

Krise

So ist der Westen ein Auslaufmodell

Wohin man dieser Tage auch schaut, ob nach Europa oder gen USA: Politik und Bürger hadern miteinander. Der Sieg der Demokratie und der Marktwirtschaft ist 1990 zu früh verkündet worden. Von Michael Stürmer



Foto: picture alliance / dpa Nichts ist sinnbildlicher als die Einsamkeit eines Europa-Abgeordneten in einem leeren Plenarsaal. Es bleibt die Frage unbeantwortet, warum er ausharrt.

Die europäischen Demokratien haben schon bessere Tage gesehen. Gleiches und noch mehr, weil von weltweiten Folgen begleitet, gilt für die Vereinigten Staaten von Amerika, wo der "Government Shutdown" das öffentliche Leben lähmt und das Ende des Fundamentalkonsenses anzeigt, den Demokratien brauchen.

Die Liste der Schwächen und Gebrechen ist lang: negative Mehrheiten, Blockaden bis hin zu Erpressung, Unregierbarkeit, Überlast der Staatsschulden, Parteienzerfall, Regierungszersplitterung, nicht mehr auszuschließender Staatenzerfall. Dazu die fatale Gewohnheit, Geld zu borgen, das man nicht hat, und sich einen fröhlichen Tag zu machen auf Kosten von Kindern und Enkeln.

"Wir wissen wohl, was zu tun wäre", hat der mit allen Wassern gewaschene luxemburgische Ministerpräsident Jean-Claude Juncker zu Protokoll gegeben. "Aber wir wissen nicht, wie wir danach wiedergewählt werden."

Die Wähler wollen staatliche Wohltaten

Was bedeutet, dass es nicht die politische Klasse allein ist, welcher die Schuld an der Misere anzulasten ist. Auch die Wähler tragen das Ihre dazu bei, weil aus Staatsbürgern längst Konsumenten staatlicher Wohltaten geworden sind.

Wechselseitige Verachtung bedroht den demokratischen Diskurs: Auf der einen Seite Politiker, die dem Volk nur infantile Regungen zutrauen und Wahlkampagnen von rührender Einfalt loslassen; auf der anderen Seite

Wähler, die dem Politikbetrieb den Rücken zukehren oder der politischen Klasse insgesamt kaum Lösungskompetenz zutrauen.

Die Dysfunktionalität reicht von Rom, wo ein alter Mann von schlechter Reputation eine stolze, reiche, aber heruntergewirtschaftete Nation über Wochen und Monate zur Geisel nimmt, über Athen, wo die Vergangenheit sich rächt an den Staatsverwaltern, weiter nach Frankreich, wo die Fünfte Republik in Selbstblockaden steckt und der Präsident, der doch als Ersatzmonarch gedacht war, auch nicht mehr weiter weiß.

Und weiter in die Niederlande, wo Europa so niedrig notiert ist wie nie zuvor, bis hin nach Großbritannien, wo nicht nur der Zusammenhalt mit Schottland gefährdet ist, sondern auch die Zugehörigkeit zur Europäischen Union, und das Vereinigte Königreich bald ziemlich unvereinigt dastehen kann.

Adenauer sagte: "Die Lage war noch nie so ernst"

Die Liste der Hiobsbotschaften und Krankheitssymptome ließe sich fortsetzen. Manches erinnert an die Krisen der Demokratie, die die 1920er- und 1930er-Jahre kalt und unwohnlich machten. Mit Konrad Adenauer kann man sagen: "Die Lage war noch nie so ernst."

Was oft ironisiert wurde, gilt mittlerweile im Ernst für weite Teile Europas, aber auch für die Erosion der Weltordnung. Der Sieg der Demokratie und der Marktwirtschaft ist 1990 zu früh verkündet worden.

Man erinnert sich nur noch mit Ironie an [Fukyumas viel geglaubte und in den politischen Quartieren gern konsumierte Verkündigung vom "Ende der Geschichte"](#).

Dass die Weltkrise weiterging, welche die mächtige Sowjetunion zum Einsturz gebracht hatte, und dass die Demokratien sich selbst größtenteils neu erfinden mussten, passte nicht ins Wunschdenken jener Jahre.

Auch nicht, dass mit dem alten Reich der Mitte im Osten ein neuer Konkurrent, ein alternatives Wertesystem aus Kommunismus und Konfuzius entstehen würde. Wer wird die Erde erben? Die westlichen Demokratien waren gewiss, allzu gewiss, dass sie die Antwort hatten.

Die Welt ist voller Konflikte und Gefahren

Seit dem Ende des Kalten Krieges fehlen dem Westen das organisierende Prinzip und der heilsame Zwang, das Haus in Ordnung zu bringen. Was ein alter Sowjetdiplomate anno 1988 dem Westen so grimmig wie ironisch prophezeit hatte, ist mittlerweile eingetreten: "Wir werden euch etwas Furchtbares antun, wir werden euch den Feind nehmen."

Es herrscht kein Mangel an Konflikten, Machtrivalitäten und Gefahren. Aber sie sind weit davon entfernt, noch einmal halbreligiöse Weltbilder und Welterlösungsmythen militant gegeneinander zu stellen, wie es seit 1917 im Weltbürgerkrieg galt.

Die Krisen rund um den Globus, die Verbreitung von Massenvernichtungswaffen, die Freibeuterei diverser Terrorunternehmer mit oder ohne göttliches Mandat, die demografische und physische Überforderung des Planeten – das alles sind politische Probleme, denen nicht zu entgehen ist und die gemeinsam angepackt werden müssen.

Aber ein organisierendes Prinzip ist ihnen nicht zu entnehmen. Die Vereinten Nationen als Lösung anzusehen, erfordert einen starken Akt des Glaubens.

Europa soll Antwort auf alles sein?

Kann Europa die Antwort sein für sich und andere? Diese Hoffnung stand hinter dem kühnen, vielleicht zu kühnen Entwurf von 1990, der zu den Maastrichter Verträgen führte und ein neues Gleichgewicht einrichten sollte auch mit den großen Wirtschaftsblöcken der übrigen Welt.

Die "grand strategy" des Euro sollte Mittel sein, Europa auf Wettbewerbsfähigkeit, Haushaltsdisziplin und gute Regierungsführung einzuschwören. Doch sie ist nur halb geglückt. Deutschland ist zögerliche Führungsmacht, das Volk erträumt sich eine große Schweiz.

Die Führungsmacht der Vergangenheit aber, die Vereinigten Staaten, leiden – unwilliges und überdehntes Imperium – an der Krankheit, die früher oder später alle Großgebilde befällt und die von den Historikern als "imperial overstretch" diagnostiziert wird.

Zwar ist die wirtschaftliche Dynamik der USA nahezu ungebrochen, Lehman Brothers hin oder her, und weder Haushaltsdefizit noch Staatsschulden sind jenseits aller Reparatur.

Beängstigend der Kulturkampf in Amerika

Was fehlt, ist der tragende Fundamentalkonsens. Nicht aus Geldmangel kommen der "Shutdown" des Regierungsapparats und die drohende staatliche Insolvenz.

Es ist ein symbolisches Schlachtfeld zwischen den Republikanern der radikalen Tea-Party-Observanz, die das alte Amerika zurückwollen (weiß, angelsächsisch, protestantisch), und jener Regenbogenkoalition, die Obama vor einem Jahr zum zweiten Mal die Mehrheit gab. Amerika muß aber zuerst sich selbst helfen, bevor die Weltmacht anderen helfen kann.

Und Europa? Manche Demokratien sind stabiler als andere, aber alle sind am Welken. [Frankreichs Fünfte Republik](#) gibt dem Präsidenten viel Macht über die Außenpolitik, wenig aber, selbst wenn er wollte, über die innere Gestaltung.

Jetzt gilt es, das Erbe der Staatswirtschaft und des Klassenkampfes in einem neuen Sozialvertrag zu überwinden. Die Sozialisten müssen sich dabei mehr verbiegen, als irgendein Rückgrat es aushält. Die Fünfte Republik ist nicht mehr für immer da.

Wo die Zukunft der Demokratie liegt

Griechenland, Portugal, Italien in der Dauerkrise, und alle sind mit allen verbunden über die Währung, die Märkte, die Banken. Bisher ist vieles aufgeschoben worden in der Hoffnung auf die deutschen Wahlen.

Sie sollen nun, so hofft das übrige Europa, Angela Merkel befähigen, den Wundertäter zu spielen. Eines ist deutlich: Die deutsche Verantwortung umfasst heute längst nicht mehr nur die Rettung des Euro, sondern die Zukunft der Demokratie in großen Teilen Europas.

Introduction

Le modèle allemand, voilà le salut. Une chronique quasi continue nous invite à en imiter les règles. Des « coûts salariaux » en diminution qui favorisent la compétitivité, des finances publiques à l'équilibre, le consensus des partenaires sociaux sur les orientations des directions d'entreprises. Il n'y aurait pas d'autre choix que de se conformer ou de continuer à nous enfoncer dans les difficultés. Et il serait rassurant qu'au niveau européen Angela Merkel impose son « leadership » avec le traité budgétaire, des normes de gouvernance partout « rigoureuses », assorties d'une panoplie de sanctions pour ceux qui ne s'y soumettraient pas et une « aide » aux pays les plus surendettés forcément attribuée avec des contreparties drastiques

Ce modèle là est une imposture. Non seulement il ne soigne pas les pays affectés par la crise de l'euro mais il les empoisonne. Un tournant vient d'être atteint. L'Allemagne, le cœur de référence du modèle, est rattrapée elle-même par la crise. Une stagnation de son économie est programmée au mieux pour 2013 (+ 0,4% de croissance selon les prévisions de la Bundesbank, la banque fédérale allemande). Les réformes anti-sociales lancées au début de la décennie 2000 par le chancelier Gerhard Schröder, poursuivies par Angela Merkel engendrent une précarité massive qui étouffe la demande intérieure. Et l'austérité budgétaire imposée aux partenaires européens contracte les débouchés des firmes à l'export.

Toute une société dangereusement ébranlée par le contrecoup des réformes de structure, orchestrées par le chancelier social-démocrate, Gerhard Schröder au début des années deux mille. Des phénomènes inconnus, il n'y a pas si longtemps encore, prennent une extension considérable. Comme les travailleurs pauvres ou la misère des seniors après le démantèlement partiel du système de retraite par répartition. La discrimination sociale et professionnelle des femmes persiste. La crise démographique s'étend. Les coûts de l'énergie explosent. Et les prix des loyers et de l'immobilier jusqu'alors contenus, commencent eux aussi à s'emballer.

Pourtant c'est sur ce modèle là que l'Europe devrait régler son pas. Les normes ordo-libérales de Berlin sont aussi celles de Bruxelles. Un forcing est engagé pour qu'elles s'imposent toujours davantage à tous les pays de la zone euro. Comme cette « règle d'or » budgétaire française, imitation du « frein à dette » (Schuldenbremse) intégré dans la loi fondamentale germanique ou même comme cette loi dite ANI (Accord National Interprofessionnel) de flexibilisation de l'emploi promulguée par Paris au printemps 2013.

L'Allemagne occidentale avait fondé sa puissance industrielle sur un système rhéno-caractérisé par des productions de qualité mises au point et fabriquées par des salariés hautement qualifiés qui étaient les mieux payés de toute la communauté européenne. Sa force de frappe reste à l'origine des performances allemandes actuelles à l'exportation.

Très inspirée par le patronat germanique, qui a acquis une place de plus en plus prépondérante dans les processus de décision politique outre-Rhin, la mutation du vieux système a traduit un double objectif stratégique.

Il s'est agi d'une part de renforcer une position hégémonique sur le reste de l'Europe pour placer les groupes exportateurs en pôle position sur le champ de l'économie mondialisée. Et on a voulu briser d'autre part les vieilles contraintes internes d'une économie allemande, très peu dépendante jusqu'alors de la bourse, afin d'épouser des critères anglo-saxons privilégiant le rendement financier. Car ceux là étaient considérés comme une sorte de visa vers le grand large.

C'est précisément autour de ce double objectif stratégique que se nouent les contradictions qui éclatent aujourd'hui. L'Allemagne est dominante grâce à sa puissance industrielle mais en même temps ébranlée par le torpillage que Berlin a, lui-même, organisé du système économique et social rhéno à l'origine de... ses performances. Et la volonté d'imposer des mesures de plus en plus sévères et coercitives aux pays de la zone euro accentue la crise de la monnaie unique avec un effet boomerang pour les exportations allemandes.

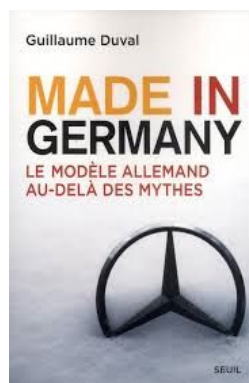
Ces contradictions s'enveniment aujourd'hui. Elles sont à l'origine de la récession de la zone euro. Mais l'obstination à suivre, à la lettre, chez chaque état-membre les dogmes qui ont servi de référence à la mutation du vieux système rhénan, ne porte pas à conséquence seulement sur un plan économique. Elle alimente maintenant une crise qui est aussi sociale, morale et politique.

La multiplication des scandales politico-financiers, en Espagne, en Grèce, ou en Italie, jusqu'à l'épisode français de l'affaire Cahuzac, l'écart qui se creuse entre le monde politique et des classes populaires qui ne se sentent plus entendues, la montée de l'abstention, le succès des populismes et autres nationalismes ou régionalismes, sont en fait l'autre versant du modèle. L'Europe est touchée par des secousses multiformes dont l'origine se situe précisément dans sa soumission à des normes ordo-libérales « sans alternative » comme on le martèle de Berlin à Bruxelles.

L'Allemagne n'échappe pas au malaise général. Et cela n'a rien d'étonnant puisqu'elle est, en fait, à l'épicentre de ces crises. Comme le révèlent les propos de la chancelière quand elle en vient à formuler la nécessité pour la démocratie d'être « Marktkonform » (conforme au marché (1)). Des intellectuels, des syndicalistes, des progressistes se sont aussitôt insurgés outre Rhin, relevant combien ce terme qui visait à justifier la mise sous surveillance des états-membres partenaires, illustre la marche vers une « postdémocratie » réduisant partout les droits de citoyens à cette conformité marchande.

Le modèle, si désiré des messagers de l'orthodoxie économique, est un poison pour l'Europe et pour ... l'Allemagne. Il y a urgence à refonder la construction européenne en y inscrivant en grand les principes de coopération et de solidarité toujours plus malmenés. Des changements radicaux immédiats sont possibles et cruciaux, dans l'intérêt des peuples européens ... avec ces allemands, nombreux, qui ont fait le choix de résister et d'exiger des alternatives.

1) Angela Merkel, le 3.09.2011, dans une interview à la radio publique DeutschlandRadio : « Nous vivons bien dans une démocratie et c'est une démocratie parlementaire et c'est pourquoi le droit de décider du budget est un droit nodal du parlement et tenant compte de cela nous trouverons des chemins, pour faire en sorte que la codécision parlementaire soit aussi conforme au marché » (Wir leben ja in einer Demokratie und das ist eine parlamentarische Demokratie und deshalb ist das Budget Recht ein Kernrecht des Parlaments und insofern werden wir Wege finden, wie die parlamentarische Mitbestimmung so gestaltet wird, dass sie trotzdem auch Marktkonform ist).



Que ne lit-on et n'entend-on pas en France sur le modèle allemand ? On fait en particulier très régulièrement l'éloge de la rigueur budgétaire allemande, et de la capacité de nos voisins à accepter de lourds sacrifices pour restaurer la compétitivité de leur industrie.

Or, explique Guillaume Duval, ce ne sont pas là les véritables raisons des succès actuels de l'économie allemande. Cette réussite est due surtout aux points forts traditionnels du pays : un système de relations sociales très structuré, un monde du travail où le diplôme ne fait pas tout, un pays où l'entreprise n'appartient pas aux actionnaires, une forte spécialisation dans les biens d'équipement et les technologies vertes, une longue tradition de décentralisation qui permet de disposer partout d'un capital financier, culturel, social, humain suffisant pour innover et entreprendre, etc. Au cours de la dernière décennie, le boom des pays émergents a permis à l'industrie allemande de profiter pleinement de ces atouts.

Au contraire, **la profonde remise en cause de l'État social, menée au début des années 2000 par le chancelier social-démocrate Gerhard Schröder**, a probablement **fragilisé le modèle allemand** : le développement spectaculaire de la pauvreté et des inégalités menace son avenir.

On l'aura compris, ce qu'il faudrait copier ce sont plutôt les caractéristiques traditionnelles du modèle allemand que les réformes récentes qui y ont été apportées. Il n'est cependant jamais aisé de transposer les éléments d'un modèle national lié à une histoire particulière. Une meilleure compréhension de la société et de l'économie allemandes par les Français est en revanche indispensable pour réussir à imaginer ensemble un avenir pour l'Europe.

- 4e de couverture -

VIDEO Interview avec l'auteur: [Les élections allemandes vues de France](#) ARTE, September 12

"Qu'attendent les Européens de l'Allemagne après les élections ? Première réponse, celle de Guillaume Duval, rédacteur en chef du mensuel Alternatives Economiques. Son point de vue est plein de bon sens : "ce que pourraient faire les Allemands de plus utile pour aider l'Europe à sortir de la crise, c'est de se faire plaisir à eux-mêmes".

October 5, 2013

86,7

As Germans Push Austerity, Greeks Press Nazi-Era Claims

By [SUZANNE DALEY](#)

AMIRAS, Greece — As they moved through the isolated villages in this region in 1943, systematically killing men in a reprisal for an attack on a small outpost, German soldiers dragged Giannis Syngelakis's father from his home here and shot him in the head. Within two days, more than 400 men were dead and the women left behind struggled with the monstrous task of burying so many corpses.

Mr. Syngelakis, who was 7 then, still wants payback. And in pursuing a demand for reparations from Germany, he reflects a growing movement here, fueled not just by historical grievances but also by deep resentment among his countrymen over Germany's current power to dictate budget austerity to the fiscally crippled Greek government.

Germany may be Greece's stern banker now, say those who are seeking reparations, but before it goes too far down that road, it should pay off its own debts to Greece.

"Maybe some of us have not paid our taxes," Mr. Syngelakis said, standing beside the olive tree where his father died 70 years ago. "But that is nothing compared to what they did."

It is not just aging victims of the Nazi occupation who are demanding a full accounting. Prime Minister Antonis Samaras's government has compiled an 80-page report on reparations and a huge, never-repaid loan the nation was forced to make under Nazi occupation from 1941 to 1945.

Mr. Samaras has sent the report to Greece's Legal Council of State, the agency that would build a legal case or handle settlement negotiations. But whether the government will press the issue with Germany remains unclear.

Some political analysts are doubtful that Athens will be willing to take on the Germans, who have provided more to the country's bailout package than any other European nation.

Others, however, believe that the claims — particularly over the forced loan — could be an important bargaining chip in the months ahead as Greece and its creditors are expected to discuss ways to ease its enormous debt burden. Few here think it was an accident that details of the report were leaked to the Greek newspaper Real News on Sept. 22, the day that Germans went to the polls [to hand a victory](#) to Germany's tough-talking chancellor, Angela Merkel.

"I can see a situation where it is politically difficult for the Germans to ease the terms for us," said one high-ranking Greek official, who did not want his name used because he was not authorized to speak on the issue. "So instead, they agree to pay back the occupation loan. Maybe it is easier to sell that to the German public."

So far, the Germans have given little indication that they are so inclined. [During his latest visit to Athens](#) in July, Germany's finance minister, Wolfgang Schäuble, said, "We must examine exactly what happened in Greece." But he insisted that Greece had waived its rights on the issue long ago.

The call for reparations has elicited an emotional outpouring in Greece, where six years of brutal recession and harsh austerity measures have left many Greeks hostile toward Germany. Rarely does a week go by without another report in the news about, as one newspaper put it in a headline, "What Germany Owes Us."

The main opposition party, [Syriza](#), has seized on the issue as well, with its leader, Alexis Tsipras, barnstorming across the country promising action to enthusiastic applause.

Estimates of how much money is at stake vary wildly. The government report does not cite a total. The figure most often discussed is \$220 billion, an estimate for infrastructure damage alone put forward by Manolis Glezos, a member of Parliament and a former resistance fighter who is pressing for reparations. That amount equals about half the country's debt.

Some members of the National Council on Reparations, an advocacy group, are calling for more than \$677 billion to cover stolen artifacts, damage to the economy and to the infrastructure, as well as the bank loan and individual claims.

Even the figure for the bank loan is in dispute. The loan was made in Greek drachmas at a time of hyperinflation 70 years ago. Translating that into today's currency is difficult, and the question of how much interest should be assessed is subject to debate. One conservative estimate by a former finance minister puts the debt from the loan at only \$24 billion.

It is not hard to see why the issue is so attractive to many Greeks. It offers, if nothing else, a chance to take Germany down a peg. The last six years have hit Greek pride hard. Some here feel that the country's officials are merely puppets these days, imposing whatever solutions the country's creditors — the International Monetary Fund, the European Union and the European Central Bank — come up with.

Experts say that the German occupation of Greece was brutal. Germany requisitioned food from Greece even as Greeks went hungry. By the end of the war, about 300,000 had starved to death. Greece also had an active resistance movement, which prompted frequent and horrific reprisals like the one that occurred here in Amiras, a small village in Crete. Some historians believe that 1,500 villages were singled out for such reprisals.

After the war, experts say, Greece got little in reparations. But few countries did. The Allies concentrated on rebuilding Germany, not wanting to once again impose crushing reparations bills as they did after World War I, an important factor, they believed, in bringing about World War II. Some German property was divvied up, but many claims were simply put off until East and West Germany might be reunited.

When that moment arrived, the world's landscape had changed significantly. By then, the European Union was in place, Germany was contributing more to the bloc's budget than it was getting back, and, some experts say, the books were closed. (Germany has paid huge reparations to Israel in the name of the Jewish people at large, and the German government, German companies and a number of other institutions established a multibillion-dollar fund to compensate those forced to perform labor during Nazi internment.)

Yet some groups in Greece have long felt that Germany still owes victims like Mr. Syngelakis. And others, now looking back, believe that Germany was let off the hook back then and should be more generous now in Greece's hour of need.

A few individual cases have made their way through the Greek courts, including one representing the victims of [a massacre in Distomo in 1944](#). Germans rampaged through the village gutting pregnant women, bayoneting babies and setting homes on fire, witnesses have said. Lawyers for Distomo won a judgment of \$38 million in Greece. But the Greek government has never given permission to lay claim to German property in Greece as a way of collecting on the debt.

Christina Stamoulis, whose father was a lawyer on that case, said that many older people in Greece had only recently started talking about what happened in the war, in some cases because older Germans had arrived in their villages with their grandchildren wanting forgiveness.

“O.K., apologize,” Ms. Stamoulis said. “But we are expecting actions, too.”

Experts say that Germany is highly unlikely to want to revisit issues of reparations with Greece, since other countries would be likely to make similar claims. But some believe that Greece might have a shot at getting repayment on the bank loan.

“What is unusual about that loan is that there is a written agreement,” said Katerina Kralova, the author of “In the Shadow of Occupation: The Greek-German Relations During the Period 1940-2010.” “In other countries, the Germans just took the money.”

Asked about the 80-page report, officials of the Greek Foreign Ministry said that Greece had no intention of minging war claims with the current financial situation. But, they said, its reparations claims are still valid. “The issue has been brought forward repeatedly, as per the international laws, both on a political and on a

diplomatic level, on a bilateral basis, in a direct and utterly documented way, among partners, friends and allies,” said one official, who declined to be named as is common practice here.

For those who survived the Amiras massacre, a crushing poverty set in. Mr. Syngelakis said his mother sometimes scrounged for edible weeds to feed her children. He did not have shoes until he was a teenager.

“Back then, they destroyed us with guns,” Mr. Syngelakis said, the anger still clear. “Today, they do it financially.”

Dimitris Bounias contributed reporting.

October 4, 2013

Dealing a Blow to Berlusconi, an Italian Senate Panel Recommends His Expulsion

By *JIM YARDLEY* and *GAIA PIANIGIANI*

86,10

ROME — A special panel of the Italian Senate on Friday voted to strip Silvio Berlusconi of his current seat, a humiliating blow for a man who has dominated Italy for the past two decades but whose political career is now very much in jeopardy.

The expulsion vote against Mr. Berlusconi, based on his [recent tax fraud conviction](#), was his second setback of the week, after [his failed attempt](#) to bring down the country's fragile coalition government. The full Senate will probably decide by the end of the month whether to expel Mr. Berlusconi, though a vote against him is now considered very likely.

Mr. Berlusconi, 77, a former prime minister and billionaire media mogul, who once wielded power with a swagger, had fought for weeks to prevent the expulsion vote. Many analysts say his effort to topple the government was partly intended to interrupt or delay the proceedings against him in the Senate. But a mutiny of his center-right supporters forced him to make a public reversal and support the government in a parliamentary confidence vote.

"It's a loss on all fronts for a man who is at the end of his career," said Stefano Folli, a political commentator for the daily newspaper *Il Sole 24 Ore*. "Now his twilight will be swifter. This clearly has a highly political and symbolic value."

Mr. Berlusconi, who has spent most of the past two months out of the public eye, must now prepare to begin serving a one-year sentence on Oct. 15, most likely under house arrest, for the tax fraud conviction. He is also awaiting a ruling from a court in Milan, which will decide how many years he will be barred from seeking public office, based on the same conviction.

His legal troubles have shaken the center-right political movement he has led for the past two decades. Analysts say Mr. Berlusconi, if often controversial, has nonetheless been the undisputed central figure who has shaped his party. But with his career in trouble, several longtime protégés and followers abandoned him before the confidence vote and even spoke of splitting his People of Freedom party.

His loyalists have fought fiercely to derail the expulsion proceedings, arguing that the move is unconstitutional. Lucio Malan, a senator with Mr. Berlusconi's party and a member of the special panel, described Friday's vote as "very grave" and promised that the center-right would make its arguments before the full Senate.

But members of the center-left Democratic Party, the longtime opponents of Mr. Berlusconi, framed Friday's vote as an example of rule of law.

"This is an instrument that protects Parliament and prevents people convicted for serious crimes from sitting in Parliament," Felice Casson, a Democratic Party senator, said during an interview on Italian television. "In my opinion, we decided in a serene way, and we applied the law."

For his part, Mr. Berlusconi has seemed erratic in recent weeks. Party insiders say he fears that Italy's magistrates, long his adversaries, will now have the leeway to bring a fusillade of new investigations against him and could even put him in jail. As a senator, Mr. Berlusconi enjoys certain immunities from prosecution or detention.

As yet, public attitudes are difficult to gauge. Pro-Berlusconi posters began appearing in Rome on Friday as the Senate panel deliberated. Yet a recent survey showed that his People of Freedom party, recently leading in national polls, has since slipped to second place, behind the Democratic Party.

"This week has marked the almost complete decline for Mr. Berlusconi," Mr. Folli said.

Schuldenkrise: Griechische Schulden auf der langen Bank

07.10.2013 · Die neue Bundesregierung steht vor einem Dilemma: Stellt sie die Vereinbarungen mit dem Internationalen Währungsfonds infrage oder stimmt sie einem abermaligen Schuldenschnitt für Griechenland zu? Eine Analyse.

Von WERNER MUSSLER, BRÜSSEL

86,11



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Es kann nicht sein, was nicht sein darf: Griechenland und seine Finanzen

Das vor einem knappen Jahr beschlossene dritte Hilfsprogramm für Griechenland war eine schwere Geburt. Der Eurogruppe gelang es im Herbst 2012 nur unter erheblichen Verrenkungen, die griechische Staatsschuld noch einmal tragfähig zu rechnen - also festzustellen, dass das Land seinen aktuellen und künftigen Schuldendienst zu leisten in der Lage sei. Dass sich die Minister mit der Schuldentragfähigkeit überhaupt abgaben, lag am Internationalen Währungsfonds (IWF). Er hätte sich ohne saubere Definition der Schuldentragfähigkeit an neuer Griechenland-Hilfe wohl gar nicht mehr beteiligt.

Mit dem am Ende gefundenen Kompromiss konnte der Fonds gerade noch leben. Bis 2020 soll die griechische Staatsschuld auf 124 Prozent des Bruttoinlandsprodukts (BIP) sinken, bis 2022 auf „deutlich unter“ 110 Prozent. Diese Formel warf schon damals Fragen auf: Sind die Zielgrößen geeignet, die Schuldentragfähigkeit sicherzustellen? Und sind sie, angesichts einer Staatsschuld von derzeit etwa 170 Prozent, realistisch? Die indirekte Antwort fand sich im Kleingedruckten. Die Eurostaaten verpflichteten sich, von 2015 an allein dafür zu sorgen, dass die Ziele eingehalten werden. Damit übernahmen sie die Verantwortung für sämtliche Löcher, die künftig in Griechenland zu stopfen sind.

Schuldenschnitt eigentlich unumgänglich

Inzwischen zeichnet sich ab, was das bedeutet. Zunächst benötigt Griechenland ein neues Programm zur Schließung der aktuellen Finanzierungslücke, die sich insgesamt auf etwas mehr als 10 Milliarden Euro beläuft. IWF-Ökonomen haben ferner unmissverständlich klargemacht, dass das nicht ausreicht. Nach 2014 sind weitere Schuldenerleichterungen über 4 und 3,5 Prozent des BIP nötig. Nach jetzigem Stand wären das noch einmal 12 Milliarden Euro. Nach diesen Zahlen wäre zur Herstellung der Schuldentragfähigkeit ein klassischer Schuldenschnitt unumgänglich.

Dieser wäre bitterer als der erste, weil er unmittelbar die öffentlichen Haushalte belasten würde. Die Mär, dass Athen seine Kredite ja mit guten Zinsen zurückzahlen werde und das Kreditprogramm also ein gutes Geschäft etwa für Deutschland sei, wäre endgültig widerlegt. Deshalb will der Bundesfinanzminister einen solchen Schuldenschnitt um jeden Preis vermeiden. Auch in der Eurogruppe wird er unverdrossen ausgeschlossen.

Warum soll er nicht kommen? Wolfgang Schäubles Antwort lautet: Weil nicht sein kann, was nicht sein darf. Der Chef des Eurokrisenfonds ESM, Klaus Regling, hat kürzlich eine findigere Antwort gegeben. Die vor einem Jahr verabredeten Ziele für den Abbau der griechischen Staatsschuld seien „bedeutungslos“, sagt Regling. Deren Tragfähigkeit bemesse sich nicht nur an bestimmten Schuldenquoten, sondern auch an den Kreditkonditionen. Und diese habe die Eurogruppe ja schon so stark abgemildert, dass schon jetzt eine Art

Schuldennachlass stattfinde. In der Tat: Die Laufzeit der griechischen Kredite wurde verlängert, sie beträgt jetzt durchschnittlich 30 Jahre, die Zinsen liegen weit unter den marktüblichen Zinsen bei etwa drei Prozent. Für Regling bedeutet das: Wer so günstige Kreditkonditionen hat, dessen Staatsschuld ist schon per Definition tragfähig.

Die Argumentation des ESM-Chefs ist in sich schlüssig: Der Schuldennachlass ist schon in vollem Gang - dass das für die Steuerzahler weniger transparent ist als bei einem „klassischen“ Schuldenschnitt, stört von den Akteuren bestimmt niemanden. Und ja: Die Staatsschuld ist (unter sonst gleichen Bedingungen) desto tragfähiger, je niedriger die Zinsen und je länger die Laufzeit. Daraus zu schließen, dass die Zielsetzungen des vergangenen Herbsts „bedeutungslos“ seien, ist dennoch anmaßend.

Denn erstens lenkt Regling davon ab, dass die jetzige Staatsschuld auf alle Fälle zu hoch und ein mit eindeutigen Zahlen versehenes Ziel zu ihrem Abbau noch immer der beste Weg ist, um mit der Konsolidierung voranzukommen. Zweitens kommt sein Versuch einer Neudefinition von Schuldentragfähigkeit nur dem Wunsch der politischen Gläubiger entgegen, das Drama der griechischen Überschuldung zu verschleiern und eine Lösung weit in die Zukunft zu schieben. Drittens empfiehlt der ESM-Chef den Eurostaaten implizit, sich an die Vereinbarung mit dem IWF nicht gebunden zu fühlen. Das ist eine unverhohlene Aufforderung zum Vertragsbruch. Freilich ist es auch nur konsequent: Wenn die Eurostaaten sich ihre eigene Definition von Schuldentragfähigkeit zurechtbasteln, wird der Fonds mittelfristig ohnehin aussteigen.

Reglings Erwägungen bringen jede neue Bundesregierung in ein Dilemma. Sie wird sich entscheiden müssen, welchen Teil des bisherigen Berliner Dogmas sie aufgeben will. Lässt sie den Währungsfonds ziehen, verliert sie einen Verbündeten in ihren Bemühungen, die Krisenstaaten zu dauerhaftem Sparen anzuhalten. Stimmt sie einem Schuldenschnitt trotz anderslautender Wahlkampfversprechen der größten Koalitionspartei nun doch zu, erleidet sie einen dauerhaften Glaubwürdigkeitsverlust und muss den Steuerzahlern die immensen Kosten erklären. Vielleicht lässt sich dieser Offenbarungseid auf dem von Regling aufgezeigten Weg noch eine Weile verzögern. Verhindern lässt er sich kaum.

AufnahmestoppAfD streitet über Rechtspopulisten

07.10.2013 · AfD-Bundessprecher Bernd Lucke hat einen Aufnahmestopp für ehemalige Mitglieder der rechtspopulistischen Partei „Die Freiheit“ verkündet. Seine Vorstandskollegin aus Sachsen, Frauke Petry, und weitere ostdeutsche Landesverbände widersprechen ihm.

Von PETER SCHILDER, DRESDEN

86,14

In der eurokritischen Partei „Alternative für Deutschland“ (AfD) ist ein Streit über die Aufnahme ehemaliger Mitglieder der rechtspopulistischen Partei „Die Freiheit“ ausgebrochen. Nachdem der AfD-Bundessprecher Bernd Lucke am vergangenen Dienstag einen Aufnahmestopp für ehemalige Mitglieder von „Die Freiheit“ verkündet hatte, widersprachen mehrere AfD-Landesverbände in Ostdeutschland dieser Vorgabe.

„Wir werden ehemalige Mitglieder der ‚Freiheit‘ nicht generell als rechtspopulistisch abqualifizieren“, sagte die sächsische **AfD-Sprecherin Frauke Petry**, die auch Mitglied des Bundesvorstands ist, der Zeitschrift „Der Spiegel“. Ein pauschaler Aufnahmestopp könne nicht ohne parteiinterne Diskussion verhängt werden, so Petry. In deren Landesverband waren etwa zehn Personen früher Mitglieder von „Die Freiheit“. Der Brandenburger AfD-Vorstand Alexander Gauland und der thüringische Sprecher Matthias Wohlfarth kündigten an, dass ihre Landesverbände die Aufnahmeanträge von ehemaligen „Freiheit“-Mitgliedern weiter prüfen würden. Das Programm von „Die Freiheit“ stimme „in vielen Punkten mit dem der AfD überein“, sagte Wohlfarth. Beim Thema Islamkritik dürfe es „keine Denkverbote“ geben.

Auch der Vorsitzende der Partei „Die Freiheit“, René Stadtkewitz, hatte auf die inhaltlichen Übereinstimmungen mit der AfD hingewiesen. Vor dem Hintergrund des Erfolgs der AfD in der Bundestagswahl hatte er angekündigt, seine Partei werde ihre Arbeit auf Bundes- und Landesebene einstellen. Die Mitglieder sollten stattdessen die AfD „nach Kräften“ unterstützen.

AfD-Sprecher Lucke hatte daraufhin zur Vorsicht und Zurückhaltung gemahnt und ausführliche Aufnahmegespräche mit ehemaligen „Freiheit“-Mitgliedern gefordert.

Umstritten ist vor allem die Haltung der Partei „Die Freiheit“ gegenüber dem Islam. In ihrem Grundsatzprogramm fordert die Partei einen generellen Einwanderungsstopp nach Deutschland, die Übernahme sämtlicher „Kosten der Integration“ durch die jeweiligen Einwanderer sowie eine Verschärfung des Aufenthaltsrechts. Den Islam bezeichnet die Partei „vor allem“ als „politische Ideologie“. Ihr schwebt vor, alle islamischen Vereine in Deutschland auf ihre Verfassungstreue überprüfen zu lassen. Der Bau von Moscheen in Deutschland behindere die Integration von Einwanderern, weil er zur „Festigung von Parallelgesellschaften“ führe. „Wir setzen uns mit aller Kraft gegen eine Islamisierung unseres Landes ein“, heißt es im Grundsatzprogramm.

In Sachsen ist die AfD unterdessen dabei, ihre Parteistrukturen zu stabilisieren, was für die Teilnahme an der Landtagswahl im kommenden Jahr wichtig ist. Am Sonntag wurde in der Sächsischen Schweiz der erste Kreisverband gegründet.

<http://www.faz.net/aktuell/politik/europaeische-union/unglueck-vor-lampedusa-bundesregierung-lehnt-aufnahme-von-mehr-fluechtligen-ab-12607289.html>

Unglück vor Lampedusa

Bundesregierung lehnt Aufnahme von mehr Flüchtlingen ab

07.10.2013 · Die Bundesregierung lehnt nach der Bootskatastrophe vor Lampedusa Forderungen ab, mehr Flüchtlinge aufzunehmen, um Italien zu entlasten. Deutschland biete bereits so vielen Menschen Zuflucht, wie es angemessen sei, erklärt Regierungssprecher Seibert. 86,15



© AP/Flüchtlinge auf Lampedusa warten auf den Transport nach Sizilien

Die Bundesregierung lehnt nach der Bootskatastrophe vor Lampedusa Forderungen ab, zur Entlastung Italiens mehr Flüchtlinge aufzunehmen. Regierungssprecher Steffen Seibert betonte am Montag in Berlin, Deutschland leiste bei der Aufnahme von Flüchtlingen das, was seiner Größe und Bevölkerungszahl in Europa entspreche. Bei Betrachtung der Zahlen werde deutlich, dass Deutschland jedes Jahr eine große Zahl von Asylanträgen habe und diese Zahl wachse.

Seibert sagte weiter, die Flüchtlingskatastrophe vor der italienischen Küste habe große Bestürzung ausgelöst. Die Bundesregierung bedauere zutiefst den Tod so vieler Menschen im Meer vor Lampedusa. Der Schlüssel dafür, dass sich solche Katastrophen nicht wiederholen, liege aber langfristig in den Herkunftsländern der Flüchtlinge, betonte der Sprecher der Bundesregierung. Dort müsse es zu besseren Lebensbedingungen kommen. Deutschland engagiere sich dafür im EU-Kontext als auch bilateral.

EU-Parlamentspräsident Schulz fordert: Deutschland soll mehr Flüchtlinge aufnehmen

Ein Sprecher des Bundesinnenministeriums ergänzte, dass etwa Italien im vergangenen Jahr 15.000 Asylbewerber aufgenommen habe, während es in Deutschland 65.000 gewesen seien. An diesen Zahlen werde deutlich, dass der Ruf nach einer gerechteren Verteilung der Flüchtlinge aus den Zahlen so nicht ersichtlich werde, sagte der Ministeriumssprecher.

Schulz: Italien nicht mit Flüchtlingsstrom alleinlassen

EU-Parlamentspräsident Martin Schulz hatte die Bundesregierung zuvor zur Aufnahme zusätzlicher Flüchtlinge aufgefordert. „Es ist eine Schande, dass die EU Italien mit dem Flüchtlingsstrom aus Afrika so lange allein gelassen hat“, sagte er der „Bild“-Zeitung. Die Flüchtlinge müssten in Zukunft gerechter auf die EU-Mitgliedsstaaten verteilt werden. „Das heißt auch, dass Deutschland zusätzliche Menschen aufnehmen muss“, verlangte Schulz.

Auch EU-Energiekommissar Günther Oettinger plädierte für eine Überprüfung der europäischen Flüchtlingspolitik. Es stelle sich die Frage, ob es einen Mechanismus zur Verteilung von Flüchtlingen innerhalb der EU brauche, sagte der CDU-Politiker in Berlin. Bisher muss sich das Land um die Flüchtlinge kümmern, über das sie in die EU einreisen.

EU-Kommissionspräsident Jose Manuel Barroso will nach Angaben der Kommission am Mittwoch nach Lampedusa reisen, um die „Unterstützung und Solidarität Europas zu demonstrieren“.

Am Tag darauf stimmt das Europäische Parlament über das Grenzüberwachungssystem Eurosur ab, das im Dezember starten soll. Eurosur soll die Kommunikation zwischen den EU-Staaten verbessern und so helfen, illegale Einwanderung zu erkennen und zu vermeiden sowie die grenzüberschreitende Kriminalität zu bekämpfen. Europa-Abgeordnete hatten sich dafür starkgemacht, auch die Rettung von Flüchtlingen in Gefahr zur Aufgabe von Eurosur zu machen.

Am Donnerstag war ein Boot mit 500 Flüchtlingen aus Eritrea und Somalia vor Lampedusa gesunken. Nach Behördenangaben wurden bislang 194 Menschen tot geborgen. Es wird befürchtet, dass mehr als 300 Flüchtlinge ums Leben kamen.

Wie italienische Medien am Montagmorgen berichteten, gehen Taucher der Küstenwache von Dutzenden weiteren Leichen im Rumpf des Schiffes aus, das in 50 Metern Tiefe auf dem Meeresgrund liegt.

Brignoles : «Un scénario très inquiétant se dessine pour le PS»

86,17

INTERVIEW - Pour le directeur général adjoint de l'Ifop, Frédéric Dabi, les signaux sont mauvais pour la gauche, après sa défaite dimanche à Brignoles, en vue des municipales de mars.PUBLICITÉ

LE FIGARO - La série noire continue pour la gauche, qui a perdu dimanche à Brignoles sa dixième élection partielle sur dix depuis son arrivée au pouvoir en mai 2012. À six mois de municipales, le PS semble en mauvaise posture...

Frédéric DABI - Il faut être prudent sur les élections partielles car elles représentent des situations spécifiques, qui se tiennent en-dehors de scrutins nationaux. Elles ne permettent donc pas en général de prédire les comportements électoraux à venir. Toutefois, partielle après partielle, un scénario très inquiétant se dessine pour le **Parti socialiste**, avec des éléments potentiellement dangereux en vue des **municipales** de mars. On constate ainsi l'élimination systématique de la gauche, qui est pourtant le parti au pouvoir. On note aussi la percée du **FN**, qui est même parvenu à arriver en tête dimanche, **à Brignoles**. Une place qui lui procure une vraie dynamique en vue du second tour dimanche prochain. Enfin, on observe à chaque fois une droitisation de l'électorat. Autant de ferments qui mettent le PS en difficulté, mais qui montrent également l'incapacité de l'UMP à profiter pleinement de l'impopularité de l'exécutif, même si elle a gagné toutes les partielles.

Comment expliquez-vous cette poussée du FN?

C'est autant la dédramatisation engagée par **Marine Le Pen**, que l'utilisation du slogan «UMPS» qui sont à l'œuvre. Les Français sont en train de se dire que la droite au pouvoir n'a pas réussi, tout comme le PS n'y arrive pas non plus aujourd'hui. L'impuissance de ces deux partis constitue un vrai vivier d'électeurs pour le Front national. On a observé ce mouvement en juin à Villeneuve-sur-Lot - une terre de gauche qui a vu le candidat PS éliminé dès le premier tour de la législative partielle au profit de l'UMP et du FN - et dimanche à Brignoles. Le candidat FN y a largement devancé l'UMP, alors que **Nicolas Sarkozy** avait recueilli 58% au second tour de la présidentielle de 2012.

Qu'est-ce que cette situation laisse présager pour les prochaines élections?

On devrait davantage observer cette dynamique FN lors des européennes de mai, que des municipales de mars, qui sont des élections locales par excellence. Or, le parti de Marine Le Pen est peu implanté localement. Il devrait donc davantage essayer de gagner des postes de conseillers que de maires, même si des villes sont prenables. Par ailleurs, le vote «antiparti de gouvernement» fonctionne mieux lors des élections européennes, dont la nature du scrutin est plutôt «défouloir».

La hausse du FN est-elle inéluctable?

C'est en tout cas un mouvement qu'on observe à travers les enquêtes d'opinion qu'on réalise. Si l'«UMPS» était jusque-là un slogan, ça devient une sorte de vision de la société française avec deux partis qui ont échoué et lais

Baptême du feu pour la **réforme des retraites**. Le projet de loi du gouvernement est examiné à partir de ce lundi par l'Assemblée nationale. D'ores et déjà, il est acquis que les députés ne seront pas autorisés à toucher aux mesures phares du texte: hausse dès 2014 des cotisations retraite salarié et employeur - cette dernière étant compensée par une baisse de la cotisation famille -, gel des pensions pendant six mois, allongement de la durée de cotisation après 2020 et prise en compte de la pénibilité...

La ministre des Affaires sociales, **Marisol Touraine**, a prévenu qu'elle veillera à ce que l'équilibre du texte, qui doit engranger 7 milliards de ressources nouvelles par an en 2020, sur un besoin de financement de plus de 20 milliards, soit respecté. Tout juste acceptera-t-elle des modifications à la marge, qui n'alourdiront pas la facture à court terme.

Malgré cette première réforme réalisée par un exécutif socialiste, la France restera une exception européenne en matière de retraites. Un particularisme hexagonal symbolisé par un âge légal de départ fixé à 62 ans, quand nombre de nos voisins ont déjà repoussé cette borne en prévision du vieillissement de la population. «Dans l'ensemble, les pays développés s'avancent vers un âge de la retraite de 67 ans», observe Monika Queissler, experte des retraites à l'OCDE. Dernières en date, la Grèce et l'Espagne, poussées par la crise économique historique qu'elles traversent, se sont alignées sur ce nouveau standard.

Six ans de plus à la retraite

La France, elle, a fait le choix inverse en refusant de reculer - comme en 2010 sous Nicolas Sarkozy - tant la borne des 62 ans pour prétendre à une retraite à taux plein que celle de 67 ans pour pouvoir bénéficier d'une retraite sans décote. «La borne de 62 ans définit la norme auprès du grand public et détermine la façon dont les gens se projettent, analyse Monika Queissler. Rien que le passage de 60 à 62 ans en France, lors de la **réforme Woerth** de 2010, a contribué à changer les mentalités.»

Conséquence, les Français partent en moyenne plus tôt à la retraite que dans les autres pays développés: à 58,7 ans pour les hommes et à 59,5 ans pour les femmes, contre respectivement 63,5 et 62,3 ans dans les pays de l'OCDE. Ils passent aussi six ans de plus à la retraite (28 ans pour les femmes et 24 pour les hommes).

Toutefois, discrètement et à un rythme bien plus lent que la plupart des autres États, la France repousse bien l'âge réel (effectif) de départ à la retraite. Le gouvernement ne le dit pas à Paris, pour ne pas braquer l'opinion de gauche et donner l'illusion de respecter les engagements de campagne du candidat Hollande, mais l'affiche à Bruxelles. Si la nouvelle réforme ne touche pas à la borne des 62 ans, «l'âge effectif de départ à la retraite (...) devrait mécaniquement augmenter avec l'allongement de la durée de cotisation» de 41,5 à 43 ans d'ici à 2035, argumente l'exécutif dans la «Stratégie économique de la France», document envoyé à la Commission européenne en début de semaine dernière. Résultat, «à terme, un assuré qui débute sa carrière à 23 ans (c'est la moyenne en France) ne pourra partir à la retraite à taux plein qu'à partir de 66 ans», chiffre même le rapport.

«Nous faisons de la durée de cotisation la variable principale de notre système de retraite, conceptualise pour sa part Marisol Touraine. Elle sera modulée en fonction des parcours professionnels ou de la formation initiale.»

En d'autres mots, le **gouvernement Ayrault** allonge d'une main la durée de cotisation pour le salarié lambda, mais il crée de l'autre de nouvelles exceptions pour permettre à certains de partir plus tôt. Les salariés qui ont connu des conditions de travail pénibles pourront ainsi partir à la retraite dès 59 ans. À terme, près de la moitié des salariés pourront ainsi prétendre, en fonction des différents dispositifs dérogatoires existants, partir avant l'âge légal affiché. Là encore, une vraie différence avec les pays étrangers...

October 7, 2013

Greek Ex-Minister Is Convicted in Bribery Case

By *NIKI KITSANTONIS*

86,19

ATHENS — In a landmark verdict on Monday, a former Greek defense minister and co-founder of the country's once-mighty Socialist Party, Akis Tsochatzopoulos, was found guilty of setting up a complex money-laundering network to cover the trail of millions of dollars in bribes he is said to have pocketed from government weapons purchases.

After a five-month trial - the highest-profile against a Greek politician in more than two decades - judges convicted Mr. Tsochatzopoulos, 74, along with 16 other people, including his wife, daughter and several business partners. All were found to have colluded with the former minister to launder the bribe money using a network of offshore companies and property purchases. Sentencing was expected later in the day or on Tuesday, according to court sources.

Regardless of the sentencing decision on the money laundering charges, Mr. Tsochatzopoulos will not escape prison. He was sentenced in March to eight years in prison for concealing assets from the authorities, chiefly for failing to report the purchase of a house near the Acropolis, one of several properties connected to the money laundering scheme.

Mr. Tsochatzopoulos, who has been in custody at the capital's Korydallos Prison since his arrest in April 2012, accused the authorities of political persecution and state violence during the trial, which was marked by high drama and vicious exchanges between him and his former associates.

He is the most senior government official to stand trial since 1991, when former Prime Minister Andreas Papandreou was acquitted on charges of accepting bribes in return for forcing state companies to prop up a troubled private bank.

In a telephone interview after the verdict, Mr. Tsochatzopoulos's lawyer, Leonidas Kotsalis, said he had "strong reservations about the legal substantiation" of claims that his client accepted bribes. "We will appeal the verdict, absolutely," he said.

The court heard that Mr. Tsochatzopoulos pocketed at least 55 million euros, or nearly \$75 million, in bribes while he was defense minister from 1996 to 2001 when he signed two major deals worth an estimated 3 billion euros, roughly \$4 billion, for the purchase of a Russian missile defense system and German submarines.

Mr. Tsochatzopoulos had repeatedly called for members of a political and defense council that co-signed those contracts — including two former prime ministers, Costas Simitis and George A. Papandreou — to testify at his trial. But the request was rejected by judges who said the bribery allegations, not the arms deals, were under scrutiny.

The conviction on Monday was unusual in a country where top-ranking state officials are rarely prosecuted. But over the past year, the government of Prime Minister Antonis Samaras has intensified a crackdown on corruption among the political elite, blamed by most Greeks for a dysfunctional state system that created the country's huge debt problem and led Greece to dependence on foreign rescue loans.

In February, Vassilis Papageorgopoulos, the former mayor of Salonika, the country's second city, was sentenced to life in prison for embezzling at least 18 million euros, about \$24.5 million, from city coffers.

Lampedusa Tragedy

Deaths Prompt Calls to Amend Asylum Rules

By Walter Mayr and Maximilian Popp

After over 180 African refugees died when their boat sank off the Italian island of Lampedusa last week, Europe is debating its asylum policy with renewed vigor. Politicians are calling for the EU to distribute the burden more fairly.

She was already lying on the jetty on Lampedusa, seemingly lifeless among dozens of corpses. But then someone noticed she was still breathing. Instead of being placed in a zinc coffin like so many others, she was quickly airlifted by helicopter to a hospital in Palermo.

It is still unclear whether the unidentified woman from Eritrea, who is about 20, can be saved. If she is, she will be one of about 150 survivors of a tragedy that unfolded at approximately 4 a.m. last Thursday near Isola dei Conigli, or Rabbit Island, off the coast of Lampedusa when a ship that had sailed from the Libyan city of Misrata with about 500 [refugees](#) on board caught fire and sank. At least 181 lost their lives within sight of [Italy](#), which they viewed as a promised land. More than 100 are still believed missing, as divers and the Italian coast guard battle high seas and strong winds in their recovery efforts.

In tourism brochures, the tiny Mediterranean island, an EU outpost off the coast of Tunisia, highlights its "snow-white beaches, unspoiled nature and the crystal-clear sea filled with life." But its advertising campaigns are aimed primarily at visitors who arrive at the island's airport, spend a few days relaxing on the beach and then return home.

But since Lampedusa is easier to reach from [Africa](#) than the rest of Europe, refugees have become stranded -- or have drowned -- in the waters off the island for years. Even during last week's disastrous night, another boat landed on the island, this one carrying 463 mostly Syrian refugees. The human traffickers often destroy their ships' engines before reaching the coast. This makes them incapable of maneuvering the vessels, so that they are officially considered in distress and must be towed into port.

Authorities are questioning a 35-year-old Tunisian, who was arrested as the ship's presumed captain, over what actually happened on board on Thursday morning, why a fire broke out and why the ship sank. The man had landed illegally on Lampedusa once before, on April 11 of this year, but was then sent back to Tunisia.

Calls to Reform the Dublin Regulation

Even before all the bodies had been recovered from the ship's hull late last week, mourners, admonishers and agitators were making their voices heard. Italian Interior Minister and Deputy Prime Minister Angelino Alfano, who helped draft an Italian-Libyan treaty allowing for patrols and measures to repatriate refugees at sea, began expressing his demands while visiting Lampedusa.

Standing among the bodies of refugees, Alfano said he hoped that "divine providence has led to this tragedy so that Europe will open its eyes." He also called for urgent changes to the Dublin Regulation. According to Alfano, the convention demands "much too much" from those Mediterranean countries where refugees first set foot on European soil.

Martin Schulz, president of the [European Parliament](#), is also calling for a wider distribution of the burden, and characterized the refugee issue as a "problem for all EU member states." Schulz argued that Italy should not be left alone with the task of coping with the massive influx of people from Africa and Asia.

The undiminished rush on the old continent is "not a question that has to be discussed by committees in Brussels. It is a question of solidarity within the Member States of the EU," Schulz wrote in a press release published Thursday. He also characterized the way the EU is debating the issue as "horrifying."

The EU amended the controversial 2003 Dublin Regulation in June, making it so that any refugee who reaches Europe can only apply for asylum in the EU country he or she enters first. The rule benefits Germany most of all because it is almost completely surrounded by other EU countries, making legal entry all but impossible for refugees. As a result, the world's fourth-largest economy ranks only 11th in Europe when it comes to the number of asylum seekers it accepts in proportion to its population.

People from the world's crisis areas are converging on the EU's external borders, with primarily Africans heading for Italy, Chechens for Poland, and Syrians, Iranians and Iraqis for Greece. In Germany, on the other hand, the prevailing view is that refugees are someone else's problem.

'Serious Human Rights Problems'

The Dublin system was designed to force countries in Southern and Eastern Europe to effectively patrol their borders. In recent years, the EU has invested millions to prevent unwanted immigration. The measures have included deploying police units to the external borders, building fences and using satellite technology to monitor refugee routes.

But this hasn't deterred the refugees. Thousands die en route, while those who make it and seek asylum are imposing a growing burden on the increasingly overwhelmed countries along the EU's external borders. In Italy, more than one in three refugees is granted permission to stay, or more than in most other EU countries. But only a few of the immigrants find work and a place to stay, while many others live on the street or in parks, where they lack medical care.

The Italian protection program SPRAR offers asylum seekers and refugees accommodations, language courses and counseling. But SPRAR can only accommodate 3,000 people, compared with an estimated 75,000 potential applicants. Nils Muiznieks, the Council of Europe's human rights commissioner, has called the conditions "shocking" and notes that the "almost complete absence" of an asylum system in Italy has led to a "serious human rights problem."

Asylum systems in other countries along the EU external border are also failing -- if they exist at all. The Polish asylum process, for example, violates the guidelines of the United Nations High Commissioner for Refugees, the Belgium Refugee Council wrote in a critical report. Families are sometimes separated and traumatized refugees left alone.

Refugees in Hungary have reportedly been locked into detention centers and in some cases even abused with clubs or irritant gases. Pregnant women have been kept in prison until their delivery dates. Such treatment has repeatedly led to hunger strikes in the past. In Greece, hundreds of refugees have been routinely abused in camps, in incidents the EU Agency for Fundamental Rights has described as a human catastrophe.

Reports of such conditions have prompted many refugees to continue on to Central and Northern Europe. The German government, however, is invoking the Dublin Regulation and sending the refugees back to the countries where conditions are poor.

Calls for Change

Charities and organizations, such as Frankfurt-based Pro Asyl, have developed a joint concept to reform the European asylum system. Attorney Reinhard Marx, one of the authors of the memorandum, explains that the goal is not to eliminate border controls. Refugees would continue to be stopped and registered upon entering Europe, but they would be allowed to choose the EU country in which to ultimately apply for asylum.

Experts believe that this system would reduce the burden on countries like Italy. Many refugees would be attracted to countries in which they could live under relatively decent conditions, such as Germany. It would also eliminate incentives for human trafficking within Europe.

It is clear, European Parliament President Schulz said in his statement last week, that "behind this tragedy lies organized criminality and conflicts in our neighborhood. We must aggressively increase efforts to stop criminals, inside and outside of the EU, exploiting this human misery for profit."

Most refugees today are dependent on traffickers if they aim to reach countries like Germany from the EU's periphery. "The Dublin system is a job-creation scheme for human traffickers," says Marx, the attorney. In the future, he adds, asylum seekers should be able to choose countries in which, for example, some of their compatriots are already living. Countries that accept larger numbers of refugees could also receive support from the EU's Asylum and Migration Fund.

Could this idea appeal to German Interior Minister Hans-Peter Friedrich? Italian Interior Minister Alfano has requested that the refugee problem be placed on the agenda of a meeting of EU interior ministers in Luxembourg on Tuesday. "We will make our voices clearly heard in Europe," says Alfano.

The Italian government is also under pressure. In a provisional report for the Parliamentary Assembly of the Council of Europe released on Wednesday, Rome's policy is harshly criticized. Once again, the report reads, Italy is "ill prepared" for the surge of refugees and "irregular migrants may unofficially be encouraged to go up north and cross over the Italian border into other Schengen countries." In this manner, European countries continue to shift the responsibility for refugees to one another.

Meanwhile, for those Somalis and Eritreans who had left the Libyan coast in the direction of Fortress Europe, and who died at 4 a.m. last Thursday, the Mediterranean has become a graveyard of dreams.

MAIN FOCUS

EU discusses how to deal with refugees



The number of victims rose to over 180 on the weekend. (© picture-alliance/dpa)

In the wake of the Lampedusa disaster Europe is discussing its refugee policy. France wants to put the issue on the agenda of the EU summit at the end of October, and Tuesday's meeting of EU interior ministers will also deal with the shipwreck tragedy. Commentators say Europe has turned a blind eye to the deaths on its borders for too long, and call for greater cooperation with the countries of origin.

Diário de Notícias - Portugal

Stop ignoring migrants' suffering

The EU must finally react to the refugee tragedies playing out on its borders, the liberal-conservative daily Diário de Notícias demands: "Sometimes it takes a terrible tragedy for decisions to be made. In other cases people react to dramas simply with announcements that are then quickly forgotten. Lampedusa - or for those trying to reach Europe the 'channel of death' - belongs in the second category. ... According to estimates since 1990 more than 8,000 (!) African migrants have drowned here in their attempts to cross the Mediterranean to Europe in fragile boats. ... After this most recent disaster several institutions have warned of the need to take urgent and effective measures. People are urging for a solution at top-level European meetings. Up to now however this issue has simply been forgotten and taken off the agendas." (07/10/2013)

Financial Times - United Kingdom

Work together with countries of origin

To prevent tragedies like the one off Lampedusa's coast the EU must start working together with the refugees' countries of origin, the conservative daily the Financial Times urges: "Europeans are used to reports of economic migrants drowning as they head for the Italian coastline. But the scale of this latest disaster - one of Italy's worst ever migrant shipwrecks - means EU leaders must focus a lot harder on how to stop such tragedies. ... The EU should try to establish partnerships on the issue of migration with those countries that are the source of refugees. This is difficult, given the poor governance in the states we are talking about. But common action - whether it means cracking down on human traffickers or allowing controlled migration of skilled workers to Europe - is essential." (06/10/2013)

Ilkka - Finland

Education helps in fight against poverty

Only once the prosperity gap between Europe and Africa is reduced will fewer people embark on the perilous journey northward, the liberal daily Ilkka writes: "The number of victims in the accident last week is very high, but unfortunately it's just the tip of the iceberg. According to the International Organisation for Migration, in the last two decades around 25,000 people have perished trying to cross the Mediterranean on the boats of human traffickers. And behind each number is a unique life. ... There is no quick fix for the problem of human trafficking. The criminals profit from the prosperity gap between Europe and Africa. Quite apart from the fact that action must be taken against such criminality, the prosperity gap must also be reduced. And to do that the education of women and girls is essential." (07/10/2013)

Kristeligt Dagblad - Denmark

Opening up Europe won't solve Africa's problems

The instruments of refugee policy are not enough to prevent disasters like the Lampedusa tragedy, the Christian-oriented daily Kristeligt Dagblad contends: "You can't blame people for wanting to escape overpopulated and impoverished North Africa and making their way to Europe. But no one should entertain the illusion that Europe can solve Africa's problems by opening its borders. The only humane and sustainable course for the EU is to provide the region with massive development and humanitarian aid. The necessary development away from poverty in North Africa and the Middle East must happen in the region itself and not lead to the export of entire populations. Naturally this must also go hand in hand with the EU's commitment to continue taking in individually persecuted asylum-

Breakthrough or backlash

Will the arrest of Golden Dawn's leaders rebound on Greek democracy?

Oct 5th 2013 | [From the print edition](#)

86,26



had a bad weekend

THE arrest of both leaders of an elected party is unprecedented for a member of the European Union. On September 28th the Greek government began a crackdown on Golden Dawn, a neo-Nazi party, which has 18 MPs in Greece's 300-strong parliament. Among those put in handcuffs by counter-terrorism officers in bulletproof vests and balaclavas were Nikos Michaloliakos, leader of Golden Dawn, four other MPs and 14 party supporters. Mr Michaloliakos's deputy, Christos Pappas, gave himself up to police a day later.

Police and intelligence services have been gathering information on Golden Dawn's supposed criminal activities for months. But it was the alleged murder of Pavlos Fyssas, an anti-fascist rapper, by a Golden Dawn supporter on September 18th that prompted the crackdown. Mr Fyssas's killing sparked a national and international outcry and mass rallies against Golden Dawn. As protests against his party intensified, Mr Michaloliakos threatened to pull his lawmakers out of parliament, a move that could have forced a series of by-elections, destabilising Greece's fragile coalition government.

Under the constitution a party cannot be banned, so the government has had to resort to criminal law to rein in a party it has come to see as a threat to the country's nearly 40-year-old democracy. The legal basis for the arrests is a report by a prosecutor laying out allegations against the Golden Dawn leadership, including murder, attempted murder, carrying out explosions, possessing explosives and robbery. It says Golden Dawn's structure is paralleled by a military-type operational force whose members attack mainly immigrants. The group's strict hierarchical structure, similar to the Nazi *Führerprinzip*, meant the party leadership knew of every attack and local chapters followed central orders.

On a visit to New York on September 30th, the Greek prime minister, Antonis Samaras, said his government would do "whatever it takes" to eradicate the "shame" of Golden Dawn. On the same day his government submitted a draft law to parliament aimed at cutting state money for the party. (Golden Dawn was due to receive more than €873,000, or \$1.2m, in 2013.) The law would suspend state funding for a party if any of its leadership or its MPs are being prosecuted for felonies.

The success of the crackdown will depend on whether the prosecutor has a solid case. If it can be proved that Golden Dawn is a criminal organisation linked to murder and robbery—and there appears to be plenty of evidence—then the arrests will be legitimate and could boost Mr Samaras's government. If not, it may look like

a heavy-handed and even anti-democratic effort to put an end to a political movement which, however ugly, enjoys considerable popular support.

Optimists say that, if he feels his New Democracy party has become more popular, Mr Samaras may be tempted to call new elections next spring in the hope of getting a stronger government than the present, uncomfortable two-party combination. A more stable government would help Mr Samaras in negotiations with Greece's international lenders about a possible third bail-out of the recession-ridden country. Representatives of the "troika" of the IMF, the EU and European Central Bank have recently been in Athens and are expected to return soon. The government also needs to finalise next year's budget and meet conditions for the next tranche of €1 billion of its current bail-out, including more public-sector cuts and faster privatisation. At least Mr Samaras has now won brownie points with his unexpectedly firm move against neo-Nazis.

Weidmann: Debt haircut for Greece does not solve problems

Interview with Bundesbank President Jens Weidmann in the Leipziger Volkszeitung on 7 September 2013

Interview conducted by Ulrich Milde and Frank Johannsen

86,28

We are hearing less of the euro crisis of late. Are the rescue efforts on course?

Jens Weidmann: We face two challenges in Europe. The first is that the crisis-hit countries must get their problems under control. They have to reduce government debt levels, which are too high, put their banking systems in order and lay the foundations for a competitive economy.

And the second challenge?

The architecture of monetary union needs extensive refurbishment. Many of the crisis management measures have affected its structural soundness and upset the balance between liability and control. Liability risks have been communitised. But if some countries are liable for the decisions of others without being able to influence these decisions in return, this jeopardises commitment to stability in the monetary union in the long term. This is where we need to make improvements.

In other words, either we move towards deeper European integration or countries retain national sovereignty.

That is a decision that policy makers must make and the general public must support. At the very least, more integration would mean that the European level is given more extensive rights to intervene in the event of unsound public finances. If the individual countries reject this far-reaching loss of sovereignty and remain largely independent in fiscal and economic policy, then the consequences of any ill-judged decisions should not be communitised. In fact, the current Maastricht Treaty is built on that very principle.

There is just one option we don't have ...

... the middle road?

Exactly, because it leads over a bridge which, in my view, is not sound. It's like a credit card which several people use together, yet no-one actually checks what is being spent. That kind of arrangement doesn't usually work very long.

But we strayed from the principle of every country being liable for its own risks long ago, when the rescue packages were introduced.

The crisis management measures contradict, in part at least, what is right in the long run. Of course, when a house is on fire, the first step must be to put out the blaze to stop it spreading. But we must also make sure that the water used to extinguish the fire does not cause greater damage than the fire itself, and that our buildings become more fire-resistant in future.

Since closer integration does not seem to be on the cards at the moment, does this mean that the Maastricht criteria – price stability, keeping government debt and the budget deficit in check – ought in future to be more strictly adhered to?

New and more stringent rules were negotiated in return for the rescue packages. But the key point indeed lies in adherence, for the rules have been stretched and ignored in the past.

By Germany, too?

Yes, by Germany, too. Rules and agreements are only worth the paper they are written on if people abide by them. Adherence will have to be more strictly controlled and enforced in future. I consider this to be mainly the duty of the European Commission.

Are the financially troubled euro-area countries really showing a willingness to reform?

The situation differs greatly from country to country. We cannot play down what is going on there. The adjustment burdens that the populations of these countries have to bear are considerable. Yet this should not tempt us to look for shortcuts which do not exist. The path will be long and arduous, as the people in eastern Germany probably know better than anyone else

There is speculation that Greece will need a new injection of capital. Does this come as a surprise to you?

It was possible to infer from the calculations for the last assistance programme that financing needs would arise again from 2015 onwards. Moreover, we knew that the programme was finely calculated. Thus, the need for additional funds has never been unlikely.

At the same time, there is talk of a debt haircut for Greece.

Essentially, what is being discussed is forgiveness of Greek debt to official-sector creditors, for it is they who now hold the bulk of Greek government debt. Debt forgiveness de facto means transfer payments from European to Greek taxpayers. Even if we did support such transfers, they would not make the structural problems in Greece go away. At the end of the day, only competitive economic structures and an efficient public administration can help achieve a solution. Apart from that, debt forgiveness for Greece could encourage other countries to call for similar treatment.

But debt forgiveness would be a great help to the Greek government.

Of course, debt forgiveness would reduce Greece's financial burdens. But the question is whether debt forgiveness brings us any closer to a sustainable solution. We need to make sure we don't find ourselves back at square one in five years' time.

Surely the assistance was vital, as otherwise the country would have collapsed?

To grant assistance loans with conditions attached as a last resort, and as a means of tackling the causes of the crisis, is a correct approach in principle assuming that euro-area financial stability would be at risk without them. However, the loans were intended to help Greece help itself; they should not entice the country to put off tackling the root causes.

So the German taxpayer will have to foot the bill?

Germany, like other countries, has taken on enormous liability risks. But without this assistance the crisis could have been even more severe, not just in the countries hit by the crisis. Moreover, it could have spread to the other countries of the monetary union. But these liability risks are acceptable only if the crisis countries stick to what was agreed and we do not creep by degrees towards a transfer union.

How does a common currency benefit Germany?

Monetary union obviously has an important political dimension. But there are also tangible economic advantages to consider. For example, people no longer have to exchange money when travelling to, or ordering goods from, other euro-area countries. The larger currency area also gives Germany's export-oriented economy greater planning certainty. All of us in the euro area benefit from the common currency, provided it is stable – and that is what we at the Bundesbank are committed to.

During the 2008-09 financial crisis, banks were bailed out by governments. What repercussions did this have?

Banks must now hold more capital so that they can better shoulder losses themselves. Furthermore, we are monitoring particularly the large interconnected banks more closely. And we are currently developing rules under which banks can be wound up without burdening taxpayers, if at all possible. The guiding principle must be that investors continue to bear responsibility for their own investment decisions, also when losses occur. In addition, we now take much greater account of the interconnectedness within the financial system to prevent shock waves from spreading unhindered.

If control is stepped up, do we still need rating agencies, which prior to the financial crisis lavished praise on the same money instruments that later were worthless?

Various measures have already reduced dependence on rating agencies. However, we still also need external evaluations. On the other hand, we can't trust them blindly. The bottom line is that the investor must realise that investment decisions entail risks which, as a rule, are greater the higher the return is.

The ECB also took action in the form of government bond purchases. You don't approve of them?

That's right, I take a critical view of those purchases. They blur the boundary between monetary and fiscal policy, which potentially puts price stability at risk. Buying government bonds of crisis-hit countries

redistributes liability risks between the taxpayers of the euro-area countries. In my opinion, it should be for parliaments and governments to make such decisions, as is the case, for example, with the ESM rescue package.

But the ECB's announcement that it would do whatever it takes to preserve the euro had the effect of calming the markets.

I was never in doubt that promising investors to relieve them of their risks would calm the financial markets. But the end does not justify the means, not least because we also have to see the side-effects. I am concerned that announcements of this kind might give the impression that the problems can be solved without fundamental reforms. That is one of the supposed shortcuts I warned about earlier.

So the crisis is going to be with us for some years yet?

I would say so. The imbalances built up over a long period of time. Now, obviously, it will take time to reduce them again.

Despite your criticism of the ECB, you defended its policy of low interest rates.

In the ECB Governing Council we make monetary policy for the euro area as a whole. Economic activity in Germany is fairly good, while other countries are still in recession. Overall, the euro area is in a difficult economic situation. The exceptionally low key interest rate of 0.5% reflects this fact; it is consistent with our objective of maintaining price stability. We want to stimulate the economy through low interest rates. Investment is being brought forward and consumption behaviour is being adjusted. But it is also correct that the effectiveness of low interest rates will decrease and the risks to financial stability will increase over time, and that is something we need to keep an eye on.

Will interest rates remain low for the foreseeable future?

We expect the outlook for the euro-area economy, and thus also for price stability, to remain subdued for a while yet, and interest rates will reflect this.

The euro is here to stay?

My job is to maintain the euro as a stable currency. I am confident that it is here to stay.

October 7, 2013

The Graveyard at Europe's Doorstep

By HANS LUCHT

86,31

Rachel, a young Ghanaian woman I met in a small fishing village in Ghana's Central Region, told me how after her husband Robert had left to try to get to Italy, she stepped out into her courtyard and saw his ghost at the gate.

She knew immediately what it meant. "I nearly passed out," she said. "I had goose pimples all over my body."

On the next day, confirmation arrived from Libya that Robert had perished in the Mediterranean Sea.

I first met Rachel a few years ago while researching my book on African undocumented migration to Europe. "The whole thing really devastated me," she told me. "I never thought that I, of all people, should go through this process, because I am too young to be a widow already and to endure all these things. We were only at the start of our lives."

Last week [it happened again off Sicily](#). Scores of refugees from East Africa drowned, leaving devastated families behind. As in Rachel's case the local ramifications will be long-lasting, emotionally as well as economically.

The tragedy is not the first of its kind, nor the last. The difference this time is not only in the magnitude of human loss but in the visibility and nearness of death.

This time the bodies have been recovered. The bodies of migrants are usually lost at sea, which may explain why their deaths are so often treated as routine. Their screams do not usually reach us from the deep seas — or from the European-financed detention centers in North Africa.

Let us honor the dead by engaging in a discussion about what direction we want Europe to take on refugees. Let us discuss whether we can accept that the price of our security and prosperity is a regular massacre at our doorstep.

The dead in last week's tragedy are reported to be Eritreans and Somalis. That means they come from countries long ravished by armed conflict and hunger. Most likely they had a right to our help. Their death is unacceptable.

In the wake of the disaster, policy makers have promised to crack down on the smugglers who lure Africans onto their unseaworthy boats. But these deaths cannot be explained so easily. Africans watch television and read newspapers. They are well aware of the risks. The real tragedy is that they choose to go anyway because they feel they have no other choice. Europe has shut the door on them.

It's a myth that refugees come to Europe in great numbers over the sea. They constitute only a small number in the big picture of international migration, and are well within the capacity of the European Union to deal with.

But they point to a larger issue: the growing inequality between European and African lives. There is no quick fix, no borders that can resolve it. Long-term commitment to social and economic transformation in Africa is the only way forward.

At the end of this year, the European Union will introduce a new European border surveillance system, EUROSUR. The timing could not be worse. EUROSUR is a dream project for security hard-liners and the global weapons industry. But how will Europe and the refugees at risk benefit from what [critics have dubbed](#) "Fortress Europe 2.0" — a sci-fi border zone patrolled by drones?

Using billions in taxpayer money to build even higher walls will not stop refugees, because the reasons for coming to Europe are as strong as ever. They will only try more desperate measures. I fear that we are now seeing the real results of the Union's tough approach.

Bureaucrats and weapons-industry lobbyists are the main drivers in the militarization of E.U. borders, while many politicians keep quiet for fear of populist backlash. What is needed and must be demanded of our political leaders in Europe is a show of hands. Our leaders must take back control of the border regimes and show they are committed to the European values that are admired all over the world.

The danger of expanding and commercializing border controls and putting them outside public scrutiny is that the moral horizon vanishes. There is a growing acceptance that a graveyard at our doorstep is somehow a necessary evil in the maintenance of a free and prosperous Europe. The scope and visibility of human suffering in the waters off Sicily calls the moral integrity of the current E.U. border regime into question.

After Rachel's husband perished, she was left with a son who never knew his father. When I met her, she was selling toffee and oranges from a roadside table. She went to church every night. She told me she still thought of Robert and prayed for him.

"He was a humble and hardworking guy, a quiet type," she said. "Things weren't all that bad for him. In Libya he earned the respect of his colleagues because of his humility and meekness. I really lost a good person in my life."

***Hans Lucht**, an anthropologist at the Danish Institute for International Studies in Copenhagen, is the author of "Darkness Before Daybreak: African Migrants Living on the Fringes in Southern Italy Today."*

Lampedusa boat tragedy is 'slaughter of innocents' says Italian president

Italy appeals for help to deal with migrant problem after deaths of more than 100 African migrants, including three children

- [Lizzy Davies](#) in Rome
- [The Guardian](#), Thursday 3 October 2013 19.33 BST

86,33

More than 100 people were dead and about 200 missing on Thursday night after a migrant boat caught fire on the perilous sea crossing from Africa to [Europe](#), prompting an outcry in [Italy](#) and calls for urgent action by the international community.

In by far the most devastating of what president Giorgio Napolitano called a "succession of true slaughters of innocents" to occur off Italy's coast, at least 114 African migrants, including at least three children, died after their boat sank in waters near the Mediterranean island of Lampedusa.

Thousands of migrants have died making the journey to Europe's southern borders over the last 20 years, often in dangerously overcrowded and unseaworthy vessels. Human rights campaigners said that the tragedy could easily have been prevented.

"A terrible human tragedy is taking place at the gates of Europe. And not for the first time," said Jean-Claude Mignon, head of the Council of Europe's parliamentary assembly. "We must end this now. I hope that this will be the last time we see a tragedy of this kind, and I make a fervent appeal for specific, urgent action by member states to end this shame."

The Italian government declared on Friday a national day of mourning as rescue workers continued to search the seas off the Sicilian island in a desperate attempt to find any more survivors. Initial rescue attempts managed to save 159 people but the 20-metre-long boat was believed to have been carrying between 450 and 500 passengers.



As the island's quayside was lined with corpses, hopes for more survivors dimmed. When coastguard divers began an inspection of the area around the wreck, they found 20 more bodies underwater. Asked on Italian radio what help was needed, Pietro Bartolo, chief of health services on Lampedusa, replied: "Coffins. Coffins and hearses."

Giusi Nicolini, the island's mayor, said: "It's horrific, like a cemetery. They are still bringing them out."

The UN secretary general, Ban Ki-moon, said the tragedy should be a spur to action. In Italy Napolitano and government ministers said the time had come for the world to shoulder its share of the burden in the growing problem of migrant boat arrivals.

Angelino Alfano, the deputy prime minister, said: "We hope the EU realises that this is not an Italian but a European disaster." He headed to Lampedusa vowing to "make Italy's voice heard loudly" with José Manuel Barroso, the president of the European commission.

Napolitano said there was now an "absolute necessity for decisions and actions by the international community and primarily the EU". The integration minister, Cécile Kyenge, told journalists: "It is not the moment to point the blame at anyone, but we will ask countries to each do their bit."

Their message was echoed by Pope Francis, who said: "Let's unite our efforts so that tragedies like this don't happen again. Only a decisive collaboration of everyone can help and prevent them." In impromptu remarks, he added: "The word disgrace comes to mind. It is a disgrace."

The alarm over the unfolding disaster was raised shortly after 6am by fishing boats who noticed a vessel in trouble off the Lampedusa coast near Isola dei Conigli (Rabbits' Island). Lampedusa, where the interior ministry says more than 8,000 migrants landed in the first eight and a half months of this year – out of a national total of more than 17,000 – is just 70 miles from the Tunisian coast.

Alfano said the boat's motor was believed to have stopped working, causing water to come into the vessel and prompting the passengers to burn a sheet to try to attract rescuers. "Once the fire started, there was a concern about the boat sinking and everyone moved to one side, causing the boat to go down," he said. The passengers, mostly Eritreans and Somalians, were just half a mile from the shore.

A young Tunisian man was arrested by Italian police on suspicion of being one of the people smugglers responsible for organising the crossing. Unnamed survivors quoted in the Italian media, who said the boat had left the Libyan port of Misrata two days earlier, said that three fishing boats in the area had seen their vessel was in trouble but had not come to their rescue. Alfano rejected this, saying that the boats nearby had not seen them. "If they had, they would have intervened," he said. "Italians have big hearts."

But Codacons, an Italian consumer group, said it would ask prosecutors to look into the allegations, which it said, if true, would represent a very serious failure.

The controversy echoed a similar tragedy in March 2011, revealed in the Guardian, in which dozens of African migrants en route to Lampedusa died after being apparently ignored by a number of European military units.

Human rights groups have long been calling on Italian and European authorities to rethink their approach to the crossings, which brought about 15,000 migrants to Italy and Malta last year, according to the UN high commissioner for refugees.

Judith Sunderland, senior western Europe researcher of Human Rights Watch, said "the lack of solidarity from the rest of the EU" had caused an "almost utter failure of any proposals for greater burden-sharing". Member states needed to do more to help Italy shoulder the burden, she said, calling also for a "presumption of rescue" policy to be implemented to ensure that any overcrowded migrant boat spotted by passing ships would have to be offered help.

Andrea Iacomini, spokesman for Unicef in Italy, urged Enrico Letta, the prime minister, to go to Europe and demand more co-ordination and help. He urged the interior ministers of all Mediterranean nations to hold an immediate conference focused on how to prevent tragedy from happening again.

"We need to go to Europe and say that there is a humanitarian emergency in Italy. What are we doing about it? ... We cannot have the victims on our consciences only afterwards," Iacomini said, claiming the Mediterranean had "become a cemetery. And it will become even more so."

Lampedusa tragedy: migrants to Europe need more than sympathy

While the UK government has stuck to spending 0.7% of the budget on overseas aid, our tough line on immigration sends a different message



• [Hugh Muir](#)

○ [theguardian.com](#), Friday 4 October 2013 10.22 BST

86,36

○ [Jump to comments \(381\)](#)

In all the coverage today of the [sinking of the migrant boat](#) off the coast of Italy – and with up to 300 dead, there will be a lot of it – one quote needs to stay at the forefront. "This is not an Italian tragedy, this is a European tragedy," said Italy's interior minister Angelino Alfano as he arrived on the island of Lampedusa. "Lampedusa has to be considered the frontier of Europe, not the frontier of Italy."

Italy says it is facing a continual problem with these boats, as the ambitions of thousands who want to make a life for themselves are commandeered by the ambitions of crooks and traffickers willing and able to make a quick buck. Neither phenomenon will abate of its own accord.

There will be more days like this, more tragedies in places such as Lampedusa. The last decade saw [welcome growth](#) in the developing world as poor countries, principally India and China surged, taking 620 million out of poverty compared with 1990 and the [UN's millennium development goals](#) helped galvanise international institutions. But the improvement has been patchy. Even in those countries where poverty has been impacted, many who have been pulled out of officially classified poverty remain vulnerable in terms of living and social conditions. They may not die of poverty, but it's no way to live.

And what are we doing about this constant and inevitable knocking at the door of Europe? How do we reflect the truth that an undeveloped population – blessed or perhaps cursed with modern communications – will strike out for a better life in the developed world. We confront the problem with an unedifying hotchpotch of neuroses and political spasms that ensure we never truly see it in the round, never discuss it rationally and never get to grips with it.

David Cameron is to be hailed for sticking to his guns and allocating 0.7% of the budget to aid but let us never forget the drumbeat of rage and derision that envelopes him all the while because of this, his most domestically unpopular policy position. "We're the mugs of the world, we're spending money we haven't got," [complained Tory MP Philip Davies in June](#), reflecting a body of opinion that will no doubt be shocked today but won't begin to link what we do in the world with the wider goal of preventing more migrant tragedies.

Many who shout loudest in our ruling coalition make it pretty clear that they don't like sending our money abroad. Neither do they seem comfortable having more migrants here. If the Lampedusa boat had landed safely, the next wave of stories would have warned of the hordes now heading across Europe; destination Britain. Those who arrived might have found themselves being urged to leave again by Theresa May's immigration vans.

And through our shortsightedness, we aren't even making sure that developing countries can help themselves. The Lampedusa boats were filled with Somalians and Eritreans, and yet right now Somalians in Britain face the loss of the mechanism whereby they were able to help relatives in their home country by sending home millions of pounds in remittances. Barclays is withdrawing from the market for fear of being accused of funding terrorism. Ministers know the [decision will be ruinous](#) – in Somalia particularly – but neither they nor Barclays nor the regulatory authorities can summon the courage or the vision to do anything about it.

So that's the migrant quandary – we are damned by the right for sending aid, damned if migrants come here and there are limits on the extent to which they can help themselves. Let us grieve, but let us not puzzle as to why they take to the boats.

Bootsunglück vor Lampedusa

Die große Wanderung

04.10.2013 · Zwischen Westafrika und Vorderasien warten nicht Zehn- oder Hunderttausende auf eine günstige Gelegenheit, endlich nach Europa aufzubrechen, weil dort Milch und Honig fließen - es sind Millionen.

Von KLAUS-DIETER FRANKENBERGER

86,38

Vor Lampedusa hat sich eine furchtbare Katastrophe ereignet; vermutlich sind mehr als dreihundert Frauen und Männer umgekommen, ertrunken. Sie haben ihr Leben verloren auf der Suche nach einer besseren Zukunft in Europa. In ihren Heimatländern haben sie keine Perspektive gesehen; dort herrschen vielfach Elend, Gewalt und Krieg.

Niemand kann es den Leuten verdenken, dass sie weg wollen, dabei Entbehrungen auf sich nehmen und sich in die Hände von Schleuserbanden begeben. Europa kann vermutlich mehr von ihnen legal aufnehmen und für einen menschenwürdigen Empfang sorgen. Muss es aber alle aufnehmen, die weg wollen?

Nach dem Unglück vom Donnerstag und wegen der vielen Menschen, die schon in den vergangenen Monaten die Überfahrt, vor allem nach Italien, nicht überlebt haben, ist die Empörung groß. Die europäische Flüchtlingspolitik sei verfehlt. Es sei eine Schande, dass Europa „die Schotten dicht“ mache. Es stimmt: Die europäische Politik hat vornehmlich das Ziel, illegale Einwanderer – und um solche handelt es sich – abzuwehren. Es stimmt auch, dass die europäischen Länder untereinander nicht hinreichend solidarisch sind; Italien beklagt sich darüber schon lange, zu Recht. Aber fairerweise muss man sagen, dass das Ausmaß selbst die vernünftigste Flüchtlingspolitik überfordern würde.

Das Nord-Süd-Gefälle ist zu groß

Zwischen Westafrika und Vorderasien warten nicht Zehn- oder Hunderttausende auf eine günstige Gelegenheit, endlich nach Europa aufzubrechen, weil dort Milch und Honig fließen; es sind Millionen. Die „solidarische Willkommenskultur“, die hierzulande nun gefordert wird, wäre faktisch eine Einladung zu einer gigantischen Wanderungsbewegung. Europa, wo das Thema Einwanderung ohnehin den Rechtspopulismus befeuert, ist nicht Amerika oder Australien – und selbst deren Bürger und Regierungen glauben, anders als durch barsche Abwehrmaßnahmen des Problems nicht mehr Herr zu werden.

Die Ehrlichkeit gebietet es, sich einzugestehen, dass dieses Problem allenfalls langfristig zu lösen ist, wenn überhaupt. Jenseits der europäischen Grenzen, im Süden und Südosten, herrschen oft „perfekte“ wirtschaftliche, soziale und politische Abwanderungsbedingungen. Dort muss europäische Politik ansetzen: beitragen, die Lage zu verbessern und Konflikte zu bewältigen. Kurzfristig wird das den Druck jedoch nicht mindern. Dafür ist das Nord-Süd-Gefälle einfach zu groß.

Fears of a growing protest vote

7 October 2013

86,39

LE MONDE PARIS



Krauze

The success of Europhobic parties in member states will likely pave the way for a surge in support for Eurosceptics in next May's European elections. Their favourite topics — immigration, austerity and the rejection of Brussels — already dominate the campaigns.

Alain Salles

The breakthrough by Germany's [anti-euro party](#), the far right [push](#) in Austria, the pressure exerted by Nigel Farage's Europhobes on the British Conservative party, and the anti-austerity [drubbing](#) sustained by the ruling party in Portuguese local elections: all of these amount to a preamble for May 2014 European elections in which hostility to Brussels' orthodoxy will likely have a major impact.

In addition to the traditional anti-immigration and anti-Brussels votes, which have fed Euroscepticism in previous elections, [anti-Merkel](#) and anti-troika groups, which have thrived amid the euro crisis and repeated austerity programmes, stand to make a strong showing. Different political strands are often intertwined on these "protest" fronts. The eurosceptics are worried about growing immigration, while austerity has encouraged rejection of Europe ruled by liberal economics.

In a context where ruling parties are more concerned by national votes than by low-turnout European ballots, the protest parties are counting on the [elections](#) on May 22 and 25, 2014, to establish their influence. What is more, the surge in their support will come at time when the European parliament [has won greater powers](#), notably with regard to its choice of the president of the future Commission.

Brussels' battle of wills

All of these groups are hoping to be the focus of a protest vote, which is more pronounced in EU polls

The leader of the UK Independence Party (UKIP), Nigel Farage, has made European elections a priority in his bid to impose his views on the United Kingdom, which will open a new chapter in the battle of wills with Brussels. They are also a key objective for the True Finns and France's Front national (FN), as they are for Beppe Grillo in Italy, and SYRIZA, Greece's main opposition party. All of these groups are hoping to be the focus of a protest vote, which is more pronounced in EU polls. "European elections have traditionally favoured marginal parties," explains political scientist Dominique Reynié.

"They are characterised by proportional representation and a high level of abstention, especially among moderate voters."

The ingredients of the protest cocktail are well known: immigration, bureaucracy and austerity. And at times they can form a highly volatile mix. The [controversy](#) in France over the Roma has shown that immigration – to Europe and also within the EU – will figure large in the campaigns. The question of migration is the stock and trade of the far right in countries as far apart as Denmark and Greece, as well as in the Netherlands, Austria and France.

Romanian and Bulgarian workers have come to represent a threat that used to be embodied by the dreaded Polish plumber

The issue has also been enthusiastically adopted by the Eurosceptics of UKIP and Germany's newly created, anti-euro party [Alternative for Germany \(AfD\)](#). For a section of the European population that is apprehensive about the crisis, free movement of labour is seen as menace to employment. Romanian and Bulgarian workers have come to represent a threat that used to be embodied by the dreaded Polish plumber.

Blame game

Euroscepticism stands to benefit not only from attacks on Brussels bureaucracy, but also from criticism of the poor management of Europe's financial ills. "Ever since the onset of the debt crisis, the countries of the south have been convinced that what is happening to them is Berlin's fault, while the countries of the north believe that they have to bailout the south because of Brussels," explains European People's Party (EPP) MEP Alain Lamassoure. The True Finns view aid to Greece as a justification for their Euroscepticism, as does Geert Wilders' Party for Freedom which scored 30 per cent in the polls.

Alongside these traditional opponents, the crisis has paved the way for the emergence of anti-Merkel and anti-troika groups which are thriving both on the left and the far right in Southern Europe. In Greece, SYRIZA and the populist Independent Greeks are counting on the widespread rejection of measures imposed by Brussels and the International Monetary Fund (IMF) to gain ground in Strasbourg. In Spain, the *Indignados* movement has promised to present lists for the May vote.

"The European project is facing a very serious risk," acknowledges, the Vice-President of the European Parliament and Greek socialist party (PASOK) MEP, Anni Podimata. Anti-European sentiment has got much worse. And this should encourage the parties to take responsibility for their European message."

To date, the widely divided Eurosceptic movements and far right parties have carried very little weight in the European parliament. MEPs representing France's FN are not included in a parliamentary group, while the other movements form part of the Europe of Freedom and Democracy Group centred on Nigel Farage and the members of the Northern League. The FN's dream is to create a group with the Austrian FPÖ, which recently scored more than 20 per cent in September 29 general elections.

"There will be a quarter to a third of MEPs who vote "no" to everything, but that will not prevent the parliament from functioning. The entente between the EPP and the social democrats will be even more necessary," points out Mr Lamassoure. The two parties have announced that they will conduct campaigns that oppose the right and the left, however, the launch of the social-democratic campaign has coincided with the SPD's decision to consider participating in the Merkel government.

10/07/2013 04:02 PM

Interview With George Soros

'Greece Can Never Pay Back Its Debt'

By Gregor Peter Schmitz in Brussels

86,41

Should Greece have a large part of its debt waived? Absolutely, says George Soros, otherwise the country will never recover. The billionaire investor also warns about the rise of extremist parties if Germany does not change its policies towards Europe.

Legendary US investor George Soros has called for comprehensive debt relief for Greece. "Everyone knows that it can never pay back its debt," he said in an interview with SPIEGEL ONLINE. Greece is close to a primary budget surplus after a lot of pain and suffering, says Soros, whose speculation against the pound forced the UK to withdraw from the Exchange Rate Mechanism in 1992.

"If the official sector could forgo repayment as long as [Greece](#) meets the conditions imposed by the troika [of the International Monetary Fund (IMF), [European Central Bank](#) (ECB) and European Commission]," Soros added, "private capital would return and Greece could rapidly recover. I can testify from personal experience that investors would flock to Greece once the debt overhang is removed."

Greek Prime Minister Antonis Samaras has also recently called for a new round of debt relief for his country. "What is important to me is not to procrastinate too much for a solution," he said. But the German government in particular rejects a writedown of Greek government debt. At most, it wants to discuss lower interest rates and longer loan maturities -- measures that many economists do not regard as being sufficient to solve the problems.

In addition, the German head of the European Stability Mechanism (ESM) permanent bailout fund, [Klaus Regling](#), pointed out that debt write-downs are prohibited under ESM rules. The majority of Greece's debt is now held by public institutions, i.e. the [IMF](#), the ECB and other [EU](#) member states. If these debts have to be written off, the cost will be met by taxpayers.

German Leadership Can Surmount Issues

[Soros](#) recognizes this problem: "The official sector cannot write down its debt because that would violate a number of taboos, particularly for the ECB." These issues, however, could be surmounted under German leadership.

And if any country were to recognize how such an approach could work, he argued, it was Germany, which "ought to remember that it has benefited from debt writedowns three times, with the Dawes Plan, the Young Plan and in connection with the Marshall Plan."

On the other hand, French insistence on war reparation payments after World War I led to the rise of Adolf Hitler and the Nazis: "The Golden Dawn in Greece is a similar development."

If German Chancellor [Angela Merkel](#) does not change her policies towards [Europe](#), Soros said, then her victory in last month's election would be a mere "Pyrrhic victory".

He added: "The situation that emerged from the crisis is neither tolerable nor stable...The current situation is not the result of an evil German plot. But Germany cannot escape the responsibilities and liabilities that go with that role. Germany must learn to act as a **benign hegemon**. Doing so would earn Germany the lasting gratitude of the other countries that are currently subordinated to it, just as the United States earned the lasting alliance of

Europe with the Marshall Plan." Failure to do so, he warned, would lead to the disintegration and eventual breakdown of the European Union.

"Many nations have lived through nightmares and survived. However, the European Union is not a nation; it is an incomplete association of sovereign states that will not survive a decade or more of stagnation. That is not in Germany's interest. It would leave Europe worse off than it was when it embarked on the European Union."

Soros, who with an estimated fortune of \$20 billion (€14.7 billion) is one of the world's richest people, is rather more optimistic about the current political crisis in Washington. "The government shutdown and the threat of default is an elaborate political theater but markets can anticipate the outcome: no default and a defeat for extremists in the Republican party. That said, changes in US monetary policy have far-reaching effects on the developing world."

Lampedusa, ou la faillite du chacun pour soi

Editorial LE MONDE | 07.10.2013 à 11h52 • Mis à jour le 07.10.2013 à 20h16

86,43

Le Monde - France

More Europe needed in immigration policy

It's high time Europe worked together on refugee policy, the left-liberal daily Le Monde urges: "Only thorough stronger coordination and an integrated - let's dare to say the hated word: 'federal' - policy can we achieve the necessary four goals: a joint asylum policy; a distribution of immigrants within Europe; stepped-up control, surveillance, rescue and anti-mafia operations in the Mediterranean; and finally the establishment of partnerships with the countries of origin. Spain set the example, but it also recognizes its limits. **Even if it's now more unpopular than ever to say it: we need more Europe.**" (07/10/2013)

Impossible d'ignorer cette tragédie : en vingt ans, quelque 20 000 migrants qui tentaient de gagner les rivages de l'Europe sont morts. Dans un article confié au Monde en mars 2009, l'écrivain Daniel Rondeau, alors en première ligne puisque ambassadeur à Malte, parlait d'une "*chronique quotidienne de la souffrance et de l'exil*" en Méditerranée.

Et relevait que ces "*boat people d'aujourd'hui*", sur leurs rafiots cauchemardesques, trouvaient trop souvent une mort atroce, chavirés "*dans le silence des vagues*" ou cédant à l'épuisement, entassés en fond de cale au terme d'un éprouvant périple.

L'île italienne de Lampedusa, à quelques encablures des côtes d'Afrique du Nord, est aussi en première ligne. Ce jeudi 3 octobre, ils étaient entre 480 et 520 malheureux, venus de la Corne de l'Afrique, à tenter l'entrée illégale à bord d'un bateau de pêche parti clandestinement de Libye. Ils ont fait naufrage au large de l'île. Seuls 155 d'entre eux ont pu être sauvés. Dimanche, les plongeurs ont repris le lent et macabre travail de remontée des corps par quelque 47 mètres de fond.

Cette tragédie, la plus grande qu'ait connue Lampedusa, pourtant abonnée à ces drames, doit réveiller l'Europe. Un constat, d'abord : rien n'est facile dans le contrôle des flux migratoires incessants qu'attire le pôle de prospérité qu'est l'Union européenne.

LES ETATS LES PLUS EXPOSÉS SE DÉBROUILLENT SEULS

En ces temps de chômage de masse, de récession, et alors que l'Etat-providence croule sous l'endettement un peu partout en Europe, l'immigration n'a pas bonne presse. Elle nourrit la rhétorique simpliste et la montée de formations extrémistes qui intimident les partis de gouvernement. Et, réflexe compréhensible mais néanmoins catastrophique, ceux-ci se replient sur le "chacun pour soi".

Les Etats membres se refusent à coordonner leur approche en matière d'asile et de contrôle des frontières. Il n'y a pas de politique européenne de l'immigration. Les Etats les plus exposés se débrouillent seuls. La solidarité européenne n'existe pas face à ce phénomène complexe qu'est l'immigration de masse venue d'Afrique.

Ce qui a été mis en place – l'agence de contrôle Frontex – est insuffisant. Devant une question transnationale, le réflexe "souverainiste", là comme dans tant d'autres domaines, a abouti à un échec – et au drame de ces radeaux de la mort en Méditerranée.

Seule une coordination poussée, une politique intégrée – osons le mot honni, "*fédérale*" – peut mettre en place le quadruple dispositif nécessaire : une politique commune de l'asile ; une répartition intra-européenne de l'immigration ; des moyens renforcés de contrôle, de surveillance, de sauvetage et de lutte contre les réseaux mafieux en Méditerranée ; enfin, l'établissement de partenariats avec les pays d'où partent le plus grand nombre des candidats à l'exil. L'Espagne a donné l'exemple, mais pris aussi la mesure de ce qu'elle pouvait réaliser seule.

La vérité est qu'il faut "plus d'Europe", mais cette vérité-là est plus impopulaire que jamais. Hélas !

France's economy

Budgetary blues

Tax rises have reached their limit

Sep 28th 2013 | PARIS | From the print edition

86,44

THE French government unveiled what it called a “historic” 2014 budget on September 25th, intended both to reassure doubters abroad that it is still serious about controlling its public finances and voters at home that it has heard their howls over tax increases. Yet with public debt expected to top 95% of GDP next year, economic growth fragile and the overall tax take inching up to 46.1% of GDP, the fifth consecutive yearly increase, France is not out of the danger zone yet.

As agreed with the European Commission, and in a bid not to cramp growth, France will ease the pace of deficit reduction next year. The government forecasts a budget deficit of 3.6% of GDP, down from 4.1% in 2013. To get there, the finance minister, Pierre Moscovici, promises that in 2014, unlike this year, 80% of the €18 billion (\$24 billion) deficit-reduction effort will come from budget savings rather than tax increases. As a mark of seriousness, the finance ministry, for instance, is planning to cut some 2,600 of its own staff. Central government will shave a total of €1.5 billion off its spending.

Mr Moscovici and Bernard Cazeneuve, his budget minister, call this effort a “turning point”, unprecedented under the Fifth Republic. There have been tough negotiations with spending ministries—one finance-ministry official jokes about wishing he wore a sturdy helmet in such meetings—and some, such as agriculture, have had their budgets trimmed. In a country that has not balanced a government budget since 1974, it is certainly a novelty to find central government shrinking its own share of public spending, even if only by a fraction. The trend is now at least in the right direction.

Yet the picture is not quite as encouraging as it might seem. Overall public spending will continue to rise, albeit by only 0.5%. This is slower than in recent years, but it will still leave public spending at 57% of GDP in 2014, higher than in any other country in the euro zone. The public-debt level will rank France no better than average for the euro zone. Even with this effort to control spending, the 2014 budget still adds an extra €3 billion of new taxes on top of those already agreed, such as an increase in VAT rates, compounding a sense of uncertainty that is braking investment and hiring.

The French were fully prepared for François Hollande, the president, to squeeze the rich with taxes. When he campaigned for office last year, he denounced the “arrogant and grasping” super-rich. And he made waves with a promise of a 75% top tax rate for millionaires, which will be applied in 2014, though paid by firms not employees. Today, however, the middle too is feeling the pinch, and it will do so again in 2014 thanks to new measures such as lower family tax credits and higher social contributions. So is business, which faces an extra 1% levy on gross profit. “A painful budget for everybody” read the front page of *Le Monde*, a left-leaning newspaper, on budget day.

Mindful of the voters’ worries about taxes, the government argues with gymnastic skill that, since the rate of tax increases has decreased, this constitutes a “stabilisation” or even a “tax pause”, as Mr Hollande recently promised. Perhaps. But the government’s revenue projections may turn out to be optimistic, notably as unemployment, currently at 11%, is likely to remain higher than it hopes. Indeed, France’s new office of budgetary oversight warned the government in a note published on budget day that in order to keep deficit reduction on track by 2016 further measures would be needed next year.

France and reform

Rosier scenarios

Tentative signs of recovery may be welcome, but they risk reducing the pressure on a cautious government to reform

Sep 14th 2013 | PARIS | From the print edition

86,45



FOR most of François Hollande's beleaguered presidency, the French economy has gone from bad to worse. It tipped into recession late last year. Unemployment is at a 16-year high. But now the first signs of a recovery have emerged. This week the Bank of France revised upwards its forecast for third-quarter growth from 0.1% to 0.2%, after a stronger-than-expected second quarter. Earlier this month the OECD rich-country club, which had predicted recession in 2013, said it now expected the French economy to grow by 0.3%.

For the battered Mr Hollande, this is soothing balm. "The recovery is here," he had claimed in July. As good news trickled in over the summer, Pierre Moscovici, the finance minister, talked of the government's "ambitious reforms...bearing fruit". On September 11th, even as he said France would miss its budget-deficit target yet again, Mr Moscovici was determinedly upbeat. "We are doing rather better than the average in Europe," he declared.

With bad presidential poll ratings and low confidence, the government is eager to seize on any hint of a rebound. Consumer spending has been buoyant. Household and business confidence inched up in August. Stronger growth in America and an improved outlook in the euro zone and in Britain should lift France. Indeed, GDP has now returned almost to its level in 2008.

A recovery would be politically handy, too. Mr Hollande extravagantly promised voters that unemployment will start to drop by the end of the year. He has also squeezed taxpayers so hard that Mr Moscovici confessed recently that people are "fed up with taxes". A recent *Le Monde* headline said there had been no fewer than 84 new taxes over the past two years, starting under Nicolas Sarkozy, Mr Hollande's centre-right predecessor. The tax take has reached 46% of GDP, the highest in the euro zone. When Harris Interactive, a pollster, last month tested words that voters link with the president, by far the most common was "taxes".

Having campaigned for office on a promise to slap a 75% tax rate on the rich, Mr Hollande has now called for a "tax pause". Unveiling the outlines of his 2014 budget, to be announced on September 25th, Mr Moscovici promised that 80% of the effort to reduce the deficit next year would come from spending cuts, worth €15 billion, with only €3 billion in tax rises, and that corporate tax would be simplified.

In a country temperamentally inclined to pessimism, the change in mood is welcome. Confidence is sorely missing, and constant fiddling with extra taxes has created a nervous uncertainty that deters investment and hiring. Yet the data are more mixed than the government is making out. Industrial production fell in July. Even firms that are starting to invest are still not hiring. The private sector shed 34,600 jobs in the second quarter,

and unemployment edged up to 10.9%, suggesting that Mr Hollande can only keep his unemployment promise if he subsidises jobs. Mr Moscovici this week downgraded the official 2014 growth forecast from 1.2% to 0.9%. “This is a very slow recovery,” says Laurence Boone, the chief European economist at Bank of America Merrill Lynch. “It is not a rebound.”

The concern outside France is that over-optimism about the economy may ease the pressure to improve competitiveness. Mr Hollande seems to prefer minimalist reform without protest to taking on vested interests so as to achieve something more ambitious and long-lasting. “His hallmark is caution,” comments one Socialist deputy. The latest example is his pension reform, designed to plug a €20 billion (\$27 billion) deficit by 2020. It does not increase the retirement age. It lifts the pension-contribution period from 41.5 to 43 years, but only for those born after 1973. It leans heavily on higher contributions by employers and employees. It does not make up the system’s shortfall. And it does not touch public-sector pensions at all.

Pierre Gattaz, the new head of Medef, the bosses’ club, has dismissed this as a “non-reform”. Even the unions opposed to the reform could not draw many people onto the streets in protest this week, because there was so little to be angry about. In perhaps the most damning comment of all, Olli Rehn, the European economic commissioner in Brussels, dismissed it as a “reform *à la française*”.

Other reforms to the country’s tentacular welfare system lie ahead, including to the generous unemployment-benefit system and to a vast fund drawn from compulsory training contributions. But so do municipal and European elections next spring. A fading sense of urgency and a political desire to soothe disgruntled voters are making it ever more likely that future reforms will consist not of a thorough overhaul but yet more *reformettes*.

The Eurozone's Calm Before the Storm

Author: [Nouriel Roubini](#) · October 4th, 2013 · [Comments \(1\)](#) [Share This](#) [Print](#)

86,47

NEW YORK – A little more than a year ago, in the summer of 2012, the eurozone, faced with growing fears of a Greek exit and unsustainably high borrowing costs for Italy and Spain, appeared to be on the brink of collapse. Today, the risk that the monetary union could disintegrate has diminished significantly – but the factors that fueled it remain largely unaddressed.

Several developments helped to restore calm. European Central Bank President Mario Draghi vowed to do “whatever it takes” to save the euro, and quickly institutionalized that pledge by establishing the ECB’s “[outright monetary transactions](#)” program to buy distressed eurozone members’ sovereign bonds. The [European Stability Mechanism \(ESM\)](#) was created, with €500 billion at its disposal to rescue eurozone banks and their home governments. Some progress has been made on a [European banking union](#). And Germany has come to understand that the eurozone is as much a political project as an economic one. Moreover, the eurozone recession is over (though five periphery economies continue to shrink and recovery remains very fragile). Some structural reform has been implemented, and a lot of fiscal adjustment has occurred. **Internal devaluation (a fall in unit labor costs to restore competitiveness) has occurred to some extent (in Spain, Portugal, Greece, and Ireland, but not in Italy or France)**, thus improving external balances. And even if such adjustment is not occurring as fast as Germany and other core eurozone countries would like, they remain willing to provide financing, and governments committed to adjustment are still in power.

But beneath the surface calm of lower spreads and lower tail risks, the eurozone’s fundamental problems remain unresolved. For starters, potential growth is still too low in most of the periphery, given aging populations and low productivity growth, while actual growth – even once the periphery exits the recession in 2014 – will remain below 1% for the next few years, **implying that unemployment rates will remain very high.**

Meanwhile, **levels of private and public debt – both domestic and foreign – are still too high**, and they continue to rise as a share of GDP, owing to slow or negative output growth. This means that **the issue of medium-term sustainability remains unresolved.**

At the same time, **the loss of competitiveness has been only partly reversed**, with most of the improvement in external balances being cyclical rather than structural. The severe recession in the periphery has caused imports there to collapse, but lower unit labor costs have not boosted exports enough. **The euro is still too strong**, severely limiting the improvement in competitiveness needed to boost net exports in the face of weak domestic demand.

Finally, while the fiscal drag on growth is now lower, it is still a drag. And its effects are amplified in the periphery by **an ongoing credit crunch**, as undercapitalized banks deleverage by selling assets and shrinking their loan portfolios.

The larger problem, of course, is that progress toward banking, fiscal, economic, and political union – all essential to the eurozone’s long-term viability – has been too slow. Indeed, there has been no progress whatsoever on the latter three, while progress on the banking union has been limited. **Germany is resisting the risk-sharing elements** of such a union: common deposit insurance, a common fund to wind up insolvent banks, and direct equity recapitalization of banks by the ESM.

Germany fears that risk-sharing would become risk-shifting, and that any form of fiscal union would likewise turn into a **“transfer union,”** with the rich core permanently subsidizing the poorer periphery. At the same time, the entire regulatory process for the financial sector is pro-cyclical. The new [Basel III capital-adequacy ratios](#), the ECB’s upcoming asset-quality review and stress tests, and even the [European Union’s competition rules](#) (which force banks to contract credit if they receive state aid) all imply that banks will have to focus on raising capital – and thus not providing the financing needed for economic growth.

Moreover, **the ECB is unwilling to be creative in pursuing policies** – like those embraced by the Bank of England – that would ameliorate the credit crunch. **Unlike the US Federal Reserve and the Bank of Japan, it is not engaging in quantitative easing**; and its “forward guidance” that it will keep interest rates low is not very credible. On the contrary, interest rates remain too high and the euro too strong to jump-start faster economic growth in the eurozone.

In the meantime, austerity fatigue is rising in the eurozone periphery. The Italian government is on the verge of collapsing; the Greek government is under intense strain as it seeks further budget cuts; and the Portuguese and Spanish governments are having a hard time achieving even the looser fiscal targets set by their creditors, while political pressures mount.

And bailout fatigue is emerging in the eurozone core. In Germany, the next coalition government looks set to include the **Social Democrats, who are pushing for a bail-in of the banks’ private creditors, which would only exacerbate balkanization of the eurozone’s banking system**; and **populist parties throughout the core are pushing against bailouts for banks and governments alike.**

So far, **the grand bargain between the core and the periphery has held up: the periphery continues austerity and reform while the core remains patient and provides financing.** **But the eurozone’s political strains may soon reach a breaking point, with populist anti-austerity parties in the periphery and populist anti-euro and anti-bailout parties in the core possibly gaining the upper hand in next year’s European Parliament elections.**

If that happens, a renewed bout of financial turbulence would weaken the eurozone’s fragile economic recovery. The calm that has prevailed in eurozone financial markets for most of the past year would turn out to be only a temporary respite between storms.

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October 7, 2013

After Years of Pain, Greece Expects a Budget Surplus

By NIKI KITSANTONIS

86,49

ATHENS — Offering the first real hope that Greece could emerge from a six-year recession, the government on Monday presented a draft budget for next year forecasting a tenuous return to growth.

The economy, which has shrunk by a quarter since 2007, is expected to contract 4 percent this year but grow 0.6 percent in 2014, largely the result of an increase in tourism and exports, according to the blueprint. It also predicted that unemployment would dip to 26 percent from 27 percent.

“This year, the sacrifices have begun to bear fruit, giving the first signs of an exit from the crisis,” Christos Staikouras, a deputy finance minister, told reporters.

The forecast could be a turning point for a country whose tiny economy threatened the future of the euro zone. It has been bailed out twice by international agencies and remains racked by the region’s highest unemployment and frequent public protests over government cuts.

But some economists in Greece doubted that the economy was improving. Achieving growth of any size would be “very difficult,” chiefly because there has been no significant increase in investments, Haralambos Gotsis, an economics professor at the University of Piraeus, told Greek television.

George Pagoulatos, a professor of European economy and politics at Athens University, was more optimistic. “It’s not inconceivable, it’s feasible,” he said by telephone, “as long as they stick to structural reforms and find some sort of solution to the debt.”

The hedge fund billionaire John A. Paulson also gave the battered Greek economy a vote of confidence. He told *The Financial Times* that he had taken substantial stakes in Piraeus and Alpha banks. They are both “now very well capitalized” and poised to recover, he said, adding, “The Greek economy is improving, which should benefit the banking sector.”

Officials of the so-called troika — the European Central Bank, European Commission and International Monetary Fund — which have extended the country two loan packages worth 240 billion euros, or \$325 billion, over the last three years, are expected to propose significant revisions to the draft budget, as they have done with previous budgets.

Mr. Staikouras predicted a small primary surplus — a budget surplus not counting debt financing — of 340 million euros for this year and a 2.8 billion euro surplus for 2014. Greek officials are eager to show a surplus, since troika officials have said it could be the basis for discussion of some kind of debt relief.

“We will seek the contribution of our partners in helping toward the lightening of the debt,” Mr. Staikouras said. Greece’s debt is 321 billion euros.

Greece will continue to receive payments from the second bailout until next spring, when talks are expected to begin with international creditors on a potential third bailout. That aid would be much smaller than the first two rounds, to cover an estimated financing gap of 11 billion euros for the next two years.

The country has gradually been paying off its debts from an account opened last year at the Bank of Greece, and will continue to do so after it returns to international bond markets in 2014 or 2015. But given the overwhelming size of Greece’s debt, about 175 percent of its total economy, it remained unclear when Greece will be able to stop paying off what it owes with borrowed money.

Euro zone officials, in particular those in Germany, which has contributed the largest share to Greece’s bailouts, have repeatedly rejected the prospect of a second debt loss for Greece’s creditors after a write-down of privately held Greek debt last year. Other relief has not been ruled out, including a further reduction in interest rates and an extension on maturities on loans.

The International Monetary Fund has been more open to a possible loss to make Greece's debt sustainable. And many prominent economic specialists have expressed doubt there is any other viable solution for Greece.

In an interview with Der Spiegel of Germany published on Monday, the billionaire investor George Soros said there was no other choice. "Everyone knows that Greece will never be able to pay off its debts," he said. Mr. Soros added that private investors would return to Greece only if the "official sector" eased some of its demands.

Talks with troika officials will resume next week on the progress of Greek economic overhaul efforts, including what to do about the financing gap of 11 billion euros. After the troika envoys suggest amendments to the draft budget and issue their next economic review next month, the budget will go to a vote in the Greek Parliament.

September 18, 2013

Germany's Effort at Clean Energy Proves Complex

By MELISSA EDDY and STANLEY REED

86,51

BERLIN — It is an audacious undertaking with wide and deep support in Germany: shut down the nation's nuclear power plants, wean the country from coal and promote a wholesale shift to renewable energy sources.

But the plan, backed by Chancellor Angela Merkel and opposition parties alike, is running into problems in execution that are forcing Germans to come face to face with the costs and complexities of sticking to their principles.

German families are being hit by rapidly increasing electricity rates, to the point where growing numbers of them can no longer afford to pay the bill. Businesses are more and more worried that their energy costs will put them at a disadvantage to competitors in nations with lower energy costs, and some energy-intensive industries have begun to shun the country because they fear steeper costs ahead.

Newly constructed offshore wind farms churn unconnected to an energy grid still in need of expansion. And despite all the costs, carbon emissions actually rose last year as reserve coal-burning plants were fired up to close gaps in energy supplies.

A new phrase, "energy poverty," has entered the lexicon.

"Often, I don't go into my living room in order to save electricity," said Olaf Taeuber, 55, who manages a fleet of vehicles for a social services provider in Berlin. "You feel the pain in your pocketbook."

Mr. Taeuber relies on just a single five-watt bulb that gives off what he calls a "cozy" glow to light his kitchen when he comes home at night. If in real need, he switches on a neon tube, which uses all of 25 watts.

Even so, with his bill growing rapidly, he found himself seeking help last week to fend off a threat from Berlin's main power company to cut off his electricity. He is one of a growing number of Germans confronting the realities of trying to carry out Ms. Merkel's most ambitious domestic project and one of the most sweeping energy transformation efforts undertaken by an industrialized country.

Because the program has the support of German political parties across the spectrum, there has been no highly visible backlash during the current election campaign. But continuing to put the program in place and maintaining public support for it will be among Ms. Merkel's biggest challenges should she win a third term as chancellor in Sunday's election.

Ms. Merkel, of the traditionally conservative and pro-business Christian Democrats, came up with her plan in 2011, in the emotional aftermath of the Fukushima nuclear disaster in Japan. It envisions shutting down all of Germany's nuclear plants by 2022 and shifting almost entirely to wind and solar power by 2050.

The chancellor's about-face not only seized the energy initiative from her center-left opponents, it also amounted to a gamble that could prove to be her most lasting domestic legacy — or a debacle whose consequences will be felt for generations.

The cost of the plan is expected to be about \$735 billion, according to government estimates, and may eventually surpass even that of the euro zone bailouts that have received far more attention during Ms. Merkel's tenure. Yet as the transition's unknowns have grown, so have costs for the state, major companies and consumers.

Mr. Taeuber showed up last Friday, one of three "walk-ins" that day at one of two agencies in Berlin offering aid to people struggling to pay their energy bills. He arrived just as employees from the power company Vattenfall were on the way to his apartment.

Sven Gärtner, an agency employee, called Vattenfall with the promise of a payment plan, sparing Mr. Taeuber from being disconnected. “The boys were already in the basement, but they agreed to pull them back,” Mr. Gärtner said triumphantly.

Since January, Mr. Gärtner said, his group has intervened in more than 350 cases to prevent Vattenfall from leaving one family or another in the dark. In the first six months of this year, about 1,800 sought help, 200 more than in all of 2012.

With consumers having to pay about \$270 each in surcharges this year to subsidize new operators of renewable power, the hardest hit are low-wage earners, retirees and people on welfare, Mr. Gärtner said. Government subsidies for the plan amounted to \$22.7 billion in 2012 and could reach \$40.5 billion by 2020, according to John Musk, a power analyst at RBC Capital Markets.

“The energy transformation makes sense, but its implementation has been sloppy and uncoordinated,” Mr. Gärtner said. “People can’t be expected to keep cutting more and more in other areas. They are not receiving enough for the basic costs to cover their energy needs.”

Part of the reason consumer prices have risen so sharply is that, for now, the government has shielded about 700 companies from increased energy costs, to protect their competitive position in the global economy.

Industrial users still pay substantially more for electricity here than do their counterparts in Britain or France, and almost three times as much as those in the United States, according to a study by the German industrial giant Siemens. The Cologne Institute for Economic Research said there had been a marked decline in the willingness of industrial companies to invest in Germany since 2000.

Already there are winners and losers. A third of electronics and automotive companies have increased profits with the plan, and 11 percent of those in the chemical and metal industries have had losses, the German Economic Institute reported.

“We are now coming to a critical stage, and all the politicians are aware of this,” said Udo Niehage, Siemens’s point person for the transition. “The costs are becoming high, maybe too high, and you have to look at the consequences for the competitiveness of our industry in Germany.”

Rivalling the costs are the logistical challenges of eventually shifting 80 percent of energy consumption to renewable sources, something that has never been tried on such a grand scale.

One of the first obstacles encountered involves the vagaries of electrical power generation that is dependent on sources as inconsistent and unpredictable as the wind and the sun.

And no one has invented a means of storing that energy for very long, which means overwhelming gluts on some days and crippling shortages on others that require firing up old oil- and coal-burning power plants. That, in turn, undercuts the goal of reducing fossil-fuel emissions that have been linked to climate change.

Last year, wind, solar and other nonfossil-fuel sources provided 22 percent of the power for Germany, but the country increased its carbon emissions over 2011 as oil- and coal-burning power plants had to close gaps in the evolving system, according to the German electricity association BDEW.

“It is great that we have achieved such a high percentage of renewable energy,” said Michael Hüther, director of the Cologne Institute for Economic Research. “But there are negative repercussions that we are now beginning to feel and must be addressed by the next government.”

Large offshore wind farms that have been built in Germany’s less populated north generate energy that must then be transported to industries and sites in the south.

“We worked 24-hour days and weekends,” said Irina Lucke, who spent most of last year on the low sandy island of Borkum in the North Sea, supervising the assembly of 30 soaring turbines for the largest offshore wind farm. It is owned mostly by the utility EWE and was due to open last month.

Those turbines will probably not generate electricity until next year. Workers must still sweep the seafloor for abandoned World War II ordnance before a cable can be run to shore. “It’s really frustrating,” Ms. Lucke said. The delay threatens to add \$27 million to the \$608 million cost of the wind park.

Even without the energy the offshore turbines could produce, Germany’s power grid has been strained by new wind and solar projects on land, compelling the government to invest up to \$27 billion over the next decade to build roughly 1,700 miles of high-capacity power lines and to upgrade lines.

The largely rural northern state of Schleswig-Holstein produces as much as 12,000 megawatts of power with new wind turbines and solar panels, but it can consume only about a sixth of that.

“Schleswig-Holstein is a microcosm for all of Germany,” said Markus Lieberknecht of the grid operator Tennet. “Where energy was previously brought into the state and distributed to small communities, these communities are now producing the power, and we need to find a way to transmit it to the larger urban areas. Everything has been stood on its head.”

Friedrich fordert Wirtschaftsgespräche mit Afrika

Friedrich setzt auf bessere Lebensbedingungen in der Heimat von Flüchtlingen. Die Grünen verlangen eine andere Asylpolitik. Darüber streiten die EU-Innenminister.

8. Oktober 2013 05:40 Uhr [16 Kommentare](#)

86,55

Bundesinnenminister Hans-Peter Friedrich (CSU) hat sich vor dem Treffen mit seinen europäischen Kollegen in Luxemburg für europäisch-afrikanische Wirtschaftsgespräche ausgesprochen. Ziel von **Gesprächen mit afrikanischen Staaten** müsse es sein, **die Entwicklung in den Herkunftsländern so zu verbessern, dass die Menschen keinen Grund hätten, ihre Heimat zu verlassen**, sagte Friedrich der *Süddeutschen Zeitung*. Friedrich rief zugleich zu einer Modernisierung der Seenotrettung auf.

Die Grünen-Politikerin Barbara Lochbihler sagte im [Deutschlandfunk](#), Europa könne und müsse mehr **Flüchtlingen Schutz gewähren**. Auch sie will die Seenotrettung im Mittelmeer verbessern. Dann gehe es darum, den Flüchtlingen Wege nach Europa zu ermöglichen. **Diese müssten einen Asylantrag stellen können, ohne ihr Leben zu riskieren**, sagte die **Vorsitzende des Menschenrechtsausschusses im EU-Parlament**.

Die EU-Innenminister treffen sich am Vormittag in Luxemburg. Das Thema Flüchtlingspolitik war nach der Bootskatastrophe vor der italienischen Mittelmeerinsel Lampedusa kurzfristig auf die Agenda gesetzt worden. **Dass die Dublin-Verordnung geändert werden könnte, halten EU-Diplomaten jedoch für unwahrscheinlich. Sie besagt, dass ein Flüchtling in jenem Land Asyl beantragen muss, in dem er zum ersten Mal europäischen Boden betreten hat.**

Taucher hatten nach Angaben der Nachrichtenagentur Ansa am Montag 37 weitere Leichen aus dem Meer geborgen. Die Zahl der Toten steig damit auf 231. Das [Schiff mit fast 500 Flüchtlingen](#) war am Donnerstag vor der Insel in Flammen aufgegangen und gekentert. 155 Menschen konnten gerettet werden.

Angesichts des Ausmaßes der Katastrophe sind Forderungen nach einem grundlegenden Umbau der [europäischen Flüchtlingspolitik](#) laut geworden. EU-Parlamentspräsident Martin Schulz hatte gefordert, Italien stärker zu unterstützen. **Die Flüchtlinge müssten in Zukunft gerechter auf die EU-Mitgliedsstaaten verteilt werden. Auch Deutschland müsse mehr Flüchtlinge aufnehmen. Die Bundesregierung wies diese Kritik zurück. Deutschland habe im vergangenen Jahr etwa 65.000 Asylbewerber aufgenommen, Italien 15.000.**

Friedrich warnt vor Missbrauch der Freizügigkeit

Friedrich forderte die EU-Kommission vor den anstehenden Beratungen außerdem erneut auf, härter gegen die sogenannte [Armutseinwanderung aus Europa](#) vorzugehen. Er sprach von einem "wachsenden Missbrauch" der Freizügigkeit innerhalb der EU, vor allem aus Bulgarien und Rumänien. Dies bereite immer mehr Städten und Kommunen in Deutschland Probleme, sagte Friedrich der *Welt*.

Der Innenminister verlangte die Einführung einer Wiedereinreiseperrre für ausgewiesene Menschen. Die Freizügigkeit umfasse nicht das Recht, sich Leistungen zu erschleichen.

Das seit 2004 geltende Recht auf Freizügigkeit gebe nur denjenigen Personen das Recht, nach Deutschland zu kommen, die hier studieren, arbeiten und ihre Steuern bezahlen wollen. Freizügigkeit sei wichtig für die gemeinsame Entwicklung Europas, bedeute aber nicht, die Freiheit zu haben, nur wegen höherer Sozialleistungen das Land zu wechseln.

The rise of Euroseptic political parties throughout Europe

04/10 04:27 CET

86,56

In this edition of U talk Sophia from Utrecht asks, **“How do you explain the current rise of Euroseptic parties throughout Europe? And is it a threat for the EU as we know it today?”**

Her question is answered by Pascal Delwit a political analyst at the Free University of Brussels.

“For a large part, we’ve got to see the rise of Euroseptic parties and right-wing populist parties in the light of the changes that the European Union is currently experiencing. These changes are numerous. The first change of course is due to the transformation of the Union itself from a small European community into an area made of 28 Member States today. So, from an identity point of view, from what the EU represents today, we are in a different configuration.

‘The second one is due to the economic crisis which has been structurally affecting Europe since the end of the 70’s and then from time to time in a severe way since 2007-2008. This creates a lot of uncertainty, a lot of fears which traditionally leads to identity isolationism.

‘And the third one is due to Europe’s representation on the international stage: Europe is in a consistent decline, of industrial decline, Europe is losing the historical place it used to have.

‘So, we’re in a logic of identity isolationism which leads to the denial of various forms of solidarities. This denial for example can express itself through rising regionalism within Member States. On a national level, this denial can express itself through the rise of political parties such as the True Finns in Finland, the Alternative for Germany in Germany or the FPÖ in Austria which all call for putting an end to solidarity within the EU.

‘Those parties have an impact on major traditional parties which fear that they could gain ground electorally and politically. Major parties themselves now tend to be more reluctant to go for more Europe, tend to be reluctant to be more pro-active in the European Council.

‘We could see this tendency with the vote on the EU budget several Member States and thus several political parties have been very reluctant to increase the EU budget because they feared they would be “punished” by voters in national or European elections.’”

Corruption : la France mal notée

86,57

Après l'OCDE, c'est au tour de Transparency International d'épingler la **France** sur sa politique anti **corruption**. L'ONG passe en revue les 40 pays signataires de la convention internationale de l'**OCDE**, entrée en application en 2000. Ce texte interdit la corruption d'agents publics lors de la passation de marchés à l'international.

Transparency classe les pays en quatre catégories. La France fait partie du troisième groupe à «l'efficacité limitée», en compagnie de l'Afrique du Sud, l'Argentine, le Portugal ainsi que la Suède et le Danemark. Pire, l'Hexagone arrive loin derrière le peloton de tête emmené par les États-Unis, l'Allemagne, le Royaume-Uni et la Suisse, qui pèsent plus du quart de l'export mondial.

«La France est très bon élève lorsqu'il s'agit d'adopter les textes mais très défaillante dans la mise en œuvre», résume Daniel Lebègue, président de Transparency International.

En témoigne le faible nombre d'investigations, une vingtaine depuis 2000 dont dix depuis 2009, qui n'ont donné lieu qu'à quatre condamnations de personnes physiques et une condamnation d'entreprise. Le groupe Safran a été condamné en première instance à 500.000 euros d'amende pour corruption active d'agents nigériens entre 2000 et 2003 sur un contrat au Nigeria d'une valeur de 170 millions d'euros pour la fourniture de cartes d'identité au gouvernement. Safran a fait appel de cette condamnation. La table de chasse des États-Unis est nettement plus conséquent avec 77 condamnations entre 2009 et 2012. L'Allemagne suit avec 46 condamnations.

Faiblesse des moyens de la justice française

Pour Daniel Lebègue, l'inefficacité de la justice française tient à la faiblesse des moyens d'action en matière de délinquance financière - qui plus est, elle n'a pas été une priorité jusqu'à présent des ministres de justice - et le manque d'experts en finance, comptabilité et gestion de risque. «Par exemple, pour l'ensemble des dossiers de biens mal acquis, il n'y a qu'un seul officier de police judiciaire pour conduire les perquisitions et les auditions», souligne-t-il.

Surtout, ajoute-t-il, la France a un mode opératoire très long quand les États-Unis, l'Allemagne et le Royaume-Uni, optent pour un «système de justice transactionnelle». En clair, les entreprises plaident coupables, négocient les amendes et doivent mettre en place des politiques de prévention sous l'autorité du juge. «La justice américaine a dans son radar 100 entreprises internationales, dont une quinzaine de multinationales du CAC 40», indique le président de Transparency. Ainsi, le groupe français Technip, mis en cause dans un contrat au Nigeria au sein d'un consortium, a négocié une amende de 250 millions de dollars, aux États-Unis, et décidé de refondre son dispositif de prévention des risques.

Cela étant, l'ONG reconnaît de récentes avancées dans le système français visant à améliorer la transparence de la vie publique, avec six projets de loi présentés au Parlement. C'est notamment la création d'un parquet financier, le durcissement des sanctions, une meilleure protection des lanceurs d'alerte - c'est-à-dire des personnes qui dénoncent un acte de corruption - et enfin la possibilité pour les associations de société civile d'attaquer en justice.

10/08/2013 10:37 AM

EU Immigration

Only the Rich Are Welcome

By *Claus Hecking*

86,58

Hundreds of poverty-stricken refugees are drowning in the Mediterranean, while at the same time, many European Union member states issue residence permits to wealthy Chinese, Arabs and Russians. Anyone is welcome who can pay the asking price.

When the shutters come up inside Latvia's immigration office at 8 a.m., they are waiting: Well-to-do Russians, Kazakhs and Chinese accompanied by their interpreters and advisors with sales contracts in hand. Some have been property owners in Latvia for just hours; many are in the capital Riga for the first time, most simply in transit. And they all want just one thing from the office: The residence permit. Their ticket to Central Europe.

The residence permit program attracts thousands of foreigners to Latvia. Hardly any of them will end up living here. But anyone who buys property worth at least 50,000 Lats (€71,000 or \$96,500) in the provinces or 100,000 Lats in major cities such as Riga receives a five-year residency permit. And that means unfettered access to the border-less Schengen zone, to which 26 European states are signed up. The Latvian government introduced the controversial program to save the Baltic state's ailing property market. Now it is being mimicked by other countries in Europe.

Money in exchange for a Schengen visa -- governments in Greece, Spain and Hungary are using this offer to try and attract new investors from around the world. The model undermines Europe's strict asylum and immigration laws. And the tragedy off Lampedusa, where more than 150 Africans drowned last week when their boat caught fire and sank, has shown how morally dubious it is.

'Europe is Losing its Credibility'

Fortress Europe is rigorously defending itself from these poverty-stricken refugees: According to the United Nations Refugee Agency, some 2,000 people have perished in the Mediterranean since the beginning of 2011. All while some EU governments allow wealthy foreigners in through the backdoor.

"This is cynicism," says Karl Kopp, director of European affairs at refugee rights organization Pro Asyl. "The real refuge seekers are being repelled by any and all means. But those who have enough money are getting a free ride." It is the EU states suffering financial crises in particular who are interested in the Latvian model:

- *In Spain, a new law came into force on Tuesday that provides a residence permit to foreign investors who invest at least €500,000 in property. Real estate industry experts hope to see up to 300,000 new buyers.*
- *Since the summer, Greece has been giving five-year permits to anyone investing €250,000 in property. Technically, the permits only allow non-EU citizens to spend 90 out of every 180 days in other Schengen states, but virtually no one checks this in practice.*
- *Since October 2012, Portugal has been offering what the locals call a "golden visa": At least two years residency in exchange for a real estate investment of at least €500,000.*
- *Hungary's right-wing nationalist government, which usually tries to keep foreigners away from precious Hungarian soil, created the "Residence Permit Bond" in July. This involves buying Hungarian government bonds in exchange for the permit. Foreigners need to pump at least €250,000 into the country; on top of which there are further charges of around €40,000 payable to dubious partner companies of the Hungarian government based in offshore tax havens like the Cayman Islands or Cyprus.*

"With programs like these, Europe is losing its credibility," says Birgit Sippel, security and migration policy spokeswoman for the parliamentary group of Germany's center-left Social Democratic Party (SPD). **In principle, the right of residence is a matter for individual states.** "But what is happening here affects all of Europe. It cannot be that we stringently exclude one group of people while on the other hand allowing all those with visas to travel around the entire Schengen area at will."

In Latvia, at any rate, hardly any of the new residents hang around for long. According to a survey carried out by the immigration department, not even a fifth of those taking part in the residence permit program are settling permanently in Latvia. The others rent their new properties out immediately, or just let them stand empty, and move on to countries like France, Austria and Germany.

"I was initially very skeptical," admits Ilze Briede, head of the department. "A residence permit has the intention that one will stay in that country." In the meantime, however, the program has gained a political consensus: It has already seen about €600 million pumped into the Latvian real estate industry.

Haggling over Schengen visas, it seems, is simply too lucrative to give up.

OCTOBER 7, 2013, 9:01 PM

No Way U.S. Would Allow Debt Default? Don't Bet on It

By **ANDREW ROSS SORKIN**

86,60

“The United States government is not going to default, ever.”

That's what Vincent Reinhart, former head of the Federal Reserve's monetary division and now managing director and chief United States economist for [Morgan Stanley](#), said late last week.

“As political theater,” he said, “the [debt ceiling](#) is not a useful threat, because politicians are basically threatening to shoot themselves, as they will rightly shoulder the blame for the serious global economic consequences of a default.”

Mr. Reinhart's view has become conventional wisdom on Wall Street when it comes to whether the country will hit the debt ceiling limit on Oct. 17. [Warren Buffett](#) put it this way: **“We'll go right up to the point of extreme idiocy, but we won't cross it.”**

Nobody believes the country will actually exceed the debt limit — which is exactly why it might.

Oddly enough, despite all the predictions of panic, the stock market was down only marginally over the last couple of sessions.

Here's the perversity of Wall Street's psychology: The more Wall Street is convinced that Washington will act rationally and raise the debt ceiling, most likely at the 11th hour, the less pressure there will be on lawmakers to reach an agreement. That will make it more likely a deal isn't reached.

John Podesta, the former chief of staff for President [Bill Clinton](#), said that **while only weeks ago he thought it was almost impossible that Congress wouldn't reach a deal, he now questions whether it will be reached in time.**

What happens when the government exceeds the debt limit? It is often forgotten, but it actually did default once, in 1979 — but this was by accident.

Here's a history lesson from Donald B. Marron of the Tax Policy Center: He wrote on his blog in 2011 — the last time this game of chicken was taking place — that Congress raised the debt ceiling at the 11th hour in 1979 but the government “defaulted because [Treasury](#)'s back office was on the fritz.” He explained that the government ultimately paid the debt back in full.

So what happened to interest rates? “T-bill rates rose almost 0.6 percentage points (i.e., 60 basis points). There's no indication this increase reversed in the days that followed.” That may sound like a lot — and it is — but let's put that in context: “T-bill rates hover near zero compared to the 9-10 percent range of the late-1970s; that means a temporary delay in payments would be less costly for creditors.”

Of course, for the last several weeks we have heard ad nauseam about how imperative it is for Congress to raise the debt ceiling or risk imperiling the creditworthiness of the United States. Even approaching the deadline without a resolution was supposed to send the market into a panic and interest rates skyrocketing.

And yet here we are, about a week before the deadline, and the market hasn't cratered despite remarks over the weekend by House Speaker [John A. Boehner](#), who indicated, for the first time, that he planned to use the debt

ceiling as a negotiating chip in seeking concessions from President Obama, who has steadfastly refused to negotiate. “I told the president, there’s no way we’re going to pass one,” Mr. Boehner said. “The votes are not in the House to pass a clean debt limit. And the president is risking default by not having a conversation with us.”

Almost bizarrely, the market’s reaction — or lack of one in this case — may actually contribute to an outcome everyone has been railing against.

The ruinous potential for a default has had Wall Street leaders screaming from the rooftops: “Whatever circumstances and disagreements got us to this current unhappy juncture, there is no way that our government leaders can allow the full faith and credit of the United States of America to be jeopardized. This is an issue that affects every single citizen, from veterans to [Social Security](#) recipients to government bondholders to all taxpayers, and threatens to derail an already fragile economic recovery,” James P. Gorman, the chief executive of Morgan Stanley, said in an e-mail to his employees, urging them to contact their representatives in Washington.

[Goldman Sachs](#) put it this way: “A very short delay past the October deadline — for instance, a few days — could delay the payment of some obligations already incurred and would create instability in the financial markets.” He added, “This uncertainty alone could weigh on growth.”

For some market participants, the prospect of reaching the debt limit isn’t worrisome, not because they don’t think a deal will be reached but because — and I disagree with this — they believe that the Oct. 17 deadline is either fake — they speculate that Treasury Secretary [Jacob J. Lew](#) has built in some wiggle room to force a decision — or that the government would ultimately be able to prioritize certain payments over others so that it could continue to pay its debts and Social Security payments. Of course, the Treasury disputes that, saying it is impossible to prioritize the millions of payments that the government makes every day.

In 2011, Stanley F. Druckenmiller, the hedge fund manager, told The Wall Street Journal: “I think technical default would be horrible, but I don’t think it’s going to be the end of the world. It’s not going to be catastrophic. What’s going to be catastrophic is if we don’t solve the real problem.”

He is right about the need to solve the big problems. But unless we sit up and pay attention, we may create an even larger one.

This post has been revised to reflect the following correction:

La crise a fortement pesé en 2012 sur l'insertion des jeunes diplômés

Par Cécile Crouzel Publié le 09/10/2013 à 06:10

86,62

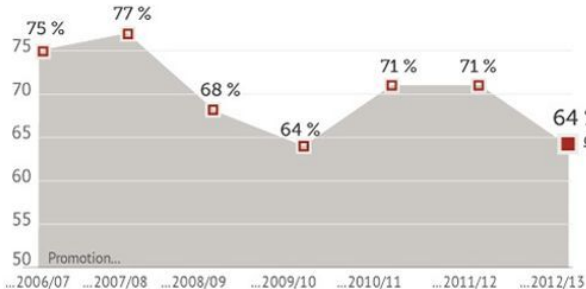


Les temps sont de plus en plus durs pour les jeunes diplômés. D'après la dernière enquête de l'Association pour l'emploi des cadres (Apec) sur leur situation un an après la fin de leurs études, les titulaires d'un bac+4 et plus ayant achevé leur cursus en 2012 n'étaient que 64% à avoir un emploi en avril 2013. Un quart d'entre eux étaient toujours à la recherche de leur premier poste et 11% briguaient un second emploi. Des résultats, au regard de ceux des années précédentes, on ne peut plus médiocres et surtout en forte dégradation par rapport au cru de l'an passé.

La chute est en effet vertigineuse en l'espace d'un an: les jeunes diplômés de 2011 étaient 71% à être en poste en avril 2012. Soit 7 points de moins, et ce alors que la conjoncture s'est un peu améliorée sur la période. Pis, cette détérioration frappe aujourd'hui tous les diplômés. Ainsi le taux d'emploi des jeunes ingénieurs est passé de 80% à 70% en douze mois, celui de ceux sortis d'école de commerce de 72% à 66% et ceux des diplômés de l'université, de 69% à 62%. De façon générale, mieux vaut avoir fait des études médicales (90% de taux d'emploi) ou de sciences technologiques (67%), que de droit et économie (54%) ou de langues (52%).

Aussi surprenant que cela puisse paraître, ce sont en particulier les bac+5 qui ont vu leur taux d'emploi chuter le plus, notamment par rapport aux bac+3 et aux bac+6. «Les bacs+3 sont moins exigeants, explique Jean-Marie Marx, le directeur général de l'Apec et ex-numéro deux de l'ANPE au début des années 2000. Ils ont davantage accepté de CDD: 49 % de ceux de la promotion 2012 sont en CDI, contre 57% de ceux de la promotion 2011. Et ils sont à peine 8 % à avoir un statut cadre.» Quant aux bac+6, leur cas est encore différent puisqu'ils partent traditionnellement sur des postes de chercheurs et professeurs dans la fonction publique.

TAUX D'EMPLOI DES BAC+4 ET PLUS, en %

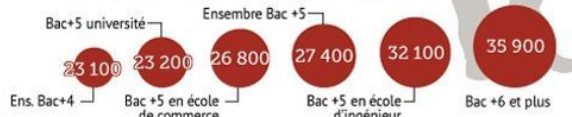


POURCENTAGE D'EMPLOYÉS À L'ÉTRANGER PAR BRANCHE UNIVERSITAIRE, en %



Infographie LE FIGARO

RÉMUNÉRATION BRUTE ANNUELLE MOYENNE SELON LE NIVEAU DE DIPLOMES, en euros



Embauche en CDD

Même les jeunes de niveau supérieur ou égal à bac + 4 ont subi une forme de précarisation: seuls 51 % de ceux en emploi ont décroché un CDI, contre 56% pour les diplômés de 2011. Une surprise? Pas vraiment, car plus de 80 % des embauches se font aujourd'hui en CDD, un taux en constante progression depuis dix ans. Les jeunes diplômés n'échappent donc pas à la règle, même s'ils restent mieux lotis que la moyenne...

L'étude de l'Apec ne fournit en revanche - et c'est dommage - aucune indication sur le nombre de jeunes ayant quitté la France en 2012 pour aller tenter leur chance à l'étranger. Que ce soit à cause de l'absence de perspectives dans l'Hexagone (le taux de chômage des jeunes actifs flirte toujours autour de 25%, un record) ou parce que leur projet professionnel, dans un monde de plus en plus internationalisé, les oblige à avoir une expérience dans un pays étranger. Mais on ne peut que supposer que leur nombre est en hausse. D'ailleurs, les dernières données existantes sur ce point sont éloquentes. En juin, la Conférence des grandes écoles (CGE) estimait que 17% des jeunes diplômés fuyaient à l'étranger pour décrocher leur premier emploi, et même 25% des titulaires d'école de commerce .

À l'Apec, on ne veut toutefois pas céder au pessimisme. «Les résultats pour la promotion 2012 ne sont pas bons, reconnaît Jean-Marie Marx. Cela est lié à la situation économique générale: la France a été en récession entre fin 2012 et début 2013. Mais la croissance devrait repartir en 2014 pour atteindre 0,9% ou 1%. Les perspectives pour la promotion 2013 sont donc meilleures.» Pour étayer ce raisonnement, l'Apec s'appuie sur son baromètre trimestriel de septembre 2013. Parmi les entreprises envisageant de recruter au moins un cadre, 45 % prévoient d'embaucher des jeunes diplômés. Elles n'étaient que 35% dans ce cas il y a un an.

Par ailleurs, les jeunes bac+4 et plus peuvent se consoler en notant que leur rémunération médiane ne baisse pas. En un an, elle n'a perdu que 200 euros, à 28.600 euros. Les écarts restent toutefois élevés entre les jeunes sortant de l'université (23.200 euros), ceux venant des écoles de commerce (26.800 euros) et les jeunes ingénieurs (32.100 euros).

ESCP : «40% de nos étudiants démarrent à l'étranger»

- Par Christine Lagoutte Publié le 08/10/2013 à 19:42

86,64

INTERVIEW - Édouard Husson, ancien vice-chancelier des universités de Paris, est directeur d'ESCP Europe, revient sur l'insertion des jeunes diplômés.

LE FIGARO. - L'insertion des jeunes diplômés se dégrade. Quel message cela envoie-t-il aux responsables de l'enseignement supérieur?

Édouard HUSSON - Ces résultats confirment qu'il y a aujourd'hui, dans un contexte de crise, des choix clairs à faire en matière de diplomation, d'internationalisation et de parcours croisés pour les étudiants. Face à un marché du travail en complète mutation, les jeunes diplômés qui font leur entrée sur le marché de l'emploi doivent avoir un niveau de diplôme élevé, associé à un sens aigu de la créativité. C'est le choix qu'a fait ESCP Europe depuis plus de dix ans, avec un taux d'insertion proche de 100%, contre 66% en moyenne pour les diplômés d'écoles de management.

Les bac + 5 s'en tirent moins bien cette année que les bac + 3 ou les bac + 6. Pourquoi?

C'est la prime à la spécialisation et à la professionnalisation. Nous accueillons dans nos mastères spécialisés des profils qui visent un bac+6 et que nous plaçons avec des taux de réussite supérieurs à ceux des bac+5. C'est la preuve que les entreprises viennent chercher des spécialisations et des professionnalisations pointues, au détriment de cursus généralistes.

Faut-il se féliciter du départ à l'étranger des jeunes diplômés?

Si l'on analyse ce phénomène comme unique réponse à la crise économique, ces départs ne sont pas un bon signal. Mais il faut dépasser cette première analyse et intégrer l'international comme l'une des étapes de la construction de la carrière d'un diplômé. Il faut surtout multiplier les incitations et les mesures d'accueil afin de rendre attractif un retour dans le pays d'origine, c'est-à-dire en France, de ces jeunes entrepreneurs du XXI^e siècle. À ESCP Europe, nous avons cinq campus dans cinq pays différents. L'international est quelque chose de naturel pour nos étudiants, qui démarrent, pour 40 % d'entre eux, leur vie ailleurs qu'en France.

L'université est-elle aussi gagnée par l'international?

L'université a franchi au cours des dernières années le cap des échanges d'étudiants. Elle compte aujourd'hui 12 % d'étudiants étrangers en France et 20 % en Ile-de-France. Mais il lui reste à s'approprier le modèle d'internationalisation des écoles de management.

Quels conseils donnez-vous à vos étudiants sur leur insertion professionnelle?

Nous leur apprenons à se préparer à des entretiens d'embauche de plus en plus divers et déconcertants. Nous les invitons à faire quelque chose qui leur plaît ; c'est l'élément clé de leur réussite. Enfin, nous leur conseillons d'être à la fois managers et entrepreneurs.



POLITIQUE

86,65

Un sondage place le FN en tête en vue des européennes

Marine Le Pen avait qualifié son parti de «premier parti de France» lundi dernier.

Selon une enquête Ifop pour *Le Nouvel Observateur*, le parti de Marine Le Pen totaliserait 24% des intentions de vote, deux points au-dessus de l'UMP, cinq au-dessus du PS.

Et si le Front national était bien le premier parti de France, comme le claironnait lundi sa présidente¹, Marine Le Pen? Après les nombreux sondages confirmant la dédramatisation du parti, et la récente performance du candidat frontiste Laurent Lopez, lors du premier tour de l'élection cantonale partielle de Brignoles², un sondage Ifop pour *Le Nouvel Obs*³ place le FN en tête des prochaines élections européennes prévues en mai 2014, devant le PS et l'UMP. Une première, selon l'institut de sondage.

Le Front national enregistre ainsi 24% des intentions de vote, 2 points au-dessus de l'UMP et, surtout, 5 points au-dessus du Parti socialiste. Viennent ensuite les listes du MoDem et de l'UDI (11%), du Front de gauche (10%), des Verts (6%), et, ex aequo, les listes de Debout la République et du NPA avec 2%. Les autres listes totalisant pour leur part 4%.

En comparaison du précédent sondage de l'Ifop paru en mai dernier⁴, le Front national est le seul parti à avoir augmenté ses intentions de vote de manière significative avec 3 points de plus en quelques mois. Seuls l'UMP (+1), le Front de gauche (+1) et les autres listes (+2) sont en augmentation. À gauche, le bloc gouvernemental essuie un revers, pas forcément spectaculaire. Le Parti socialiste perd ainsi 2 points et les Verts accusent une perte de 1,5 point.

En mars 2011, dans un sondage en vue de l'élection présidentielle de 2012, paru dans *Le Parisien*⁵, la présidente du Front national, Marine Le Pen, arrivait alors en tête des intentions de vote avec 23%, devançant Nicolas Sarkozy et Martine Aubry crédités tous deux de 21%.

L'INTENTION DE VOTE POUR LES ÉLECTIONS EUROPÉENNES DE 2014

	Rappel 29-31 mai 2013 (%)	Ensemble 1 ^{er} -4 octobre 2013 (%)
Une liste du NPA, soutenue par Olivier Besancenot	2	2 →
Une liste du Front de Gauche, soutenue par Jean-Luc Mélenchon	9	10 ↗
Une liste du Parti socialiste, soutenue par Harlem Désir	21	19 ↘
Une liste d'Europe Ecologie-les Verts, soutenue par Cécile Duflot	7,5	6 ↘
Une liste d'union du MoDem et de l'UDI, soutenue par François Bayrou et Jean-Louis Borloo	7+6,5	11 ↘
Une liste de l'UMP, soutenue par Jean-François Copé	21	22 ↗
Une liste de Debout la République, soutenue par Nicolas Dupont-Aignan	3	2 ↘
Une liste du Front national, soutenue par Marine Le Pen	21	24 ↗
Une autre liste	2	4 ↗

Sondage Ifop pour « le Nouvel Observateur » ; échantillon de 1 893 personnes inscrites sur les listes électorales, extrait d'un échantillon de 1 995 personnes représentatif de la population française âgée de 18 ans et plus.

Capture d'écran du site du Nouvel Obs.

Ce sondage a été réalisé du 1^{er} au 4 octobre par internet, auprès d'un échantillon de 1893 personnes inscrites sur les listes électorales, représentatif de la population française âgée de 18 ans et plus, selon la méthode des quotas.

October 9, 2013

As Drilling Practice Takes Off in U.S., Europe Proves Hesitant

By [STEVEN ERLANGER](#)

86,67

LONDON — France and Bulgaria have already banned it, and in Britain the government’s attempts to promote it have led to heated demonstrations in the countryside. It is complicating Germany’s attempts to wean itself from fossil fuels and forcing Russia to recalibrate the energy-export strategy that sustains its economy.

Hydraulic fracturing, or fracking, has already revolutionized the energy business in the United States, which is now 87 percent self-sufficient for gas, and it is transforming environmental policy, too.

Now the temptation to follow the United States in extracting shale gas from rock on a large scale is presenting Europe with contentious trade-offs that could affect the Continent’s economic competitiveness, test its commitment to curbing climate change and determine its place in a 21st-century version of the Great Game.

The early signs are that densely populated Europe, with citizens generally more sensitive to environmental concerns and more willing to tolerate high energy costs, is unlikely to embrace the technique as the Americans have. As an indication of the skepticism, European Union lawmakers gave initial approval on Wednesday to a measure requiring companies to conduct extensive environmental audits before fracking for shale gas.

In Britain, near Balcombe in West Sussex, up to 1,000 demonstrators set up a tent camp this summer to protest test drilling by the energy company Cuadrilla in what became a symbol of opposition to fracking. More than 100 people were arrested, including a member of Parliament from the Green Party, Caroline Lucas. The company removed its test rig and left the site in late September, but protesters like Ewa Jasiewicz from the group [No Dash for Gas](#) promised further protests if Cuadrilla returned.

Europe uses natural gas for about 24 percent of its energy — similar to the 28 percent in the United States. But gas from fracking represents only 0.1 percent of the total energy supply, compared with 15 percent in America.

In France as well as Britain, public debates over fracking have been mirrored by disputes in the government over competing concerns about economic growth, energy security and environmental protection. Poland is pressing ahead with fracking, eager to lessen its dependence on Russia as a supplier. France’s two-year-old ban on fracking is facing a constitutional court challenge and growing pressure from energy companies. But in some ways the debate is just getting going — and Europe is already confronting the implications of the choices it has made so far.

With shale gas altering the global energy equation, how to balance the triangle of energy security, climate change and economic efficiency is a kind of “energy trilemma,” said Heather Haydock of Ricardo-AEA, an energy and environmental consulting company.

The issue is another focal point in the more general debate in Europe over how far to go in reducing reliance on carbon fuels, a movement that is much further along than in the United States.

“There is a lot of oil and gas all over the world, so having access to shale gas is better for your trade balance but doesn’t change the energy equilibrium in Europe,” said Christophe de Margerie, the chief executive of Total, the global energy company based in France. “People think that access to shale will produce the same effect as in the United States, and it’s not true.”

Given political constraints, population density and the difference in land ownership — individual landowners in Europe generally do not own mineral rights under their land — the model in Europe will be different, he said.

“But the issue is not shale gas,” about which there is a great deal of fear and ignorance, Mr. de Margerie said. “People are against carbon, against fossil fuels, and we are missing important opportunities.”

The increase in American natural gas supplies has already meant that American coal, displaced by cheap gas in American power plants, is being exported cheaply to Europe in large amounts, despite its deleterious impact on air quality and carbon dioxide emissions. With the European economy largely still in the doldrums, energy demands are lower, carbon credits are plentiful and cheap, and coal ends up being one-seventh or one-eighth as expensive to use as natural gas.

In Germany, the success of fracking in the United States has actually led to a greater reliance on coal. Germany is undergoing a great “energiewende,” an energy transition, from nuclear and fossil fuels to subsidized, renewable energy from wind and the sun.

But these sources are intermittent and insufficient, and Germany’s decision to eliminate its nuclear plants led it to bring coal-fired power plants out of mothballs to make up the difference. Doing so was a viable option because coal demand in the United States has dropped sharply as American power plants have turned to less expensive gas, driving down the cost of American coal for export to global markets.

As a result, carbon dioxide emissions in Germany went up last year, not down.

“The tragedy of gas is that it’s the perfect fuel for the energiewende, but it’s too expensive,” said Kirsten Westphal, an energy expert with [SWP](#), the German Institute for International and Security Affairs, in Berlin. Future demand for gas in Europe is uncertain, Ms. Westphal said, because of improvements in insulating homes, many of which are heated by gas, and the concentration on renewables, which are becoming the priority.

Without an accelerating demand for gas, there is less incentive for companies to invest in fracking technology, given its cost. And given the increasing use of so-called intermittent energy sources like the wind and sun, and no expectation of a sudden spurt in economic growth, the European demand for gas is hard to predict — another negative for companies thinking of investment in fracking.

The European Union is working to “decarbonize” its energy supplies, a long-term goal, but there are continuing battles between ministries that emphasize economic growth and competitiveness and those that emphasize reducing carbon emissions.

In Britain, for example, the Treasury is in favor of shale exploration to bring down domestic prices and increase energy security, while the Department of Energy and Climate Change “is very dubious, and it’s a major battle,” said Paul Stevens, an energy expert at Chatham House, a research institute based in London.

The impact on Russia and its economic relationships across Europe is also substantial.

“Without shale gas, this would be a world where Russia would have very, very strong market power and there would be very strong dependency on gas supply from geopolitically risky regions in the Middle East, Iran and North Africa,” said Laszlo Varro, the director of the Gas, Coal and Power Markets Division of the International Energy Agency.

Gazprom, the huge Russian gas company, finds its traditional business model in trouble. Under the pressure of a market in which gas is being supplied from more places, Gazprom has had to renegotiate gas contracts with European countries, costing it \$6 billion, Mr. Varro said.

Shale gas, especially from Poland, will only make the situation for the Russian company more difficult, and Gazprom has been outspoken in opposing its development in Europe.

“Gazprom is not against shale gas,” Mr. Stevens said, “it’s just against everyone else having it.”

Russian gas will continue to have a large role in Europe’s future, especially in Germany and Eastern Europe. But the relative Gazprom-Russian stranglehold is broken, meaning that its ability to pressure these countries politically has been diminished.

Fyodor Lukyanov, a Russian analyst and editor of the quarterly journal [Russia in Global Affairs](#), said, “Gazprom is in trouble, and new developments in the European gas market will lead to a reorientation toward Asia.”

Will Pearson, director of global energy and natural resources at the [Eurasia Group](#), a political risk consultancy, said he believed that Russia was already pressuring Bulgaria to forgo fracking and Lithuania to stop trying to diversify its energy sources.

As Europe becomes a more “contestable market” with more integrated pipelines, more liquefied natural gas and more shale gas, behavior will change. “If people can come in easily, the threat of coming in will make the monopolist behave differently,” Mr. Stevens said.

Still, Mr. Varro said, Gazprom has been flexible, renegotiating contracts. “The Russians are not really afraid of shale gas in Europe, and they’re probably right,” he said, given all the obstacles. “There’s lots of excitement in Poland and the U.K., but even in Poland, two years’ production is one week of Eagle Ford in Texas,” a shale formation. “And in the U.K., the gas industry produces more Financial Times editorials than gas.”

Europe is moving toward a future where the main role of gas and coal will be to support renewables, Mr. Varro said. And there is no reason to expect coal to disappear, given the changing market, coal exports from the United States and new carbon-capture technologies. New emission standards will essentially prohibit new coal-fired power stations in the United States, Mr. Varro said.

“In a world without shale gas,” he said, “that would be politically impossible.”

Kimiko de Freytas-Tamura contributed reporting.

October 9, 2013

Europe Pledges Aid to Italy for Refugees

By *GAIA PIANIGIANI*

86,71

ROME — The European Union’s top official on Wednesday visited the Italian island of Lampedusa, [where a crowded boat capsized last week](#), killing hundreds of migrants, and announced that Italy would receive an additional 30 million euros, or \$40.5 million, from the union to help deal with refugees.

“I am here to say that Europe is with the people here on Lampedusa and with Italy,” said José Manuel Barroso, the president of the European Commission. “We will do anything we can, with the means that we have, to change the situation.”

A day after European interior ministers agreed in principle to expand patrols across the Mediterranean, from Spain to Cyprus, Mr. Barroso pledged to work “tirelessly” to enhance an European Union-wide migration and asylum policy. He also said that Frontex, the European Union border security agency, would be strengthened to detect migrants’ boats quickly and more efficiently and thus prevent future shipwrecks.

Mr. Barroso and Cecilia Malmstrom, the union’s commissioner for home affairs, visited the island on Wednesday with Italy’s prime minister, Enrico Letta, who announced a state funeral for the shipwreck victims.

The visit prompted protests on the seven-square-mile Mediterranean island, which is closer to Tunisia than to Italy. It is a frontier post whose shores have long received thousands of migrants sailing from North Africa and has often complained of being forgotten by both Italy and the European Union.

Residents shouted “Assassins!” “Clowns!” and “Shame!” and showed pictures of migrants perched on ratty fishing boats, as Mr. Barroso, Ms. Malmstrom and Mr. Letta arrived at the airport. The protests continued outside City Hall, where the mayor of Lampedusa, Giusi Nicolini, met the officials.

“They come here on their state flights,” said one resident who was on one of the fishing boats that rescued dozens of migrants last Thursday. “Why didn’t they send military aircrafts to pick up the migrants at sea?”

Many residents complained about the crowded conditions in the local reception center, where the shipwreck survivors have been housed since the accident. This week, some migrants had to sleep outside in the rain because there was no space inside.

“Lampedusa will keep doing its part,” said Ms. Nicolini, adding that many residents had offered to host the migrants. “But we need to think of new ways for migrants to seek asylum before they get on the boats.”

The Italian authorities have so far retrieved 301 bodies from the smugglers’ boat, which caught fire and sank just a quarter-mile off the island. Of the estimated 500 people on board, only 155 survived.

After visiting the airport hangar, where hundreds of coffins have been arranged in rows, Mr. Barroso said he was “profoundly shocked” and saddened by the view, especially the little coffins for children.

“The image of hundreds of coffins will never get out of my mind,” he told reporters. “One thing is to watch it on the newscast, and one thing to see it with your own eyes.” Acknowledging that countries like Italy and Greece welcome migrants, Mr. Barroso noted that five countries — Belgium, Britain, France, Germany and Sweden — receive 70 percent of the 330,000 asylum applications in Europe. He also called for more burden-sharing among European Union member states.

Mr. Barroso also said that Europe needed to increase cooperation with the countries from which migrants originate. Ms. Malmstrom went even further, saying new avenues for legal migration and refugee resettlement were needed.

“Possibilities for humanitarian visas need to be explored,” she said, emphasizing that the restrictive approach has proved its limits. “We need to change our approach to migration.”

The New York Times

Business/Financial Desk; SECT

Europe Looks Ahead to Fed Choice

Jack Ewing By JACK EWING

86,73

FRANKFURT -- For a world increasingly nervous about events in Washington, President Obama's choice Wednesday of Janet L. Yellen to be chairwoman of the Federal Reserve meant there was one less thing for global economists and investors to worry about.

Ms. Yellen is seen as a person likely to move cautiously as the Fed tapers down its stimulus to the American economy, a caution generally welcomed outside the United States, where the pace of that so-called tapering has been the source of considerable worry.

Talk of tapering by the Fed earlier this year already provoked an outflow of cash from emerging markets and a rise in borrowing costs for strapped European governments. Tapering, indeed, has rivaled political gridlock in Congress as a source of market anxiety in Europe.

Ms. Yellen is seen by many global economists as a steady hand unlikely to slow stimulus more quickly than Ben S. Bernanke, the departing chairman. She may even be more cautious than he has been about dialing back the bond purchases that the Fed has used to pump cash into the American economy.

"She is more likely to take the risk of being more accommodative than being more restrictive," said Adalbert Winkler, a professor at the Frankfurt School of Finance and Management.

The reaction in financial markets was muted Wednesday. But analysts said the lack of any sharp moves could be read as a positive comment on Ms. Yellen's nomination, considering that markets are increasingly worried about the risk that the United States will default on some of its bonds on Oct. 17 if Congress cannot agree to raise the debt ceiling.

Main European indexes were little changed Wednesday. Stocks rose in some Asian countries, including India and Japan. The Japanese Nikkei share average recovered from a five-week low.

"There is some relief in the market today," said Nick Matthews, senior European economist at Nomura in London. "There could be a bit more of a dovish stance from the Fed."

The dollar also gained against the euro, which is good news for Europe because it makes exports from the euro zone less expensive in dollar terms.

The nomination of Ms. Yellen "removes one of the uncertainties we have currently, but obviously there is another big uncertainty," Mr. Matthews said. "Markets are still very focused on what is happening with the debt ceiling."

Market interest rates on Spanish and Italian bonds, which have been sensitive to uncertainty about the debt ceiling, were up slightly. Italy's main stock index closed 1 percent higher.

The European Central Bank did not immediately comment on Ms. Yellen's nomination. But a cautious approach to tapering by the Fed would probably be welcomed by the E.C.B.

The E.C.B. has struggled to hold down market rates for loans in the euro zone. The bank's job would have been even more difficult if President Obama chose a Fed chairman who was more militant about guarding against inflation and thus more likely to withdraw stimulus quickly. Swifter tapering would add pressure on lending rates to rise.

A go-slow approach by the Fed will also give the euro zone more time to gain momentum after emerging from recession earlier this year. "The more the two main currency areas in this global economy move in tandem, the

more likely they are to achieve their objectives," Mr. Winkler of the Frankfurt School of Finance and Management said.

Mr. Winkler pointed out, however, that there are some economists who are concerned that central banks have been too aggressive in pumping money into the economy and risking inflation. Members of this school may be unhappy about Ms. Yellen's nomination, Mr. Winkler said, though he added that so far their fears have not been borne out.

"These concerns that central banks will never be able to get restrictive again, that inflation is inevitable -- these concerns were not justified," Mr. Winkler said.

There was little official reaction from Europe on Wednesday because many policy makers were en route to Washington to attend the annual meetings of the International Monetary Fund and World Bank. Mario Draghi, the E.C.B. president, was expected to make a statement on Ms. Yellen's nomination when he spoke at Harvard University later Wednesday.

"I think what Europe wants above all else is a stronger U.S. economy, and that means that Europe has a vested interest in an exceptional candidate being appointed," said Richard Barwell, senior European economist at Royal Bank of Scotland. "For me, Yellen fits the bill."

Mr. Barwell pointed out, however, that Ms. Yellen's approach is likely to heighten the contrast between the Fed and the E.C.B. in a way that may not be flattering to the Europeans. The E.C.B. is bound by charter to focus on price stability, in contrast to the Fed, which also aims to tame unemployment.

If the past is any guide, European officials converging on Washington for the I.M.F. and World Bank meetings will face pressure from their peers elsewhere to more aggressively address the euro zone's weak banking system and other problems.

The E.C.B. has been more cautious than the Fed in the way it has stimulated the European economy. The E.C.B. has not bought large quantities of government bonds, for example, which some members of the bank's Governing Council say would be a violation of a prohibition on financing governments.

"That may mean that the E.C.B. faces yet more questions about why it is not 'doing more,'" Mr. Barwell said in an e-mail. "But Draghi is used to handling these with aplomb."

Ms. Yellen may also draw attention to the E.C.B.'s lack of women in high positions. If confirmed, she will join a circle of the world's most powerful women that also includes Christine Lagarde, the president of the I.M.F., and Angela Merkel, the chancellor of Germany and Europe's most powerful elected official.

The E.C.B. has announced plans to increase the number of women in high-ranking positions. But the bank's 23-member Governing Council, which sets monetary policy and includes the heads of the central banks in all 17 members of the euro zone, does not have any female members.

EU und Lampedusa

Die falschen Humanisten in der Flüchtlingsdebatte

Berufsmoralisten werfen der Europäischen Union gern Abschottungspolitik gegenüber Flüchtlingen vor, sie reden von einer "Festung Europa 2.0". Die Empörung der Gerechten aber ist einseitig.

Von Christoph B. Schiltz



Foto: Getty

Wie wollen Deutschland und die anderen 27 Mitgliedsländer der Europäischen Union künftig mit Zuwanderern aus dem Gebiet der EU, aber auch mit Flüchtlingen und Asylsuchenden aus Drittstaaten umgehen? Das ist eine fundamentale Frage für freie Gesellschaften. Sie berührt zugleich auch die Grundpfeiler der Union.

Diese Woche berieten die EU-Innenminister, mit der Tragödie von Lampedusa im Bewusstsein, darüber. Der Rauch der Debatte hat sich mittlerweile gelegt, klar ist nun: Selbst nach dem Bootsunglück vor Lampedusa mit mehr als 300 Toten in Sichtweite der italienischen Küste wird in der europäischen Flüchtlingspolitik in absehbarer Zukunft alles so bleiben, wie es ist.

Trotz neuer Initiativen, wie einer geplanten Verstärkung der zuvor finanziell geschwächten Grenzschutzbehörde Frontex, passiert im Kern gar nichts. Das nächste Unglück ist lediglich eine Frage der Zeit und des Wetters. Ebenso wie bei der Flüchtlingspolitik wird es auch bei der sogenannten Armutseinwanderung, vor allem aus Bulgarien und Rumänien, keine Veränderung geben – deutsche Städte wie Duisburg, Mannheim, München oder Berlin können nicht mit Entlastung rechnen.

Politischer Budenzauber

War die Aufregung der vergangenen Tage nur politischer Budenzauber? Waren die gegenseitigen Vorwürfe und Aufrechnereien beim Ministertreffen letztlich nur Teil einer großen Inszenierung? Nein. Alles bleibt so, wie es war, weil es schwer ist, eine eindeutig bessere Lösung zu benennen – und sie dann auch noch in einem komplizierten Geflecht aus divergierenden Interessen durchzusetzen. Das gilt vor allem für die Flüchtlingspolitik der Europäer.

Salon-Humanisten werfen der Europäischen Union gerne Abschottungspolitik gegenüber Flüchtlingen vor, sie reden von einer "Festung Europa 2.0". Die Empörung der Gerechten hat nach der Tragödie von Lampedusa wieder besonders Konjunktur. Sie ist aber einseitig. Denn es ist nicht nur ein genuines Recht von Staaten, Grenzen zu sichern, sondern auch eine Pflicht gegenüber den eigenen Bürgern.

Wenn ein Staat darüber zu entscheiden hat, wie durchlässig er seine Grenzen gestaltet, dann muss er dabei nicht nur das große Leid der Flüchtlinge bedenken, sondern auch, wie viel Zuwanderung die eigene Gesellschaft aushält. Diese Abwägung ist extrem schwierig, sie muss immer wieder angepasst werden, denn keine Gesellschaft ist statisch. Das zeigt das Beispiel Griechenland: Das Land kann wegen der wirtschaftlichen Depression heute nicht mehr so viele Flüchtlinge verkraften wie noch vor zehn Jahren.

Wärmestuben der Gerechten

Aus den Wärmestuben der Gerechten schallt es stetig: Wir haben die moralische Pflicht, den Ärmsten zu helfen. Das ist richtig, aber dieser Satz kann nur eingeschränkt gelten: Wir haben die moralische Pflicht, den Ärmsten zu helfen, solange es geht. Eine liberalere Einwanderungspolitik würde nicht nur die europäischen Gesellschaften überfordern, sondern auch falsche Anreize setzen, immer mehr Zuzug generieren und die Heimatländer der Flüchtlinge schlimmstenfalls ausbluten lassen.

Auf der anderen Seite haben Menschen aus Ländern wie Eritrea, der Zentralafrikanischen Republik oder Syrien das Recht, ihrem Elend zu entfliehen. Sie sind teilweise seit Jahren auf der Flucht, sie riskieren ihr Leben und das Leben ihrer Kinder. Die Europäer haben nicht das Recht, diese Menschen als reine "Wirtschaftsflüchtlinge" abzutun. Sie haben die Pflicht, im Rahmen ihrer Möglichkeiten zu helfen. Kann Europa mehr tun? Ja. Dabei ist die verstärkte Bekämpfung von Schleusertum aber keine gute Idee, denn das ändert gar nichts.

Europa muss – nicht nur aus Nächstenliebe, sondern aus kalkulierte ökonomischen Eigennutz – mehr Geld in die Hand nehmen als bisher, um den Flüchtlingen und deren Heimatländern zu helfen.

Was ist zu tun?

Erstens: Der gemeinsame europäische "Flüchtlingsfonds" muss erheblich aufgestockt und flexibler werden.

Zweitens: Die Europäer sollten bereit sein, mehr Geld in die Herkunftsländer der Flüchtlinge zu investieren.

Drittens: Länder wie Malta, die im Verhältnis zur Gesamtbevölkerung mit besonders vielen Asylbewerbern zu kämpfen haben, sollten mehr Unterstützung aus der EU bekommen.

Viertens: Die Lastenverteilung muss gerechter werden, ein europäischer Verteilungsschlüssel für Flüchtlinge ist notwendig. Für Deutschland würde das kaum etwas ändern, aber einige Länder wie Polen müssten dann mehr Flüchtlinge aufnehmen.

Fünftens: Mehr legale Mobilität für Migranten sollte in einem gewissen Umfang möglich sein, beispielsweise durch Visaerleichterungen – allerdings auf der Basis klar definierter "Rückübernahmeabkommen".

Neben der Migration von außerhalb der EU, kommen aber auch Zuwanderer aus dem Gebiet der Europäischen Union in die einzelnen EU-Länder. 2012 kamen allein nach Deutschland netto mehr als 400.000 Menschen. Die meisten von ihnen machen von ihrem Recht der Freizügigkeit innerhalb der EU-Grenzen Gebrauch, sie folgen dem Kapital.

Das ist aus Sicht der innereuropäischen Migranten rational und gut für beide Seiten, solange die Zuwanderer Arbeit haben. Allerdings gibt es auch eine "Migration in den Sozialstaat" (Hans-Werner Sinn), vor allem von Bulgaren und Rumänen. Diese Art der Migration kann das Klima vergiften, sie schadet der Freizügigkeit insgesamt. Laut Bundesagentur für Arbeit erhielten im Juni dieses Jahres 32.600 Bulgaren oder Rumänen Kindergeld in Deutschland – ein Anstieg von 44 Prozent innerhalb von zwölf Monaten.

Die Zahl der bulgarischen und rumänischen Hartz-IV-Empfänger wiederum stieg in einem Jahr um fast 40 Prozent auf 35.400. Die Zahlen mögen in Relation zu den Gesamtausgaben für Sozialleistungen nicht ins Gewicht fallen – trotzdem wiegen sie schwer, weil nicht selten dahinter auch Missbrauch zu vermuten ist. Das Problem besteht, aber die EU wird es nicht lösen.

Berlin sollte jetzt selbst tätig werden: Der eherne Grundsatz, dass Eltern mit Wohnsitz in Deutschland automatisch Anspruch auf Kindergeld haben, sollte revidiert werden. Berlin muss das nur anpacken. Wichtig ist auch, dass sich die deutschen Behörden gegenseitig besser informieren über die Daten von Migranten. Das Problem der sogenannten Armutsmigration ist viel einfacher zu lösen als das Flüchtlingsproblem.

THE WALL STREET JOURNAL.

Europe

Draghi Says U.S. Euro Critics Underestimated Europe's Political Will

[Brian Blackstone](#) 9 octobre 2013

86,77

European Central Bank President [Mario Draghi](#) took aim at U.S.-based critics of the euro zone's common currency, saying the euro's doubters failed to understand the political will for deeper integration in Europe even at the height of the region's debt crisis.

"In the dark days of the crisis, many commentators on this side of the Atlantic looked at the euro area and were convinced it would fail," Mr. [Draghi](#) said in [a speech](#) Wednesday at [Harvard University](#) in Cambridge, Mass. "They were wrong...they had underestimated the depth of Europeans' commitment to the euro."

Mr. [Draghi](#)'s prepared comments focused largely on the philosophical underpinnings of the euro. He didn't refer to the outlook for interest rates and other monetary policy measures.

The euro bloc's debt crisis first flared in Greece nearly four years ago, and quickly spread to Ireland and Portugal. In the summer of 2012, when Italian and Spanish bond yields soared to levels that threatened their solvency, some observers doubted whether the euro could stay together, and breakup fears crept into markets.

Those concerns have largely subsided due in large part to Mr. [Draghi](#)'s pledge in late July 2012 that the ECB would do "whatever it takes" within its mandate to save the euro. Weeks later, the central bank unveiled a new program to purchase open-ended amounts of government bonds of weak countries, assuming certain conditions were met.

The mere presence of the facility was enough to bring bond yields in southern Europe down sharply and keep them low even after turbulent elections in Italy and a messy bailout of Cyprus earlier this year. The ECB's bond program has yet to be used.

The euro's critics, Mr. [Draghi](#) said, "mistook the euro for a fixed exchange rate regime, when in fact it is an irreversible single currency."

The ECB is set to expand its powers next year when it starts supervising euro-zone banks, a key plank of the "banking union" that European officials envisage to create common rules to regulate banks and a joint authority to resolve failed ones. "We trust that a single resolution mechanism will enter into force by the beginning of 2015," Mr. [Draghi](#) said.

"A genuine banking union can give citizens more trust in their money than can different national approaches," he said.

Write to Brian Blackstone at brian.blackstone@wsj.com

IMF Sees Greece Missing Target

By Ian Talley and Matina Stevis

86,78

Greece is projected to miss a key bailout target for next year according to an **International Monetary Fund** report published Wednesday, a factor likely complicating already-fraught negotiations over the next tranche of financing for the ailing economy.

The IMF projects in its latest Fiscal Monitor report that Greece's budget surplus will only hit 1.1% of gross domestic product next year instead of the 1.5% of GDP target outlined in its bailout terms with the IMF and the euro zone.

In the fund's last review of the emergency financing program, it said Athens was on track to meeting the target. But tax collection problems, anemic growth and ongoing delays in a plan to sell off state assets have plagued the bailout program.

Greece's emergency creditors – the IMF, the **European Commission** and the **European Central Bank** – won't issue the next round of needed bailout financing if Greece fails to meet its main objectives. The budget targets have become a new focal point in negotiations.

Greek, euro zone and IMF officials paused the latest round of bailout talks to figure out how Athens might hit the budget target and to determine how to fill a shortfall in bailout financing, according to a person familiar with the matter. The mission was suspended for "technical work" in late September and is set to resume in the coming weeks.

The revelation is also likely to give euro zone officials another reason to delay serious talks on reducing Athens' debt burden. The euro zone, which holds most of Greece's government debt, vowed to give the country debt relief if the country hit its bailout targets, but declined to say exactly how. Officials in euro power Germany have expressed particular opposition to writing down the value of the debt, which many economists say will be necessary to meet the currency union's debt-relief vow.

The Greek finance ministry promptly issued a statement on the fresh IMF projections, saying that Greece was complying with fiscal targets and would cover any future gap with further cuts in spending and improved tax compliance.

But the ministry stopped short of committing to fresh austerity measures.

The statement from Athens was unusually sharp, however.

"The Greek government does not comment on reports from international organizations like the International Monetary Fund," it said, adding that it refrained from commenting "even when this organization accepted [it made] wrong assumptions and wrong estimates in the drafting of the first Economic Policy Program for our country."

"Talks with our partners to update the program continue," the Greek finance ministry said in its statement.

10/09/2013 03:46 PM

Fortress Europe

How the EU Turns Its Back on Refugees

By SPIEGEL ONLINE Staff

86,79

They come seeking refuge, but when asylum seekers cross into the European Union, they often find little compassion. In Greece, they are held in squalid detention camps, while in Italy they often end up on the street. Here is what they face at entry points across the EU.

They know they are putting their lives at risk. Nevertheless, many people board ramshackle watercraft and set sail from the coast of Africa in the hope of a better life in Europe.

While a few years ago it was predominately North African migrants coming to Italy in search of work, today it is often refugees from Syria, Afghanistan and Somalia who are fleeing chaos and violence in their countries. The number of asylum applications in Europe has sharply increased in the past six years.

Refugees are "particularly vulnerable people," warned German President Joachim Gauck after [hundreds of people drowned off the coast of Lampedusa](#) on Thursday. "Protecting lives and granting refugees the chance to be heard is at the foundation of our legal and moral codes," he concluded. On Tuesday, the EU interior ministers gathered in Luxembourg to discuss the consequences of the accident, which resulted in around 300 deaths. But despite heavy criticism, they couldn't manage to come to a decision about comprehensive change to European asylum policy.

The expectations of refugees who come to Europe often go unfulfilled. Many [must struggle](#) through long asylum application processes or fight against ingrained local prejudice. In some countries, they endure appalling living conditions in refugee camps; in others, they end up on the streets.

The correspondents of SPIEGEL ONLINE report on the situation in various European countries.

ITALY

By Hans-Jürgen Schlamp

The Lampedusa disaster has shaken the world -- especially Italy. The populace watches the images on television with horror, the body bags lined up across the beach. How can this be? "A disgrace," says Pope Francis. "Yes," agree many, "a disgrace." There is talk of solidarity. Italian Prime Minister Enrico Letta awarded posthumous Italian citizenship to the deceased.

Those who survived will now begin an unpleasant process. First, the prosecutor launches proceedings to determine whether they are illegal immigrants. If so, they will have to pay a fine of up to €5,000 (about \$6,800). Even judges disagree with this practice. For the refugees, it hardly shows solidarity.

Those who come by sea end up in "reception centers," camps that are at best bleak, if not downright terrible. There are many among them who want to apply for political asylum -- but are not able or allowed to properly articulate their situation.

Others who have fled from war or political persecution accept the backhanded offer of temporary papers and sometimes even a €500 donation to help them head north -- to Switzerland, Germany or Scandinavia. According to official figures, 15,715 new asylum seekers remained in Italy in 2012. That comes to just 260 refugees per million Italian, according to EU statistics.

But Italy is not equipped to deal with even this modest amount. The country's institutional infrastructure for refugees and asylum seekers can hold less than a third of them. The refugees who do make it in are given a roof over their heads for at least six to 10 months. After that, they must leave their meager home.

Some find shelter, but lacking alternatives, most asylum seekers end up on the street. They live in parked trains in abandoned rail yards, condemned houses or on mattresses covered in plastic sheets on fallow land. Few find paying work -- at best, temporary, under-the-table work for €1, €2 an hour.

GREECE

By Giorgos Christides

For more than a decade, Greece has been the main entry point for illegal immigrants and asylum seekers from Asia and Africa. There, however, they find not the promised land, but a broken immigration and asylum system.

Asylum seekers are detained in overcrowded, squalid camps. Human rights groups and international media have repeatedly criticized this drama.

The situation of Syrian refugees in particular has stirred up debate. In 2012, Greece arrested 8,000 Syrians for entering the country illegally. According to UN data, only two Syrians were granted asylum last year.

The European Court of Human Rights has ruled that Greece's asylum system is inadequate and degrading. As a result, most EU states have ceased to deport refugees to Greece, despite the fact they are actually obliged to send asylum seekers back to the country where they first entered the EU (according to the 2003 EU regulation known as "Dublin II").

In early August, refugees in Amygdaleza, a new camp near Athens, revolted. Dozens fled the site, which the Greek ombudsman for asylum policies himself recognized as being of "a particularly prison-like nature."

Due to growing international pressure, Greece has begun to overhaul its asylum system. But the freeze on new hires and lack of funds due to the country's austerity measures make reforms difficult.

For most Greeks the disastrous refugee situation is hardly an issue. Many are nevertheless of the opinion that the country cannot accept any more foreigners. The beneficiaries of this public mood are far-right groups such as the Golden Dawn party, which is the third-strongest in the Greek parliament.

FRANCE

By Mathieu von Rohr

The major foreign policy topic in France over the past few weeks has been the Roma. Although there are only 15-20,000 of them in the country, they have been linked with criminality and unhygienic living conditions by politicians and the media. Even Socialist interior minister Manuel Valls said recently that it is not possible to integrate the Roma. Just as under former president Nicolas Sarkozy, they are being expelled in large numbers.

The much larger asylum issues, however, are rarely discussed in the French media: The number of asylum applications in France has increased by 73 percent in the past five years to 61,468. The authorities are completely overwhelmed by this influx.

Asylum seekers must lodge their application with the prefecture of the department's administrative center. Even just at this stage, officials need up to 70 days to issue a temporary residence permit -- the entire process takes an average of 20 months. First, the French refugee agency examines applications, with nearly 90 percent being rejected. An appeal is lodged in almost every case. According to a report by the interior ministry, some 37,000 people go underground without papers each year.

Because accommodation is so overcrowded, authorities in the city of Metz in the Lorraine region began housing about 450 asylum seekers in tents in a parking lot. Aid agencies complained about the "degrading" and "hygienically inadequate" conditions. Only in the past few days have authorities, acting under court order, begun to disband the camp.

The country's 271 reception centers have room for 21,400 people, but according to the interior ministry, a total of 35,000 are needed. The state has been housing asylum seekers partly in empty social housing in remote rural communities. This has led to objections from local politicians. Many asylum seekers are even being put up in hotels -- the total cost of housing including financial help for the asylum seekers is €550 million. In the press, the alarming reports have been taken as an indication that the government is planning to put forth a new asylum law.

GREAT BRITAIN

By Carsten Volkery

British tabloids often grumble that the UK has become a haven for asylum seekers. But in terms of the number of applications for asylum, the country ranks only fourth in the EU -- far behind Germany, France and Sweden. Some 20-25,000 such applications are made each year. The rejection rate is around 62 percent.

The largest source of asylum seekers is Pakistan, followed by Iran, Sri Lanka and Syria. They are not allowed to work in the UK and are dependent on the state. They are provided with furnished accommodation, usually in the form of rented social housing. Because of the lack of available housing, asylum seekers are generally not housed in London and rarely in the densely populated southeast of England. Instead, they are distributed across the rest of the country. For living expenses, each person receives 36.62 pounds (€43.43) per person per week. Access to healthcare is free.

A decision is made on each application for asylum within six months. During that period, the applicants must live at the address assigned to them and must be available to the authorities at all times. About 10 percent of all applicants are put on a fast track: If it is determined during the application process that the case is not complicated, the applicant will be admitted directly to a reception center. On the second day the interview takes place; a decision is made on the third day. The applicant may be deported after just a few days.

Following an asylum crisis in 2006, when the government faced a backlog of 450,000 unprocessed applications, the issue became a top priority. Since then, the authorities have brought the process under control. Nevertheless, the impression regularly made in the British media is that the country is still facing a barrage of applications. According to a study by Glasgow University, asylum seekers are usually referred to in the press as "illegal immigrants." Most of the articles consider how to refuse them access into the country or deport them.

SPAIN

By Katharina Peters

The towns of Ceuta and Melilla are situated in North Africa but belong to Spain -- and therefore act as a magnet to many Africans. Migrants who want to flee to Europe set up camp around the Spanish enclaves. In the middle of September, authorities were surprised by a massive new influx: Dozens of Africans swam to Ceuta, while in Melilla they tore down a barbed wire fence. About a hundred made it onto Spanish territory. Human rights activists complain that border guards often simply send them back -- without checking whether they are entitled to asylum.

In recent years, Spain has massively upgraded its efforts to keep asylum seekers at bay. Six-meter-high wire fences have been erected around the enclaves and infrared cameras monitor the area.

There are also stricter controls in the Mediterranean, and the coasts are protected. Some 31,000 boat people, mainly from North and West Africa, arrived in the Canary Islands in ramshackle ships in 2006. Since then the number has dropped dramatically: Just 173 landed in the Canaries in 2012.

Last year also showed a general downward trend: A total of just 2,580 applications for asylum were made in Spain, the lowest figure in 25 years. The applicants come from Syria, Algeria and West African countries like Nigeria and Cameroon.

They are accommodated in detention centers spread across the country. Four such centers are under the direct control of the government. Many others are operated as non-profit organizations, such as the Spanish Commission for the Assistance of Refugees (CEAR).

Those who are granted asylum are entitled to €51.60 a month. There are also extra funds for families as well as payments for public transport, clothing and education.

SWEDEN

By Franke Lüpke-Naberhaus

Sweden grants entry to a comparatively high number of asylum seekers. And yet many are not happy. In May, the outside world watched on in amazement at usually placid Sweden as youths in the suburbs set cars on fire and threw stones. Almost all of the residents in the Husby area of Stockholm have foreign roots -- and the unemployment rate is around three times as high as the rest of the city at 9 percent. Sweden has its own word for this alienation or exclusion, *utanförskap*. Many young people feel marginalized and harassed by the police. Although they are provided for, they feel unwanted and without a productive role in society.

Around 43,900 people sought asylum in Sweden last year, according to the body responsible, the Migration Board. This year the number is again expected to rise significantly: Compared to the same period last year, nearly 20 percent more people have applied for asylum in 2013. Most come from Syria, Eritrea, Afghanistan and Somalia. In 2011, applicants had to wait on average 149 days until their application was processed, and Sweden grants asylum to about a third.

The Migration Board provides applicants with housing but they are also allowed by law to organize their own accommodation, with friends or relatives, for example -- about 40 percent did this last year. This law has been repeatedly criticized, for example by Angeles Bermudez Svankvist, the director of Swedish employment services at the time. She told Sveriges Radio at the beginning of the year that asylum seekers had gathered in a few specific areas which resulted in "an incredibly difficult social situation."

Refugees have reported being forced to live like animals in some areas. There are disputes, fires, threats; in two months, police have been called 30 times, according to one asylum seekers in the Örebro municipality. Sometimes there are six or seven people sleeping in the same room. Things are more comfortable, however, for asylum seekers at Wermlandia, a former spa hotel in Eksharad in central Sweden. The owner speaks proudly of the "most luxurious refugee accommodation in Sweden." It follows from this logic that many of the residents of Wermlandia might find it difficult to go elsewhere in Sweden.

AUSTRIA

By Björn Hengst

The Saualm is history: The former refugee center has long been regarded as an example of questionable asylum policies in Austria. The "special supervision institution for suspected criminal asylum seekers" was set up by the late Jörg Haider, the controversial right-winger who was governor of the state of Carinthia at the time. It was closed last year after reports of rotten food and a lack of access to medical care.

Refugee organizations were relieved. But it did not cause them to sit back and relax. Although in comparison to the rest of Europe, Austria has "not the worst asylum system," according to Anny Knapp of Asylum Coordination Austria (ACA), improvements are still possible in many areas. This includes, for example, legal advice and housing, which is often unsatisfactory. As in Germany, asylum seekers in Austria are often located in remote areas.

According to ACA, allowances were recently increased, with the daily rate in community housing up to €19 from €17.

Last year, there were around 17,500 applications for asylum in Austria, of which 3,680 were accepted. Most applicants were from Afghanistan, Russia and Pakistan.

Some asylum seekers have already been waiting for more than five years for a final decision on their application. Meanwhile, there is a tendency to make rapid decisions on new applications. This is generally to be welcomed. In the accelerated process, however, individual cases "consistently get left behind," says Knapp.

Starting next year, a more senior body will be responsible for asylum procedures in Austria: the Federal Office for Foreign Affairs and Asylum. It will be under the auspices of the Interior Ministry and will "respond more effectively to the increasing effects of global migration movements," according to a ministry handout.

PORTUGAL: The troika saves us from ourselves

1 October 2013

DIÁRIO ECONÓMICO LISBON

86,85



Walenta

The International Monetary Fund, European Commission and European Central Bank are back in Lisbon to evaluate the results of the 2011 bailout plan. This is good because otherwise Portugal would make the same mistakes that led to the crisis in the first place.

Helena Matos

I have to admit, I fear the day the troika will stop landing on Lisbon to verify our accounts, to remind us of our commitments and to sign cheques. This fear grips me a little tighter each time I read what is promised on campaign posters by candidates for local elections [held on September 29]: free school text books; free medication; free retirement homes; free vaccinations, etc... There is a sort of madness for free things "right now" which culminated with a martial arts school's promise (free, that goes without saying) to combat crime in a northern town [Vila Nova de Gaia] and, in the south, with an equally fallacious guarantee of local programmes to fight unemployment.

Knowing that the local authorities will neither cut their expenses or their complex bureaucracies, these programs will never turn into reality. Or worse still, they will result in additional new jobs in these bureaucracies themselves or municipal enterprises – a practice which led to the need for an [emergency appeal](#) for help from the troika in 2011.

Because local authorities have abandoned neither their reckless spending habits nor their complex bureaucracies, neither these programmes will ever see the light of day.

Fear grips me even tighter when I hear [Socialist Party leader] António José Seguro say that he will not accept further budget cuts but fails to explain that this is not possible without raising taxes even higher, and when I realise at what point the PSD [Social Democrat Party] and the CDS [Christian democrats] are impatient to be free of the tyranny of external control in order to immediately freely pursue new promises of things that are "free, right now".

Déja vu

I was born in Portugal in the 1960s. This is the third time I find myself in a country under external assistance and that is why I think my generation is especially thankful to the creditors who, in 1977, in 1983 and in 2011, were ready to place their money here

I was born in Portugal in the 1960s. This is the third time I find myself in a country under external assistance and that is why I think my generation is especially thankful to the creditors who, in 1977, in 1983 and in 2011, were ready to place their money here. What sensible person would have wanted to raise a family in Portugal

without this outside help? Of course, we paid interest, but much less than if we had not been this protectorate so abhorred by [Deputy Prime Minister] Paulo Portas or if our political leaders had to trawl the world seeking those who would lend us the most money.

I fear the day when Portugal will, in effect, cease to be a protectorate and when these political leaders return to brandish the verbs "give" and "invest" (if they want to invest so much, why do they not do it with their own funds and start a business?) in the great mystification they call a "positive discourse" on the nation. There are things that, when you live them over and over again, become grotesque.

For it is more than certain that someone will soon appear, as [did former PM José Sócrates] in 2009, to lead Portugal in a madcap rush forward – presented as a proactive and innovative approach. One can count on the vested interests who defend their personal privileges and those of their businesses, to claim that the country can no longer stand austerity when this austerity is imposed, not by creditors, but by the ruin into which we have plummeted in our effort to protect the corporations, the state as a partner of the private sector, and rights, acquired on paper, which public finances are no longer capable of ensuring.

Blame games

Finally, there will be the losers and their speeches about the great men of the past, about the great policies of bygone days, in times when there were leaders who, due to their greatness, their wisdom and their noble principles, led us three consecutive times to poverty in just 35 years, yet still prefer, while failing to see the influx of funds they provide, to blame the creditors rather than themselves.

After three outside interventions, I am sure not only that the troika will be back, but also that it will find Portugal in much worse shape. In effect, each time we become a protectorate; rather than questioning our inability to govern ourselves we favour this irrepressible urge to repeat all the errors that made us beggars to begin with.

That is why, if I live as long as the statistics say I will, there is no doubt I will see more troikas landing in Lisbon. And that the times in between will see the flowering of all sorts of demagoguery.

French politics

Dédiabolisation

Marine Le Pen tries to drag the National Front into the political mainstream

Oct 12th 2013 | PARIS | From the print edition

86,87



AP | Marine Le Pen is different from her old man

HE HAS the clean-cut look and neatly pressed suit that suggest a management consultant. But Laurent Lopez is a candidate of the new generation for Marine Le Pen's remodelled National Front (FN). On October 6th, at a by-election in the southern town of Brignoles, Mr Lopez came out top in the first round, crushing his rivals with just over 40%, twice as much as the centre-right UMP party. To the left's consternation, the Socialist-backed candidate was eliminated altogether.

Mr Lopez may not win the second-round vote on October 13th. But he has rattled both left and right with a warning that the FN could become the chief beneficiary of discontent with François Hollande's Socialist presidency and dismay at the bickering within the UMP. Mr Lopez's candidacy also marks, in his words, a fresh effort by Ms Le Pen to "clean up" the FN and drag it out of the political shadows.

Since 2011, when she was elected president of the party founded by her father, Jean-Marie, Ms Le Pen has tried to shed the FN's image as a movement of ageing bigots, anti-Semites and young skinheads. She has recruited a swathe of younger candidates for the local elections next March and the European elections two months later. One opinion poll this week for the first time put the FN top for the European elections. She has even chosen a 31-year-old graduate of France's elite Ecole Nationale d'Administration, Florian Phillipot, as her deputy. All this forms a strategy to appeal beyond the fringes to disillusioned voters on both the right and the left.

Now Ms Le Pen says she no longer wants the party to be described as "extreme right". On October 2nd she threatened to sue anyone who calls the FN that. The extreme-right label, she argues, applies only to anti-democratic movements. It is, she says, a slur designed to tarnish her party by linking it to neo-Nazis. She is not even keen on the label right-wing, arguing that the new cleavage in French politics is not between left and right but between nationalism and globalism. Under her aegis the FN shares most of the views of Le Pen *père* on immigration and security, as well as an anti-elite anti-intellectualism. Yet, where he was for tax-cutting and trimming the state, she argues for higher taxes on the rich and a stronger state as a bulwark against globalisation.

Needless to say, Ms Le Pen's threat to sue has prompted much indignation. Of course she is extreme-right, retorted *Le Monde*: her views on immigration and Islam are contrary to France's principles of liberty, equality and fraternity. Thierry Mandon, a Socialist deputy, went further, accusing the FN of being a "national fascist party". If such attacks are designed to counter Ms Le Pen's policy of *dédiabolisation* (de-demonisation), they may backfire: her party trades on portraying itself as the victim of Paris-based contempt. If, as analysts suggest, they are an attempt by the left to encourage the FN vote and split the political right, this could prove counterproductive too: Ms Le Pen's party is as much a threat to the left as it is to the right.

Mindful of this, Manuel Valls, the tough-talking interior minister, dropped in on Moselle, in eastern France, ostensibly to do his top-cop job fighting crime and boosting the police. But his visit was widely seen as an “anti-National Front” crusade. He is Mr Hollande’s only popular minister. Yet Ms Le Pen trails him in the rankings by only five places, according to the latest popularity poll by TNS-Sofres—and Moselle happens to be where the FN’s deputy boss, Mr Phillipot, is running in the local elections.

Adrift about boat people

The deaths off Lampedusa highlight Europe's contradictions over immigration

Oct 12th 2013 | [From the print edition](#)



THE flotsam of a wrecked world washes up regularly on the shores of southern Europe. Afghans and Syrians land on the Aegean islands. Somalis and Eritreans fetch up in Italy. They come in dinghies and rickety boats, and often perish at sea. This month saw one of the most wretched incidents yet: the deaths of more than 300 people drowned when an overladen fishing boat capsized off the Italian island of Lampedusa.

A week after the tragedy divers were still pulling bodies out of the hull almost 50 metres below the surface. They spoke of having to prise the dead from a mass of agglutinated humans. “We cannot accept that thousands of people die on Europe’s borders,” declared José Manuel Barroso, president of the European Commission, who visited Lampedusa to show solidarity. Pope Francis put it more bluntly: “It is shameful.”

At such moments the confusion of Europe’s migration and asylum policies becomes evident. The Italian government called a day of mourning, gave honorary citizenship to the dead and promised a state funeral. At the same time prosecutors opened a criminal investigation into the survivors under laws that subject clandestine immigrants to fines of €5,000 (\$6,800).

European interior ministers meeting in Luxembourg this week were hardly more coherent. They expressed their horror, but only set up a task-force to study the problem. At best, there will be some improvements in the border-security co-ordination system known as Frontex, which supplies guards, surveillance aircraft and patrol ships to augment national forces. The commission wants a Mediterranean-wide search-and-rescue system to respond more quickly to boats in distress. Yet the budget for Frontex is meagre, less than €100m a year, compared with the €60 billion the EU spends annually subsidising farmers. Even if more resources are found, the humanitarian impulse to save lives clashes with the political need to curb illegal migration. The fear is that making sea crossing safer may just lure more people.

Moreover, the boats invariably carry mixed human cargoes of refugees fleeing wars and persecution, and migrants escaping economic misery. Even if it could be done safely, the boats cannot be pushed back. Passengers must be brought ashore and processed. Those seeking asylum must have their cases heard and adjudicated. Economic migrants are meant to be sent home, though that is often impossible.

The human tide ebbs and flows according to the season, distant conflicts, political alignments in north Africa, the deployment of Europe’s defences and the guile of people-smugglers. Over the years the flows have moved in a circle around the Mediterranean, at first heading to Spain, then to Italy and finally to Greece. As Frontex helped Greece to tighten security on the land crossing with Turkey, the order is now reversing, with increased flows to the Greek islands and Italy.

Lying close to Tunisia and Libya, Lampedusa is a tantalising gateway to Europe. The Arab spring in 2011 broke the locks. Thousands of Tunisians crossed to Italy after the fall of their government, followed by migrant workers leaving the chaos in Libya. In 2011 some 64,000 boat people landed in Italy. The numbers fell to a quarter of that in 2012, but have risen to 31,000 so far this year. One surprise is the arrival of boats from as far away as Syria.

The United Nations refugee agency reckons the sea crossings to Italy are increasing because the overland route from the Horn of Africa through Sinai into Israel has been cut off. Another reason is the political chaos in Libya since France and Britain led the way in toppling the regime of Muammar Qaddafi. Italy has a new arrangement with Tunisia to control boat people and take citizens back, but none with Libya.

For Enrico Letta, Italy's prime minister, the boat people constitute a "European drama" requiring prompt European action. There is something odd about such alarm: Italy is not tiny Malta, but one of the big four members of the EU, and in living memory it exported its own people. Surely Italy has some duty to its former colonies, Somalia and Eritrea, where most of the boat people now come from, and to Libya, through which they pass. Those braving the Mediterranean may be the most heart-wrenching of illegal immigrants. But the biggest numbers are made up of those entering the EU legally, usually by plane, who overstay their visas. Last year, Germany, France, Sweden, Britain and Belgium received more requests for asylum than Italy. As a share of the population, Scandinavia, Switzerland and Ireland bear a greater refugee burden than Italy. And don't forget that four-fifths of the world's refugees live in poor countries.

Let more in

Yet Mr Letta is right in one respect. The EU is better placed than individual member countries to try to manage global migration, if it could bring itself to open legal ways to do it in the face of rising anti-immigrant parties. It has negotiated a "mobility partnership" with Morocco, which is committed to controlling its shores in return for assistance and greater openings for legal travel to work in Europe. The EU could process refugees closer to their countries of origin to spare them perilous journeys at the hands of people-smugglers. And it should demand greater burden-sharing among rich countries. Last year Malta admitted more refugees than Japan.

The EU, moreover, can provide economic assistance to spur development in poorer countries. Yet it makes little use of its greatest asset. It is still reluctant to open its huge internal market to its neighbours' agricultural goods for fear of unwelcome competition for southern Europe's farmers. If countries like Italy refuse to take more tomatoes from north Africa, they may simply be condemned to take more people.

The European Stability Mechanism Gearing up for business

Europe's new rescue fund will have plenty to keep it busy

Oct 12th 2013 | [From the print edition](#)

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THE European Stability Mechanism (ESM)—the euro zone's permanent rescue fund—made a successful debut in the capital markets this week, raising €7 billion (\$9.5 billion) through a five-year bond. It has already borrowed almost €42 billion in the money markets since January. Judging by the potential calls on its resources, which include a third bail-out for Greece, a second one for Portugal and a first for Slovenia, this capital-raising will be the first of many.

The ESM replaces the European Financial Stability Facility (EFSF), itself a replacement for the improvisation behind the first Greek bail-out, in May 2010, which had to be financed through bilateral loans from other euro-zone states, along with lending from the International Monetary Fund. The EFSF was used for the second Greek bail-out and contributed towards the Irish and Portuguese rescues. These commitments came to €192 billion, of which all but €18 billion has been disbursed.

Any new bail-outs will now be financed through the ESM. The fund can lend up to €500 billion in total. It has already earmarked €100 billion to pay for the recapitalisation of the shaky Spanish financial sector (of which over €40 billion has been drawn down) and €9 billion for Cyprus, leaving €391 billion in the kitty.

The creation of a euro-zone fund is tricky because in effect the northern creditor states are supporting the debtor nations of the south. The EFSF's design was flawed because its borrowing was backed by guarantees from the euro-zone states, some of which were in no condition to honour their pledges. The ESM has a sturdier set-up because it is backed by paid-in capital contributed by euro-zone members. They have already coughed up €48 billion, which will rise to €80 billion next spring. And they have pledged additional capital of up to €620 billion if necessary, taking the total to €700 billion.

The ESM can help governments in trouble through a variety of means. For those cut off from the markets, it can extend loans. For those that have some access, it can buy up to half the value of bonds they are issuing in the primary market. It can also provide credit lines as a backstop to governments who fear an investor strike. In return, the countries being assisted must meet strict economic and fiscal conditions.

Although the ESM can intervene in secondary markets it seems unlikely to do so following the pledge of the European Central Bank (ECB) a year ago to make unlimited purchases of government bonds for countries under siege. The ECB is far better placed than the ESM to cow investors because it can print money to buy the bonds. But the rescue fund will still play a crucial part in the ECB's putative bond-buying, because it will be conducted only for countries that are getting help from the ESM and so subject to its conditions.

The most contentious use of the ESM is to recapitalise banks directly rather than by lending to governments to pass on to them, as it is doing in Spain. But the amount of money that can be used for this purpose has been limited to €60 billion, less than Ireland alone had to stuff into its banks. As things stand, it will not be available to fill capital holes unearthed by the ECB's root-and-branch review of euro-zone bank assets next year. This is because Germany and other northern creditor nations do not want banks' bad debts in weak peripheral countries dumped on the fund. That may, in turn, prevent an adequate response to the central bank's inspection of Europe's sickly banks.

<http://www.economist.com/news/books-and-arts/21587753-conductor-explains-how-ordinary-man-produced-such-miraculous-music-voice-god/print>

Johann Sebastian Bach
The voice of God

A conductor explains how an ordinary man produced such miraculous music

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Bach: Music in the Castle of Heaven. By John Eliot Gardiner. *Knopf*; 629 pages; \$35. *Allen Lane*; £30. Buy from [Amazon.com](#), [Amazon.co.uk](#)

WHEN John Eliot Gardiner grew up on his family's farm in Dorset, he met Johann Sebastian Bach on the stairs every day. By some remarkable chance, a refugee from Silesia had given the Gardiners a portrait (pictured) of the composer to keep safe during the second world war. Painted by Elias Gottlob Haussmann in 1748, a couple of years before Bach's death, it was one of a tiny handful of authenticated pictures painted during the great man's lifetime. The young John Eliot found it a bit scary, but he nevertheless developed a lifelong fascination with the composer. Now 70, Sir John, as he has since become, is presenting his reflections about the man and his music in a new book.

Billed as a portrait of Johann Sebastian Bach, it is inevitably also a portrait of John Eliot Gardiner, who became a famous conductor and one of the leading lights of the period-performance, or "early music", movement that started in the 1970s. Having experienced much of Bach's music from the inside as a performer and conductor, Sir John is better placed than most to convey what it would have been like for Bach himself to stand in front of his musicians, and what went on in the composer's mind when he wrote the music.

More than anything else, he is captivated by Bach's vocal works: the cantatas, motets, Passions and Masses. In 2000, the 250th anniversary of Bach's death, he took his Monteverdi Choir and English Baroque Soloists on a "Bach Cantata Pilgrimage". In the space of a single year they performed 198 of Bach's 200 surviving sacred cantatas in churches all over Europe and some in America.

This book is not a biography in the conventional sense—of which there are plenty already, some of them excellent—but an attempt to uncover the man through his music. Surprisingly little is known about Bach's personal life. He was acquainted with grief. Orphaned at the age of nine, he lost his first wife, Maria Barbara, after 13 years of marriage. Of the seven children he had with her, four died before him. His second wife, Anna Magdalena, bore him 13 more children, but only six survived into adulthood.

Professionally, too, Bach seems to have had a difficult life. Born into a well-established family of musicians, he found it relatively easy to get his first job. But career opportunities were limited and he had to choose between a court appointment and a post as a church organist and music master. Each had its drawbacks. For a while Bach shuttled between the two (and was jailed briefly when he tried to leave his job at the court in Weimar for a better one), but in 1723 he accepted the position of Cantor, in charge of music at the Lutheran church of St Thomas, known as the Thomaskirche, in Leipzig, where he remained until he died in 1750.

There were many frustrations. The pay was not great; the city did not spend enough to provide him with the first-rate singers and instrumentalists his intricate music required; he was expected to do a lot of teaching; the council breathed down his neck when he tried to introduce anything too adventurous; and there was a lot of musical politics.

But in one sense he was in the right place. His ultimate goal, as he explained to an earlier employer, was to compose “a well-regulated or orderly church music to the Glory of God”. As a man of deep Protestant faith and a great admirer of Luther, Bach got the chance to do a lot of what he wanted most: to write glorious church music. No sooner had he arrived at the Thomaskirche than he started on a bout of furious cantata-composing. For the best part of three years he came up with a new one—about 20 minutes’ worth of music—for the church service every Sunday. During that time he also produced full-length Passions for each Easter and wrote a variety of other music. It was an unsustainable creative burst but left a lasting legacy.

Sir John analyses many of these cantatas in scholarly detail. He also explains the makings of each of Bach’s great Passions and of the sublime Latin Mass in B minor. He shows just how much thought went into selecting the texts and how consistently high was the quality of the compositions. This was truly “new music” of the day, like no one else’s, extraordinarily complex and bold. It made heavy demands on both performers and listeners. Even reading about it requires concentration. You either have to know the music very well or listen to it as you go through the text to make sense of it. Sir John’s book is not Bach for beginners, but it is very rewarding.

So what about Bach the man? There may not be much point in trying to draw a direct line between the personal qualities of this opinionated, crabby and often contrary workaholic and the marvel of his music. His reply to inquires about the secret of his musical success was deliberately opaque: “I was obliged to be industrious; whoever is equally industrious will succeed equally well.”

Sir John arrives at better answers by closely scrutinising the work. He discovers a wealth of hitherto unseen invention and ingenuity. But in the end, he finds, it comes down to an act of faith. Other composers, among them Monteverdi, Beethoven and Mozart, have achieved greatness in various ways, “but it is Bach...who gives us the voice of God—in human form.”

The world economy

The gated globe

Governments are putting up impediments to globalisation. It is time for a fresh wave of liberalisation

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IMAGINE discovering a one-shot boost for the world's economy. It would revitalise firms, increasing sales and productivity. It would ease access to credit and it would increase the range and quality of goods in the shops while keeping their prices low. What economic energy drink can possibly deliver all these benefits?

Globalisation can. Yet in recent years the trend to greater openness has been replaced by an enthusiasm for building barriers—mostly to the world's detriment.

The worst did not happen...

Not so long ago, the twin forces of technology and economic liberalisation seemed destined to drive ever greater volumes of capital, goods and people across borders. When the global financial crisis erupted in 2008, that hubris was replaced by fears of a replay of the 1930s. They were not realised, at least in part because the world had learnt from that dreadful decade the lesson that protectionism makes a bad situation worse.

Yet a subtler change took place: unfettered globalisation has been replaced by a more selective brand. As our [special report](#) shows, policymakers have become choosier about whom they trade with, how much access they grant foreign investors and banks, and what sort of capital they admit. They have not built impermeable walls, but they are erecting gates.

That is most obvious in capital markets. Global capital flows fell from \$11 trillion in 2007 to a third of that last year. The decline has happened partly for cyclical reasons, but also because regulators in America and Europe who saw banks' foreign adventures end in disaster have sought to ring-fence their financial systems. Capital controls have found respectability in the emerging world because they helped insulate countries such as Brazil from destabilising inflows of hot money.

Sparingly used, capital controls can make financial systems less vulnerable to contagion, and crises less damaging. But governments must not forget the benefits of financial openness. Competition from foreign banks

forces domestic ones to compete harder. Ring-fencing banks and imposing capital controls protects from contagion, but also traps savings in countries with little use for them.

Trade protectionism cannot claim the justifications that capital controls sometimes can. Fortunately, the World Trade Organisation (WTO), the trade watchdog, prevents most ostentatious protectionism, but governments have developed sneaky methods of avoiding its ire. New impediments—subsidies to domestic firms, for instance, local content requirements, bogus health-and-safety requirements—have gained popularity. According to Global Trade Alert, a monitoring service, at least 400 new protectionist measures have been put in place each year since 2009, and the trend is on the increase.

Big emerging markets like Brazil, Russia, India and China have displayed a more interventionist approach to globalisation that relies on industrial policy and government-directed lending to give domestic sellers a leg-up. Industrial policy enjoys more respectability than tariffs and quotas, but it raises costs for consumers and puts more efficient foreign firms at a disadvantage. The Peterson Institute reckons local-content requirements cost the world \$93 billion in lost trade in 2010.

Attempts to restore the momentum of free trade at a global level foundered with the Doha round of trade talks. Instead, governments are trying to do so through regional free-trade agreements. The idea is that smaller trade clubs make it easier to confront politically divisive issues. The Trans-Pacific Partnership (TPP) that America, Japan and ten others hope to conclude this year aims to set rules for intellectual-property protection, investment, state-owned enterprises and services.

Regional free-trade deals are a mixed blessing. Designed well, they can boost liberalisation, both by cutting barriers in new areas and by spurring action in multilateral talks. Done badly, they may divert rather than expand trade. Today's big deals are probably a net positive, but they may not live up to their promise: in the rush to sign a deal, TPP participants look likely to accept carve-outs for tobacco, sugar, textiles and dairy products, diminishing the final deal.

...but it could be so much better

Gate-building does not cause much outrage. Yet it is worth remembering what opportunities are being lost. In 2013 the value of goods-and-services exports will run to 31.7% of global GDP. Some big economies trade far less: Brazil's total exports are just 12.5% of GDP. Increasing that ratio would deliver a shot in the arm to productivity. Trade in services is far lower than in goods; and even in goods, embarrassing levels of protectionism survive. America tacks a 127% tariff on to Chinese paper clips; Japan puts a 778% tariff on rice. Protection is worse in the emerging world. Brazil's tariffs are, on average, four times higher than America's, China's three times.

In the past year the cost of impediments to trade has become clearer. Few countries have put up more gates than Russia, India and Brazil; growth in all three has disappointed. The latter two have suffered sharp falls in their currencies. Some countries have counted the cost and are opening up. China's new leaders are tiptoeing towards looser rules for foreign capital and getting behind a push for a modest global trade deal. Mexico plans to readmit foreign investors to its oil industry in an effort to boost output. Japan hopes that the TPP will shake up its inefficient sectors, complementing fiscal and monetary stimulus.

But the fate of globalisation depends most on America. Over the past 70 years it has used its clout to push the world to open up. Now that clout is threatened by China's growing influence and America's domestic divisions. Barack Obama's decision to skip an Asia-Pacific leaders' summit in Bali to battle the government shutdown at home was ripe with symbolism: China's and Russia's presidents managed to attend. Mr Obama must reassert America's economic leadership by concluding a TPP, even one with imperfections, and force it through Congress. The moribund world economy needs some of the magic that globalisation can deliver.

Schuldenkrise

Die Suche nach Europas „Zombiebanken“ beginnt

11.10.2013 · Bald durchforstet die Europäische Zentralbank die Bilanzen von 130 Großbanken nach faulen Krediten und wertlosen Posten. Heikle Fragen sind noch offen: Was, wenn sie fündig wird?

Von PHILIP PLICKERT und HANNO MUSSLE

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Der EZB-Neubau mit Graffiti auf dem Bauzaun: In manchen Bankbilanzen lauert wohl noch Schreckliches. Die Europäer haben ihre Bankenkrise verschleppt, so viel steht heute fest. Das ganze Elend verdichtet sich in einer einzigen Kennziffer, die den Ökonomen der Europäischen Zentralbank besondere Kopfschmerzen bereitet: Bei nur 0,7 liegt das Verhältnis von Markt- zu Buchwert im Durchschnitt der europäischen Banken. Das heißt, dass Anleger den realen Wert der Banken am Aktienmarkt auf nur gut zwei Drittel dessen taxieren, was an Vermögen in ihren Büchern steht. Oder sie sehen die künftige Ertragskraft der Banken als dauerhaft erheblich geschwächt an. Außerhalb des Euroraums beträgt das Kurs-Buch-Verhältnis ungefähr eins - das ist ein gesunder Wert.

Ganz offensichtlich müssen in den Bilanzen der europäischen Banken noch zahlreiche nicht offengelegte faule Kredite und Verluste schlummern. Im schlimmsten Fall sind einige Banken eigentlich insolvent, ohne Aussicht auf Besserung. Fachleute sprechen dann von „Zombiebanken“, die nur noch durch billiges Zentralbankgeld am Leben gehalten werden. Besonders tückisch ist, dass solche eher unheilbar kranke Banken auch die Unternehmenswelt um sich herum wirtschaftlich infizieren, wie man das in Japan in den neunziger Jahren erlebt hat, weil sie faule (Immobilien-)Kredite lieber verlängern anstatt sie abzuschreiben und damit die ökonomische Misere verschleiern und verlängern.

EZB-Direktor Mersch: Der Wahrheit ins Gesicht schauen

In Europa herrscht jetzt ein bizarrer, da verzerrter Wettbewerb zwischen gesunken und kranken Banken, auch wenn Beispiele selten in die Öffentlichkeit gelangen. Vor kurzem aber klagte ein deutscher Sparkassen-Vorstand, dass eine italienische Bank zunächst auf eine Forderung gegenüber einem Unternehmenskunden verzichtet habe, dann aber den Kredit zu günstigen Konditionen verlängert und sich einen „Debtor Warrant“ ausstellen ließ. Dieser Besserungsschein nenne „utopische“ Bedingungen, unter denen die Forderung wieder auflebt. Der Sinn der den Tod nur hinauszögernden Operation: Der Wirtschaftsprüfer in Italien verlangt so keine Abschreibung.

Die meisten Staaten außerhalb des Euroraums, vor allem die Amerikaner, haben die Probleme ihrer Finanzinstitute früher und ehrlicher bereinigt. Das beklagt auch die EZB inzwischen immer drängender. An einer „Grundsanieung des Bankensektors“ hänge die wirtschaftliche Zukunft, denn 80 Prozent der Unternehmensfinanzierungen in Europa erfolgten über den Bankensektor, betonte der aus Luxemburg stammende EZB-Direktor Yves Mersch jüngst in einer Rede. Kranke Banken können kaum neue Kredite vergeben und lähmen insgesamt die Wirtschaft.

Die EZB hat mit der künftigen Bankenaufsicht eine Mammutaufgabe übernommen. Mersch spricht von der „ultimativen Herausforderung unserer Zeit“. Am 2. November soll (sofern eine neue britische Rechtsprüfung keine weitere Verzögerung bringt) der Startschuss erfolgen und die heiße Phase des Aufbaus der einheitlichen europäischen Bankenaufsicht beginnen. Dann sollen alle rechtlichen Grundlagen feststehen. Anfang 2014 beginnt die EZB mit einer umfassenden Bilanzprüfung für jene ungefähr 130 Großbanken, die künftig unter ihrer direkten Aufsicht stehen Ziel der Übung: Transparenz über ihre wirklichen Vermögenswerte und Risiken herstellen. Man wolle „der Wahrheit ungeschminkt ins Gesicht schauen“, sagt Mersch. Man will die Kapitallücken in den Banken aufdecken.

In einem ersten Schritt machen die EZB-Fachleute, stets in enger Kooperation mit nationalen Bankenaufsehern, eine Risikoanalyse. Dabei werden die jeweils riskantesten Anlageklassen und Portfolios herausgesucht. In Deutschland haben die EZB-Fachleute offenbar besonders Pakete von Schiffskrediten im Auge, schließlich gehören die HSH Nordbank mit 27 Milliarden sowie Nord LB und Commerzbank mit jeweils 18 Milliarden Euro zu den größten Finanziers der in einer schweren Krise steckenden Reeder. Doch obwohl nach Schätzungen mindestens 25 Prozent der Schiffskredite als ausfallgefährdet gelten müssen, wehren sich die Banken wie schon zu Beginn der Finanzkrise dagegen, dass für wenig gehandelte Kreditpapiere Marktpreise angesetzt werden. Selbst Hans-Dieter Brenner, der Vorstandsvorsitzende der gut dastehenden Helaba, warnt vor einer „Quelle von Instabilitäten“ und mahnt: „Ein Abstellen der Bewertung auf Notverkäufe ist der falsche Ansatz.“ Auch die derzeit in Deutschland in Fülle vergebenen Bankkredite für Windkraftparks könnten später ein Risiko darstellen und stehen deshalb wohl mit im Zentrum der Risikoprüfung. In anderen Ländern, besonders in Südeuropa, werden die Prüfer die riesigen Bestände an Immobilienkrediten genau unter die Lupe nehmen. Bei der Risikobewertung werden auch allgemeine Faktoren, etwa die Refinanzierungs- und Liquiditätsrisiken ins Kalkül gezogen.

Im zweiten Schritt, der eigentlichen Bilanzüberprüfung (Asset Quality Review), werden einzelne Posten in den Büchern der Banken angeschaut und ihr Wert taxiert. Das kann nur stichprobenartig geschehen, denn bei einer großen Bank wären sonst Hunderttausende Einzelposten zu bewerten. Unterstützt werden die EZB-Aufseher von externen Fachleuten, etwa von der Beratungsgesellschaft Oliver Wyman, die schon in den spanischen Banken im vergangenen Jahr das Ausmaß der faulen Kredite geschätzt haben. Kritik gab es im EU-Parlament daran, dass Oliver Wyman zuvor einige Banken bei ihren internen Risikomodellen beraten habe - ein klarer Interessenkonflikt mit dem EZB-Auftrag liege deshalb vor.

Der Teufel liegt auch im Detail. Mersch betont, dass erst einmal einheitliche Regeln und Definitionen für die Bewertung angewandt werden müssen. Diese Regeln soll die in London ansässige Aufsichtsbehörde EBA formulieren. Beispielsweise muss geklärt werden, wann ein Kredit als „notleidend“ eingestuft wird. In manchen Ländern gilt ein Kredit als faul, wenn der Schuldner mit seinen Zahlungen drei Monate in Verzug ist; in anderen Ländern ist die Frist aber sechs Monate. In Italien, erklärt Mersch, werde ein Kredit als notleidend eingestuft, wenn die Bank dem Schuldner die Konditionen lockert. In Deutschland gelte ein solcher Kredit noch nicht als faul. In einem Monat soll die EBA dafür einheitliche Definitionen veröffentlichen, hofft die EZB. Nur dann sei ein „gleiches Spielfeld“ möglich.

Im dritten Teil der großen Prüfung, der parallel zur Bilanzanalyse im ersten Halbjahr 2014 stattfindet, macht die EBA einen Stresstest. Sie unterstellt dabei, dass es in Europa zu einer neuerlichen Wirtschaftskrise kommt, und schätzt, in welcher Höhe die Banken Verluste und Abschreibungen erleiden würden.

Bundesbank lehnt „Illusion der Risikolosigkeit“ ab

Im EZB-Rat gibt es derzeit einen latenten Streit darüber, ob auch für Staatsanleihen im Stresstest Wertabschläge angenommen werden sollen. Die Bundesbank und einige nord- und mitteleuropäische Zentralbanken lehnen die „Illusion der Risikolosigkeit“ von Staatsanleihen ab; Frankreich und Italien jedoch wehren sich strikt dagegen, dass ihre mit einheimischen Staatsanleihen vollgesogenen Banken auch diesem Belastungstest ausgesetzt werden. Die EBA wollte schon bei ihrem Stresstests vor drei Jahren solche Staatsrisiken mit erfassen, doch war der Widerstand der Politik zunächst zu groß. Erst im Test 2011 wurden auch auf Anleihen Abschläge vorgenommen.

Doch noch immer brauchen Banken für Investments in Staatsanleihen kein Eigenkapital vorzuhalten, was Bundesbank-Präsident Jens Weidmann seit längerem kritisiert. Andreas Dombret, im Vorstand der Bundesbank

für Finanzstabilität zuständig, sagte auf einer Konferenz in Kiel, dass die Pläne für eine Bankenunion deshalb weiterhin mit einem „Staatsanlehenvirus“ behaftet seien.

Hinter den Kulissen wird wohl noch einige Zeit über die Annahmen und Ausnahmen für den Stresstest gerungen. Im Spätsommer 2014 werden wohl die Ergebnisse feststehen. Dann wird die EZB mitteilen, wie groß die Lücken in der Eigenkapitalausstattung sind, die sich nach Abschreibung fauler Kredite ergeben. Nach Schätzungen von Bankanalysten könnte die Kapitallücke für alle Banken auf eine zwei- oder gar dreistellige Milliardensumme hinauslaufen. Für diesen Fall müsse man schon Vorkehrungen treffen, bevor der Test beginne. „Es bedeutet, dass es eine finanzielle Absicherung geben muss, für den Fall, dass finanzielle Löcher gestopft werden müssen“, betont Mersch. Ohne solche Vorkehrung will er eigentlich gar nicht erst mit der Übung anfangen. Gunter Dunkel, Chef der Nord LB und so etwas wie der Sprecher der Landesbanken, warnt: „Wenn viele Banken im Stresstest durchfallen, schafft das kein Vertrauen.“

In der Theorie ist klar, wer die Kapitallücken der Banken füllen soll, damit ein öffentlichkeitswirksames Durchfallen vermieden wird: Primär sollen sich die Banken das benötigte Kapital am Markt besorgen. Doch gibt es in der EZB ernsthafte Sorgen, dass dies nicht reichen könnte, weil es zu einer Verdrängung kommt, wenn plötzlich viele kranke Banken nach Kapitalgebern suchen und diese angesichts der offengelegten Bankenprobleme eher zurückhaltend sind.

Braucht es ein gemeinsames Sicherheitsnetz für Kapitalspritzen?

Statt Vertrauen zu schaffen, könnte der Stresstest zu einem neuen Unsicherheitsschub führen, fürchten manche Beobachter. Für diesen Fall müsse es staatliche Sicherheitsnetze (fiscal backstops) geben, fordert Mersch. In Deutschland käme etwa der Bankenrettungsfonds Soffin als Kapitalquelle in Frage. Doch was, wenn in manchen Ländern die staatlichen Budgets nicht mehr ausreichen?

Um diese Frage macht die EZB derzeit einen gewissen Eiertanz, denn sie berührt einen heiklen Punkt: Sollen abermals die europäischen Steuerzahler für die Verluste von Banken aufkommen? Vor diesem Szenario haben im vergangenen Jahr, als die Pläne für die Bankenunion erst schemenhaft sichtbar waren, mehr als 200 deutsche Wirtschaftsprofessoren gewarnt, dass die Bankenunion zu einer Haftungsunion zulasten der Steuerzahler, besonders der deutschen, werde. Mersch kennt die Sorgen. „Die Bankenunion ist keine Transferunion durch die Hintertür. Jeder muss seine eigenen Altlasten bereinigen“, versicherte der EZB-Mann kürzlich in einer Rede in Wien. Allerdings sprach er dann auch davon zu prüfen, ob im Einzelfall „ein vorübergehender Zugriff auf einen grenzüberschreitenden Backstop erforderlich ist ..., ohne dass übermäßig auf das Geld der Steuerzahler zurückgegriffen wird“.

Ob Bankenverluste abermals sozialisiert oder aber privat getragen werden, wird zu einem Lackmустest der Glaubwürdigkeit der neuen Regeln im Euroraum, bei denen das Haftungsprinzip angeblich wieder eine zentrale Rolle spielen soll. Im November 2014 soll die EZB-Bankenaufsicht dann voll funktionieren. Dann soll auch der zweite Pfeiler der „Bankenunion“, ein einheitlicher Abwicklungsmechanismus, ins Spiel kommen. Seine genaue Gestalt ist bislang noch umstritten, vor allem, welche Stelle über eine Abwicklung entscheidet, die ja auch fiskalische Folgen hätte. Die EU-Kommission will diese Aufgabe an sich ziehen - zumindest vorläufig, wie Binnenmarktkommissar Michel Barnier nun sagte.

Der Abwicklungsfonds steht noch weitgehend nackt da

Wer die Abwicklung bezahlen soll, steht im Grundsatz in einer EU-Richtlinie, auf die sich die Finanzminister geeinigt haben und die 2015 in Kraft treten soll. Das Zauberwort heißt „Haftungskaskade“: Ist eine Bank angeschlagen, sollen nicht mehr die Steuerzahler, sondern zuerst die Verantwortlichen, die Eigentümer einspringen. Die Aktionäre sollen die Verluste auffangen und die Bank wieder aufrichten, dann die Gläubiger, also die Anleiheinvestoren, und als drittes die großen Einleger über der Schutzgrenze von 100 000 Euro. „Bail-in“ statt „Bail-out“ (Herauspauken) lautet die Devise. Sind alle diese Kapitalquellen ausgeschöpft, soll ein Abwicklungsfonds zahlen, der von den Banken gefüllt wird. Reicht er nicht aus, soll das Heimatland der Bank zahlen. Erst an letzter Stelle stünde der Krisenfonds ESM bereit für eine direkte Rekapitalisierung von angeschlagenen Banken. Bis zu 60 Milliarden Euro haben die Euro-Finanzminister für diesen Zweck aus dem ESM bewilligt. Doch soll der ESM nicht für Altlasten einspringen, die noch unter der Verantwortung der nationalen Aufseher entstanden sind, wird versichert.

Mehrere Probleme gibt es aber mit der Abwicklung der „Zombiebanken“: Der genannte Abwicklungsfonds besteht derzeit nur in der Phantasie der EU-Politiker. Nach einer Schätzung der Kommission dürfte der Fonds nur langsam mit den bilanzgewichteten Abgaben der Banken gefüllt werden und erst im Jahr 2025 ein respektables Volumen von 55 Milliarden Euro erreichen. Nicht nur Mersch sagt daher, „dass in der Aufbauphase geklärt werden muss, was passiert, wenn die Mittel des Fonds aufgrund außergewöhnlicher Umstände ausgeschöpft sind“.

Sein EZB-Kollege Jörg Asmussen hat für diesen Fall den ESM ins Spiel gebracht. Dieser solle dem Abwicklungsfonds einen Kredit geben. Auch in Amerika liefe es ähnlich, gibt Mersch zu bedenken; dort kann die Einlagensicherungsbehörde FDIC auf eine Kreditlinie des Finanzministeriums zurückgreifen. Auch EU-Binnenmarktkommissar Barnier unterstützt, dass der ESM dem Fonds Darlehen gibt. Das deutsche Finanzministerium sträubt sich jedoch gegen die Inanspruchnahme des ESM und sieht rechtliche Hürden. EZB-Präsident Mario Draghi hat jüngst zugegeben, dass der ESM-Vertrag dafür geändert werden müsste.

Mindestens ebenso heikel sind zwei Punkte zur Abwicklungsrichtlinie. Diese ist nach Meinung vieler Fachleute schwammig gehalten, weil zu große nationale Spielräume bestehen können, welche Gläubigergruppen (nachrangige Anleihen zum Beispiel) zur Haftung herangezogen werden. Noch schlimmer: Die „Bail-in“-Regeln sollen erst von Januar 2018 an gelten. Doch was passiert bei Bankenzusammenbrüchen in der Zwischenzeit? Sollen dann wieder die Steuerzahler haften? Bundesbank-Chef Weidmann und Mersch fordern deshalb gebetsmühlenartig, dass die Regeln schon früher greifen müssen. Denn andernfalls wären bei Bankenzusammenbrüchen wieder einmal die Steuerzahler die Zahlmeister.

Die Spitzen der neuen Bankenaufsicht

Derzeit bereitet erst ein Team von 79 Abgesandten nationaler Notenbanken die EZB auf ihre Mammutaufgabe vor. Vorläufig leitet der Berater Ignazio Angeloni aus Italien das Unternehmen. In den kommenden Wochen will die Zentralbank den Vorsitz des Aufsichtsgremiums bestimmen: Als aussichtsreiche Kandidatin gilt die 61 Jahre alte Französin Danièle Nouy, die derzeit in der Banque de France die Aufsicht leitet. Kandidaten können noch bis zum 21. Oktober ihre Bewerbungsunterlagen einreichen. Die EZB-Spitze wird in Abstimmung mit dem EU-Ministerrat einen Vorschlag machen, das EU-Parlament stimmt danach auch noch ab. Unklar ist, wer den Vizevorsitz übernimmt, es wird aber ein Mann aus dem EZB-Direktorium sein. Als möglicher Stellvertreter gilt Yves Mersch, der derzeit für den Aufbau der Bankenaufsicht die Verantwortung hat. Denkbar ist aber auch der EZB-Chefvolkswirt Peter Praet, der als belgischer Notenbankgouverneur einige Erfahrung mit schwierigen Bankabwicklungen gemacht hat. Weniger Chancen werden Jörg Asmussen eingeräumt. EZB-Chef Draghi hat das letzte Wort. Die neue EZB-Bankenaufsicht wird aus vier Generaldirektionen und einem Sekretariat bestehen. Bis zu ihrem vollen Aufbau will die EZB etwa 1000 neue Mitarbeiter einstellen, darunter 750 Aufseher. Eine „chinesische Mauer“ zwischen der Geldpolitik und der Aufsichtsfunktion soll eine Vermischung und Interessenkonflikte ausschließen. Viele Fachleute sind dennoch skeptisch, ob die Trennung gelingt.

Quelle: F.A.Z.

IMF: no need to adjust austerity targets in Europe

Tue, Oct 8 2013

86,100

WASHINGTON (Reuters) - Periphery countries in the euro zone do not need to brake their fiscal adjustment unless growth slows significantly, the International Monetary Fund said on Tuesday.

Jörg Decressin, the deputy director of the IMF's research department, said austerity in countries like Portugal has already been less this year than in previous years, while growth is likely to rebound. These countries are struggling to tame their debts while coming out of a prolonged recession sparked by a sovereign debt crisis across the currency bloc.

"Only if growth were to disappoint in a major way would one have to go and revisit this," he said about the austerity targets. "But the pace as a whole strikes us now for this year and next year as appropriate."

The IMF now expects Greece, Italy, Portugal and Spain to all exit recession and start growing from next year. Ireland, another periphery country, has already been growing, albeit slowly.

(Reporting by Anna Yukhananov; Editing by James Dalgleish)

<http://www.reuters.com/article/2013/10/09/us-imf-financial-banking-idUSBRE9980HQ20131009>

EU must speed up banking union to gain trust, IMF says

86,101

By Douwe Miedema

WASHINGTON | Wed Oct 9, 2013 8:34am EDT

(Reuters) - The International Monetary Fund urged the European Union to quickly set up an agency that would close or salvage troubled [banks](#) across the continent as part of an effort to shed a mountain of bad debt impeding economic recovery.

The recommendation - one of a long list to address structural faults in the world [economy](#) - comes as European Union lawyers raised concerns about the plan to set up a so-called banking union.

[Banks](#) in euro-zone countries hit hardest by the debt crisis were forced to raise interest rates on risky loans to clients who had difficulty paying already, further worsening the chance they would get their money back, the IMF said.

"Investors' faith in euro-area bank balance sheets must be restored ... and banking union completed," the IMF said in its Global Financial Stability Report on Wednesday.

"Otherwise, the euro area risks entering a lengthy, chronic phase of low growth and balance sheet strains," it said in the report, which comes out twice a year.

The EU should also conduct rigorous probes - so-called stress tests - into the health of its banking sector, the IMF said, and identify ahead of time who would fill any capital shortfalls, in order to lend the exercise more credibility.

The EU will take the first step towards the banking union next year, when the European Central Bank takes on supervision of banks throughout the [euro zone](#), something that is now divided between dozens of national agencies.

But the IMF said a second pillar of the project - the creation of an agency to close troubled banks and a central fund to help pay for the costs of the clean-up, or Single Resolution Mechanism - was equally essential.

"(The current situation) places the burden of raising capital firmly back on bank shareholders and creditors or on the sovereign ... or on both, and, thus, may not provide sufficient backstop," the IMF said in the report.

EU lawyers are concerned that setting up a framework that would break the link between indebted countries and their banks raises an array of political and legal complications, mainly about who would foot the bill.

The latter point is of particular concern to [Germany](#), the euro zone's largest [economy](#).

The IMF also said the EU should improve its insolvency laws and debt workout arrangements and help companies seek financing from sources other than bank loans - for instance through corporate debt [markets](#).

In a test run, the IMF estimated that Spanish banks could face an estimated 104 billion euros (\$141.40 billion) in losses on company exposure in the coming two years, though this amount is fully covered by loss provisions.

In [Italy](#), the estimated gross loss could exceed the provisions by 53 billion euros, and in [Portugal](#) by 8 billion euros. In both cases, those losses could be absorbed from operating profits without eroding capital.

The IMF's report was a broad-ranging review of possible risks to a wide range of sectors in the global economy, with one key possible cause of disturbance being a retreat by the U.S. Federal Reserve from its easy monetary policy.

The shadow banking system - a loosely defined set of unregulated entities that function like banks - remained a potential source of systemic stress, the IMF said, as did the so-called repo market, which is part of it.

The IMF singled out mortgage real estate investment trusts (REITs) as one particular cause of concern, being prone to asset fire sales because they provide long-term debt that they fund in volatile short-term debt [markets](#).

France: Exit polls suggest majority prepared to vote for far right

10/10 20:15 CET

86,103

Ok France: survey suggests majority prepared to vote for far right National Front

France is witnessing a surge in support for the far right, for the first time since the inauguration of the European Parliament.

The latest poll results, printed in French news magazine *Le Nouvel Observateur*, show that 24 percent of French voters are prepared to vote for Marine Le Pen's National Front party in the 2014 European elections.

The results suggest a dramatic shift in feeling compared to the 2009 European elections.

However, not everybody is happy with the far right's rising popularity. EU Commissioner Viviane Reding expressed her concern regarding the rising popularity of "extremism and populism" during a speech in the European Parliament on Wednesday:

"The rise of extremism and populism is a common concern to the whole of the EU, because it leads to racism, to the negation of the human being, to all forms of intolerance... It also endangers the values on which our Union is based, "

Despite concerns from within the EU, the National Front has seen its popularity rise dramatically from the 6.34 percent they gained in the last European elections.

The Socialist government in France, meanwhile, sees its popularity continue to decline. Speaking about the poll results, French president François Hollande admitted that the European parliament would have a "large share of anti-Europeans" following the next election, and called it "a regression and a threat of paralysis."

Far-right's surge could paralyse Europe, warns Hollande as NF passes socialists

French president warns of threat from parties such as National Front as poll on EU elections in May puts all extremists ahead

- [Kim Willsher](#) in Paris and [Ian Traynor](#) in Brussels
- [theguardian.com](#), Thursday 10 October 2013 20.11 BST

86,104



Marine Le Pen, National Front leader, and her father and NF founder Jean-Marie Le Pen, to her right, at the NF congress. Photo: Bertrand Langlois/AFP/Getty

The French president, [François Hollande](#), has warned that [Europe](#) risks "regression and paralysis" if Eurosceptics and nationalists gain the upper hand in next year's European parliament elections, as an opinion poll for the first time put the anti-immigrant National Front (NF) well ahead of his country's mainstream parties. The Ifop poll in the newspaper *Le Nouvel Observateur* gave [Marine Le Pen's](#) National Front 24% in the European contest, five points ahead of Hollande's socialists and almost four times what the far-right party achieved in the last European election, in 2009.

The boost to the extreme right in France came amid growing fears among the [European Union](#) elite that extreme parties of right and left would make a strong showing in the [European elections](#) in May.

[Nigel Farage's](#) UK Independence party is tipped to do well, possibly becoming the biggest British party in the European parliament, while [Geert Wilders](#), the Dutch anti-immigrant and anti-Islam populist, is also running strongly in the opinion polls.

German analysts and politicians expect the [new anti single European currency party, Alternative for Germany](#), to win its first seats in a national poll. The far-right in Poland, Austria, Hungary and Bulgaria would also register gains, on current projections. "Next May the European parliament could be for a large part composed of anti-Europeans. It would be a regression and a threat of paralysis," Hollande warned.

In remarks clearly aimed at the National Front at home but also pointing to the wider problem in Europe after four years of financial crisis, Hollande warned of the twin threat to Europe from the forces of "nationalism and populism".

He said: "Let's be honest, Europe is associated – wrongly it has to be said – with the opening of borders and thus to immigration. Nationalism springs from a lack of perspective and a collective dynamic, add in the fear of decline, with certain countries painfully living the confrontation with globalisation."

He ascribed the growth of nationalism to "relations with Islam", as well as "working people's fears faced with industrial reorganisation", the "fear of emerging countries", and "conservatism linked partly with ageing of the population".

The president added: "Xenophobia does the rest."

The Ifop pollsters found that [24% of the 1,893 French voters questioned intended to vote for the NF](#) in next year's European elections, while 22% said they would vote for the centre-right Union for a Popular Movement, and only 19% for the governing Parti Socialiste.

In the last European elections, in 2009, the National Front took 6.34% of the vote. Pollsters stressed that the new survey reflected voters' intentions rather than a ballot prediction.

"For the first time in a poll on voting intentions in an election of a national character, the NF is clearly ahead," an Ifop spokesperson said.

A former European government minister in close contact with France's socialist leadership said Hollande's entourage was "very scared" and expected Le Pen to emerge as the winner. "This is a wake-up call from Hollande. He is right. The next European elections will bring a big victory for nationalist populists of right and left."

Others cautioned that with the ballot almost eight months away, it was too early to say. The gains for the far-right are also mirrored by gains for the hard-left in parts of Europe. The socialists in the [Netherlands](#) could make gains and the communist party in the [Czech republic](#) is expected to do well in national elections this month and could enter coalition government for the first time since the collapse of communism in 1989. In crisis-ravaged [Greece](#), the leftwing Syriza movement is expected to do well. In [Germany](#), following last month's general elections, the far-left Die Linke, composed of disaffected social democrats and former East German communists, is now the third force in parliament, supplanting the Greens.

Other factors combine to suggest a strong opportunity for anti-Europeans of the far-right and hard-left. The European elections often serve as a surrogate mid-term ballot on, and protest against, sitting governments. Voter turnout is extremely low but the fringe parties are more likely to mobilise support. Beyond Germany there is a broad mood of anti-incumbency across Europe.

The boost for the French far-right comes just 10 days before the second round of a cantonal byelection in the town of Brignoles, in the Var region of southern France. The NF candidate took a stunning 40.4% of votes in the first round.

Alain Delon, one of France's most celebrated actors, voiced his support for the NF, saying he approved of the party's rise.

In an interview with the Swiss paper Le Matin, Delon said: "For years Le Pen father and daughter have fought, but they've fought somewhat alone. Now, for the first time, they're not alone. The French are with them."

The NF has been slowly gaining political ground in France since 2011 when Marine Le Pen took over at the helm of the party founded in 1972 by her father, [Jean-Marie Le Pen](#), and known for its xenophobia and Holocaust-doubting rhetoric.

Steeve Briois, the NF secretary general, said: "The French are showing a wish to take their destiny into their hands and give back their country its sovereignty." He promised an "unprecedented earthquake" in the European elections.

Jean-Yves Camus, who is based at the Institute of International and Strategic Relations, in Paris, and is an expert on the European far-right, said: "All the ingredients are coming together for the NF to achieve a higher score than ever before in both the municipal and the European elections next year.

"The European elections will be a chance for people to express their discontent with everything associated with Europe, globalisation, outsourcing and so on."

French polls show surge in support for far-right National Front

Quarter of French voters polled said they would vote for party at 2014 European elections, with 19% for Socialists

[Kim Willsher](#) in Paris

86,107

- [theguardian.com](#), Thursday 10 October 2013 12.19 BST



National Front party leader Marine Le Pen in north-east France on Sunday. Photograph: Francois Nascimbeni/AFP/Getty Images

One in four French voters are ready to support the far-right National Front in next year's European elections, a new poll shows.

A survey of voting intentions for the May 2014 election found the party could win more support than the government and the main opposition party.

It is the first time in French political history that the Front National, led by [Marine Le Pen](#), has headed a poll for a national vote.

The pollsters Ifop found 24% of the 1,893 French voters questioned said they intended to vote for the anti-[European Union](#), anti-immigration National Front, while 22% said they would vote for the centre-right Union for a Popular Movement (UMP) and 19% for the governing Socialist party.

"For the first time in a poll on voting intentions in an election of a national character, the [National Front] is clearly ahead," Ifop said.

The boost for the party comes just 10 days before the second round of a byelection in the canton of Brignoles, in the Var, southern France, in which the National Front candidate gained 40.4 % of votes in the first round.

It also came as Alain Delon, one of France's most celebrated actors, expressed his sympathy for the National Front and said he "approved" of the party's rise. Delon had previously voiced his "friendship" and "liking" for the party's founder, Jean-Marie Le Pen.

In an interview with the Swiss paper Le Matin, Delon, said: "For years Le Pen father and daughter have fought, but they've fought somewhat alone. Now, for the first time, they're not alone. The French are with them."

The *Nouvel Observateur* magazine that published the poll on Thursday said the results were not a prediction, but the figures show a remarkable rise in support for the National Front. In the last European elections, in 2009, the far-right party obtained 6.34% of votes.

"The French are showing a wish to take their destiny into their hands and give back their country its sovereignty," said the Front National secretary general, Steeve Briois. He promised an "unprecedented earthquake" in the European elections.

In the *Nouvel Obs*, the French president, François Hollande, explained that the rise of nationalism and populism in [Europe](#) was linked to "the fear of decline", "relations with Islam", and an ageing population. He said nationalism came from a "lack of perspective and collective dynamic".

Hollande, whose popularity continues to decline, admitted on Wednesday that there was a risk that the European parliament would have a "large share of anti-Europeans" after next May's election. "It would be a regression and a threat of paralysis," he said.

Marine Le Pen, a practising lawyer, has threatened to sue anyone that calls the National Front an "extreme right" party, a threat that did not seem to worry Hollande. "Faced with extremists, the best thing is to hold one's head high," he said.

Charles Gave: "France Is On The Brink of A Secondary Depression"

86,109

Submitted by [Tyler Durden](#) on 04/09/2013 11:01 -0400
Authored by Charles Gave of [Gavekal.com](#),

France is engulfed by a political, economic and moral paralysis. The president has record low popularity, unemployment is making new highs and the tax czar of a supposedly left wing government just quit after repeatedly lying about a pile of cash he had stashed in a Swiss bank account. From such a sorry state of affairs, you might think that things could only get only get better. Unfortunately, economic cycles do not work this way and it is my contention that France is about to enter what was known during the gold standard era as a "secondary depression." The rigid design of the euro system means the whole eurozone is prone to the kind of brutal cyclical adjustments seen in that hard money era of the 19th and early 20th centuries. **But having reached the logical limits of its decades long experiment in state-run welfare-capitalism France is far more exposed than even its struggling neighbors.**

By way of refresher the typical economic cycle during the gold standard era ran something like this:

- The first phase of the cycle sees investors respond to strongly positive returns on capital by bidding up the value of assets and boosting leverage. Banks loosen their lending standards, genuine entrepreneurs and charlatans become indistinguishable and commentators declare that some new innovation means this time is "different". The scarcest commodity during this period of plenty is memory of past cycles.
- The first signal that the cycle has turned is a market "panic". **The trigger is the realization among market participants that the return on invested capital has fallen below the cost of capital.** This shock adjustment phase usually lasts a few months at most, and is associated with collapsing asset markets together with a number of bankruptcies in the financial system.
- An end to the acute phase of the crisis is usually accompanied by a collapse in interest rates, causing market participants to conclude that normal business conditions have resumed. A massive relief rally usually ensues.
- What follows is the far more serious secondary depression which unfolds like a creeping hangover after an indulgent night on the town. This capitulation materializes as investors come to realize that the prevailing ROIC has remained below the cost of capital. Back in the gold standard era, such secondary depressions usually lasted three to five years and accounted for most investment losses.

It is increasingly clear that both Italy and Spain are caught in a debt trap and have now entered the debilitating phase of the adjustment cycle. Devaluation—their one viable escape option—is ruled out by the strictures of euro membership.

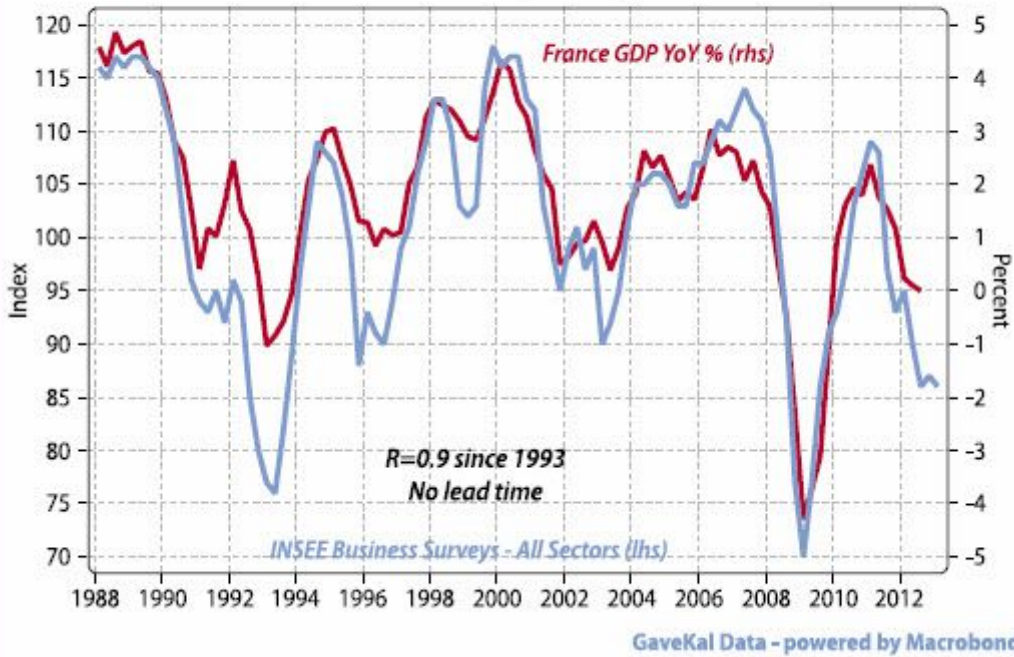
Last year, I argued that France was primed to follow the same ruinous trajectory as its immediate southern neighbors (see [The Coming French Depression](#)). The policies followed by the French government over the last nine months mean this outcome has become a near certainty. The latest awful French economic data has removed any doubt that I reserved.

The case for the French depression

My analysis starts with an assessment of business conditions as illustrated by the INSEE survey. This survey is published monthly and has a long and reliable history. The lead time between the survey release and different economic variables varies from three to nine months.

French business climate sharply worsening

France INSEE survey vs GDP growth



A simple regression between the survey results and France's GDP indicates that within six months the economy will be contracting at an annualized rate of about 1%.

France recession now a certainty

France GDP predicted using INSEE regression



I have long used industrial production as the best available proxy for private sector activity and the latest readings are to say the least, ominous. France is extremely unusual in that government spending accounts for a full 57% of national output (only Denmark has a higher ratio). Since the public spending share of GDP is not likely to contract, the burden of adjustment will be borne by the private sector—a 3% cratering of this part of the economy is likely to eventuate.

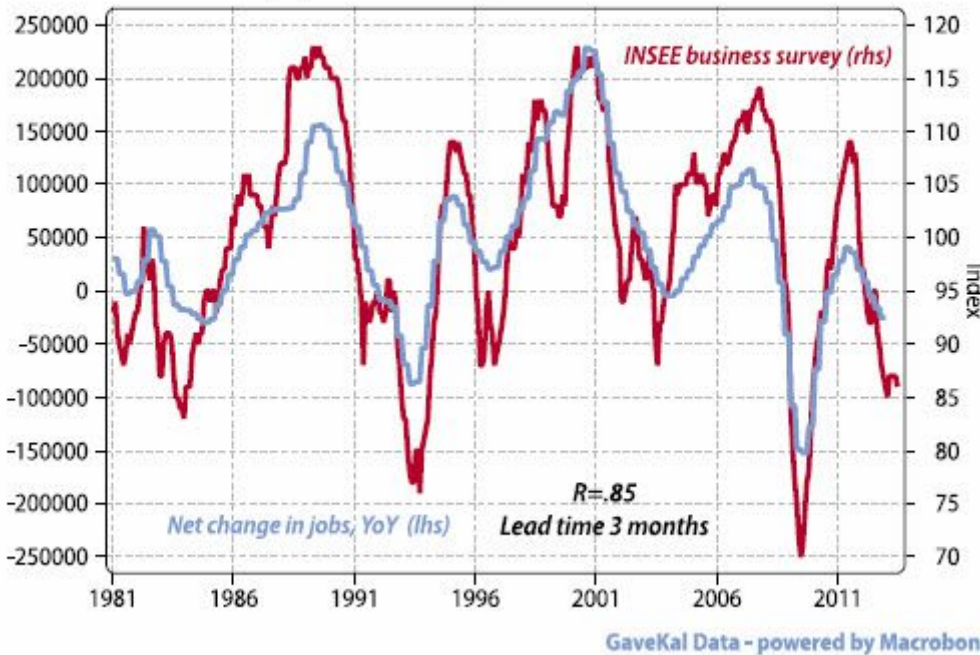
Ominous reading from French industrial production



As a result of this collapse in private sector activity, employment levels are going to implode.

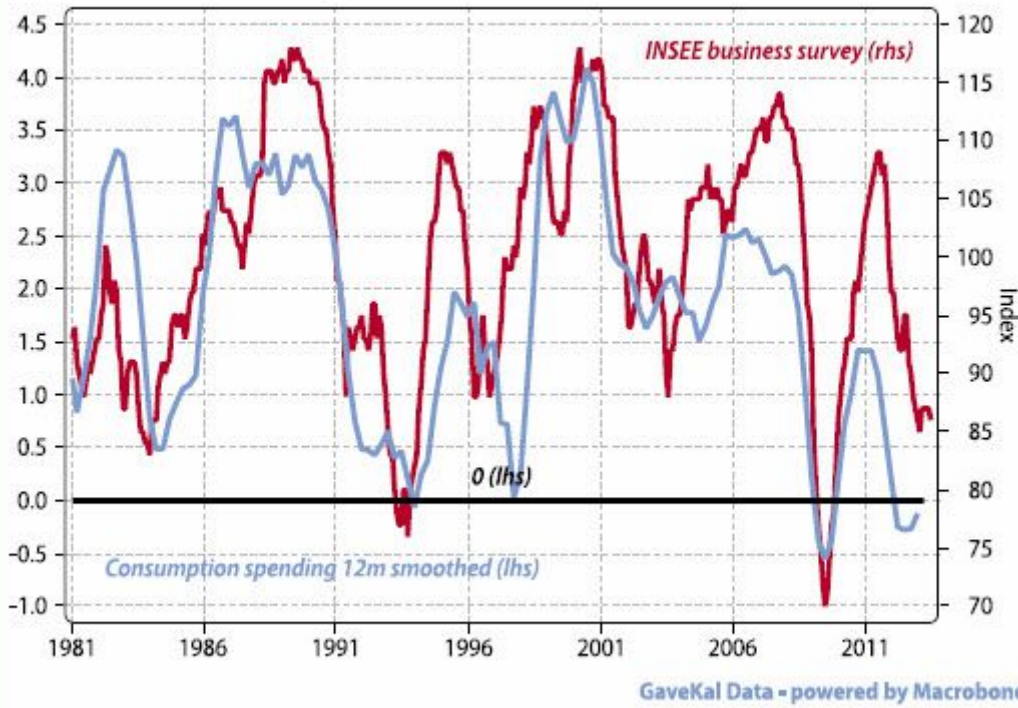
French unemployment about to soar

Employment level change YoY and INSEE index



And with French employment collapsing, it is to be feared that French consumption follows suit. The vicious spiral of decline will ensure that France enters a secondary depression of the type outlined at the outset of this piece.

INSEE leading indicator points to consumption collapse

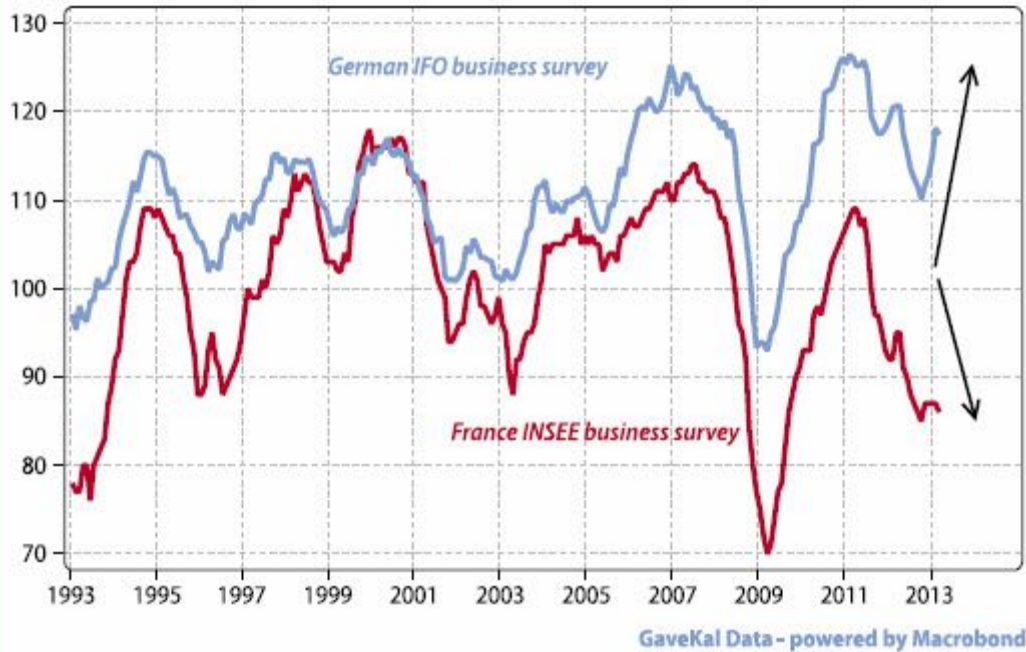


Wider economic consequences

A divergence in the French and German business cycles is starting to open up for the first time in recent history which will lead to escalating risk within the eurozone system.

French and German economic cycles diverging

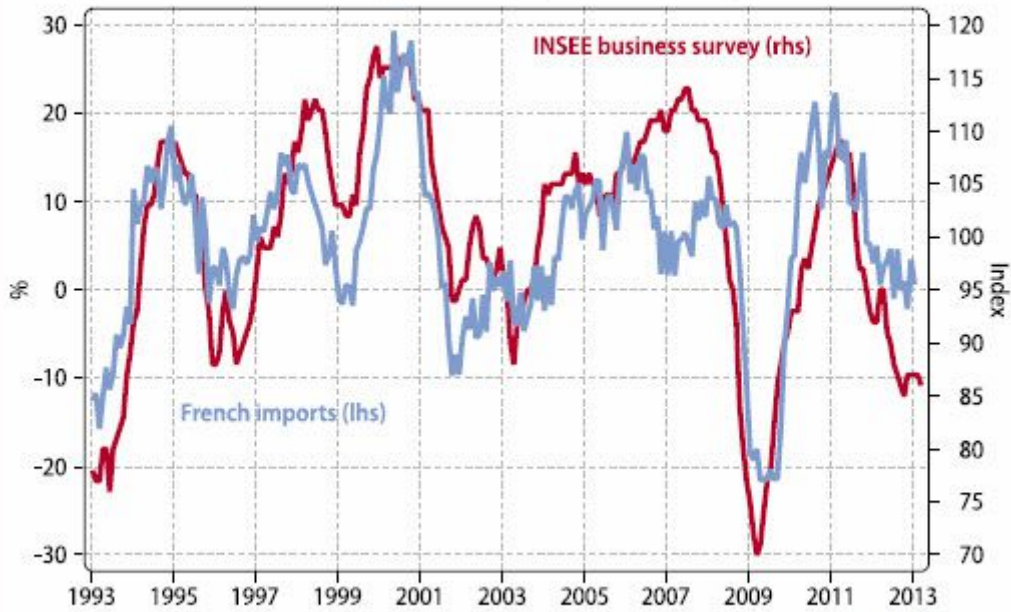
Germn IFO index vs french INSEE index



The severe squeeze on household income will ensure a collapse in French imports which can only have negative consequences for producers in Spain and Italy—for most eurozone countries France is their second largest export market.

French imports are set to collapse

French imports YoY change and INSEE survey

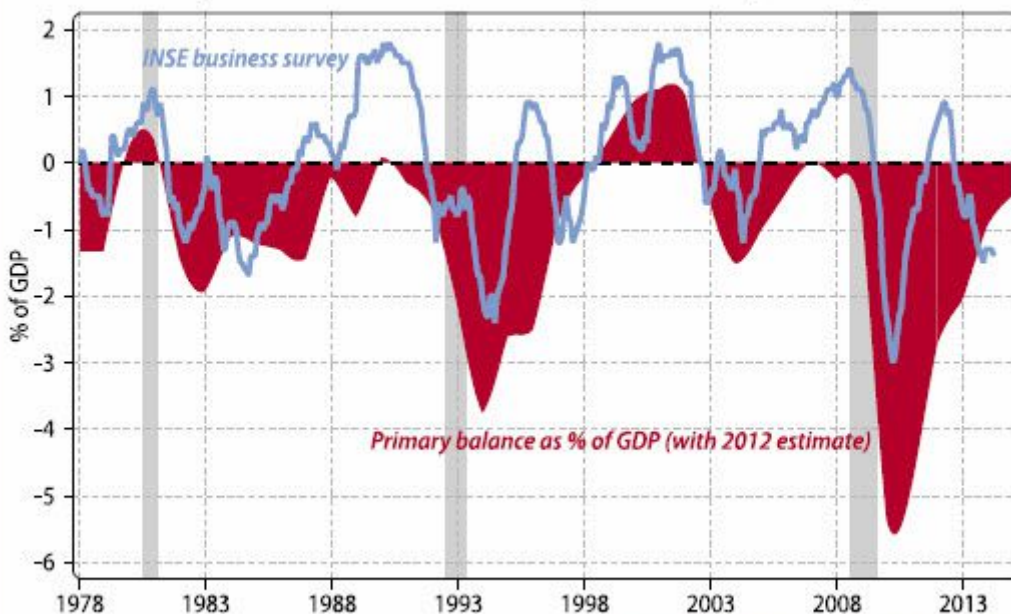


GaveKal Data - powered by Macrobond

France's budget deficit is going to explode. Higher unemployment will push up government spending, while reduced consumption causes a collapse in VAT receipts. And lower economic activity reduces all forms of tax income that a voracious government machine so depends upon.

France's INSEE leading indicator & primary budget deficit

Grey bars = French economic downturn (6mma of IP negative YoY)



GaveKal Data - powered by Macrobond

As a result, the primary budget deficit will deteriorate massively in 2013 - it is worth noting that this outcome has materialized each time that our business survey leading indicator has fallen so precipitously. French long rates will quickly come under pressure as was the case for Spain and Italy once their budgetary situation deteriorated—the French government is hugely complacent about its entitlement to low cost funding even though any spike in rates will quickly make the budget situation untenable. And as goes the economy, so goes the corporate sector. Profits for those companies exposed to both the domestic economy and the battered southern European markets are also likely to face a severe squeeze.

INSEE leading indicator points to corporate earnings collapse

Earnings per share of French listed firms and INSEE index



GaveKal Data - powered by Macrobond

But what especially scares me about the French situation is that the economy is already suffering a huge credit crunch which can only get worse.

French bank loan growth collapsing

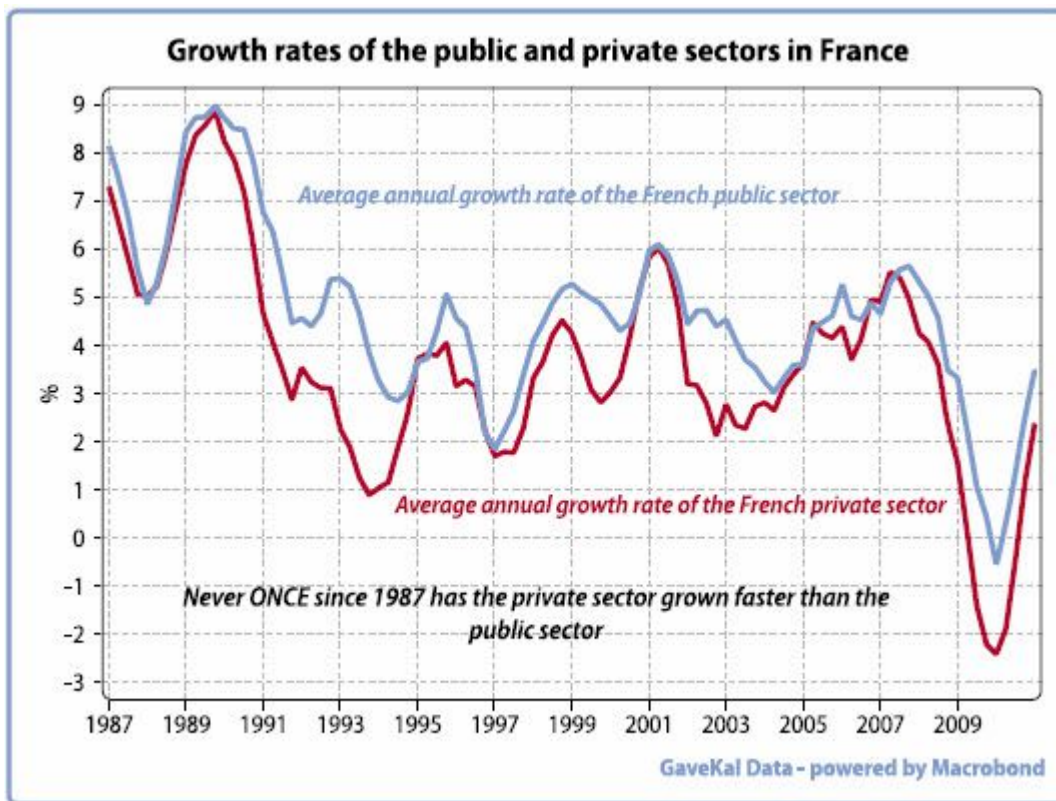
YoY %, 3m moving average, including interbank loans



GaveKal Data - powered by Macrobond

Conclusion

France has economic problems that are particular to its political culture. While speculative excesses in Spain and Ireland were concentrated in an over-built, over-g geared real estate sector, French exuberance was a civil service affair. (Remember the adage: too many houses in Spain, too many factories in Germany, too many civil servants in France). This out-of-control public sector machine used easy funding conditions through the 2000s to bolster the ranks of an already bloated bureaucracy - the assumption was that such captive groups would vote for their ultimate pay -masters come election time. (This is what I called social clientelism). As a result France is the only country that we follow which has seen the public sector grow faster than the private sector in every year since 1987!

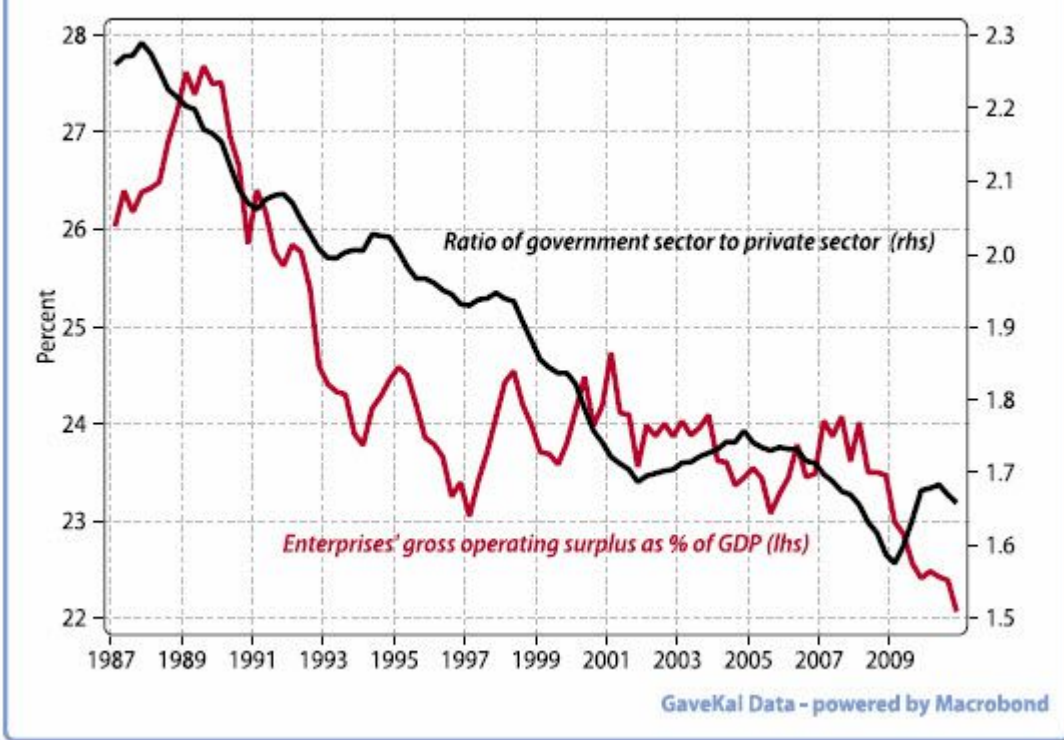


The interesting thing is that the government share of GDP in France has relentlessly risen regardless of whether a right or a left leaning party was in power. Such has been the complete capture of the French economy by the bureaucracy that the public spending trend has remained unbroken. **In simple terms the fellows managing France's economy have organized a system such that the public sector can continually pillage the private sector. This institutionalized method of stealth robbery has created a self-reinforcing cycle of economic decay such that lower corporate profits feed into reduced private investment, and so on to lower economic growth, resulting in rising unemployment levels.**

At its core, France's economic malaise is a failure of public morality. The public sector elites not only detest the private sector, but they also believe that it is a higher calling to steal money from entrepreneurs and give it to civil servants. Suffice to say this moral bankruptcy of the body politic means the situation is intractable—when the population is bombarded with propaganda that wealth creation is somehow dirty, while it is morally permissible for the state to expropriate all private gains, it will be hard to build an environment for economic growth.

The fact is that elites in France are convinced that communist technocracy is a superior system to capitalism, and this belief has been accepted by a large part of the population. So the solution for France is not incremental reforms to labor markets, but a complete overhaul which would bring to power sensible people with a different set of values. In the short term, radical change is mitigated by the fact that France last year voted for more pillaging and enhanced communist technocracy (the government is now in overdrive seeking to oblige them). Of course, the event that will cause the music to finally stop is when foreign investors stop lending. That moment will likely coincide with the last French entrepreneur exiting for London, New York or Shanghai—he or she should turn off the lights before bidding a sad farewell.

The slow death of the French entrepreneur



Until quite recently, my working assumption was that a full-blown French debt crisis would occur between 2014 and 2017. In light of the extraordinary malfeasance of the current government I have changed my mind and believe that France is now extremely near to that abyss. Fasten your seat belt in Europe—the world's last truly Communist country is about to implode.

France: From The Sublime To The Ridiculous

Submitted by [Tyler Durden](#) on 08/09/2013 10:18 -0400

86,117

Via Mark J. Grant, author of Out of the Box,

"Le Corbusier was the sort of relentlessly rational intellectual that only France loves wholeheartedly, the logician who flies higher and higher in ever-decreasing circles until, with one last, utterly inevitable induction, he disappears up his own fundamental aperture and emerges in the fourth dimension as a needle-thin umber bird."

-Thomas Wolfe

France is the odd duck on the Continent. It is neither a petulant member of the Southern European financial disasters nor a member of the Northern European banner of austerity nations. France, in my view, is the swing country in Europe. It waives about with the wind depending upon the subject.

There is some talk of bringing back the guillotine now in Paris. They tried a 75% tax on the people un-French enough that wanted to make money. Now they may resort to sterner measures. Who will pay for all of the social programs in France is currently in question. **The French, of course, hope the answer is to be found in Berlin.**

Industrial production for France was estimated to grow by 0.1%. The central bank of France had also chimed in that this was their projected number. **Reality, released today, showed France's industrial production had actually shrunk by -1.4%.** While France's Finance Minister has publically claimed that France has exited their recession the data does not support the claim. Of course data, in France, is only an indication. Numbers are run through the French political system and what spews out never seems to be exactly what went in.

Today CNBC reports that Richard Fisher of the Dallas Fed exclaimed, **"I am concerned about France, more than any other country."** There is something worrying in those words. This is not the statement of some talking head or a money manager with an axe to grind but very clear words from one of the few people on Earth that gets to see the real numbers and not the gibberish presented to all of us day after day. One may well wonder what he knows that we do not!

Recently France announced that they would miss their EU budget target. Europe responded as expected, "Pretend and extend for two years." Nothing new in this strategy but this is the second biggest economy in Europe and the falter, while ignored like everything else these days, may soon turn into a serious stumble, then a loss of footing and finally a fall upon one's French face. The lack of economic reality for the sake of socialistic politics may hasten the return of Madam Defarge and her infamous shrouds for Monsieur Hollande and his government.

In June, the number of unemployed in France rose to a record of 3.28 million, marking an 11.2-percent leap year-on-year and the 26th monthly increase in a row. The unemployment rate in France is now at a record high level. Of course, like so many other statistics, it is never the people who are counted but the people that make the count who are important so I fear that this statistic is woefully low and will remain so until after the German elections. No need to upset those is Berlin unnecessarily when soon they will be called upon to provide money for the bon vivant lifestyle to which every Frenchman is entitled. I wait for the newest wisdom from Monsieur Hollande, "Let them eat duck."

The bonds of France trade just behind those of Germany. I am sure the portfolio managers on the Continent require diversification. **Where the market is pricing French bonds now may turn out to be a rather serious mistake in judgment.**

"Du sublime au ridicule il n'y a qu'un pas." ("It's just one step from the sublime to the ridiculous.") -Napoléon

Just Say Non To The New "Sick Man Of Europe" - Support For EU Plunges In France And Most European Countries

Submitted by [Tyler Durden](#) on 05/13/2013 20:32 -0400

86,118

In some surprising news, and quite contrary to what its record low bond yields would indicate (for a key reason for said artificial demand for French, see [The Greater Fool](#)) today the Pew Research center released results from a poll of 7646 EU citizens in March 2013, showing that the **new sick man of Europe is Europe itself**, or rather the great unification project itself: the European Union.

The sick man label – attributed originally to Russian Czar Nicholas I in his description of the Ottoman Empire in the mid-19th century – has more recently been applied at different times over the past decade and a half to Germany, Italy, Portugal, Greece and France. But this fascination with the crisis country of the moment has masked a broader phenomenon: the erosion of Europeans' faith in the animating principles that have driven so much of what they have accomplished internally.

The European Union is the new sick man of Europe. *The effort over the past half century to create a more united Europe is now the principal casualty of the euro crisis. The European project now stands in disrepute across much of Europe.*

The bolded sections also confirm why the European oligarchic bureaucracy is increasingly authoritarian, and desperate to usurp all democratic principles and popular power, well aware that if left to the "demos", Europe - which is what the common person increasingly blames their economic troubles on - would not last one more day.

Perhaps most surprisingly, nowhere is this more evident than in France itself - the country where the idea of a European Union germinated in the first place - and where the decline in support for the EU has been the greatest in the past year, with just 22% responding affirmatively to the question whether 'economic integration strengthened the economy', down from 36% a year ago, and **the biggest drop of all surveyed** EU member states.

Decline in Support for the European Project

	<i>Economic integration strengthened economy</i>			<i>Favorable of EU</i>		
	2012	2013	Change	2012	2013	Change
	%	%		%	%	
Germany	59	54	-5	68	60	-8
Britain	30	26	-4	45	43	-2
France	36	22	-14	60	41	-19
Italy	22	11	-11	59	58	-1
Spain	46	37	-9	60	46	-14
Greece	18	11	-7	37	33	-4
Poland	48	41	-7	69	68	-1
Czech Rep.	31	29	-2	34	38	+4
MEDIAN	34	28	-6	60	45	-15

PEW RESEARCH CENTER Q9f & Q31.

It only goes downhill from there for France.

No European country is becoming more dispirited and disillusioned faster than France. In just the past year, the public mood has soured dramatically across the board. **The French are negative about the economy, with 91% saying it is doing badly**, up 10 percentage points since 2012. They are negative about their leadership: **67% think President Francois Hollande is doing a lousy job** handling the challenges posed by the economic crisis, a criticism of the president that is 24 points worse than that of his predecessor, Nicolas Sarkozy. **The French are also beginning to doubt their commitment to the European project, with 77% believing European economic integration has made things worse for France, an increase of 14 points since last year.** And 58% now have a bad impression of the European Union as an institution, up 18 points from 2012.

Darkening Mood in France Separates It from Germany

	% Bad economic conditions			% Unfavorable of EU			% Economic integration weakened economy			% Own leader* bad job handling crisis		
	2012 %	2013 %	Change	2012 %	2013 %	Change	2012 %	2013 %	Change	2012 %	2013 %	Change
France	81	91	+10	40	58	+18	63	77	+14	43	67	+24
Germany	27	25	-2	31	35	+4	39	43	+4	19	25	+6
Diff	54	66		9	23		24	34		24	42	

* In France in 2012, asked about President Sarkozy and in 2013, asked about President Hollande. In Germany, asked about Chancellor Merkel.

PEW RESEARCH CENTER Q4, Q9f, Q31 & Q32b,c.

So much for the European "core" - while Germany is doing better, or at least not *as bad*, French public mood is now on par with the PIIGS:

Even more dramatically, French attitudes have sharply diverged from German public opinion on a range of issues since the beginning of the euro crisis. Differences in opinion across the Rhine have long existed. But the French public mood is now looking less like that in Germany and more like that in the southern peripheral nations of Spain, Italy and Greece.

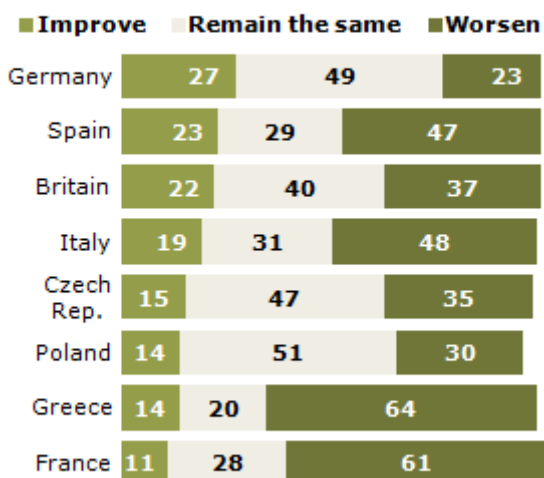
Positive assessment of the economy in France have fallen by more than half since before the crisis and is now comparable to that in the south. The French share similar worries about inflation and unemployment with the Spanish, the Italians and the Greeks at levels of concern not held by the Germans. Only the Greeks and Italians have less belief in the benefits of economic union than do the French. The French now have less faith in the European Union as an institution than do the Italians or the Spanish. And the French, like their southern European compatriots, have lost confidence in their elected leader.

In France it is so bad, that it's "optimism" (of 14%) is higher only than that of Greece, where youth unemployment just crossed above 60%:

European publics are generally only slightly more upbeat about their nation's economic prospects over the next 12 months than they are about the current state of their economy. Just 11% of the French and 14% of the Greeks expect the economic situation in their country to improve. Optimism about the future of the economy is largely unchanged compared with sentiment held last year, although it has declined 11 points in France and 10 points in Britain.

A majority of the Greeks (64%) and the French (61%) and a plurality of the Italians (48%) and Spanish (47%) actually expect things to get worse. About half of Poles (51%), Germans (49%) and Czechs (47%) and four-in-ten British (40%) see economic conditions remaining the same over the next year. But in the Czech Republic and Britain, no change means continued economic stagnation. The Czech economy contracted by -1.3% in 2012 and Britain's grew by an anemic 0.3%.

In the Next 12 Months, Will the Economic Situation...



PEW RESEARCH CENTER Q5.

Since like everything else, the European experiment is also a zero sum game, Germany's gain is everyone else's loss:

Given the overall level of dissatisfaction across Europe, there is little difference in attitudes among demographic groups on their country's direction, with some exceptions. Young German adults, those aged 18 to 29, and Germans with a college degree are more likely to be satisfied than people 50 years of age and older or the less educated. The same holds true for young people and the better educated in France, the Czech Republic and Britain.

The debilitating effect on the public psyche of the prolonged euro crisis is evident in the erosion of satisfaction in some but not all countries. Since 2007, before the euro crisis began, national contentment is down 46 percentage points in Spain, 13 points in Italy and 7 points in the Czech Republic. But in Germany (+24 points) and Poland (+7), people are feeling better about the state of their nation.

Economic Mood Remains in Doldrums, Except in Germany

% Current economic situation very/somewhat good

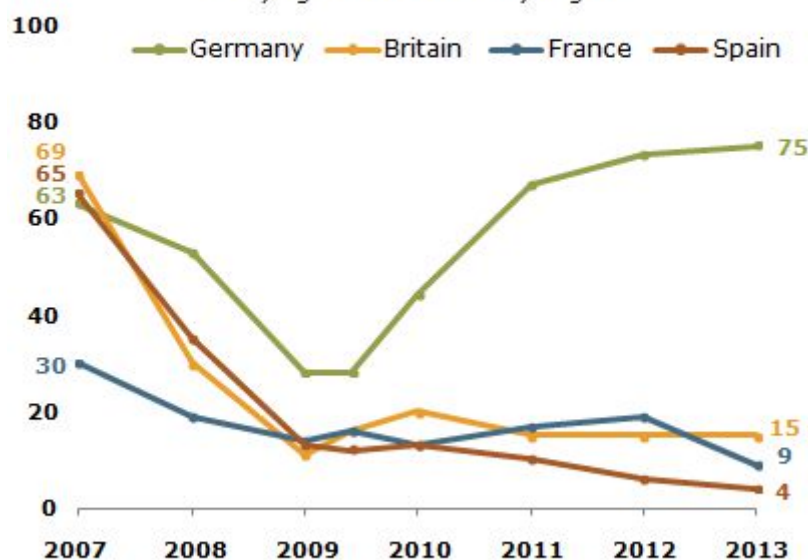
	2002	2007	2008	2009	Fall 2009	2010	2011	2012	2013	07-13 Change
	%	%	%	%	%	%	%	%	%	
Germany	27	63	53	28	28	44	67	73	75	+12
Poland	7	36	52	29	38	53	26	29	27	-9
Czech Rep.	40	41	--	--	18	--	--	16	20	-21
France	45	30	19	14	16	13	17	19	9	-21
Italy	36	25	--	--	22	--	--	6	3	-22
Britain	65	69	30	11	16	20	15	15	15	-54
Spain	--	65	35	13	12	13	10	6	4	-61
Greece	--	--	--	--	--	--	--	2	1	--

PEW RESEARCH CENTER Q4.

Only in Germany, where the economy grew a modest 0.7% in 2012, yet faster than the overall European Union average of -0.3%, does most (75%) of the population think the economy is doing well. This represents a significant improvement over sentiment in 2009, when only 28% saw economic conditions in a good light, despite the fact that the German economy was growing at 3.3% at the time.

Germans Much More Positive about Economy than Other EU Countries

% Saying national economy is good



PEW RESEARCH CENTER Q4.

Whereas Merkel still has the adoration of the Germans, every other European leader is equally loathed anywhere one goes in Europe:

Europeans are losing faith in the capacity of their own national leaders to cope with the economy's woes. In most countries surveyed, fewer people today than a year ago think their national executive is doing a good job dealing with the euro crisis. This includes just 25% of the public in Italy, where the sitting Prime Minister Mario Monti was voted out while this survey was being conducted. Even the Germans, who overwhelmingly back their Chancellor Angela Merkel, are slightly more judgmental of her handling of Europe's economic challenges than they were last year. And Merkel faces the voters in an election in September 2013.

Excepting Merkel, Most Political Leaders in Disrepute

% Good job dealing with European economic crisis

	2012	2013	Change
	%	%	
Italy	48	25	-23
France*	56	33	-23
Spain	45	27	-18
Britain	51	37	-14
Greece*	32	22	-10
Germany	80	74	-6
Czech Rep.	25	20	-5
Poland	25	26	+1

Leaders asked about include: Italy: PM Monti; Spain: PM Rajoy; Britain: PM Cameron; Germany: Chancellor Merkel; Czech Republic: PM Necas; Poland: PM Tusk.

* In France in 2013, asked about President Hollande and in 2012, asked about President Sarkozy. In Greece in 2013, asked about PM Samaras and in 2012, asked about PM Papademos.

PEW RESEARCH CENTER Q32a-d.

Nevertheless, Merkel remains the most popular leader in Europe, by a wide margin. She enjoys majority approval for her handling of the European economic crisis in five of the eight nations surveyed. But in Greece (88%) and Spain (57%), majorities now say she has done a bad job, as do half (50%) of those surveyed in Italy.

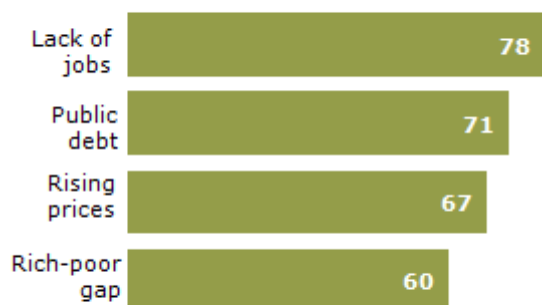
But while loathing of the present is a given (and can be easily understood when one looks at such trivial indicators as the unemployment rate of most non-core countries), it is the gloom about the future that is the novel development:

Most Europeans are almost as gloomy about the future. Just 11% of the French, 14% of the Greeks and Poles, and 15% of the Czechs think that their national economic situation will improve over the next 12 months.

A median of 78% in the eight countries surveyed say a lack of jobs is a very big problem in their country. And a median of 71% cite the public debt. Except in Germany, overwhelming majorities in many countries say unemployment, the public debt, rising prices and the gap between the rich and the poor are very important problems. Unemployment is the number one worry in seven of the eight countries. Inequality is the principle concern in Germany.

Biggest Economic Problems

% Very big problem



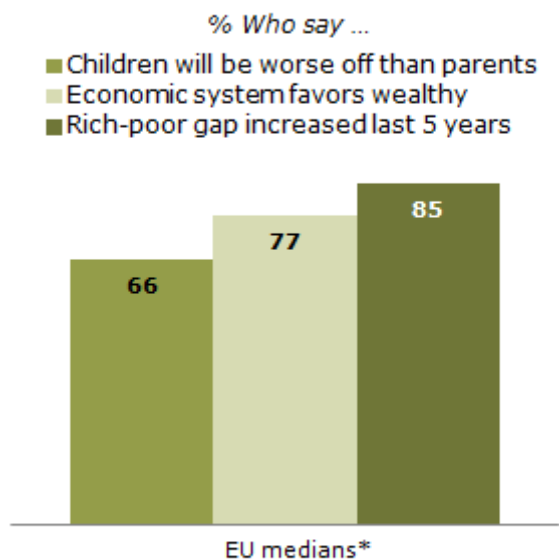
Median percentages for Britain, France, Germany, Italy, Spain, Greece, Poland and the Czech Republic.

PEW RESEARCH CENTER Q21a-d.

Apprehension about economic mobility and inequality is also widespread. Across the eight nations polled, a median of 66%, including 90% of the French, think children today will be worse off financially than their parents when they grow up. A median of 77% believe that the economic system

generally favors the wealthy. This includes 95% of the Greeks, 89% of the Spanish and 86% of the Italians. A median of 60% think the gap between the rich and the poor is a very big problem; that sentiment is felt by 84% of the Greeks and 75% of both the Italians and the Spanish. And a median of 85% say such inequality has increased in the past five years, a concern particularly prevalent among the Spanish (90%).

Majorities: Mobility and Inequality Are Problems



*Median percentages for Britain, France, Germany, Italy, Spain, Greece, Poland and the Czech Republic.

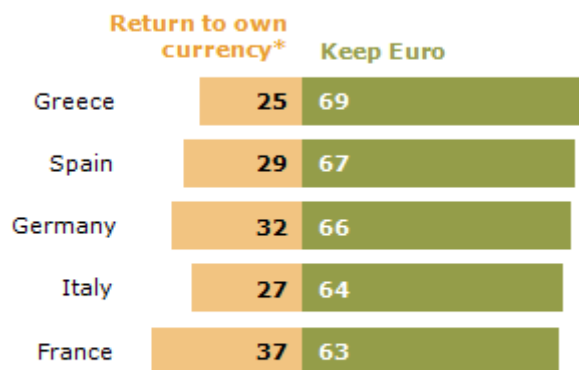
PEW RESEARCH CENTER Q8, Q24 & Q56.

Absolute economic deprivation has long been less of an issue in Europe than in some other countries, **thanks to the relatively robust European social safety net**. But in the wake of economic hard times, deprivation in France is on the rise, where roughly one-in-five say they could not afford food, health care or clothing at some point in the past year.

One can just imagine what happens when first Europeans (and the Americans) realize that the "robust social safety net" is the biggest Ponzi scheme of all.

What is most paradoxical, is that despite their largely unconditional and widespread revulsion of their economic reality, virtually no Europeans can grasp that the root of all their problems is the joint currency, which means the only way to solve imbalances is through internal devaluation (read collapsing wages and soaring unemployment). So engrained is the mythology of the Euro, that support for the EUR is nearly strong as it has always been, with the ratio of those supporting the common currency surpassing the skeptics by a ratio anywhere between 2 and 3 to 1. Still, the country which has expressed the biggest eagerness to return to its own currency is France. Perhaps there is some hope after all.

Support for Euro Remains Strong



*In Greece, asked about drachma. In Spain, asked about peseta. In Germany, asked about mark. In Italy, asked about lira. In France, asked about franc.

PEW RESEARCH CENTER Q83.

Despite rising disillusionment with the European project, the euro, the common currency for 17 of the 27 European Union members, remains in public favor. More than six-in-ten people want to keep the euro as their currency in Greece (69%), Spain (67%), Germany (66%), Italy (64%) and France (63%). And support for the euro has actually increased in Italy and Spain since last year.

As expected, when it comes to determining government priorities, the bulk of the nations put unemployment far at the top, followed by levels of public debt (and with the BOJ and Fed assisting with the endless carry bid, what is there to worry about?), the gap between the rich and poor, and finally inflation (again, courtesy of the central planners controlling the long end of the bond curve and being buyers of first, last and only indirect resort of inflationary indicators like 30 Year paper).

The euro crisis has created a laundry list of economic concerns, but Europeans generally agree on which challenge they want their government to tackle first: jobs, jobs, jobs. In seven of eight nations, publics prefer that their governments act first on unemployment. About two-thirds of the Spanish (72%), the Italians (64%) and the Czechs (64%) say the most important issue to address is the lack of employment opportunities. Roughly half of the Greeks (52%) and the French (51%) and nearly half of the British (46%) agree.

Public debt intensely concerns more than half the population in seven of the eight countries surveyed. But those same people do not see it as a governmental priority. About one-in-five in Britain (22%), Germany (21%) and France (20%) wants their government to first cut the debt. Only 9% of Italians say debt reduction should be the priority, despite the fact that Italy's debt is 127% of GDP.

Despite the public's profound concern about inequality, in most countries it is a lesser priority for governmental action. Only in Germany does a plurality (42%) believe that the gap between the rich and the poor is the economic problem the government should address first.

For all the angst in financial circles about the possibility of asset bubbles and inflation as the result of loose monetary policy, European publics place a low priority on governmental initiatives to curb inflation. A median of only 9% think rising prices is the first issue their governments should address.

Most Important Challenge to Address First...

	Lack of employ. oppor.	Public debt	Rich- poor gap	Rising prices	(Vol) All equally important/ None/Other
	%	%	%	%	%
Britain	46	22	16	11	4
France	51	20	21	8	1
Germany	23	21	42	6	8
Italy	64	9	6	10	10
Spain	72	12	11	2	3
Greece	52	17	8	13	10
Poland	61	4	10	16	9
Czech Rep.	64	17	6	5	6
MEDIAN	57	17	11	9	7

PEW RESEARCH CENTER Q22.

And then, on to the very sensitive topic of austerity. Here is how the cards lie:

In the past year, an ever more visible and vocal public policy debate has emerged in Europe over the right course of action to pull the European Union out of its double-dip recession. Fiscal conservatives advocate even greater efforts to rein in spending to reduce government indebtedness. Others argue that budgetary rectitude will have to wait, that more spending is needed now to jump-start economies stuck in neutral.

While policy makers and pundits debate, European publics have already made up their minds. When faced with the stark choice of reducing government debt or pump priming, most Europeans clearly prefer belt-tightening as the means of climbing out of their economic hole.

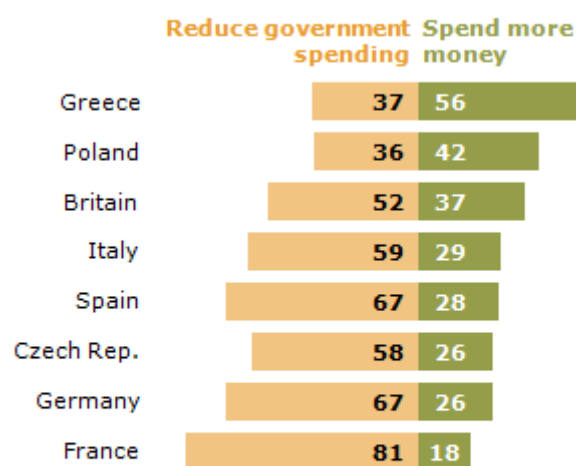
People's intense worry about jobs and their strong desire to see government take action to increase employment does not translate into support for more government spending to stimulate the economy. A median of just 29% across Europe want to see increased public outlays as a means of solving their country's economic problems. Only in Greece (56%) does a majority advocate more spending. In France, which in 2012 elected a socialist government, just 18% back a Keynesian solution to their woes.

About half or more of the population in six of the eight European countries surveyed says that the best way to solve their economic problems is for government to cut public spending to reduce the public debt.

Cutting government debt has particularly strong backing in France (81%), followed by Germany (67%) and Spain (67%), despite the fact that these three countries have had significantly different experiences with belt tightening. The French and Germans have yet to experience major austerity. In 2012, government expenditures still grew by 1.4% in France and Germany, compared with a decline of 3.7% in Spain.

Notably, it is older people, those age 50 and above, who prefer action on the debt in France. But it is younger people, those aged 18 to 29, in Poland and the Czech Republic who are deficit hawks. And it is people without a college education in Britain, France, Germany and Spain who are more concerned about public debt than their better educated peers.

Only Greeks Say Spend More



"What is the best way for the government to solve our country's economic problems - to spend more money to stimulate the economy OR to reduce government spending to reduce the public debt?"

PEW RESEARCH CENTER Q33.

There is much, much more in the full Pew study, but we will leave it off with what has always been the weakest link of Europe, and why a true union, fiscal, debt or monetary, can never be achieved: too much internal disharmony, prejudice, and legacy conflicts, manifested best of all, and always, via the internal European stereotypes between the different sovereigns:

The prominent role Germans have played in Europe's response to the euro crisis has evoked decidedly mixed emotions from their fellow Europeans. In every country except Greece, people consider Germans the most trustworthy. At the same time, in six of the eight nations surveyed, people see the Germans as the least compassionate. And in five of the eight, they are considered the most arrogant. In the wake of the strict austerity measures imposed in Greece, Greek enmity toward the Germans knows little bound. Greeks consider the Germans to be the least trustworthy, the most arrogant and the least compassionate. But the Greeks themselves do not fare that well. They are considered the least trustworthy by the French, the Germans and the Czechs.

Stereotyping in Europe

Who Is Trustworthy, Arrogant and Compassionate

EU nation most likely to be named...

<u>Views in:</u>	Most Trustworthy	Least Trustworthy	Most Arrogant	Least Arrogant	Most Compassionate	Least Compassionate
Britain	<i>Germany</i>	<i>France</i>	<i>France</i>	<i>Britain</i>	<i>Britain</i>	<i>Germany</i>
France	<i>Germany</i>	<i>Greece</i>	<i>France</i>	<i>France</i>	<i>France</i>	<i>Britain</i>
Germany	<i>Germany</i>	<i>Greece/Italy</i>	<i>France</i>	<i>Germany</i>	<i>Germany</i>	<i>Britain</i>
Italy	<i>Germany</i>	<i>Italy</i>	<i>Germany</i>	<i>Spain</i>	<i>Italy</i>	<i>Germany</i>
Spain	<i>Germany</i>	<i>Italy</i>	<i>Germany</i>	<i>Spain</i>	<i>Spain</i>	<i>Germany</i>
Greece	<i>Greece</i>	<i>Germany</i>	<i>Germany</i>	<i>Greece</i>	<i>Greece</i>	<i>Germany</i>
Poland	<i>Germany</i>	<i>Germany</i>	<i>Germany</i>	<i>Poland</i>	<i>Poland</i>	<i>Germany</i>
Czech Rep.	<i>Germany</i>	<i>Greece</i>	<i>Germany</i>	<i>Slovakia</i>	<i>Czech Rep.</i>	<i>Germany</i>

PEW RESEARCH CENTER Q44a-Q46b.

Good luck with ever turning this sinking ship around.

<http://www.zerohedge.com/news/2013-04-30/nigel-farage-wholesale-violent-revolution-europe>

Nigel Farage On "Wholesale, Violent Revolution" In Europe



Submitted by [Tyler Durden](#) on 04/30/2013 21:49 -0400

86,126

Funny VIDEO (2')

In a little under two minutes, Nigel Farage sums up the utter farce that "the religion" that Europe has become. He explains, his fear is that what will break up the Euro, "is **not the economics of it, but wholesale, violent revolution, in the Mediterranean, and that is "all so unnecessary!"**

Speaking at [Simon Black's Offshore Tactics workshop](#), the so-called modern day Cicero goes on to point out that *France's Hollande is "the number 1 among idiots running countries around the world,"* and worries that Merkel's pending election means there will be more and more 'tough talk and action' as she shows the people she is in charge.

Simply put he warns, alongside Ron Paul, that if you have money in European banks, "**Get your money out, because, "when the next phase of the disaster comes, they will come for you."**

France 'totally bankrupt', says labour minister Michel Sapin

France's labour minister sent the country into a state of shock on Monday after he described the nation as “totally bankrupt”.

86,127



The comments came as President Hollande attempts to improve the image of the French economy Photo: AFP

By **Graham Ruddick**

8:00PM GMT 28 Jan 2013

 982 Comments

Michel Sapin made the gaffe in a radio interview, which left French President Francois Hollande battling to undo the potential reputational damage.

“There is a state but it is a totally bankrupt state,” Mr Sapin said. “That is why we had to put a deficit reduction plan in place, and nothing should make us turn away from that objective.”

The comments came as President Hollande attempts to improve the image of the French economy after pledging to reduce the country’s deficit by cutting spending by €60bn (£51.5bn) over the next five years and increasing taxes by €20bn.

Data from Banque de France showed earlier this month that a flight of capital has already left the country amid concerns that France’s Socialist leader intends to soak the rich and businesses. The actor Gérard Depardieu has renounced his French citizenship and decamped to Russia in protest, while David Cameron said Britain will “roll out the red carpet” to attract wealthy individuals.

Pierre Moscovici, the finance minister, said the comments by Mr Sapin were “inappropriate”.

He added: “France is a really solvent country. France is a really credible country, France is a country that is starting to recover.”

Renewable Power in Germany Gets Boost From Merkel's Re-election

Author: [John Daly](#) · October 7th, 2013 · [Comments \(0\)](#) [Share This](#) [Print](#) 9 0

86,128

The good news?

Germany is the largest energy consumer in Europe, not including Russia, and the seventh largest energy consumer in the world. It is also the fourth largest economy in the world by nominal gross domestic product after the United States, China, and Japan.

The bad news?

Germany still relies on imports to meet the majority of its energy demand.

But, alone of industrialized nations, Germany seems to have absorbed the ominous lessons of the March 2011 nuclear catastrophe in Fukushima, Japan, and the government of Chancellor Angela Merkel has resolutely decided to move away from nuclear power. In the aftermath of Fukushima, on 30 May 2011 Chancellor Merkel announced that Germany would close all 19 of its nuclear power plants over the coming decade, a monumental transition in the country's energy matrix, as the NPPs previously produced about 28 percent of the nation's electricity, with the shortfall to be made up with an increased emphasis on renewable energy sources. Prior to Fukushima, in 2011 Germany was the sixth largest generator of nuclear energy in the world, with 102.6 terawatt hours and was an important exporter of nuclear technology. Following Fukushima, Merkel's government decided to shutter the nation's eight NPPs launched before 1980 because of public protests, and to close the remaining nuclear reactors before 2022.

So, how is Germany's "Energiewende" ("energy revolution") proceeding?

Apparently, better than most expectations.

The German Federal Association of Electricity and Water (BDEW) reported that Germany's solar photovoltaic plants produced more than 5.1 terawatt hours in July 2013, a [new record](#) for the nation and the world, 42 percent more than the previous year.

The U.S. government's Energy Information Agency [notes](#), "Germany is a regional or world leader on several categories of renewable energy use. In 2011, it was the largest European producer of non-hydro renewable electricity, wind energy, and biofuels (primarily biodiesel). The country was also the largest solar electricity producer in the world."

But all is not smooth sailing for Merkel, as her experiment to shift Europe's biggest economy away from nuclear and fossil fuels towards renewable energy is threatened because generous subsidies have proved so popular with investors in green power that Germany is straining under the cost. Not surprisingly, the higher costs of electricity generated from renewables has resulted in a pushback from business lobbies. BDEW has urged the government to fix the country's power market after years of generous subsidies for renewable energies have resulted in increased electricity costs, while diminishing the profitability of conventional power plants. The renewable energy subsidies are particularly irksome to the conventional power generating community. BDEW managing director [Hildegard Mueller](#) said, "Those who receive subsidies must become business people." BDEW has also called for a premium on the price of electricity produced in conventional thermal power plants, like coal- and natural gas facilities, to encourage utilities to retain generation capacity online as backup for less-reliable renewables, as the surcharges mean that German consumers pay the second highest power prices in Europe.

The issue has left Merkel following her 22 September election victory scrambling to forge a coalition to support her "Energiewende" political platform, seeking a possible coalition with the center-left Social Democrats (SPD), who have 192 seats, who analysts believe might agree to modest cuts to costly incentives for green power in return for their political support. There remains an outside possibility that the Christian Democrats might seek to partner with the Green Party instead. The Greens ended election night with 63 seats. Merkel is now the only major European leader to be re-elected twice since the financial crisis of 2008.

Whether she can continue her green revolution remains to be seen, but this much is clear – she cannot go it alone, and will have to form some tactical political alliances in order to advance her energy agenda.

French State's Bluster Belies Alcatel's Job-Cutting Reality

By Mark Deen & Marie Mawad - Oct 11, 2013 9:53 AM GMT+0200

86,129

President [Francois Hollande](#)'s government drew from a well-worn French playbook this week when it threatened to block job cuts at [Alcatel-Lucent SA. \(ALU\)](#) It's a game plan that almost always ends with firings happening anyway.

Alcatel is unlikely to be any different.

The telecommunications-equipment maker said Oct. 8 that it will eliminate 10,000 jobs globally, including 900 in France. "What we want are serious negotiations to limit the job cuts," Prime Minister Jean-Marc Ayrault said the next day. "If there is no accord, this restructuring plan won't be approved."

For all its tirades, the Socialist administration can do little to stop a private company that has lost money in six out of the past seven years from reducing headcount and closing operations. As with [ArcelorMittal \(MT\)](#) and [PSA Peugeot Citroen SA \(UG\)](#), the corporate plans are likely to go ahead.

"This is purely [crisis management](#)," said [Antonio Barroso](#), a political analyst at Teneo Intelligence in [London](#). "The government is trying to show it cares at a time when unemployment is above 10 percent. In the end they can apply pressure to limit the cuts but I don't think they have a lot of leverage to stop them happening."

Not Reliable

Ayrault's remarks echo the government's initial reactions to plant closures by carmaker Peugeot and steelmaker Arcelor that were announced in July and November 2012 respectively. In both cases, the plans eventually got under way in the face of the financial realities of the companies and the markets they address. Those drowned out the howls of protests from unions and lawmakers during weeks of front-page coverage in the media.

Alcatel shares fell 1.6 percent to 2.74 euros at 9:50 a.m. in Paris.

Unions aren't holding out much hope in the Alcatel case either, saying the government's threats don't add up to much.

"If past experience is any guide, we can't rely on the state to intervene directly to stop the job cuts," CGT union representative [Stephane Dubled](#) said in an interview. "They're not completely deaf to our situation. It's a start, but we'd like something more concrete."

Although the government took to the airwaves right after the Alcatel plan was announced, its remarks have been more measured than in previous cases, reflecting the recognition of the company's dire state.

Alcatel-Lucent is speeding up a turnaround bid after thousands of earlier job cuts, restructuring and asset sales failed to stem losses. Pressure on equipment prices and slower investment from European carriers, along with competition from [China](#)'s Huawei Technologies Co., are forcing Alcatel-Lucent and rivals such as [Nokia Oyj \(NOK1V\)](#)'s network-gear unit to reduce staff.

'Realistic Expectations'

Unions, too, have sought to temper their members' expectations, looking to the government to at best win some concessions rather than a wholesale abandoning of the plan.

“We’re keeping realistic expectations about what the state can do,” CFDT union representative [Pascal Guiheneuf](#) said. “With all the money going into research tax breaks, giving Alcatel access to qualified French engineers at a cheaper cost, the state does have some power to ask for concessions. It’s not just about immediate job cuts; it’s about the company’s future. The state definitely has some power over that.” Ministerial reaction suggests a greater understanding of corporate reality -- a recognition that has evolved since Hollande came to power in May last year.

When Peugeot said it would close a car plant in [France](#) for the first time in 20 years and bring its total job cuts to 11,200, Hollande said the plan was “not acceptable.” With Peugeot executives making the case that the survival of France’s largest carmaker was at stake, the government revised its stance and called the actions “inevitable.” The plan has gone ahead.

Arcelor’s Plan

After months of talks and government assistance to the company, the last car from the Aulnay plant that’s being shut is slated to roll off the line this month.

The ArcelorMittal plan to shut down a section of its plant in Florange drew an even fiercer response, with Hollande telling [Lakshmi Mittal](#), the chief executive and biggest shareholder of the world’s largest steelmaker, to find a way to keep the jobs, sell the operations or face its nationalization. Industry Minister [Arnaud Montebourg](#), who had suggested its nationalization, told Mittal he was no longer wanted in France.

In the end, Mittal went ahead and shut down the furnaces as he had planned while agreeing to use the facility for an alternative purpose in the future.

In contrast to the positions on Peugeot and ArcelorMittal, Montebourg’s stance on Alcatel’s plan was practically supportive.

‘Burning Cash’

Alcatel-Lucent is “burning through cash” and “the French government considers that its mere existence is in danger,” Montebourg said during a parliamentary debate on Oct. 8. The government has asked the company to lead “exemplary social dialog” and told phone companies they should favor Alcatel when purchasing equipment.

“There’s definitely been a learning curve,” Barroso said. “The government knows it is going to face a number of episodes like this and that in the long term its goal has to be to regain competitiveness.”

Yet with unemployment at a 14-year high of almost 11 percent, the political noise is unlikely to fade.

Lawmakers from Hollande’s own party expressed dismay at the inability of the government to do much in the Alcatel-Lucent case.

“It’s a Franco-American [crown jewel](#) that has made technological marvels and is having a very rough time,” said Francois Brottes, a Socialist lawmaker who heads the economic affairs committee at the National Assembly, which will question Alcatel-Lucent CEO Michel Combes next week. “Alcatel has to understand that France gave birth to this company and shouldn’t have to pay the high social price that’s being announced.”

Can the government do anything to stem Alcatel’s plans for job cuts?

“If we don’t try we won’t get anywhere so we have to try,” he said.

No Euroscepticism please, we're German

10 October 2013

[PROJECT SYNDICATE](#) PRAGUE

Johannes Eisele DDP/AFP

86,131

German ardour for the European project is not cooling, as some would have the public believe. Instead, Germany is recognising the value of the EU and above all the single currency, now more than ever.

[Daniel Gros](#)

According to conventional wisdom, the Eurozone crisis has reduced citizens' trust in the European Union – and in European institutions in general – across all member states. Several recent reports have claimed that the German public, in particular, has turned its back on Europe.

For example, a recent [briefing note](#) by Open Europe claims that German citizens tend to trust the European Parliament less than their national parliament and detects a trend of declining German trust in EU institutions since the start of the crisis. Similarly, a [commentary](#) by the European Council on Foreign Relations states: "[Trust in the EU](#) has plummeted across the continent. Both southern debtors and northern creditors feel like they are victims." And a Pew Research Center report released in May, entitled "[The New Sick Man of Europe: The European Union.](#)" concludes: "The European project now stands in disrepute across much of Europe."

This narrative is simply wrong. In fact, Germans' trust in the euro has been *increasing* throughout the crisis, and, though their trust in EU institutions was falling until a couple of years ago, it has [now recovered](#).

Return of the Mark?

The best indicator of Germans' attitude toward the euro is provided by a regular poll conducted since 2002 that asks a simple question: "Would you like to have the Deutsche Mark back?"

In recent years the proportion of those who would like to have the DM back has steadily declined, and now stands at only about 35 per cent. By contrast, the proportion of those who would rather keep the euro has increased steadily throughout the crisis and is now around 50 per cent. In fact, the trend of increasing acceptance of the euro began in 2008, with the onset of the global financial crisis, and continued its upward trajectory with the onset of the Eurozone's sovereign-debt crisis in 2010.

It seems that crisis conditions have forced German citizens to reflect more carefully on the importance of the common currency. In recent years, the German public has been extensively informed about the potential fiscal cost of the rescue operations for Greece and other countries. But, despite the high potential cost, Germans have increasingly concluded that they prefer to keep the euro.

Even the [Pew report](#) found that a majority of Germans (52 per cent) believe that "their government should provide financial assistance to other EU countries that have major financial problems." Moreover, Germany is not an outlier. On average, there has been only [a modest EU-wide decline](#) in trust in European institutions, and this has been driven largely by the pronounced decline of trust in four countries on the Eurozone periphery: Spain, Greece, Portugal, and Ireland. More important, however, trust in EU institutions has actually been more resilient in these countries than trust in national institutions.

No turning back

In Germany, trust in the key element of the EU, namely the euro, has been growing steadily

Thus, what is commonly perceived as a widespread crisis of trust in the EU is really a generalised crisis of trust in *all* official institutions within the periphery. In Germany, trust in the key element of the EU, namely the euro, has been growing steadily.

This fundamental trend also helps to explain the outcome of Germany's recent [general election](#), in which Chancellor Angela Merkel campaigned on her record of "saving the euro" and won a resounding victory. The only openly anti-euro party failed to clear the 5 per cent threshold to enter the Bundestag.

There is much speculation about the composition of Merkel's [next government] and what it will mean for Germany's position toward Europe. But the details of coalition politics in Germany matter much less for Europe than Germans' broad support for the euro. Germany will not turn its back on the single currency – or on the European project in general.

IMF and Europe Part Ways Over Bailouts

Euro Zone and IMF Could Be Heading for a Divorce

By MATINA STEVIS

Updated Oct. 11, 2013 2:55 a.m. ET

86,132

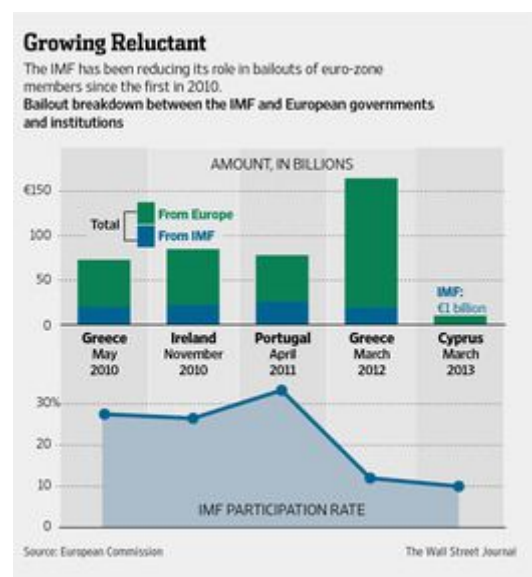
The euro zone and the International Monetary Fund were thrown into each other's arms when Greece's debt crisis began early in 2010. Now, officials say, they could be heading for a divorce.

As representatives from both sides meet at the end of this week in Washington to discuss Greece's need for extra cash and a lighter debt load, the clashes that have built up over the past three years are coming to a head.



Antonio Borges in a 2011 photo. *Bloomberg News*

"The divorce between Europe and the IMF is real," Antonio Borges, a former European director at the IMF, said in an interview in June, just months before he died of cancer at the age of 63. "The fund is going back to its normal way of business. It is an institution used to being alone in calling the shots," Mr. Borges said.



Mr. Borges arrived at the fund in November 2010, six months after the first Greek bailout was agreed. He left 12 months later citing ill health—but said in the interview that the real reason was his marginalization over the design of the €73 billion (roughly \$99 billion) Greek program.

The Washington-based IMF joined the European Commission and the European Central Bank as a "troika" of institutions in handling the Greek, and subsequently the Irish, Portuguese and Cypriot bailouts.

It started well. When the IMF team arrived in Athens in April 2010, one European official there described it as "almost like the U.S. Marine Corps arriving in a war zone." The fund and its expertise, he said, were "indispensable."

But it wasn't long before tensions emerged. The fund, Mr. Borges said, pulled a template program from the shelf, failing to consider that Greece's policy options were severely limited by its membership of the euro. "Greece is the saddest case of all," Mr. Borges said. "The program was wrong from the start."

Three years on, troika staffers now recount how they were involved in shouting matches over Greek growth projections, bank restructurings and public debt-to-output ratios.

"We had to negotiate the figures... That's not how it is supposed to work," a European official said, referring to hourslong debates about projecting Greece's 2013 growth rate.

A big source of tension has been the IMF's Debt Sustainability Analysis, which is heavily based on projections of the ratio of government debt to economic output. IMF rules prevent the fund from giving aid to states unable to repay their debts, so this analysis has been critical in ensuring the fund continues lending.

But the analysis wasn't well regarded by some officials. One IMF official called it "a joke," a commission official described it "a fairy tale to put children to sleep" and a Greek finance ministry official said it was "scientifically ridiculous." Mr. Borges politely said the exercise was "highly subjective."

An IMF review in June of Greece's first bailout contained a scathing critique of the commission's role in the troika. It also admitted that the fund had bent its own rules to lend to Greece.

The report was received badly in Brussels. Olli Rehn, the commission's economics chief, reacted angrily. "It isn't fair and just for the IMF to wash its hands and throw the dirty water on Europe's shoulders," he said. He later dismissed the controversy as "a storm in a teacup."

Mr. Rehn supports the idea of an independent European crisis mechanism to tackle future crises, without IMF involvement, as do top officials such as the ECB's powerful German executive-board member, Jörg Asmussen, and Germany's Finance Minister Wolfgang Schäuble.

For its part, the fund is reluctant to see its credibility continue to erode in Europe, officials say. To prevent that, it has been contributing less and less over time to new bailouts, while retaining a de facto veto over policies—much to the irritation of European officials.

European policy-making institutions are also emerging more confident as the crisis has waned, making them feel less dependent on the IMF. Klaus Regling, the head of the European Stability Mechanism, the euro zone's permanent bailout fund, reflected this new boldness when he dismissed as "meaningless" the debt ratio used by the fund as a lending benchmark.

The ratio, he said in an interview with *The Wall Street Journal*, failed to account for the very low interest rates and long maturities on Greece's debts to its Euro-zone neighbors. It was a none-too-subtle hint that Euro-zone governments are rethinking a late-2012 pledge to the fund that they will forgive some of that debt.

Christine Lagarde, the fund's chief, pushed back Thursday, in comments at the IMF meeting in Washington. "I have no reason to doubt [the governments] will honor and, if needed, they will reiterate their commitments," she said.

One thing that has kept the fund involved in Europe is its relationship with the German government. The German parliament has conditioned its support for bailouts on IMF involvement.

The Berlin-Washington axis held while their interests remained aligned, as in 2012 when the IMF pushed for Greece's private creditors to take losses and Germany was seeking to minimize its contribution to the second Greek bailout.

Now, officials say Ms. Merkel is loath to go to her voters—even after being re-elected last month—and announce that the country's loans to Greece won't be repaid in full, as the IMF has urged.

"If the euro area doesn't need the services of the IMF anymore, that is the best possible news," Ms. Lagarde said in July.

That time may not be too far off.

Shift to the right in France

The [far-right Front National](#) could emerge as France's strongest party from the European elections in May 2014, according to the results of a poll published by the magazine *Le Nouvel Observateur* on Wednesday. The party is benefiting from the mainstream parties' lack of ideas, commentators write, fearing that France's shift to the right will spread to other European countries.

La Repubblica - Italy

Euro foes menace European cohesion

The success of the French right-wing populists poses a serious threat to the EU, the left-liberal daily La Repubblica warns: "By May the freshly elected EU Parliament may be composed of predominantly anti-European MPs. Not politically anaemic eurosceptics who exercise their new mandate with indifference and little conviction, but declared opponents of the monetary union who are determined to bring about the EU exit of their respective countries per referendum - if they get the chance. ... Because the populist phenomenon in its current form is highly successful and aims to destroy Europe. Right-wing populists associate the European Community with an opening of borders and consequently with immigration and the threat of Islam. Xenophobia therefore becomes a trench. ... What's more, it's easier to depict the euro as a monetary prison than to see it as protection against a wild competition among individual currencies that would be completely defenceless against inflation." (11/10/2013)

El País - Spain

Le Pen could spark rightward shift in Europe

The current strength of the French far right could set an example for other countries and increase the anti-European parties' share of the vote in the EU Parliament, the left-liberal daily El País fears: "This is a propitious time for the Front National. The ruling left is implementing an [austerity programme](#) and isn't introducing the political reforms promised by François Hollande - including recognition of the right to vote of immigrants living in France. At the same time the country is [losing clout](#) in the EU vis-à-vis Germany. The [conservative] UMP, which ever since [Nicolas Sarkozy's election debacle](#) has been tearing itself apart with internal wrangling, isn't faring any better. Without substantially increasing its votes, a small boost has been enough for the Front National to consolidate and infect other countries with its populism. A worrying phenomenon because it could place numerous anti-Europeans in the European Parliament in a few months' time." (11/10/2013)

Le Point - France

Only growth can stop the Front National

The Front National could become the strongest force in France in the 2014 European elections, current polls in the country show. The candidate of the far-right party received 46 percent of the vote in a [local by-election](#) in Southern France on Sunday. Strategies to curb the party's growth have failed, the liberal-conservative weekly Le Point regrets: "On the one hand, plagiarism by the right-wing parties has fallen flat because voters prefer the original to the copy. On the other, ideological ostracism has only left the FN looking victimised. So what should be done? The answer is economic and social. History has taught us that crises provide fertile ground for extremists, who throw sacrificial offerings to the crowd: these days it's Europe, Germany, China and immigrants. Only growth will shut them up." (11/10/2013)

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

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IWF-Tagung

Weidmann warnt vor Koordinierung der Geldpolitik

11.10.2013 · Der Bundesbankpräsident Jens Weidmann hat am Rande der Jahrestagung des IWF davor gewarnt, die Geldpolitik der Notenbanken international abzustimmen. Er kritisiert damit Vorschläge, unter anderem des IWF, für mehr Kooperation.

Von PATRICK WELTER, WASHINGTON

[Artikel](#) [Bilder](#) (1) [Lesermeinungen](#) (0)

86,136



© AFP  Jens Weidmann

Bundesbankpräsident Jens Weidmann hat davor gewarnt, die Geldpolitik der Notenbanken in internationalen Absprachen abzustimmen oder zu koordinieren. Ein regelmäßiger Informationsaustausch zwischen Notenbanken sei eine „seit langem geübte Praxis“, sagte Weidmann am Rande der Jahrestagung des Internationalen Währungsfonds (IWF) in Washington. „Das kann aber nicht bedeuten, dass die Notenbanken sich untereinander zu einer bestimmten Geldpolitik verpflichten.“

Weidmann kritisierte damit die Vorschläge unter anderem des IWF, der im Ausstieg aus der extrem lockeren Geldpolitik nach der Krise den Notenbanken eine enge Kooperation nahegelegt hatte. Dabei hatte der Fonds sich selbst auch angeboten, um zu helfen. Solche Forderungen sind wieder aufgeflammt, nachdem schon die ersten Erwägungen der amerikanischen Notenbank Federal Reserve seit dem Frühjahr, ihre Käufe von Anleihen in Milliardenhöhe zu verringern, die langfristigen Zinsen haben steigen lassen und zu einem Kapitalabfluss aus den Schwellenländern führten.

Der Bundesbankpräsident erklärte, jede Notenbank müsse ihr eigenes Mandat erfüllen, was in der Regel die Preisstabilität im eigenen Währungsraum sei. „Ich bin überzeugt: Preisstabilität lässt sich zuverlässig gewährleisten, wenn jede Notenbank sich darauf konzentriert, diese in ihrem Heimatland zu erreichen“, sagte er.

Furcht vor dem Ende der lockeren Geldpolitik

Die Erwägungen der Federal Reserve zu einem schrittweisen Ausstieg aus dem Anleihekauf sind eines der Themen der Treffen von Finanzministern, Notenbankgouverneuren und Bankern in Washington. Der IWF sowie Schwellen- und Entwicklungsländer fürchten, dass mit dem Ende der lockeren Geldpolitik Turbulenzen drohen und noch mehr Kapital aus den Schwellenländern abgezogen werde.

Zeti Akhtar Aziz, die Gouverneurin der Notenbank von Malaysia, betonte auf einer Tagung des Bankenverbands Institute of International Finance in Washington, dass den Schwellenländern nichts übrigbliebe, als sich selbst gegen Belastungen aus den großen Industriestaaten zu wappnen. „Wir sähen gerne, dass die Rücknahme der Anleihekäufe in geordneten Bahnen vor sich geht“, mahnte sie.

„Es ist unsere Pflicht, unsere Pläne so klar wie möglich zu kommunizieren, um Marktschwankungen zu minimieren“, antwortete Jerome Powell, Mitglied im Gouverneursrat der Fed. Die Fed versuche indes, die Nachfrage zu stärken, betonte Powell. Wenn das gelänge, profitierten alle auf der Welt davon.

Schwellenländer fordern langsamen Exit

Die G-24-Gruppe von Schwellen- und Entwicklungsländern forderte die Notenbanken der Industriestaaten dazu auf, die Folgen ihrer Geldpolitik für die Welt zu beachten. „Wir rufen die entwickelten Länder dazu auf, die negativen Überschwappeneffekte zu berücksichtigen und ihre Ausstiegsstrategien klar zu kommunizieren“, heißt es in einer Erklärung der G24.

Brasiliens Finanzminister Guido Mantega, der der Innenpolitik Vorrang gab und diesmal nicht nach Washington reiste, forderte aus Sao Paulo eine „sehr schrittweise“ Rückführung des monetären Stimulus durch die Notenbank Federal Reserve (Fed), damit Schwierigkeiten für die Schwellenländer vermieden würden. Die Berufung von Janet Yellen an die Spitze der Fed schein ein Schritt in die richtige Richtung zu sein, sagte Mantega der Nachrichtenagentur Reuters.

Kanada will schnellstmöglichen Ausstieg

Eine gegenteilige Mahnung an die Federal Reserve richtete in Washington Kanadas Finanzminister James Flaherty. Er sagte, die Notenbank solle den Anleiheankauf möglichst schnell beenden. Er sei nie für die quantitative Lockerung gewesen. „Jetzt, nachdem sie es gemacht haben, sollten sie so schnell wie möglich daraus herauskommen.“ Flaherty warnte, dass der Anleihekauf, die quantitative Lockerung, nur „eine kurzfristige Abhilfe“ sei, die langfristig schädliche Folgen nach sich ziehe.

10/11/2013 01:37 PM

Migrant-Spotting

EU Plans Big Brother System in Mediterranean

By Gregor Peter Schmitz in Brussels

86,138

In the wake of last week's tragedy on Lampedusa, the EU is planning a system that uses drones and satellites to track refugees at sea. But it doesn't offer ways to save people like those killed in the deadly incident.

In May 2011, two SPIEGEL reporters [described](#) a brief moment of happiness on a deadly voyage undertaken by dozens of refugees in the Mediterranean. Seventy-two people had crowded onto an open boat -- only seven meters (23 feet) long -- that was to take them from Tripoli, Libya, to Europe. Two days after leaving Libya, they were already in trouble at sea.

But then came hope: Survivors described feeling relieved when a helicopter flew over the boat and hovered just above it. Water bottles and packages of cookies were lowered from the aircraft. One of the men in the helicopter, they claim, appeared to have waved. But then the helicopter flew away -- and help never came.

The refugees had been tracked, but the issue of who was supposed to deal with them had been the business of individual European Union member states. On this issue, the EU lacked clarity. Once again authorities in different European countries had spotted a refugee drama unfolding, and yet again they had looked away.

Italian border officials contacted their counterparts in Malta to warn them that the boat had entered Maltese waters. But officials there later said they knew of no such a call. The refugees had been adrift near the dividing line between the Maltese and Libyan rescue zones, which was problematic given that Libya was at war at the time. A European investigation would later reveal that a NATO ship, a Spanish frigate, was just 11 sea miles away and an Italian ship was 37 sea miles away. But nobody helped.

After 15 days, the boat washed up on the Libyan coast, and 63 of the original 72 passengers were dead.

This tragic example shows that the problem with EU refugee policies isn't the tracking of refugees. The real problem is the coordination of sea rescues. If the European Commission's position on the new Eurosur program for border protection, which was approved by the European Parliament on Thursday afternoon, is to be believed, this will now be radically improved. European Commissioner for Home Affairs Cecilia Malmström of Sweden said the new system would protect refugees from death because it would more quickly track immigrants making the dangerous journey in boats that aren't sea-worthy.

Heavy on Surveillance, Light on Rescues

But the system for surveilling "irregular migratory flows," as they are called in the official jargon, is precisely the kind of monitoring apparatus America's NSA intelligence service might dream up. Using drones, intelligence equipment, offshore sensors and satellite search systems, they plan to survey the Mediterranean in its entirety, linking data through "system-of-systems" technology. National coordination centers are also expected to assist in the exchange of data with the European border protection agency Frontex.

Eurosur is set to go into force in seven member states in December. The goal is to further reduce the number of illegal border crossings, close to two-thirds of which take place through passage by sea.

Even if European politicians are trying to suggest otherwise in the current refugee debate, sea rescue operations aren't one of Eurosur's declared tasks. The regulation states merely that Eurosur should provide the infrastructure and tools needed by member states "to improve their situational awareness and reaction capability

when detecting and preventing irregular migration and cross-border crime as well as protecting and saving lives of migrants at the external borders ..." How these rescues are to be coordinated and what happens to those migrants who are rescued is not mentioned anywhere in the regulation.

Ska Keller, a member of the European Parliament with the Green Party, told SPIEGEL ONLINE: "It says rescue on it, but that isn't actually a part of Eurosur. In the future, we'll know how many refugees coming to Europe are in danger, because, with Eurosur, all member states need to inform Frontex about refugees in distress at sea. But they don't need to make more of an effort to save those people."

Doing the EU's Dirty Work

Critics, furthermore, claim the system is expensive and the estimated €244 million (\$331 million) installation and operation costs are unrealistic. A study by the Heinrich Böll Foundation estimated the price tag at up to €874 million, and pointed out that no proper technological risk assessment has been carried out.

An even greater cause for concern is that the drones could warn Algerian or Libyan authorities about refugees leaving their shores. Bilateral agreements are planned with those countries -- at least, after the pilot stage. This could allow them to catch refugees and bring them home before they reach the European border. Algeria and Libya have often been criticized by human rights organizations for their treatment of refugees. "Other countries would then be doing the EU's dirty work," says the Green Party's Keller. She isn't satisfied by the commission's assertion that Eurosur would be implemented with "full respect for fundamental rights and the principle of non-refoulement."

After consultation between the Council of Europe, the powerful body representing the leaders of the 28 EU member states, and the European Parliament, Britain's proposal to give Eurosur data to the United States, however, has ruled out. That, apparently, was one step too far.

October 11, 2013

France Upholds Ban on Hydraulic Fracturing

By [DAVID JOLLY](#)

86,140

PARIS — France’s highest court on Friday upheld a government ban on a controversial drilling technique known as hydraulic fracturing, in a defeat for a method that has revolutionized the oil and natural gas industry in the United States.

The Constitutional Council ruled against a challenge by Schuepbach Energy, an American company, whose exploration permits were revoked after the French Parliament banned the practice.

The method, known informally as fracking, pumps water, sand and chemicals under high pressure into shale formations deep underground to liberate trapped oil and natural gas deposits. The success of the technique over the last decade has led the United States to now claim to be 87 percent self-sufficient in gas.

Environmental concerns, particularly worries about the danger to water supplies, have [slowed adoption of the practice in Europe](#), and the center-right government of former President Nicolas Sarkozy passed a law prohibiting it in 2011.

Schuepbach Energy had claimed that the law violated its rights, unfairly singled out fracking and was unconstitutional. [The court rejected](#) those arguments.

The ruling was a victory for President François Hollande, who has tread a careful path on fracking, partly because he wants to maintain the support of the Greens party going into elections next year.

“This law has been contested several times,” Mr. Hollande said on Friday in a speech after the decision. “It is now beyond dispute.”

Mr. Hollande held out a small hope for the industry, however, noting that the law “only prohibits recovering shale gas by hydraulic fracturing, it does not prevent research on other techniques.”

In addition to France, Bulgaria has banned fracking. Britain has allowed modest experiments, though those have met with public discontent. Industry hopes that Germany, which decided to end its atomic power after the Fukushima Daiichi nuclear disaster in Japan, would be receptive to fracking have also met with disappointment.

On Wednesday, the European Parliament [voted to tighten the rules on fracking](#), giving initial approval to a measure to require in-depth environmental impact studies on all such projects.

Attempts to reach Schuepbach Energy, a company based in Dallas that is not listed on any stock exchange, were unsuccessful. A company Web site says it is “under construction.” An e-mail message to the company did not receive an immediate response.

Jean-Louis Schilansky, president of the Union Française des Industries Pétrolières, a French oil and natural gas industry lobby, said there was no point in continuing the fight on legal grounds.

“The moment the highest court says it’s constitutional,” he said, “it’s constitutional.”

Mr. Schilansky noted that while the 2011 law was often represented as a simple ban on fracking, it also called for the creation of a national commission to determine whether fracking could be carried out in an environmentally safe manner.

“At the moment the whole of the knowledge is being taken from the United States,” he said. “Instead of that, we should be developing our own.”

The industry will now focus on getting the government to move forward with those experiments, he said, though he added, “Frankly, it’s very unlikely they’ll do anything before the next election.”

France is thought to have two major deposits of “unconventional” hydrocarbons: major oil deposits in the Paris basin and gas deposits in the southeastern part of the country.

The [United States Energy Information Agency estimates](#) that there are 137 trillion cubic feet of “technically recoverable” gas in France, equivalent to decades worth of national consumption. Without significant exploration effort, though, those numbers are just guesswork, Mr. Schilansky said.

“Until we go there,” he said, “we really don’t know.”

Measuring adult skills

What can you do?

A new study shows huge international variations in skills

Oct 12th 2013 | [From the print edition](#)

86,142



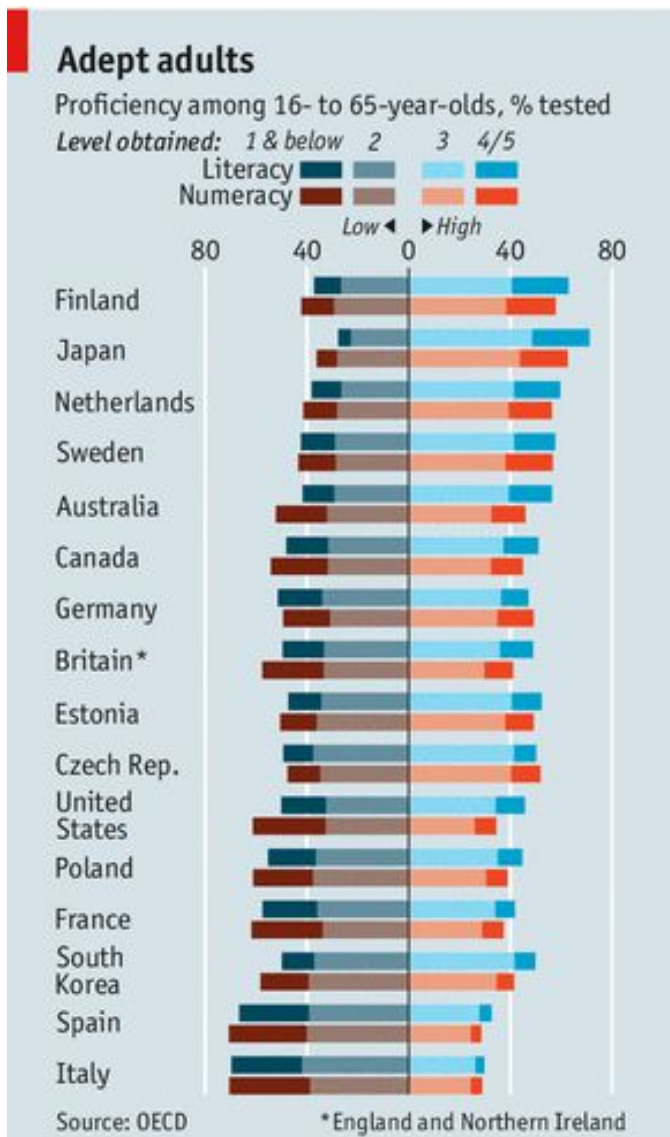
IN THE sprawling Siemens factory complex in Berlin, teenagers in blue overalls are learning how to assemble circuit boards, the first step in their three-year apprenticeships. Besides instruction in technology, robotics and other engineering skills, the young recruits—1,350 in the company’s training centre at any given time—are drilled in literacy and numeracy. By the time they leave, they are expected to be able to summarise tasks, and how to solve them, in English as well as in German.

As countries vie to improve their training and increase their productivity, the thoroughness of the Siemens approach is a model for many. At €100,000 (\$135,000) per apprentice, it is a hefty investment. Norbert Giesen, a senior trainer, says that, because production methods have become more susceptible to innovation, the company now emphasises “soft” skills, such as how to build teams and divide tasks efficiently, which remain helpful even if processes change.

Such a comprehensive approach would come in useful in the many countries whose adult skill base looks patchy. The Organisation for Economic Co-operation and Development, a Paris-based rich-country think-tank, has just produced new research on adult literacy, numeracy and problem-solving skills in 22 countries. Finland and Japan came top. The worst performers were Italy and Spain, where over a quarter of adults were rated at below the most basic reading level. The same countries fared poorly in basic maths skills, too: almost a third of grown-ups in Italy, Spain and America showed a poor grasp of numbers, against only one in eight in Finland and the Czech Republic and less than one in ten in Japan (see chart).

Yet intriguing anomalies abound. Australia, for example, ranks fourth in literacy, but its workers are below average in numeracy. And despite Germany’s established commitment to professional and technical training, the country has a relatively large number of workers who lack basic skills, lagging behind both the Nordic countries and the Czechs.

Mr Giesen, who previously taught in a *Berufsschule* (vocational school), thinks one reason may be a gap between what vocational students learn at school and what they are expected to do in the workplace. Such schools are being encouraged to work more closely with businesses and teach more transferable skills. Having spent years obsessing over how well or badly pupils do in the OECD’s PISA study, which compares the literacy, numeracy and science skills of 15-year-olds across countries, governments are now turning their attention to the highly variable skills of adults. In London Matthew Hancock, the minister for skills, wants to emulate Japan, where very few workers are low-skilled, whereas in Britain attainment in both reading and maths is below the international average.



Dawdlers, notably in southern Europe, can draw inspiration from the rapid change achieved elsewhere within a single generation. South Korea's 55-year-olds come close to bottom in the OECD's skills league tables, but their children and grandchildren massively outperform them, which suggests that rigorous school reforms can yield relatively quick results.

Many questions remain. The report notes a link between high performance and more egalitarian societies such as the Nordic ones. Countries with greater social disparities, such as Britain, Germany, France and America, do less well.

Well-intentioned plans to boost the brainpower of workforces by pushing more people into universities are now also looking flawed. Competence varied widely among individuals with similar qualifications, both within and across countries. Italy, Spain and America have large numbers of graduates, but still perform badly in literacy and numeracy tests. Even more worrying, some university degrees turn out not to offer much advantage over good secondary-school qualifications. Those who completed school in Japan and the Netherlands outperformed southern European graduates at the same age.

The lessons seem clear: vocational education needs to be both more consistent and more ambitious. But the bedrock of success is improving the quality of secondary education. Without that, letters after a name do not mean much.

Gehaltssystem

In Deutschland werden gute Lehrer nicht belohnt

12.10.2013 · Für den Erfolg von Schülern ist nichts so wichtig wie ein guter Lehrer. Auch das ist eine Lehre aus dem Schulleistungsvergleich. Aber wie schafft man Anreize für einen guten Unterricht? Eine leistungsabhängige Bezahlung der Lehrer wäre eine Möglichkeit.

Von INGE KLOEPFER

Artikel [Bilder](#) (1) [Lesermeinungen](#) (21)

86,144



© DPA Wenn er gut ist, sind auch die Schüler gut.

Die Lage war aussichtslos. Die neunte Klasse der Johannes-Schule in Malmö bestand aus einer Ansammlung von Verlierern: Lauter Bildungsversager und Schulschwänzer hockten da in einer der schlechtesten Schulen Schwedens gemeinsam im Klassenraum. Dann kamen acht der besten Lehrer des Landes und mit ihnen das Fernsehen. Vor laufender Kamera sollten die neuen Lehrer, deren Schüler über Jahre überdurchschnittliche Ergebnisse erzielt hatten, diesem Häufchen Bildungselend das Denken und Arbeiten beibringen. Binnen sechs Monaten sollten sie zu einer der besten Abschlussklassen Schwedens werden. Das Experiment war aufsehenerregend – und gelang. Die Schüler wurden richtig gut. Ausgerechnet in Mathe schafften sie es bis an die Landesspitze. Der Mathe-Lehrer ist seither ein Star. Und ganz Schweden diskutierte.

Das Ganze ist schon eine Weile her. Aber es zeigte, worauf es im Bildungssystem wirklich ankommt: auf gute Lehrer. Sie stehen im Zentrum des Bildungserfolges. Diese Einsicht zieht langsam auch in Deutschland Kreise. Auch die Ergebnisse des [Schulleistungsvergleichs der Bundesländer](#), der diese Woche veröffentlicht wurde, zeigen vor allem eines: Nicht Schulform oder Klassenstärke helfen den Schülern, sondern gute engagierte Lehrer. Trotzdem weiß in Deutschland bisher niemand genau, welcher Lehrer wirklich gut ist.

Keine Anreize, sich anzustrengen

Die Lehrer selbst trauen sich offenbar einiges zu. Die Hälfte von ihnen will inzwischen leistungsabhängig bezahlt werden. So etwas wäre eine Revolution in einem System, das gute Lehrer nie finanziell belohnt und schlechten keine Anreize bietet, sich anzustrengen. Nach einer neuen Umfrage des Instituts für Demoskopie Allensbach im Auftrag der Vodafone Stiftung wünscht sich jeder zweite Pädagoge (49 Prozent) im Schuldienst eine Differenzierung, die seiner Leistung Rechnung trägt. Nur gut ein Drittel ist explizit dagegen. Vor allem die Gymnasiallehrer (56 Prozent) sprechen sich für eine solche Bezahlung aus. Unter den Haupt- und Realschullehrern sind es 43 Prozent, bei den Grundschullehrern 45 Prozent.

Der Volksmund weiß, was ein guter Lehrer ist: einer, der motiviert, führt, vermittelt, beseelt. Er ist gerecht, hat eine natürliche Autorität und mag Kinder und Jugendliche. Bei solchen Lehrern lernt man viel. Nur werden Lehrer nie danach beurteilt. Das Bildungssystem stuft die Lehrer nach dem Input ein: ihrem Fachwissen, der pädagogischen Ausbildung und der Erfahrung, also der Zeit, die sie im Klassenzimmer verbracht haben. Alte Lehrer werden besser bezahlt als junge, Gymnasiallehrer besser als Grundschullehrer.

Das alles aber sagt über die Qualität des Lehrers wenig aus. Viel wichtiger wäre es, sich am Output zu orientieren, dem Lernerfolg der Schüler. Um zu wissen, wie gut ein Lehrer ist, muss man daher Schülerleistung messen. Jörg Dräger, Bildungsvorstand bei der Bertelsmann Stiftung in Gütersloh, ist der Überzeugung, dass das möglich ist. „Man sollte allerdings nicht die absolute Leistung messen, sondern den Lernfortschritt eines jeden Schülers“, sagt er. Denn das soziale Umfeld spielt eine große Rolle bei den kognitiven Fähigkeiten der Kinder. Diese relative Messung hätte den großen Vorteil, dass man von der Veränderung innerhalb eines Jahres auf den Beitrag des Lehrers schließen kann. So wie in Schweden. Tests am Anfang sowie am Ende des Schuljahres könnten das deutlich machen. Schon allein die Transparenz wäre ein Leistungsanreiz für Pädagogen.

Design für eine leistungsabhängige Bezahlung ist schwierig

Ganz so einfach ist es allerdings nicht. Denn bei der Verknüpfung von Schüler- und Lehrerleistung spielt das Design eine bedeutende Rolle, um Fehlanreize zu vermeiden. „In den Vereinigten Staaten ist genau das gerade ein ganz heißes Thema“, sagt Bildungsökonom Hendrik Jürges von der Universität Wuppertal. Misst man die Qualität des Lehrers zum Beispiel daran, wie viele Schüler es über eine bestimmte Anforderungsschwelle schaffen, dann kann es sein, dass sich Lehrer nur um die kümmern, die gerade darunter liegen. Denn da lohnt sich das Engagement. Die Überflieger und die hoffnungslosen Fälle verlore der erfolgsorientierte Lehrer bei so einem Design aus dem Blick. So ein Lehrer wäre kein guter. Forscher vieler Disziplinen arbeiten daran, diese Designfehler zu korrigieren.

„Wir haben so viele gute und engagierte Lehrer in Deutschland“, beteuert Dräger von der Bertelsmann-Stiftung. Angesichts dessen, was die Schüler meinen, klingt das fast beschwörend. Die bescheinigen nämlich nur jedem 5. Lehrer größeres Engagement. Dräger würde den Lehrern sogar entgegenkommen. „Ihre Leistungen, gemessen am Lernfortschritt der Schüler oder der Bewältigung großer pädagogischer Anforderungen – etwa der Unterricht an Brennpunktschulen –, müssen sich auch finanziell lohnen.“ Der Bildungsexperte spricht sich für niedrigere Einstiegsgehälter, bessere Aufstiegschancen und höhere Leistungszulagen aus.

Dagegen, die Leistungen von Lehrern zu messen, werden indes schwere Geschütze aufgeföhren. Bisher mit Erfolg. Sie führten zu verzerrten Ergebnissen, heißt es, seien ungerecht, nicht objektiv genug, brächten neue Hierarchien in den Schulen, es gäbe Neid und soziales Konkurrenzverhalten. Am Ende litten die Schüler – das Totschlagargument. Bildungsökonom Jürges wünscht sich mehr Courage in Deutschland: „Einfach mal eine mutige Schulbehörde, die sich traut, das eine oder andere Modell auszuprobieren und unabhängig evaluieren zu lassen“. Dazu braucht es natürlich einen Kultusminister, der bereit ist, gegen den Strom zu schwimmen. Jeder will in Deutschland gute Lehrer. Aber keiner will ihre Leistung messen. Das Gros der Lehrer dagegen hat nach der jüngsten Umfrage von Allensbach offenbar keine Angst mehr davor.

Armutseinwanderung

Alarm im Getto Dortmund-Nord

12.10.2013 ·

Roma fliehen vor der Armut aus Rumänien und Bulgarien ins Ruhrgebiet. Dort wachsen regelrechte Elendsquartiere heran. Mit Straßenzügen voller Armut, Kriminalität und Gewalt.

Von HENDRIK ANKENBRAND

86,146



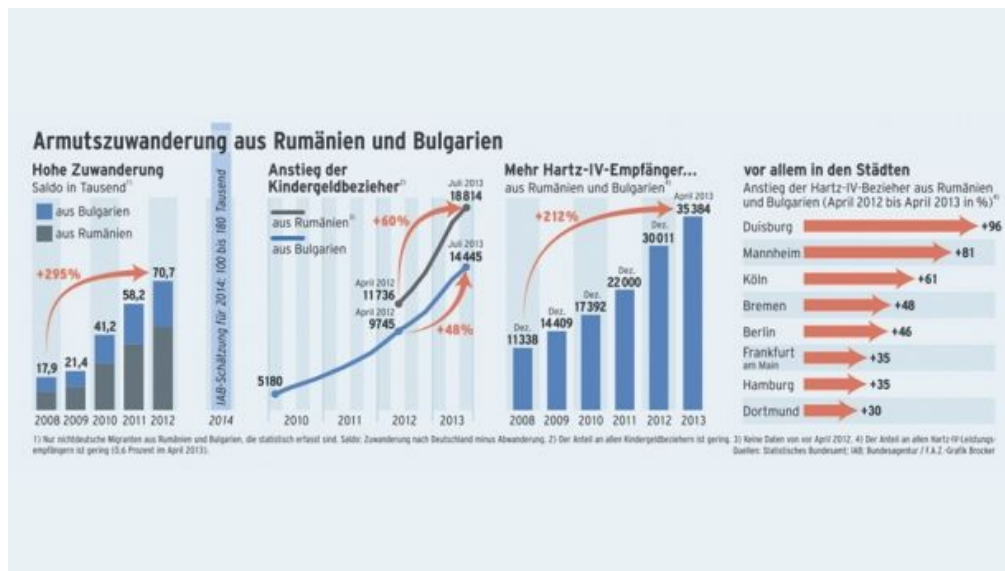
© EDGAR SCHOEPAL Das „Café Europa“ in der Dortmunder Nordstadt: Tagelöhner hoffen auf ein paar Stunden Arbeit

In der Dortmunder Nordstadt steht ein Café, es heißt: „Europa“. Wer das „Café Europa“ besucht, erfährt viel über den Kontinent. Über EU-Bürger, die der Armut der Heimat entfliehen und in deutschen Großstädten landen. In Straßenzügen voller Armut, Kriminalität und Gewalt, von denen der Vorsitzende der Polizeigewerkschaft (DPolG) in Nordrhein-Westfalen sagt: „Die Kollegen sehen sich großen Hürden gegenüber, dort der Lage Herr zu werden.“ Es geht um Gettos mitten in Deutschland.

Alles, was ein Getto ausmacht, ist nördlich des Dortmunder Hauptbahnhofs vorhanden: Das Gründerzeithaus, aus dessen Fenster vor zwei Jahren die bulgarische Prostituierte flog. Ihr Freier hatte sie aus dem fünften Stock geworfen. Die Müllhäuser, aus denen achtköpfige rumänische Familien über Nacht verschwinden – 200 Euro hatte der Vermieter zuvor kassiert, pro Monat, pro Matratze. Und da ist der Arbeitsstrich vor dem Europa-Café, wo jene stehen, die es im Amtsdeutsch eigentlich nicht gibt, weil deutsche Behörden aus guten Gründen nicht nach Ethnien differenzieren bei der Statistik zu Arbeitslosigkeit, Leistungsbezug, Kriminalität. Es sind Roma.

Armut trifft auf Armut

Als die EU im Jahr 2007 Bulgarien und Rumänien als Mitglieder aufnahm, war die Ahnung bereits da: dass diese Länder, in denen die ärmsten Roma in Wäldern leben, vielleicht noch nicht auf Augenhöhe sind. Auf den Zusammenbruch der sozialistischen Staatssysteme waren die Roma am schlechtesten vorbereitet: Im Kommunismus wurde ihnen Werkätigkeit und Schulbildung schlicht verordnet. Als nach der Wende die Fabriken starben und die Staatswohnungen zum Verkauf standen, verloren als Erste die Roma Arbeitsplatz und Bleibe.



© F.A.Z.

Um knapp 300 Prozent hat die Zuwanderung aus Rumänien und Bulgarien in den vergangenen sechs Jahren zugelegt. Nicht alle davon sind arm. Rumänische Ärzte werden in deutschen Krankenhäusern dringend gebraucht. Im Schnitt sind Rumänen und Bulgaren seltener arbeitslos gemeldet als andere Migranten. Doch den Bürgern in Duisburg und Dortmund hilft das nicht. Wer herzieht, kommt nicht wegen Arztstellen. Sondern weil es sich in den Schrottimmobilen billig wohnen lässt.

In den neuen deutschen Gettos trifft Armut auf Armut. Er wolle nur weg, schimpft der Anwohner in der Schleswiger Straße in der Dortmunder Nordstadt: ein Türke, eingewandert in den 60er Jahren. Früher hatte er deutsche Nachbarn. Die sind längst weg. Jene, die ihren Platz einnehmen, verfügten meist über „keinerlei Qualifikation“, sagt die Sozialdezernentin Birgit Zoerner. „Viele sind Analphabeten.“ Man sei der „Reparaturbetrieb“ der EU-Erweiterung – das haben die Städte der Bundesregierung schriftlich gegeben. 4000 Rumänen und Bulgaren leben in Dortmund. Die Sozialdezernentin rechnet mit 250 Euro Ausgaben pro Kopf, macht eine Million jeden Monat: Kindergeld, Wohngeld, Arztkosten. Versichert sind die Roma nicht.

Offiziell dürfen nur selbständige Roma arbeiten

Sie kommen in Kleinbussen, die Kennzeichen verraten die Herkunft: Bulgarien und Rumänien, wo ein Rom – so lautet der Singular – auch mit Doppel-Promotion noch nicht mal auf eine Stelle als Kellner hoffen dürfte. Die Perspektivlosigkeit hat zu Ausweichstrategien geführt, die nicht in höherer Bildung münden, sondern in die Suche nach dem Glück im europäischen Ausland.

Italien und Spanien waren bei Roma wegen der ihnen verwandten Sprache beliebt. Arbeit gibt es in der Wirtschaftskrise dort nicht. In Deutschland schon. So haben es den Roma die Schlepper erzählt. Fünfzig Euro pro Kopf kostet der Trip ins Revier. Doch Bergarbeiter werden dort keine mehr gebraucht.

Noch dürfen Menschen aus Rumänien und Bulgarien nur dann in Deutschland arbeiten, wenn sie selbständig sind. Gleich neben dem Dortmunder Arbeitsstrich stand lange ein „Bauunternehmen“ mit allerlei Geschäftsführern, es bestand aus einem Raum mit einem Zettel im Fenster. Wer es bis zum selbständigen Asbestkratzer nicht geschafft hat, steht auf dem Arbeitsstrich. Nicht selten handelt es sich um faktische Sklaven. Die 50 Euro für die Fahrt müssen beim Schlepper abgearbeitet werden. Die 200 Euro für die Matratze: abzuarbeiten. Die 150 Euro für den Gang zum Einwohnermeldeamt, den der Schlepper dafür übernimmt, werden als Schulden verbucht. Um die Ecke liefern die Prostituierten den Zuhältern die Einnahmen ab. Dealer gehen ihrer Tätigkeit nach.

Das Getto gedeiht weiter

Kindergeld ist das eine, der Verfall eines Viertels das andere. In Dortmund liegt das Maklerbüro von Marita Hetmeier mittendrin. Zum Arbeitsstrich sind es ein paar Meter. Hetmeier vermietet 70 Wohnungen in Dortmund, auch im Quartier. „Ins Elend will ich nicht ziehen“, sagen die deutschen Kunden. Hetmeier wohnt gerne hier. Für ihr Viertel und die SPD saß sie im Stadtrat. Wenn sich mehr

Roma in der Nordstadt ansiedelten, werde das Viertel irgendwann kippen, fürchtet die SPD-Frau: „Die werden hier gettoisiert.“

Die Logik von Gettos ist: Armut zieht Armut hinterher. Eigentlich ist die Nähe der Nordstadt zum Dortmunder Zentrum unschlagbar. Es gibt viele Altbauten im Viertel. Doch die Studenten, die bei Hetmeier nach Wohnraum suchen, haben die Gettogrenzen längst markiert: „In Frage kommt nur westlich der Schützenstraße.“

Das Getto gedeiht weiter. **Ab Januar gilt für Rumänen und Bulgaren die volle Freizügigkeit in Europa: Unter bestimmten Voraussetzungen haben die Einwanderer dann nicht nur Anspruch auf Kindergeld wie bisher, sondern auch auf Hartz IV.** Der Osnabrücker Migrationsforscher Klaus Jürgen Bade rechnet damit, dass ab diesem Zeitpunkt ganze „Familienverbände“ aus Rumänien und Bulgarien jenen hinterher ziehen, die schon in Berlin, Mannheim, Dortmund leben.

„Geschieht nichts, wird es Tote geben“

Vielleicht zieht es sie auch ins Duisburger „Problemhaus“, in das mehr als tausend Rumänen eingezogen sind, von denen Sozialarbeiter Eduard Pusic im Büro nebenan sagt: „Es geht nicht um Rumänen oder Bulgaren. Es geht um Roma.“ Die Problemhaus-Bewohner wohnen zu zehnt auf 55 Quadratmeter, gemeldet ist nur einer. Der Plattenbau, der einem Geschäftsmann aus dem Rotlichtmilieu gehört, ist völlig überfüllt, die Verhältnisse sind menschenunwürdig. Es riecht. Es gibt Ratten und Ungeziefer, das vom Müll angezogen wird, der aus dem Fenster fliegt. Oder in der Wohnung verbleibt. Im Treppenhaus ist das Geländer abgerissen.

Handyvertreter – mit deutschem, türkischem und Roma-Hintergrund – kommen gerne in die Roma-Straßen, um den unwissenden Zuwanderern Verträge aufzuschwatzen, für zwanzig Euro bar auf die Hand. Das Viertel Rheinhausen war einst das Krupp-Viertel, auf der Hinfahrt grüßt die „Brücke der Solidarität“. Der Ruhrpott hat stets für sich in Anspruch genommen, Migranten offen gegenüberzustehen, schließlich ist hier fast jeder einer. Jetzt demonstrieren Duisburger Deutsche mit Duisburger Türken gegen den Roma-Zuzug. Im Park sollen angeblich menschliche Exkremamente liegen. Die Polizei spricht von Klau-Banden, die strafunmündige Kinder vor schicken. Auch in Dortmund spricht die Sozialdezernentin von „kriminellen Strukturen“.

Der Migrationsexperte Klaus Bade fürchtet das Schlimmste. Er will nicht den Zuzug der Roma verhindern wie Bundesinnenminister Hans-Peter Friedrich droht, schließlich kann man Rumänien und Bulgarien nicht wieder aus der EU werfen oder das Prinzip der Freizügigkeit kippen. Der einzige Weg sei, in anstrengender Kleinarbeit die Roma aus den überfüllten Häusern zu holen und die Familienanführer zu überreden, die Kinder in die Schule zu schicken. Dafür müsse der Bund einen dreistelligen Millionenbetrag geben. „Geschieht nichts, wird es Tote geben“, sagt der Professor.

[IMF Discusses A Super Tax Of 10% On All Savings In Eurozone](#)

[Gold Silver Worlds](#) | October 10, 2013 | [Category: Money & Currency](#)

Tags: [bank bail-in](#), [confiscation](#), [debt crisis](#), [wealth protection](#)

86,149

One of the latest reports from the IMF discusses a super taxation of 10% on savings in the Eurozone. That would solve the debt problem in most sovereign countries. It would be an alternative of higher taxes or spending cuts.

The economists who wrote the paper hasten to say that it is a theoretical proposal. Still, it appears to be “an efficient solution” for the debt problem. For a group of 15 European countries such a measure would bring the debt ratio to “acceptable” levels, i.e. comparable to levels before the 2008 crisis.

The report itself is embedded at the bottom of this article. In the last section of the report, on page 58, right before the appendices, it says:

The sharp deterioration of the public finances in many countries has revived interest in a “capital levy”— a one-off tax on private wealth—as an exceptional measure to restore debt sustainability. **The appeal is that such a tax, if it is implemented before avoidance is possible and there is a belief that it will never be repeated, does not distort behavior (and may be seen by some as fair).**

There have been illustrious supporters, including Pigou, Ricardo, Schumpeter, and—until he changed his mind—Keynes. The conditions for success are strong, but also need to be weighed against the risks of the alternatives, which include repudiating public debt or inflating it away (these, in turn, are a particular form of wealth tax—on bondholders—that also falls on nonresidents)

There is a surprisingly large amount of experience to draw on, as such levies were widely adopted in Europe after World War I and in Germany and Japan after World War II. Reviewed in Eichengreen (1990), this experience suggests that more notable than any loss of credibility was a simple failure to achieve debt reduction, largely because the delay in introduction gave space for extensive avoidance and capital flight – in turn spurring inflation.

The tax rates needed to bring down public debt to precrisis levels, moreover, are sizable: reducing debt ratios to end-2007 levels would require (for a sample of 15 euro area countries) a tax rate of about 10 percent on households with positive net wealth(*).

(*) IMF staff calculation using the Eurosystem’s Household Finance and Consumption Survey; unweighted average.

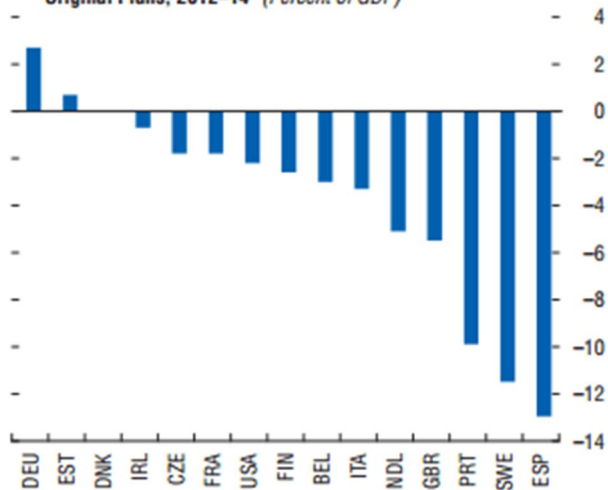
Indeed, Keynes makes his appearance in the report as well.

One should note that the first paragraph of the report right away debunks the myth that politicians and main stream media try to sell, i.e. the crisis is contained and the positive economic outlook for 2014.

High debt ratios amid persistently low growth in advanced economies and emerging fragilities in the developing world cast clouds on the global fiscal landscape. In advanced economies, with narrowing budget deficits (except, most notably, in Japan), the average public debt ratio is expected to stabilize in 2013-14. Yet it will be at a historic peak (about 110 percent of GDP, 35 percentage points above its 2007 level). Simulations show that maintaining the overall budget at a level consistent with the IMF staff’s medium-term advice would bring the average debt ratio to about 70 percent of GDP by 2030, although in a few countries it would remain above 80 percent. However, the large debt stock, the uncertain global environment, weak growth prospects, and the absence of well-specified medium-term adjustment plans in systemic economies like Japan and the United States complicate the task.

One of the graphs (page 14) is also noteworthy. It simply shows the unreliability of the forecasts of institutions. Even the report refers to it by saying “Relative to previous projections, fiscal deficits are somewhat larger in most countries, reflecting a weaker economic environment.”

2. Cumulative Headline Balance Deviation Relative to Original Plans, 2012-14¹ (Percent of GDP)



GoldSilverWorlds staff concludes that our fundamental vision has yet another time been confirmed. The black hole in the monetary world, which is called “banking”, is not capable of controlling its own devil, which is leverage. Our monetary system is based on debt based credit. Central banks have deteriorated the situation since 2008/9 and are now caught between a rock and a hard place. Prepare yourself, the reality is that more bail-ins, confiscation and financial repression is coming, contrary to what the good news propaganda tries to tell. Physical precious metals are the safest way to protect.

(Original source: dutch media site NOS.nl; Courtesy of GoldSilver.com bringing this article to our attention)