Jose Manuel Barroso on Saturday voiced his support to the "courageous action of French troops" in the African country.

'President Barroso in Marseille made a political statement supporting French actions.

Mr. Barroso said that this situation reacquires a stepped up effort from the international community and we have to show our ability and preparedness to help Mali recover its sovereignty and control its territory and pursue its recovery of constitutional order ', said EC's spokesperson Pia Ahrenkilde Hansen

The EU's high representative Catherine Ashton and foreign ministers from the 27-nation bloc will meet this week to discuss the situation in Mali.

The Malian conflict began last April with a military coup by Islamist groups and Tuareg rebels to seize northern Mali. After that, they declared the secession of a new state, Azawad.

## EU debate over French support in Mali heats up

15/01 19:20 CET

Military support comes in many different forms. And as France continues its intervention in Mali, the wider EU debate over just what kind of assistance to give to the French rages on.

Didier Reynders, Belgium's Foreign Minister reiterated his country's desire to back the operation.

"We want to work together behind France but also in the international operation that should take over, and I hope it does so quickly."

Whilst Germany has confirmed logistical and medical support, Denmark will send another Hercules to add to the British air support.

And Catherine Ashton, the EU foreign policy chief echoed those comments of EU solidarity.

"We need to accelerate our course of action. We want to deploy that mission as quickly as possible and certainly quicker than planned. Those circumstances have changed."

But some quarters are scathing of what they see as a political reluctance to show some real commitment to the conflict from EU member states.

Daniel Cohn-Bendit, Co-chair of the European Free Alliance criticised the German decision to offer only medical support.

"Madam Ashton, you said 'We, we are concerned.' Everyone says 'We' but there are only French soldiers over there. The French were told 'We'll give you nurses, now go and get killed in Mali.'"

France is intending to increase its 800 troops to 2,500. But will there be any boots on the ground from other EU countries?

## France's Hold On Former African Colonies Important To Its Sense Of Self

January 17, 2013 3:00 PM

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65,160

4 min 29 sec

Audie Cornish talks to Howard French, associate professor at the Columbia University Graduate School of Journalism and a former, longtime foreign correspondent for *The New York Times*, about the relationship between France and post-colonial Africa.

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AUDIE CORNISH, HOST:

The turmoil in Algeria, as well as in Mali, is a reminder of the complicated relationship that still exists between France and many of its former African colonies. Howard French has spent many years thinking and writing about that relationship. He's an associate professor at the Columbia University graduate school of journalism and a former long time foreign correspondent for the New York Times. Mr. French, welcome to the program.

HOWARD FRENCH: Good afternoon.

CORNISH: So it was just, I think, less than six months ago that French President Francois Hollande vowed that the country would reset its relationship with its former colonies in Africa and he said he would help bring an end to something called **Frans-a-Freak(ph). What is Frans-a-Freak?**

FRENCH: **Frans-a-Freak is dense network of political ties, patronage, business interests and corruption that link in surprisingly resilient ways, France to its former African possessions.**

CORNISH: And so how does that play out in France interventionism?

FRENCH: France's hold on these former possessions has been very important to France's sense of itself as a nation, to its global ambitions, to its pretensions as a near superpower and to employment in France, as well as to things like political patronage. **Hollande is not the first of the French leaders to vow to reinvent or break away from the old patterns, but the old patterns tend to cling or to persist because of the sort of fundamental qualities that they have which are so hard to get away from.**

CORNISH: So Howard French, can you give us an example of a moment in history which really shows France swooping into a nation and either propping up a government or backing one they like or getting rid of one they don't?

FRENCH: Sure. My very first dramatic experience as a foreign correspondent was in 1983 in Chad, which was under attack at the time by an insurgency backed by Libya under Moammar Gadhafi. And France intervened to prop up the state, which would certainly have fallen had they not done so. **France has done this time and again in one country after another, in Central African Republic in the past and repeated instances in Gambol, in Ivory Coast.**



It has helped in civil wars in Senegal and in various other places. **So, Mali is part of a big broad pattern of French involvement and as a kind of guarantor in the last instance of the integrity of the states that France itself created.**

CORNISH: Now, put this in the context then of what's happening in Mali right now. Is this different from the old Frans-a-Freak model?

FRENCH: Yes and no. So France is responding to an acute crisis in Mali. There was an advance, very dramatically and somewhat unexpected by the sort of coalition of Islamic rebel movements toward the capital and France felt that it had to act in an emergency fashion to stop that advance. However, in a longer term sense, what this crisis demonstrates is that France has not managed to foster the creation of states that can stand on their own.

Throughout this French speaking zone of former French colonies, **the national currency of almost all of these countries is, in fact, itself a derivative of the French franc. That shows the degree to which the interests of France and the interests of these countries are intermingled.**

CORNISH: From the point of view of African people in these nations, is there a kind of suspicion or worry when France comes to intervene?

FRENCH: **In Mali itself, I think there's an overwhelming feeling of relief that France may perhaps save the day, is the best way to put it, against this Islamic extreme insurgency. However, I think all around French-speaking West Africa, even people who are cheering this in this first instance sort of response will be saying to themselves, here we go again. Here's a reminder once more of how we can never really escape the embrace of France, how we can never really achieve true independence.**

CORNISH: Howard French, thank you so much for speaking with us.

FRENCH: Thank you very much.

CORNISH: That's Howard French, associate professor at the Columbia University graduate school of journalism and author of the book "A Continent For The Taking: The Tragedy And Hope Of Africa."

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