

February 14, 2013

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Aftermath of Revolution

By MICHAEL ALBERTUS and VICTOR MENALDO

The recent assassination of a leading secular opposition figure in Tunisia has cast a dark cloud on what many had hoped would serve as a model for democratic transition in countries swept by the Arab Spring. The sad fact is that many revolutions lead to renewed dictatorships. But the good news is that even a rocky and prolonged transition can produce stable democracy.

Sparked in Tunisia in 2010, the revolutions and popular protests that have come to define the Arab Spring spread rapidly across the Middle East and North Africa, challenging entrenched autocratic regimes and conjuring comparisons to the fall of the Berlin Wall. For many, the spread of freedom and democracy seemed inevitable.

Yet Syria's bloody civil war continues to drag on, while President Mohamed Morsi and the Muslim Brotherhood attempt to institutionalize an old-fashioned power grab in Egypt. In Tunisia, the ruling Islamist party, Ennahda, has ridden roughshod over secularists. President Moncef Marzouki's center-left secular party, Congress for the Republic, quit Tunisia's coalition government on Feb. 10 following massive protests.

Alas, there is considerable precedent for these setbacks. Most revolutions simply replace one autocratic government with another.

Since the end of World War II, there have been roughly 50 major revolutions that have either toppled autocratic regimes or led to significant political reform in "flawed" democracies. For those revolutions that have occurred under dictatorships, only about a third have resulted in transitions to democracy.

Two infamous cases that might raise some alarm bells about the Middle East today are the theocracy that followed Iran's 1979 revolution, and the "republican" dictatorships of Anwar Sadat and Hosni Mubarak after Egypt's 1952 revolution. Similarly, the checkered political histories of post-revolutionary China, Cuba, Mexico and Russia might make even the most fervent revolutionaries take pause.

Still, the minority of the democracies that have managed to emerge in the aftermath of their revolutionary ferment provide cause for optimism. Less than a handful of those revolutionary transitions have reverted back to dictatorship. For every Kyrgyzstan, where there has been autocratic backsliding since the Tulip Revolution, there are a dozen examples of democracies that have arisen in the wake of revolution — including surprises such as the Philippines.

While democracies that emerge from revolution are typically stable, this does not mean that the transition process is rapid or seamless. As England's post-Glorious Revolution period indicates, progress toward full democracy can be protracted. The 1688 Revolution set the stage for gradual expansions of the franchise in 1832, 1867 and 1884, which ultimately led to universal suffrage in 1928.

It may also face a number of potential pitfalls along the way. The cycling between democracy and dictatorship that characterize countries with contested transitions, such as Argentina, France, Peru or Thailand, is far from exceptional.

The worst case scenario is a return to full-fledged dictatorship, as occurred after the French Revolution, or in Sudan shortly after independence. Morocco is at risk of this outcome.

Less perniciously, fits and starts may prolong the transition period and present opportunities for "spoilers" to derail progress. The infighting in Libya is an example. Lastly, the adoption of nominally democratic institutions may fail to benefit the majority of citizens and even foster one-party rule, an outcome South Africa faces today.

The more promising cases from the Arab Spring, such as Tunisia and Egypt, fall into this last category. In both countries, a mix of formerly powerful elites and ascendant new elites are scrambling to game the political structure to protect their interests, meanwhile tabling policies that could otherwise benefit the majority of citizens.

In Egypt, the military has won immunity from prosecution and autonomy over its budget, while Morsi has at times reverted to Mubarak-era emergency rule to quell popular unrest. In Tunisia, the security apparatus under former dictator Zine el-Abidine Ben Ali remains entrenched in the government, while Ennahda has selectively repressed protests as it turns a blind eye to crimes perpetrated by hard-line Islamists against Tunisia's secular middle class.

To avoid reversion to autocracy or stalled, impartial democracy, a country in Tunisia's or Egypt's circumstances must steer between the Scylla of outsized influence by erstwhile autocratic incumbents and the Charybdis of unconstrained new actors who seek to lock in newfound power.

As with all revolutions, to remain on a trajectory toward democracy requires continued popular pressure on all those with the capacity to hijack democratic aspirations. This suggests that street protests in these countries are far from over. In the long term, this instability may pay off in the form of democracy.

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Zu viel Glück ist auch nicht gut

15. Februar 2013, 09:57 Uhr

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Wer zu glücklich ist, findet weniger Arbeit. Und verdient weniger Geld. Plötzlich müssen wir überlegen: Wie glücklich wollen wir sein?

Von [Patrick Bernau](#)



Das Streben nach Glück ist in den vergangenen Jahren heftig in Mode gekommen. [Ganze Expertenräte sind eingesetzt worden](#), um den Weg vom reinen Reichtum weg und hin zum Glück zu suchen. Die deutsche Kommission hat sich [an einer Weggabelung heftig zerstritten](#), aber schon mal [einige neue Maße für den Fortschritt auf dem Weg gesucht](#). Bisher hat aber kaum jemand darüber nachgedacht, wie die Welt am Ziel aussieht.

Wie glücklich sollten wir überhaupt werden? Einige jüngere Studien deuten darauf hin, dass diese Frage gar nicht so leicht zu beantworten ist. So glücklich wie nur eben möglich zu werden, ist gar nicht unbedingt das beste Ziel - zumindest ist die Frage eine Diskussion wert. Denn was schon die Buddhisten wussten und [den heutigen Psychologen nicht verborgen geblieben ist](#), das kommt jetzt auch bei den Glücksforschern an: Dass zu viel Glück den Menschen lähmen kann.

Psychologen wie Shigehiro Oishi, Ed Diener und Richard Lucas hatten schon vor einiger Zeit aufgeschrieben: Die glücklichsten Leute arbeiten nicht viel und erzielen kein hohes Einkommen. Sondern sie haben mehr Kontakte zu engen Freunden und Familienmitgliedern, außerdem engagieren sie sich eher ehrenamtlich. Und schon kommt man zur Frage: Sind diese Leute so glücklich, weil sie so wenig arbeiten? Oder arbeiten sie so wenig, weil sie so glücklich sind?

Am Institut zur Zukunft der Arbeit [hat die Doktorandin Annabelle Krause jetzt untersucht](#), ob glückliche Menschen kürzer arbeitslos sind. Bekannt ist ja: Wer Arbeit hat, ist mit seinem Leben meist deutlich zufriedener als ein Arbeitsloser. Krause hat die Frage umgedreht: Finden glückliche Menschen leichter wieder Arbeit? Und das gilt nicht immer.

Krause hat 18.000 Menschen untersucht, die zwischen Juni 2007 und Mai 2008 arbeitslos geworden sind. Die Leute wurden gefragt, wie zufrieden sie mit ihrem Leben sind, und zwar auf einer Skala von 0 bis 10. Dann hat Krause abgeschätzt, was für eine Lebenszufriedenheit die Leute durchschnittlich haben könnten - [abhängig von ihrer Bildung, ihrem Familienstand und anderen Lebensumständen](#). Natürlich ist jeder einzelne mit seinem Leben mehr oder weniger zufrieden. Dieser Unterschied zum Durchschnitt gibt an, wie zufrieden die Leute aus sich heraus sind (oder zumindest, wie viel Zufriedenheit die Forscher nicht erklären können. Darum nennen sie das "Rest-Zufriedenheit"). Diese innere Zufriedenheit hat offenbar einen deutlichen Einfluss darauf, ob die Menschen schnell wieder Arbeit finden.

Wahr ist: Zufriedenere Menschen bewerben sich zwar seltener, aber sie bekommen leichter wieder einen Job und verdienen mehr. Der Unterschied zwischen glücklichen und unglücklichen Leuten kommt offenbar weniger

daher, dass sich glückliche Leute im Vorstellungsgespräch besser verkauften. Aber zufriedener Menschen machten sich öfter selbständig. Das war der wichtigere Effekt. Wie erfolgreich diese neuen Unternehmen langfristig waren, ließ sich nach einem Jahr allerdings noch nicht beantworten.

Wahr ist aber auch: Zu glücklich zu sein, bringt auch keinen Job. Dann nämlich nahmen die Beschäftigungschancen wieder ab. Der beste Punkt auf der Zufriedenheitsskala von 0 bis 10 war im Durchschnitt 1,4 Punkte über anderen Menschen in ähnlichen Lebensumständen. Danach sank die Wahrscheinlichkeit einer Beschäftigung sogar rapide. So weit, dass die glücklichsten Leute sogar seltener Arbeit hatten als die unglücklichsten.

Was das langfristig für Folgen hat, ist bisher unklar. Klar ist: Unfreiwillige Arbeitslosigkeit macht Menschen unglücklich. Bleibt das Glück dauerhaft erhalten, wenn Menschen freiwillig arbeitslos sind? Das ist nach dieser Studie die nächste wichtige Frage. Autorin Annabelle Krause schätzt in einem ersten Resümee: "Wer zu glücklich ist, könnte die Motivation und Ausdauer verlieren, um das Leben bewusst und gesund zu leben." Und sie folgert: "Das Glück zu maximieren, ist nicht unbedingt das richtige Ziel für künftige Politiker. Es scheint besser zu sein, das Glück zu *optimieren*."

Wir müssen also noch mal neu darüber nachdenken, wie glücklich wir überhaupt sein wollen.

Ein Drittel der Deutschen wünscht sich die D-Mark zurück

15.02.2013 · Noch immer trauern viele Deutsche ihrer alten Währung hinterher. Doch die Anhängerschaft bröckelt.



© Rüchel, Dieter Vom Geldbeutel in die Münzsammlung

Die Zahl der Deutschen, die sich die D-Mark zurückwünschen, ist im vergangenen Jahr um acht Prozentpunkte gesunken. **Dennoch würden 35 Prozent lieber mit der D-Mark als mit Euro bezahlen.** Das ergab eine repräsentative [Studie des Nürnberger GfK -Vereins](#).

In anderen Ländern wie **Italien** (75 Prozent) oder den **Niederlanden** (80 Prozent) ist der Zuspruch zum Euro deutlich höher. In **Griechenland** nahm der Anteil der Anhänger binnen Jahresfrist ab, von 81 auf 76 Prozent. In den Nicht-Euro-Ländern **Polen und Schweden** wünscht sich **mit zehn beziehungsweise sieben Prozent nur noch eine absolute Minderheit die Gemeinschaftswährung.**

Das Krisenmanagement ihrer Regierung beurteilten die Bürger der elf befragten Länder mancherorts etwas besser als im Vorjahr. Doch in Deutschland etwa sind noch immer 44 Prozent der Meinung, dass die schwarz-gelbe Koalition bei diesem Thema versagt (2012: 63 Prozent). Nur 17 Prozent finden den Umgang mit der Krise gut (2012: 8 Prozent). Signifikant verbessert hat sich der Studie zufolge die Einstellung zur italienischen Regierung: Verteilten 2012 noch drei Viertel der Italiener schlechte Noten, ist es heute nur noch gut die Hälfte.

Für die Studie hatte der GfK-Verein im Oktober und November rund 11.000 über 14-Jährige in zehn europäischen Ländern und den Vereinigten Staaten befragt.

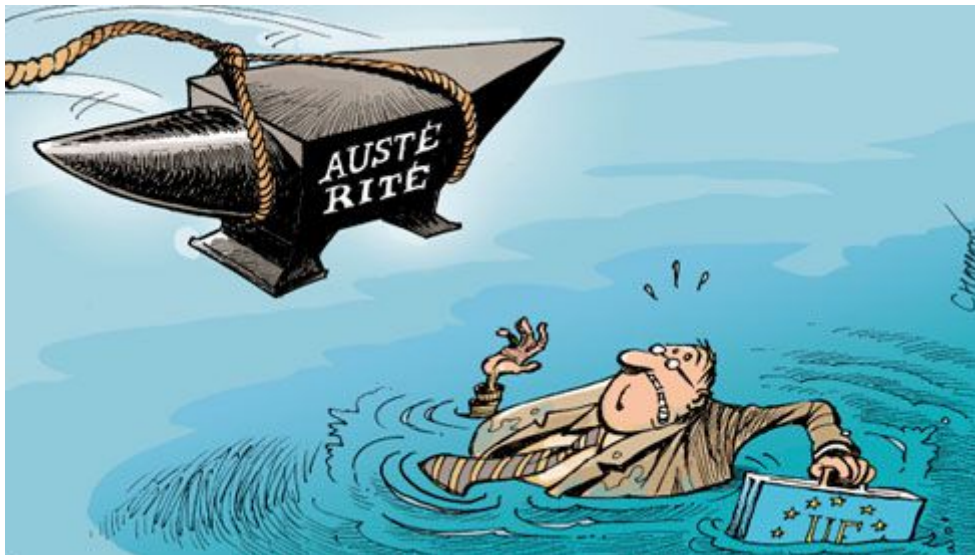
Eurozone crisis: Austerity plunges Europe into recession again

15 February 2013

Presseurop

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La Tribune, Diário económico, NRC Handelsblad & 4 others



[Patrick Chappatte](#)

The latest statistics on the state of the eurozone economy indicate that, contrary to what political leaders have recently been saying, the crisis is far from over.

The European press blames the economic shrinkage on austerity policies that prevail in most single currency states, with some newspapers advocating a change of course.

“The eurozone has become a recession zone,” remarks *La Tribune*, which wonders on its front page, if “Europe has been sickened by austerity.” For the French business daily, the figures that were published on February 14 amount to a “Saint Valentine’s Day massacre” —



The latest quarterly report of a 0.6 per cent decline in the wealth of the eurozone is the biggest slump since 1995 — in other words, since Eurostat began to keep statistics on the economic and monetary union.

In Portugal, the front page of *Diário Económico* points out that Portugal, which has endured a 3.2 per cent drop in GDP “is in the throes of the worst recession since 1975.” The latest decline, which is more severe than the one predicted by the government will mean that Lisbon will have to revise its forecasts for 2013. According to experts [consulted by the daily](#), shrinkage will exceed the expected level of 1 per cent. In its editorial, [Diário Económico adds](#) that —



Alarm signals in such a large number of countries will, of course, oblige European politicians to take action to alleviate the burden weighing on Portugal, Ireland and Greece. And in Portugal, politicians will also be forced to accelerate economic recovery.

In the Netherlands, *NRC Handelsblad* reports that the “economy has fallen into its third recession,” since the onset of the debt crisis in 2008. The newspaper [argues](#) that the figures have called into question the austerity policies imposed by Prime Minister Mark Rutte. Having blamed the decline in economic activity on a reduction in state investment, it suggests an alternative —



Attempts are being made to convince Brussels to adopt a more flexible budgetary attitude in view of the disappointing economic results throughout the eurozone.

In Spain, *La Vanguardia* headlines on the “Worsening recession in the eurozone as the year concludes with a 0.6 per cent drop”. The newspaper worries that the situation will only contribute to the problem of confidence with regard to the debt of the most vulnerable states, like Spain, and [adds](#) that —



the austerity strategy guided by [German] Chancellor Merkel is no longer effective. Sooner or later, there will have to be change of course. [...] As much as the air it breathes, Europe needs an economic policy that is focused on growth.

Hard times in the eurozone also have an impact on countries that are not in the single currency. In the Czech Republic, *Hospodářské noviny* headlines: “Czech state sinks into longest recession in history.” In the course of last year, GDP declined by an overall 1.1 per cent, [notes](#) the daily. “Among the principal causes of the economic slowdown,” remarks the newspaper, “is a fall-off in household consumption, which is down by 3 per cent over 2011.” Among its consequences —



the disappearance of the traditional economic relationship with our German neighbours. The theory which states that when Germany does well the Czech Republic does even better is no longer valid. The two economies are headed in different directions. The German economy has expanded by 0.7 per cent, while the Czech Republic's has contracted by 1.1 per cent.

“End of a fairy tale: economy goes into freefall,” headlines *Népszava* in Budapest. The newspaper is referring to remarks made by the Hungarian Minister of National Economy, György Matolcsy, in 2012 to the effect that “the Hungarian fairy tale, or the Hungarian example will be successful within a year.” In fact, the Hungarian economy contracted by a total of 1.7 per cent in the course of 2012, whereas in 2011 the country reported growth of 1.6 per cent, following on from 1.3 percent growth in the previous year. The daily [notes](#) that —



The economic recession in Hungary is the fourth worst in Europe exceeded only by Greece, Portugal and Cyprus

“The effects of the austerity policies imposed across Europe are as expected,” [concludes](#) *Mediapart*. However, the French news website adds —



Daring attempts to discuss the overvaluing of the European currency, which has wiped out all the efforts made by European countries to relaunch their economies, remain taboo — a fact that will no doubt be borne out by the proceedings of the next G20, scheduled to take place in Moscow at the end of next week. For the European Commission, which is aligned with the position adopted by Berlin, all that will be required to see the benefits of austerity is a willingness to remain patient.

Cumul des mandats : le PS en pleine cacophonie

Le Monde.fr | 15.02.2013 à 19h08 • Mis à jour le 15.02.2013 à 22h54 Par Jonathan Parienté

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C'était une des promesses des socialistes lors des campagnes présidentielle et législative : le cumul des mandats allait être interdit par la loi. Une bonne fois pour toutes, afin de mettre un terme à un débat vieux de trente ans.

Las, si le principe n'est pas remis en cause par l'exécutif et les élus de la majorité, le périmètre de cette loi et la date à laquelle elle s'appliquera nourrissent une certaine cacophonie. Au point que l'on ne sait plus bien si la loi s'appliquera avant ou après les municipales, si elle nécessitera une révision constitutionnelle... et, in fine, si elle sera réellement votée, tant les avis divergent.

- **Manuel Valls veut une loi appliquée après les municipales**

"Pour 2014, c'est très difficile parce que cela provoquerait plusieurs dizaines de démissions de députés qui choisiraient de garder leur mandat local. Ce serait une mini-dissolution. Ce serait une faute."

Manuel Valls, ministre de l'intérieur, *Le Parisien*, le 15 février

Le ministre de l'intérieur est le premier, à ce niveau de l'Etat, à dire de manière aussi précise qu'il souhaite reculer aux prochaines législatives de 2017.

La raison invoquée en creux est la suivante : à l'heure actuelle, un député qui démissionnerait pour conserver son mandat local (on compte environ 260 élus qui détiennent un mandat exécutif, essentiellement des maires) provoquerait une élection partielle. Le PS craint que si la loi est votée en 2014, il y ait suffisamment de députés qui préféreraient leur mairie ou leur département à leur siège à l'Assemblée pour provoquer de nombreuses partielles... qui risqueraient d'être autant de défaites.

Lire : L'argument de Valls ne tient pas

- **Harlem Désir veut une loi tout de suite**

"Je réaffirme la proposition du PS d'adopter une loi sur le non-cumul des mandats applicable dès le prochain renouvellement électoral, en 2014."

Harlem Désir, premier secrétaire du PS, le 15 février

Le nouveau patron du PS joue ici le rôle du gardien du temple. Avant la présidentielle, avant même la primaire d'octobre 2011, les militants du PS, consultés par référendum en octobre 2009, s'étaient prononcés en des termes qui ne souffraient aucune ambiguïté à ce propos. Ils s'étaient déclarés favorables, *"comme étape vers le*

mandat parlementaire unique", à "l'impossibilité de [cumuler](#) (...) un mandat de parlementaire avec une présidence d'exécutif local ou la participation à un exécutif" pour les socialistes, avec en perspective une loi qui devait être votée au plus vite après la victoire.

- **Ayrault ne se mouille pas**

"Le gouvernement prépare un projet de loi qui sera prochainement présenté au Conseil des ministres, en tous cas le gouvernement va l'[adopter](#) dans les prochaines semaines."

[Jean-Marc Ayrault](#), premier ministre, le 15 février.

Le premier ministre a tenu ces propos alors qu'il était interrogé sur ceux tenus par son ministre de l'intérieur. Mais M. Ayrault a refusé de préciser quand une telle loi entrerait en application : "Le président de la République a été très clair : il souhaite que cette [réforme](#) soit mise en œuvre pendant son quinquennat. C'est pour moi la parole présidentielle et l'engagement qui est le plus important."

Rappelons que [François Hollande](#) avait tergiversé sur le sujet lors de la campagne des primaires socialistes. Plutôt proche de la ligne défendue par le sénateur-maire de Dijon, François Rebsamen, résolument hostile à une limitation des cumuls, M. Hollande avait été contraint de [clarifier](#) sa position. Acculé par Martine Aubry [lors de l'un des débats entre prétendants socialistes](#), il avait fini par se [ranger](#) à l'avis des militants – et à celui de Martine Aubry et de Ségolène Royal, ses concurrentes d'alors, et par [promettre](#) une loi.

Lire : [Cumul des mandats, les socialistes rompent leur promesse une quatrième fois](#)

- **Bartolone et la révision constitutionnelle**

"Comme cette évolution nécessite une révision constitutionnelle, le non-cumul ne pourra s'[appliquer](#) d'ici les municipales (...). Notre contrat avec les Français sera de l'[appliquer](#) en 2017."

Claude Bartolone, président de l'Assemblée nationale, [Libération](#), le 7 février.

Il n'avait jamais été question, jusqu'ici, de réviser la Constitution pour [introduire](#) dans la loi la limitation du cumul des mandats. La commission Jospin, chargée par François Hollande de [plancher](#) sur le sujet, évoquait une simple loi organique. M. Bartolone semble assuré qu'il faudrait soit réunir le Parlement en Congrès, soit [consulter](#) le peuple. Evidemment, cette révision constitutionnelle compliquerait le vote de la loi, qui ne pourrait [avoir](#) lieu avant 2014, après les municipales.

Lire : [Bartolone veut une révision constitutionnelle](#)

Doucement, mais sûrement, la majorité repousse l'adoption de ce texte. Il est de moins en moins probable qu'une loi vienne [limiter](#) le cumul avant les municipales de 2014, qui s'annoncent difficiles pour la gauche. Il faudra donc se [contenter](#) de la loi existante, encadrant, sans l'[interdire](#), **le cumul des trois-quarts des parlementaires français qui font, à ce [titre](#), figure d'exception en [Europe](#).**

Lire : [Cumul des mandats : pour y voir clair](#)

Jonathan Parienté

Pour l'exécutif, le non-cumul peut attendre

Par [Nicolas Barotte](#) Mis à jour le 15/02/2013 à 20:18 | publié le 15/02/2013 à 19:13

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Manuel Valls (*ici en décembre à l'Assemblée nationale*) prépare le projet de loi sur le non-cumul des mandats. Crédits photo : Jean-Christophe MARMARA/Le Figaro

Le ministre de l'Intérieur propose une loi pour application fin 2016 ou début 2017.

La fin du [cumul des mandats](#), ce n'est pas pour maintenant. Trop difficile apparemment. Vendredi [dans Le Parisien](#), le ministre de l'Intérieur [Manuel Valls](#) a révélé le plan - «très vraisemblable», selon un conseiller - pour cette réforme promise lors de la présidentielle. «Il y aura une loi qui interdira le cumul des mandats - c'est un engagement de [François Hollande](#) - pour application fin 2016 ou début 2017», a déclaré Manuel Valls. Soit après les prochaines sénatoriales et avant les prochaines législatives. Impossible avant...

«Pour 2014 (date des municipales, NDLR), c'est très difficile parce que cela provoquerait plusieurs dizaines de démissions de députés qui choisiraient de garder leur mandat local. Ce serait une minidissolution. Ce serait une faute.» Cet argument était défendu par le président de l'Assemblée, [Claude Bartolone](#), qui avance le risque pour le [PS](#) de perdre sa majorité absolue.

Populaire auprès de l'opinion, le non-cumul des mandats divise les parlementaires. Une partie des députés insiste sur les avantages du cumul, comme l'ancrage du terrain. Les sénateurs PS, emmenés par le président du groupe [François Rebsamen](#), [défendent l'exception](#) de leur statut.

«Le doute va s'installer»

Alors l'exécutif avance prudemment. À l'Élysée, on «ne valide pas formellement» la proposition de Manuel Valls. Il reviendra à François Hollande de le dire lui-même le moment venu. Côté Matignon, on reste flou. «Le gouvernement prépare un projet de loi qui sera prochainement présenté au Conseil des ministres, en tout cas le gouvernement va l'adopter dans les prochaines semaines», a déclaré le premier ministre Jean-Marc Ayrault vendredi.

Mais le doute est faible: l'exécutif pense avoir trouvé le bon compromis à proposer aux adversaires du non-cumul en leur laissant encore un peu de temps. «C'est "encore un quart d'heure M. le bourreau"», ironise un conseiller. «La réforme sera faite parce qu'elle ne coûte rien», assure un député.

Reporter la réforme sera-t-il suffisant pour lever les oppositions? Il faudra d'abord convaincre les partisans du non-cumul qu'il est justifié d'attendre encore. Le premier secrétaire [Harlem Désir](#) a réaffirmé vendredi «la proposition du PS d'adopter une loi sur le non-cumul applicable dès le prochain renouvellement électoral, en 2014».

«Si on remet 2 euros dans le jukebox, le doute va s'installer sur notre volonté. On va finir par trop tarder», prévient le député de la Nièvre Christian Paul. Le non-cumul «est une des conditions du rétablissement de la confiance entre les Français et la politique», estime le député des Hauts-de-Seine Jean-Marc Germain. L'ancien directeur de cabinet de Martine Aubry plaide même pour «un référendum» sur le sujet. C'est la maire de Lille,

lorsqu'elle était patronne du PS, qui avait poussé les socialistes à prendre position contre le cumul des mandats. «Par démagogie antiparlementaire», s'agace un député proche de François Hollande.

Tout le PS avait cependant approuvé. En 2010, [Arnaud Montebourg](#), secrétaire national à la rénovation, soutenu par un vote de 71 % des militants, annonçait une application du non-cumul des mandats dès 2012, pour montrer l'exemple sans attendre de loi. «Envoyer un message à l'opinion publique signifiant que nous serions incapables de nous réformer nous-mêmes, sauf à attendre huit années, parce qu'aux prises avec le corporatisme de nos élus, serait fâcheux et de mauvais augure pour notre future et éventuelle destinée gouvernante», écrivait-il.

Zyperns Banken brauchen bis zu 8,8 Milliarden Euro Kapital

15.02.2013 · Der Kapitalbedarf der maroden zyprischen Banken ist geringer als bisher angenommen. Das ergab eine Studie im Auftrag der Troika. Eine schnelle Einigung auf ein Hilfspaket ist durch die neuen Zahlen nicht wahrscheinlicher geworden.

Von [Werner Mussler](#), Brüssel

Nach einem Gutachten der Investmentgesellschaft Pimco brauchen die Institute - je nach zugrunde gelegtem Risikoszenario - zwischen 5,9 und 8,8 Milliarden Euro. Das hat die F.A.Z. aus Kreisen der Eurogruppe erfahren. Die Troika aus Internationalem Währungsfonds (IWF), EU-Kommission und Europäischer Zentralbank (EZB) war in ihren Verhandlungen über ein internationales Hilfsprogramm von einem Kapitalbedarf der Banken von bis zu 10 Milliarden Euro ausgegangen. Zur Finanzierung des zyprischen Staats sind weiterhin 7,5 Milliarden Euro erforderlich. Das absehbare Volumen des Gesamtpakets dürfte also von bisher 17,5 auf etwas über 16 Milliarden Euro sinken.

Der Bericht, den die Troika in Auftrag gegeben hatte, wurde auf dem Treffen der Eurogruppe am Montag diskutiert. Er soll aber erst veröffentlicht werden, wenn eine endgültige Vereinbarung über das Hilfsprogramm getroffen ist. Freilich ist eine schnelle Einigung unwahrscheinlicher denn je.

Nikosia wehrt sich gegen Geldwäsche-Prüfung

Die zyprische Regierung sperrt sich dagegen, dass eine internationale Wirtschaftsprüfungsgesellschaft vor Ort überprüft, ob die in den vergangenen Monaten in Zypern verabschiedeten Anti-Geldwäsche-Gesetze wirksam angewendet und durchgesetzt werden. Finanzminister Vassos Shiarly verwies am Donnerstagabend auf ein Gutachten des zyprischen Generalstaatsanwalts, wonach eine solche Überprüfung gegen die Verfassung Zyperns und die europäische Menschenrechtskonvention verstoße. Darauf habe er seine Eurokollegen am Montag hingewiesen, sagte Shiarly.

Der neue Chef der Eurogruppe, der niederländische Finanzminister Jeroen Dijsselbloem, hatte nach dem Treffen am Montag dagegen berichtet, Zypern habe in die Überprüfung eingewilligt.

Ohne Testat der Wirtschaftsprüfer kann Hilfsprogramm nicht beschlossen werden

Dass das Land seine Gesetze zur Geldwäschebekämpfung auf Druck der Troika nachgebessert hat, ist unstrittig. Freilich bezweifeln mehrere Eurostaaten, ob die zyprischen Behörden willens und in der Lage sind, die Gesetze auch durchzusetzen, oder ob diese nur auf dem Papier bestehen. Deshalb hatte die Eurogruppe die Kontrolle durch Wirtschaftsprüfer beschlossen. Die zyprische Regierung sieht darin einen Souveränitätseingriff. Sie beruft sich darauf, dass sie von einschlägigen Institutionen - der Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD), dem IWF und dem Expertenausschuss des Europarates (Moneyval) - gute Zeugnisse für ihre Geldwäschegesetze erhalten habe.

Ohne Testat der Wirtschaftsprüfer kann das Hilfsprogramm nicht beschlossen werden. „Die Zyperer müssen sich entscheiden, ob sie Hilfe wollen oder nicht“, sagte ein EU-Diplomat. Zur Not sei eine Verfassungsänderung notwendig. Die Eurogruppe hofft offenbar, dass Shiarly nach der Präsidentenwahl an diesem Sonntag aus dem Amt scheidet und ein neuer Minister kooperationsbereiter ist. Wegen des Streits gilt das offizielle Ziel, die Verhandlungen bis Ende März abzuschließen, jedenfalls als unrealistisch. Der Zeitdruck ist offenbar auch geringer als offiziell bekundet. Nach Angaben aus der Eurogruppe kann sich der zyprische Staat bis etwa Anfang Juni finanzieren.

„Die Geduld aller Beteiligten mit Zypern ist aufgebraucht“

Trotz des etwas geringeren Umfangs des Hilfsprogramms bleibt auch dessen Hauptproblem - die Tragfähigkeit der zyprischen Staatsschuld - ungelöst. Die Troika sieht die Verantwortung dafür bei der Regierung in Nikosia. Der noch amtierende Präsident Demetris Christofias habe in den vergangenen Monaten mit realitätsfernen Argumenten versucht, die Auswirkungen der Kredite auf die zyprische Staatsschuld schönzurechnen, heißt es. In einem Brief an EU-Kommissionspräsident José Manuel Barroso forderte Christofias, im Programm solle das günstigste Pimco-Szenario (also 5,9 Milliarden Euro) für den Bankenkapitalbedarf zugrunde gelegt werden. Dies hätte das Kreditvolumen auf etwa 13,5 Milliarden Euro gesenkt. Ferner sollten die zyprischen Banken direkt (also ohne Umweg über den Staat) vom Euro-Krisenfonds ESM rekapitalisiert werden. Die rechtlichen Voraussetzungen für eine solche Direktrekapitalisierung von Banken durch den ESM sind aber frühestens im März 2014 gegeben. In der Troika heißt es, die neue zyprische Regierung müsse sich schnell von einigen Illusionen verabschieden. „Die Geduld aller Beteiligten mit Zypern ist aufgebraucht.“

Euro-Land Banks In Trouble

Submitted by [Tyler Durden](#) on 02/15/2013 13:34 -0500

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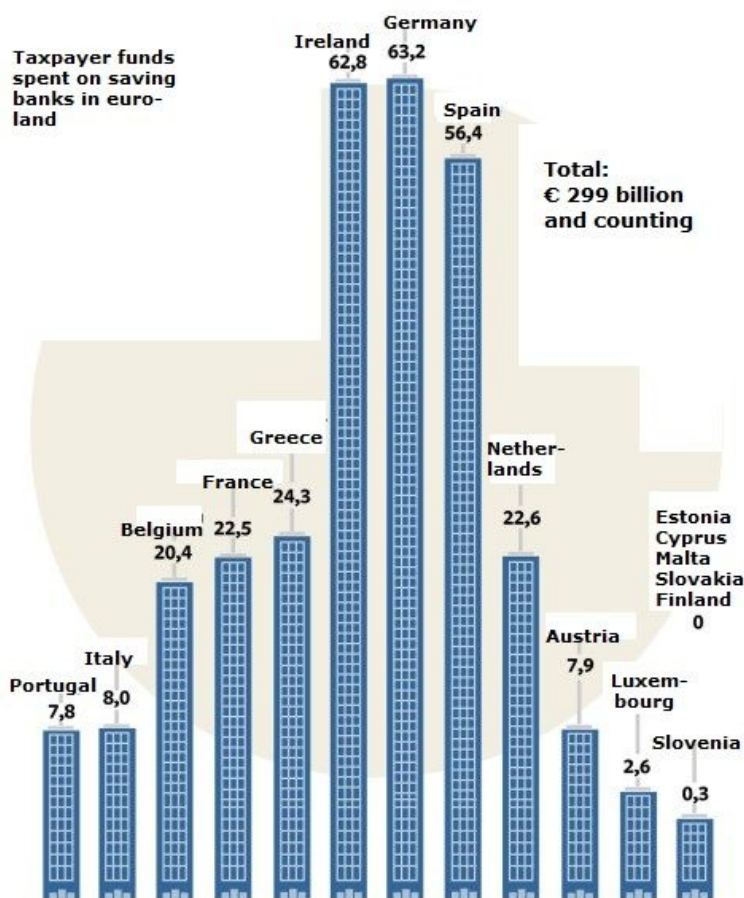
Via Pater Tenebrarum of [Acting-Man blog](#),

A Record Amount of Bad Loans

A [recent study by Ernst & Young has revealed](#) that euro-land banks in the aggregate now hold € 918 billion (\$1.23 trn.) in non-performing loans (7.6% of all loans outstanding). E&Y sees about 15.5% of all loans in Spain and 10.2% of all loans in Italy as likely to be in NPL status (this exceeds the most recent official numbers somewhat).

In light of such staggering numbers, the idea to use the ESM for direct bank recapitalization seems somewhat ambitious. This is especially so as the idea to employ the ESM to take over the costs of *already* bailed out banks is being pushed by a number of euro area members. No doubt Ireland and Spain would be happy to see that (in fact, Spain is already the 'exception' as the ESM is potentially on the hook for € 100 billion for its banks – but this is structured as a loan to Spain's government, not a *direct* bank bailout).

The problem is that if the ESM wants to retain its AAA rating, it will have to back any financing it obtains from the markets with far higher guarantees if it rescues banks rather than governments. Given that what has been pumped into ailing euro-zone banks to date already amounts to €300 billion, its official capacity could be quickly exceeded if these existing bailout commitments were taken over by it.



Taxpayer-funded bank rescues in the euro area *so far* – the total already amounts to €300 billion, and that is not counting what might be used to bail out Cypriot banks and what may still be required in Italy and Spain (chart via Die Welt).

The dangers of German wage growth

[Masa Serdarevic](#) | Feb 15 16:19 | [9 comments](#) | [Share](#)

70,16

The eurozone's largest economy has defied the crisis better than most expected, yet it couldn't maintain growth in the final quarter of last year, shrinking by [an estimated 0.6 per cent](#). That compares to France's 0.3 per cent and Spain's 0.7 per cent respective falls. But given that usually Germany is the region's engine of growth, the key question is how long this weakness might last.

Fortunately it seems that the recovery might be brisk.

Anatoli Aannikov at Soc Gen has looked at the monthly components making up the quarterly figures, and argues that the trough happened early in Q4 and momentum has since been building (our emphasis):

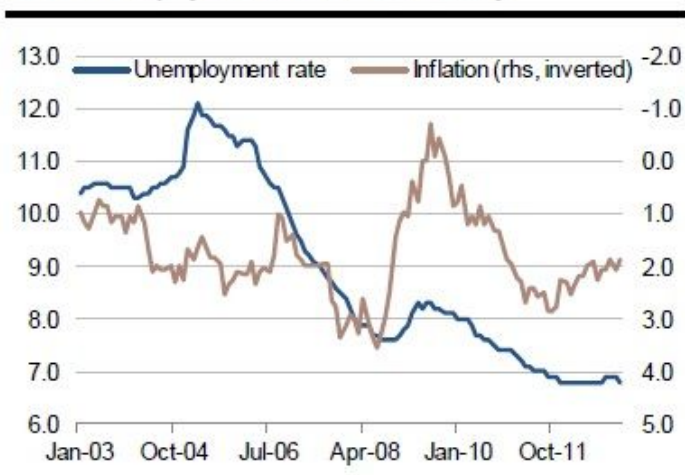
Interestingly, given that the trough in industrial production and retail sales seems to have been as early as in September and October, with only a modest improvement since, there is a chance for a relatively strong rebound in quarterly growth in Q1 13. Moreover, retail sales and construction in December may have been affected negatively by temporary factors, such as weather, given unusually large declines in that month. **Assuming even a modest recovery for these variables in Q1, in addition to an already strong Services PMI, would indicate a rather substantial rebound of around 0.7-0.8% in Q1 13.**

Yet even if a return to growth in Germany is imminent, there are three factors that should give pause for thought, argues Aannikov:

1) interest rates are at record-lows while financial market stress is receding; 2) the German labour market shows signs of tightness with robust wage growth and emerging labour shortages. Workers may also feel entitled to a greater share of income following years of wage restraint; **3) construction activity and credit growth have been muted for many years in Germany, but have shown signs of accelerating.**

None of these are of too much concern right now, yet shouldn't be ignored. The second, wage and corresponding inflation pressure, is especially hard to predict at the moment given that the domestic labour market is undergoing long-term structural changes. But that's not to say that they're not there. Prediction is even more difficult considering the rather weak relationship between unemployment and inflation in Germany.

Chart 2. Unemployment and inflation in Germany



Source: Datastream, SG Cross Asset Research/Economics.

Nominal wages in the fourth quarter [rose 3.2 per cent on the year](#), compared with annual increases of 3.0 per cent, 2.5 per cent and 2.1 per cent respectively in the previous three quarters. Last year real wages rose for the third year running – up 0.6 per cent in 2012, after rising 1.0 per cent in 2011 and 1.5 per cent in 2010.

Examples of these wage pressures are not hard to come by. The unions are pushing for greater increases, [as Reuters reported](#) recently:

Germany's IG Metall union may push a pay claim between 5 and 6.5 percent for about 100,000 workers at VW's six western German factories and employees at the financial services division, Bernd Osterloh, head of VW's works council told reporters in Wolfsburg on Thursday.

And this is after it won a 4.3-per cent pay increase last May for around 3.6m of its engineering workers, more than double the 2 per cent inflation rate last year.

So, while Germany is likely to bounce back into growth in the current quarter, that doesn't necessarily mean it's all smooth sailing. Wage inflation pressures look like they're mounting, slowly but surely. And if inflation builds in Germany it's surely going to exacerbate the divide over interest rates within the ECB.

Zypern: Erpressung

70,18

Von Werner Mussler

Man sollte meinen, dass im zur Farce geratenen Hin und Her über ein Hilfsprogramm für Zypern nichts mehr überraschen kann. Doch nun hat die zyprische Regierung die von den Eurostaaten geforderte Kontrolle der Geldwäschegesetze durch Wirtschaftsprüfer zu einem Fall für die Europäische Menschenrechtskonvention stilisiert. Darauf muss man erst mal kommen. Selbst wer dem Argument der Zyperer folgt, diverse internationale Organisationen hätten den Geldwäschegesetzen des Inselstaats gute Testate ausgestellt, muss die neueste Volte aus Nikosia unerträglich finden. Sie illustriert völlig unabhängig vom Thema Geldwäsche, warum die potentiellen Kreditgeber so misstrauisch sind. Mit einer Regierung, die Kredithilfe erwartet, aber seit Monaten versucht, den Bedingungen dieser Hilfe auszuweichen, lässt sich nicht ernsthaft verhandeln. Die Kapriolen muten wie eine Einladung an die Geldgeber an, den Kredit zu verweigern. Wegen absehbarer Folgeschäden ist das leider nicht so einfach. Die scheidende Regierung setzt immer noch auf Erpressung und führt die „systemische“ Relevanz Zyperns ins Feld. Ihre Nachfolgerin erkennt hoffentlich schnell, dass auch Erpressung ihre Grenzen hat.

F.A.Z., Samstag, den 16.02.2013 Wirtschaft 11

Grenzen der G 20

Von Patrick Welter

In ihrem Beharren auf einer immer stärkeren Nachfragepolitik wollen die Vereinigten Staaten verhindern, dass sich die G-20-Gruppe der großen Industriestaaten und Schwellenländer auf transparente Vorgaben für den Abbau der Neuverschuldung einigt. Klar wie selten hat Amerika diese Forderung schon vor dem Treffen der Finanzminister in Moskau formuliert. Die Regierung in Washington brüskiert damit nicht nur die Europäer, die in der Haushaltssanierung eine Vorbedingung für neues Wirtschaftswachstum sehen. Frappierender ist noch, mit welcher Chuzpe die Amerikaner die G 20 vorführen, die noch im vergangenen Jahr neue Fiskalregeln für dieses Jahr angekündigt hatte. Man ahnt: Herauskommen wird nun am Ende wahrscheinlich ein Formelkompromiss, der niemandem hilft, aber auch niemandem weh tut. Deutlich wie nie zeigt die inhaltliche Spaltung, dass die G20 in vielem an ihre Grenzen gestoßen ist. Solange man sich über die Grundausrichtung der Wirtschafts-, der Fiskal- und der Geldpolitik nicht einigen kann, macht Kooperation keinen Sinn – erst recht, wenn die größte Macht schon vor der Diskussion die Richtung vorgibt.

USA-Europe: Why the EU should not get into bed with the US over trade

13 February 2013

70,19

[Welt am Sonntag](#) Berlin

A US-European free trade zone is on the agenda. There are at least four good reasons for Europe to stay away from it, writes the liberal Die Welt.

[Olaf Gersemann](#) | [Martin Greive](#)

They were abbreviated to NTA and NTMA, TAD, TED and Tafta. Initiatives designed to deepen the economic relationship between America and Europe. They remained nothing but initiatives, disappearing into oblivion. Now the next attempt has come along.

Industry lobbyists on both sides of the Atlantic can hardly stay in their seats from sheer anticipation. Business wants it, the politicians are going along with it, and in principle, free trade is a good thing. Still, this most recent plan seems likely to meet great scepticism.

1. A bad sign for the rest of the world

Tariffs actually play a role in transatlantic trade only because the volume of goods traded is so large. For their exports to the US in 2010, Europe's chemical companies paid about €700m into the US Treasury. The tariff rate, however, averages just 2.25 per cent.

Cutting tariffs of this magnitude may be some relief to businesses, but it will do nothing for overall economic growth. That's why a breakthrough is needed not tariffs, but on trade barriers.

The potential there, though, is limited – because powerful interest groups such as the farming lobby would fight back, and because the public would hardly go along with it.

American laws take advantage of this to block greater harmonisation in drug approvals. Europeans do not want to import hormone-treated beef and genetically modified corn from the United States, and in turn, Americans are afraid of bacteria in naturally produced cheese from France or in imported beef.

The depth of the split in opinion has already been revealed by the negotiations on a further round of multilateral trade liberalisation, nicknamed the “Doha Round”, which have been plodding along since 2001.

If anything, a transatlantic free-trade agreement will turn out to be full of holes – and that's a problem. With a half-baked agreement between the EU and US, the two most powerful trading blocs in the world would be setting “a bad example for other free-trade areas,” warns Rolf Langhammer of the Institute for the World Economy in Kiel.

2. Third parties will be at a disadvantage

If Europe and the US were to agree a deal among themselves on liberalising trade, all the other states would automatically be discriminated against. The great danger is that, in the end, there would merely be a redirection of trade flows, not the creation of new ones. Moreover, the rest of the world could interpret a transatlantic agreement as an “exclusion, maybe even a blackmailing of third parties,” complains Langhammer.

The Economics Ministry in Berlin stresses that that is why the Europeans would ensure that the agreement remains open for other countries to join. An agreement that took an immense effort to reach, however, will hardly be unpicked again for new entrants; ultimately, the “sink or swim” principle will be laid on the table.

3. Death knell for “Doha”

The Doha Round has ground to a halt, and whether it can ever be brought to a conclusion is questionable. The alliance between the EU and the US could send out a signal that the age of bilateral trade agreements has now finally dawned. With each new agreement, however, total world trade becomes not freer, but more complicated.

Jagdish Bhagwati, a professor from India now teaching at New York's Columbia University, is one of the world's most respected trade experts. He also perceives a danger that Europe would be sidelined as the driving force in subsequent multilateral trade liberalisation: if a transatlantic liberalisation agreement were reached, he believes, “Europeans would have to pay more attention to the interests of the US and their lobby groups.”

4. Focusing on the wrong trading partner

Transatlantic trade has surged in recent years, which is precisely why industry associations are pressuring governments on both sides of the Atlantic to speed up the agreement. But the game is shifting elsewhere – to Asia and Latin America.

World economic expert Langhammer fears that a transatlantic merger would harm Europe's trading balance by harming its economic relationship with the emerging economies.

Jagdish Bhagwati sees the situation similarly. From a European perspective, the project as a whole is “not a good idea.” In trade matters, Europe is more flexible than the US; thanks to the EBA initiative, which allows the poorest countries to export their products duty free to Europe (with the exception of arms).

“That's why the EU should bury the plans. Otherwise it will weaken only itself. And besides, the developing countries are better off without such an agreement.”

On the web

- [Original article at Welt am Sonntag](#) de
- [New York Times article](#) en
- [EUobserver article](#) en

View from the US

A €275bn partnership

Barack Obama wants to open trade talks with the European Union with the aim of creating a free-trade zone, the US president said in his [annual State of the Union address, on February 12](#). The trans-Atlantic trade and investment partnership, as Obama has dubbed it, would give a boost to trade between the two shores of the Atlantic, which, in 2012, represented [€480bn, reports US daily The New York Times](#). “Estimates by the European Commission indicate that a transatlantic trade partnership could be worth around €275bn per year and lead to the creation of 2m new jobs,” [says the EU-watcher EUobserver](#).

The talks could last two years. “Some of the toughest negotiations are expected to focus on food and pharmaceutical regulations in Europe,” says the *NYT*. “Potentially more important than abolishing tariffs, but also much more complicated, would be a deal that harmonised regulations on products like food, cars, toys and pharmaceuticals,” the paper explains, adding, “But harmonising regulations is fiendishly difficult, in part because the 27 countries in the European Union have not completely synchronised their own rules.”

Fish 'n' Chips

17.02.2013 · Eine neue Abkürzung macht die Runde: **FISH. Frankreich, Italien, Spanien und Holland** bilden das neue Krisenquartett. „Chips her!“, rufen die Angelsachsen. **Europa müsse sich unter großzügiger Mithilfe Deutschlands aus der Krise herauskaufen.**

Von [Winand von Petersdorff](#)

In Deutschland mag sich das Gefühl ausbreiten, die Euro-Krise sei jetzt erst einmal vorbei. Der Rest der Welt macht sich große Sorgen und hat leider ziemlich gute Gründe. Die Wirtschaft der Eurozone schrumpfte im letzten Quartal des Jahres 2012 in einem Tempo, das man seit dem Höhepunkt der Weltwirtschaftskrise Ende 2008 und Anfang 2009 nicht mehr gesehen hatte. „Massaker zum Valentinstag“, schrieb der „Economist“. In das überraschend große Konjunkturtal stiegen nicht nur die üblichen Verdächtigen herab, die Peripherieländer, sondern auch die Schwergewichte Deutschland und Frankreich. **Selbst Musterknaben wie Holland geht inzwischen die Puste aus.**

Beunruhigend an dieser Entwicklung ist, dass potentielle Retter des Euroraums nun selber kränkeln. Galt früher das Augenmerk der Märkte und der Politik den PIGS-Ländern mit Portugal, Irland, Griechenland und Spanien, so macht nun eine neue Abkürzung die Runde: **FISH. Frankreich, Italien, Spanien und Holland bilden das neue Krisenquartett.**

Das alte simple Rezept, mit dem einzelne Länder früher ihren Wirtschaftskrisen entronnen, ging ungefähr so: Man macht seine Volkswirtschaft schrittweise wettbewerbsfähig und profitiert von Verkäufen an die Nachbarländer. Die Krisenländer von heute erleben, dass ihre wichtigsten Kundenländer selbst stagnieren oder gar schrumpfen. **So kann ein Land wie Portugal nicht auf seinen traditionellen Geschäftspartner Spanien bauen, der selbst wie ein Hund leidet. Und kann Spanien noch auf Frankreich zählen, das sich gerade seinerseits anschickt, sein Defizitziel zu reißen und in eine lange Phase der Stagnation abzutauchen?** Das macht die Rettungspolitik ungleich schwieriger. Die Länder müssen im Zeitalter der **Globalisierung** ihr Heil in der ganzen Welt suchen, statt nur nebenan.

Dazu kommt ein anderes gravierendes Problem. Wie viel Geduld haben die Leute in den angeschlagenen Ländern noch? Die **Austeritätsprogramme**, die sich die Länder der Eurozone verordnet haben, zeitigen zwar Erfolge. So hat selbst Griechenland Fortschritte beim Defizitabbau und in der Handelsbilanz gemacht. Doch ökonomische Kennziffern kann man nicht essen, die Erfolge kommen bei den Leuten noch nicht an.

Die Harmloseren unter ihnen fragen nun: Warum dauert es so lange, bis sie endlich ein paar Früchte der neuen Wirtschaftspolitik ernten können? **Doch eine wachsende Gruppe zweifelt inzwischen am gesamten Ansatz der Austeritätspolitik.** Es sind nicht nur linksradikale Ideologen, die den Kritikern Futter geben. **Der Internationale Währungsfonds** verbreitet, die Ausgabenkürzungen in Europa hätten schlimmere Effekte als kalkuliert. Nobelpreisträger Paul Krugman und der einflussreiche Kolumnist der „Financial Times“ **Martin Wolf** nehmen die kontinentaleuropäische Sparpolitik geradezu unter Dauerbeschuss.

Sie glauben, dass das Sparen die Krise verschlimmert. Lockere Geldpolitik und eine staatliche Ausgabenpolitik, die sich um keine Maastricht-Kriterien mehr schert, sei das Gebot der Stunde: „Chips her!“, rufen die Angelsachsen. **Europa müsse sich unter großzügiger Mithilfe Deutschlands aus der Krise herauskaufen.**

Die Austeritätspolitik kann für sich in Anspruch nehmen, dass sie einerseits das objektive Problem hoher Staatsschulden bekämpft und andererseits durch die Einschnitte im öffentlichen Dienst dämpfend auf das Lohnniveau wirkt, was die Volkswirtschaft als Ganzes der Wettbewerbsfähigkeit ein Stück näher bringt.

Die alternative Politik des Geldausgebens kann für sich in Anspruch nehmen, dass sie manchmal wirken mag und genauso häufig verpufft. **Am Ende stehen ein höherer Schuldenberg und die Frage: Wer leiht denn den Ländern Geld zum Ausgeben, wenn man Deutschland nicht überfordern und die EZB nicht zum Staatsfinanzier machen will?**

„Abwertungswettläufe kennen keine Gewinner“

18.02.2013 · Auch in Zukunft soll nicht mit Währungsmanipulation auf die in manchen Ländern schwierige Lage reagiert werden, sagt Bundesbankpräsident Jens Weidmann im Interview mit der F.A.Z. Außerdem sei auf Preisstabilität ausgerichtete Geldpolitik ein Beitrag zu stabilen Wechselkursen.

Die G20 schwören Abwertungswettläufen ab und erklären, die Geldpolitik an der Preisniveaustabilität und am Wachstum auszurichten. Ist das mehr als ein Formelkompromiss?

Es ist zunächst einmal eine erfreulich klare Ansage und Selbstverpflichtung. Die G20 sind sich einig, dass Abwertungswettläufe keine Gewinner kennen. **Auch in Zukunft soll nicht mit Protektionismus und Währungsmanipulation auf die in manchen Ländern schwierige wirtschaftliche Lage reagiert werden.** Das ist ein wichtiges Signal.

Die Debatte über Wechselkurse und Währungskriege lenkt davon ab, dass im Kern die geldpolitischen Vorstellungen stark differieren. Sind die G20-Staaten sich in Moskau da näher gekommen?

Klar ist: Wenn die Notenbanken in den einzelnen Ländern oder Währungsräumen ihre Politik -- trotz Unterschieden in den Mandaten -- auf Geldwertstabilität ausrichten, ist das auch ein wesentlicher Beitrag zur Wechselkursstabilität. **Mir macht allerdings Sorge, dass die Geldpolitik zunehmend als einziger handlungsfähiger Akteur gesehen wird und von ihr immer mehr erwartet wird. Geldpolitik ist aber kein Allheilmittel.**

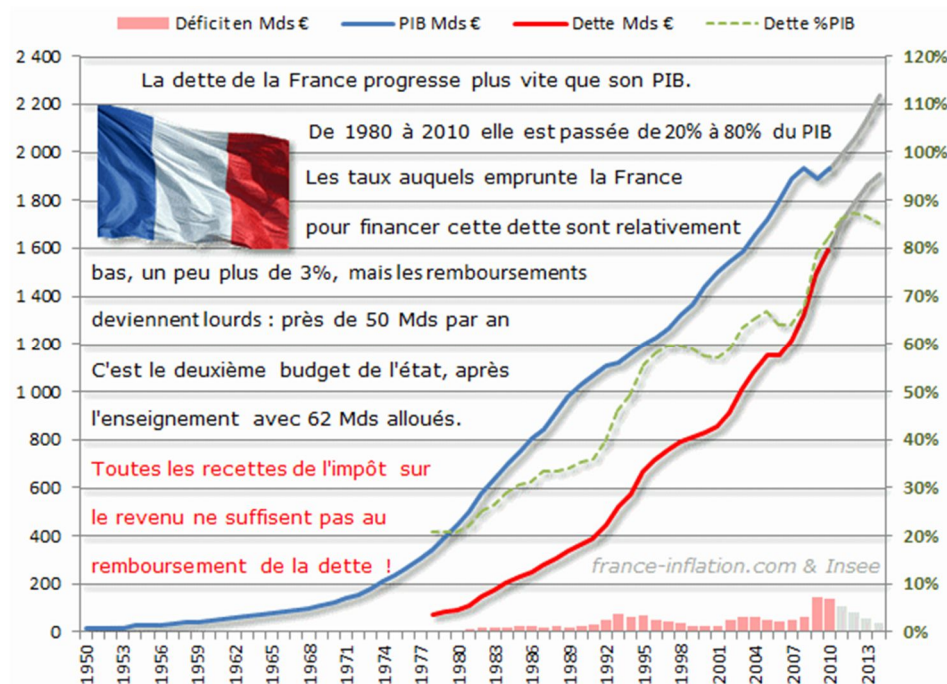
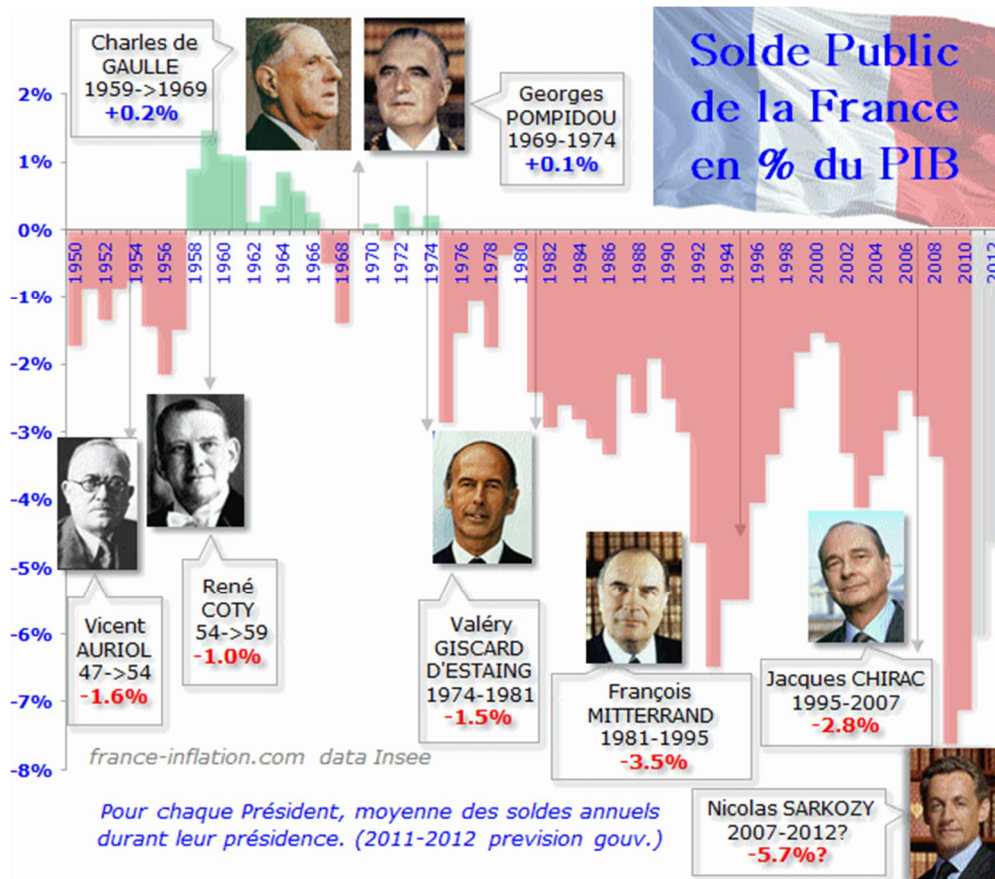
Ihre Kritik an Japan richtete sich eher gegen die Politisierung der Geldpolitik und der Bank von Japan als auf den Wechselkurs des Yen. Wo sehen Sie neben Japan die Unabhängigkeit von Zentralbanken gefährdet?

Mir geht es um einen allgemeineren Punkt. **Es geht mir um die generelle Tendenz, die Notenbankunabhängigkeit in Frage zu stellen. Im Übrigen nicht nur in der Politik, sondern teilweise auch in der akademischen Diskussion. Das halte ich für gefährlich. Es ist aber auch eine Folge der Verwischung der Grenzen zwischen Geld- und Fiskalpolitik im Zuge der Finanz- und Staatsschuldenkrise. In dem Maße, in dem Notenbanken quasi-fiskalische Aufgaben übernehmen, die sonst einer parlamentarischen Kontrolle unterliegen, wird ihre Unabhängigkeit hinterfragt werden.**

Rutschen wir global in eine Zeit hinein, in der Zentralbanken und die Geldpolitik nur noch als Anhängsel der Finanzpolitik verstanden werden und zum Teil dagegen auch nicht mehr aufbegehren?

Das kann ich mir nicht vorstellen. **Die historischen Erfahrungen, insbesondere in den 1970ern, haben doch deutlich gezeigt, dass Unabhängigkeit der Notenbanken zentral ist, für anhaltende Preisstabilität und Wachstum. Eine abhängige Notenbank, die auch noch auf viele andere Aufgaben verpflichtet wird, verliert das Ziel der Geldwertstabilität leicht aus dem Blick. Die Verlockung, Notenbanken zur politischen Konjunkturstimulierung oder zur Finanzierung von Staatsausgaben einzusetzen, ist eben sehr groß.**

Das Gespräch führte Patrick Welter.



Armutseinwanderung

Gefahr für den sozialen Frieden

19.02.2013 · Armutseinwanderung stellt Städte wie Duisburg vor große Probleme. Die meisten, die nach Deutschland kommen, sind Roma. Viele befürchten, dass sich die Situation in den nächsten Jahren zuspitzen wird.

Von Von Reiner Burger, Düsseldorf und [Rüdiger Soldt](#), Stuttgart

70,24



© Röth, Frank

In Dortmund stehen bulgarische Einwanderer auf der Straße und warten auf einen Arbeitgeber

Das mit Backstein verlinkerte siebenstöckige Gebäude im Duisburger Stadtteil Rheinhausen-Bergheim war einmal eine begehrte Adresse. Früher lebten Bergleute und Stahlarbeiter mit ihren Familien hier. Doch längst haben die Zechen in Duisburg geschlossen, und auch die Stahlindustrie hat schon zu viele Krisen hinter sich. Heute ist das Hochhaus ein Symbol dafür, wie deutsche Kommunen mit einem ungelösten Problem der EU-Erweiterung zurechtkommen müssen: der Armutseinwanderung. Denn seit schätzungsweise 300 rumänisch- und bulgarischstämmige Personen in dem Gebäude wohnen, heißt es in Duisburg nur noch „Problemhochhaus“. Immer wieder kommt es zu Konflikten mit den Anwohnern eines angrenzenden bürgerlichen Viertels, weil die Hochhausbewohner wilde Müllkippen anlegen. Auch herrscht unter den Einheimischen Angst, denn mehr als 350 Strafverfahren leitete die Polizei allein gegen Bewohner des Hochhauses im vergangenen Jahr ein.

Die Zahl der Armutseinwanderer aus Rumänien und Bulgarien nach Deutschland hat sich von 64000 im Jahr 2007 auf 147000 im Jahr 2011 mehr als verdoppelt. Im ersten Halbjahr 2012 stieg die Zahl im Vergleich zum Vorjahr nochmals um 24 Prozent. Und wenn vom 1. Januar 2014 an die volle Arbeitnehmerfreizügigkeit für Bulgaren und Rumänen in Europa gilt, könnte die Zahl weiter steigen. Besonders betroffen sind Großstädte wie Frankfurt, Mannheim, München, Dortmund oder Duisburg. Sie alle fürchten von 2014 an eine weitere Steigerung der Sozialkosten. Allein Duisburg rechnet mit Mehrausgaben von mehr als 18 Millionen Euro im Jahr, in Mannheim rechnen die Stadt und das Jobcenter mit Mehrausgaben von knapp 30 Millionen Euro pro Jahr.

Meist sind es Roma

Vergangene Woche warnte der Deutsche Städtetag deshalb in einem Positionspapier vor einem Ansehensverlust der Europäischen Union und der Gefährdung des sozialen Friedens in den Städten. Der nordrhein-westfälische Arbeits- und Integrationsminister Guntram Schneider (SPD) mahnte in der Frankfurter Allgemeinen Sonntagszeitung: „Wenn nicht endlich gegengesteuert wird, spitzt sich die Situation nach dem 1. Januar 2014 zu.“

In Duisburg hat der seit gut einem Jahr amtierende Oberbürgermeister Sören Link (SPD) die Armutseinwanderung zum vordringlichsten Thema erklärt. Nach einem vor wenigen Tagen veröffentlichten Sachstandsbericht der Stadtverwaltung leben in Duisburg derzeit schon 6000 Armutsflüchtlinge, bei denen es

sich zumeist um Roma handelt. Wie in den anderen deutschen Großstädten ist das Leben der Eingewanderten von extremer Armut geprägt. Duisburg gilt als einer der Zuzugsschwerpunkte in Nordrhein-Westfalen, weil es in der vom Strukturwandel gebeutelten Stadt viele leerstehende Häuser gibt, die sich oft nur noch an Einwanderer vermieten lassen. Was Duisburg in seinem Sachstandsbericht feststellt, gilt auch für andere Orte in Deutschland: Eine wichtige Rolle spielt, dass vor allem die aus Bulgarien kommenden Einwanderer Türkisch sprechen und damit eine Chance haben, Anschluss wenigstens an einen Teil der Stadtbevölkerung zu finden. Zudem haben Armutsflüchtlinge häufig Verwandte in den jeweiligen Städten. Auch Schlepperbanden spielen häufig eine Rolle. „Die Zuwanderer werden (...) oft schon im Heimatland angeworben, mit Handynummern und Anlaufadressen hier in Mannheim versehen“, heißt es im Mannheimer Lagebericht. Gegen hohe Honorare würden die Schlepper den Einwanderern Wohnraum und Beschäftigung vermitteln und ihnen Begleitung bei Behördengängen versprechen. Diese Honorare verschwänden in der Schattenwirtschaft.

Einwanderer wohnen in baufälligen leeren Häusern

Noch bedrückender ist vielerorts die Wohnsituation der Armutsflüchtlinge. Vermietet werden oft Häuser ohne Fluchtmöglichkeiten, ohne funktionierende Toiletten, Zimmer ohne Tageslicht. In Mannheim, der zweitgrößten Stadt Baden-Württembergs, spitzte sich die Situation im vergangenen Jahr derart zu, dass die Stadt nur noch eine Möglichkeit sah: Sie kaufte das Mietshaus in Hafennähe, in dem gewissenlose Geschäftemacher Zimmer und Matratzen zu Wucherpreisen an Armutseinwanderer vermietet hatten. Anders ließ sich die Lage nicht entschärfen. „Wir wollten das Haus vom Markt nehmen, das können wir natürlich nicht beliebig häufig wiederholen“, sagte der Mannheimer Ordnungsbürgermeister Christian Specht (CDU) damals.

Dass es in den abbruchreifen Mietshäusern und notdürftig mit Elektroheizungen ausgestatteten Notunterkünften in Mannheim und andernorts noch nicht zu einer Brandkatastrophe gekommen ist, grenzt an ein Wunder. „Für eine Matratze werden etwa 200 Euro im Monat bezahlt, einzelne Räume werden an Familien, die dort mit sechs oder mehr Personen leben, für 400 bis 500 Euro vermietet“, heißt es in einer Situationsanalyse der Stadt Mannheim über die „extrem prekären Wohnverhältnisse“. Aus Sicht der Einwanderer seien „selbst die prekärsten Wohn- oder Lebensverhältnisse“ in Deutschland besser als die „Fortführung des Status quo“ im Heimatland. Im Duisburger Sachstandsbericht heißt es dazu fast lapidar, die Besonderheit bei diesen Einwanderern bestehe darin, „dass die Mieter über Wohnverhältnisse/Überbelegung, Wohnhygiene oder Wohnungsmängel nicht klagen“. Seit 2009 registriert auch Offenbach eine „extreme Belegung von baufälligen, unbewohnbaren Liegenschaften“ durch Einwanderer aus den südosteuropäischen Mitgliedstaaten. Allerorten rufen die Überbelegung der Wohnungen und die abweichenden Lebensgewohnheiten vieler Armutsflüchtlinge Ärger hervor. Musste die Duisburger Stadtreinigung 2011 noch 1300 wilde Müllkippen im Umfeld von Armutsflüchtlingssiedlungen beseitigen, waren es allein im Zeitraum Januar bis September 2012 mehr als 1600.

Armutseinwanderung ist kein Thema auf Bundesebene

Es gibt Kommunalverwaltungen in Großstädten oder Mittelstädten in Deutschland, die das Problem nur aus der Zeitung kennen, es gibt aber eben auch die Kommunalpolitiker aus Dortmund, Mannheim, Berlin-Neukölln, München, Frankfurt am Main oder Offenbach. Sie schreiben schon seit Jahren Briefe an die politischen Verantwortlichen in ihren jeweiligen Landeshauptstädten und in Berlin, ohne dass sie bisher das Gefühl gehabt haben, dort mit ihren Sorgen ernst genommen zu werden. „Wir fühlen uns von Land, Bund und der EU im Stich gelassen“, sagte die Leiterin des Duisburger Referats Integration, Leyla Özmal, nun der „Westdeutschen Allgemeinen Zeitung“. Viel Frustration ist auch in einem Bericht der Stadt Dortmund mit dem Titel „Kommunalisierung der Folgen von Regelungsdefiziten im EU-Erweiterungsprozess“ dokumentiert. Das Problem Armutseinwanderung sei absehbar gewesen, und trotzdem sei es „weder auf EU- noch auf Bundesebene zum Thema gemacht“ worden. Die Kommunen seien „Sammelbecken für alle Regelungsdefizite des vollzogenen Beitritts, die negativen Folgen der Beitritte werden kommunalisiert“. Die Dortmunder Stadtverwaltung formuliert ganz konkrete Forderungen an den Bund und an die EU: „Es müssen ‚Integrationskommissare‘ - ähnlich einem Haushaltskommissar - von der EU in die Herkunftsländer entsandt werden, die gemeinsam mit den betroffenen Menschen Strategien entwickeln“ und einen Verbleib in den Herkunftsländern bewirken. Auch müsse der Bund den Kommunen die aus seiner „verfehlten Erweiterungspolitik ... entstehenden Soziallasten ... vollständig erstatten.“

Die sozialen und kulturellen Konflikte, das Wohlstandsgefälle zwischen den Lebensverhältnissen in Osteuropa und einer deutschen Großstadt sind nun schon seit Jahren in nur wenige Quadratkilometer großen Stadtteilen Dortmunds, Offenbachs oder Mannheims zu besichtigen. Es beginnt beim fehlenden Impfschutz, dem vermehrten Auftreten von multiresistenten Tuberkulose-Infektionen und endet bei einem deutlichen Anstieg von Sozialausgaben und den Aufwendungen für die Krankenversorgung. „Kindeswohlgefährdung durch unzureichende Wohnverhältnisse“, heißt es in einer Tabelle mit einer Analyse der Situation in München. Die Antwort nicht nur der bayerischen Landeshauptstadt lautet: „Inobhutnahme“. In Dortmund mussten 2011 schon 45 rumänisch- oder bulgarischstämmige Kinder aus ihren Familien genommen werden, was alleine mit einer Million Euro zu Buche schlug. Nach der vollständigen Arbeitnehmerfreizügigkeit von 2014 an rechnet Dortmund mit hundert Fällen und Kosten von 2,2 Millionen Euro jährlich. Schon heute sind auch in Mannheim zehn Prozent der Einwanderer aus Bulgarien und Rumänien noch im Kindesalter.

Längst fürchten die betroffenen Kommunen gravierende politische Konsequenzen, vor allem das Schüren fremdenfeindlicher Ressentiments. Im Duisburger Sachstandsbericht heißt es: „Weit über den Stadtteil Rheinhausen-Bergheim hinausgehend hat die Zuwanderung von Menschen aus Südost-Europa hohe Wellen geschlagen. Besonders im Umfeld des sogenannten Problem-Hochhauses, aber auch an anderen Stellen ist der soziale Frieden nachhaltig gestört“, warnen die Autoren des Berichts. „Darüber hinaus nutzen inzwischen auch rechte Gruppen die Situation für ihre ideologischen Zwecke.“

La BCE ne devrait pas aider à nouveau l'économie à repartir

Le Monde.fr avec AFP | 18.02.2013 à 17h13 • Mis à jour le 18.02.2013 à 17h18

70,27



Le président de la Banque centrale européenne (BCE), [Mario Draghi](#), a souligné, lundi 18 février, les risques d'une longue période de taux directeurs bas, suggérant ainsi que l'institution ne compte pas les [abaisser](#) encore davantage. Le principal taux directeur de la BCE est déjà rivé depuis juillet dernier à 0,75 %, soit son plus bas niveau historique.

"La BCE est consciente des défis que soulève une longue période d'une [politique](#) de taux bas et d'une abondance de liquidités", a déclaré M. Draghi devant la commission des affaires économiques et monétaires du Parlement européen, à Bruxelles, à l'occasion de leur dialogue trimestriel.

"Les faibles taux d'intérêt risquent d'[affecter](#) la capacité des épargnants et des investisseurs à générer des rendements", notamment pour les compagnies d'assurance et les fonds de pension, a reconnu M. Draghi. Par ailleurs, des taux d'intérêt bas pendant une longue période, couplés à une abondance de liquidités en circulation, "facilitent des prêts de refinancement à coûts très faibles", ce qui peut [conduire](#) les banques à être moins prudentes dans la gestion du crédit, et peut [encourager](#) la formation de bulles spéculatives, en particulier dans l'[immobilier](#), a poursuivi M. Draghi.

"GUERRE DES [DEVICES](#)", MOT TABOU

Jusqu'ici, "en assurant la stabilité des prix, la politique monétaire a contribué à des conditions financières plus stables. C'est essentiel pour les épargnants et les investisseurs", a-t-il ajouté. "La politique de la BCE reste accommodante", a-t-il souligné, une expression qui pour les analystes signifie que l'institution n'a pas l'intention d'[abaisser](#) davantage ses taux.

"Soyons clairs : des changements de politique de taux d'intérêt ne sont pas normalement le meilleur instrument pour répondre à des déséquilibres financiers", a encore mis en garde le président de la BCE. Si ces déséquilibres ne menacent pas directement la stabilité des prix au niveau de l'ensemble de la zone euro, "c'est aux États" d'y [faire](#) face, a-t-il insisté.

Par ailleurs, M. Draghi a rappelé qu'il trouvait "très exagéré de [parler](#) de guerre des devises", sur fond de craintes d'une appréciation trop forte de l'euro par rapport au dollar et au yen. Samedi, les représentants des pays du G20 réunis à Moscou se sont engagés à ne pas procéder à des dévaluations compétitives de leurs monnaies respectives et à "progresser plus rapidement vers des systèmes de taux de change davantage déterminés par les marchés" pour mieux refléter les fondamentaux. "J'invite tout le monde à [adopter](#) une stricte discipline verbale [sur les taux de change]. Moins on en parle, mieux ce sera", a plaidé M. Draghi.

Draghi Seeks to Ease Talk of Global Currency War

By [JAMES KANTER](#)

BRUSSELS — The president of the [European Central Bank](#) sought on Monday to ease fears that countries including Japan were deliberately weakening their currencies.

The comments by the president, [Mario Draghi](#), appeared to show how some of the world's most senior economic policy makers were continuing to limit the possibility of a so-called currency war.

Over the weekend, finance ministers from the Group of 20 pledged to refrain from devaluing their currencies to gain a competitive advantage in global trade.

During an afternoon of scheduled testimony before the European Parliament's economic and finance committee in Brussels, Mr. Draghi said that the euro's current exchange rate was close to its long-term average. He advised officials not to make alarmist comments.

"Most of the exchange rate movements that we have seen were not explicitly targeted; they were the result of domestic macroeconomic policies meant to boost the economy," Mr. Draghi told the committee, without mentioning any countries by name. "In this sense, I find really excessive any language referring to currency wars."

But Mr. Draghi also seemed to suggest that central banks could succumb to mutual suspicion about whether exchange rates were being deliberately weakened.

"The less we talk about this, the better it is," he said.

Underscoring the point, Mr. Draghi said he had "urged all parties" to exercise "very, very strong verbal discipline" at the meeting of the G-20 finance ministers in Moscow over the weekend.

A loose monetary policy intended to spur growth often has the effect of devaluing a currency, making a country's exports more affordable and its competitors' exports more expensive. For example, a strong euro means that exports like cars and wines become more expensive abroad. That puts European producers at a disadvantage in competing with foreign producers on world markets.

Yet a strong euro also brings some advantages for Europe. Certain imports — like energy, in the form of [oil](#) and natural gas — become more affordable.

The euro hit a record of 127.18 yen on Feb. 2, up from 114.48 yen at the start of the year. It stood at just 94.31 yen in July 2012. The euro traded at 125.46 yen on Monday, up slightly, and was flat against the dollar, at \$1.335.

Since the rapid strengthening of the euro against the yen and other major currencies, there has been a concerted push by industrialized nations to convey the message that they will let the markets determine the value of their currencies.

Last week, the Group of 7 sought to quell fears of a developing currency war.

Over the weekend, the G-20 finance ministers issued a statement saying that a loose monetary policy, including steps to weaken currencies, were acceptable if used as a means to stimulate domestic growth.

But they also warned that such policies should not be used to benefit a country's position in global trade.

Guntram B. Wolff, the deputy director of Bruegel, a research organization, said that he believed Japan's central bank policy makers were carrying out an expansionary monetary policy in an appropriate way — as a means to spur economic growth, not as a way to aid Japanese exporters.

Instead, Mr. Wolff said, Mr. Draghi might be concerned about the Federal Reserve, where policy makers are considering continuing their expansionist monetary policy until the unemployment rate falls significantly, and about the Bank of England, which may end up pursuing similar policies as it revises the way it sets goals for economic growth.

“The bigger question is what central banks in the developed world are doing — I'm thinking here about the Bank of England and the Federal Reserve — and whether we have a danger of competitive devaluation,” Mr. Wolff said.

“While we claim that all of this is done for domestic purposes, the internal and external goal can become the same, and then you have the risk that this turns toxic.”

Over the last few years, emerging-market countries like Brazil have openly accused slow-growing advanced countries like the United States of unfairly pushing down the value of their currencies with their aggressive monetary policies. And, for years, the United States has accused export-reliant emerging economies, in particular China, of manipulating their currencies, too.

More recently, in Japan, stimulus programs backed by the newly elected prime minister, Shinzo Abe, have kept interest rates near zero and flooded the economy with money, which has reduced the cost of Japanese products around the world.

In Europe, while confidence has grown that the European Union will be able to manage its [sovereign debt crisis](#), the euro has made significant gains against the dollar and other currencies. That is making European exports more expensive, a factor that could hamper growth.

The gains have prompted **François Hollande**, the president of France — which has traditionally taken a more interventionist stance in economic matters — **to call for a European exchange-rate policy**.

Mr. Draghi did allow that the relative strength of the euro “is important for growth and price stability” and that “to the downside,” an “appreciation of the euro is a risk.” He said the European bank would assess whether the exchange rate was having an effect on inflation.

But for now, Mr. Hollande has little influence on the issue. Jeroen Dijsselbloem, the president of the Eurogroup of euro zone finance ministers, gave the French request short shrift this month, and a senior German official has denounced the French initiative as a poor substitute for policy overhauls.

“Can you have a managed exchange rate in Europe?” asked Karel Lannoo, the chief executive of the Center for European Policy Studies, a research organization in Brussels.

“Probably not, when you consider how hard it would be to agree on a rate and the means to maintain it. ”

French Cite Recession in Delaying Budget Goal

By [STEVEN ERLANGER](#)

PARIS — Citing a Europe-wide recession, [France](#)'s Socialist government is moving away from its promise to bring its budget deficit down to 3 percent of gross domestic product this year, arguing that the recession creates an exceptional circumstance requiring less austerity.

“I don't think our credibility will be damaged if something exceptional intervenes,” France's finance minister, Pierre Moscovici, said Monday. “If we have a deeper recession, we'll have an even tougher time hitting our targets. We must not add austerity to the risk of recession.”

The recession in the euro zone “is a collective problem,” he said. “It's unacceptable that euro zone growth in the last quarter was minus 0.6 percent.”

At the same time, the economic squeeze combined with an already high rate of taxation will make it easier for the government to focus on spending cuts, senior ministry officials said.

Mr. Moscovici is facing pressure for more spending from other government ministers in a period of stagnant growth — zero for 2012, with minus 0.3 percent in the last quarter. But he insisted Monday that public spending must come down.

The government's main task, he said, is to promote growth and cut unemployment, but also to get public finances under control. The government wants to begin to reduce France's accumulated debt, around 90 percent of G.D.P., and gradually reduce the government's share of G.D.P., currently more than 56 percent.

France has committed itself to the [European Commission](#) to hit the 3 percent target this year, but Mr. Moscovici emphasized the government's progress in reducing France's structural deficit — which is supposed to be unaffected by economic cycles — by two percentage points this year.

That was the key figure, he argued, saying: “Our true commitment was to reduce the structural deficit.” And he pointed to a letter last week from Europe's commissioner for economic affairs, Ollie Rehn, who suggested that countries might get more time to cut their deficits if they could demonstrate seriousness in structural changes.

France would wait to see European Commission growth forecasts later this week before deciding what to do, Mr. Moscovici said, and then hold talks with European officials in Brussels to come up with a solution. France's actions will depend on those talks, Mr. Moscovici said.

For the moment, he said, he is holding to the 3 percent goal, but he acknowledged that France's national auditors, the Cour des Comptes, said last week that given low growth, it would be next to impossible to hit the target without altering current plans. And the auditors again recommended that the government do more to limit spending and not raise taxes further.

On a proposed free-trade agreement between the United States and the [European Union](#), which is intended to promote economic growth, Mr. Moscovici said France was “open but vigilant.”

Mr. Moscovici said that “an opportunity exists,” but that there were “irritants” that would need to be negotiated. He cited issues of concern to France, like agricultural regulations and “the cultural exception” — France subsidizes some of its own cultural products, like films, and promotes local content. Restrictions in the French marketplace are one reason the Obama administration was initially reluctant to get too deeply involved in a

free-trade negotiation. As one senior official in Washington put it, “After we negotiate hard for two years, the French will kill it anyway.”

But pressed by Chancellor Angela Merkel of Germany, Mr. Obama supported the idea in his [State of the Union address](#) last week.

On the much-discussed effort by President François Hollande of France to temporarily raise the highest tax rate to 75 percent on those earning more than one million euros a year — a law found to be unconstitutional — Mr. Moscovici said that the government was working on a new tax for the wealthy, but refused to commit to a rate of 75 percent. “It’s an exceptional tax for exceptional times on exceptional income for an exceptional duration,” he said.

Conservative win in first round of vote

Feb 18th 2013, 18:24 by K.H. | NICOSIA



THE mood of celebration among supporters of Nicos Anastasiades (pictured above), the right-of-centre candidate for the Cyprus presidency, proved premature by a week at least. The leader of Democratic Rally (DYSY), seen as the best hope for tackling an economic crisis that could possibly drive the island out of the euro zone, was tipped by several pollsters to win an outright victory in the first election round on February 17th. Exit polls agreed he would get as much as 52.5% of the vote.

Voters were not quite so keen. Mr Anastasiades, who wants to sign a bailout deal as soon as possible, won 45.4% of the vote, leaving his two rivals trailing by almost 20 points. He should win easily in the run-off vote on February 24th against Stavros Malas, the Akel (Cyprus Communist Party) candidate. Mr Malas, a former health minister, was drafted to run after Demetris Christofias, the incumbent, decided against trying for a second term. He won 27% of the vote, edging George Lillikas, a former foreign minister running with the nationalist Democratic Party (DIKO), into third place with 24.9 %.

Mr Anastasiades should win 60% in the run-off vote, his supporters say. This week will see some back-room bargaining as he and Mr Malas compete to win backing from DIKO voters. An alliance with Akel brought Mr Christofias to power at the last election but Marios Karoyian, the party leader, may choose Democratic Rally this time. The island's first Communist administration was marked by tragedy: an explosion in 2011 at a poorly-maintained munitions dump killed 13 people and destroyed the main power station. It was followed by the near-collapse of the banking system, which is swollen by large deposits owned by Russians, including suspected money-launderers.

Cyprus banks were badly hit by Greece's partial default last year, losing several billion euros on their holdings of Greek bonds. Their Greek branches face soaring bad debts after five straight years of recession. Cypriot borrowers are also finding it hard to keep up payments amid shrinking consumption and a steady rise in unemployment. Bailing out the banks could cost as much as €10 billion (\$13.4 billion) according to Nicosia bankers (citing an unpublished report by experts from Pimco, a fund manager), raising the possibility that Cyprus's debt could become unsustainable. The threat of a "haircut" on depositors and bondholders has triggered a strong reaction on the island. Shouts of "thieves, get out" caused uproar at a recent shareholders' meeting at Laiki Bank, the island's second-largest.

Cyprus asked its EU partners for a bailout as long ago as last June but foot-dragging by Mr Christofias delayed a deal. He hoped for more financial aid from Moscow on top of a €2.5 billion rescue loan last year. The Russians have made promises to support Cyprus while avoiding a specific commitment. One way of ensuring repayment would be for Moscow to make a special contribution to the bail-out package through the IMF.

Even though he left office without putting his signature on a bailout deal, Mr Christofias approved some fiscal reforms in response to pressure from the EU and IMF. Civil servants, who account for by far the biggest percentage of the workforce, have taken a salary cut and welfare payments are frozen at current levels after several generous increases under the Akel government. But a clash looms over privatisations of state organisations that run telecoms, utilities and the ports, seen as Akel union fiefdoms. Disposing of state assets will be an important condition for wrapping up a bailout deal. Cyprus's new president will have a big job.

Beppe Grillo: The Europhobe comet

18 February 2013

Linkiesta Milan

70,33

Just a few days ahead of the February 24 and 25 elections, the Italian media are ignoring the success of the former comic and self-declared populist. However, according to the polls, Grillo and Berlusconi could give rise to an unprecedented coalition of anti-Europeans.

[Massimiliano Gallo](#)

[Interviewed](#) a few days ago on a popular TV show, outgoing prime minister Mario Monti admitted he did not know how to use Twitter, or what [Fifty Shades of Grey referred to](#), while carefully avoiding talk of civil partnerships, and passing quickly over [the San Remo Song Festival](#).

At the same time, the former comedian and founder of the Five Star Movement (M5S) [Beppe Grillo](#) was haranguing a crowd in Marghera near Venice. In the crowd were ordinary people, embodying the problems and anxieties of everyday life: work, childcare, motherhood, the difficulties SME owners face. Wrapped up in hats and coats, they stood there in the cold, in great numbers, from the afternoon into the evening, listening to Grillo and others who came out onto the platform.

And yet the next day neither *La Repubblica* nor *Corriere della Sera* devoted a single line to Beppe Grillo. As if he does not exist. But they'll get a rude awakening. [Since then, the two most widely read newspapers in Italy have devoted several articles to the candidate's breakthrough in the polls.]

Something is going on in Italy. Is this movement good or bad? Of course, we can discuss that. But either way it is a major phenomenon. The Five Star Movement is standing at 17 per cent in the polls, a figure that very few parties in Italy have been able to get past.

“We will open up Parliament like a can of tuna,” Grillo declares. And the crowd goes wild. “The era of representation is finished. We no longer believe in it. We will break the bank. And if not today, then a year from now. It's just a matter of time. And really, we may just get there today.” Beppe Grillo never stops. “Populists? Yes, we are populist – and let them hear it!” And the crowd chants aloud: “Po-pu-li-sti!”

Treated like a little dictator

The "Tsunami Tour", as he has named it, recalls old-fashioned politics, but also the kind adopted by a certain Barack Obama – who knows how to use Twitter (and how!). And who certainly knows about the existence of *Fifty Shades of Grey*, if he has not already read it. Because it is obvious that as long as you do not come down to the street, you do not exist, and you have no credibility.

During his meetings, Beppe Grillo often mentions the foreign television crews that have come to follow his campaign. From all around the world, from Denmark to Canada. Journalism, after all, is not limited to analysis and interpretation; it is also a story, a narrative. If a foreigner were to flip open *La Repubblica* or the *Corriere della Sera*, he would learn nothing of what has happened during this election campaign. He would be unable to get any idea of the state of mind of the Italians and of the two questions that worry the country: who will vote for the Five Star Movement, and who shudders at the mere thought of it?

The media who think of themselves as the benchmark treat Beppe Grillo like a little dictator. The Five Star Movement only makes the news when someone in it rebels against its leader, or when there is something to spill about the “guru” Gianroberto Casaleggio, co-founder of the movement with Beppe Grillo. As if all those people, all those Italians who braved the cold to gather in the street on a weekday, were lobotomised second-

class citizens. One may wonder how a comedian is proving so successful. To write about it may even be a duty. In any case, the movement cannot be ignored.

A place in government?

For the rest, it's enough to look at the polls. Published on February 6, the latest [survey of voter intentions for the senatorial elections](#) from [pollster] SWG (*Studi e Proiezioni Elettorali*) gives the centre-left coalition 34.4 per cent (the Democratic Party 29.6 per cent), and the Monti coalition 11.5 per cent. On polling day, it may happen that Monti and his allies fail to get past 10 per cent. That would mean the centre-left and Monti together would fall short of 45 per cent threshold.

The same number can be arrived at by adding the 28.7 per cent of the centre-right (the People of Freedom is at 19 per cent) and the 17.5 per cent of Beppe Grillo (18 per cent for the Chamber of Deputies). If we look just at the numbers, the Berlusconi-Grillo tandem (46.2 per cent), as hypothetical and unimaginable as it may be, is rallying more votes across the country today than the Bersani-Monti duo (45.8 per cent). And yet the newspapers are talking only about the latter.

To state things clearly, in the very unlikely event that Beppe Grillo and Silvio Berlusconi were to forge an alliance, it would be difficult for the head of state not to ask one of the two men to form the government.

An Italy split in half

Worrying figures? Fantasy scenarios? Yet these are real numbers. And more than numbers, they represent minds, hearts, people, and families. There are two Italies. One that we could briefly be described as European – responsible, credible, but given to procrastinating and getting lost in squabbles and unnecessary debate. And one that is difficult to identify. Because Beppe Grillo and Silvio Berlusconi are not alike, even if they do have some things in common.

Italians who will vote for Bersani or Monti are as numerous as those who will vote for Beppe Grillo or Berlusconi. And the elections are only 17 days off! This is the reality. Let us act. Something is going on in Italy. Something strong. Something intense. And that has nothing to do with the little dog of Mario Monti. Notify the Twitter stars. And perhaps even the political leaders, can yet turn things around.

The Italian election

Who can save Italy?

Europe's most sluggish economy needs more of Mario Monti's reforms

+ VIDEO Feb 16th 2013 | [From the print edition](#)

70,35

THE danger for Europe's single currency seems to have abated. Bond yields in peripheral countries have fallen; worries that some members might be forced out have dissipated; budget deficits have shrunk; the first signs of recovery are showing in Ireland and even Spain. Yet the euro zone's crisis is far from over. Rather, its acute phase has become chronic. The concern has moved from just bust budgets and broken banks, to a lack of jobs and slow growth.

Lost competitiveness, high unemployment and stagnation were always the biggest long-term risks for Europe's single currency. These problems may be most obvious in the usual peripheral suspects—Greece, Spain and Portugal, but are not confined there. The euro zone remains in recession. The economies of Germany and France shrank in the fourth quarter of 2012. France is struggling to reform (see [article](#)). But the worst of them all is Italy (see [briefing](#)).

Italy's failures are not as obvious as those of other countries. Despite its huge public debt—almost 130% of GDP—its public finances and its banks are in better shape than those in Greece or Portugal. It also avoided the property booms and busts that ravaged Spain and Ireland. Yet Italy's economy is one of only two in the euro zone in which real GDP per head has fallen since the euro came into being. In the global league table of growth in GDP per head, it comes 169th out of 179 countries over the period since 2000, beating only a handful of basket-cases such as Haiti, Eritrea and Zimbabwe.

Now Italy also risks being left behind by its neighbours. Unit labour costs in most of the euro zone's Mediterranean countries rose far above Germany's after the creation of the euro, but in most they have fallen sharply since the crisis began. In Italian factories, by contrast, they have risen since 2008 by more than in any other euro-zone country except Finland.

Italy's economic problems mean that its election on February 24th and 25th matters far beyond the Alps. If the euro zone's third-biggest economy and its largest public debtor cannot reignite growth and generate new jobs, Italians will eventually lose hope or their northern neighbours will lose patience. Either way, the euro zone will fall apart.

When win-win is possible

Fortunately there is a way forward for Italy: deep and comprehensive reforms to its over-regulated economy. The outgoing technocratic government led by Mario Monti, in office since the curtain came down on Silvio Berlusconi in November 2011, started down this path with pension, regulatory and labour-market changes. By some estimates, these measures have already raised Italy's potential growth by almost half a percentage point. But much more is needed.

Italy has far too many protected economic interests, from notaries to pharmacists, and from taxis to energy suppliers. It also has too many layers of government: provincial, regional and local administrations that often duplicate rather than replace the activities of central government. A constipated judicial system makes contractual disputes impossibly long, costly and unpredictable: the average civil trial in Italy lasts for 1,200 days, compared with 331 in France. Employment is too heavily taxed, and public spending is skewed towards transfers rather than investment.

Yet all this also provides an opportunity. A recent study by the IMF, which also looked at the evidence from other countries, concluded that product- and labour-market reforms in Italy could raise GDP per head by 5.7% in five years' time and by 10.5% in ten. If they are done simultaneously (and it may be easier to tackle vested interests all at once rather than one at a time) and are complemented by sensible fiscal reforms, the potential jump in GDP after ten years rises to over 20%. That should set a clear target for the next government.

The best and the rest

Italians have a choice between the good, the bad and the broadly acceptable. The best result would be for Mr Monti to stay on as prime minister. He is running on a pro-reform ticket backed by a coalition of centrist parties. Sadly, the professor is better at governing than campaigning: his poll ratings have seldom crept above 15%, putting him in fourth place.

The worst outcome would be a victory for Mr Berlusconi's right-wing coalition. For a host of personal and political reasons, this newspaper continues to regard the media tycoon as unfit for office. He failed to reform the country in over eight years in power and his party, unlike its centre-right peers in other troubled European countries, is still campaigning on a programme that ignores reform too.

Given Mr Berlusconi's naked advancement of his own interests at the expense of his country's, it is amazing that any Italians still support him. Yet, in the polls he has narrowed the gap with the centre-left coalition under Pier Luigi Bersani, giving him a chance of winning a majority in the Chamber of Deputies, though taking the Senate (and thus being able to form a government) looks beyond him. But Mr Berlusconi could paralyse the political system, probably forcing another election, alarming the markets and reviving the euro crisis: a miserable mess even by his own standards.

That leaves Mr Bersani, whose centre-left coalition has led in the polls since the election was called. His backers include former communists, and he has a coalition partner from the far left. Yet Mr Bersani also has a reasonable record as a reformer in past governments. If he won the election, but failed to secure a majority in the Senate, he would have to form an alliance with Mr Monti; and Mr Monti could use his bargaining power to demand a role as a super-minister overseeing the economy.

A government led by Mr Bersani, with Mr Monti in charge of the economy, would be a decent outcome for Italy. It would have the confidence of the markets and the international institutions whose approval is needed to keep countries afloat. More important, it might get serious about reforming an economy which, if it goes on the way it did under Mr Berlusconi, will eventually collapse and drag the euro down with it.

Beppe Grillo

Five-star menu

A comedian and populist whose result may be underestimated

Feb 16th 2013 | VENETO | [From the print edition](#)

70,37



A man, a plan, a van

THE Five Star Movement (M5S) did not exist four years ago. Its candidates have no experience of parliament. But they may yet fill about 10% of the seats in both the Chamber of Deputies and the Senate. Beppe Grillo, the comedian who co-founded the M5S (he denies leading it) is not standing. He was convicted for manslaughter after a 1980 traffic accident, and his party's rules ban someone with such a record from running. Instead, 64-year-old Mr Grillo is making a 10,000km (6,200-mile) journey through 77 cities in a camper van with three assistants to get out the vote.

Most politicians focus on television, but Mr Grillo campaigns in a way that is traditional yet contemporary: rallies in packed piazzas live-streamed on YouTube. The M5S has its "feet on the ground, but its head on the web", he says on his way to the town of Belluno. Pollsters fear they may underestimate his support. In October's regional election in Sicily, an unpredicted surge gave the M5S more votes than any other party.

Not that Mr Grillo, non-leader, would call his party a party. With their public funding and networks of patronage, Italian parties are his primary target. On the dashboard of his camper van is a Guy Fawkes mask. Just as Fawkes wanted to blow up the British parliament, so Mr Grillo seeks to sweep away Italy's old politicians, "those who have destroyed the country". In their place, he wants web-based direct democracy.

The five stars cover its members' main interests: water, transport, development, internet availability and the environment. Other than on health and energy, the movement's policies are vague. The section on economics in its 15-page programme is strong on corporate governance and market transparency, but short on macroeconomic policy. It blithely says the M5S would shrink the budget deficit by "cutting waste and introducing new technologies to allow...the public access to information and services without the need for intermediaries".

A recent study by Demos, a British think-tank, found that Mr Grillo's followers were more educated than the Italian average—and more likely to be male, unemployed and pessimistic. That volatile mixture raises the question whether the M5S might detonate a more violent response to Italy's ills. "No," says Mr Grillo. "It's the anti-detonator. My movement regulates the fear."

Italy's election

Long after the party

How Italians are going to vote is not clear. But the result will matter both to the future of their country and to the euro

Feb 16th 2013 | ROME | [From the print edition](#)

70,38



A CASUAL visitor to Rome might be forgiven for failing to notice that Italy is holding a general election on February 24th and 25th. Along the streets a few scruffy, amateurish posters flap disconsolately in the wind. Many are for the local and not the national election. Most are ignored by scurrying passers-by.

It is a similar story in the rest of the country, with election rallies attended by remarkably few. There is more interest in Lombardy, the country's most populous region, partly because it may directly affect the make-up of the next government and partly because it is also holding a tight regional race; and also in Sicily, where the polls are too close to call. But most Italians show little interest in the contest.

To an outsider their apathy seems extraordinary. Italy's dire economic situation—14 years of near-zero growth, a deep double-dip recession since 2007 and over 12 months of painful austerity—ought surely to make the voters angry. And it ought to worry them, too, just as it worries observers elsewhere in Europe, who see in Italy's position the threat of the euro crisis bursting back into life. Yet Italians seem disillusioned with all politicians, whether left, right or centre; and a depressing number still seem ready to be won over by Silvio Berlusconi's snake-oil. Most analysts expect a low turnout by previous standards: below the 80% of April 2008, perhaps down to 70%.

In the most recent election, in 2008, Mr Berlusconi's right-wing People of Liberty (PdL) movement and its coalition partners, including the Northern League, won handily, leading the centre-left by 47% to 37.5% and gaining big majorities in both chambers of parliament. But the desertion of key allies, a sharply deteriorating economy and a collapse of confidence in Italy's sovereign bonds brought him low. In November 2011 he resigned and was replaced by Mario Monti, a professor and former European commissioner; many detected the hands of the European Central Bank and of Germany's chancellor, Angela Merkel, in the *coup de grâce*.

Mental electoral arithmetic

Mr Monti's technocratic government has done much to restore Italy's tattered credibility. It began the task of freeing up an overregulated economy, setting about pension and labour-market reforms. But its legislative and budgetary measures have needed the parliamentary backing of the PdL and of the centre-left Democratic Party (PD), led by Pier Luigi Bersani. For most of 2012 these two parties took every opportunity to water down Mr Monti's reforms and fiscal austerity, but stopped short of blocking them outright. Then, in early December, Mr Berlusconi abruptly withdrew his support, triggering an early election.



Mr Monti and Mr Bersani look to the future

Mr Bersani's PD has been leading in the polls ever since the election was called but, thanks in part to a proliferation of parties, with a share of the vote that is lower than when it lost to Mr Berlusconi five years ago. Mr Monti, a newcomer to electoral politics, will not win, but the new centrist block supporting him will take votes from left and right. The Five Star Movement, another newcomer which appeals to voters fed up with all political parties (see [article](#)) will also get a sizeable vote.

Things are made more uncertain by a crazily complex electoral system. Any coalition winning a plurality in the national Chamber of Deputies is guaranteed a premium that gives it a 55% majority. A similar premium is applied in the Senate, which has equal legislative power. But there the top-up is awarded by region, not nationally; so to win the Senate a party needs to win most of the largest regions.

The centre-left could win both chambers, but it is not certain of either. In recent weeks Mr Berlusconi has climbed back from the dead. A winter campaign has put more emphasis on television, a medium in which Mr Bersani is a weak performer and Mr Berlusconi a powerful proprietor; his Mediaset group still has a near-monopoly on private TV. He promises cuts in some taxes, cash refunds for others. He has also railed against euro-induced austerity.

In January Mr Bersani enjoyed an 11-point lead over Mr Berlusconi. The latest opinion polls (which were the last to be published before a pre-election blackout) show that has fallen by half, to less than six points. Mr Grillo's Five Star Movement is on 15%, Mr Monti's centrists at 14%. A new far-left party led by a former magistrate, Antonio Ingroia, is on 5%.

Investors who hoped they had seen the back of *il Cavaliere* in 2011 are spooked by his political resurrection. Italian bond yields have risen and the euro has fallen. Roberto d'Alimonte, a political scientist at Rome's LUISS University, speaks for many when he says: "Two months ago I would have said it was impossible for Mr Berlusconi to win. Now I say only that it is extremely unlikely."

Disturbing though the no-longer-impossible thought of a Berlusconi victory is, the risk should not be exaggerated. The right has lost a lot of support because of its economic failings and scandals in both the PdL and the Northern League. Mr Berlusconi's poll ratings are far short of 2008's. The real damage he does lies not in the slim chance of his re-entering government but in the opportunity cost his presence imposes. As James Walston of the American University of Rome says, "for most of the period since the war, Italy needed a respectable centre-left party. Now it needs a respectable centre-right party."

The world is used to seeing Japan's "lost decades" of stagnation in the 1990s and 2000s as a cautionary tale. But the case of Italy, Europe's fourth-biggest economy, is in some ways even worse. In real terms, GDP per head in 2013 will be lower than in 1999, the year the euro was launched. Portugal is the only other euro-zone economy in such a predicament.

Dismal inheritance

Italy's economic ills are not those of other euro-zone laggards like Greece, Ireland or Spain. Although it has the euro zone's biggest stock of public debt, at almost 130% of GDP, its budget deficit is quite small. It has not experienced a property or asset-price bubble. Its conservative banks have been mostly well-regulated; none had to be bailed out in the financial crisis (though revelations about derivatives trading at the world's oldest bank, Monte dei Paschi di Siena, have damaged the PD, the dominant force in its region).



Italy's problem is its loss of competitiveness. Since the euro's birth in 1999, labour costs have risen much faster than in Germany, and productivity has actually fallen. The rise in unit labour costs (see chart) has been a key cause of Italy's chronic lack of growth. And it is continuing. Unit labour costs have recently fallen sharply in other Mediterranean countries, but not in Italy. In Italy's manufacturing sector they have actually been rising since 2008.

The ways in which Italy used to come by growth are no longer available. A former central banker recalls the Italy of the 1960s and 1970s, then one of the fastest-growing countries in Europe, basing its dynamism in part on alternating bursts of high inflation and frequent currency devaluations. When growth slowed in the 1980s, the system came to rely more on increasing public spending and public debt. But with its entry into the euro Italy lost its previous safety valves of devaluation and ever-rising public debt. Result: near-zero growth. Living standards are slipping; infrastructure is getting shabbier; social problems are multiplying. Unemployment has risen to over 11% and youth unemployment to more than 36%. Neither figure is as bad as in Greece or Spain, but both are still horrendous for a rich European country.

Even after Mr Monti's reforms, Italy's labour market remains divided between protected insiders (usually white, male and middle-aged) on permanent contracts and unprotected outsiders (often immigrants, women or young people) on temporary ones. Italy has the lowest employment rate for women in Europe.

Italy also lags behind in other international comparisons. It lies a dismal 42nd on the World Economic Forum's latest **competitiveness** table, far below other big European economies. In the World Bank's rankings for ease of doing business it comes 73rd, below Romania, Bulgaria and Kyrgyzstan. Greece is the only EU country to do worse. Foreign investment is paltry for an economy of its size, and R&D spending is low. An uncompetitive energy market keeps Italian electricity prices 50% higher than the European average. And Italy comes 72nd in the corruption league table produced by Transparency International, a watchdog that looks at graft. In the EU only Bulgaria and Greece come lower.

The Italian economy still has strengths that could help restore its health. Its myriad small and medium-sized firms, especially in the north, are sometimes ill managed by family owners and always overregulated. They have suffered more than their German rivals from global competition, especially from China. But they still provide exports, and a manufacturing base that is stronger than those of Britain and France. Private debt is low and savings are high. The Monti government's pension reforms are now looked to as a model by other countries in similar demographic straits.

It would thus be wrong to conclude, as some pessimists do, that it is impossible to change Italy. Indeed, a report by the OECD in September noted that the Monti government's product-market, regulatory and labour-market reforms "could add up to four percentage points to GDP over a decade." In a country with such a dense thicket of regulations and protected special interests, the potential for greater gains is huge. The authors of an IMF report published in January run through various previously proposed reforms in energy, transport, professional services, the judicial system and public services. They also suggest further labour-market reforms. If all these

reforms were done at the same time, which magnifies their effect, the IMF reckons they could add some 5.7% to GDP in five years' time and as much as 10.5% in ten years'. Throw fiscal reforms into the mix—a shift in taxation from direct taxes on labour to indirect taxes, and a switch of some public spending from unproductive transfers towards investment—and this number rises to as high as 21.9%. In a country used to no growth, an expansion of GDP by over a fifth would have a colossal effect.

This raises two questions. **Why has nobody made these reforms?** And can the next government do better?

One answer to the first is that Mr Berlusconi, who bestrode the dreadful decades, did not particularly want to. He was never interested in reform and focused instead on self-aggrandisement and legal imbroglios (his “Rubygate” trial for sexual offences will resume after the election). Governments with some taste for reform, such as that of Romano Prodi from 2006 to 2008, were too fragile and short-lived to make much progress in the face of a culture that is prone to entrenching privileges.

The answer to the second depends on the election. The priority for Italian business is clear. Marcella Panucci, director-general of the big employers' federation, Confindustria, wants a stable government. She hopes it will then pursue “shock therapy” to restore growth and employment.

A reform agenda ahead

The nightmare would be for Mr Berlusconi to overtake Mr Bersani and win a majority in the Chamber of Deputies. The Senate's regional make-up precludes him getting a majority there, so he would probably be unable to form a government; instead such a result would usher in months of uncertainty and a fresh election, all accompanied by convulsions in the markets.

The second-worst outcome would be for Mr Bersani's coalition to win a majority in both houses. For that, the centre-left must win the Senate races in Lombardy, Campania and Sicily as well as a plurality in the chamber. Even with a double majority, Mr Bersani might try to form a coalition with Mr Monti to bolster his international standing. But he would be beholden to his own party's left-wingers and to his far-left coalition partner, Nichi Vendola's Left, Ecology and Freedom (SEL) party.

Mr Bersani himself has a decent record of reform as a minister under Mr Prodi. He tackled pharmacists to some effect, though he failed when it came to taxi drivers. Yet many of his supporters, including the big trade unions and his main economic adviser, Stefano Fassina, oppose further labour-market reform—indeed, they want to reverse some changes made by Mr Monti. As for Mr Vendola, he prefers to talk of splitting investment from retail banking and taxing the rich than of competitiveness and reducing unit labour costs.

A better result would thus be one in which Mr Bersani and his more left-leaning colleagues ally with Mr Monti out of necessity, not merely for show, giving the former European commissioner greater influence. For this, the right must win the Senate in Lombardy, Sicily or both, forcing Mr Bersani to lure Mr Monti into a coalition as his only route to a Senate majority. Mr d'Alimonte at LUISS university sees a dilemma: Lombards who want Mr Monti in the next government must vote for the Berlusconi coalition.

Pessimists recall that the Prodi government, which also stretched from centre-right to far left, collapsed after only two years. Yet the precedent need not be so troubling. A more united PD has replaced fissiparous left-wing parties of 2006. Mr Monti commands respect even among his leftist critics. The need for reform is more pressing now. And, although he hails from the far left, Mr Vendola was a sensible governor of Puglia, helping it to become the mainland south's best-performing region.

It will still be a huge challenge for Mr Bersani. For the sake of Italy, and ultimately also for the sake of the euro, he must succeed. A lot is riding on the voters of Italy on February 24th and 25th. Unfortunately, they don't seem to care much.

Italy Votes on Its Future

Silvio Berlusconi, who [resigned](#) as Italy's prime minister 15 months ago, is staging an appalling comeback. With less than a week to go before national elections this weekend, polls show that [Mr. Berlusconi's coalition has surged into second place](#), trailing the center-left coalition by single digits.

While Mr. Berlusconi is unlikely to ever win a fourth term, a strong showing by his forces could make it impossible for any party to form a working parliamentary majority. That would be disastrous for Italy, which needs to push through overdue reforms, like stronger anticorruption laws, a fairer tax code and more competition.

These are not the issues Mr. Berlusconi can credibly run on. Instead, the centerpiece of his campaign has been a populist [promise to end](#) the unpopular homeownership tax introduced in 2012 and refund last year's payments. The housing tax is made necessary by Italy's poor record in collecting other taxes and the European Union's perverse insistence on balanced budgets in a recession. But refunding it would punch a huge hole in Italy's finances and set off an increase in interest rates for Italian bonds, wiping out all the painful sacrifices last year.

This reckless pandering has boosted Mr. Berlusconi in the polls, largely because his rivals have failed to inspire voters. Pier Luigi Bersani, leader of the center-left Democratic Party, is a moderate ex-Communist and former industry minister in the 1990s. To many, he symbolizes Italy's old political class, out of ideas and out of touch. He is also seen as too beholden to the unions to press labor market reforms. Running third is an anti-politics slate organized by a comedian, Beppe Grillo.

Centrist supporters of Prime Minister Mario Monti are in fourth place. Mr. Monti, a technocrat chosen to lead the government after Mr. Berlusconi resigned, has failed to connect with voters and is blamed for unpopular austerity measures like the homeowners tax, which have not produced clear signs of economic revival.

The austerity obsessions of European Union leaders and Germany's chancellor, Angela Merkel, condemned Italy to recession. That has made it easier for Mr. Berlusconi to pose as a champion of ordinary Italians against the demands of Europe. The scary thing is that Mr. Berlusconi could emerge as a kingmaker, ready to trade his support to protect his business and personal interests.

More likely, Mr. Bersani and Mr. Monti could end up forming a postelection coalition, which would be far better than a return to the Berlusconi era. But if Italy is to move from recession to growth, it needs real change rather than tepid policy compromises. Mr. Berlusconi, of course, is doing all he can to make that path harder.

February 8, 2013

70,43

Berlusconi Remains Wild Card in Italy Race

By [RACHEL DONADIO](#)

ROME — One candidate promised to drop an unpopular new property tax and refund all prior payments in cash. Another called that proposal a “poisoned meatball,” disconnected from reality. A third suggested that Al Qaeda blow up the Italian Parliament — then backtracked — and the man generally considered the front-runner is campaigning on vague promises of stability, so has often been ignored.

With only two weeks to go before national elections, the Italian campaign has become a surreal spectacle in which a candidate many had given up for dead, former Prime Minister [Silvio Berlusconi](#), has surged. Although he is not expected ever to govern again, with his media savvy and pie-in-the-sky offers of tax refunds, Mr. Berlusconi now trails the front-runner, Pierluigi Bersani, the leader of the Democratic Party, by about five or six points, according to a range of opinion polls published on Friday.

The polls found that the former comedian Beppe Grillo, who made [the Qaeda quip](#) as part of his antipolitical campaign, is close behind in third place, while the caretaker prime minister, [Mario Monti](#), who made the “poisoned meatball” remark as he stepped up attacks on Mr. Berlusconi in an awkward transition from technocrat to candidate, is taking up the rear with around 10 percent to 15 percent of the vote.

Most analysts predict that the center-left will win, but with not enough votes to govern without forming an alliance with Mr. Monti’s centrists. Yet in a complex political landscape — and with significant policy differences between Mr. Monti and Mr. Bersani, who have been criticizing each other in their campaigns — nothing is a given, and the political uncertainty weighs on financial markets.

Some compare the election to a power struggle on a corporate board. “Mr. Berlusconi knows he can’t govern, but wants a strong seat at the table,” said Marco Damilano, a political reporter for L’Espresso, a weekly. The Democratic Party will have the majority of seats but will not be able to govern without making accords, he said, adding that “Monti wants the golden share,” in which his few seats count for a lot.

Many outsiders marvel at the survival skills of Mr. Berlusconi, who dragged down [Italy](#)’s finances and international standing to the point that Mr. Monti was brought on in November 2011 to lead an emergency technocratic government that lasted a year. But at least a good part of Mr. Berlusconi’s success has to do with his competition.

Mr. Monti lacks a strong party and has hit Italians with unpopular taxes, and centrists who might lean left are concerned that Mr. Bersani would be weak on the flagging economy. On top of that, Mr. Berlusconi, whose center-right People of Liberty is more a charismatic movement than a party, has true loyalists who do not know where else to turn.

“Berlusconi is politically dead, but his electorate is still there and it is looking for a new leader, and there isn’t one,” said Massimo Franco, a political columnist for the daily newspaper Corriere della Sera. “So it’s a sort of a nostalgic operation.”

In an auditorium near the Vatican, Mr. Berlusconi was greeted Thursday by rows of adoring fans, most of them retirees. “Ah,” he said. “It reminds me of the good old days.” Joking about his age, the 76-year-old former premier added: “I looked at myself in the mirror and saw someone who didn’t look like me. They don’t make mirrors the way they used to.”

In a two-hour off-the-cuff speech, he returned to familiar themes: depicting the left as unreconstructed, cold-war Communists; magistrates as politically motivated; the euro and Chancellor Angela Merkel of Germany as harming Italy; and Mr. Monti as a leader beholden to foreign interests who did nothing but raise taxes.

His supporters were mostly buying it. “Even if he doesn’t refund us the property tax, at least he’ll take it away,” said Francesca Cipriani, 70, a retiree, as she cheered Mr. Berlusconi.

“My house is worth 20 percent less,” Nicola Manichelli, 75, a retired taxi driver, chimed in.

Marcello Sorgi, a columnist for the Turin daily newspaper La Stampa, said: “Berlusconi voters fear that Monti will raise taxes, and that under Berlusconi that won’t happen. It’s not at all true, but Berlusconi’s propaganda works with his electorate.”

“His electorate still has a messianic, religious rapport with him,” Mr. Sorgi added. “Berlusconi is considered a kind of guru.”

Not so with Mr. Monti, who is beloved in Brussels, Berlin and Washington, but has been less popular with Italian voters. As he learns to campaign, Mr. Monti, an economist with no previous political experience, has sought the services of the political consulting firm [AKPD Message and Media](#), whose co-founder, David Axelrod, President Obama’s key political strategist, visited Mr. Monti in Rome last month.

Mr. Monti, who is trying to capture the civic-minded centrists from both right and left who once voted for the centrist Christian Democrats before the party disbanded in a corruption scandal in the early 1990s, also opened [a Facebook page](#). He uses it to post folksy musings that some critics say are undermining the authority of the slyly ironic but hardly showmanlike candidate instead of humanizing him.

Last week, an interviewer [presented Mr. Monti with a puppy](#) on live television, days after Mr. Berlusconi had appeared with one. “This is a mean blackmail,” Mr. Monti said with a smile, before stroking the fluffy pet and saying, “Feel how soft it is.”

Mr. Bersani, a longtime party veteran and former economic growth minister, speaks more to the old guard of the Italian left. He defeated Matteo Renzi, the charismatic 38-year-old mayor of Florence, in a rare party primary and has been running on the slogan “A Just Italy,” a message aimed at reassuring voters but which may not inspire them.

In a half-hour speech on Thursday to party loyalists, including municipal workers and frustrated university adjunct teachers, Mr. Bersani called attention to youth unemployment and the disconnect between the real economy and financial markets, and called for economic stimulation to help more people have steady jobs. “Europe isn’t just the fiscal compact,” he said.

Both Mr. Berlusconi and Mr. Bersani appear to speak more to their own constituencies than to the nation as a whole, long a characteristic of Italian politics. Faced with a political class that seems stuck in the past, Mr. Grillo and his antipolitical Five Star Movement have been gaining ground in the polls, campaigning in piazzas across Italy.

02/12/2013 05:48 PM

The Italian Patient

Resisting Berlusconi's Charms

By [Fiona Ehlers](#) and [Alexander Smoltczyk](#)

70,45



Silvio Berlusconi may be back with his customary bombastic campaign promises. But will the Italians bite? If they do, it could spell doom for the country. If they don't, Italy's tradition of political instability might return anyway.

The rumors had been swirling for days, and there were mysterious Tweets coming from a certain Berlusconi2013. Then, last Sunday, it was finally time for Berlusconi's big surprise, when he announced "la proposta shock," -- his big campaign promise. Critics promptly dubbed it a "proposta sciocca," or foolish proposal.

It was 12:32 p.m. in the old Milan convention center when Berlusconi explained that he not only intended to abolish the real estate tax but also wanted to reimburse those who have paid it by March -- in cash if necessary. "You can pick up your money at any post office," he says. "If you vote for me."

The announcement triggered shrieks of delight only three weeks before the election. "Silvio," one woman shouted, "you are a legend!" The financial markets were less impressed and immediately reacted negatively. Europe had believed this particular chapter was over. But there he was again, the undead of Italian politics, the gifted populist and vote-getter.

Berlusconi's promise zeroed in on a property tax levied on homeowners. Some 80 percent of Italians live in their own home and are subject to the payment, one that Prime Minister Mario Monti had reintroduced as part of his effort to clean up Italy's deficit-ridden government budget. The tax came due a week before Christmas.

It invigorated Berlusconi's fans, who began waving the flag of the party Berlusconi founded, "The People of Freedom" (PDL), and playing its 2008 campaign song, "Meno male che Silvio c'è," or "It's a Good Thing that We Have Silvio." The party is currently working on a new campaign song.

"Vote-buying" and "corruption," Monti cried. "Demagoguery," shouted the center-left camp led by Pier Luigi Bersani, but they sounded like spoilsports.

The Mummy Has Returned

Berlusconi upped the ante a day later, promising an amnesty for tax evaders, of which there are many in Italy. The amount of tax revenue lost to tax evasion -- some €120 billion (\$160 billion) -- is the equivalent of 6 percent of Italy's sovereign debt.

Berlusconi's return to the political arena is a shock. It would be his sixth candidacy, his "last great political battle," as he calls it. He will be 77 this year and is currently defending himself in two court cases. It's been hardly a year since the rating agencies downgraded Italy's credit rating because of its unstable political situation, and Berlusconi submitted his resignation on Nov. 12, 2011.

But now the mummy has returned, and has rapidly become the most important personality in the pending general election. A remark by Berlusconi, like the one he made on Sunday, is enough to cause the markets to plunge and the risk premiums for Italian sovereign bonds to rise. It is enough to trigger the return of worry about the Italian patient, the fear of contagion, the euro crisis and political self-paralysis -- in short, the fear of the former Italy.

Thanks to Monti, Europe was able to experience a different Italy for 13 months, a country of reforms in which calcified ways of doing things were being changed. For 13 months, Monti spearheaded a silent revolution, the markets regained confidence in Italy and the country was spared social unrest. To its neighbors, it seemed that for the first time in a long time, a form of policy was being pursued in Rome that had more in common with Max Weber than Federico Fellini: a patient implementation of the necessary rather than a garish display of vanities and favors.

Now, however, things are once again going well for Berlusconi. He is a fighter, he says, "destined to win." As the campaign has progressed, and as revelations regarding the scandal surrounding the world's oldest bank, Monte dei Paschi di Siena -- an affair Berlusconi blames on the leftist city government of Siena -- have become more embarrassing, the better his poll numbers have become.

A Master Salesman

As recently as January, his campaign alliance was trailing significantly behind the real favorite in this election, center-left politician Pier Luigi Bersani, 61, of the Democratic Party (PD). But now the gap has narrowed, depending on the polling organization, to less than 5 percentage points. His rival Monti is only polling at 13 percent, or about half of Berlusconi's result.

Berlusconi is still a master salesman, a man who knows how to campaign better than anyone else. Helpfully, he still also owns several television stations. Hardly a day goes by when he doesn't appear on a talk show, wearing a dark-blue, double-breasted suit, his legs crossed, holding forth in a mixture between stump speech and pure entertainment. He brags about his heroic deeds, talks about how he captured the heart of his new girlfriend, the 27-year-old Francesca, and how he, as the owner of AC Milan, paid €20 million for the football star Mario Balotelli.

It is still his audacity and his intuition for the fears and yearnings of ordinary Italians that captivate the populace. One day, he praises former fascist dictator Benito Mussolini on Holocaust Memorial Day, the next he threatens German Chancellor Angela Merkel with Italy's withdrawal from the euro zone. He complains about the "leftist, feminist judges" who ordered him to pay his ex-wife €3 million a month in alimony. It's all textbook populism, but it works for Berlusconi and has brought him votes.

Some 50 million Italians will go to the polls on Feb. 24 and 25. The question is whether they will put their faith, once again, in a man who has been promising them an Italian economic miracle for almost 20 years, but has in fact driven the country into financial ruin. Or will Italian voters switch on their long-term memory?

They will have a choice between two policy concepts, between Monti's reform course and the art of seduction practiced by someone like Berlusconi, between reason and emotion and between what their heads tell them and their gut feelings.

The decision sounds easy from the outside. But the Berlusconi platform is nothing if not alluring. Furthermore, many families can hardly afford to wait for the fruits of long-term reforms. There is an Italian saying that goes: "*Meglio un uovo oggi che una gallina domani.*" Better an egg today than a hen tomorrow.

A Great Contrast

When the ancient Romans were in dire straits and no one in the Senate knew what to do, an honest man was appointed "dictator." For a short time, he had free rein without having to worry about political majorities. After that, the temporary dictator was expected to step down again, which he usually did.

Mario Monti, 69, most closely approximates this figure in recent Italian history. He was directly appointed to the position by the Italian president, as a sort of special envoy of political reason and commissioner of the economic imperative. There is no greater contrast possible than that between Monti and Berlusconi, between the extremely levelheaded economics professor and *Il Cavaliere*, the seducer.

Monti and his cabinet of technocrats had more than a year to turn their attention to the reform projects Italian political parties had never embarked upon, because they were always more concerned about votes and favors than acting in the interest of future generations. Monti refused to accept a salary for his services, as if, by making this small sacrifice, he were invoking the willingness of his fellow Italians to endure hardships.

The financial markets reacted favorably immediately after Monti was sworn in on Nov. 16, 2011. The feared "spread," or risk premium on government bonds, began to shrink. Since then it has remained at a high but not critical level, at least until the Sunday Berlusconi made his campaign promise in Milan.

Monti's results are respectable. He had set out to achieve nothing less than a "general overhaul" of Italian society, complete with its evils and sicknesses, like corruption, mismanagement and Mafia connections. It was time Italy got its house in order, he often said, adding: "We alone are to blame for our plight."

A Return to Italy's Past

Monti has returned the country to the international stage, where it had ultimately become the subject of ridicule under Berlusconi. He introduced a different style, one of respect for rather than derision of the country's institutions, the courts and political rivals.

A professor from Varese in northern Italy, Monti was cautious in his explanations of the country's crises and efficient in resolving them. He assembled a €30 billion austerity package and pushed through a pension reform based on the German model, with a retirement age of 66 and greater restrictions on early retirement. It was a huge step for Italy, proving that the *Bel Paese* (beautiful country), could indeed change. Until then, it had been an oft-derided idiosyncrasy that Italians were to retire extremely early in some cases. Pensions are one of the root causes of Italy's debts.

Italy was on the verge of collapse when Monti took the reins. British and US analysts were betting on a national bankruptcy and a scenario similar to what had happened in Greece. "Italy has become a different country," Switzerland's *Neue Zürcher Zeitung* newspaper concluded after Monti had been in office for 100 days. But soon Italians began to reject the changes. Taxi drivers and pharmacists were the first to successfully fight the curtailment of their privileges. No Italian government has ever managed to prevail against the *tassisti* contingent. Monti should have remained resolute, but he didn't have the necessary mandate.

A further example is provided by the fate of Monti's attempt to reduce the number of provinces (and thus provincial politicians) from 86 to 51. There is no reasonable explanation for the fact that a prefecture exists in the town of Isernia, and one that costs 14 times as much as the one in Milan.

Minister for Public Administration and Simplification Patroni Griffi felt that the communal and regional administration could take on additional tasks. But then all affected provinces, with governments on both the left and the right, claimed historical particularities, filed lawsuits, and cited exception clauses and the right to codetermination. Nothing would work without "a serious debate among all institutional, political and social players," according to a statement by trade unions in the Latium region.

Falling by the Wayside

Not surprisingly, Monti's reformist zeal began to wane halfway through his time in office. There were a few more crackdowns on tax evaders in ski resorts, but not much after that. A deregulation of the labor market,

including the loosening of protections against wrongful dismissal, was intended to put an end to the two-class system in which older employees are well protected but younger ones have few rights and myriad uncertainties. It failed after being negotiated to death in the parliament, leading to a compromise instead of significant reform. Unemployment among young adults has since jumped to almost 37 percent.

Monti has gotten many efforts off the ground but has not brought them to completion. Both an anti-corruption law and a campaign reform fell by the wayside. Monti's efforts to dismantle the inflated government bureaucracy, with its favoritism and constantly obstructive unions, did not progress. He only managed to cut a tiny fraction of government spending, eliminating a mere €4 billion from a total budget of €800 billion, with another €11 billion in cuts planned for 2013. But even this tentative adjustment resulted in a significant battle in parliament, complete with hundreds of proposed amendments and 33 votes of confidence.

There was a jolt, but over the centuries Italian society has become masterful at elegantly offsetting sudden change. And the effects of Monti's reforms haven't been felt in the real economy yet. Italy lags far behind its competitors in productivity and unit labor costs haven't declined significantly.

And Berlusconi, one of the richest men in Italy, never tires of playing the social rebel on television. "This man there," he says, referring to Monti, "has increased unemployment by half a million in 13 months. That's the reality, not gossip."

Most of all, the promised growth has failed to materialize. And that even though -- or as critics, say, because -- Monti adhered to the creed of Merkel-style economics. He had a commissioner comb through government spending and cut expenditures. He raised the value-added tax to 22 percent and reintroduced the hated property tax. All of this was done to reduce the government deficit for 2013 and satisfy EU requirements.

His austerity program cost Monti a great deal of support and produced few results. Italy faces yet another year of recession. The economy contracted by 2.1 percent in 2012, and another 1 percent decline is forecast for this year. Italy also remains unattractive to foreign investors, ranking 73rd on the World Bank's ease of doing business index.

Battling the 'Monster'

Indeed, it takes a martyr's constitution to complete an investment in southern Italy. In November, Shell abandoned a liquid gas plant project in Sicily. British natural gas giant BG gave up a similar project in the southern city of Brindisi, after having spent €250 million on planning and facing 11 years of resistance at all levels. That resistance included environmental concerns, even though one of Europe's most notorious coal-fired power plants belches its fumes into the air above Brindisi. Natural gas would be cleaner, but now gas is becoming scarce and more expensive because it has to be imported.

The Monti administration supported the project. So did Berlusconi when he was prime minister, which didn't stop a fellow party member in Brindisi from leading the protests and describing the planned gas plant as a "monster." Better an egg today than a hen tomorrow.

Monti has helped his country a little and shaken it up a bit, but Italy nevertheless remains more or less the same place. At the beginning of his transitional government, Italians saw Monti as a man of the banks who could protect them from disaster. Now they are seeing the once serious, cool-headed professor turn into an ordinary politician and aggressive campaigner. Trust has waned as a result.

Monti's campaign is destined to become an ill-fated one. Critics have said that it was a mistake for him to descend from his role as a technocrat into lowly partisan politics. The truth is that he hesitated for a long time before deciding to run. Both his wife and the country's president were against it. The name of his campaign alliance sounded too complicated: "Scelta Civica con Monti per l'Italia," or "Civil Decision with Monti for Italy." How could anyone remember that? He seems stiff on television and stopped talking about substance long ago, choosing instead to attack his old and now new nemesis, Berlusconi.

It's a very Italian election campaign that is now entering its critical phase, a mudslinging match filled with sleights of hand and polemics, and yet devoid of any significant discussion of party platforms or of the dramatic situation facing the country.

Potential Devastation

Bersani is still considered the frontrunner, and it seems likely that he will become the next Italian premier. He has been a social democrat for more than 20 years, and before that he was a communist. The son of a filling station attendant from the Emilia Romagna region, he is part of "La Caste," the unpopular political caste. He is an apparatchik who served in various cabinet positions under former Prime Minister Romano Prodi, always remaining inconspicuous.

But in late 2012, in his party's primary, he roundly defeated the young mayor of Florence, Matteo Renzi. In a record turnout, more than three million people voted in the primary, making Bersani the top candidate of all those who were tired of Berlusconi's bunga-bunga escapades, and of people who longed for political stability and social justice.

But no matter who is proclaimed winner of the election on the evening of Feb. 25, it is already becoming clear that achieving a stable majority in both chambers of parliament could be tricky. Yet a shaky government (it would be the 60th of its kind since 1947) that is forced to step down after a few months would be devastating. Not just for Italy but for all of Europe.

So how much damage can Berlusconi do? Bersani's alliance could end up with a small majority in the parliament; under current election law the party receiving the most votes automatically receives at least 54 percent of seats.

It is, however, a different story in the Senate, the second chamber of parliament, where the seats are assigned to senators from the regions. If Berlusconi manages to capture Lombardy together with the Northern League, he could block a center-left government's proposals. Lombardy is the most important swing state -- the Ohio of this Italian election.

The Show Goes On

And Berlusconi has an interest in doing all he can to prevent a leftist majority in the senate. He hopes to be able to torpedo laws in the future that would limit his media empire or allow him to be prosecuted. He knows that his chances of becoming prime minister are slim, which is why he has nothing to lose. He lies and makes promises he cannot keep, determined only to make sure that the show goes on.

Other populists are also gathering votes in the race to the finish line. One of them is Beppe Grillo of the protest movement "Movimento 5 Stelle." Grillo travels around the country on a "tsunami tour," hates Merkel, doesn't want to repay a cent of debt and is seriously calling upon Al-Qaida to bomb the parliament in Rome, saying that he would even provide the terrorists with the necessary coordinates. Polls estimate that Grillo has the potential to capture 20 percent of the vote. He could become the third-strongest force by securing the support of the sizable number of undecided Italians who are weary of politics.

With the election only two weeks away, everything remains up in the air. There is still hope that 50 million Italians will activate "le memoria," or their powers of recollection. And even if they don't, the country can look back on a brief Italian spring, a period during which the sole objective was not to destroy one's political opponent, because fear of the abyss brought all camps to a cease-fire.

For political veteran Pier Ferdinando Casini, this period already seems to have been a "miracolo," a true miracle. He is a Christian democrat. He is allowed to believe in miracles.

Translated from the German by Christopher Sultan

February 14, 2013 6:31 pm

70,50

EU's FISH economies unsettle US investors



By Gillian Tett

Unease on France, Italy, Spain and Holland has replaced 'Grexit'

For the past couple of years, investors in America (along with the rest of the world) have been panicking about PIGS, or even PIIGS. For as the eurozone woes intensified, the countries of Portugal, Italy, Ireland, Greece and Spain have been in the market spotlight – amid speculation that Greece would leave the euro.

These days, the good news is that the immediate [panic over a Greek exit has subsided](#) dramatically. Last week, for example, I listened to some of the most powerful money managers in North America discuss the investment outlook. A year ago, half these investors (who collectively control perhaps \$1tn) expected one eurozone member to leave in a year; now, that ratio has plunged to one in 10.

Faith that Germany will do anything to keep Greece (and others) in the euro, in other words, has soared. Little wonder, then, that some hedge funds have returned to peripheral markets such as Spain and Greece, having left two years ago in a panic. Or as one big West Coast investor says: “Many people in America completely underestimated Germany’s will to keep the euro together. That has changed.”

But while that reduction in panic is undoubtedly welcome, what is also striking is that the short-term alarm among big investors has been replaced by something else: a longer-term sense of deep unease about the fundamental growth story, not just in the periphery of Europe, but in the core eurozone too.

As a result, the focus today is not just on the “PIGS”; there is also growing debate about what some traders call the FISH – or the big nations of France, Italy, Spain and Holland.

From some perspectives, focusing on this group might seem odd. After all, bond yields suggest market [anxiety about Italy and Spain has receded sharply](#) in recent months, as a result of the European Central Bank’s promises of support: 10-year Spanish and Italian bond yields are now about 5.3 and 4.4 per cent respectively, both 200 basis points below their level last summer. And the spreads for countries such as France and Holland never really ballooned dramatically at all, because they were assumed to be so core to the eurozone.

But what worries many American investors is not the risk of short-term crisis, but the long-term structural challenges that are sapping growth, creating the potential for political and economic squalls. On Thursday, for example, it emerged that in the fourth quarter of last year the “FISH” economies [shrank by 0.3 per cent, 0.9 per cent, 0.7 per cent and 0.2 per cent](#), respectively.

That may not look disastrous. But the Institute for International Finance, for example, is now forecasting almost no growth in France this year and further contractions in Italy and Spain. Or as Bill Blain of Mint Capital puts it: “The real danger in Spain is long term ... we are looking at another three to four years of economic misery just to get the Spanish economy back into the European Union’s 3 per cent deficit to GDP groove.”

Meanwhile, the recent data from France has – as the IIF puts it – proved “very disappointing”, creating “a reason to fear that the weakness will prove to be more lasting”.

Or as one large American investor says: “The competitive problems in France are horrible and current policy is making this worse.”

Even Holland, which has hitherto escaped market attention, remains plagued with structural challenges. “Holland has a property market that is in the process of bursting and the household debt is very high (Holland is

four years behind Spain),” says Stephen Jen of SLJ Macro in a recent research note. “The Netherland’s residential debt (mortgages) to GDP ratio is 107.1 per cent, compared with 52.4 per cent for Spain and 41.2 per cent for France.”

Many eurozone politicians would undoubtedly dismiss such concerns as more scaremongering; after all, they say, surveys suggest business sentiment and activity in the region is now picking up a touch. But even if these FISH fears turn out to be overblown – which is a big “if” – the key point is this: in the minds of American (and other international) investors fundamental questions remain unresolved about the political and economic structure of the region.

Small wonder, then, that so many North American investors keep pouring money into American bonds or stocks. And no surprise that Japan is now one of the hottest topics for debate among North American money managers, as the big investors search for somewhere outside America to put their cash.

Before Europe becomes a truly attractive investment destination for the big pots of North American money, in other words, it will need to scotch those slow-burn fears about the FISH. And sadly that might prove as hard as quelling last year’s panic about PIGS – if not harder.

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PIIGS squeal and FISH get hooked: Best of ROB Insight and Streetwise

The Globe and Mail

Last updated Friday, Feb. 15 2013, 7:50 PM EST



(John Lehmann /The Globe and Mail)

From PIIGS to FISH

Remember when the big worry in the euro zone was that the PIIGS would soon be bacon? Now attention is turning to the FISH (France, Italy, Spain and Holland), [Carl Mortished writes](#) in ROB Insight, and it's not over soccer semi-finals.

Italy: 'Who can save Italy?'

15 February 2013

Presseurop

The Economist



[The Economist](#), 15 February 2013

70,53

"The danger for Europe's single currency seems to have abated," writes the weekly newspaper in its cover story, "yet the eurozone's crisis is far from over."

The zone is in recession and Italy has the most serious structural problems to face. "If the eurozone's third-biggest economy and its largest public debtor cannot reignite growth and generate new jobs, Italians will eventually lose hope or their northern neighbours will lose patience. [...] Either way, the eurozone will fall apart."

With next week's election just around the corner, *The Economist* believes Italians must choose between "the good" (Mario Monti), "the bad" (Silvio Berlusconi) and "the broadly acceptable" (Pier Luigi Bersani). Either way, Italy's decision will affect more than just the country.

Press review | 19/02/2013

Berlusconi unsettles Europe

70,54



Italy's policy towards Europe has played a key role in electoral campaigning. (© dapd)

Leading German politicians have voiced concern that Italy's ex-prime minister [Silvio Berlusconi](#) could return to power. In the run-up to the country's parliamentary elections on February 24 and 25, Berlusconi's right-wing coalition has been rapidly gaining ground against the leading [left-wing alliance](#). In view of Italy's economic entwinement in the EU, commentators see such intervention in Italy's election campaign as entirely legitimate, charged as it is with populist overtones.

[Süddeutsche Zeitung - Germany](#)

Elections concern all of Europe nowadays

The rule about not interfering in the election campaigns of other countries is completely obsolete in these times of total economic interdependence, writes the left-liberal Süddeutsche Zeitung: "Berlusconi himself has shown how outdated this rule is by portraying Angela Merkel as the enemy. Germany doesn't need to get any more involved in the Italian election campaign - it's already been involved for some time and no amount of dignified restraint can change that now. In view of the situation Foreign Minister Guido Westerwelle and other German politicians have decided to express their concerns about a potential Berlusconi comeback. This is not telling people how to behave. It is simply supplying the Italians with information they should have before they cast their votes. Those who want to remedy the democratic deficit in the EU should think first about habits, not treaties. Within the Union, goods, services and norms have long been transcending borders. It's time to allow political confrontations to do likewise." (19/02/2013)

[» to the homepage \(external link, Süddeutsche Zeitung\)](#)

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[Corriere della Sera - Italy](#)

Unobjective campaign fuels distrust

The unobjective way in which the election campaign is being fought is causing the distrust of Italy to grow, the liberal-conservative daily Corriere della Sera criticises: "The attention we are attracting from abroad should fill us with pride. But unfortunately not all the looks cast in our direction are favourable. Little clues testify to scepticism and fear that the elections will produce an ungovernable Italy. ... For example according to Bloomberg a loan granted by Mercedes-Daimler contains a guarantee clause stipulating that when upon maturity in 2015 it must be paid back in the currency valid at that time in Italy. In other words, either in euros or in a national currency. So in lira? ... We don't deserve this lack of trust. We don't deserve it either as a country or as citizens. Our efforts to keep Italy in the EU and to repay our debts despite the intolerable tax

burden must not be destroyed by an election campaign that is being fought with bickering and promises instead of programmes and resolutions." (19/02/2013)

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[Libération - France](#)

Italy's clown politicians deserve criticism

The warnings voiced by some European politicians against several leading candidates in the Italian election campaign are well justified, the liberal daily Libération contends: "Do Italian politicians deserve the negative image which their European partners have of them? ... Of course, the eternal comeback of Silvio Berlusconi, who is now running for the sixth time, and his recent rise in the opinion polls attest to a sick country that continues to put its faith in this corrupt and corrupting buffoon. He has based his demagogic campaign on tirades against the euro and Germany, not forgetting to praise [Mussolini](#) in passing. Another ambiguous buffoon is the comedian Beppe Grillo, who fulminates 'against the politicians', who are of course all corrupt. And he too is a staunch defender of Italy [against Europe](#). Finally, like all the magistrates before him who have gone into politics, the judge [Antonio Ingroia](#) confuses the judicial and the political realms, to the detriment of both." (18/02/2013)

[» full article \(external link, French\)](#)

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All available articles from [» François Sergent](#)

Looming Elections

Berlin Warns Italians against Berlusconi

Top politicians tend to remain silent on elections being held abroad. But German Foreign Minister Guido Westerwelle this week has issued a barely concealed warning to Italians against voting for Silvio Berlusconi. And he isn't the only one in Berlin who is nervous about a possible return of "Il Cavaliere."

It was German Finance Minister Wolfgang Schäuble who allegedly fired the first shot. In an interview with the Italian newsmagazine *l'Espresso* late last week, Schäuble warned Italians against voting for Silvio Berlusconi in general elections scheduled for Feb. 24 and 25. "Silvio Berlusconi may be an effective campaign strategist," the magazine quotes Schäuble as saying. "But my advice to the Italians is not to make the same mistake again by re-electing him."

A Finance Ministry spokesman was quick to deny that Schäuble had said such a thing. But this week, given [Berlusconi's seemingly inexorable climb](#) toward the top of Italian public opinion polls, two more top German politicians have warned against re-electing a man who many see as being partially responsible for the economic troubles facing the country.

"We are of course not a party in the Italian campaign," German Foreign Minister Guido Westerwelle told the center-left *Süddeutsche Zeitung* in comments printed on Tuesday. "But whoever ends up forming the next government, we are emphatic that (Rome's) pro-European path and necessary reforms are continued."

Given Berlusconi's fiscally irresponsible campaign promises combined with his anti-European rhetoric, it isn't difficult to guess who Westerwelle's verbal darts were aimed at. But just to be sure the message was clear, the chairman of the Foreign Affairs Committee in German parliament, Ruprecht Polenz, also spoke up. Polenz, a senior member of Chancellor Angela Merkel's Christian Democrats, said: "Italy needs political leaders who stand for the future. Berlusconi is certainly not one of them."

Astounding Rise

The anxiety apparent in the comments is the result of Berlusconi's astounding rise from political afterthought last autumn to a genuine threat to win a fourth term as Italian prime minister. The last pre-election polls, which are published two weeks before Italians cast their ballots, showed Berlusconi's coalition to be just five percentage points behind the center-left bloc led by Pier Luigi Bersani.

A Berlusconi victory, many fear, could result in an immediate rise in Italian borrowing costs and a return to the critical situation in which Rome found itself in late 2011, when Berlusconi was essentially forced to step down in favor of the technocratic government led by outgoing Prime Minister Mario Monti. Indeed, [markets have been showing unmistakable jitters](#) as the vote approaches.

One Italian bank even went so far this week as to issue a report arguing that a Berlusconi election would almost certainly force the country to apply for emergency bailout aid from the EU. Mediobanca, Italy's largest investment bank, wrote that "a last-minute Berlusconi victory would scare the market sufficiently to put pressure on the spread." Ironically, given Italy's current sovereign debt load, the bank sees such an eventuality as "the best case" because it would "offer Italy the perfect excuse for what we keep seeing as the only viable way out."

'East German Bureaucrat'

That, not surprisingly, is an experiment that Berlin would prefer to avoid. Unnamed Foreign Ministry sources told the *Süddeutsche* that Westerwelle is following the Italian campaign closely and sees the country as a "key to surmounting the European debt crisis."

Polenz, for his part, sees Berlusconi as lacking the necessary trustworthiness. "It has to do with confidence and credibility," he said. "The ongoing court proceedings directed against Berlusconi have a negative effect on his political credibility."

And Chancellor Merkel? She has so far remained silent on the Italian campaign. But her antipathy for Berlusconi is not something she goes out of her way to hide. In a much cited press conference with then-French President Nicolas Sarkozy in the fall of 2011, she merely chuckled when asked about Berlusconi's willingness to push through reforms.

His recent campaign will not have changed her mind. "Il Cavaliere," as Berlusconi is known, has made attacks on Merkel a central feature of his campaign and he has sought to paint Monti as being a pawn of Berlin. Just this week, Berlusconi called Merkel an "Eastern bureaucrat," a reference to her having grown up in communist East Germany. That, of course, can be regarded as a compliment in comparison with some of the things [he has said about the German leader](#) in the past.

cgh -- with wire reports

Schlechte Idee für die Fiskalunion

20.02.2013 · Wie kann eine Fiskalunion aussehen? Ein Ökonom schlägt vor, dass die Eurozone eigene Steuern und eine eigene Arbeitslosenversicherung bekommt. Er sollte es besser wissen.

Von [Heike Göbel](#)

Wenn über den Euro nachgedacht wird, fällt gern das Stichwort „Fiskalunion“. Darunter versteht jeder bislang, was er will. Im Kern geht es um mehr Geld und Kompetenz für die EU, verteilt unter Obhut eines europäischen Finanzministers.

Der Ökonom Thomas Straubhaar hat im Auftrag des Beratungsunternehmens PWC [einen konkreten Vorschlag für eine Fiskalunion vorgelegt](#). Nun wird anschaulich, was für ein Rad da in Gang kommen könnte: Euroländer führten 10 Prozent ihrer Steuereinnahmen an ein Europäisches Budget ab, aus dem schwache Staaten Geld zur Stärkung ihrer Wirtschaft erhalten. Außerdem zahlten Arbeitnehmer 2 Prozent vom Lohn in eine EU-Arbeitslosenkasse.

Mit einem Schlag hätte Deutschland netto 40 Milliarden Euro mehr aufzubringen - etwa das Vierfache des bisherigen jährlichen Nettobeitrags. Dahinter steht die Annahme, Unterschiede in der Leistungsfähigkeit der Wirtschaft ließen sich mit Transfers beheben.

Straubhaar sollte es besser wissen. Weder der deutsche Finanzausgleich noch die EU-Strukturpolitik sind eine Erfolgsgeschichte. Wachstum kann man nicht kaufen. Sicher ist nur ein Ergebnis: die Sozialunion auf Kosten des (deutschen) Steuerzahlers.

Quelle: F.A.Z.

Rekord-Gewinn dank Porsche-Übernahme

19.02.2013 · Porsche hat den Umsatz von VW beschleunigt: Nach der Übernahme der Luxusmarke dürfte der Wolfsburger Autokonzern im vergangenen Jahr mehr als 22 Milliarden Euro und somit so viel wie nie zuvor verdient haben.

Von [Johannes Ritter](#)



© REUTERS

An diesem Freitag wird der Aufsichtsrat der Volkswagen AG einen ersten Blick auf die Gewinn- und Verlustrechnung des Geschäftsjahres 2012 werfen. Dabei wird so mancher Kontrolleur blass werden. Denn unter dem Strich dürfte ein Gewinn nach Steuern von mehr als 22 Milliarden Euro stehen. Damit bricht der Wolfsburger Automobilkonzern in Deutschland alle Rekorde und stellt seine vielfach darbenenden Wettbewerber weit in den Schatten.

Schon im Jahr zuvor [hatte VW mit knapp 16 Milliarden Euro den höchsten Nettogewinn erreicht, den jemals ein im Deutschen Aktienindex \(Dax\) geführtes Unternehmen erzielt hat](#). In beiden Jahren waren allerdings Sondereffekte im Zusammenhang mit der Übernahme des Sportwagenherstellers Porsche ausschlaggebend für die Ergebnisrekorde. Diese werden sich im laufenden Jahr nicht wiederholen.

Mehr als die Hälfte des Gewinns dürften Einmaleffekte sein

Am 1. August 2012 hatte VW die zweite Hälfte (50,1 Prozent) der Porsche AG, in der das operative Sportwagengeschäft gebündelt ist, [für 4,5 Milliarden Euro übernommen](#). VW zog damit eine Option, die in der Grundlagvereinbarung zur Zusammenführung von VW und Porsche im Jahr 2009 vereinbart worden war. Der Kaufpreis wurde also auf dem Höhepunkt der Finanzkrise fixiert. Seither ist der Wert der Sportwagenschmiede freilich stark gestiegen.

Infolge der erstmaligen Vollkonsolidierung von Porsche ergab sich 2012 ein buchhalterischer, nicht zahlungswirksamer Ertrag von 10,4 Milliarden Euro. Hinzu kamen 1,9 Milliarden Euro aus der Neubewertung der 2009 vereinbarten Optionen für den Kauf der restlichen Porsche-Anteile. Die einmaligen Bewertungseffekte summieren sich auf 12,3 Milliarden Euro und machen also wohl mehr als die Hälfte des erwarteten Jahresüberschusses aus. Diesen veranschlagt Marc-René Tonn, Autoanalyst beim Bankhaus M.M. Warburg, auf 22,3 Milliarden Euro. **Im laufenden Jahr rechnet Tonn mit einem Rückgang des Nettogewinns auf knapp 11 Milliarden Euro.**

Operatives Ergebnis könnte sich leicht verbessern

Für die Beurteilung des eigentlichen Geschäftserfolgs von VW ist das operative Ergebnis aussagekräftiger. Dieses wollte der Vorstand unter Führung von Martin Winterkorn 2012 auf dem Vorjahresniveau von 11,3 Milliarden Euro halten. Jürgen Pieper, Aktienanalyst beim Bankhaus Metzler, schätzt, dass VW etwas besser abgeschnitten und das Betriebsergebnis um knapp 3 Prozent auf 11,6 Milliarden Euro erhöht hat. Den Umsatz sieht Pieper bei 193 Milliarden Euro - das wären 21 Prozent mehr als 2011. Dieser starke Anstieg resultiert zu einem beträchtlichen Teil aus der Übernahme von Porsche und MAN.

Dass sich der Umsatzschub nicht gleichermaßen in der operativen Ergebnisentwicklung spiegelt, hat mit allerlei Sonderlasten zu tun. Zum einen sind wegen der Firmenkäufe hohe Abschreibungen auf die Kaufpreise fällig. Zum anderen hat VW einen Milliardenbetrag für die Einführung des neuen Produktionssystems (modularer Querbaukasten, MQB) ausgegeben.

Belastet wurde das operative Ergebnis 2012 zudem durch die Preiskämpfe in Westeuropa. Die Rabatte dürften die Margen vor allem im Volumensegment nach unten gedrückt haben. Trotzdem steht VW insgesamt sehr viel besser da als Wettbewerber wie Opel, Fiat, Peugeot oder Renault. Der Vielmarkenkonzern (VW, Audi, Skoda, Seat, Porsche, Bentley, Bugatti, Lamborghini) profitiert von seiner breiten Aufstellung und der starken Position in Schwellenländern wie China. Auch in den Vereinigten Staaten holt VW mit Rückenwind vom Markt deutlich auf.

Die guten Verkaufszahlen in Amerika und China sowie Russland trugen maßgeblich dazu bei, dass VW den Absatz im vergangenen Jahr um 11 Prozent auf knapp 9,1 Millionen Fahrzeuge erhöht hat. Auch wenn sich das Wachstum im laufenden Jahr verlangsamt, dürfte der Konzern sein Ziel, zehn Millionen Autos zu verkaufen, nach internen Schätzungen spätestens 2015 erreichen. Bis 2018 will VW der größte Automobilkonzern der Welt sein. 2012 hatten Toyota (9,75 Millionen verkaufte Fahrzeuge) und General Motors (9,3 Millionen) noch die Nase vorn.

Quelle: F.A.Z.

Autoverkäufe fallen im Januar auf Rekordtief

19.02.2013 · Im Januar sind in der EU so wenig Autos verkauft worden wie noch nie in diesem Monat. Die Zahl der neu zugelassenen Fahrzeuge fiel um 8,7 Prozent. Lediglich Großbritannien wartet mit einem Plus auf.



© dpa Kein Abnehmer: In der EU werden weniger Autos verkauft

Der Automarkt bricht in der Europäischen Union (EU) einen Rekord nach dem anderen - im negativen Sinn: Im Januar sind so wenig Autos verkauft worden wie noch nie in diesem Monat, wie der europäische Branchenverband Acea am Dienstag mitteilte. **Die Zahl der neu zugelassenen Fahrzeuge fiel um 8,7 Prozent auf 885.159 Stück, das war der niedrigste Stand in einem Januar seit Beginn der Aufzeichnungen im Jahr 1990.**

Abermals wartete von den wichtigen Absatzmärkten lediglich **Großbritannien mit einem Plus auf: Im Vereinigten Königreich legten die Verkäufe um 11,5 Prozent zu.** Mit 143.643 neu zugelassenen Fahrzeugen war das Land unter dem Union Jack zweitgrößter Absatzmarkt in der EU. Auf dem europäischen Festland regierte hingegen zum wiederholten Male Tristesse: **So sackten in Deutschland die Verkäufe um 8,6 Prozent ab.** Gleichwohl bleibt der hiesige Markt mit 192.090 neu zugelassenen Fahrzeugen der größte in der EU.

In Spanien lag das Minus bei 9,6 Prozent. In dem schwer angeschlagenen Land wurden mit 49.671 Fahrzeugen sogar weniger Autos verkauft als im erheblich kleineren Belgien (50.684). In Frankreich rutschten die Verkäufe um 15,1 Prozent auf 124.798 Stück ab und in Italien brach der Absatz um 17,6 Prozent auf 113.525 Fahrzeuge ein.

Die deutschen Hersteller hielt die Schwäche auf dem Heimatmarkt indes nicht auf: Lediglich **Volkswagen verzeichnete ein Minus von 5,2 Prozent. BMW (+6,6%) und Daimler (+3,7%) legten hingegen zu.** Die Opel-Mutter General Motors verkaufte konzernweit 5,5 Prozent weniger Fahrzeuge. Die Töchter Opel und Vauxhall glänzten dabei mit einem Plus von 4,5 Prozent.

In China explodieren die Verkäufe regelrecht

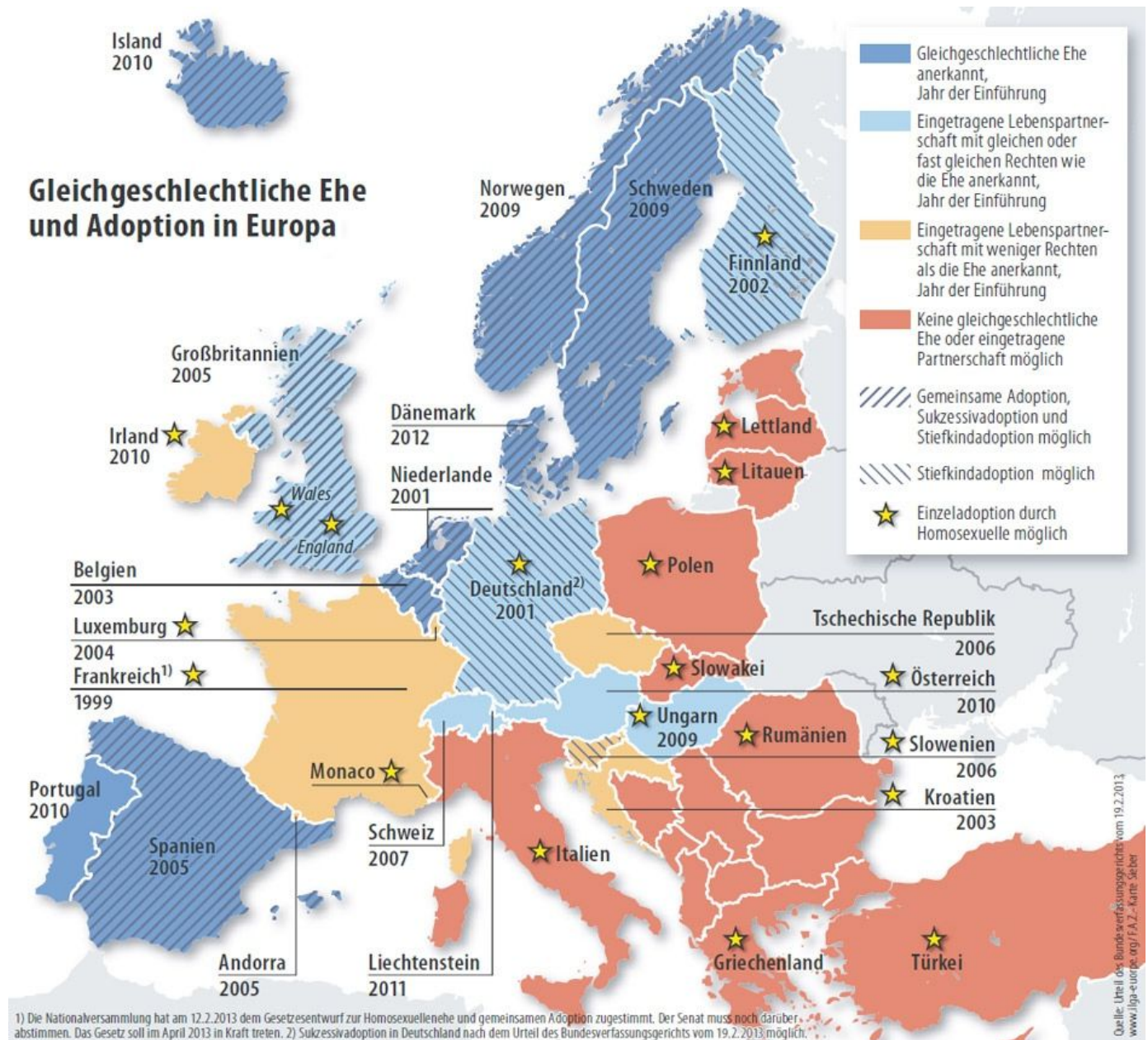
Der erfolgsverwöhnte südkoreanische Autobauer Hyundai nahm im Januar eine Auszeit: Hier sanken die Verkäufe um 2,0 Prozent. Der große asiatische Rivale Toyota musste allerdings ein Minus von 16,8 Prozent verkraften. Auch die Hersteller aus Frankreich und Italien verzeichneten zum Teil zweistellige Rückgänge. So verkaufte der angeschlagene Autobauer PSA Peugeot Citroen 16,3 Prozent weniger Fahrzeuge.

Außerhalb Westeuropas wurden dem Verband der Automobilindustrie (VDA) zufolge hingegen abermals meist Zuwächse erzielt. So stiegen die Verkäufe in den Vereinigten Staaten im Januar um 14, in Russland um 5 und in Brasilien um 18 Prozent. In China explodierten die Verkäufe mit einem Plus von 59 Prozent regelrecht.

Karlsruhe stärkt Rechte homosexueller Paare

19.02.2013 · Homosexuelle, die in einer eingetragenen Partnerschaft leben, dürfen ein von ihrem Partner zuvor angenommenes Kind adoptieren. Die bisherige Gesetzesregelung verstoße gegen das Recht auf Gleichbehandlung, entschied das Bundesverfassungsgericht.

Von [Friedrich Schmidt](#)



Das Bundesverfassungsgericht hat die Rechte homosexueller Lebenspartner bei Adoptionen gestärkt. Das Verbot der sogenannten Sukzessivadoption verletze betroffene Kinder und Lebenspartner im Recht auf Gleichbehandlung, entschieden die Richter des Ersten Senats. Nach dem am Dienstag verkündeten Urteil können eingetragene Lebenspartner nun Kinder adoptieren, die zuvor von ihrem Partner angenommen worden sind. Dies gilt ab sofort: Für eine gesetzliche Neuregelung setzten die Richter eine Frist bis zum 30. Juni 2014, ordneten aber eine Übergangsregelung an, da den Betroffenen sonst nicht zumutbare Nachteile drohten.

Das Urteil, das nach der Verhandlung Mitte Dezember allgemein erwartet worden war, erfuhr weithin Zustimmung. Bundesjustizministerin Sabine Leutheusser-Schnarrenberger (FDP) sprach von einem „historischen Schritt, um endlich Regenbogenfamilien in Deutschland auf ein umfassendes sicheres rechtliches Fundament zu stellen“. Die volle Adoption müsse der nächste Schritt sein.

Seit Anfang 2005 kann auch in eingetragenen Lebenspartnerschaften ein Partner leibliche Kinder des anderen annehmen; diese sogenannte Stiefkindadoption ist der häufigste Fall bei Adoptionen. Hingegen ist die Sukzessivadoption im Lebenspartnerschaftsgesetz gegenwärtig nicht vorgesehen; der Gesetzgeber behält sie Ehepaaren vor, ebenso wie das Recht, gemeinsam ein Kind anzunehmen. Eine Einzeladoption ist möglich, wenn sie - was vor jeder Adoptionsentscheidung geprüft wird - dem Wohl des Kindes dient, wobei es Alleinstehende bei der Vermittlung deutlich schwerer haben als Paare. Auch in den Verfahren, die nun den Ersten Senat beschäftigten, hatten Homosexuelle als Einzelpersonen Kinder adoptiert; ihre eingetragenen Lebenspartner, die schon lange Mitverantwortung für die Kinder tragen, streben an, ihre Verbindung rechtlich zu untermauern.

In ihrem Urteil (Aktenzeichen 1 BvL 1/11 und 1 BvR 3247/09) hoben die Karlsruher Richter nun hervor, die eingetragene Lebenspartnerschaft sei „gleichermaßen auf Dauer angelegt und durch eine verbindliche Verantwortungsübernahme geprägt wie eine Ehe“.

Uneinigkeit zwischen Union und FDP

Die Beschränkung von Sukzessivadoptionen solle der Gefahr entgegenwirken, dass ein Kind „konkurrierenden Elternrechten ausgesetzt ist“ und dass es „von Familie zu Familie weitergegeben wird“, so die Richter. Bei Ehepartnern schätze das Gesetz diese Gefahren gering ein, nicht jedoch bei eingetragenen Lebenspartnern - obwohl sich beide Fälle nicht unterschieden. Vielmehr sei davon auszugehen, dass „die behüteten Verhältnisse in einer eingetragenen Lebenspartnerschaft das Aufwachsen von Kindern ebenso fördern können wie die einer Ehe“. Unter Hinweis auf die in der Verhandlung angehörten Sachverständigen heißt es im Urteil, die Sukzessivadoption habe „stabilisierende entwicklungspsychologische Effekte“, etwa weil das Kind Gewissheit erhalte, nicht alleine dazustehen, wenn seine Adoptivmutter oder sein Adoptivvater sterbe. Damit sei die Sukzessivadoption dem Kindeswohl „regelmäßig zuträglich“. Zudem verbessere sie die Rechtsstellung der Kinder. So könne das Sorgerecht nach einer Trennung von Fall zu Fall angemessen geregelt werden. Hinzu kämen Vorteile im Unterhalts- und im Erbrecht.

Die Richter hoben hervor, sie hätten nicht über die gemeinsame Adoption durch eingetragene Lebenspartner zu entscheiden gehabt. Sie sahen freilich in der Zulassung der Sukzessivadoption auch keine Umgehung des Verbots der gemeinsamen Adoption, „weil sich die beiden Adoptionsformen im Ablauf voneinander unterscheiden“. Derzeit sind zur gemeinsamen Adoption durch eingetragene Lebenspartner noch keine Verfahren in Karlsruhe anhängig. Der Vertreter des Lesben- und Schwulenverbands in Deutschland hatte aber schon im Dezember gesagt, eine entsprechende Richtervorlage sei „in Vorbereitung“.

In der Regierungskoalition aus Union und FDP dauerte die Uneinigkeit im Hinblick auf die Fortentwicklung der Rechte gleichgeschlechtlicher Lebenspartnerschaften auch am Dienstag an. Während der Parlamentarische Staatssekretär im Bundesjustizministerium, Max Stadler (FDP), äußerte, das Urteil habe „klare Andeutungen“ in Richtung auf eine prinzipielle Gleichstellung homosexueller Paare im Adoptionsrecht gemacht, teilte die rechtspolitische Sprecherin der CDU/CSU-Bundestagsfraktion, Andrea Voßhoff, mit, zwar sei die Entscheidung „vertretbar“, doch sei die gemeinsame Adoption eines Kindes, das neu in die Familie komme, anders zu bewerten. „Wir sind nach wie vor der Auffassung, dass Vater und Mutter für das Kind gut sind. Dieser Grundsatz sollte sich in der Ausgestaltung der gemeinschaftlichen Adoption widerspiegeln.“ Regierungssprecher Steffen Seibert sagte am Dienstag, die Bundesregierung werde prüfen, wie eine verfassungsgemäße Regelung umgesetzt werden könne. Dagegen kündigte der Parlamentarische Geschäftsführer der Grünen Volker Beck einen eigenen Gesetzentwurf zum gemeinsamen Adoptionsrecht noch vor der Bundestagswahl an. Eine solche Initiative versprach auch SPD-Kanzlerkandidat Peer Steinbrück, allerdings erst, einen Sieg von Rot-Grün voraussetzend, für die Zeit nach der Bundestagswahl.

Womöglich noch in diesem Jahr wird eine Entscheidung des Bundesverfassungsgerichts zur Ausweitung des Ehegattensplittings auf eingetragene Lebenspartnerschaften erwartet; laut dem Urteil vom Dienstag bedarf es

eines „gewichtigen Sachgrunds“, um Lebenspartnerschaften gegenüber der Ehe zu benachteiligen; die Berufung auf den „besonderen Schutz der Ehe“ reiche dazu nicht aus.

Straßburg rügt Österreich

Der Europäische Gerichtshof für Menschenrechte hat Österreich wegen der Diskriminierung von homosexuellen Paaren bei der Stiefkindadoption verurteilt. Die Regierung in Wien habe keine überzeugenden Gründe dafür vorgebracht, dass es zum Schutz des Kindeswohls notwendig sei, bei unverheirateten gleichgeschlechtlichen Paaren die Annahme des leiblichen Kindes des Partners auszuschließen und sie somit anders zu behandeln als heterosexuelle Paare mit gleichem Status, urteilte die Große Kammer des Gerichtshofs am Dienstag mit zehn gegen sieben Stimmen und sprach zwei Klägerinnen insgesamt 10 000 Euro Schmerzensgeld zu. Der Gerichtshof verwies auch darauf, dass in Österreich homosexuelle Einzelpersonen das Recht auf Adoption eines Kindes hätten und somit anerkannt sei, dass ein Kind in einer von einem gleichgeschlechtlichen Paar begründeten Familie aufwachsen könne. Nach dem Straßburger Urteil kündigte die österreichische Justizministerin Beatrix Karl (ÖVP) an, noch im Frühjahr einen Gesetzesvorschlag vorzulegen, der den Forderungen des Gerichtshofs Rechnung trägt. Eine generelle Adoptionserlaubnis für homosexuelle Paare lehne sie aber weiterhin ab. Die eine Koalition mit der ÖVP führende SPÖ und die oppositionellen Grünen begrüßten das Urteil, forderten aber eine generelle Ausweitung. Frauenministerin Gabriele Heinisch-Hosek (SPÖ) kündigte an, darüber mit dem Koalitionspartner zu diskutieren. (frs./löw.)

Quelle: F.A.Z.

Frankreich will EZB-Aufsicht klein halten

19.02.2013 · Die Verhandlungen über die Struktur der europäischen Bankenaufsicht gehen in die heiße Phase. Die Personalstärke der Bankenaufsicht ist noch nicht geklärt und Frankreich wendet sich gegen starke Zentralisierung.

Von [Stefan Ruhkamp](#)

Bei den Arbeiten für die entstehende Bankenaufsicht unter dem Dach der Europäischen Zentralbank kommt es zu Konflikten. Insbesondere über die notwendige Personalausstattung wird gestritten. Während einige Regierungen, darunter die deutsche für eine starke Zentrale plädieren, tritt Frankreich auf die Bremse, heißt es in Notenbankkreisen. Bislang sind für das künftig in der Bankenaufsicht tätige Personal etwa 900 Stellen für die erste Phase im Gespräch. In einer von der EZB in Auftrag gegebenen Studie ist von einem Bedarf von knapp 2000 von 2017 an die Rede. **Die französischen Vorschläge laufen jedoch auf deutlich weniger Personal und ein größeres Gewicht der nationalen Aufseher hinaus.** Vorentscheidungen für die Struktur der Bankenaufsicht könnten schon in dieser Woche fallen, wenn sich am Donnerstag Vertreter von Europa-Parlament, Kommission und Rat zur nächsten Runde der Trilog-Verhandlungen treffen.

Streitpunkt Personalstärke

Insbesondere die Stellung des Vizepräsidenten und der Präsidentin des Aufsichtsgremiums (Board), das die Bankenaufsicht steuern soll, ist umstritten. In einer von der EZB in Auftrag gegebenen Analyse favorisiert die Unternehmensberatung Promontory, dass zwei neue Direktorate für das Bankensystem und für die Aufsicht über die einzelnen Banken geschaffen werden, die an ein Generalsekretariat berichten, das wiederum dem künftigen Vizepräsidenten (Vice-Chair) zugeordnet ist. Für diese Position kommen der EZB-Direktor Yves Mersch oder EZB-Vizepräsident Vitor Constâncio in Frage. Die designierte Präsidentin (Chair) der Bankenaufsicht Daniele Nouy hätte bei dieser Berichtslinie relativ wenig Einfluss. „Das würde eindeutig die Trennung von Geldpolitik und Bankenaufsicht innerhalb der EZB schwächen“, kritisiert Sven Giegold, finanzpolitischer Sprecher der Grünen im Europaparlament. Er fordert, das Generalsekretariat solle direkt an die Präsidentin berichten. Denn diese sei ausschließlich für die Bankenaufsicht zuständig und habe anders als Mersch oder Constâncio nichts mit der Geldpolitik zu tun. Giegold plädiert außerdem für eine ausreichende Personalstärke. Derzeit werde zum Beispiel die Deutsche Bank allein in Deutschland von einem Team von 40 Aufsehern beaufsichtigt. Rechne man das auf die mehr als 130 Banken hoch, die von der EZB beaufsichtigt werden sollen, seien die bisher geplanten Personalzahlen zu gering.

Unterdessen nehmen, obwohl die gesetzlichen Grundlagen der europäischen Bankenaufsicht noch nicht entschieden sind, die Vorarbeiten konkretere Züge an. In den kommenden Wochen wird dem Vernehmen nach eine 60 Köpfe zählende Kerntuppe ihre Arbeit bei der EZB beginnen. Sie werden auch auf die Analyse der Unternehmensberatung Promontory zurückgreifen, in die diese Zeitung Einblick nehmen konnte. Nach eigenen Angaben hat Promontory mit einigen Dutzend EZB-Fachleuten gesprochen, die namentlich aufgeführt sind.

Bankenaufsicht soll in fünf Unterbereiche unterteilt werden

Die Berater schlagen vor, die Aufsicht in fünf Unterbereiche zu unterteilen. Gruppe eins soll zehn stark vernetzte Großbanken mit Bilanzsummen von mehr als 200 Milliarden Euro umfassen, darunter Société Générale, Deutsche Bank und Unicredit. Die zweite Gruppe soll zehn große Banken mit grenzüberschreitendem und Privatkundengeschäft (Retail) enthalten, darunter Commerzbank und Landesbank Baden-Württemberg. In einer dritten Gruppe wären die Aufseher für zehn große Regionalbanken zusammengefasst, darunter Nord-LB, Bayern-LB und Nordea. Diese drei Gruppen würden rund 60 Prozent des europäischen Bankenmarktes ausmachen. Eine vierte Gruppe soll rund 100 „andere bedeutende Banken“ mit Bilanzsummen von 30 bis 200

Milliarden Euro enthalten, die die EZB beaufsichtigt. Und in einer fünften Gruppe würde eine kleinere Mannschaft von EZB-Aufsehern solche Banken beobachten, die unter nationaler Bankenaufsicht stehen, aber dafür in Frage kommen, dass die EZB die Aufsicht an sich zieht.

Allein für die ersten drei Gruppen mit den 30 bedeutenden Großbanken halten die von der EZB beauftragten Berater knapp 1000 Aufseher für erforderlich. Weitere 600 für die beiden anderen Gruppen. Hinzu kommt Personal, das für Stabsstellen und andere Dienste wie Informationstechnik benötigt wird.

Die Bankenaufseher der EZB sollen außerdem bestehende Ressorts der EZB nutzen, was einige Beobachter wegen der dadurch geschwächten Trennung von Aufsicht und Geldpolitik kritisch bewerten. So soll zum Beispiel, so heißt es in der Studie, die Rechtsabteilung beim Aufbau helfen und auch laufend unterstützen. Die Personalabteilung solle rekrutieren und im laufenden Betrieb Training und Weiterbildung organisieren. Ähnliches gilt für die Researchabteilungen der EZB.

Goodyear : le courrier cinglant du PDG de Titan à Montebourg

Par [Cyrille Pluyette](#) Mis à jour le 19/02/2013 à 23:16 | publié le 19/02/2013 à 20:32

70,67



Le ministre du Redressement productif, Arnaud Montebourg. Crédits photo : KENZO TRIBOUILLARD/AFP

Maurice Taylor, le président du groupe américain, explique au ministre pourquoi il jette l'éponge sur la reprise de Goodyear d'Amiens Nord. Arnaud Montebourg a refusé de commenter cette lettre.

C'est une lettre étonnante que Maurice Taylor, le patron du groupe américain Titan réputé pour son franc-parler, a adressée à Arnaud Montebourg et [qu'ont révélée Les Échos mardi soir](#). Ce courrier, brutal, explique au ministre du Redressement productif les raisons pour lesquelles il n'est plus intéressé par la reprise de l'activité pneus agricoles du site [Goodyear](#) d'Amiens-Nord, un site qu'il convoitait jusqu'à l'an dernier.

«J'ai visité cette usine plusieurs fois. Les salariés français touchent des salaires élevés mais ne travaillent que trois heures. Ils ont une heure pour leurs pauses et leur déjeuner, discutent pendant trois heures et travaillent trois heures. Je l'ai dit en face aux syndicalistes français. Ils m'ont répondu que c'était comme ça en France», écrit le patron américain. «Nous croyez-vous assez stupides?» pour engager de nouveau une discussion, ajoute-t-il.

Maurice Taylor dresse au passage une description de son marché qui fait froid dans le dos. À ses yeux, les fabricants chinois de pneus, massivement subventionnés par leur gouvernement, inondent le marché international, et notamment français, de leurs produits. Interrogé mercredi soir, Arnaud Montebourg a refusé de commenter cette lettre. «Je ne veux pas nuire aux intérêts de la France», a-t-il dit.

German Officials Signal Berlusconi Isn't Their Man

By MELISSA EDDY

BERLIN — Asked in September if she feared a comeback by former Prime Minister Silvio Berlusconi of Italy, Chancellor Angela Merkel of Germany appeared at pains to hold back a smile as the room erupted in laughter. “I am, as you know, a democratic politician and respect the outcome of elections in every country,” she told reporters in Berlin.

Five months later, the possibility that Mr. Berlusconi could return to play a role in the next Italian government is no longer a laughing matter for Ms. Merkel’s government. As Italy’s elections approach on Sunday, German officials have begun, in not-so-subtle ways, to signal to Italians not to vote for him.

“Silvio Berlusconi may be an effective campaign strategist,” the Italian newsmagazine L’Espresso quoted Germany’s finance minister, **Wolfgang Schäuble**, as saying in an interview last week. “But my advice to the Italians is not to make the same mistake again by voting for him.”

A spokesman for the Finance Ministry later disavowed the comment. But any German warning runs the danger of creating the opposite effect, by elevating Mr. Berlusconi’s stature as he runs a populist campaign aimed at appealing to Italians weary of the austerity measures that Ms. Merkel has pushed as the prescription for the euro crisis.

The bad blood runs both ways. Signs of the dislike between Ms. Merkel and Mr. Berlusconi have swirled for years. Last fall, news media reports surfaced that the former Italian leader had made unflattering remarks about Ms. Merkel’s appearance in telephone calls wiretapped by investigators. He denies having said them.

Nonetheless, attacking Ms. Merkel is part of Mr. Berlusconi’s campaign. On Tuesday he told Italian radio that he was the victim of a “half coup” when he resigned in November 2011, blaming Ms. Merkel for rattling markets by ordering German banks to sell their Italian bonds.

He has accused Germany of strangling European growth by trying to impose its economic views across Europe, which he attributed to Ms. Merkel’s upbringing in Communist East Germany.

“That’s like imposing on all European citizens that men should wear size 42 shoes and women size 40,” he told a cheering crowd of business leaders in northern Italy on Monday.

Mr. Berlusconi has also been highly critical of the fiscal compact between European countries, which calls on nations to balance their budgets, as an example of the steely fiscal discipline that earned Ms. Merkel the nickname of her 19th-century predecessor Otto von Bismarck, the Iron Chancellor.

Investors in Germany, meanwhile, blame Mr. Berlusconi and his center-right People of Freedom party for dragging Italy, the third-largest economy in the euro zone, into the crisis.

They worry that any government involving the former prime minister could reverse changes set by Mario Monti, the economist who replaced Mr. Berlusconi.

“Italy needs politicians in leadership that can be associated with the future,” Ruprecht Polenz, a leading member of Ms. Merkel’s center-right Christian Democratic Union, warned in the newspaper Süddeutsche Zeitung. “Mr. Berlusconi certainly does not stand for that.”

Although the chancellor is unlikely to comment on the outcome of the Italian election, members of her cabinet and party made clear her government's position in comments published on Tuesday.

Ms. Merkel's foreign minister, Guido Westerwelle, said in the *Süddeutsche Zeitung* that "whoever forms the new government, we think it is important that the pro-European course and the necessary reforms be continued."

Steffen Seibert, Ms. Merkel's spokesman, underlined in comments to reporters later Tuesday that the foreign minister's view was shared by the whole government in Berlin.

The likelihood of Mr. Berlusconi getting into office is regarded as slim in Italy, although most recent polls show his coalition narrowing the gap between itself and the center-left coalition to single digits.

But the fears of a Berlusconi revival extend even beyond Berlin. "The future of the euro zone is at stake," wrote the French newspaper *Le Monde* in an editorial published Tuesday.

Chris Cottrell contributed reporting from Berlin, and Elisabetta Povoledo from Rome.

Germany: Court Backs Adoption by Same-Sex Couples

By MELISSA EDDY

Children do not differentiate whether their parents are of the same sex, united in a civil union, or a man and a woman in a traditional marriage, and therefore neither should the law, the nation's highest court said Tuesday, placing [Germany](#) on a growing list of European countries to expand the rights of same-sex couples. The Constitutional Court in Karlsruhe ruled in favor of a doctor from Münster who had challenged existing laws that forbade her to adopt her same-sex partner's daughter, who was raised by both women. The judges ordered the government to draw up legislation by June 2014 to allow such adoptions within same-sex unions.

February 19, 2013

70,71

Hollande Visits Greece to Show Support for Recovery Efforts

By NIKI KITSANTONIS

ATHENS — During a quick visit to the Greek capital on Tuesday, President [François Hollande](#) of [France](#) expressed support for [Greece](#)'s efforts to revive its economy and called on French companies to invest in the debt-racked country. He also indicated France's interest in working with Greece to exploit [oil](#) and natural gas reserves in the Aegean Sea, a likely point of contention with neighboring Turkey.

"Our message is one of friendship, support, trust and growth" for Greece, Mr. Hollande said after talks with Prime Minister Antonis Samaras. "No European people have undergone such a test, so we must stand by Greece's side."

Mr. Hollande, a socialist who came to power last spring on a pledge to increase growth to counteract deepening austerity in Europe, emphasized the importance of foreign investment to bolster Greece, which is in its sixth year of recession. Greek unemployment has risen to 27 percent, climbing above 60 percent for young people.

Mr. Hollande said he would push French companies to "actively support investments" and to participate in bids for the privatization of Greece's state water and rail companies as well as other projects.

"I will speak to them this evening," he said, before further talks with Mr. Samaras and his partners in Greece's coalition government that were to conclude his roughly six-hour visit.

Mr. Samaras, for his part, heralded "a new chapter" in bilateral ties, describing the French leader's visit as "a vote of confidence that proved Greece is no longer the weak link of Europe."

He said talks on possible cooperation focused on sectors including the military, construction and, chiefly, energy, noting that Greece aimed to become an "energy hub in the Aegean."

A plan to cooperate on energy projects is to be broached during Mr. Samaras' visit next month to Turkey, which objects to Greece's prospecting for oil and gas in the Aegean until the two countries resolve a longstanding dispute regarding the delineation of the countries' territorial waters and the continental shelf.

Mr. Hollande indicated that energy was a potential area of mutual business opportunity. "If France is able to commonly exploit hydrocarbon reserves with Greece, it will do so," he said.

The French president added that he was "not here to sell arms," an apparent response to speculation about the possible lease or sale of frigates to Greece. He added that he and Mr. Samaras had signed a deal to bolster tourism, which accounts for a fifth of Greece's dwindling gross domestic product.

Recession is a Europe-wide problem, not particular to Greece, Mr. Hollande added, noting that France would fall short of its target of 0.8 percent growth for 2013.

Although security was tight on Tuesday, with police helicopters circling over central Athens, the French leader's visit did not involve the draconian measures that accompanied the arrival last October of Chancellor Angela Merkel: Germany is widely seen by Greeks as having imposed a series of austerity measures including wage and pension cuts. Still, tension in Greece is high ahead of the anticipated return to Athens next week by inspectors from the so-called troika — the European Commission, the International Monetary Fund and the European Central Bank.

Thousands of Greek workers were poised to walk off the job Wednesday in the first general strike of the year, protesting salary cuts and plans for selling state-owned assets.

Mr. Samaras's government has insisted on the need to attract foreign investments to raise revenue, which fell 7 percent short of the budget target last month. But unions and opposition parties oppose further foreign involvement. Greece has agreed to two bailouts worth a total of €240 billion in exchange for implementing austerity measures that have lopped 25 percent off its G.D.P. since the crisis erupted three years ago.

European Car Sales Fall 8.7% to Record Low

By [DAVID JOLLY](#)

PARIS — European demand for new cars slumped in January to the lowest level on record for that month, industry data showed Tuesday, as sales at [Ford Motor](#)'s troubled operations on the Continent tumbled by more than one-fourth.

New-car registrations, a proxy for sales, fell 8.7 percent from January 2012, the [European Automobile Manufacturers' Association reported](#) in Brussels, falling to 885,159 units, the lowest level since the organization records began in 1990.

Global automakers are hoping for a decent 2013, but they worry that the European market will continue to decline. Consumers have been slammed by recession, unemployment and government austerity measures. In many countries with good public transportation, driving is a pleasure rather than a necessity, and high joblessness among young people has the industry fretting that an entire generation will not adopt the car lifestyle.

Carlos Ghosn, Renault's chairman and chief executive, has estimated that European car sales will fall at least 3 percent this year. The car and light vehicle market contracted 8.2 percent in 2012 to just more than 12 million units, the lowest level since 1995.

The United States, in comparison, has gotten off to a [fairly strong start](#) this year, with sales having gained 14 percent in January from the same month in 2012. Emerging markets are also expected to post good growth.

In Europe, the biggest decline in January was posted by Ford Motor, where sales fell 25.5 percent. [Ford said last month](#) that its annual loss in Europe — its second-biggest market after North America — could climb to as much as \$2 billion this year.

Volkswagen, the largest European automaker, posted a 5.2 percent decline in January. The European sales of PSA Peugeot Citroën, the troubled French company that ranks No. 2 in the European Union, fell 16.3 percent, while its rival Renault dropped 5.6 percent, and Renault's Japanese alliance partner, Nissan, dropped 6 percent. General Motors' sales fell 5.5 percent. Toyota Motors' sales fell 16.8 percent.

The luxury automakers continued to gain in January, for the most part, with Daimler, the maker of Mercedes-Benz, adding 3.7 percent from 2012 and BMW adding 6.6 percent. Jaguar Land Rover sales rose 19 percent. The data include all 27 E.U. countries except Malta. Only Britain, where sales rose 11.5 percent from 2012, bucked the tide in major markets.

Germany, the biggest European market and long one of the healthiest, turned decisively lower, with sales falling 8.6 percent. French sales declined 15.1 percent, and Spanish sales slumped 9.6 percent. Even larger declines were seen in the Netherlands, down 31.2 percent; Greece, down 34.5 percent; and Finland, down 28 percent.

Goodyear : l'incroyable courrier du PDG de Titan à Montebourg

Par [Leïla de Comarmond](#) | 19/02 | 18:55 | mis à jour le 20/02 à 08:40 | [42commentaires](#)

70,73

« Les Echos » ont obtenu la copie du courrier où le président du groupe américain Titan explique au ministre du Redressement productif pourquoi il jette l'éponge sur la reprise de l'usine Goodyear d'Amiens Nord. Dans un style très direct.



Pour éviter la fermeture de l'usine Goodyear d'Amiens Nord, Arnaud Montebourg avait espéré que Titan international, dont l'offre de reprise partielle [violemment combattue par la CGT du site](#) mi-2012, reviendrait à la table des négociations. Mais le 11 février, le ministre du Redressement productif avait dû annoncer qu'il avait jeté définitivement l'éponge. Le fabricant de pneus agricoles ne « *reviendra pas* », avait-il déclaré.

Une sobriété qui tranche avec la violence du courrier que lui a adressé le président du groupe américain, Maurice M. Taylor Jr, dont « les Echos » ont obtenu copie (voir document ci-dessous). Extraits.

« Vous pensez que nous sommes si stupides que ça ? »

« J'ai visité cette usine plusieurs fois. Les salariés français touchent des salaires élevés mais ne travaillent que trois heures. Ils ont une heure pour leurs pauses et leur déjeuner, discutent pendant trois heures et travaillent trois heures. Je l'ai dit en face aux syndicalistes français. Ils m'ont répondu que c'était comme ça en France (...). Monsieur, votre lettre fait état du fait que vous voulez que Titan démarre une discussion. Vous pensez que nous sommes si stupides que ça ? Titan a l'argent et le savoir-faire pour produire des pneus. Qu'a le syndicat fou ? Il a le gouvernement français. Titan va acheter un fabricant de pneus chinois ou indien, payer moins d'un euro l'heure de salaire et exporter tous les pneus dont la France a besoin. Vous pouvez garder les soi-disant ouvriers. Titan n'est pas intéressé par l'usine d'Amiens nord. »

<http://www.24hgold.com/english/news-gold-silver--angl-incredible-letter-from-ceo-of-titan-to-france-minister-of-industrial-renewal.aspx?article=4253972468G10020&redirect=false&contributor=Mish>

Incredible Letter from CEO of Titan to France Minister of Industrial Renewal

by [Mish](#) - *Global Economic Analysis*

70,74

Published : February 20th, 2013

568 words - Reading time : 1 - 2 minutes

I like it when people speak their minds. I like it even more when they are correct and they blast government officials at the highest levels. And I especially like it when the person blasting government is a prominent person.

Thus I am pleased to report an incredible letter from the CEO of Titan to Arnaud Montebourg, Minister of Industrial Renewal of France, criticizing not only French unions but unions in the USA.

Via Google translate from Les Echos, please consider [Incredible Email From the CEO of Titan to Montebourg](#).

"Les Echos" received a copy of the letter which the President of the American Titan told the Minister of Industrial Renewal why he threw in the towel on purchasing the Goodyear plant Amiens Nord, in a very direct style.

"How Stupid Do You Think We Are?"

Here are some excerpts I transcribed from an image of the letter posted on *Les Echos*.

Dear Mr. Montebourg:

Goodyear tried for over four years to save part of the Amiens jobs that are some of the highest paid, but the French unions and French government did nothing but talk.

I have visited the factory a couple of times. The French workforce gets paid high wages but works only three hours. They get one hour for breaks and lunch, talk for three, and work for three. I told this to the French union workers to their faces. They told me that's the French way!

The Chinese are shipping tires into France - really all over Europe - and yet you do nothing. In five years, Michelin won't be able to produce tire in France. France will lose its industrial business because government is more government.

Sir, your letter states you want Titan to start a discussion. How stupid do you think we are? Titan is the one with money and talent to produce tires. What does the crazy union have? It has the French government. The French farmer wants cheap tire. He does not care if the tires are from China or India and governments are subsidizing them. Your government doesn't care either. "We're French!"

The US government is not much better than the French. Titan had to pay millions to Washington lawyers to sue the Chinese tire companies because of their subsidizing. Titan won. The government collects the duties. We don't get the duties, the government does.

Titan is going to buy a Chinese tire company or an Indian one, pay less than one Euro per hour and ship all the tires France needs. You can keep the so-called workers. Titan has no interest in the Amien North factory.

Best regards,
Maurice M. Taylor, Jr.
Chairman and CEO

Morry "the Griz" Taylor

A quick internet search led me to [Maurice Taylor](#)

Taylor was nicknamed "The Grizz" by Wall Street analysts for his tough negotiating style. Taylor has transformed Titan from a small wheel manufacturing business to a global producer of off-highway wheel and tire systems. Taylor has been in the wheel manufacturing business for over 30 years, and has worked with Titan in various sales, engineering and management positions. He attended Michigan Tech. Taylor served as president and CEO of the company from 1990 to 2005, when he became chairman and CEO.

In 1996, Taylor ran as a Republican candidate for President of the United States, campaigning to bring sound fiscal management and business know-how to Washington.

Mike "Mish" Shedlock
<http://globaleconomicanalysis.blogspot.com>

Thanks to Mish from globaleconomicanalysis.blogspot.com

Equality of opportunity

Obama's Rawlsian vision

Feb 19th 2013, 17:26 by S.M. | NEW YORK

70,76



LAST week's state-of-the-union address received unexpectedly low marks from some commentators. For [Paul Krugman](#), it was "not very interesting". For [countless other observers](#), it was a mere "laundry list" of proposals that have no chance of passing the Republican-led House of Representatives. Leaving aside the obvious questions (does anyone make actual laundry lists anymore? is a pair of dirty socks really the right metaphor for, say, universal pre-school?), another one strikes me: if Mr Obama's speech did not fit the bill for an admirable state-of-the-union address for a recently re-elected president who campaigned on fiscal responsibility coupled with fairness in healing America's vast inequalities, what would?

In our [live-blog of the speech](#), I summed up the evening this way:

This was a good night for Mr Obama. The speech communicated with passion and swagger his administration's priorities in his second term: a mixture of proposals that will appeal to both parties (immigration reform and spending cuts, most notably) and some that are a lot more controversial (further tax increases, gun control, climate-change policy). That's an appropriately audacious agenda. Perhaps he overreached a bit at times in setting goals to end AIDS and world hunger, but drawing Americans' attention to the globe's neediest human beings seems appropriate in this forum. The first state-of-the-union address of a president's second term is no time to be timid, and it was an admirable choice to bookend his proposals with appeals to good citizenship and a call to civic duty and reciprocity.

Looking at the speech a week later, I am even more convinced Mr Obama hit it out of the park. Yes, he presented a grand vision with a lot of policy proposals. But on the other hand: *he presented a grand vision with a lot of policy proposals!* Who else is advancing a legislative vision for the coming year? Marco Rubio, in rebuttal, offered a pitch that was identical to Mitt Romney's platform in last year's losing effort to take the White House. The would-be emperor had new clothes, a surprisingly irrepressible thirst and convincing anti-plutocrat credibility, but he had nothing new to add to the Republicans' electoral platform of 2012. Let's hear it for some new ideas!

And Mr Obama's ideas—expanding public pre-school, raising the minimum wage, means-testing Medicare, raising taxes on the wealthy, creating more jobs for the middle class, making college more affordable, finding a humane path to citizenship for illegal immigrants—fit together as a coherent response to the increasingly yawning inequalities in America. As Emmanuel Saez, an economist at Berkeley, recently showed, the economic recovery has thus far [benefited only the wealthiest Americans](#):

The [numbers](#)...show overall income growing by just 1.7 percent over the period. But there was a wide gap between the top 1 percent, whose earnings rose by 11.2 percent, and the other 99 percent, whose earnings declined by 0.4 percent.

Mr Saez, a winner of the John Bates Clark Medal, an economic laurel considered second only to the Nobel, concluded that “the Great Recession has only depressed top income shares temporarily and will not undo any of the dramatic increase in top income shares that has taken place since the 1970s.”

There is a lot to clarify and squabble about in Mr Obama's proposals to reverse the trend Mr Saez identifies: research supporting the president's proposal to expand pre-school is not unambiguous, as [my colleague pointed out](#); an increase in the minimum wage, some say, may come with a price tag of [higher unemployment](#); higher tax rates for the wealthy [may not go far enough](#). These are all issues on which serious debate is needed, and one virtue of laying out a broad, bold agenda is to let a thousand debates bloom over the details.

Another virtue of this approach is to provide an overarching vision for the republic. The narrative Mr Obama articulates to frame the debates seems to flow directly from the pages of John Rawls's "A Theory of Justice". In that 1971 masterwork and in "Justice as Fairness" (2001), Rawls developed a political philosophy of liberalism that puts a premium on the value of equality. Though he was no strict egalitarian ([Derek Parfit argues that his theory is better construed as "prioritarian"](#)), Rawls hoped to identify the principles of justice that hold for a democracy where people cooperate productively and see each other as moral equals. Rawls's first principle of justice, calling for "equal political liberties", takes precedence over efforts to ease socioeconomic inequalities. But within these bounds, Rawls tried to identify and account for the “social, natural and fortuitous contingencies” that help shape “inequalities in citizens’ life-prospects”.

Boosting the chances of children whose life-prospects are otherwise hampered by their social class is precisely the [the case the president made](#) for expanding public pre-school:

Study after study shows that the sooner a child begins learning, the better he or she does down the road. But today, fewer than 3 in 10 four year-olds are enrolled in a high-quality preschool program. Most middle-class parents can't afford a few hundred bucks a week for a private preschool. And for poor kids who need help the most, this lack of access to preschool education can shadow them for the rest of their lives.

Enhancing what Rawls calls “background justice”—the fair functioning of social institutions necessary for true equality of opportunity—is the moral impetus behind Mr Obama's proposal. As [Joseph Stiglitz pointed out](#) in the *New York Times* over the weekend, this is exactly what America needs right now. It is also the essence of the justification behind the proposal to increase the minimum wage modestly ([E.J. Dionne thinks too modestly](#)) to \$9.00 from its current rate of \$7.25. In one of the most effective lines all night, Mr Obama coupled a Rawlsian defence of a livable income floor with a paean to the American work ethic: “[L]et's declare that in the wealthiest nation on Earth, no one who works full-time should have to live in poverty.”

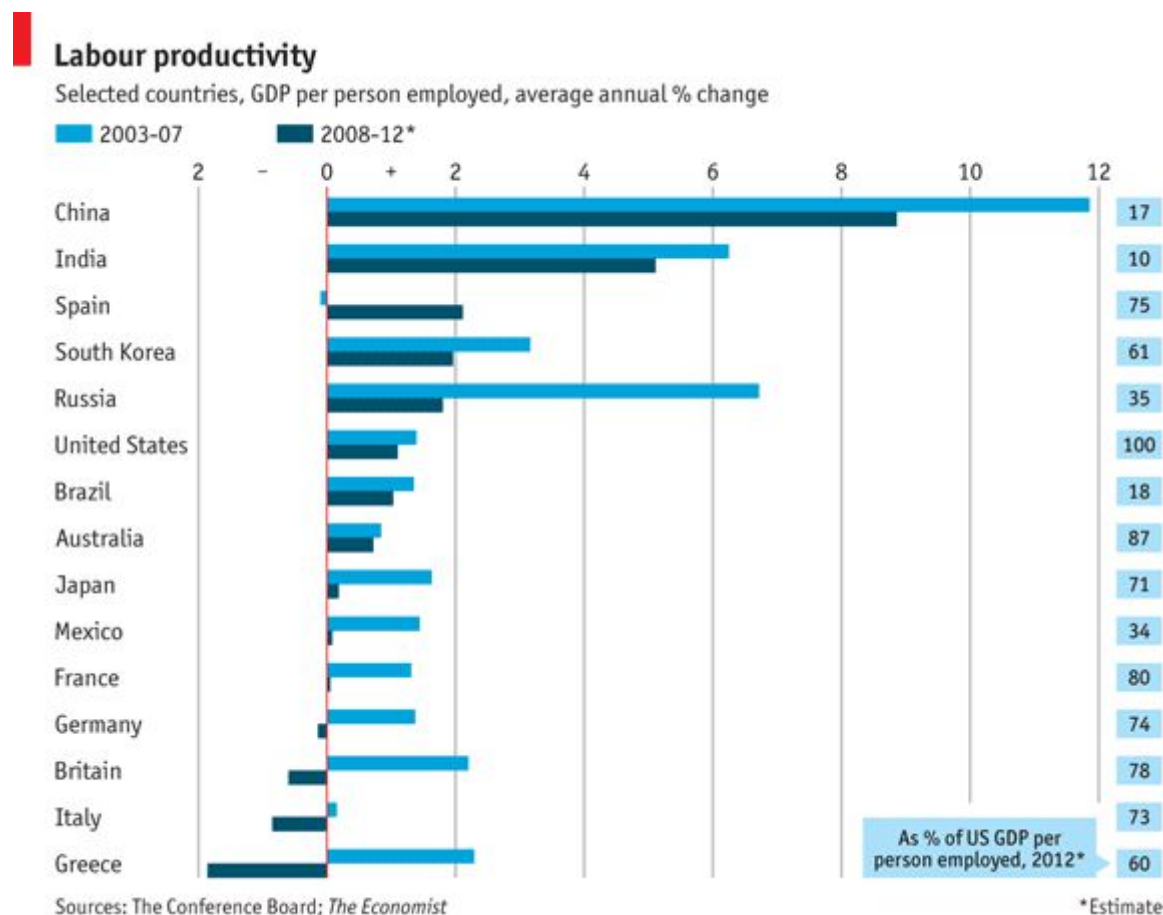
One of the most controversial elements of Rawls's theory is the so-called "difference principle" according to which inequalities are only justified insofar as they serve to maximise the position of the least well-off members of society. Income disparities are not inherently problematic, for Rawls or for Mr Obama; they are unjust only when they come at the expense of the poor. Recent research from Mr Saez shows this is exactly what is happening: as the pie is expanding, only the rich are getting an extra slice while the poor and middle class are stuck with the same portion, or less. Rawls's principle may be too demanding, but its gist provides an excellent heuristic for policymakers. Whether Mr Obama's myriad policy suggestions fit the bill is for Congress to decide, but the vision he heralded in his speech—the imperative to build real equality of opportunity for all Americans—has never been more apt.

Labour productivity

Feb 19th 2013, 16:31 by Economist.com

GLOBAL labour productivity growth is sluggish. The latest [data](#) from the Conference Board, a business-research firm, show productivity growth (measured by GDP per employed person) fell to 1.8% in 2012 from 2.3% in 2011. The global financial crisis had a big impact. In China average productivity growth fell from 12% a year between 2003 and 2007, to less than 9% between 2008 and 2012. Although growth is still strong, China's GDP per worker is only 17% of America's.

Some countries however, saw improvements in productivity last year. Such gains, though, can be a reflection of a faltering economy, in which fewer people are doing the work. In Spain, for instance, productivity has improved since 2007 but both GDP and employment have fallen (by 4.2% and 13.7%, respectively). Moreover, countries like Germany, which successfully limited job losses during the recession, report stagnant productivity. Output per person is also subject to the business cycle: when an economy starts to recover, firms often work their employees harder rather than hire new workers. This initially boosts productivity, but as firms take on more workers, productivity growth will fall.



"I'm under fire"

Interview with Jens Weidmann, President of the Deutsche Bundesbank with the newspaper Frankfurter Allgemeine Sonntagszeitung, published on 2012-12-30

By Rainer Hank and Christian Siedenbiedel.

Translation: Deutsche Bundesbank

Mr Weidmann, knowing what we do now, if we had to decide today on whether or not to introduce the euro – would you be in favour of it?

Back in 1963, Karl Blessing, one of my predecessors, pointed out that monetary union should be embedded in a political union. When monetary union was introduced at the beginning of the 1990s, the Bundesbank cautioned that, at the very least, a set of clear rules to be observed by all members was necessary.

So you would advise against it?

This is no longer an issue. Now it is a question of improving the framework of rules and the will to comply with agreements.

The crisis has been going on for nearly five years now. Crisis fatigue is beginning to spread.

That is precisely what can become a threat. Namely, when policymakers want no part of the crisis any longer and expect the central bank to come and put out the fire.

Have we at least seen the worst of the crisis?

The crisis seems to have calmed down somewhat. Reforms are making progress. However, the root causes are far from being entirely eradicated.

From the outset, you were consistently opposed to ECB purchases of bonds from crisis countries. Since the announcement by ECB president Mario Draghi in the summer to buy, if necessary, an unlimited quantity of bonds, the bond and equity markets have been humming along nicely. Are you now a convert?

The fact that, as you say, the markets are humming along quite nicely at the moment cannot be the sole determinant. What the ECB ultimately announced is that it is quite willing, if need be, to redistribute solvency risks between euro-area countries without limit. However, a clean dividing line between monetary and fiscal policy is important. In addition, the announcement is a sort of insurance policy backed by the central bank – but the insurance is not making the system any more stable. I fear that eagerness to reform will flag if monetary policymakers come to the rescue time and again.

What do you believe are the causes of the crisis?

The core of the crisis is located in the periphery countries: burgeoning household debt, excessive government debt and insufficient competitiveness, which creates doubts that those countries will be able to manage their debt burden on their own.

Your opponents at the ECB say that the intensification of the crisis is the fault of speculators betting that euro-area countries will default.

I have no idea who made that assertion. Speculators are not the problem. Investors in sovereign bonds are typically risk-averse, conservative investors such as insurers or pension funds. Their concerns are justified by problems which actually exist.

But the danger of a large eurozone country such as Spain becoming insolvent has been averted for the time being, hasn't it?

I am convinced that Spain will service its debt and will be able to reform its economy. However, at the heart of the Maastricht Treaty is that euro-area countries are responsible for their own fiscal policy and are subject to market discipline. If we generally rule out insolvency, that will undermine the incentive for countries to keep their fiscal house in order.

Mario Draghi is able to calm the markets by his words alone. Is he a magician in the mould of former US Fed chairman Alan Greenspan?

I doubt whether Mario Draghi would be thrilled to hear this comparison. He also constantly emphasises that reforms in the countries are the decisive factor and that monetary policy is not a panacea.

Draghi says bond purchases are covered by the ECB's mandate. You are sceptical. How can the man on the street tell whom to believe?

The debate about bond purchases obscures the fact that I agree with Mario Draghi on a whole host of issues. However, in this issue, I am afraid of stability policy risks and the hazard of blurring the boundaries between monetary and fiscal policy. The Eurosystem should not extensively communitise sovereign solvency risks, which would be too close to monetary financing of governments.

The concept of "monetary financing of governments" is controversial.

I believe that we, as a central bank, should not enter an area which could possibly be regarded as monetary financing of governments. Once people begin to fear that we are printing money to fund budget deficits, our credibility as a guardian of monetary stability will quickly go out the window.

Couldn't Germany's Constitutional Court petition the European Court of Justice to review whether the ECB is still in compliance with its mandate?

I do not wish to speculate about the pending case before the Federal Constitutional Court. I prefer economic arguments. The question of how far monetary policy should go is one which we must pose, first and foremost, to ourselves.

Other central banks, such as the Bank of England, also purchase sovereign bonds.

The comparison is off the mark. These central banks buy high-quality government bonds in order to influence the risk-free interest rate in their countries – which can certainly act as an instrument of monetary policy. However, the ECB is not buying any low-risk "Euroland bonds": such bonds don't exist. Instead, it buys the bonds of individual states in a monetary union – and not exactly the top-notch bonds.

Has the credibility of the ECB taken a hit this past year?

Throughout the entire debate, my greatest concern has been about protecting the central bank's credibility from damage.

Would the euro have suffered any damage if the ECB had done nothing?

I don't think so: policymakers would have then had to take action. I am well aware that these are difficult decisions for policymakers. But it is, after all, the job of policymakers, and not the central bank, to decide on

redistributing solvency risks in Europe. By taking action, the central bank takes pressure off policymakers – a risky move.

Will we end up careening into a paper money crisis?

Weidmann: No. However, paper money is based on confidence. Central banks must therefore not allow any doubts about their stability orientation to emerge.

You warned about the threats to the euro's stability. However, inflation is nowhere in sight.

I never said that the inflation rate would be the problem this year or next. Rather, the issue is confidence in the ability and the will of the central bank to ensure price stability in the medium and long term.

When will inflation become a problem? In ten years?

In the short term, inflation risks will tend to be on the downside. This has to do with the recession in the peripheral countries. In addition, the oil price is dropping. That can change, however, especially if the economy picks up again and interest rates have to be raised.

Will it then be more difficult for monetary policy, as it is being swept along by fiscal policy, to ensure stability?

Being closely intertwined with fiscal policy makes it more difficult for us to focus on our core responsibilities.

“If you flirt with inflation, you’ll end up marrying her”, so to speak?

Otmar Emminger, one of my predecessors, said that, and rightly so. If we now start debating whether or not to allow a little more inflation, we’re playing with fire, in my opinion. Inflation can already rise as soon as inflation expectations increase, even if demand does not go up per se. And babbling about higher inflation targets will precisely stoke such fears.

Interest rates on safe investments are already less than the rate of inflation. That is a creeping destruction of wealth, known as financial repression.

I would not refer to the current negative real interest rates as financial repression just yet. Only when the state begins to influence savers’ investment decisions and engages in coercion would I see such a situation as existing. However, negative real interest rates are a consequence of expansionary monetary policy in the crisis which is felt immediately by savers.

Once we have overcome the crisis, will we go back to positive real interest rates?

That is my assumption. Negative real interest rates are not the norm.

Policymakers’ next planned move is the communitisation of European banks’ liability. They call it a banking union. What do you think of that?

That is not my understanding of a banking union. The idea is to break the vicious cycle of reeling states and struggling banks weakening one another. Stricter joint supervision, a resolution mechanism for banks and improved regulation are necessary to ensure that banks can be prevented from encountering distress wherever possible and that, if this cannot be prevented, at least public budgets are not affected. This includes making owners and creditors, and not the taxpayer, primarily liable in the event of a problem. In addition, unsound national economic and fiscal policy developments should not simply be fobbed off on other countries’ taxpayers via a banking union. That would be introducing the communitisation of liability through the back door.

What is it then?

We have to ensure, for instance, that the creditworthiness of sovereigns is not passed through to banks, thus threatening financial stability, as was the case previously. This is why I am suggesting imposing an upper limit on banks' holdings of government bonds – and that they back these government bonds, like other types of investment, with capital. Policymakers have been pretty quiet on this topic, unfortunately.

What should we expect next year with regard to the euro crisis?

I expect a gradual recovery – if reforms are actually implemented in the various countries. One of the risks, therefore, is of individual countries splitting from this consensus. This is not an abstract warning.

How high is the risk that Italy, possibly under the leadership of Silvio Berlusconi, will discontinue fiscal consolidation?

Berlusconi's remarks illustrate that the path Europe must take is being called into question time and again in the political debate. Decisions ultimately rest with national policymakers. However, I am confident that Italy will continue its reform path.

Your understanding of your role is visibly different from that of your predecessor. The economist Albert Hirschman writes that the two possible responses to problems are either “exit” or “voice”. Your predecessor chose “exit”; you are protesting, but have chosen to stay on board. Why?

I have great respect for Axel Weber's decision. Unlike him, however, I knew what I was getting into when I took on this post. Moreover: if all Bundesbank presidents chose the “exit” strategy, what good would that do? They would keep resigning until a “yes man” comes along.

Your opposition to the alleged rescue of the euro has made you the face of an extra-parliamentary opposition now that there is no opposition within parliament to the rescue of the euro.

My primary concern is to maintain the euro as a stable currency and not to lend a face to political views. There are good economic reasons for my official views as President of the Bundesbank.

Many people on the street are saying that they no longer have any confidence in policymakers – but that they do believe in the President of the Bundesbank. Are you their hero?

If people have confidence in the Bundesbank, that is good. However, I am just doing my job and not striving to be a hero.

Do you still have the backing of the Chancellor?

The Chancellor, too, is always emphasising the stability foundation of monetary union. We central bankers, however, need our own compass. We are independent in order to stay the course even when, on a particular point, policymakers do not support us.

Did you threaten to resign over the past year?

That is not true and would not be my style anyway. I see my place at the top of the Bundesbank.

Where did you have more power: in your earlier job as adviser to the Chancellor or now as President of the Bundesbank?

I have more responsibility in my current job than before, but then again, I'm coming under much more fire for my views.

Do you have trouble sleeping in times of crisis like these?

Of course, I am driven by the issues of what will happen to Europe next and what role central banks will play in the future. Still, one has to be able to let go. Should I not manage that at home, my children remind me that there's more to life than the euro crisis.

Please tell us and our readers what is in store for us next year.

I hope you are not expecting me to predict the election results; in addition, economic forecasts are now even more difficult than before. But optimism is called for, especially at the beginning of a new year. I am therefore confident that, after a brief "lean period", we will move back onto the path of recovery – in Germany and the rest of the world. Most importantly, the German labour market is likely to remain stable. All that, however, is predicated on the assumption that the reforms in the crisis countries make progress.

The Maastricht upper limit for government debt is defined as 60 per cent. The euro-area average now is 90 per cent. Will Maastricht ever again be complied with?

Unfortunately, that would be trying to predict the very distant future.

Back to Maastricht or setting forth towards more Europe?

That question has to be answered by policymakers. I have the feeling, however, that nobody is ready at present to take the great leap towards a political union. To me, that means that we have to remain grounded in the current legal framework defined by the Maastricht Treaty and that, within this framework, we have to restore the balance between liability and control.

Multiplikatoren einer Krise

20.02.2013 · Die Nachrichten aus Athen sind schlecht: zu geringe Steuereinnahmen, zu viele Arbeitslose, zu langsame Erholung. Umso erfolgreicher macht der linke Populist Alexis Tsipras die Leute glauben, das ganze Elend sei die Folge einer Rechenpanne beim IWF.

Von [Michael Martens](#)



© AP Deren Schuld: Im griechischen Parlament bietet Alexis Tsipras seine einfachen Erklärungen für die komplexe Krise an.

Es war ein Rechenfehler. Mehr als drei Jahre nach dem offenen Ausbruch der seit langem schwelenden Krise Griechenlands ist die Ursache für die Schuldenmisere des Landes endlich gefunden - und damit ist auch die Lösung nur noch eine Formalie. Alles Übel rührt nämlich allein daher, dass die Fachleute des Internationalen Währungsfonds (IWF) in ihren Modellrechnungen die Auswirkung der dem Land verordneten massiven Ausgabenkürzungen auf die wirtschaftliche Entwicklung unterschätzt haben. So jedenfalls ist es von Griechenlands linkspopulistischem Oppositionsführer Alexis Tsipras und in abgeschwächter Form auch von dem an sich stets sachlichen Finanzminister Giannis Stournaras zu hören.

Die Quelle solcher Behauptungen ist eine Einschätzung des IWF selbst. Schon im Oktober vergangenen Jahres, just als Bundeskanzlerin Angela Merkel zu ihrem Besuch in der von Polizisten festungsartig gesicherten griechischen Hauptstadt eintraf, hatte der IWF ein wenig Selbstkritik geübt. In einem Bericht des Fonds gab IWF-Chefökonom Olivier Blanchard zu, dass man in den Modellrechnungen, auf denen die Sparprogramme fußen, nicht nur in Griechenland falsche Multiplikatoren für die Prognosen über den Einfluss von Ausgabenkürzungen auf das Wirtschaftswachstum beziehungsweise die zu erwartende Rezession verwandt habe. Demnach wurden diese „systematisch“ zu niedrig angesetzt. Statt des vom IWF verwendeten Multiplikators von etwa 0,5 hätten, je nach Umständen und Land, Multiplikatoren zwischen 0,9 und 1,7 eingesetzt werden müssen. Im Falle Griechenlands sei die Auswirkung von Ausgabenkürzungen in Verbindung mit Steuererhöhungen deutlich stärker gewesen als beim Entwurf des Sparprogramms angenommen, hieß es selbstkritisch vom IWF. Im Falle Griechenlands, so wurde später ergänzt, hätte man für jeden bei den Ausgaben gekürzten Euro einen Rückgang der Wirtschaftsleistung um 1,50 Euro (und nicht 0,50 Euro) ansetzen müssen.

Dass auch die Troika, der außer der Delegation des IWF Fachleute der EU und der Europäischen Zentralbank angehören, sich irren kann, war keine neue Erkenntnis. Originell ist allerdings die „Multiplikator-Debatte“, die sich daraus in den vergangenen Wochen in Griechenland entwickelt hat. Geht es nach Tsipras und einigen populistischen Cheftrompetern der griechischen Medien, gibt es nämlich gar keine Krise mehr. Folgt man solchen Darstellungen, sind die Arbeitslosigkeit, der Schuldenberg und das weiterhin riesige Haushaltsdefizit Griechenlands nicht etwa die Folge einer über Jahrzehnte entstandenen Fehlentwicklung, die sich nach dem griechischen Beitritt zur Eurozone noch verstärkt hat, sondern Resultat eines Kommafehlers. Vergangene Woche kam es darüber zu einem Wortgefecht zwischen Tsipras und Stournaras im Athener Parlament.

Auslöser war eine schriftliche Anfrage von Tsipras an den Finanzminister, wie die Regierung sich die vom IWF eingestandenem Fehlprognosen zunutze machen wolle, um die Geldgeber des Landes zu weiteren Zugeständnissen in Milliardenhöhe zu bewegen. Stournaras versicherte, „der Fehler mit den fiskalischen Multiplikatoren“ sei schon lange auf dem Verhandlungstisch und werde von der Regierung genutzt. Tsipras, dessen aus zahlreichen Kleinstparteien bestehendes Linksbündnis Syriza in den meisten Umfragen knapp vor der konservativen Nea Dimokratia von Ministerpräsident Antonis Samaras liegt, geht das nicht weit genug. Er sieht sich in der Ansicht bestätigt, nicht die Schulden hätten die Krise, sondern die Krise habe die Schulden produziert. Dass Griechenland schon längst vor dem Eintreffen der Troika 2010 in eine Rezession gerutscht war, wird dabei ausgeblendet.

Steuereinnahmen unterbieten abermals die Erwartungen

Ein Leitartikler der Athener Zeitung „Kathimerini“ hat unlängst in konsequenter Fortschreibung von Tsipras' Logik einen einleuchtenden Lösungsvorschlag vorgelegt. Da der Staat offenbar für jedes Prozent Ausgabenkürzungen die Rezession um 1,7 Prozent verstärkte, hätte sich die Krise vermeiden lassen können, indem 2009 einfach die bisherige Ausgabenpolitik fortgesetzt worden wäre: „Der griechische Staat würde 24 Milliarden Euro mehr ausgeben, als er einnimmt. In Behörden würde es von glücklichen Berufseinsteigern wimmeln. Arbeiter würden mit 50 in Rente gehen können. Die Athener Metro müsste Beschäftigte, die als Folge politischer Gefälligkeiten eingestellt wurden, nicht entlassen ... Im Grunde wären alle glücklich.“ Das Blatt empfahl daher, die alten Pläne aus der Vorkrisenzeit hervorzuholen, so die Schaffung einer Landpolizei oder die Gründung von 20 neuen Universitäten in ländlichen Gebieten. Nur ein Detail gäbe es dann noch zu klären, nämlich die Frage, wer Griechenland den jährlich anfallenden Fehlbetrag von 24 Milliarden Euro zwischen Einnahmen und Ausgaben ersetzen werde.

Die schräge Debatte in Athen lenkt bestenfalls von den neuesten Nachrichten ab, die so schlecht sind, wie es die europäische Öffentlichkeit seit längerem gewohnt ist. Die Steuereinnahmen im Januar blieben abermals deutlich hinter den Erwartungen zurück, die Arbeitslosenzahlen steigen weiter. Ende 2012 lag die Arbeitslosenquote laut offiziellen Angaben bei 27 Prozent, bei Jugendlichen im Alter zwischen 15 und 24 Jahren sogar bei fast 62 Prozent. Frühestens Ende des Jahres sei mit einer Besserung zu rechnen, heißt es aus dem Finanzministerium.

In Griechenland gilt es derweil als ausgemacht, dass bis dahin ein weiterer, dann allein von den Geberstaaten der Eurozone finanzierter Schuldenschnitt stattgefunden haben wird. Mit Rücksicht auf die Bundestagswahl warte man nur noch die Bundestagswahlen ab, heißt es dazu sinngemäß. Die Athener Zeitung „Ta Nea“ schrieb dieser Tage: „Obwohl alle - und allen voran die Deutschen - ganz genau wissen, dass ein zweiter Schuldenschnitt stattfinden wird, will niemand darüber reden, insbesondere nicht vor der Bundestagswahl.“ Gespräche über einen weiteren Schuldenschnitt standen zumindest offiziell nicht auf dem Besuchsprogramm des französischen Präsidenten Hollande am Dienstag in Athen. Dort begannen nach Hollandes Abreise die Vorbereitungen für einen neuerlichen Generalstreik an diesem Mittwoch. Das Programm, das die beiden Gewerkschaftsdachverbände vorgesehen haben, ist gut erprobt. Bahnen sollen stillstehen und Fähren in den Häfen bleiben, in Krankenhäusern nur Notfälle behandelt werden. Die Gewerkschaften verstehen den Streik als Warnung an die Regierung, in der kommenden Woche standhaft zu bleiben. Dann wird nämlich die Troika wieder einmal in der Stadt erwartet, und es wird in den Verhandlungen über das nicht zum ersten Mal von den Prognosen abweichende Sparprogramm wohl nicht allein um falsche Kommastellen gehen.

Der Berlusconi-Effekt

20.02.2013 · Die Ruhe ist vorbei: Italien droht politisches Chaos. Das macht Anleger nervös. Muss am Ende die EZB einspringen?

Von [Christian Siedenbiedel](#)

Italien macht Europa offenbar langsam nervös: Zumindest musste das Land für seine neuen Staatsanleihen, die es am vergangenen Mittwoch aufgelegt hat, deutlich mehr Zinsen zahlen als beim vergangenen Mal - und wurde trotzdem nicht alle los. David Schnautz, Anleihenexperte der Commerzbank in New York, nennt als Begründung einen Namen: Silvio Berlusconi, den früheren Ministerpräsidenten, der wieder an die Macht will. Am kommenden Sonntag ist Wahl in Italien - und Berlusconi hat in Umfragen zuletzt zulegt. Dass er die Wahl gewinnen könnte, sei für viele Anleger, die in italienische Staatsanleihen investiert hätten, ein „Albtraum“, meint Schnautz.



Berlusconi-Effekt

Ökonomen haben vorausgesagt, an der Entwicklung in Italien in diesem Jahr werde sich das Schicksal der Eurozone entscheiden. Kommt nach der Wahl eine Regierung an die Macht, die den Sparkurs von Mario Monti weiterführt? Oder setzt sich das Lager um Berlusconi durch, der versprochen hat, die Steuererhöhungen zurückzudrehen, und damit mehr Schulden riskiert - und sogar einen Euroaustritt nicht ausschließt? „Sollte Deutschland keine wirkliche Zentralbank akzeptieren und sollten die Zinsen nicht sinken, dann sind wir zur Abkehr vom Euro und zur Rückkehr zu unserer Währung gezwungen“ hatte Berlusconi Mitte Dezember gewettert.

Die bisher letzten Meinungsumfragen in Italien zeigen zwar einen Vorsprung von Berlusconis Gegnern. Der Abstand ist aber seit Dezember geringer geworden. Nach einer Umfrage des Instituts Euromedia Research hatte das Mitte-links-Lager um Pierluigi Bersani Ende vorigen Jahres noch einen Vorsprung von sechs bis sieben Prozentpunkten vor dem rechtspopulistischen Bündnis um Berlusconi. Jetzt liegt Bersani nur noch zweieinhalb Prozentpunkte vorn. In anderen Umfragen ist der Trend ähnlich, der Abstand aber größer.

Kocht mit der Italien-Wahl die Euro-Krise wieder hoch?

“Unser Hauptszenario ist: Das Lager von Bersani gewinnt die Wahl knapp“, sagt Ulrich Kater, der Chefvolkswirt der Deka-Bank. Allerdings sehe er durchaus noch ein Risiko, dass Berlusconi es schaffen könnte: „Das würde weitere Unsicherheit an den Märkten auslösen.“ Langfristig würde sich nach Katers Einschätzung aber zeigen, dass Italien auch unter Berlusconi im Euro bleiben und nicht zur Lira zurückkehren werde: „Ich halte viel von dem, was Berlusconi versprochen hat, für Wahl-Rhetorik. Auch er kann sich den Notwendigkeiten der Märkte nicht entziehen, das hat er in seiner vorigen Regierungszeit gezeigt.“ Allerdings würden die Verhandlungen um eine weitere europäische Integration mit einem Verhandlungspartner Berlusconi erheblich erschwert, meint Kater: „Berlusconi würde versuchen, möglichst viel für Italien herauszuholen - auf Kosten der anderen europäischen Partner.“

Für die Zukunft der Eurozone stellt sich aber noch eine andere wichtige Frage: Kocht mit der Italien-Wahl die Euro-Krise wieder hoch? Stoppt die Wahl womöglich jene Euphorie an den Märkten, die ausgebrochen war, als EZB-Präsident Mario Draghi im vorigen Jahr ankündigte, die Notenbank werde den Euro retten, koste es, was es wolle?

Im schlimmsten Fall könnte es womöglich notwendig werden, dass die Europäische Zentralbank ihre Ankündigung wahr macht - und italienische Staatsanleihen aufkauft, wenn kurz vor oder nach der Wahl die Zinsen, die das Land zahlen muss, außergewöhnlich stark in die Höhe schnellen.

Berlusconi-Effekt könnte Draghi-Effekt aushebeln

“Die Wahlen in Italien werden die derzeit euphorischen Investoren daran erinnern, dass die realwirtschaftlichen Probleme in der Eurozone ungelöst sind“, meint Clemens Fuest, der designierte Präsident des Zentrums für Europäische Wirtschaftsforschung in Mannheim. Die Staatsschuldenkrise ist schließlich nicht vorbei - sondern nur übertüncht.

Die große Sorge ist, dass dieser Berlusconi-Effekt womöglich den Draghi-Effekt beenden könnte: Dass allein die Ankündigung der Europäischen Zentralbank, notfalls Staatsanleihen kriselnder Euroländer aufzukaufen, dann nicht mehr reicht. Sondern dass die Notenbank das dann auch tatsächlich tun muss - und dies ausgerechnet in einem Moment, in dem ein Land vor dem Schritt steht, alle Sparprogramme über Bord zu werfen, die Steuern zu senken und munter Wohltaten an seine Bevölkerung zu verteilen.

Die Voraussetzung für die Hilfe der EZB, ein Antrag auf Unterstützung durch den Rettungsfonds, könnte sich dann als weich erweisen. Schließlich hat Italien ein gewaltiges Erpressungspotential: Immerhin ist das Land als eine der größten Volkswirtschaften des Euroraumes ein erheblicher Risikofaktor für die Stabilität ganz Europas. Die Italiener könnten darauf spekulieren, dass die anderen Europäer sie schon nicht fallenlassen würden, weil die Gefahr zu groß wäre. Dass die EZB also italienische Staatsanleihen aufkauft - und damit die lockere Haushaltspolitik einer neuen Regierung finanziert.

“Die Europäische Zentralbank würde eine reformunwillige Regierung mit der Notenpresse finanzieren - eine unmögliche Situation“, meint Jörg Krämer, der Chefvolkswirt der Commerzbank. Auf jeden Fall ist nach Krämers Einschätzung die Entwicklung in Italien im Moment der größte Risikofaktor für die europäische Währungsunion - noch deutlich vor Spanien oder Zypern. Die amerikanische Zeitung „Wall Street Journal“ jedenfalls kommt wegen alldem zu dem Schluss, man könne es Anlegern derzeit nicht verdenken, wenn sie sich in Italien zurückhielten: „Zumindest, bis alle Stimmen ausgezählt sind.“

«Les ouvriers français sont trop chers»

Par [Pierre-Yves Dugua](#) Mis à jour le 20/02/2013 à 19:26 | publié le 20/02/2013 à 18:52 [Réactions](#) (119)

70,88



L'usine Goodyear d'Amiens est au centre de la discorde. Crédits photo : PASCAL ROSSIGNOL/Reuters

INTERVIEW - Le PDG de Titan International Maurice Taylor, dont la lettre à Arnaud Montebourg fait polémique, dénonce les avantages sociaux trop nombreux des travailleurs français.

LE FIGARO. - Votre lettre [fait scandale en France](#). La regrettez-vous?

Maurice TAYLOR. - Je n'ai pas voulu insulter les Français. Ce que j'ai voulu dire c'est que le syndicat de l'usine d'Amiens est tombé sur la tête. Je veux que les ouvriers travaillent. Si les ouvriers français travaillaient, ils seraient aussi compétitifs que les Allemands, les Britanniques ou les Américains. Et ils seraient plus compétitifs que les Indiens ou les Chinois. Le problème est que les Français sont trop chers à cause notamment de leurs avantages sociaux.

Je voudrais dire que je ne suis pas celui qui a rendu cette lettre publique. Ceux qui l'ont fait avaient des motifs. Vous pouvez les deviner.

Mais, dans cette lettre, je ne dis rien que je n'aie pas déjà dit aux ouvriers de l'usine: si vous ne travaillez pas plus et pas mieux, vous ne pourrez plus vivre. Vous n'aurez plus l'argent pour vous payer le bon vin français. Vous serez inondés de pneus indiens et chinois.

Vous n'avez pas voulu garantir les emplois au-delà de 2-3 ans?

J'ai proposé une garantie sur 2-3 ans. Mais le syndicat est idiot. Il ne comprend pas que si j'investis des millions dans une usine, si je forme des équipes, ce n'est évidemment pas pour plier bagages deux ou trois ans après.

Qu'est-ce que le gouvernement français aurait dû faire?

Il aurait dû dire au syndicat: «Arrêtez votre délire. Goodyear ferme l'usine. Vous allez tout perdre.» Il aurait dû expliquer que le profit n'est pas un mot dégoûtant. Il aurait dû comprendre que notre métier est de racheter des usines de pneus en difficulté. Nous savons les redresser.

Notre objectif est que des Français achètent des pneus faits en France, pas en Chine ou en Inde comme cela commence déjà à être le cas.

N'y a-t-il aucune chance que vous reveniez sur votre décision?

Je ne dis jamais «jamais». Avec un effectif plus petit, une meilleure organisation, une bonne formation, l'usine serait compétitive.

Je connais le pneu. Je ne passe pas mon temps dans les salles de réunion. Je descends dans les usines. Je me salis les mains. Je transpire. Je sais ce que c'est qu'une machine. Je peux parler aux ouvriers dans leur langue. Et pourtant, je ne parle pas de langue étrangère et je ne parle pas correctement l'anglais non plus!

J'aime la France. J'aime les femmes françaises. Je n'ai pas oublié que La Fayette nous a sauvés. Il faut que les Français comprennent: leur mode de vie va disparaître s'ils ne changent pas leurs habitudes.

Strompreise

Der unheimliche Erfolg der Energiewende

20.02.2013 · Der Erfolg der Energiewende wird unheimlich. Überall werden Solar- und Windanlagen gebaut. Weil das Stromnetz an sonnigen und windigen Tagen die Last nicht tragen kann, bekommen die Betreiber Geld vom Staat fürs Nichtstun, für das Abklemmen vom Netz. Subvention folgt auf Subvention. Wo soll das enden? Eine Analyse.

Von [Holger Steltzner](#)

70,90



© dpa Fundamente für Windräder im Meer stehen zur Verschiffung bereit.

Allerorten glänzen Solardächer in der Sonne, ragen Windräder in den Himmel, sprießen Energiepflanzen auf den Äckern. Seit zehn Jahren locken pralle Fördertöpfe und garantierte Traumrenditen über zwanzig Jahre. Zunächst waren die Kosten überschaubar, weil nur wenige Solar-, Wind- und Biogasanlagen installiert waren. Nachdem jedoch die Einspeisevergütung gesenkt worden war, setzte ein Windhundrennen nach Förderung ein, die Kosten schossen nach oben. Jetzt will Umweltminister Altmaier auf die Strompreisbremse treten. Recht hat er.

Nach der Wahl gehört das Erneuerbare-Energien-Gesetz (EEG) vom Kopf auf die Füße gestellt. Es darf nicht länger eine Intervention der nächsten folgen. Weil durch den zu schnellen Ausbau von Solar- und Windanlagen das Stromnetz an sonnigen und windigen Sommertagen die Last nicht tragen kann, bekommen Solar- und Windparkbetreiber Geld vom Staat fürs Nichtstun, für das Abklemmen vom Netz. Wenn der im Überfluss produzierte deutsche Ökostrom ins polnische oder holländische Stromnetz drückt, zahlen wir mit negativen Strompreisen dafür. Der Strompreis in den Niederlanden sinkt, weil er in Deutschland steigt. Das ist pervers. Und weil im Winter an schattigen oder windstillen Tagen Solar- und Windparks nicht genug Strom für den Bedarf von Industrie und Haushalten liefern, müssen die Energiekonzerne Kraftwerke vorhalten, die sich nicht rechnen. Denn weil Ökostrom stets Vorrang hat, werden die teuren Großanlagen nur selten gebraucht. Deshalb will der Staat die Konzerne künftig ebenfalls fürs Nichtstun bezahlen. Subvention folgt auf Subvention. Wo soll das enden?

Wenn durch Fracking der Strompreis sinkt, kann die Energiewende mehr als eine Billion kosten

Höchste Zeit, dass sich Ökostrom dem Markt und dem Wettbewerb stellt. Im heutigen Fördersystem mit fester Vergütung ist Ökostrom umso teurer, je niedriger der Preis an der Strombörse ist. Eine Billion Euro koste die

Energiewende, [sagt Altmaier](#), unter der Annahme, der Strompreis bleibe stabil und der Ausbau gehe weiter wie bisher. Zugesagt und nicht mehr kürzbar sind Subventionen über 317 Milliarden Euro für bereits installierte Anlagen. Durch ungebremsen Ausbau kämen 360 Milliarden Euro Förderung hinzu, rechnet Altmaier vor. Das letzte Drittel der Billion entfällt auf Netzausbau, die Subvention konventioneller Reservekraftwerke, Forschung und Gebäudedämmung.

Die Billion erschreckt. Der Protest der Wind- und Solarlobbyisten gegen Altmaiers Strompreisbremse kann selbst die Opposition kaum mobilisieren. Denn auch Umweltpolitiker wollen im Wahlkampf nicht als Schuldige für steigende Strompreise gelten. Zu groß ist die Wut der Wähler über die hohe EEG-Umlage auf der Stromrechnung, gerade weil an der Strombörse der Preis so tief ist wie lange nicht.

Weil so viele von den Subventionen profitieren, traut sich kein Politiker zu kürzen

Da von den Subventionen für die Energiewende mittlerweile unzählige Landwirte, Hausbesitzer, Investoren, die Industrie und viele andere Unternehmen gut leben, traut sich kein Politiker, an den Besitzständen zu rütteln. Daran könnte die überfällige Reform der gigantischen EEG-Subvention scheitern.

Weil schon zu viele vom Förderwahn profitieren, ist das Drehen an kleinen Stellschrauben wahrscheinlicher. In der Euro-Krise ist das Gefühl für große Zahlen ins Rutschen gekommen. Deshalb lohnt der Vergleich der Billion für die Energiewende mit der Staatsverschuldung Deutschlands, die doppelt so hoch liegt. Die gut zwei Billionen Schulden wurden jedoch über Generationen hinweg aufgebaut.

Solange zu Festpreisen gefördert wird, lädt der Staat das Preisrisiko beim Stromverbraucher ab

So wie gedankenlose Staatsverschuldung die Eurozone ins Wanken gebracht hat, könnte die Energiewende Deutschland in die Krise führen, wenn sie nicht nachhaltig finanziert wird. Die größte Gefahr für den nicht-subventionierten Stromkunden ist die fehlende Bindung an den Marktpreis für Strom. Solange zu Festpreisen gefördert wird, lädt der Staat das Preisrisiko beim Stromverbraucher ab. Hausbesitzer und Ökoinvestoren können sich dagegen absichern, indem sie selbst auf das Subventionskarussell aufspringen, alle anderen nicht.

Als wären die schiefen Anreize im Fördersystem nicht schlimm genug, stellen nun auch noch Umwälzungen am Weltenergiemarkt die Finanzierbarkeit der Energiewende in Frage. Die Annahme, dass sich aufgrund steigender Preise für fossile Energie die hohen Strompreise der Energiewende künftig wie von selbst rechnen, kann sich ins Gegenteil verkehren. In den Vereinigten Staaten, Argentinien, Russland, Polen oder Australien wurden riesige Öl- und Gasreserven in Schiefergestein entdeckt. Mit dem ökologisch strittigen Fracking wird nun Gas und Öl in großem Stil gefördert. Amerika wird dadurch vom größten Verbraucher zu einem der größten Öl- und Gaslieferanten mit gravierenden strategischen und wirtschaftlichen Folgen für die Welt. In langfristig sinkenden Energiepreisen sieht Präsident Obama den Hebel für die Reindustrialisierung Amerikas. Damit wird nicht nur die deutsche Industrie zu kämpfen haben, sondern auch der Stromkunde. Wenn international der Strompreis sinkt, wird für den Verbraucher der Erfolg der Energiewende noch unheimlicher - weil teurer.

Quel Brouhaha! A Diatribe on Unions Irks the French

By [LIZ ALDERMAN](#)

PARIS — “How stupid do you think we are?”

With those choice words, and several more similar in tone, the chief executive of an American tire company touched off a furor in France on Wednesday as he responded to a government plea to take over a Goodyear factory slated for closing in northern France.

“I have visited the factory a couple of times,” Maurice Taylor Jr., the head of [Titan International](#), wrote to the country’s industry minister, Arnaud Montebourg, in a letter published in French newspapers on Wednesday.

“The French work force gets paid high wages but works only three hours. They have one hour for their breaks and lunch, talk for three and work for three.”

“I told this to the French unions to their faces and they told me, ‘That’s the French way!’ ” added Mr. Taylor, a swaggering businessman who is nicknamed [“the Grizz”](#) by Wall Street analysts for his abrasive negotiating style.

His decidedly undiplomatic assessment quickly struck a nerve in France, where concerns about declining competitiveness and the divisive tax policies of President François Hollande’s government have led some economists to ask whether the nation is at risk of becoming the next sick man of Europe.

Mr. Montebourg, who is known for lashing out at French corporate bosses without hesitation, initially seemed at a loss for words on how to respond to the American charge.

“I do not want to harm French interests,” he said when asked about Mr. Taylor’s letter. Later, Mr. Montebourg released a letter to Mr. Taylor, calling the executive’s comments “extreme” and “insulting,” adding that they pointed to a “perfect ignorance” about France and its strengths, which continue to attract international investors.

French media outlets minced no words. “Incendiary!” “Insulting!” and “Scathing!” were just a few of the terms replayed on French newspaper Web sites and on the airwaves throughout the day. The French blogosphere lit up with hundreds of remarks condemning the “predatory” American corporate culture that Mr. Taylor seemed to represent; other commentators who ventured to admit that there might be something to Mr. Taylor’s observations were promptly bashed.

And France’s main labor union wasted no time in weighing in.

Mickaël Wamen, the head of the Confédération Générale du Travail union at the Goodyear plant, in Amiens, said Mr. Taylor belonged in a “psychiatric ward.”

A spokesman for Mr. Taylor did not immediately respond to calls for comment. France’s 35-hour workweek, its rigid labor market and the influence that labor unions hold over the workplace have long been a source of aggravation for businesses.

Last month, after [a government report](#) warning that French competitiveness was slipping, labor unions and business leaders [struck a deal](#) to overhaul swaths of the labor code, a move Mr. Hollande said was needed to burnish France’s international allure as a place to do business.

With unemployment above 10 percent and growth slowing, the government has also been desperate to avoid large-scale layoffs. Mr. Montebourg has even brandished the threat of nationalization to try to save jobs. PSA Peugeot Citroën, ArcelorMittal, Sanofi and Air France all announced big job cuts last year as Europe's long-running [debt crisis](#) hit their bottom lines.

So it was no surprise that Mr. Montebourg approached Titan International last year to ask if it would take over the Goodyear factory, which was scheduled to close because of labor disputes and sagging profitability — a move that would threaten 1,173 jobs.

Titan had already considered taking over the Goodyear factory's farm tire operations. But it dropped the plan in 2011 after union representatives opposed a deal, saying they suspected Titan would close production of passenger-vehicle tires if the group took over. Tensions between Mr. Taylor and the union were evident at the time in a Titan news release, which included Mr. Taylor's observation that "only a non-business person would understand the French labor rules."

In January, Mr. Montebourg tried to entice Titan back to the negotiating table, saying he hoped unions would put "some water in their wine, that managers put some wine in their water, and that Titan would drink the wine and the water of both" and reach an accord.

But late last month, as union workers protested en masse at the Amiens site, with a large police presence, Goodyear told workers it would close the plant and cut its French work force by 39 percent.

In his letter, dated Feb. 8, Mr. Taylor explained his reasons for refusing to come back to the negotiating table. "Goodyear tried for over four years to save part of the Amiens jobs that are some of the highest-paid, but the French unions and the French government did nothing but talk," Mr. Taylor wrote.

"Sir, your letter says you want Titan to start a discussion," he added. "How stupid do you think we are? Titan is the one with the money and the talent to produce tires. What does the crazy union have? It has the French government."

He said his company would seek to produce cheaper tires in India or China, where he said Titan would pay the workers less than one euro an hour, and then sell the tires back to the French. He predicted that Michelin, the French tiremaker, would not be able to compete with lower prices and would have to halt production in France within five years.

"You can keep your so-called workers," he wrote. "Titan is not interested in the Amiens factory."

In his response, Mr. Montebourg reacted strongly to what he called Mr. Taylor's "condemnable calculation" and noted that France and its European partners were working to stop illegal dumping of imports.

"In the meantime," he added, "rest assured that you can count on me to have the competent government agencies survey your imported tires with a redoubled zeal."

Italy's North-South Divide, And Lombardia's Starring Role In The Elections

Submitted by [Tyler Durden](#) on 02/20/2013 09:17 -0500

70,94

The **divide between the 'givers' and the 'takers'** is well known across the broad European Union, but it is just as prevalent in the next risk-flaring centre - Italy - and this chasm between the two sides of fiscal profligacy will mark a critical separation in the pending elections. As the chart below shows, the North of the country tends to be the net tax contributor and the South the net receiver of fiscal benefits. At the very top is **Lombardia (the richest state)**, a northern region that sends a net EUR44bn to the rest of the nation - and unsurprisingly perhaps is very pro-Berlusconi (in the polls) and has the most seats allocated (at 49 of 315). Interestingly, the region at the other end of the scale (**the most broke state**) - **Sicilia** - which receives net EUR 12.8 from the rest of the nation is also pro-Berlusconi's centre-right party. *So it seems the rich and the mafia want Silvio though current opinion polls suggest Sicily is too close to call.* The Italian election, for now ignored by all but the Italian sovereign bond market, remains a key risk event for confidence that Draghi's OMT promise can really hold things together - no matter how profligate a nation becomes.

Italy's ability to pursue structural reforms is part of the conditionality in the event that it calls on the OMT. In other words, if in the worst case scenario reforms were suspended, there would be no access to the OMT.



	FISCAL TRANSFERS (BILLION EUROS)	REGIONAL UNEMPLOYMENT RATE (%)
ABRUZZO	-2.1	8.5
BASILICATA	-1.1	12.0
CALABRIA	-4.5	12.7
CAMPANIA	-9.6	15.5
EMILIA ROMAGNA	9.2	5.3
FRIULI-VENEZIA GIULIA	-0.6	5.2
LAZIO	9.1	8.9
LIGURIA	0.6	6.3
LOMBARDIA	44.7	5.8
MARCHE	0.8	6.7
MOLISE	-0.8	9.9
PIEMONTE	7.3	7.6
PUGLIA	-5.9	13.1
SARDEGNA	-4.7	13.5
SICILIA	-12.8	14.4
TOSCANA	3.8	6.5
TRENTINO-ALTO ADIGE	-1.4	4.5
UMBRIA	0.3	6.5
VALLE D'AOSTA	-0.7	5.3
VENETO	9.1	5.0

Source: Ministry of Economics, CPT Expenditure Data, Eurostat

State of the most recent polls - as we [posted recently](#):

Based on opinion polls, PD-SEL-Monti securing a majority in the Senate: with 2 seats to spare if PD loses the three key regions and with 14 if they win Lombardy. The table below shows **seats distribution based on current opinion polls**, assuming PD-SEL lose Sicily, Veneto and Lombardy, and that the election result is broadly in line with the latest detailed survey available from Tecne' conducted on the 31st of January showing 34% for the centre-left coalition, **28.6% for Berlusconi, 13.3% for Monti and 16% for Five-Stars**. We highlight that the opinion polls show Sicily and Lombardy is still too close to call, in the event that PD manages to secure Lombardy, the majority in the Senate together with Monti would be 14 seats.

Table 1: Expectation on Senate seats distribution based on opinion polls

	Centre-left	Centre-right	Monti	5Stars	Seats allocated
ABRUZZO	4	2	0	1	7
CALABRIA	6	2	1	1	10
EMILIA	12	5	2	3	22
FRIULI	4	1	1	1	7
LAZIO	16	7	2	3	28
LIGURIA	5	1	1	1	8
LOMBARDIA	15	27	2	5	49
MOLISE	1	1	0	0	2
PIEMONTE	12	5	2	3	22
PUGLIA	11	4	2	3	20
SICILIA	7	14	1	3	25
TOSCANA	10	5	1	2	18
UMBRIA	3	2	1	1	7
VENETO	7	13	1	3	24
SARDEGNA	4	2	1	1	8
MARCHE	4	2	1	1	8
CAMPANIA	16	6	3	4	29
BASILICATA	4	1	1	1	7
TRENTINO	4	0	0	0	7
VALLE D'AOSTA					1
Total Local	135	96	22	35	309
Foreign rep*	3	3			6
Total					315
Total PD+Monti	160				

Source BotAML Global Research, * no surveys available on non-residents voting preference so we assumed an even split between PD and PDL. In Trentino we assume SVP will vote in line with PD.

and from Bloomberg:

The **key battlegrounds in the Senate race will be the swing regions of Lombardy, Sicily and Veneto**, traditionally centerright strongholds in past elections, and Campania. In Lombardy, which also holds a local vote for governor, Berlusconi's bloc led Bersani's and his allies 34.7 percent to 34.3 percent, according to the average of nine polls last month. In Sicily, Berlusconi led 30.4 percent to 28.5 percent, according to the average of six polls. In Campania, Bersani led 33.1 percent to 30.1 percent, polls show. These regions are considered too close to call as the gap between the coalitions is within the average margins of error. In Veneto, Berlusconi led 38.7 percent to 31.6 percent, according to the average of six polls.

Should Bersani lose Lombardy, he would need to win the other three swing regions, Sicily, Campania and Veneto, and could only afford to lose one or two smaller regions to get an outright majority of seats in the upper house, based on polls. Even if Bersani wins Lombardy, he will probably need to grab at least Campania or Sicily or Veneto for a 158-seat majority, based on polls

02/20/2013 03:58 PM

Berlusconi's Faithful

'Only Silvio Can Save Italy'

By [Fabian Reinbold](#) in Palermo, Italy

70,98

Comparisons to Jesus, professions of love: Supporters of Silvio Berlusconi are rabidly faithful. As the campaign winds down ahead of elections in Italy, the rhetoric has heated up. For those who deify "Il Cavaliere," the Germans are to blame for their country's woes.

The savior is making the crowd wait and Giovanni Ferrante briefly lost his faith. "Where the devil is Berlusconi hiding," he says. He's been waiting for more than an hour in a stuffy crowded hall, with narrow seats. Just then the party anthem starts playing and the star marches into the theater in Palermo, shaking hands, winking and grinning. Even those in the highest seats can see the gleam reflecting off of his unnaturally white teeth. Ferrante waves back. Il Cavaliere has finally arrived.

It's a scene being played out everyday somewhere in Italy this week. [Silvio Berlusconi](#) zips around the country holding big speeches to the party faithful. On Sunday evening he was in Turin, on Monday in Milan after his Saturday morning appearance in Palermo. A rally in Naples is on the agenda for Friday.

Silvio Berlusconi, Italy's scandal-plagued former prime minister, is back. Just days before Italians are set to go to the polls on Sunday and Monday, he and his party are narrowing the once sizeable lead enjoyed by center-left candidate Pier Luigi Bersani. Just how narrow that lead now is cannot be known for sure; no new survey numbers can be published in the two weeks before Italian elections.

Europe is concerned. [German Foreign Minister Guido Westerwelle warned Italians](#) against electing il Cavaliere. And the British newsmagazine *The Economist* wrote that "given Mr. Berlusconi's naked advancement of his own interests at the expense of his country's, it is amazing that any Italians still support him."

Still adoration of Berlusconi in Italy remains widespread. In the parallel universe occupied by his followers, there is no room for doubt about Berlusconi and lines are clearly drawn. Silvio is good and the others are bad.

These fans gather at his speeches, like the Saturday rally in Palermo, where thousands crowded into the venerable Teatro Politeama. There were women in long fur coats and fine gentlemen in three-piece suits. Dock workers like Ferrante squeezed with them through the entrance, everyone pushing and shoving each other like adolescents at a rock concert. The hundreds who didn't make it in must stand outside.

Silvio the Savior

Fans of the 76-year-old ex-premier see him as more than just a beacon of hope. "Berlusconi will now start a revolution," says teacher Marinella Romano. She confesses "I have always loved Silvio." Donatella Catalano, a friendly retiree, gushes, "He stands for everything that is good in the world." The unemployed Ferrante says that "only Silvio can save Italy, he will bring us much good."

In this parallel universe, Berlusconi is above all seen as a successful entrepreneur who has created many thousands of jobs. That's what everyone talks about. Sometimes they say his companies have 44,000 employees, other times they say 56,000, but the message is always the same. Berlusconi is a man who can bring wealth.

"Silvio will bring us jobs," says Ferrante, 47, a friendly man with a soft voice. He has two children and has been looking for a job for more than a year. "I was let go the same week that Berlusconi also had to go." Back

then, in November 2011, financial markets bet against the sclerotic Berlusconi and economics professor Mario Monti took over as prime minister. Interest rates on Italian bonds fell and confidence in Italy rose, but the poor economy hung around.

Now, Berlusconi blasts his successor for not being able to fight unemployment. From the stage he calls out, "the little professor Monti doesn't understand the economy." From the Palermo bleachers, Giovanni Ferrante smacks his lips as if tasting the words.

Saving the Italians from the Germans

Ferrante explains that over the past year he lost faith in politics. When Berlusconi stepped down, he says, the crisis appeared overpowering. "Now Silvio is back and I believe again," says Ferrante. Pensioner Angelo di Pisa, another follower, sees things similarly. "Once people insulted and slurred Jesus, today they are doing the same with Silvio."

Fully a quarter of Italians are prepared to vote for Berlusconi again. It is an astounding degree of homage paid to man who faces allegations of abuse of power and bribery; who faces the scandal surrounding the underage escort Karima el-Marough, alias Ruby Rubacuori; who has been blasted for blatantly misogynistic comments; and who broke many promises as prime minister. Instead, the opposition, left-leaning judges and even the Germans are blamed for all that is not right with Italy.

"It was Merkel who toppled him," says retiree Catalano, referring to the German chancellor. She then turns to her neighbor and says: "It's better not to tell the man anything, because the Germans always write negatively about Berlusconi." Another voice yells: "First World War II and now attacks against Berlusconi!"

The comments are not surprising. In almost every campaign speech, Berlusconi rails against Germany. "Should we continue to allow Germany to dictate policies that ruin Italy?" he calls out. "Nooooo!" scream his followers. On Monday he told industrial leaders in Monza, a city north of Milan, that Chancellor Angela Merkel is "an East German bureaucrat, who grew up with its centralized economy." Her culture prescribes, he says, an economy with ironclad organization. It would, however, be crazy to impose the rules of austerity on a country that isn't growing, he added.

It's a sentiment often heard by Berlusconi fans wherever he turns up in the crisis-plagued country. "The Germans treat us like their inferiors," snorts pensioner di Pisa in Palermo. He points his index finger in the air and says "and Silvio is the only one, who won't let that happen."

Berlusconi, he says, is an honest man with a big heart and Italians should be happy that he exists. Then di Pisa adds, "why don't you Germans understand that?"

ESM-Chef Regling warnt vor Ausbreitung der Schuldenkrise

21.02.2013 · Der Chef des europäischen Rettungsfonds ESM, Klaus Regling, fordert eine rasche Entscheidung über die Finanzhilfen für das hochverschuldete Zypern. Ansonsten fürchtet er eine neue Dynamik in der Schuldenkrise. Neue Risiken sieht Regling auch von den Wahlen in Italien ausgehen.

Der Kapitalbedarf der maroden zyprischen Banken ist mit 8,8 Milliarden Euro geringer als bisher angenommen

Von dem hoch verschuldeten Zypern geht nach Einschätzung des Chefs des Euro-Rettungsfonds, Klaus Regling, eine Gefahr für andere Länder der Eurozone aus. Er forderte deshalb in einem Interview mit der französischen Tageszeitung „Le Figaro“ eine [rasche Entscheidung über die geplanten Finanzhilfen](#). „Wir benötigen eine baldige Entscheidung.“ [Auch von der anstehenden Parlamentswahl in Italien gehe ein Risiko in der Schuldenkrise aus](#), ergänzte Regling.

Die Finanzminister der Eurozone haben die Ausarbeitung eines Rettungspaketes auf kommenden Monat verschoben. Sie wollen das Ergebnis der [Präsidentenwahl in Zypern](#) abwarten, die am Sonntag mit einer Stichwahl beendet wird.

Zypern ist von der Staatspleite bedroht und braucht dringend Hilfen von rund 17 Milliarden Euro - das entspricht der jährlichen Wirtschaftsleistung des Landes. Nach dem Schuldenschnitt für Griechenland waren die vergleichsweise überdimensionierten Banken in Zypern in Not geraten.

Nach Darstellung des Chefs der Arbeitsgruppe der Euro-Finanzminister sollen die Hilfen spätestens Ende März fließen. Es sei aber noch zu früh, um zu sagen, wie diese genau aussehen würden, sagte der Chef der Arbeitsgruppe der Euro-Finanzminister, Thomas Wieser. Die Ratingagentur Standard & Poor's (S&P) warnte am gleichen Tag vor einem Zahlungsausfall Zyperns.

Pour une réforme de l'Union monétaire européenne

Le Monde.fr | 19.02.2013 à 13h47 • Mis à jour le 20.02.2013 à 17h46 Par Claude Pierre-Brossolette

70,101



L'an dernier, [Mario Draghi](#), président de la [Banque Centrale](#) Européenne (BCE), s'est comporté en homme d'Etat en juillet 2012. Pourtant, Mario Draghi n'a pas agi. Il a parlé, et son verbe a été souverain. Il a dépassé en hauteur [Bern Bernanke](#), le président de la [Federal Reserve](#), la Réserve fédérale américaine (Fed), qui a joué un rôle central dans le redressement économique des Etats-Unis ; il y avait, dans l'attitude de ce dernier, de la lucidité et du courage, mais il utilisait un cadre institutionnel adéquat et solide. Mario Draghi n'avait pas cet avantage. Il a improvisé, prenant la responsabilité d'[assumer](#) l'esprit, plus que la lettre, de son mandat ; il a dit qu'il « *ferait tout ce qui est nécessaire pour sauver l'euro* ». Tout le monde s'est incliné. Il a sauvé l'euro et l'[Europe](#), au moins pour un temps. L'innombrable personnel gouvernemental de notre Communauté européenne est apparu, pour l'essentiel, comme une horde de lilliputiens dépassés, muets et sidérés.

On est revenu de loin. Mais la critique, bien que feutrée, des « experts orthodoxes », n'a pas pour autant disparu.

Pour les uns, toute création de monnaie est potentiellement génératrice d'inflation. Pour eux, c'est, ils l'ont dit, « le pacte faustien ». Mais, en réalité, cette monnaie ne circule pas vraiment. Elle renforce les trésoreries et rassure. En outre, rien n'est plus facile que de la détruire en vendant les gages fournis par les emprunteurs.

Pour les autres, c'est la violation de la règle sacro-sainte qui prescrit que la BCE ne doit pas [financer](#) les déficits budgétaires des Etats de la zone euro. Mais, comme chacun sait, il suffit que les banques commerciales souscrivent des émissions d'obligations de leur Etat, qu'elles cèdent peu après à la BCE. Cela a été une pratique courante de la [Grèce](#), de l'[Italie](#), de la France et de bien d'autres pays.

Quoi qu'il en soit, jamais la France, la Grèce ou l'[Espagne](#) n'auraient dues être financées à un taux aussi bas que celui accordé à l'[Allemagne](#), l'[Autriche](#) et, hors de la zone mais très proche, à la [Suisse](#). Même aux Etats-Unis, pays fédéral, homogène par la langue et les mœurs, quand, en 1913, fut créé la Fed agissant à travers douze succursales régionales, les taux pratiqués ont, pendant longtemps, été plus élevés dans le Nord-Ouest américain qu'à New York. On faisait [payer](#) moins à J.P. Morgan ou à la [City Bank](#) qu'à une micro-banque de l'Idaho.

On peut s'[interroger](#) sur le "laxisme" de la BCE. La raison principale, les prédécesseurs de Mario Draghi s'en vantent encore, c'est l'absence d'inflation. Mais cela provenait largement du fait que les déficits grecs, français et autres finançaient des largesses publiques dépensées, pour une part à l'étranger, notamment en [Chine](#) et dans d'autres pays émergents, ce qui empêchait les prix de [monter](#). Seuls, les Allemands en ont, d'une certaine façon, profité. Leurs coûts industriels étaient bien tenus, leur [industrie](#) se finançait à des taux modestes et leur excédent extérieur, recyclé en déficit du commerce extérieur des autres Etats-membres, empêchait l'euro de se

renchérir trop vite. Mais, au bout du compte, la créance de l'Allemagne sur le système monétaire européen se rapproche de mille milliards d'euros. Les reverront-ils un jour ?

La conclusion, c'est qu'une monnaie unique pratiquant un taux d'intérêt uniforme pour le refinancement des banques commerciales de dix-sept pays parfaitement hétérogènes est une utopie.

Oublions tout cela et pensons à l'[avenir](#). Mario Draghi ne peut [surgir](#) chaque fois que nécessaire comme une sorte d'archange Saint Michel. Il faut l'[aider](#) et réformer la BCE. Il est incroyable qu'aucune voix ministérielle ne se soit exprimée jusqu'ici sur ce sujet fondamental. Seul le [mode](#) de surveillance des banques est à l'ordre du jour. Il serait renforcé (?) en mettant les différents [services](#) nationaux compétents dans une sorte de « pool » européen. C'est créer un monstre bureaucratique à l'efficacité bien douteuse.

La critique appelle des suggestions. Une [réforme](#) de la BCE, dit-on, serait compliquée. Raison de plus d'y réfléchir. Allons-y :

1. L'idéal serait de [doter](#) la BCE des pouvoirs de la Fed. Il faudrait, ce qui existait à l'origine de la Fed, que les taux de refinancement de la BCE puissent être adaptés à la situation de chaque pays. Des taux de réserves obligatoires, différents par pays, pourraient aussi être utilisés. Il faudrait enfin que les Etats membres de la BCE, qui se sont réservé la [politique](#) du taux de change mais sont incapables de la gérer, donnent cette compétence à la BCE. Les taux de change du dollar, de la livre sterling, du yen, du yuan et de la roupie indienne sont gérés. Pas celui de l'euro.
2. Cette solution sera peut-être un jour une réalité. D'ici là, il va [falloir](#), pour longtemps, [trouver](#) un compromis souple. Si, dans un des pays de la BCE, une crise de l'ampleur de notre mai 68 se produisait, la contrainte monétaire qui en résulterait ressemblerait à ce qui se passe actuellement en Espagne. C'est-à-dire une déflation brutale mettant des millions d'hommes et de femmes au chômage (26% de la [population](#) active en Espagne). Ce n'est pas acceptable, contrairement à ce que disent et répètent les experts allemands. Selon eux, qui a fauté doit être puni. C'est inhumain et stupide. Ce sont les dirigeants qui sont coupables, les chômeurs n'y sont pour rien. L'économie, que le regretté économiste français François Perroux (1903-1987) appelait « *l'aménagement onéreux du monde extérieur* », doit [consister](#) à [aider](#) les êtres humains à [vivre](#) matériellement le moins mal possible. Quand notre héritage chrétien de compassion et de respect de l'autre est oublié, nous risquons de [sombrier](#) dans un totalitarisme soutenu par des foules désespérées. Evitons-nous cette menace.

Voici, entre autres, ce à quoi on pourrait songer :

- a) Chaque pays aurait une monnaie qui lui serait propre, la France un euro-franc, l'Italie, un euro-lire, etc... Les billets de banque auraient une couleur différente par pays ;
- b) Les moyens de paiement en compte ou en billet auraient seuls le [pouvoir](#) libérateur d'une monnaie classique dans chaque pays ;
- c) Les monnaies des dix-sept pays ne seraient émises que par des refinancements à des conditions homogènes, si possible. Cela dit, si nécessaire, les taux, ainsi que les volumes de garanties et les taux de réserves obligatoires, seraient plus ou moins élevés ;
- d) Les titres de la dette publique ne pourraient être émis que libellés dans la monnaie nationale ;
- e) Les [transferts](#) financiers entre les pays resteraient libres ;
- f) Le cas échéant, chaque nation pourrait, après consultation de la BCE, [ajuster](#) son taux de change par rapport aux autres monnaies, soit à la hausse (dans les situations de type allemand, excédent extérieur et risque d'inflation), soit à la baisse dans les cas plus fréquents. Les billets seraient surchargés ou remplacés en conséquence ;
- g) Un groupe de pays pourrait [demander](#) un mouvement à la hausse ou à la baisse.

On a trop oublié que les statuts de [Bretton Woods](#), qui ont réglé après la deuxième guerre mondiale les relations financières entre Etats, avaient prévu que les déficits ou les excédents structurels devaient être traités

symétriquement. Cela n'a jamais été fait et la construction de Bretton Woods s'est effondrée. C'est ce qui arrive à toutes les règles trop rigides. En outre, les systèmes qui se voulaient proches de l'étalon-or, sans or et sans soupape de sécurité, ne pouvaient [durer](#) dans la prospérité retrouvée.

Il y a sûrement d'autres possibilités. Nous espérons des critiques. Rien ne nous plairait plus qu'une polémique. Le problème serait enfin sur la place publique.

[Claude Pierre-Brossolette](#) est directeur honoraire du Trésor, ancien Secrétaire général de la Présidence de la République

'Gambling Away Trust'

Fears Rise of a Berlusconi Resurrection

European Parliamentary President Martin Schulz has warned Italians against voting for Silvio Berlusconi in upcoming elections. He joins a growing list of leaders who are wary of the return of "Il Cavaliere." The worry is particularly pronounced in the financial world.

Back in 2004, Silvio Berlusconi was seen as something of a salve for political wounds that had been plaguing Italy for decades. On May 5 of that year, a slew of newspaper articles pointed to the fact that, having been in office for 1,060 days, Berlusconi had become the longest serving postwar Italian prime minister -- beating out the 59 previous governments that had ruled from Rome since 1946.

Even then, of course, he was a [divisive figure](#). His own comparison of his longevity with that of World War II-era dictator Benito Mussolini certainly didn't help. And now, after three terms as prime minister and a fourth looming should he be able to pull out a surprise victory in the election on Sunday and Monday, [top German politicians have had enough](#).

Germany's Martin Schulz, the president of European Parliament, became the latest on Wednesday to warn Italians against casting their ballots for Il Cavaliere. Berlusconi, he said, "has previously sent Italy into a tailspin with his irresponsible actions as head of government and his personal escapades." He said that a lot was riding on the upcoming vote "including the avoidance of gambling away trust."

It is, of course, hardly news that Schulz is no great fan of Berlusconi. In 2003, when Schulz was a rank-and-file European parliamentarian and Berlusconi occupied the position of European Council president, the Italian prime minister took umbrage at critical comments made by Schulz. In response, Berlusconi said: "I know that in Italy there is a man producing a film on Nazi concentration camps. I shall put you forward for the part of guard." The comment unleashed a brief but intense diplomatic tiff between Rome and Berlin.

Concerned Business Leaders

Prior to Schulz's warning, German Finance Minister Wolfgang Schäuble allegedly told the Italian newsmagazine *l'Espresso* this week that his "advice to the Italians is not to make the same mistake again by re-electing (Berlusconi)," though his spokesman later denied the comment.

German Foreign Minister Guido Westerwelle also issued an only slightly veiled warning against voting for Berlusconi in comments to the center-left daily *Süddeutsche Zeitung* on Tuesday. And the head of the Foreign Relations Committee in German parliament, Ruprecht Polenz, told the paper this week that "Italy needs political leaders who stand for the future. Berlusconi is certainly not one of them."

It is unclear whether the concern is warranted. Italy does not allow the publication of public opinion polls in the two weeks prior to elections. But surveys earlier this month showed that Berlusconi's center-right party was [rapidly closing in](#) on the center-left Democratic Party (PD) led by Pier Luigi Barsani.

For all the hand-wringing in Berlin and Brussels, however, it is business leaders who seem to be the most concerned. When Berlusconi resigned in the autumn of 2011 to make way for the technocrat government led by Mario Monti, the country was faced with skyrocketing borrowing costs as investors lost all faith in the ability of Rome to manage its enormous, €2 trillion (\$2.64 trillion) sovereign debt load.

'Horror Scenario for Investors'

Since then -- with a timely assist from European Central Bank President Mario Draghi, who last year promised unlimited bond buys to keep borrowing affordable -- Monti has been able to keep Italy out of the economic headlines.

But the [country's vital signs remain weak](#), with the economy having shrunk by 2.2 percent in 2012, extending its longest recession in two decades. Unemployment is at a record high of 11.2 percent.

Echoing many of his financial world peers, Commerzbank chief economist Jörg Krämer told business daily *Handelsblatt* this week that a Berlusconi re-election "would be a horror scenario for investors and would bring the sovereign debt crisis back to a boil." Ulrich Kater, from Germany's DekaBank, said that "a Berlusconi victory would hinder the reestablishment of trust in the euro."

German Chancellor Angela Merkel, one assumes, is likely also opposed to seeing Berlusconi back in power in Rome, though she has been at pains to avoid comment on the Italian campaign. She has been the target of his unflattering comments more than once and a major element of his stump speeches has been that of attacking Merkel and Germany.

Mario Monti, however, seems to think that Merkel is opposed to the Italian center-left. In an interview with the Italian news agency Adnkronos, he said that "Merkel fears the consolidation of parties from the left, especially in an election year for her. I don't think she has any wish to see the PD arrive in government." His spokeswoman was quick to note that Monti had not spoken with Merkel on the subject.

cgh -- with wire reports

Greek Workers Walk Out in Fresh Austerity Protest

By NIKI KITSANTONIS

ATHENS — Thousands of Greek workers walked off the job on Wednesday in the first nationwide protest against austerity this year, shutting schools, reducing staffing at state hospitals and disrupting transportation.

The 24-hour strike was called by the country's two main labor unions, which represent about 2.5 million workers and have led public resistance to three years of austerity measures that have raised taxes and cut salaries and pensions. The unions called on Greeks to join them in protest rallies in Athens and other cities on Wednesday to oppose "dead-end policies that have squeezed the life out of workers and impoverished citizens," slashing average incomes by a third and pushing unemployment to 27 percent.

Transport employees were to run a limited service to allow Greeks to join protest rallies. In Athens, the police were out in force to guard against violence that frequently accompanies demonstrations near Parliament.

Ferries remained moored in ports, trains stayed in depots and air travel was disrupted. Tax offices and courts also closed.

The action came just days before representatives of Greece's international creditors — the so-called troika of the European Commission, the European Central Bank and the International Monetary Fund — were to return to Athens to assess the country's progress in carrying out reforms. After a revenue shortfall of 7 percent last month, the shaky coalition government of Prime Minister Antonis Samaras will have to convince foreign auditors that it can bolster tax collection and impose state sell-offs vehemently opposed by trade unions.

The government has taken a tough line in recent weeks, using emergency laws twice to force Athens metro workers and seamen back to work after protracted strike action. It has resisted demands from farmers who have been blocking roads in a bid to obtain tax breaks.

But authorities have yet to proceed with layoffs in the civil service that the troika has been demanding for two years. This week, the authorities announced that nearly 2,000 public workers facing possible dismissal would be transferred to other parts of the civil service where a wave of early retirements has left vacancies.

Recently, troika officials indicated that a failure by Greece to meet revenue targets through improved tax collection and lower public spending could require another round of cuts to salaries and pensions, a prospect the government has ruled out, warning of a social explosion.

THE WALL STREET JOURNAL.

WSJ.com

- REVIEW & OUTLOOK EUROPE
- February 20, 2013, 3:57 p.m. ET

70,107

'How Stupid Do You Think We Are?'

An American CEO speaks the blunt truth to the French state.

When Morrie Taylor visited a Goodyear factory in north Amiens, France, he couldn't believe what he saw: "The French workforce gets paid high wages but works only three hours," the CEO of [Titan](#) International wrote to French Industry Minister Arnaud Montebourg earlier this month. "They get one hour for breaks and lunch, talk for three and work for three."

[The letter](#), dated February 8, was leaked to the French newspaper Les Echos this week, apparently by the government. The French unions have denounced it as gravely insulting, and so on. Mr. Taylor is unrepentant.

Mr. Taylor built Titan from scratch into the world's largest maker of steel wheels and tires for farming and off-road use. And when Goodyear wanted to sell the factory in North Amiens, Titan was the only company that bid. But the factory is dominated by the hard-left CGT union, which Mr. Taylor, not without reason, calls "the communist union."



Agence France-Presse/Getty Images French Industry Minister Arnaud Montebourg

Mr. Taylor was the only thing standing between the plant and full closure, with the ensuing loss of 1,500 jobs at that plant and another, also owned by Goodyear, across the road. But when he tried to suggest that the plant's productivity needed to improve to keep it open, the union president said, according to Mr. Taylor, "This is the French way." Mr. Taylor told us over the phone that he responded, "Sitting in a cafe is also the French way, and that's what you'll be doing soon" if this plant closes.

Mr. Taylor also said that the union bosses told him, "You have to do what we tell you, or we won't let you buy it [the factory.]"

"So I told them, you guys go bag it," Mr. Taylor told us.

The trouble with these French factories, Mr. Taylor added, is that once you own one, "You can't do anything about it, because you can't fire anybody, you can't discipline anybody, because that's against the credo." Mr. Taylor told us that at least some of the union bosses agreed with him that the situation was out of control at that plant. Alas, it also isn't the French way to speak out against the most militant of your fellow unionists.

So Mr. Taylor walked. That prompted Mr. Montebourg in January to beseech Mr. Taylor to return to the table. According to Mr. Taylor, the Industry Minister promised to "put his weight behind" getting a mutually agreeable deal with the unions.

And that's where Mr. Taylor's February 8 letter comes in.

"Sir," he wrote, "your letter states that you want Titan to start a discussion. How stupid do you think we are? Titan is the one with the money and the talent to produce tires. What does the crazy union have? It has the French government."

Mr. Montebourg's full title is "Minister of Industrial Renewal," but hardly a month seems to pass without another story about a plant shutting down, or Mr. Montebourg threatening a CEO for threatening to shut down a plant, or begging a CEO (sometimes the same one) to stay in France. If there were truth in advertising laws in politics, he might well have to rebrand himself as the Minister for Industrial Decline.

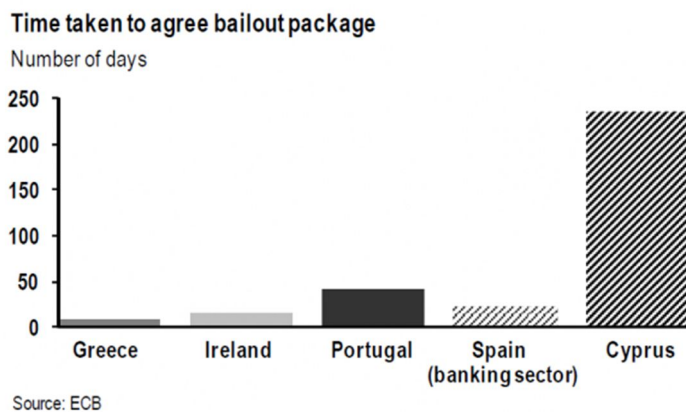
Cyprus: new face, much the same problem

[David Keohane](#) | Feb 19 09:56 | [6 comments](#) | [Share](#)

70,109

Cyprus is almost over the first hurdle — the pro-bailout Nicos Anastasiades handily won the first round of the island's presidential elections last week. As the [FT notes](#), he will face Stavros Malas, the Akel (Cyprus communist) party candidate, who won 27 per cent, in the [run-off on February 24](#) and it's pretty likely Anastasiades will come out on top.

What is less likely, is that there will be a sudden move towards that €17bn-ish international bailout Cyprus has hankering for. It's not as if there has been unseemly speed so far:



As JP Morgan's Alex White argues, Cyprus' real problems lie in Berlin (and elsewhere in the European north). While a change of Government in Nicosia removes a near-term excuse for German inaction, it is unlikely to trigger an immediate resolution of the problem.

From White:

In effect, the Cyprus negotiations are now likely to exit the 'phony war' that has characterised debate up until now. Serious discussion has effectively been on hold while the outgoing President (Dimitris Christofias, of AKEL) sees out the remainder of his term. The intermission has been a function of domestic politics; the Christofias Government stopped negotiating seriously so that it could avoid the need to concede on core principles. By holding out, the AKEL Government has likely ensured that DISY will be the party taking responsibility for any concessions (a careful manoeuvre that is becoming a feature of politics in the European south). Now that this dance is largely out of the way (barring an unlikely upset on Sunday) negotiations can really begin.

So, sadly for little Cyprus, it's problems are very much external.

It has some leverage to apply — the threat of increased Russian influence mostly — but at the same time it is running up against some very realistic eurozone politicians.

White encore:

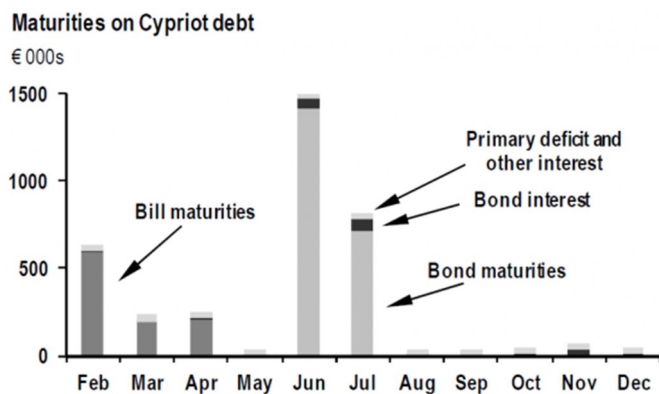
Germany in particular faces real challenges in committing to an agreed package on Cyprus because of domestic political considerations — in the context of the forthcoming Federal election (September). The debate over a package provides all the main parties in Germany a way to differentiate themselves in the election campaign — and in particular provides the SPD with near-term leverage over Chancellor Merkel which it will want to use. Any ESM package will require a Bundestag vote, and the Chancellor will likely need SPD support to ensure any package is passed, as she can no longer rely on the Government securing a majority from its own benches

(the so-called ‘Chancellor’s majority’). Uncertainty about the voting intentions of some CDU backbenches, and the FDP, make a debate on Cyprus very challenging.

We expect the SPD to be active in using the leverage it has as a result. The party’s goals appear to be to; i) create policy differentiation from the CDU by positioning itself as a selective opponent of bailouts that support ‘plutocrats’ or financial institutions rather than average citizens (Cyprus, in the SPD’s current positioning); ii) embarrass the Government as far as possible, by making clear that Merkel cannot rely upon her own party, and extracting a price for its support; and iii) gain leverage on key policy areas from the SPD’s own platform (notably the Financial Transactions Tax). The way in which the Cyprus debate has become intertwined with the discussion of the FTT in recent days suggests that it will remain a political football for some time.

The problem for the Chancellor is that she cannot be seen to be on the run from SPD pressure; she needs a deal that provides support for Cyprus on her own terms. As a result, the Government is attempting to downplay the issue of Cyprus in order to reduce near-term political pressure, and wait for an environment in which it has greater control of the political agenda (this is the background to the various delaying tactics which have been employed, including a demand for further evidence about Cyprus’ systemic importance).

Cyprus’ crunch moment may well come in June when it faces a funding cliff but there is a realistic chance that a sticking plaster in the form of some sort of funding cliff might be applied to get everyone past German elections in September — it seems like the path of least resistance for those making the decisions.



Source J.P. Morgan Rates Strategy

As has been pointed out before, the structure of Cypriot debt argues against a simple PSI (more on that a little later) even [if the bailout will raise](#) its public debt to an unsustainable 140 to 150 per cent of gross domestic product, but White’s final point is worth dwelling on anyway:

Regardless of the timeframe under which a deal is done, we don’t expect the region to engage in another process of PSI or other major disruptive events. However, it may suit several of the parties involved (not just in Germany) to raise dramatic proposals [deposit bail-in falls into this category] as part of the process of domestic negotiation. In this environment, Cyprus risks being an ongoing source of volatility – despite the progress that looks to have been made in this week’s election.

Italie/Voitures neuves: chute des ventes

AFP Mis à jour le 01/02/2013 à 18:38 | publié le 01/02/2013 à 18:34 [Réactions](#)

70,112

Les ventes de voitures neuves en Italie ont chuté de 17,58% en janvier sur un an, poursuivant sur la tendance très négative de l'année 2012, a annoncé vendredi le ministère des Transports dans un communiqué.

Le nombre de véhicules neufs immatriculés dans la péninsule s'est établi à 113.525 unités en janvier 2013, contre 137.745 l'année précédente, a précisé le ministère.

La tendance à la baisse est en léger ralentissement par rapport à celles du mois de décembre (-21,92%) et de l'ensemble de l'année 2012 (près de 20%).

Au mois de janvier, les voitures neuves ont représenté moins du quart (23,47%) du volume global de ventes (483.666 véhicules), le reste se composant de voitures d'occasion, précise le ministère.

Le groupe Fiat, principal constructeur du pays, souligne dans un communiqué distinct qu'il a obtenu en janvier une part de marché de 30,1% en janvier avec plus de 34.000 voitures immatriculées en Italie. La seule marque Fiat a amélioré sa position de 2,1 points de pourcentage sur un an à 22,7%.

Les ventes de voitures neuves baissent de 13,9% en 2012

AFP Mis à jour le 02/01/2013 à 09:39 | publié le 02/01/2013 à 09:01 [Réactions](#) (197)

70,113

Les immatriculations de voitures neuves ont dégringolé de 13,9% en France en 2012 pour passer sous la barre de 1,9 million, au plus bas depuis 1997, a annoncé mercredi le Comité des constructeurs français d'automobiles (CCFA).

Cette situation a affecté particulièrement les constructeurs français: Sur l'ensemble de l'année, les immatriculations de PSA Peugeot Citroën ont chuté de 17,5% et celles de Renault (marques Renault et Dacia) de 22,1% en données brutes, selon un communiqué.

Sur le seul mois de décembre, les ventes ont chuté de 14,6% à 160.426 , avec une baisse de 14,2% pour PSA et de 27,1% pour Renault.

Le critère européen de 3% du déficit budgétaire doit être revu d'urgence.

France a demandé à ses partenaires un délai pour arriver à la fatidique limite de 3 % de déficit budgétaire, que ce post se concentre sur cette grande absurdité du Traité de Maastricht. Il y a longtemps que ce blog s'inquiète de cette situation dont les conséquences économiques sont désastreuses.

Comme toute tentative pour remettre ce critère en question serait nécessairement considérée comme une forme d'indiscipline budgétaire, aucun Etat n'ose crever l'abcès : or en période de récession, cet abcès peut faire très mal.

L'ignorance des cycles économiques

Dès leur premier cours d'économie, une vérité de base est enseignée aux étudiants : l'économie n'évolue pas de manière linéaire, mais connaît des cycles. Copiant la recette de l'histoire biblique de Joseph et du Pharaon, les économistes tentent depuis toujours de convaincre les Etats de diminuer leur déficit budgétaire en période de vaches grasses (entendez, de bonnes recettes budgétaires provenant d'un essor économique). Par contre en période de vaches maigres (entendez, de maigres recettes budgétaires provenant d'une récession économique), tous les gouvernements veulent dépenser plus.

Le fait que ce même critère de 3 % s'applique à chaque budget dans chaque pays ignore donc cette vérité fondamentale de l'économie.

Certes, tous les États se réjouissent de dépenser 3 % et de faire des cadeaux à leur population lorsque tout va bien, alors que ce n'est pas nécessaire. Mais lorsque vient une récession telle que nous l'avons connue l'an dernier - et connaissons cette année -, les greniers sont vides (et l'endettement à des niveaux records) et c'est alors au travers d'une augmentation des revenus (c'est-à-dire des taxes) et d'une baisse des dépenses (c'est-à-dire des mesures d'austérité) que les gouvernements tentent désespérément de maintenir le déficit sous la barre des 3 %.

Au lieu de stimuler l'économie en récession, ils restreignent la croissance, et ce au pire moment.

C'est exactement à ce point d'inflexion que nous nous trouvons aujourd'hui.

Une moyenne *glissante* des déficits s'impose

L'analyse économique nous apprend que les cycles se rétrécissent et que désormais, presque toutes les économies alternent phases de récession et de croissance tous les cinq ans.

Afin de limiter les effets néfastes du critère budgétaire de Maastricht, il est urgent de redéfinir ce que l'on appelle les moyennes glissante : par exemple, il pourrait s'agir d'une moyenne de 3 % sur cinq ans, avec interdiction de dépasser 5 % sur une seule année. Les Etats bien gérés (comme l'Allemagne qui, en ce moment, est proche de 0 % de déficit) pourraient donc disposer d'une réserve qui leur permettrait d'impulser des réformes économiques pour sortir de la récession le plus vite possible, voire de l'éviter.

Contrairement à ce que l'on pourrait croire, ce type d'ajustement n'est pas une preuve de laxisme, il s'agit quand même d'un système de référence exigeant, qui n'est pas confortable.

Le cas de la France

La France est victime de l'indiscipline budgétaire de Nicolas Sarkozy et de Christine Lagarde (qui ne manque pas une occasion de critiquer les pays européens et la France sur leur endettement).

Toutefois, ce nouveau système de moyenne glissante mettrait en évidence, avant même que le risque de gel budgétaire apparaisse, que les politiques économiques alimentent le danger et forceraient les gouvernements à prendre des mesures préventives, ce qu'ils hésitent à l'heure actuelle à faire.

A défaut d'une révision de ce critère de Maastricht (un endettement à 60 % du PIB est parfaitement acceptable), les récessions seront de plus en plus douloureuses et pourraient conduire l'Europe à affronter de graves troubles sociaux nourris par le désespoir de la population.

How A Pasta Factory Got People To Show Up For Work

NPR August 12, 2012

70,116

MELISSA BLOCK, HOST:

This is ALL THINGS CONSIDERED from NPR News, I'm Melissa Block. This week, our Planet Money team has been reporting from the borders that divide Europe, and today we visit an unofficial dividing line between northern and southern Italy.

To many, the two might as well be different countries. The north of Italy has more industry and produces more goods; the south has higher unemployment and more corruption. Even within a single company, economists have found that employees in southern Italy don't work as hard as their northern colleagues.

Well, our Planet Money team introduces us now to a pasta company that refused to accept this great divide and did something about it.

ROBERT SMITH, BYLINE: I'm Robert Smith in northern Italy, and I'm getting off the train in the town of Parma. Now, Parma's known for its amazing food: Parmesan cheese, Parma ham, better known as prosciutto. But I'm here for a certain kind of pasta. It's here, close to the wheat fields, that the Barilla family built the largest pasta factory in the world.

(SOUNDBITE OF MACHINERY)

SMITH: The building is huge. It's the size of something like 100 soccer fields. Inside, it looks like a nuclear power plant - all buttons and pipes, guys in white lab coats. The plant manager shows me around.

UNIDENTIFIED MAN 1: In this moment, we are packaging the Spaghetti Number 5.

SMITH: Those familiar blue spaghetti boxes with bionic conveyor belts. Now, pasta is a cheap product. The way a company makes money is by making a lot of it quickly. One worker can run a machine that makes more than five tons of pasta an hour. So it's really important that he shows up to work.

UNIDENTIFIED MAN 1: The man is absolutely very, very important.

SMITH: Each man is so important, in fact, that if even a couple of them don't show up for work, it can shut down the entire plant, which is what happened at another Barilla pasta factory down south in the heel of Italy, 400 miles south of here.

ZOE CHACE, BYLINE: I'm Zoe Chace, just outside the Barilla plant in Foggia, in the south of Italy, and it's a beautiful day. The sun is shining, the wind is blowing. Who would want to work on a day like today? And it turns out that's exactly the problem the Barilla plant in Foggia was having, a lot of people weren't showing up for work.

SMITH: And believe me, they noticed up here at the plant headquarters in Parma. The plant in Foggia had a very high absentee rate, 10, 11 percent. The Foggia plant was not producing their allotment of pasta.

CHACE: Nicola Calandrea is the plant manager down here, and he remembers people calling in sick constantly, usually on a Monday.

NICOLA CALANDREA: Or during football matches or around important holidays.

CHACE: Remember, one guy runs an entire factory line of capellini, and if that guy was out watching soccer...

CALANDREA: We had to stop.

SMITH: It costs a lot of money to run a pasta plant that's not making pasta. So the headquarters up north sent one of the big bosses, Carlo Carteri(ph), down south with a message.

CARLO CARTERI: OK, guy, if you don't want to work, there is no problem. I take this line in a place where people want work more than you. Or we change our approach all together, or this place probably in the future will disappear.

CHACE: So, Calandrea the plant manager down south, he heard this and he had to act. To save the factory, he had to change the entire culture.

SMITH: Calandrea is a southern Italian. He's a trained scientist. To him it doesn't make any sense that just being in the south would make you more of a slacker. He looked at the problem scientifically.

CHACE: He started out by meeting with the worst offenders, people who were sick...

CALANDREA: One day, two days every week.

SMITH: And Calandrea had a theory: People were calling in sick because they figured they could get away with it, that nobody noticed. So step number one, make the workers understand, hey, we see you, we notice.

CHACE: Calandrea met with each worker, said hi, I noticed you've been out sick a lot. When workers responded with notes from their doctor, Calandrea sent his own doctor to the workers' houses to check up on them.

CALANDREA: It was a big surprise to hear a knock at the door and it's the doctor.

CHACE: And then he took this masterstroke: He crafted a letter that said simply, here are the people who are absent most often, here are the doctors who are signing these notes. Then he sent that letter to the actual doctors and the professional organizations that they belong to.

CALANDREA: We wanted only to inform, to give the information to interrupt the problem.

SMITH: Calandrea took one other big step. He let everyone in the plant know what he himself knew, that absenteeism was a huge problem, worse in the south than in the north, and it was threatening the very survival of the factory.

CHACE: Michael Bineze is a worker at the plant. He makes bow-tie pasta. He says he was never one to call in sick, but all of a sudden even the workers with perfect attendance were freaked out.

MICHAEL BINEZE: (Through translation) We look at each other, and we know that we have to put some pressure on that other person, like to say, oh, you should come to work.

SMITH: Beneze remembers the moment he realized that the culture was shifting. It was an episode with another worker, Marco Tutti(ph).

BINEZE: (Through translation) He asked for a holiday, but the supervisor refused him because they needed him to work. So he said, at that point he called in sick.

CHACE: With a doctor's note, of course, but Marco Tutti was not sick. Marco Tutti was playing soccer for a big local soccer team.

BINEZE: (Through translation) What was not good for him was that he went to play, but he also scored a goal.

(LAUGHTER)

CHACE: Tutti's achievement was written about in the newspaper, and his fellow workers, instead of protecting him, they brought the paper to Calandrea, the plant manager.

SMITH: They ratted him out.

CALANDREA: Yes, because the sensitivity of people was increasing. They knew that the behavior of one of us could compromise the life of everyone.

SMITH: And so Calandrea fired Marco Tutti, and he gets very serious when he talks about this because it's the only person he had to let go during this whole process. It's very rare in Italy to be fired.

CHACE: It really sent the message home, though, and right after that, no surprise, the numbers started to improve here in Foggia. The absentee rate has dropped all the way from 10 percent to less than four percent. It's a huge difference in just a couple years.

CALANDREA: Yes, good, but I think that we can improve it.

SMITH: It's going to be tough for the absentee numbers to get much lower. In fact, the plant in Foggia is already doing better than the plant up here in Parma, Italy. I'm Robert Smith, and down south...

CHACE: Zoe Chace, NPR News.

The government of Mario Monti is pressing ahead with labour reforms over union objections and threats of strikes

Mar 24th 2012 | ROME | [From the print edition](#)

70,119



SOMETHING unItalian happened late on March 20th. Mario Monti, the prime minister, was trying to persuade employers and unions to accept labour-market reforms. In the past, the usual result has been all-night talks ending in a document so content-free that all sides accept it. This time, when it became clear that unanimity was impossible, Mr Monti declared the talks over and said his government would press ahead regardless.

A last-ditch meeting was planned for March 22nd, but the chances of getting Italy's biggest trade union federation, the CGIL, to agree seem negligible. Indeed, the CGIL now threatens a one-day nationwide strike and another eight hours of disruptive assemblies. Its gripe is changes in the dismissal law. Today firms with more than 15 workers cannot get rid of employees even in a downturn without risking legal proceedings that can last years. If a judge then decides the company has acted unfairly, it can be forced to rehire the worker and pay him his lost earnings. Employers say this is a colossal deterrent to hiring when times are good, and helps to explain why a third of Italy's youths are jobless.

The government wants workers sacked for economic reasons to get up to 27 months' pay, but no prospect of regaining their jobs. The existing provisions would remain only for cases of alleged discrimination or victimisation. It would be up to the courts to decide if workers unfairly sacked on disciplinary grounds should be compensated or reinstated. Other planned measures would do even more to loosen Italy's arthritic labour market: a new, more broadly applicable unemployment benefit and measures to encourage apprenticeships rather than intermittent short-term contracts.

President Giorgio Napolitano has warned that failure to agree would have serious consequences. Mr Monti faces his sternest test since he formed his technocratic government to replace Silvio Berlusconi's in November. But he enjoys the backing of the three biggest parliamentary groups. On March 16th their leaders endorsed the government's plans. The CGIL's intransigence creates a special problem for one of them, its historic ally, the centre-left Democratic Party (PD). A senior PD official said its leader, Pier Luigi Bersani, could face a backbench revolt or a party split. The votes of the right and centre-right would be enough to pass the new reform, but one of Mr Monti's strengths is his cross-party backing and he will not want to be seen as a stooge of the conservatives.

Outside parliament, there is a danger that protests against the reform could turn violent, and not just on the streets. This week saw the tenth anniversary of the assassination of Marco Biagi, the expert behind a previous attempt to make it easier for employers to sack surplus workers. He was murdered by the far-left New Red Brigades, as was a previous adviser on labour reform. In January postal workers intercepted envelopes containing bullets addressed to Mr Monti's welfare minister, Elsa Fornero. This week a protester was seen in a T-shirt bearing the slogan "Fornero to the cemetery".

But evidence of a credible threat from far-left wing terrorists is scarce. And Mr Monti remains hugely popular. On March 19th a poll in the newspaper *La Repubblica* said the government's approval rating, which dipped after it began implementing its programme, had recovered sharply to almost 62%. The same poll found that a party headed by Mr Monti would get more votes than either the PD or the centre-right People of Freedom movement, founded by Mr Berlusconi.

Mr Monti, who plans a roadshow to promote Italy, said that the latest reform would clear away the last obstacles to inward investment. That is an exaggeration. Leaving aside such disincentives as pervasive corruption, maddening bureaucracy and organised crime, there is the question whether the government's plans for the labour market will do enough to stimulate the growth Italy has so woefully failed to generate. Even some centre-left economists criticise the limited nature of the labour-market changes. Others worry that the welfare reforms will take effect only in 2017, creating a danger that they might be scrapped or diluted by a future government. An election must be held next year and Mr Monti has said he will not run.

Yet whatever the merits of his latest reforms, they set a precedent. Italians have glimpsed a style of government that does not aim for consensus, and that acknowledges opinions but not vetoes. Paradoxically, it has taken a mildly spoken economics professor to give Italy the political leadership it has lacked for so long.

Failing the invisible generation

21 February 2013

70,121

[Corriere della Sera](#) Milan



At the Internazionale festival in Ferrara in October, 2011

Francesco Alesi / Internazionale

Never have the under-30s had to face such precarity, while at the same time, disregard for their generation has reached an all-time high in the current election campaign.

[Beppe Severgnini](#)

No one will be able to accuse the future government of breaking its promises to young Italians, simply because it will simply not have made any.

As it stands, first-time voters have been completely overlooked in the election campaign. For them, politics is like a disco guarded by musclemen who refuse to let them in.

Gesticulating and strutting about in their bid to attract the limelight, the five coalitions in the running appear to be inspired by the 2011 pop hit *Gangnam Style*. But they have failed to impress a young generation of Italians, which watches them on TV while leaving disappointed comments on social networks. Many of them are tempted not to vote, but this impulse will only play into the hands of the bouncers who are eager to keep them out of the political game.

Traditional social networks are slowly crumbling. Families have exhausted their reserves of patience and money: as evidenced by the number of “we buy gold” shops, declining property prices and the fall-off in the sale of durable goods. The rate of unemployment among 15-24 year-olds on the labour market has reached 37 per cent, its highest level since 1992. And this is the national average. Just imagine how bad it is in southern Italy. Over the last 10 years, the percentage of Italian graduates who leave to seek their fortunes abroad has risen from 11 to 28 per cent.

Sacrificing the young

Faced with phenomena of this magnitude, you would expect a response from the world of politics. You would expect to see deliberation, decisions, detailed strategies and concrete measures, because no country can

decently allow itself to sacrifice an entire generation. But any such expectation will be in vain. Our candidates are fighting tooth and nail over taxes and pensions. But they only address themselves to those who have work, or who had it in the past. It is as though the others, those who run the risk of never finding work, count for nothing. The generation of under-30s is slowly becoming transparent. The frustration and the anger that this will inevitably generate could have dramatic consequences. And there are many signs that this will soon be the case.

The orgy of airtime accorded to veteran politicians – 63 hours for Silvio Berlusconi, 62 for Mario Monti, 28 for Pier Luigi Bersani (of the left-wing Democratic Party) between December 2, 2012 and January 14, 2013 – will likely be perceived as a provocation. When Antonio Ingroia (the anti-mafia judge at the head of the hard-left Civil Revolution) goes on TV, a melee ensues. Away from the cameras, Beppe Grillo (of the Five Star Movement) is hardly any better. Everything has an air of *déjà-vu*. We have heard it all before. In 2013, Italian politics increasingly resembles the small town in *Groundhog Day*, where the protagonist, played by Bill Murray, is condemned to relive the same 24 hours over and over again.

Reaping what you sow

The youthist fervour of the Monti government has been limited to such measures as the reintroduction of apprenticeships and a “Digital agenda” [designed to promote innovation and the digitisation of administrative data], which will be difficult to implement. The Five Star Movement is proposing “guaranteed unemployment benefit” but has neglected to say how it will be financed. The right, which avoids mentioning the subject, has cleared young people from its lists in order to make room for its leader’s Pretorian Guard. The left, even though it does have some new faces, has not come up with any radical measures to improve the lot of young citizens. The honour loans proposed by Anna Finocchiaro [the former Minister for Equality and president of the Democratic Party group in the senate] will amount to little more than a band aid on a fracture, which should be treated with a dose of labour market flexibility to facilitate recruitment and layoffs.

If we want a new and vigorous authority to take the helm in Italy, we should not be so disdainful of the pilots of tomorrow. Otherwise, they will simply leave us by the wayside, and they will be right. Even more importantly, we should not pretend that we want to help them, when we are not willing to make even the slightest concession for their future.

When cynics rule

The next government will be shaped by key regions' voters—and abstainers

Feb 23rd 2013 | CATANIA AND SCHIO | [From the print edition](#)



IT IS not every day that a former prime minister comes to Acireale, a town of 50,000 near Catania in Sicily. Yet when Massimo D'Alema, a leading figure in the centre-left Democratic Party (PD) who ran Italy's 1998-2000 government, began a rally in a cinema, he faced many empty seats. A thousand kilometres north in Schio, with a population of 40,000, the turnout for the Northern League was worse. In this wool town, encircled by the Little Dolomites, a League meeting attracted fewer than 30 people.

Two different parties, but a common problem for the election due on February 24th and February 25th: the public's disenchantment with mainstream politics. This boosts the Five Star Movement (M5S) of Beppe Grillo, an ex-comedian. A poll on February 19th suggested that 30% of the electorate had not decided how to vote. The same day, Mr Grillo drew tens of thousands to a rally in Milan's central square.

Sicily and Veneto are among four big regions where the left and the right are neck-and-neck. That is striking since both are traditional bulwarks of conservatism. Silvio Berlusconi's comeback since retaking the leadership of his People of Freedom (PdL) movement in December has obscured the right's current troubles, which mean that he has little chance of winning an outright majority next week. Two years ago, for instance, a League-PdL ticket took over 60% of the vote in a regional election in Veneto. The latest polls give them just 37-38%.

Voting for the League has long been a way of venting frustration. Veneto's army of small firms feel that their region's needs are neglected, if not thwarted, by Rome. That sentiment, says Andrea Tomat, head of the regional branch of the bosses' club, Confindustria, has never been stronger. "The scandals, the serious economic crisis faced by the country and the failure of the state to modernise and become more efficient, all contribute to a powerful sense of disillusion and a feeling of disorientation," he says. It is Mr Grillo, says Roberto Papetti, editor of the region's main daily, *Il Gazzettino*, who is harvesting the protest vote.

In Sicily too, people feel neglected by the state. Umpteen promises to build a bridge to the mainland have gone unfulfilled. Travelling by rail between the two main cities, Palermo and Catania, can take over five hours. In this region the M5S seems to attract support among the young and drains votes at least as much from the left as the right. "Grillo is a problem", says Giuseppe Castiglione, the PdL's regional co-ordinator. "He's tapping into a section of our potential electorate: young, upper-middle class electors with professional qualifications." His concerns are echoed by Giuseppe Beretta, a PD deputy. His party's biggest challenge, he says, is to "to give people hope and faith in politics".

Sicily's history suggests this is no small task. In 2008 Mr Berlusconi's party joined forces with a local group led by Raffaele Lombardo. Their pact won the governorship for Mr Lombardo. But in-fighting soon broke out

and Mr Lombardo realigned with the left. He resigned last year amid claims of helping the Mafia. In the subsequent election, the centre-left took the governorship. Since then, more than a tenth of the region's lawmakers have switched allegiance to the new masters. Mr Lombardo jokes that "the biggest group in [Sicily's] parliament will soon be the turncoats". Yet he himself is back with the right.

Cynicism about Italian politics poses two threats to future stability—and thus to the euro. One is that Mr Grillo's movement takes enough seats to stop either main alliance from controlling the Senate (where, unlike in the lower house, the winning coalition is not guaranteed a majority). Since the upper house has equal powers, that could mean stalemate. Mr Grillo says he will not join any coalition, so he could force a fresh election.

But a more plausible destabilising outcome is a government with a bare majority, at the mercy of a handful of senators with flexible allegiances. Mr Lombardo, who says that his zigzagging was intended only to win more autonomy for Sicily, hopes that he and his allies get two or three seats "which will be worth gold in the next legislature".

Montebourg-Taylor : la presse américaine se défoule

Par [Benoît Berthelot](#) Mis à jour le 21/02/2013 à 18:16 | publié le 21/02/2013 à 18:12 [Réactions](#)

70,125

[L'échange de lettres incendiaires entre le PDG américain de Titan et Arnaud Montebourg a inspiré les médias américains, qui oscillent entre «French bashing» et désaveu du patron. Revue de presse.](#)

Le *Wall Street Journal* est le plus virulent. Le quotidien économique prend sans réserve la défense du PDG de Titan, [dans un éditorial sous-titré «Un PDG Américain dit la brutale vérité à l'Etat français»](#). «M. Taylor a construit Titan à partir de rien, en a fait un important fabricant mondial de pneus pour le matériel agricole. Quand Goodyear a voulu vendre son usine d'Amiens Nord, Titan a été la seule entreprise à faire une offre. Mais l'usine est contrôlée par la CGT, syndicat d'extrême gauche que M. Taylor appelle, non sans raison, 'le syndicat communiste.»

L'éditorial égratigne le ministre du Redressement productif, Arnaud Montebourg: «Pas un mois ne passe sans qu'une nouvelle usine ferme, ou que M. Montebourg ne menace un patron qui menace de fermer une usine, ou bien qu'il supplie un patron (parfois le même) de rester en France». L'éditorialiste suggère finalement de rebaptiser Arnaud Montebourg «ministre du déclin industriel.»

Le *New York Times* titre «Quel Brouhaha!», en Français dans le texte, et considère que [la lettre du PDG a «touché au nerf» les Français](#). «L'inquiétude sur la baisse de la compétitivité et la politique fiscale clivante du gouvernement Hollande ont conduit certains économistes à se demander si la France ne risquait pas de devenir le prochain grand malade d'Europe.» Pour le quotidien New Yorkais, «La semaine de 35 heures, le marché du travail rigide et l'influence des syndicats sur le marché du travail ont longtemps été source d'aggravation des affaires.»

Le pure player économique *Quarz* que la [productivité des Français](#) est meilleure que celle des Allemands ou des Britanniques. «Le droit du travail, souvent moqué, établit la semaine de travail à juste 35 heures. Mais en incluant les heures supplémentaires, la semaine moyenne est de 39,5 heures, tout près de la moyenne de 40 heures des 17 pays de la zone euro en 2011 selon l'OCDE». Le vrai problème n'est pas la productivité française, selon Quarz, mais les demandes des syndicats de se voir garantir cinq ans de production continue.

Le *Los Angeles Times* publie [un éditorial plein d'humour de Paul Whitefield](#), titré «Un loup du capitalisme américain contre les Français fainéants». Il brode avec ironie sur la prétendue paresse des travailleurs français dont se plaint Maurice Taylor. «En visite en France, j'ai constaté que 'l'heure du repas' est un terme inapproprié: elle dure généralement de 11h30 à 13h30. Mais qui pourrait en vouloir aux Français? Vous, essayez donc de manger une assiette de fromage ou une salade, une baguette fraîche, peut-être un filet de sole et une assiette de fruits, le tout arrosé d'une bouteille de Bordeaux, en une heure seulement.»

Le journaliste raille ensuite la «méthode américaine» que propose le PDG de Titan dans sa lettre: acheter des pneus en Chine, payer les ouvriers moins d'un euro de l'heure et exporter les pneus en France. Puis en appelle à l'Histoire pour proposer une alternative miracle: «La grande idée d'Henry Ford était de vendre sa Ford T à un prix suffisamment bas, et en payant ses ouvriers assez bien pour qu'ils puissent se l'offrir. Ça a marché. Ça pourrait sûrement marcher aujourd'hui. Peut être même en France.»

An American capitalist-running-dog vs. the lazy French



70,127

Goodyear workers in France protest the planned shuttering of a tire plant in Amiens. (Patrick Kovarik / AFG/Getty Images / February 12, 2013)

By Paul Whitefield

February 20, 2013, 1:31 p.m.

Mon dieu!

C'est la vie.

There. I imagine that will about cover [France](#)'s reaction to U.S. tire magnate Maurice "Morry" Taylor Jr.'s scathing criticism of French workers.

[In case you missed it](#), Taylor, head of [Titan International](#), minced no words when responding to Arnaud Montebourg, France's minister for industrial renewal, who had suggested that Titan might want to take over an ailing Goodyear tire factory in Amiens.

In a letter to Montebourg, he said:

"Sir, your letter suggests you would like to open discussions with Titan. How stupid do you think we are?"

Which is, of course, both insulting and a bad rhetorical gambit, because we already know how stupid the French think we are. Heck, they think everyone who isn't French is stupid.

Now, that opening line was probably all Monsieur Montebourg needed to read. But Taylor was just getting started. Describing what he had seen during several visits to the Goodyear plant in Amiens, he stuck to his born-in-the-USA-I'm-a-Republican-who-hates-unions guns:

"The French workers are paid high wages but only work three hours. They have one hour for their lunch, they talk for three hours and they work for three hours. I told this to their union leaders directly; they replied, that is the way it is in France."

Personally, I think that's just a dumb thing to say. In my visits to France, for example, lunch hour was a misnomer: It usually ran from 11:30 a.m. to 1:30 p.m., or thereabouts. But can you blame them? *You* try eating a cheese plate or a *salade*, a warm, fresh baguette, perhaps a nice filet of sole and a fruit plate, washed down with a bottle of Bordeaux, in an hour.

Taylor is not without solutions, though. He offered this GOP-inspired union-busting tactic -- the old slave labor dodge:

“Titan has money and the know-how to produce tires. What does the crazy union have? It has the French government. The French farmer wants cheap tires. He doesn't care if those tires come from China or [India](#) or if those tires are subsidized.

"Titan is going to buy Chinese or Indian tires, pay less than one euro an hour to workers and export all the tires France needs."

There you go: the American way! Treat your workers badly and, if they complain, ship their jobs overseas, where you can treat those workers even worse. All so someone can pay \$89 instead of \$99 for a tire.

Of course, it's hard to argue with capitalism. The French tire plant is ailing, and 1,173 jobs are at risk. And Goodyear has blamed union intransigence for the problems there.

But wouldn't it be nice if there were a middle ground? Isn't there a way to have decent jobs at decent pay *and* produce products at a price folks can afford?

[Henry Ford](#)'s great idea, in part, was to make his Model T inexpensive enough *and* pay his workers well enough so they could buy one.

It worked then. Surely it could work now? And maybe even in France.

Although that lunch hour thing may be a stumbling block.

The Rise of a Protest Movement Shows the Depth of Italy's Disillusionment

By [RACHEL DONADIO](#)



ROME — For months, he has been shouting his way from piazza to piazza, drawing tens of thousands as he rails against tax collectors, corrupt politicians and financial speculation. And when he arrives in Rome on Friday for the final campaign rally of his “Tsunami tour,” Beppe Grillo, the Internet-savvy comedian turned populist rabble-rouser, may lead [Italy](#)’s third-most popular party.

In the final weeks of a campaign marked by widespread voter disillusionment and growing economic distress, and after Pope Benedict XVI’s decision to step down on Feb. 28 upended once-solid assumptions, Mr. Grillo’s Five Star Movement has surged ahead, surprising the experts almost as much as Pope Benedict did. Ahead of national elections on Feb. 24 and 25, the party’s “antisystem” message has drawn strong support from both right and left, buoyed by corruption scandals that have undermined voters’ faith in government.

With his fiery language, mop of gray curls, grass-roots campaigning and calls for a referendum on Italy’s staying in the euro zone, Mr. Grillo, 64, has helped blunt the gains made by Silvio Berlusconi, the former prime minister. Mr. Berlusconi’s People of Liberty party is now in second place in opinion polls but lacks potential coalition partners, making it all but impossible that Mr. Berlusconi, the ultimate campaigner, will ever govern Italy again, political experts say.

The center-left Democratic Party, led by Pier Luigi Bersani, a subdued former industry minister, is expected to place first, but it may not win enough seats to govern without help from an ally, probably the civic movement started by Mario Monti, the caretaker prime minister who stepped down before the elections after leading a technocratic government for the past year. Mr. Monti is respected by world leaders but has fumbled into fourth place as a candidate, seriously tarnishing both his image and the agenda of change he promoted.

With no official polls allowed in the two weeks before elections — and with turnout expected to be at a record low — the outcome of the race remains uncertain. If the results fail to yield a government, the political uncertainty could set off a new round of market turmoil. But more worrisome in the longer term, political commentators say, is that the success of Mr. Grillo’s Five Star Movement, an opposition party, could make Parliament ungovernable.

“In my view, we will have a majority,” said Stefano Folli, a political columnist for the business daily [Il Sole 24 Ore](#), speaking of a possible alliance of the Bersani and Monti forces. “But the second question is: Will the majority be enough to govern a Parliament where 20 percent of the M.P.’s come from Grillo’s party? That does not have a simple answer.”

What worries critics most about Mr. Grillo's Five Star Movement is that it is an assemblage of first-time candidates with no shared vision except an opposition to politics as usual. That, combined with its consensus-driven approach, makes it hard to predict how its members will vote.

In speeches, Mr. Grillo has criticized Italy's participation in the NATO-led mission in Afghanistan, questioned the need for mandatory vaccines for children and opposed some local plans to privatize Italy's water supply. But on other issues, the party leans right. It is opposed to changing Italy's laws to grant citizenship to the children of legal immigrants born in Italy, a move the Democratic Party supports.

"Theirs is a project of destruction, not of creation," said Federico Fornaro, a candidate for the Democratic Party in the northern Piedmont region. "Their goal is chaos, the destruction of the old system. But there's no concrete plan for a new system, not in the political, economic or social realms."

The success of the Five Star Movement is not hard to explain. Taking cues from the themes of the Occupy Wall Street movement, it has tapped into voter disgust with the political establishment: the excesses and corruption scandals involving Mr. Berlusconi's party, the tax increases of Mr. Monti's government, and the ossification of the Democratic Party, which has also been hit by a widening scandal at the Monte dei Paschi di Siena bank.

The Five Star Movement has been gaining momentum since [regional elections last spring](#), when it won the mayor's race in Parma in the north and became the leading party in Sicily, after record low turnout.

As he took to the stage in Piazza del Duomo in Milan this week, Mr. Grillo was greeted by a huge crowd shouting: "Send them home! Send them home!" referring to the current Parliament. He began a tirade, saying that no one would have expected his party to win in Sicily, "where they pay for votes." He added that Italy's tax collection agency should be closed, and he criticized the country's high youth unemployment rates.

Mr. Grillo, who cannot serve in Parliament because he has a conviction for manslaughter in a car accident in which three people died, has shied away from taking journalists' questions.

In a rare television interview on Thursday, Mr. Grillo said that bond spreads — the difference in yields between Italian and benchmark German bonds — were a "hallucination," and that financial markets had become dangerously disconnected from the real economy.

As he sat outside his shop in Rome, Stefano Anidori, 52, said he had voted for the left in the past, but was considering supporting Mr. Grillo. "I am undecided, but I am so angry that I think I'll vote for Grillo," he said. But he also worried that the movement was too new in politics.

"How can they propose laws or understand the system quickly enough for a country in such deep trouble?" he asked. "But I voted for the left for 20 years. I am tired of losing and tired of seeing the same faces over and over again."

With such divergent supporters and candidates, it remains to be seen how the Five Star Movement will vote in Parliament.

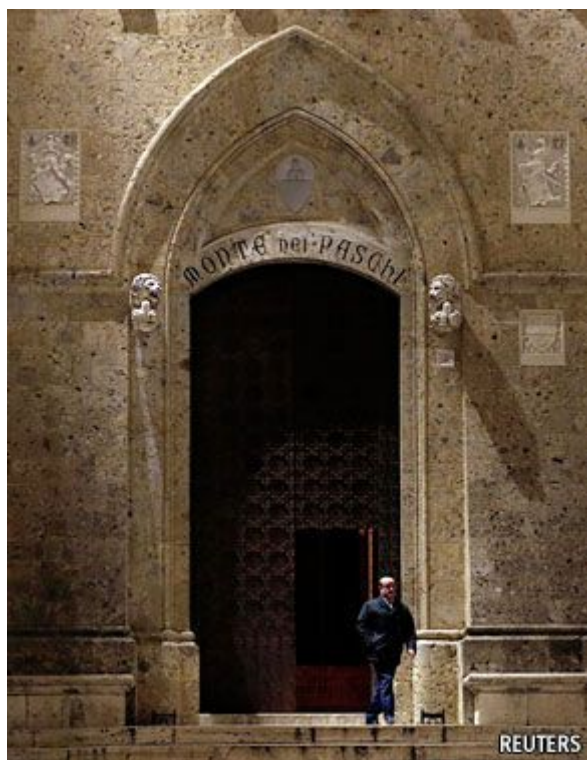
Roberto D'Alimonte, a political scientist and a pollster at [Luiss Guido Carli University](#) in Rome, called Mr. Grillo a "uniquely Italian invention."

"We invented fascism, the Christian Democrats, Berlusconi, and now we've even invented Grillo."

Gaia Pianigiani and Elisabetta Povoledo contributed reporting.

New excitements in the Italian election, but the outcome remains in doubt

Feb 2nd 2013 | ROME | [From the print edition](#)



Old Siena bank, new financial scandal

POLITICS is seldom boring for long in Italy. An election that takes place on February 24th and 25th had been mostly focused on an unpopular property tax. But it has become more spicily Italian with the injection of a financial scandal, Silvio Berlusconi's latest outrage and a football star.

The scandal began on January 22nd when Giuseppe Mussari resigned as head of the Italian banking association. When chairman of the world's oldest bank, Monte dei Paschi di Siena (MPS), he allegedly approved dubious derivatives deals that were hidden from the regulators. What makes this political is that MPS is inseparable in the public mind from the left. Siena is in red Tuscany. Thirteen of the 16 directors of the foundation that is its biggest shareholder are political appointees.

The derivatives transactions were apparently meant to offset or hide the impact of the bank's 2007 acquisition of Banca Antonveneta, which cost 36% more than had been paid for it only a month earlier by Spain's Banco Santander. Italians are familiar with puzzlingly high purchase costs because they are often a source of kickbacks for politicians. Claims that the sale of Banca Antonveneta was used to create a slush fund are widely believed.

Even if untrue, they will damage the centre-left Democratic Party (PD), the election front-runner. Two surveys suggest that the scandal has cost the PD more than a percentage point. But they show groups backing Italy's prime minister, Mario Monti, suffering even more. As a former adviser to Goldman Sachs, Mr Monti is seen as the bankers' friend. Even before the scandal, MPS was in trouble and Mr Monti was under fire for using taxpayers' cash to help it. On January 25th MPS's shareholders approved a €3.9 billion (\$5.3 billion) bail-out using "Monti bonds" underwritten by the treasury. Officials say they are no gift: the coupon is 9%, rising to a maximum of 15%. But Mr Monti's opponents say he imposed his property tax so as to pay for saving the bank.

The obvious beneficiary is Silvio Berlusconi, whose right-wing alliance with the Northern League is gaining ground on the PD's coalition with the more radical Left, Ecology and Freedom (SEL) party. But on January 27th Mr Berlusconi did something that in most countries would have sunk him. On Holocaust memorial day he declared that, although Italy's Fascist dictator, Benito Mussolini, should be blamed for enacting anti-Semitic race laws, he "in many other ways did well".

Mr Berlusconi has said kind words about Mussolini before. But to do it on such an occasion smacked of premeditation. He is prone to gaffes. But he is also deft at using shock tactics to further his aims. Polls suggest that 20% of his potential voters are undecided or inclined to abstain. Mr Berlusconi may have been trying to stop them being lured away by the far right: among newcomers at this election is CasaPound, a movement named after Ezra Pound, an American poet (and fascist sympathiser). Or Mr Berlusconi may have wanted to reassure more bigoted voters ahead of his next headline-grabbing move.

On January 29th his football team, AC Milan, said it had bought the talented black Italian striker, Mario Balotelli. His transfer, for more than €20m, will delight fans, and not just in Lombardy, the region around Milan. The explosively powerful and controversial Mr Balotelli has been sorely missed from Italian football since leaving to join Manchester City three years ago. One Italian columnist said his return was worth 400,000 votes.

Even before the MPS scandal, polls suggested the left would not win control of the Senate without backing from Mr Monti and his group. Since the upper house has the same powers as the lower house, command of the Senate is essential for stable government. But the prospect now is that Italy's next government may be a broad coalition stretching from the centre-right to the radical left, as heterogeneous as Romano Prodi's team in 2006-08. That does not augur well for the tough reforms Italy needs to pep up its moribund economy.