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**FN-Triumph bei Kantonalwahl**

## **Frankreichs Rechtsextreme auf dem Vormarsch**

Von *Stefan Simons*, Paris

87,1

**Der Front National triumphiert bei einer Kantonal-Stichwahl im Süden. Der Erfolg alarmiert Sozialisten und Konservative, denn auch in einer Umfrage zur Europawahl liegen die Rechtspopulisten um Marine Le Pen an der Spitze. Das Ende der Zwei-Parteiherrschaft in Frankreich steht offenbar bevor.**

Es ist nur ein Sieg bei einer Lokalwahl, es ist bloß der zweite Gewinn in einem von 4032 französischen Kantonen - und dennoch hat der Triumph des rechtsextremen **Front National** (FN) am Sonntag im Departement Var für große Unruhe in der französischen Parteienlandschaft gesorgt: FN-Kandidat Laurent Lopez setzte sich im zweiten Wahlgang mit knapp 54 Prozent gegen den auch von den Sozialisten unterstützten Bewerber der konservativen **UMP** durch.

Der Erfolg im Kanton Brignoles wirkt wie ein Menetekel für die Kommunal- und Europawahlen im kommenden Jahr. "Das ist ein schöner Sieg", freute sich Parteichefin **Marine Le Pen** und beglückwünschte sich zu der starken Wählermobilisierung. "Das ist ein gutes Omen für den Willen der Franzosen für einen Wechsel", jubelte sie. "Das spricht für hunderte von gewonnenen Städten, vielleicht für tausende von Gemeinderäten." Den Sieg in Brignoles vor Augen hatte Marine Le Pen bereits vergangene Woche festgestellt: "Der Front National ist die erste Partei Frankreichs."

Vorschusslorbeeren? Überdrehte Hoffnungen? "Das ist eine schlechte Neuigkeit für die Demokratie und die Republik", gestand Erziehungsminister Vincet Peillon von den Sozialisten, "das ist eine große Gefahr für uns alle." Jean-Francois Copé von der konservativen UMP machte hingegen die "unheilvolle Regierung der Linken" für den Sieg des Front National verantwortlich.

Fakt ist: Die Rechtspopulisten sind im Aufwind. Bei den Präsidentenwahlen vor 16 Monaten an dritter Stelle, im Parlament mit nur zwei Abgeordneten vertreten, hat die Partei seit dem Regierungsantritt des Sozialisten **François Hollande** deutlich an Zulauf gewonnen. Und zwar nicht nur auf lokaler Ebene. Nach einer Umfrage für das Magazin "Le Nouvel Observateur" liegt der FN bei den Europawahlen im kommenden Mai mit 24 Prozent an der Spitze, vor den Konservativen der UMP (22 Prozent) und der Sozialistischen Partei (PS) mit 19 Prozent - eine Premiere für eine Erhebung von landesweiter Bedeutung. "Le Nouvel Observateur" zeigt Marine Le Pen auf dem Titel mit der Zahl 24 Prozent und der Schlagzeile: "Die Umfrage, die Angst macht."

### **"Ende des bipolaren Systems"**

Nicht nur FN-Anhänger wännen sich bereits vor einer "historischen Wende", auch neutrale Beobachter sehen ein Ende der Zwei-Parteien-Herrschaft von Links und Rechts heranbrechen, die jahrzehntelang die Geschicke der V. Republik bestimmte. Die Parteien am äußersten linken Spektrum sind zur Bedeutungslosigkeit geschrumpft, die Grünen

trotz Regierungsbeteiligung nur Statisten im Machtgefüge. "Wir erleben", kommentiert der Nachrichtensender France-Info, "das Ende unseres bipolar geprägten Systems."

Verantwortlich für den Aufstieg des FN ist vor allem die ideologische Runderneuerung, mit der Parteichefin Marine Le Pen die überalterte Formation ihres Vaters Jean-Marie auf Vordermann brachte. Die gelernte Anwältin entschärfte die antisemitische Propaganda und ausländerfeindliche Rhetorik. Damit appellierte der ehemalige Fallschirmspringer und Algerienkämpfer zwar an rechtsextreme Ressentiments, machte den FN aber zur gesellschaftlich anrühigen Randgruppe.

Tochter Marine sorgte für eine neue Fassade. Unterstützt von einer Gruppe junger FN-Kader, Werbefachleuten und Wirtschaftsexperten holte sie die Partei aus der Schmutzecke der Ewig-Gestrigen und gab ihr eine moderne mediale Fassade - Internet, Facebook und Twitter inklusive. Die engen Bindungen zu Skins und rechtsextremen Schlägertrupps wurden kaschiert, Bomberjacken und Springerstiefel sind seither bei öffentlichen Auftritten tabu.

Programmatisch orientiert sich der FN nun an zwei eigentlich gegensätzlichen Polen: Ökonomisch liegt die Partei auf beinahe sozialistischem Kurs - mit der Forderung nach der Rückkehr zur Rente mit 60 Jahren, gesicherten Arbeitsplätzen und Steuersenkungen für die unteren Einkommensklassen. Ergänzt werden diese Parolen durch einen stramm nationalistischen Diskurs: Gegen Europa und den Euro, gegen die Gefahren der neoliberalen Globalisierung und für eine Rückkehr zu den "Traditionen Frankreichs" - soll heißen, wider Immigration, Islamismus und Kriminalität.

"Der Erfolg des Front National beruht auf der Strategie der De-diabolisierung von Marine Le Pen", sagt Frédéric Dabi vom Umfrageinstitut Ifop. Im gegenwärtigen Klima, geprägt aus Misstrauen und Zukunftsangst, gedeiht der Front National - zumal Regierungspartei wie die Opposition Mühe haben auf das Phänomen zu reagieren. Die Konservativen der UMP versuchen es mit inhaltlicher Anbietung, bislang ohne Erfolg. Doch die regierenden Sozialisten haben genauso wenig eine Antwort auf das Erstarken der Rechtsextremen gefunden. Sie versuchen es mit politischer Ausgrenzung: Der FN wird mal als populistisch, mal als faschistisch gegeißelt, PS-Chef Harlem Désir forderte einmal mehr die "republikanische Front" gegen "die Partei der extremen Rechten."

Die Verteufelung nutzt dem Front National. "Die etablierten Parteien sind von Panik gepackt, ihnen bleiben nur Anwürfe und Beleidigungen", höhnte Marine Le Pen nach dem Achtungserfolg ihres Kandidaten in Brignoles. "Und die Erhebungen, Umfragen und unsere Erfolge zeigen, dass immer mehr Franzosen unser Projekt unterstützen."

## Malala Yousafzai and the White Saviour Complex

Posted: 13/07/2013 19:35

87,3



When Malala Yousafzai was shot in the head by Taliban gunmen simply because she wanted to gain an education it sent shockwaves around the world.

Straight away the Western media took up the issue. Western politicians spoke out and soon she found herself in the UK. The way in which the West reacted did make me question the reasons and motives behind why Malala's case was taken up and not so many others.

There is no justifying the brutal actions of the Taliban or the denial of the universal right to education, however there is a deeper more historic narrative that is taking place here.

This is a story of a native girl being saved by the white man. Flown to the UK, the Western world can feel good about itself as they save the native woman from the savage men of her home nation. It is a historic racist narrative that has been institutionalised. Journalists and politicians were falling over themselves to report and comment on the case. The story of an innocent brown child that was shot by savages for demanding an education and along comes the knight in shining armour to save her.

The actions of the West, the bombings, the occupations the wars all seem justified now, "see, we told you, this is why we intervene to save the natives."

The truth is that there are hundreds and thousands of other Malalas. They come from Iraq, Afghanistan, Pakistan and other places in the world. Many are victims of the West, but we conveniently forget about those as Western journalists and politicians fall over themselves to appease their white-middle class guilt also known as the white man's burden.

Gordon Brown stood at the UN and spoke words in support for Malala, yet he is the very same Gordon Brown that voted for the war in Iraq that not only robbed people of their education but of their lives. The same journalists that failed to question or report on the Western wars in an intelligible manner now sing the praises of the West as they back Malala and her campaign without putting it in context of the war in Afghanistan and the destabilisation of the region thanks to the Western occupation of Afghanistan.

Malala's message is true, it is profound, it is something the world needs to take note of; education is a right of every child, but Malala has been used as a tool by the West. It allows countries like Britain to hide their sins in Afghanistan and Iraq. It allows journalists to report a feel good story whilst they neglect so many others, like the American drone strikes that terrorise men, women and children in Pakistan's border regions.

The current narrative continues the demonization of the non-white Muslim man. Painting him as a savage, someone beyond negotiating with, beyond engaging with, the only way to deal with this kind of savage is to wage war, occupy and use drones against them. NATO is bombing to save girls like Malala is the message here.

Historically the West has always used women to justify the actions of war mongering men. It is in the imagery, it is in art, in education, it is even prevalent in Western human rights organisations, Amnesty International's [poster campaign](#) coinciding with the NATO summit in New York encouraged NATO to 'keep the progress going!' in Afghanistan.

[Shazia Ramzan and Kainat Riaz](#) were also shot along with Malala, the media and politicians seem to have forgotten about them. [Abeer Qassim Hamza al-Janabi](#) - how many of the Western politicians and journalists know about this name? She was the 14-year-old girl gang raped by five US soldiers, then her and her family, including her six-year-old sister were murdered. There are no days named after her, no mentions of her at the UN, and we don't see Gordon Brown pledging his name to her cause.

I support Malala, I support the right to education for all, I just cannot stand the hypocrisy of Western politicians and media as they pick and choose, congratulating themselves for something that they have caused. Malala is the good native, she does not criticise the West, she does not talk about the drone strikes, she is the perfect candidate for the white man to relieve his burden and save the native.

The Western savior complex has hijacked Malala's message. The West has killed more girls than the Taliban have. The West has denied more girls an education via their missiles than the Taliban has by their bullets. The West has done more against education around the world than extremists could ever dream of. So, please, spare us the self-righteous and self-congratulatory message that is nothing more than propaganda that tells us that the West drops bombs to save girls like Malala.

October 13, 2013

## Setting Pace, Ireland Predicts December Exit From Bailout

By STEPHEN CASTLE

87,4

LONDON — Declaring the imminent end of an “economic emergency,” Prime Minister Enda Kenny predicted over the weekend that Ireland would emerge from an international bailout program in December, the latest sign that the euro debt crisis may be past its bleakest phase.

The announcement, issued on Saturday, suggested that the 17-nation euro zone could pass a significant psychological threshold this year. If Mr. Kenny’s timetable holds, Ireland will be the first of the four countries that received huge bailouts to wean itself off international support.

“Ireland is on track to exit the E.U.-I.M.F. bailout on Dec. 15,” Mr. Kenny said at a conference for his political party, Fine Gael, in Limerick, referring to the European Union and the International Monetary Fund. “There is still a long way to go, but at last the era of the bailout will be no more. The economic emergency will be over.”

Analysts, however, warned that the situation in the euro zone remained fragile, with feeble economic growth and the risk of political instability as voters tire of austerity policies blamed for deepening recessions and worsening joblessness.

Italy only recently averted a political crisis, Slovenia’s banking system remains vulnerable, and the slightly better economic news has had the paradoxical effect of slowing momentum both on structural reforms and on progress toward a European banking union.

Greece, Portugal and Cyprus have also received bailouts from the troika of international lenders: the I.M.F.; the European Commission, which is the European Union’s administrative arm; and the European Central Bank. Ireland, as the bailout recipient most accepting of the need for economic retrenchment, has been seen as a laboratory for the type of austerity measures favored by some creditor nations like Germany.

The government in Dublin is still due to receive a final loan tranche from international lenders, but if it succeeds in leaving the program in December as planned, this will be its last of the \$91 billion in aid. Ireland would then be fully reliant on bond markets to help finance its continuing operations and make good on payments to investors who have bought its debt.

Ireland’s existing loans to international lenders will still need to be repaid, however, and these repayments will take many years to complete, with the final one due in 2042.

Ireland has already tested its market access with some bond issues and in March sold 5 billion euros’ worth of 10-year bonds. The yield on the debt was 4.15 percent.

But as insurance against potential troubles with righting its finances, Ireland may need to apply for a precautionary credit line from international lenders.

Mr. Kenny would not comment on that issue in an interview with the Irish broadcaster RTE, but he did say he had no intention of changing the country's corporate tax rate of 12.5 percent. One German newspaper suggested that an increase in the rate, which is a thorn in the side of euro zone states with heavier taxes, might be a condition for such precautionary aid.

Though Ireland had been expected to leave the bailout program in December, that timetable seemed to be at risk at times. An exit on schedule would come as a relief to European policy makers. But Simon Tilford, the deputy director of the [Center for European Reform](#), a research institute in London, warned against applying Dublin's lessons too broadly.

"If Ireland can't make the strategy a success, it's difficult to see who can in the euro zone," Mr. Tilford said. "It's a highly flexible, export-led economy with high levels of social cohesion and good governance."

He added: "For the euro zone, things are still in the balance, and the outlook for growth looks very weak. The recession does appear to be coming to an end, but there is a difference between that and a sustained economic recovery."

Ireland's growth prospects have been aided by the recovery outside the euro area, including in its close trading partner, Britain, which does not use the euro.

If Ireland can avoid applying for a credit line, it would strengthen the government's claim to have restored economic sovereignty.

On Saturday, Finance Minister Michael Noonan hinted that that was the government's objective. After noting that countries that exited international bailouts in the past had often had follow-up precautionary programs, Mr. Noonan pointed out that Ireland's national debt agency "is carrying cash buffers" of about \$34 billion.

"The cash buffers have given us the kind of backstop that we need," he said, [Reuters reported](#).

In a statement, Gerry Adams, the leader of the left-leaning opposition party Sinn Fein, accused Mr. Kenny of indulging in spin and "an attempt to convince the people that austerity is working." He added that "the reality for communities and families across the state is very different."

## Europe's Center-Left Struggles to Find Direction

By PAUL TAYLOR | REUTERS

PARIS — What is left for Europe's mainstream center-left?

Socialist and social democratic parties that shaped the protective European social model and ruled much of the Continent a decade ago have been among the chief political casualties of the financial and economic crisis since 2008. More than just a cyclical trough, this may be a longer-term decline, because the left has lost its political narrative.

Polling evidence shows that many young and blue-collar voters, angry about mass unemployment and government spending cuts, have deserted to protest parties of the anti-capitalist hard left or the euroskeptical, anti-immigrant far right, as the political landscape fragments.

Others trust middle-of-the-road conservatives like the German chancellor, Angela Merkel, more than the left to run the economy in tough times. And some have simply stopped voting out of disillusionment.

Most worryingly, for a movement born in the 19th century of organized labor's struggle for better working conditions and living standards, the belief in collective social progress has lost much of its credibility in mature advanced economies. Income inequality has increased across the West since the crisis began, according to figures from the Organization for Economic Cooperation and Development, widening social gaps that the left set out to close.

"Social democracy nowadays basically amounts to the defense of the status quo and preventing the worst," said Olaf Cramme, director of Policy Network, a study group for progressive center-left politics.

Germany's opposition Social Democrats have just recorded their second-worst election result since World War II. They now face an ugly choice between entering a "grand coalition" under Ms. Merkel on unequal terms; staying out and seeing her possibly team up with the Greens, the Social Democrats' natural partner; or being punished by voters at a rerun election.

Socialists or social democrats still head 13 of the 28 European Union governments and are in coalition in five others, but they are often driven to pursue unpopular policies that hit the interests of their own electorate.

"It is an extremely difficult balance," the Danish prime minister, Helle Thorning-Schmidt, a Social Democrat, said in an interview. "We had some reforms that have been seen as quite harsh, but they have also been necessary."



“I think we have found the right formula — not to be popular, because we have not actually reached that yet — but to do the right thing for the country,” she said.

Austria’s Socialists lost votes last month, though they remain the largest party. Italy’s center-left Democratic Party, which now heads a shaky left-right coalition, bled votes to the anti-establishment 5-Star protest movement in a February election and is riven by factional squabbling. In Greece, Ireland and Spain, center-left parties are paying a high price for having supported public pay and pension cuts required by international creditors.

In Britain, the opposition Labour Party is still distrusted because it presided over a deregulated financial market bonanza that ended in the crash of 2008, wrecking the reputation for economic competence built by the prime ministers Tony Blair and Gordon Brown.

In France, one of the few countries with an absolute center-left parliamentary majority, the Socialist president, François Hollande, is deeply unpopular as his government dithers between old-style tax-and-spend policies and half-hearted welfare and labor market reforms, satisfying no one.

With mainstream party membership and funding dwindling in many countries, the center-left has rarely kept pace with new vectors of political action via social media and grassroots initiatives.

Some of the center-left’s woes may be temporary. When voters tire of center-right governments’ implementing austerity policies, and scandal and attrition in office take their toll, the pendulum may swing back to the mainstream opposition.

But the center-left can no longer offer much prospect of a rosier future through state intervention. There are fewer fruits of economic growth to redistribute, globalization continues to exert downward pressure on wages and working conditions in developed countries, and the demographics of aging societies with shrinking work forces make welfare benefits and pensions ever harder to sustain.

Compounding the left’s problems, some conservative leaders like Ms. Merkel and the Swedish prime minister, Fredrik Reinfeldt, have successfully occupied the middle ground.

Ms. Merkel “has taken any political polarization away by reverse-engineering the social democratic Third Way strategy,” said Henning Meyer, editor of *The Social Europe Journal*. “Similar to what Tony Blair and Gerhard Schröder did in the 1990s and 2000s, she has adopted the most popular policies of her opponents — at least rhetorically.”

Ms. Merkel embraced the phasing out of nuclear power, increased public spending on child care and family benefits and offered a watered-down form of a minimum wage to neutralize the center-left. A lurch to the left did not help the Social Democrats regain much ground, since core voters are still angry about painful reforms in the past decade that cut unemployment benefits and raised the retirement age, even though these measures are now credited with restoring German competitiveness.

Reformers like Mr. Cramme of the Policy Network argue that the only salvation for the left lies in emphasizing “pre-distribution” through investment in child care, education and job training, rather than perpetuating blanket welfare handouts.

“Defending acquired rights may be legitimate, but it no longer makes you a catch-all people’s party,” Mr. Cramme said. “If you want to be a big-tent party again, you will have to combine reformist elements with social protection.”

This leaves the center-left with awkward choices. Its big battalions of supporters tend to be among public employees and unionized industrial workers with strong job protection and secure pensions who fear privatization, and resist easier hire-and-fire regulations and later retirement.

In some North European countries like Denmark, social democratic parties have pinned their fate on embracing an open, globalized economy and making social protection more selective.

“We are trying to do four things at the same time,” Ms. Thorning-Schmidt said, drawing four points on a piece of paper.

“Fiscal constraint — call it austerity,” she said. “On the other side, growth measures. Then social welfare for the most in need and the restructuring of our welfare model.”

*Paul Taylor is a Reuters correspondent.*



October 13, 2013, 10:31 p.m. ET

## Years After Mayor's Death, Killer Remains on Payroll

*Case Highlights Frustrations Facing Greek Bailout Reform Efforts*

By JAMES ANGELOS

87,9

PANGAIO, Greece—A local treasury employee in this mountain community shot the mayor with an Uzi submachine gun in late 2009, in the grisly conclusion to a suspected embezzlement scheme.

Nearly three years after he was convicted of murder and sentenced to life in prison, Savvas Saltouridis remains on the municipal payroll.

Enlarge Image



Suspects Savvas Saltouridis (center) and Ioakeim Monos (second from left) are escorted by police officers following the shooting death of Pangaio Mayor Triantafyllos Koukoudis.

Co-worker Ioakeim Monos, sentenced to 16 years for complicity in the murder, also remains on the payroll. The two men, who are appealing their convictions, have been in prison for years.

International creditors—[now evaluating Greece's adherence to terms of two bailouts and weighing a possible third](#)—have called on the country to shape up its public-sector workforce and dismiss thousands of workers deemed unsuitable. The case in Pangaio suggests how hard that is likely to be.

To many locals, among them retired clerk Apostolos Tsiakiris, the two men's continued employment paints the government as feckless. "You can't be a murderer and keep getting paid," says Mr. Tsiakiris, who took over as acting mayor for a time after the killing. "That doesn't happen in any other government."

The Greek government says about 2,100 public workers are under disciplinary review, about half accused of criminal conduct. They continue receiving either full or partial pay during a labyrinthine disciplinary process.

Strict job protections prevent routine dismissal for either poor performance or wrongdoing. Although many civil servants have left the workforce since the crisis began—retiring to protect their pensions from the effect of pay cuts—they have largely been spared layoffs even as dismissals hit the private sector hard. Greece's unemployment rate is nearly 28%.

Labor leaders blame the government for any failings of the disciplinary system and say officials overplay problems. "They want to slander public servants. They want to paint this kind of picture in order to justify the layoffs and destruction of the public sector," says Themis Balasopoulos, head of a national municipal-workers union.

"Permanent" job security for civil servants is consecrated in the Greek constitution, an effort to prevent political interference in the functioning of institutions. Critics of the arrangement say that one result, as politicians through the years have doled out government jobs in return for support, is a civil service swollen with unqualified workers very difficult to remove.

Greece's international creditors are pushing the country to change this. Inspectors representing the creditors are expected in Athens later this month to check on the progress of reforms the government has promised, including in its public-sector workforce, in return for €246 billion (\$325 billion) of loans pledged so far, in two bailouts.

While the creditors have lauded spending cuts made by the government, they express frustration with its follow-through on other initiatives, including overhauling its civil service.

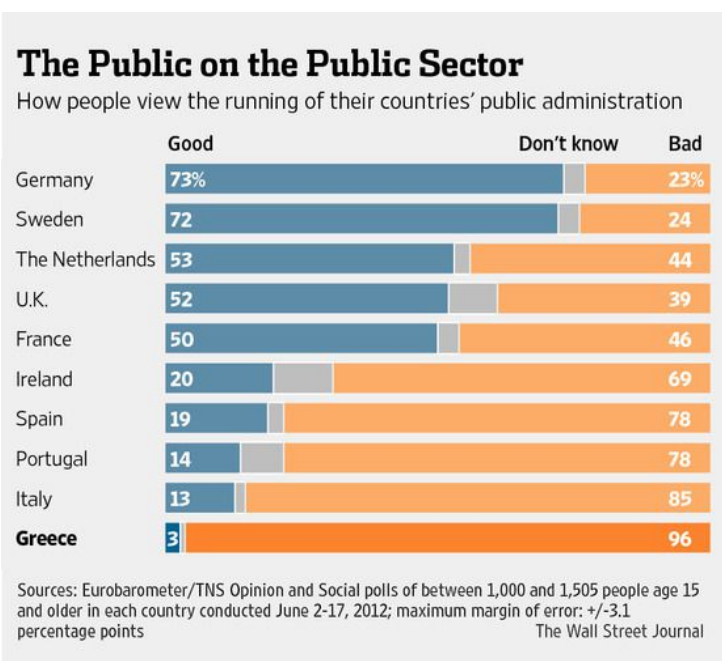
The modernization of Greece's economy requires "improving the efficiency and effectiveness of the public sector, where appropriate also by closing, merging or restructuring public entities and by moving or dismissing their staff," said a recent assessment by inspectors representing the creditors.

Greece needs "much deeper public-sector reforms" for its bailout program to remain on track, said a report by the International Monetary Fund, which is a part, along with the European Commission and the European Central Bank, of what is often called Greece's bailout "troika."

Over the next two years, Greece faces a financial shortfall estimated by the IMF at €11 billion (nearly \$15 billion). Many European leaders say the country will ultimately need a third bailout, though what form it might take isn't clear. Politicians from creditor nations such as Germany could face difficulty justifying more aid if Greece is perceived as failing to fulfill its promises.

The Greek government has long balked at public-sector changes of the sort the creditors want, fearing a backlash from the electorate and labor unions.

Its approach began to shift this past summer, the government says, when Prime Minister Antonis Samaras closed the state broadcaster, calling it an overstuffed bastion of "sinful" financial waste.



Some 2,660 jobs were cut. The move was deeply controversial, and public-sector unions have vowed to challenge future layoffs in court.

Kyriakos Mitsotakis, head of a government Administrative Reform Ministry that was created after the Greek crisis arose, has promised to speed disciplinary dismissals as part of an agreement with international creditors to dismiss 15,000 ill-qualified or unnecessary civil servants by the end of 2014. For each one fired, the government would be permitted to hire one skilled worker, in an effort to raise the quality of the public-sector workforce.

The Administrative Reform Ministry says 226 people have been dismissed for disciplinary violations since mid-2012. It promises that changes now in the works will break what it calls a long-standing "climate of inaction and impunity" impeding the civil-service disciplinary process.

In Pangaio, the killing of the mayor remains a shock to residents of this verdant area where, locals say, Alexander the Great's forces once mined for gold to finance his conquests.

On a December night in 2009, Mr. Saltouridis, the treasurer, and Mr. Monos, deputy treasurer, set out to lure Mayor Triantafyllos Koukoudis to a remote parking area off a coastal highway, according to the criminal-court decision.

Accountants were about to arrive at municipal offices for a routine inspection of the books, from which auditors later found some €700,000 (about \$950,000) was missing. Mr. Monos called the mayor and said he had found someone willing to lend money to help cover the gap, according to the court decision.

Mr. Monos testified he told the mayor he had titles to some property that could be used as collateral for the loan. "Come and I'll give them to you," he testified he told the mayor.

The mayor, described by locals as a tall, gregarious former fitness instructor, drove his Audi to the rendezvous point and got out. There, beside a closed roadside snack bar, Mr. Saltouridis waited with an Uzi, according the court decision, which said that the weapon had been adjusted to fire bullets singly rather than in machine-gun fashion.

Mr. Saltouridis emerged and shot the mayor twice in the face at close range, the court decision said, then fired five more bullets into him after he fell. Three days later, the mayor's body was found in the trunk of his car.

Both treasury employees testified that their intent had been just to scare the mayor. They said their aim was to make the mayor come up with the missing money, for which Mr. Saltouridis blamed the mayor.

Mr. Saltouridis testified he didn't intend to pull the trigger but stumbled when the mayor approached him and hit the weapon. He said the gun wasn't set on single-fire but on automatic-fire, and it sprayed bullets.

Both men portrayed themselves as honest, career civil servants. "I did what I could to serve the town citizens and to be all right at my job," Mr. Monos told the court.

The court convicted Mr. Saltouridis of intentional homicide "decided on and carried out in a calm mental state," and Mr. Monos of direct complicity in intentional homicide.

It held that they killed the mayor as part of a plan to pin the full blame on him for the missing money. Both convicted men still face additional criminal charges of embezzlement, in which prosecutors contend they acted jointly with the mayor.

Lawyers for the two treasury employees deny the embezzlement charges, even as they appeal their convictions in the mayor's death. The dead mayor's family has denied he embezzled money.

Long before their trial, salary payments to Messrs. Saltouridis and Monos had been stopped by the acting mayor, Mr. Tsiakiris, when the two employees were jailed shortly after the shooting.

However, according to the law at the time, employees who couldn't come to work because of incarceration were still entitled to half their pay. Sued for breach of duty, Mr. Tsiakiris said he had to resume salary payments of about €600 (\$813) a month for each employee and make back payments.

Before the guilty verdicts, a local disciplinary board ruled the convicted men must permanently cease public service for unethical conduct, municipal officials say. But an appeal of that decision to a second disciplinary board forced officials to keep the men on staff under extended leave, again at half pay.

A lawyer for Mr. Saltouridis said the appeal was intended to "draw out" his client's employee status.

It took nearly three years before a second disciplinary board in Athens ruled. When it did so this past June, the second board also found the employees should be removed. The Administrative Reform Ministry portrayed this as a sign that public-sector disciplinary boards had begun to function properly.

However, the convicted men remain on the public payroll, because they have until sometime in mid-November to consider whether to appeal the second disciplinary board's ruling to Greece's supreme administrative court. If they do, the final outcome of the disciplinary case will be further delayed.

A spokesman for the Administrative Reform Ministry said there was nothing further it could do. "The matter is strictly legal," he said. "They have the right to appeal."

Some locals say they sympathize with the convicts' families and see the paychecks they continue to receive as a way to help the families.

On a recent evening, the wife of the alleged shooter cried as she sat in a village square near her home. Her husband may have acted wrongly, she said, but she couldn't see how she could raise her three young children without his reduced salary.

"If they cut that money, I can't imagine what I'll do," she said. "There are no jobs."

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## Draghi Had to Expect Calls for New Long-Term Refinancing Operation.

*The crisis showed that no central bank can easily escape from its unconventional monetary policies.*

By [SIMON NIXON](#)

87,13

Until recently, the European Central Bank could be forgiven for feeling a little smug. All of the major central banks have massively expanded their balance sheets since the start of the crisis. But while the U.S. Federal Reserve continues to accumulate assets to the tune of \$85 billion a month—too nervous of the market's reaction even to scale down its money-printing—the ECB balance sheet has been steadily shrinking.

This owes as much to luck as to judgment. The ECB found it politically very difficult to engage in Fed-style large-scale bond purchases, so at the height of the [euro crisis](#) in December 2011 it injected liquidity into the system by providing banks with cheap three-year loans instead. Since then, healthy banks have been repaying those loans, with the amount outstanding down to €660 billion (\$894 billion) from €1.1 trillion at the peak.

While other central banks are still grappling for an exit strategy, the ECB has appeared to be already halfway out the door.

But the lesson of the crisis is that no central bank can escape from its unconventional monetary policies easily. Once markets have tasted the forbidden fruit, they have a habit of coming back for more. No surprise, then, that the ECB now finds itself under growing pressure to expand its balance sheet again with a new Long-Term Refinancing Operation.

This pressure is coming partly from macro-economists who worry that the ECB's balance-sheet shrinkage is approaching the point at which liquidity will become sufficiently tight that market interest rates start to rise. The appeal of an LTRO is partly that it is a form of backdoor quantitative easing: If the ECB can't buy bonds itself then the next best thing is to give the cash to the banks to buy the bonds, thereby driving down the borrowing rates to support the weak recovery.

But pressure for a new LTRO is also coming from banks and policy makers in Europe's geographic periphery, who warn that uncertainty over the future availability of long-term central-bank funding facilities poses a risk to financial stability.

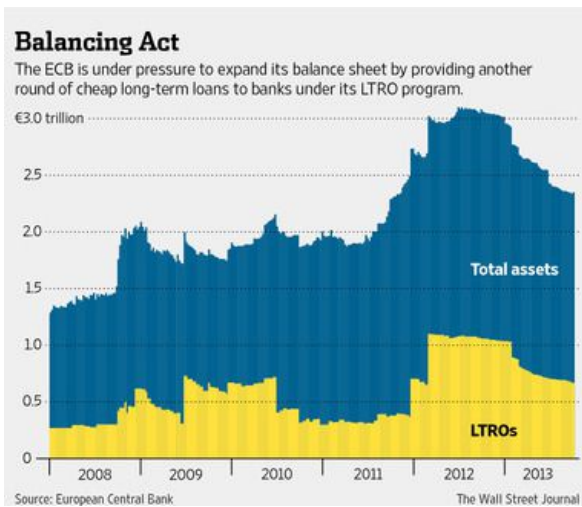
After all, the LTRO was never originally conceived as a monetary policy instrument. It was a lender-of-last-resort operation intended to avert a meltdown of the euro-zone banking system.

Back in 2011, the perceived lack of clear long-term commitment by the ECB to fund weak banks was putting intolerable strain on the financial system. Banks came under intense market pressure to deleverage rapidly to reduce their exposure to the ECB, raising fears of asset fire sales, deep capital holes, deposit flight and mass insolvencies.

Those financial stability risks may have receded, but they haven't gone away. Few think the euro-zone banking system is yet stable enough to withstand the complete withdrawal of these unconventional ECB facilities as scheduled at the end of next year. Greek banks continue to rely on the ECB to fund 18% of their assets, Portuguese banks 10% and Italian banks 6%, according to Citi.

Indeed, the question of what liquidity the ECB is willing to provide to weak banks and on what terms has acquired greater urgency as the ECB gears up for its planned balance-sheet assessment and stress test of the euro zone's largest banks before it takes over responsibility for financial supervision next year. Higher funding costs could lead to bigger capital shortfalls, putting new pressure on countries with weak finances.

But as always when monetary policy becomes entwined with financial-stability considerations, the provision of a new LTRO isn't the simple panacea it may seem. Devising a new LTRO that meets the different needs of monetary policy and financial stability isn't going to be easy. The risk is that it creates new perverse incentives, market distortions and unintended consequences.



For example, if the main objective from a monetary-policy perspective is to inject new liquidity into the system, then the ECB will need to find a way to maximize take-up. Indeed, the ECB's credibility would be damaged if participation were low.

But how does the ECB persuade banks to sign up when many have been repaying existing loans?

Morgan Stanley suggests the solution is to offer the new loans at a fixed rather than floating rate, perhaps even after a rate cut, making the money so cheap that banks can't refuse. This would have the advantage of reinforcing the ECB's efforts to provide guidance to the markets on the likely future path of interest rates.

But from a financial-stability perspective, the goal must surely be to minimize reliance on central-bank facilities. Providing a new generous subsidy to weak banks risks sending exactly the wrong signal, reducing incentives to write down bad loans to realistic values, relieving pressure to scrap broken business models and allowing an un-level playing field across the euro zone to persist.

Similarly from a monetary-policy perspective, it would make sense to continue to allow banks to use government bonds as collateral for loans. After all, keeping government bond yields low is an important part of the rationale for a new LTRO.

But from a financial-stability perspective, it might make sense to exclude sovereign bonds as collateral—an idea that some policy makers are considering. At least that would make it harder for weak banks to try to boost their profits through carry trades, diverting money that could be used for new lending into the real economy. Crucially, by reducing incentives to hold government bonds, it would also weaken the link between banks and sovereigns.

The reality is that this isn't a debate the ECB expected to be having so soon. But the issue has been pushed up the agenda by a combination of concerns over the Fed's tapering plans, anxiety over the ECB's banking-system review and ECB President Mario Draghi's attempts to talk down interest rates by promising to do whatever is necessary.

The risk is that expectations build to the point where the ECB feels obliged "to do something" even if the rationale remains fuzzy.

That won't bother the market, which will greet any new liquidity with its customary enthusiasm. But it certainly wouldn't be anything to be smug about.

## The Next 50 Years in Greece

*How to end the status quo of eternal, rolling bailouts.*

America's budget standoff topped the agenda at this weekend's International Monetary Fund annual meeting, but **Greece** wasn't too far down the agenda. The issue now, three and a half years after Athens was made to accept its first bailout, is whether **Greece** will have to endure decades as a ward of its euro-zone neighbors. That's not the story you hear in Brussels, Berlin and Frankfurt. In their tale, **Greece's** fiscal adjustment is on track and its economy is bottoming out. Greek banks have been recapitalized with private money, and Athens's budget is approaching an annual surplus -- excluding debt service -- for the first time since 2002.

None of this is false, but it obscures certain unpleasant facts. The Greek government's small budget surplus this year is partly the result of delaying tax refunds and the payment of bills to private contractors and suppliers. Kathimerini reported last week that the Greek labor ministry is considering expropriating private companies' assets to collect on unpaid social-security contributions. Possible asset confiscations may be one reason the Greek finance ministry predicts higher revenues next year due to an increase in "tax compliance."

Meanwhile, the real stain on the country's future is government debt expected to hit 175.5% of GDP this year. The discussion continues over whether to write down a portion of European governments' loans to **Greece**, but it is vague and unconstructive. The IMF demands that European institutions forgive a chunk of what **Greece** owes them, but for self-serving reasons: It wants the EU to take a haircut so the IMF can be repaid in full.

The German government thinks **Greece's** debt load can be made bearable by lowering the debt's average interest rate and extending its average maturity. Last year's debt buyback means most of the EU's loans to **Greece** already carry an average maturity of 15-30 years and an average interest rate of around 3.5%. **Greece's** third bailout, due next year, will involve more loans that will be repaid in a trickle over decades. There is even talk of swapping some euro-zone bilateral loans to **Greece** for 50-year bonds.

Yet once **Greece** starts looking at 50 years of repayments, why not 100 years, or 200? Extend-and-pretend is a strategy with long standing in the history of sovereign-debt crises. But it would be a terrible way for economic historians to remember the first several decades of Europe's great monetary experiment, assuming it lasts that long.

**Greece's** creditors are already taking an economic loss as the interest rate on their loans approaches zero and the maturity approaches infinity, even if they don't have to book an accounting loss. But an outright haircut is the more transparent and democratic solution. The euro zone's taxpayers deserve to know the consequences of their governments' decision not to let **Greece** default in the spring of 2010. Drastically reducing **Greece's** debt overhang would also improve Athens's chances of borrowing again in private markets.

German officials have several objections to a haircut. Under German law, Berlin isn't allowed to lend further to any borrower that defaults on a German-government loan commitment or guarantee. This means debt restructuring is a lever that can be pulled only if it's clear **Greece** will never need new rescue money again. That's far from obvious for at least the next few years. But once Athens starts consistently running small budget surpluses, Berlin and Brussels might be more comfortable turning off the bailout tap for good and accepting default.

Another objection is that a writedown will take the pressure off Athens to reform the Greek economy. This fear is well-founded. Yet if **Greece's** government isn't willing to fulfill its euro obligations even after bailouts, then the real issue is whether **Greece** belongs in the currency union. Better to face that now than put Athens on a 50-year bailout IV drip.

One compromise could be to do away with the charade of constantly rolling over bailout loans and simply swap all of **Greece's** existing borrowing for 200-year, zero-coupon bonds at 1% interest. This would be an admission of the bailout's failure while possibly avoiding the legal difficulties of an immediate haircut. The clarity would



make private creditors more willing to start lending again to Athens in small quantities to cover financing needs.

The tragedy is that Europe's politicians prefer the status quo of eternal, rolling bailouts because it serves their purposes. They never have to present their taxpayers with a bill for the Greek rescue. And while **Greece's** economy never really recovers, it might avoid any new crisis. The political bet is that the follies of the last five years will slowly be forgotten.

It could even work, assuming there's no new recession -- and unless you're a Greek young person looking for a better economic future.

# Too Big Is Just Right in Euro Debt

*Italian, Spanish Bonds Are on a Roll*

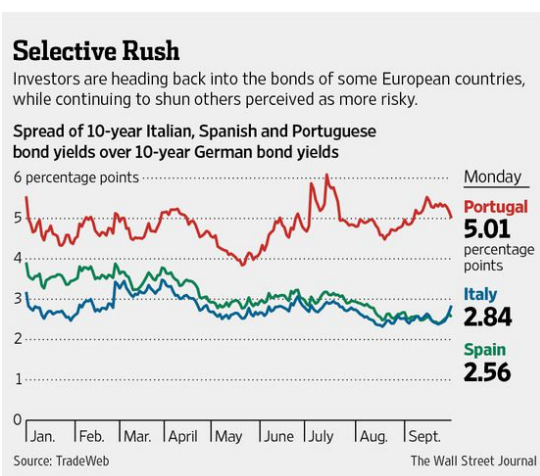
By ALLEN MATTICH

87,17

Euro-zone bond investors have learned a valuable lesson from the financial crisis: Betting on countries seen as too big to fail is a sound strategy.

The common currency's biggest, most systemically important countries have been big winners for sovereign-debt investors. That streak is likely to continue.

Bonds of countries such as Spain and even Italy—notwithstanding its current political crisis—have delivered solid returns relative to their peers: For instance, in the third quarter through the close of trading Friday, the Italian iShares government bond ETF gained 1.35% while the Spanish equivalent picked up 3.09%, compared with a 0.03% decline on the German government bond ETF.



There has been a rush by investors back into European government bonds. Mutual funds, for example, sold €12 billion (\$16.2 billion) of them in 2010 and another €25.5 billion in 2011, according to Lipper, a mutual-fund research firm. Last year, funds started dipping their toes back in the market, increasing their holdings by €50 million. That trickle became a rush in the first seven months of 2013, with investors picking up another €2 billion.

The starting gun was European Central Bank President [Mario Draghi](#)'s promise in July 2012 to do whatever it took to ensure the currency's survival.

Simon Penn, a multiasset sales analyst at UBS, said Mr. Draghi's speech encouraged clients to turn more optimistic on Europe's prospects. But they also said, "I own [German] bunds already, I own them because it's Germany." Seeing little further upside on core euro-zone sovereign debt, they then started to buy what they didn't already own. "And what they hadn't owned for the entire crisis is peripheral Europe," Mr. Penn said.

Since late July 2012, the premium that 10-year Greek and Portuguese government bonds yielded over equivalent German bonds—also known as their spread over bunds—dropped 16 and five percentage points, respectively, to 7.8 and 5.2 percentage points. Falling yields mean rising prices.

The same happened, albeit less drastically, among the euro zone's biggest weak economies. The spreads on 10-year Italian and Spanish government debt over 10-year bunds dropped from 5.3 and 6.3 percentage points, respectively, in late July 2012 to 2.84 and 2.56 percentage points now.

The good times may continue for Spain and Italy, as spreads on those countries' debt have continued to decline. However, spreads have started to widen again on Portuguese and Greek debt, especially during the third quarter.

While Spanish fell 0.31 percentage points and Italian spreads remained flat since the end of June, the spreads on Portuguese debt expanded by 0.36 percentage points in the same period. Even Rome's latest political crisis caused Italian government bonds to underperform their German counterparts only modestly during recent trading sessions.

In effect, investors have started to put euro-zone bonds into two separate baskets: those issued by countries that they view as too big to fail, and those issued by the rest.

"The ECB has been careful not to say that [the central bank] will stand behind every country under every circumstances," said Toby Nangle, head of multiasset allocation at Threadneedle Asset Management Ltd., which manages £84 billion (\$134 billion) in assets.

"'Whatever it takes' is focused on systemic risks, not on small countries with fundamentally unsustainable debts," said Myles Bradshaw, London-based portfolio manager for the Allianz SE unit Pacific Investment Management Co., the world's biggest bond-fund management firm by assets. "Portugal is not systemic. Italy and Spain are."

And Portugal's fundamentals are poor enough to make investors think twice about the prospects of getting their money back.

"Portugal has the worst of Italy and Spain" in terms of economics, Mr. Bradshaw said.

Investors in euro-zone sovereign debt face three country-specific risks, said David Watts, an analyst at CreditSights, an independent research firm.

The first, Mr. Watts said, is a refinancing crisis. It depends on how much the ECB allows governments to finance their deficits by selling Treasury bills to their domestic banks, which then use these bills as collateral against ECB refinancing operations.

The second is restructuring risk, where other euro-zone governments force a debt restructuring on countries that have too high a debt burden.

The third is redenomination risk, where countries decide to leave the euro.

Portugal faces all three risks, but there is little prospect that the ECB or other member states would trigger a wider [euro-zone crisis](#) by limiting Spain's deficits or forcing Italy to restructure its debt burden, Mr. Watts said.

Both Italy and Spain offer substantial interest-rate premiums over France. French government 10-year bond spreads are little more than half a percentage point above Germany's.

"I think France is still benefiting from its association with Germany and status as a core economy, so markets tend to give it the benefit of the doubt," according to Jonathan Loynes of Capital Economics, London-based research firm.

"France represents asymmetric risk," Pimco's Mr. Bradshaw said. "The upside is much more limited with respect to spreads than downsides....France is the euro zone bellwether."

That suggests that investors who get more convinced about the too-big-to-fail strategy—or "moral hazard" trade, as Mr. Watts at CreditSights calls it—face a greater prospect that the yield differential shrinks between France on one side and Spain and Italy on the other.

## Prolongation des centrales nucléaires: un processus coûteux et complexe

Le Figaro 14/10

87,19



**Pour EDF, le programme qui vise à allonger la durée de vie de ses installations revient à 50 milliards d'euros minimum. In fine, c'est l'Autorité de sûreté nucléaire (ASN) qui décide au cas par cas de la prolongation de chaque réacteur.**

**Pierre Moscovici** l'a assuré lundi matin: aucune décision n'est prise quant à la prolongation pour dix années supplémentaires des centrales nucléaires d'**EDF**. Il n'empêche, le dossier est sur la table depuis plusieurs mois et EDF prône fermement un allongement de la durée de vie de ses installations de 40 à 60 ans, soit en l'occurrence vingt années de plus.

Dans ce dossier, la chaîne de décision est complexe. Certes, l'État peut impulser l'initiative mais la décision doit ensuite être entérinée par EDF en conseil d'administration. Précision: l'État étant encore largement majoritaire dans le capital de l'électricien, il est donc représenté au conseil et peut faire entendre sa voix.

Pour autant, ce n'est pas parce qu'EDF décide de la prolongation de ses centrales que ce choix va forcément trouver une application concrète: sur le terrain, c'est l'Autorité de sûreté nucléaire (**ASN**) et elle seule qui donne, au cas par cas, une autorisation de fonctionnement pour dix années supplémentaires. Par exemple, c'est à l'issue d'inspections extrêmement minutieuses que l'ASN a autorisé les deux réacteurs de **Fessenheim** (Haut-Rhin) à pouvoir être prolongés de 30 à 40 ans. Ce qui permet aujourd'hui à EDF de dire que la centrale de Fessenheim - que l'État prévoit de fermer d'ici fin 2016 - est la centrale la plus sûre de France.

### Travaux de sécurité supplémentaires

Combien coûte de prolonger les centrales nucléaires? Au cours des mois et des années qui viennent, EDF va intensifier son programme dit de «grand carénage». Ces opérations de maintenance lourde visent non seulement à intégrer tous les travaux de sécurité supplémentaires liés aux enseignements de **Fukushima** mais se situent aussi dans la perspective où les centrales seraient prolongées de 40 à 60 ans. Ce qui nécessite par exemple de remplacer les composants lourds, comme les générateurs de vapeur.

Avant l'été, l'état-major du groupe a chiffré ces chantiers de grande envergure à plus de 50 milliards d'euros. Mais la facture pour EDF est beaucoup moins lourde que la construction de nouveaux réacteurs pour remplacer les centrales existantes. À titre indicatif, l'EPR de Flamanville (Manche) actuellement en construction est estimé à 8,5 milliards d'euros, étant entendu que les coûts et les délais de ce chantier ont déjà été largement revus.

10/14/2013 12:59 PM

**Expanding the Grid**

## **A Vision for Fueling Europe on Renewables**

*By Christoph Pauly*

87,20

**European Energy Commissioner Günther Oettinger is in Brussels on Monday to present his plan for the future of energy in the EU. He wants to export Germany's push toward renewables to the rest of the Continent -- and for the first time, he actually has the money to do it.**

Until recently, European Energy Commissioner Günther Oettinger had to rely entirely on the power of his words to push through his policies. "The internal market is being ruined," he said in reference to the [Energiewende](#), Germany's push to abandon nuclear energy and promote renewable sources. Still, he was unable to intervene.

That may change on Monday, as Oettinger presents a list of 200 infrastructure projects that he sees as crucial for Europe's future energy supply. For the first time, he now has real power -- the power of money. He intends to spend a total of €5.8 billion (\$7.9 billion) to promote the cross-border construction of new power lines, energy storage facilities and gas pipelines -- provided, of course, the EU Parliament and EU Council don't object.

The former governor of the southern German state of Baden-Württemberg hopes to use this money to liberate European energy policy from the squalor of national constraints and, as an added bonus, help secure the German *Energiewende*. "This is a huge step forward for Europe," he says.

It would also be a success for him personally. For the first time, a European energy commissioner can personally steer policies now that over €200 billion will have to be invested in Europe's energy networks by the year 2020, according to EU forecasts.

### **At Least Two Countries Should Benefit**

The key eligibility criterion for Oettinger's program is that at least two countries should always benefit from the new power lines. This would hopefully free some countries, like Ireland and the Baltic republics, from their general energy policy isolation. Oettinger's list -- a copy of which has been obtained by SPIEGEL -- reveals that the EU has painstakingly ensured that each of the 28 EU countries receives its share of the bonanza from Brussels.

The proposed measures are highly tempting. For instance, it has been suggested that projects should benefit from low-cost loans and construction subsidies amounting to up to 75 percent of the investment sums. For those ventures where the risks and/or costs are too high for a private grid operator, the EU is prepared to help out with large subsidies.

Germany benefits from 22 large-scale projects. Oettinger wants to remove bottlenecks that have arisen in Germany as a result of the push to expand [renewable energies](#). The list of projects slated to receive funding includes new power highways intended to transport surplus electricity from the wind turbines in northern Germany to the consumer centers of the south.

At the top of Oettinger's list are high-voltage power lines for direct current, for example, between Wilster in northern Germany and Grafenrheinfeld in central Germany. Starting in early 2014, grid operators like Tennet and Amprion can apply for low-interest loans from the European Investment Bank. In addition to power lines, the list includes some 100 gas projects across Europe.

## Germany And Its Neighbors

Although the majority of these projects were already part of Germany's Federal Network Agency's development plan, the driving idea behind the EU's initiative is different: It seeks to improve Germany's network with its neighbors.

One of the long-term goals is to create a North Sea electricity ring main. This would provide an ideal way of tapping into the reserves of other countries when there doesn't happen to be enough wind to generate electricity. Oettinger sees it as an anachronism that every country maintains its own conventional gas and coal-fired plants for occasions when there is very little wind or sun. "Consumers ultimately have to pay a high price for this," Oettinger argues.

But it's not just unresolved financing issues that have been holding up plans to expand the power network. Many projects can't make any headway because numerous citizens' initiatives are blocking things like high-voltage transmission lines.

The EU has also taken a brash course on this front: The proposal would make it possible for the 200 top projects in Europe to receive a construction permit within three and a half years -- with only one court that would hear the objections of project opponents.

Only time will tell whether such an approach actually works on the ground. "It took over 30 years before a power line between France and Spain could be built," recalls an expert on the EU Commission. Former Italian Prime Minister Mario Monti finally had to intervene and mediate the conflict. He was successful because he used large amounts of money from Brussels to ensure that the transmission lines disappeared underground in some places.

In Germany there are also protests against virtually every major project of the *Energiewende*.

For instance, the EU list includes the Riedl pumped-storage power plant near the southern German city of Passau. For years, Donaukraftwerk Jochenstein AG has proposed the construction of a colossal reservoir above the Danube Valley for €350 million. But conservationists object to the plan because they say it would threaten the upper Danube Valley.

Similar conflicts rage in many places in the Alpine region, where the EU plans specify the construction of new reservoirs for the *Energiewende*. Now Brussels hopes to accelerate the approval process here, too -- using an approach that always works: money.

*Translated from the German by Paul Cohen*

## European Press Review of 14/10/2013

### MAIN FOCUS

87,22

Libération - France

#### Front National poison for France

The candidate of the far-right Front National party (FN) won the second round of the [local elections](#) in the southern French town of Brignoles on Sunday with 53.9 percent of the vote. The weak left is also to blame for the strength of the FN, the left-liberal daily Libération writes: "The result of the local elections in the Var department comes after a long string of failures on the part of the left in all the by-elections since François Hollande became head of state. And it is worrying. The ruling left no longer mobilises voters. In the meantime, the poison of the FN is contaminating the country and its entire political system. ... Under the pretext of representing national interests, the far-right party represents racist views, be it in the name of the father or the daughter. Its economic programme is scurrilous and inept. The left must fight for its civilised, inclusive, European values. Without being ashamed of what it is or what it should be." (14/10/2013)

[http://www.liberation.fr/politiques/2013/10/13/antidotes\\_939272](http://www.liberation.fr/politiques/2013/10/13/antidotes_939272)

#### Antidotes

13 OCTOBRE 2013 À 21:56

#### EDITORIAL

Le FN est devenu une obsession nationale. Qui divise à droite et affole à gauche. Amplifiée par les sondages, dénoncée aussi bien par Jean-Luc Mélenchon que par Daniel Schneidermann dans nos pages aujourd'hui. Certes, Brignoles n'annonce pas un hiver fasciste, et les meilleurs experts électoraux ne pronostiquent pas un raz-de-marée en villes pour le parti de la dynastie Le Pen.

Il reste que le résultat de la cantonale du Var, venant après autant d'échecs à gauche à toutes les partielles depuis l'élection de François Hollande, a de quoi inquiéter. La gauche au pouvoir ne mobilise plus.

Le gouvernement semble avoir organisé un partage des tâches. Au Président la gestion de l'économie et la promesse de résultats, à son ministre de l'Intérieur un discours sous influence sur les Roms, les immigrés ou la sécurité.

A droite, la façade morale qui refusait tout compromis avec l'extrême droite a sombré avec la crise et les échecs électoraux.

En attendant, le poison FN contamine tout un pays et toute sa politique. Les équivoques sont contre-productives. Il est fallacieux de dire que «*l'extrême droite, ce sont de fausses réponses à de vraies questions*».

Sous couvert de priorité nationale, le parti d'extrême droite, que ce soit au nom du père ou de la fille, défend des thèses racistes. Son programme économique est imprécatoire et inepte.

La gauche doit se battre sur ses valeurs, citoyennes, inclusives, européennes. Sans avoir honte de ce qu'elle est ou de ce qu'elle devrait être.

Ses idéaux seront le meilleur des antidotes.



Delo - Slovenia

### **Frustration rife ahead of European elections**

A new European Parliament will be elected in May 2014. In view of the crisis the election will be the most important of its kind in recent decades, the left-liberal daily Delo asserts: "The crisis announces a shock for the political establishment. Frustration is so rife among Europeans that these elections will break new ground. Dissatisfaction with the way the crisis has been handled has reinforced Euroscepticism in almost all the member states and undermined the power of the mainstream parties. Nowadays politics is just an appendage of the economy, and democracy is practically a thing of the past. The public sector is being dismantled, the welfare state is disappearing. This is no longer just the same old criticism of the Brussels bureaucracy and a democracy deficit. Rejection of Germany's dictates, the troika, liberalism and the current economic policy is also spreading." (12/10/2013)

REFLECTIONS

## SHALE GAS:

# There will be no revolution in Europe

11 October 2013

LES ECHOS PARIS

87,24



AFP

**This week, France confirmed its ban on shale gas exploitation and the European Parliament demanded environmental impact studies before all test drilling starts. More obstacles for a resource that may yet not be the solution to Europe's energy problems.**

[Anne Feitz](#)

Shale gas has become the object of all sorts of fantasies in France. [According to the US Energy Information Administration](#), a US body that manages energy statistics, France is sitting atop considerable reserves of gas and oil from shale: 3,870 billion cubic metres of gas and 4.7 billion barrels of oil. That works out to nearly 80 years of gas supplies and nearly 60 years of oil. And it's powering the wildest dreams. The French are not the only ones fantasising either: [Poland](#) is hoping to reduce its dependence on Russia, and Britain is counting on shale gas [to offset](#) the decline in its North Sea oil fields...

In the United States, it's true, these non-conventional hydrocarbons have brought on a revolution. Between 2005 and 2012, gas production jumped by 33 per cent and oil by 28 per cent. According to a very recent [study](#) from IHS Cera (which advises the oil industry), this boom led in 2012 to the creation of 2.1 million jobs (including indirect and induced), generated \$75bn in tax revenue, and increased household revenues by \$1,200.

**Energy independence for the North American continent by the end of the decade is considered a plausible hypothesis**

The country has doubly benefited from the "oil and shale gas" effect: not only has the US economy been boosted by the resurgence of activity in the oil industry itself, but it has also benefited from the dramatic decline in the price of gas associated with the increased production, which has fallen more than fourfold in six years. It's a huge competitive advantage, which has benefited highly energy-intensive industries and sparked the phenomenon of reindustrialisation in the United States. Energy independence for the North American continent by the end of the decade is considered a plausible hypothesis.

Yet it is clear that Europe is not America. Even assuming that the doubts about the pollution involved in the operation are cleared up and that the technology used – the notorious hydraulic fracturing – will be allowed anywhere, shale gas will not cause an economic shock in Europe of a magnitude similar to that in the United States. The argument is regularly wheeled out by the opponents of drilling, but it is also widely shared by the oil and gas industry experts themselves.

## Shale in perspective

No serious study has been carried out on the subject. The exercise is a kind of mission impossible, since nobody today has no idea of the real potential of Europe. The estimates put forward by US EIA or other national administrations are based on hydrocarbons already present in the ground, which depend on the geology of the formations, and not on those that would be recoverable at an acceptable cost. It is rare, though, for a recovery rate to be more than a few per cent. Even if it did reach an average of 10 per cent – a rather optimistic level – the potential production of shale gas would not exceed a total of 1,300 billion cubic metres in Europe. That is, over a production period of 25 years, barely five per cent of what Europe consumes each year. A very theoretical calculation, but it has the merit of giving a rough idea of the orders of magnitude. In the United States, in contrast, the unconventional gas accounted for 56 per cent of the consumption in 2012.

The speed and the magnitude of the growth of production across the Atlantic may not be repeated in Europe. The exceptional conditions existing in the United States are not met here: the presence of a major oil and gas industry, abundant drilling equipment, a network of gas pipelines, and the great empty spaces that has let the Americans drill more than 200,000 wells in just a few years. The legal context has also played a role: American citizens are the owners of their subsurface rights and have a financial interest in signing directly with the companies. In Europe, it's not just that the infrastructure remains limited, but the local regulations are more stringent. [Poland](#), which got exploration underway in 2008, has only drilled some 40 wells.

**No silver bullet**

**According to a recent study by Bloomberg Energy Finance, the cost of production in the United Kingdom would be between 50 and 100 per cent higher than in the United States**

In Denmark, the first drillings have been postponed for a year, to give time to make detailed impact studies. The same is true in [the United Kingdom](#). "In Europe it will take at least 10 years between starting up a site and coming online with the gas, versus three in the United States," predicts one industrialist. "Similarly, for reasons of acceptance, the number of simultaneous drillholes in the same area will probably be limited." According to a recent study by Bloomberg Energy Finance, the cost of production in the United Kingdom would be between 50 and 100 per cent higher than in the United States.

Less intrusive and large-scale, more spread out over time, the production of oil from shale in Europe will be more expensive and probably not enough to depress prices or actually reduce Europe's energy dependence. Even if France could produce 30 per cent of the gas it consumes, it would only cut its energy bill by €3-4bn a year, out of a total of €70bn in 2012. The impact on employment would also be limited. The few estimates on this point by the firms [SIA Conseil](#) in France and [Poÿry](#) in the United Kingdom could only extrapolate from the American experience, based on the number of jobs per billion cubic metres produced or by the number of wells.

The calculations come up with, at best, a few tens of thousands of jobs per country. This is certainly not negligible in today's circumstances. But shale gas will not be the formula that will let Europe climb out of its crisis.

## **Greek Foreign Ministry to persist with WWII reparations claims**



The Foreign Ministry repeated on Friday its position that Greece has not given up on claiming Second World War reparations from Germany.

The statement came after German Chancellor Angela Merkel said in a news conference that Berlin had a different interpretation of the law to Athens and considered the matter closed.

The Greek government considers that Germany is at least liable for a loan the Bank of Greece was forced to provide the Nazi regime during the war.

During his visit to Athens on Thursday, Finance Minister Wolfgang Schaeuble said that "we must examine exactly what happened in Greece" but insisted that Greece had agreed to waive any demands when it signed in 1953 the London Agreement, which dealt with Germany's debts.

# 'Island of the Blind' Riles a Greek Public Facing Cutbacks

By JAMES ANGELOS

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Greek authorities are investigating implausibly high disability claims for blindness on the island of Zakynthos—including a taxi driver and a bird hunter. WSJ's James Angelos reports on a story of corruption in the face of economic austerity.

The island of Zakynthos, long known for its Venetian ruins and turquoise waters, lately has new fame in Greece—as "the island of the blind."

The Greek health ministry is investigating on Zakynthos after local officials flagged records showing what they said is an implausibly high number of disability claims for blindness.

About 1.8% of the island's population of 39,000 claimed the benefit last year, according to the health ministry. That is around nine times the prevalence of blindness estimated for many European countries in a 2004 study published in a World Health Organization journal.

Among those who put in for the blindness benefit on Zakynthos, a local official said, were a taxi driver and a bird hunter.

Zakynthos has become a symbol for the widespread corruption that has played a part in the nation's financial downfall. "It appears the 'blind' of Zakynthos saw only the color of money," said an article in the Greek newspaper Ethnos.

But the island is hardly alone, according to health ministry officials, who say fraudulent disability claims are a problem across the nation, costing the government hundreds of millions of euros a year.

Greece, under pressure from international creditors, is stepping up efforts to fight corruption and cut costs. Yet the crackdown on disabilities fraud, muddied by allegations of political gamesmanship and inaccuracy, demonstrates the difficulties in such attempts at overhauls.

Some disability recipients coming under scrutiny complain they have few options as austerity hits home in a country where pensions and wages are increasingly meager.

Zakynthos Mayor Stelios Bozikis on a Greek television talk show said residents angry about the benefits crackdown and other financial overhauls pelted him with yogurt at a recent event. He said he considered this "an honor."

In an attempt to root out fraud, the Greek health ministry recently required disability claimants nationwide to register in a centralized database, appearing in person or sending a representative. The registration resulted in 36,000 fewer disability claims than in 2011, the health ministry said.

The ministry alleges these dropped claims were fraudulent, in many cases reflecting multiple claims for the same disability or payments in the name of dead beneficiaries. It also alleges that some doctors accepted money for false diagnoses and some local politicians signed off on the benefits to win support, and said it is giving public prosecutors information about areas where it suspects a high level of fraud. Only 190 of the nearly 700 people it says had been collecting the blindness benefit on Zakynthos participated in the registration, the ministry said.

Even as government officials herald efforts to clamp down, some people worry the campaign risks stigmatizing the disabled as images of people in wheelchairs and others using white canes dominate news coverage. "The portrayal of persons with disability in the mass media has been absolutely unbearable," said Yannis Vardakastanis, president of Greece's National Confederation of Disabled People.

Deputy Health Minister Markos Bolaris, who took the post last summer, said the new program is aimed at allowing the nation's limited resources to reach those who have real need. Previous Athens administrations should have caught the fraud, he said. "If it didn't matter to some before, for us today, it must matter."

Some local and national officials pin blame on the island's former prefect, Dionysios Gasparos, whose signature was required to authorize the payments. Mr. Gasparos denied culpability and accused the deputy health minister of "political games." He also blamed the ophthalmologist at the island's public hospital, Nikolaos Vartzelis. "I am not the one who puts you down as blind," Mr. Gasparos, said. "The ophthalmologist does."

In late March, Dr. Vartzelis resigned. He said he was ready to retire and rejected accusations that he made false diagnoses or accepted money in return for signing off on unwarranted benefits.

In an interview before he stepped down, Dr. Vartzelis stood by his decisions. "There are cases of some people who don't have a shoulder to lean on, they didn't have bread to eat, and maybe there we practiced every leniency," he said. "We were lenient, but within the limits of the law."

He blamed political rivalries for the publicity over the blindness benefits. "You should know that Zakynthos is a very beautiful island," Dr. Vartzelis said. "It has a lot of good qualities. But it's an island of gossips."

Shortly after the Zakynthos mayor, Mr. Bozikis, took office at the beginning of 2011, an adviser, Timotheos Zontos, acquired a list of those receiving blindness benefits. Recognizing some names, he said he knew something was amiss when he saw a taxi driver and a bird hunter. "You can tell if someone is blind," Mr. Zontos said.

An office of the mayor, which said it was acting in cooperation with the national health ministry, last summer sent letters ordering most of those collecting the benefit on Zakynthos to an Athens hospital for vision tests. The mayor said he suspended payment of blindness benefits on the island at that time, with the exception of those who could provide proof from a second doctor.

About 100 people from Zakynthos went to the Athens hospital, several hours' journey from the island, and around 40 proved legally blind, the health ministry said. A person close to the situation at the hospital said the tests showed slightly more than 50 were blind.

The low turnout for the test at the Athens hospital "means the others aren't [blind] and are hiding," Mr. Bozikis said.



One elderly woman on the island, speaking in the kitchen of her house near a grove of olive trees, said she can barely live on her monthly pension of about €300 (\$400) without the blindness benefit, which had paid €724 every two months plus perks such as discounts on her electric bill. She said she can see but also complained of problems with her eyes.

Asked how she secured the benefit, she spoke of the importance of the *rousfeti*, a term for reciprocated special favors. Asked whether she paid a bribe, she didn't answer.

Exactly who on the island continues to collect a benefit for blindness—and why—remains foggy. Greece's national health ministry said it had nothing to do with the suspension. Officials in the island's office of Public Health and Social Solidarity, which put the number of blindness claimants slightly lower than the ministry, said more than 200 are getting payments.

Late last year, 40-year-old Klavdianos Dionisios rushed into the island's public health office, saying his elderly uncle's blindness benefit had been suspended unfairly. "My uncle has no money," Mr. Dionisios said. "He has no house! Should we let him die?" One of the office workers, a middle-age woman, burst into tears.

Mr. Dionisios said a test in Athens proved that his uncle is blind. The person familiar with the eye-exam results at the Athens hospital confirmed that. The mayor said those who were proven blind are getting their payments. But the Dionisios family said that by late March the benefit still hadn't been restored.



- L'année 2012 a permis de conjurer plusieurs des risques de rupture qui menaçaient l'économie mondiale. Les pays émergents - Chine en tête - ont atterri en douceur sans éclatement de bulles spéculatives. Les États-Unis ont consolidé leur relance en dépit des turbulences d'une élection présidentielle très clivée. Elle repose sur la base saine de la reconstruction de leur appareil productif et, notamment, de l'industrie portée par la baisse des coûts du travail et de l'énergie grâce à l'exploitation des hydrocarbures non conventionnels. Outre-Atlantique, les marges des entreprises se sont fortement redressées ; le financement de l'économie est assuré par des banques et des assurances recapitalisées et restructurées ; l'immobilier est stabilisé ; le patrimoine des ménages a recommencé à croître après cinq années de baisse continue. En Europe, les risques d'éclatement de la zone euro ont été écartés grâce au changement de politique de la BCE. Mais l'Europe comme le Japon demeurent sinistrés en termes de croissance.
- Sont-ce les deux zones à risque pour 2013 ?
- Pour 2013, il faut d'abord porter une grande attention à la montée des risques géopolitiques en Asie, en Iran et dans le monde arabo-musulman. Sur le plan économique, la détente des risques systémiques va de pair avec le renforcement de certains risques pays. Le cas du Japon est préoccupant. Le Japon est en première ligne dans les tensions avec la Chine dont il est dépendant sur le plan industriel. Par ailleurs, l'activité stagne depuis le début des années 1990 et la dette publique atteint 240 % de son PIB, menaçant de sortir de tout contrôle avec le déficit de la balance des paiements du fait de l'arrêt des centrales nucléaires après la catastrophe de Fukushima et des représailles commerciales chinoises au différend territorial autour des îles Senkaku. L'Europe est le seul des grands pôles de la mondialisation à avoir rechuté dans la récession en 2012 après 2009. Le pire a été évité puisque la menace d'implosion de la zone euro fut conjurée par la réforme des institutions défectueuses du traité de Maastricht. Les chefs d'État ont jeté les bases d'un gouvernement économique de la zone euro, garanti la solidarité financière entre les pays, négocié le traité budgétaire et l'union bancaire. Surtout, sous l'impulsion de Mario Draghi, la BCE s'est érigée en prêteur en dernier ressort en finançant de manière illimitée les banques puis les États. Ultime changement, sous la pression de la crise, la mobilité du travail progresse, comme le montre l'installation de 330 000 jeunes Européens du Sud en Allemagne au cours du premier semestre 2012.
- La crise de la zone euro est-elle donc résolue ?
- Non, il reste des fragilités et rien n'est acquis. D'abord, la transformation des institutions, des missions et des instruments de la zone euro, notamment pour la BCE, est entrée dans les faits mais n'est pas inscrite dans les textes. Ensuite, la diminution du risque financier laisse entière la crise économique, avec la récession et l'envolée du chômage. La Grèce est ruinée : elle reste dans l'euro au prix du plan de restructuration le plus coûteux et le plus inefficace de l'histoire du capitalisme. Chypre et l'Espagne sont au bord du chaos. Enfin, le risque politique subsiste comme le rappelle la fièvre des marchés provoquée par l'annonce de la candidature de Silvio Berlusconi.

- Comment se situe la France dans ce contexte ?
- La France constituera, en 2013, le premier risque pour la zone euro et peut-être pour l'économie mondiale. L'année 2013 prend place au confluent de trois crises : six ans après le démarrage du choc le plus grave sur le capitalisme depuis 1929 ; quatre ans après le début des turbulences sur les risques souverains et la zone euro ; quarante ans après l'amorce du décrochage de la France puisque le dernier excédent budgétaire remonte à 1973 et que notre pays est le seul parmi les nations développées à n'être jamais revenu à l'équilibre de ses finances publiques et au plein-emploi depuis les chocs pétroliers. La France, en 2013, peut connaître un scénario de rupture en raison de l'effondrement de son système productif. Le PIB reste inférieur à son niveau de 2007, la production industrielle a chuté de 12 %, le taux de marge des entreprises touche à 28 % son plus bas historique. Le taux de chômage réel - si l'on intègre les Français recherchant un emploi ou qui ont renoncé à travailler - s'élève à 15 % de la population active. Le tout sur fond d'une dette publique qui atteindra 92 % du PIB, de dépenses culminant à 57 % du PIB, de recettes publiques qui dépasseront la moitié de la richesse nationale. Tout cela aboutit à une prolétarisation de la France et des Français, qui se traduit par une richesse par habitant sous la moyenne de l'Union européenne.
- Ces problèmes existaient déjà en 2012, dans une certaine mesure. Pourquoi sont-ils plus inquiétants en 2013 ?
- Parce qu'en 2013, la France sera le premier emprunteur mondial en euro, avec près de 200 milliards, dont 62 % au moins devront être levés auprès d'investisseurs internationaux. Dans le même temps, le déclin de l'appareil productif va s'accélérer du fait de sa prise en tenailles entre la compétitivité en termes de qualité de nos voisins du Nord et la compétitivité prix des pays du Sud. Les gains de productivité s'élèvent à 3 % par an en Italie et 8 % en Espagne du fait des réformes tandis qu'ils stagnent en France. Face à une montée en gamme interdite par une économie et une société bloquées, nos entreprises n'auront d'autres choix que de disparaître ou d'aller produire là où le travail est flexible et où les coûts ont diminué, c'est-à-dire dans le sud de l'Europe.
- Pourtant, les taux d'intérêt français restent toujours historiquement bas...
- Jusqu'à présent, la dette française a été protégée par trois remparts qui se fissurent. Le couple franco-allemand d'abord, essentiel pour les marchés, qui se désagrège avec la mise en scène des différends, faute majeure au plan économique comme au plan politique car la dégradation de la relation entre Paris et Berlin interdit toute sortie de crise durable de la zone euro et toute relance de l'intégration du continent. Ensuite, la diversion que représentait la crise italienne pourrait cesser si les Italiens confortent lors des élections du printemps 2013 les réformes mises en oeuvre par Mario Monti. De même, si l'Espagne arrête de tergiverser et demande l'aide de l'Europe pour restructurer ses banques, la France se trouvera en première ligne face aux marchés. Enfin, la stupéfiante tolérance des Français envers l'impôt est en passe d'atteindre ses limites sous la pression des 65 milliards de prélèvements supplémentaires appliqués depuis 2011 à une économie en croissance zéro.
- En 2013, la France cumulera donc la récession, l'aggravation du déficit commercial, l'explosion du chômage et l'incapacité à remplir l'objectif de 3 % du PIB pour le déficit public. Dans ces conditions, on ne peut exclure un choc sur la dette française qui serait dramatique pour notre pays mais aussi pour la zone euro, puisque l'ensemble des

mécanismes de solidarité qui reposent sur la double signature française et allemande se trouveraient remis en question.

- Quels sont les problèmes fondamentaux dont souffre la France ?
- Le coeur du problème français, c'est l'effondrement de l'appareil productif qui reste sous-estimé car il n'est pas limité à l'industrie mais touche l'ensemble des secteurs d'activité, y compris les services et l'agriculture. La compétitivité des entreprises, qui ont subi le choc monétaire du franc et de l'euro forts, le choc social des 35 heures, le choc économique de la récession, le choc financier de l'effondrement du crédit et, désormais, le choc fiscal, est laminée. Le modèle économique et social qui fait que la France consomme 10 % de plus que ce qu'elle produit en s'endettant à l'extérieur est caduc. Il explique l'installation d'un chômage permanent qui touche 10 % de la population et livre une partie croissante de la population à la paupérisation et à l'exclusion. La religion de la dépense publique conforte un modèle étatiste, corporatiste et protectionniste qui alimente le repli économique et la régression politique de la France. Voilà plus de vingt ans que nous nous ruinons en prenant, au nom de l'exception française, des décisions inverses à celles du monde développé et de nos voisins européens : loi des 35 heures, alourdissement continu du coût et de la réglementation du travail, euthanasie des entreprises, renforcement de la redistribution au détriment de la production, incitation à l'exil des cerveaux, des talents et des créateurs de richesses, emballement des impôts et refus de toute baisse des dépenses publiques. Comme en 1981, la France se coupe du monde développé et prend le contre-pied de l'Europe. Comme en 1983, elle va droit à l'intervention du FMI si elle ne corrige pas sa trajectoire. Avec un risque politique majeur tant la démagogie déchaînée qui a marqué la campagne présidentielle de 2012, à gauche comme à droite, n'a absolument pas préparé les Français aux efforts et aux réformes indispensables. En 2013, il n'y aura donc pas loin de la crise économique un risque de crise politique.
- Quelles sont les voies possibles pour résoudre tous ces problèmes ?
- La France présente toutes les caractéristiques de l'Europe du Sud, sans les réformes, mais avec les taux intérêt de l'Europe du Nord. Elle doit mettre à profit ce paradoxe miraculeux pour reconstituer les marges des entreprises en diminuant le coût du travail et du capital, pour redresser sa croissance potentielle qui est aujourd'hui nulle, pour libéraliser son marché du travail et pour baisser les dépenses publiques.
- Comment réduire la dépense publique ?
- Faire 60 milliards d'économie en cinq ans, c'est parfaitement possible. À deux conditions. Redéfinir les missions et les compétences de l'État, des collectivités territoriales et de la protection sociale. Basculer les dépenses improductives vers les usages productifs : l'investissement, la recherche et l'innovation. La seule suppression des 35 heures permettrait d'économiser 24 milliards d'allègements de charges auxquels s'ajoutent les près de 4 milliards de RTT dans la fonction publique. Les fonds affectés à la formation professionnelle (24 milliards d'euros) sont largement détournés tandis que la politique du logement mobilise de manière inefficace 4 % du PIB contre 1 % en Allemagne. De même, il faut revoir tant le cumul absurde entre RSA et prime pour l'emploi que les quelque 6 000 mesures d'aide aux entreprises. Sans oublier la rationalisation de la carte administrative et la baisse des concours aux collectivités. Réduire les dépenses n'est jamais facile. Mais de nombreux pays, du Canada à la Suède, ont réussi en dix ans à les diminuer de plus de 10 % du PIB sans compromettre ni la solidarité ni la cohésion nationale.

- Les Français y sont-ils prêts ?
- Pourquoi pas ? Les mentalités évoluent très vite sous la pression de la crise. Les Français sont désormais très inquiets de la hausse des impôts et de la dette publique. Ils ont pris conscience de l'importance de l'entreprise, vouée aux gémonies durant de longues années. Ils constatent les ravages de la crise financière dans les pays du sud de l'Europe et les effets positifs des réformes dans les pays du nord de l'Europe. La pression va monter autour de choix clairs : le redressement de la compétitivité ou l'envolée du chômage ; la baisse des revenus ou l'augmentation de la durée du travail ; le refus d'exploiter les ressources en gaz de schiste ou la poursuite de la désindustrialisation ; les impôts ou la croissance.
- Le gouvernement a-t-il pris les bonnes mesures ?
- Six mois seulement après son arrivée au pouvoir, la gauche a déjà intégré son échec économique, comme le prouve la multiplication des réformes sociétales - du mariage pour tous à l'euthanasie en passant par le vote des immigrés - afin de détourner l'attention de la récession et du chômage, de la paupérisation et de l'exclusion sociale, des déficits et de la dette publics. Le grand choix qui va émerger en 2013 est clair : la réforme volontaire pendant qu'il en est encore temps ; ou la réforme subie sous la pression croisée des marchés financiers, du FMI, de l'Union européenne et de l'Allemagne.
- PROPOS RECUEILLIS PAR Cyrille Lachèvre
- et Jacques-Olivier Martin POUR l'économiste et historien Nicolas Baverez, la France pourrait subir cette année un choc sur sa dette qui serait tout simplement catastrophique pour l'Europe. Après Jean d'Ormesson et Hubert Védrine, troisième des grands entretiens du Figaro consacrés aux perspectives d'avenir pour 2013.

## Europe shines bright under a dark sky

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[DILEMA VECHER](#) BUCHAREST



NASA

**Life in the European Union appears better than in many other parts of the world. Yet, this well-being is undermined by the euro crisis combined with a loss of confidence by citizens in their institutions. This trend will be one of the major issues in the upcoming EU ballot.**

[Ovidiu Nahoi](#)

It is very interesting to look at photos of Europe, taken at night via satellite. White, shiny splotches clearly indicate the most developed areas – the Benelux countries, the Paris area, the Ruhr region and the Rhine Valley. The Po River plain sparkles too as do Rome, its suburbs and the Gulf of Naples.

Great Britain, Madrid, Barcelona and the Portuguese coast are bathed in light. In central Europe, the brightest spot is Silesia. Prague can be seen as well as Budapest, Warsaw and Gdansk. Athens and Belgrade also shimmer. A belt of light lines the Bosphorus and fabulous Istanbul. In Romania, Bucharest – the most lit up zone – is linked to Ploiești [56km north] and further away, a pale line cuts through the Carpathian Mountains all the way to Brașov. Further east, there are a few white dots (Kiev, Minsk) all the way to Moscow, which is an island of white lost in the vastness of Russia.

The EU Parliament has decided to make this photo [the poster](#) for the [elections](#), scheduled for next spring, with the slogan "Act. React. Impact." A picture is worth a thousand words.

### Europe's glow dims

On the photo, hundreds of thousands of light spots trace the outline of the EU which is much more lit up, on the whole, than are eastern Europe or North Africa. Despite its problems the EU remains a better place than many others on Earth or so seem to imply those who designed the poster. Yet, upon closer inspection, the European glow tends to dim a bit.

**The euro crisis, austerity – and its inherent social problems – as well as questions on [the durability of the European social model](#) have weakened the credibility of all European institutions**

The euro crisis, austerity – and its inherent social problems – as well as questions on the durability of the European social model have weakened the credibility of all European institutions. In fact, they question the credibility of the European project as a whole.

According to [the latest Eurobarometer](#) published in July 2013, the number of Europeans who no longer trust the EU is higher than 60 per cent. That is double what it was in 2007, before the crisis began. In the June 2009 EU elections, the participation rate was barely over 43 per cent, much lower than the 60 to 70 per cent participation rate in national elections current in advanced democracies. Although the EU Parliament's powers were

reinforced under the provisions of the Lisbon Treaty, a lower participation rate than the one in 2009 would seriously question its legitimacy.

For the first time, EU citizens will have the opportunity to vote for a parliament which will have the chance to [vote on who becomes the next EU Commission President](#) for the next five years. The EU Council will propose a candidate for the post, in accordance with the results of the EU Parliamentary elections. Candidates for the EU presidency will thus have to seek support within member states, as do local politicians during national elections. This should [stimulate debate](#) and make citizens better aware of European issues.

### **European parliament is always involved**

But the European parliament has already been involved in crucial decisions for the citizens of the EU: the drive to rein in budgetary misconduct, the response to the sovereign debt crisis, the breaking of the link between both of these and public debt. And that is not to mention the role played by the European Parliament in the adoption of the EU budget. Parliament has also given a green light to the new [Common Agricultural Policy](#) and the future [governance of the Schengen Area](#).

### **The biggest challenge for the next mandate will depend on the orientation of the post-crisis EU parliament**

In recent years, European institutions have responded to certain political challenges posed by the misconduct of some member states with regard to standards of democracy and the rule of law. And on this point, [Hungary](#) and [Romania](#) have been on top of the list, even though the former state was the only one to become the subject of a resolution of the European Parliament. The biggest challenge for the next mandate will depend on the orientation of the post-crisis EU parliament. Will we have a more united European Union that is closer to a ["United States of Europe"](#)? Will we have a more or less integrated union of states? Or on the contrary will we see a dissolution of the Union? This amounts to a major challenge in our rather troubled times. **In reality, extremism is gaining ground** — and this not only a matter of growing support for "marginal" groups. Traditional parties are borrowing the language of extremists in a desperate attempt to stop a haemorrhage of votes. Some have succeeded to a certain extent, others have not. But one thing is certain: more national elections are won by campaigns that oppose the EU rather than those that support it.

### **Extremism in the dark places of nation states**

In [Austria](#), the "grand coalition" between socialists and Christian democrats succeeded in conserving a fragile majority in the wake of elections. But the Freedom Party (FPÖ), which was founded by Jörg Haider, was the only movement to register any gains (21.4 per cent — an increase of more than 3 per cent when compared with previous elections). And let's not forget this is Austria, a country that can take pride in the lowest rate of unemployment in the EU, and one which has survived the crisis without too much damage, precisely because of the enlargement of the EU!

And what about Greece? A country where [political crime](#) has emerged on the streets, and where the arrest of the leaders of the neo-fascist Golden Dawn party, has only served to boost the group's "popularity". In France, the launch of campaigns for municipal elections in March has demonstrated the eagerness with which the centre-right UMP and the Socialist Party will draw on the propaganda arsenal of the Front National.

The patches of light on the promotional poster for the European elections speak volumes, but the question is to what extent will the sombre political realities of the continent overshadow their message.

## Le charbon, bientôt première source d'énergie dans le monde

Combustible fossile le plus polluant, symbole du XIXe, le charbon supplantera le pétrole comme première source d'énergie dans le monde d'ici 2020. La raison: les besoins insatiables de la Chine et l'Inde.

Rien n'y fait. L'encre du dernier rapport de l'[ONU](#) sur le changement climatique qui a renforcé l'alerte sur l'augmentation des gaz à effet de serre est à peine sèche; les [énergies renouvelables](#) ont beau se développer sur les cinq continents, la deuxième décennie du XXIe siècle sera marquée par la suprématie du [charbon](#). Le plus polluant des combustibles fossiles devrait supplanter le pétrole d'ici 2020, selon une étude du cabinet Wood Mackenzie, présentée à l'occasion du Congrès mondial de l'[énergie](#) qui s'est ouvert ce lundi à Daegu en Corée du Sud.

L'information a de quoi étonner le public français, conditionné par la prédominance du [nucléaire](#) dans le bouquet électrique, mais plusieurs rapports, dont un de l'Agence internationale de l'énergie ([AIE](#)), [en décembre dernier](#), ont annoncé l'inexorable progression de la houille.

La Chine, premier consommateur mondial de charbon, explique largement l'avenir radieux de l'énergie phare du XIXe siècle. À lui seul, le marché chinois représentera deux tiers de la croissance globale de la demande de charbon dans les dix prochaines années. La moitié des nouvelles capacités de production d'électricité construites en Chine entre 2012 et 2020 auront recours au charbon, précise Wood Mackenzie. L'Inde n'est pas en reste.

### Le principal atout de la houille reste son prix

Les réserves sont toujours abondantes: elles représentent [130 ans](#) de consommation mondiale selon l'AIE. La production de l'Indonésie, de l'Afrique du Sud et de l'Australie, contribuera à augmenter de 20% les volumes produits d'ici 2020. Le principal atout de la houille reste son prix. Il est actuellement trois fois moins cher que le gaz naturel liquéfié (GNL, transporté par navires) et deux fois moins que le gaz en Europe. Aux États-Unis, l'essor du [gaz de schiste](#) depuis cinq ans a provoqué une baisse des prix du gaz naturel, lequel s'est substitué au charbon dans les centrales thermiques américaines. Résultat, des surplus de charbon américain, plus compétitif que le gaz russe, norvégien ou qatarien, se sont déversés sur le Vieux Continent.

Même si les industriels revendiquent construire des centrales au «charbon propre», l'AIE notait au printemps dernier que la moitié des installations achevées en 2011 employaient toujours des technologies inefficaces en terme de pollution.



# "Le fonctionnement des centrales nucléaires au-delà de quarante ans n'est pas acquis"

LE MONDE | 14.10.2013 à 17h14 • Mis à jour le 14.10.2013 à 17h37 | Propos recueillis par [Marie-Béatrice Baudet](#) et [Pierre Le Hir](#)

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Alors que des informations contradictoires circulent sur une possible prolongation à cinquante ans du parc des réacteurs français, Pierre-Franck Chevet, président de l'Autorité de sûreté nucléaire (ASN) rappelle fermement que l'Etat et EDF devront respecter les consignes de l'ASN, attendues au mieux pour 2015. Rien ne pourra donc être véritablement décidé auparavant.

## L'Etat peut-il, de son propre chef, autoriser le prolongement de la durée de vie des réacteurs nucléaires français au-delà de quarante ans ?

**Pierre-Franck Chevet** : En termes de sûreté, on n'en est pas là. La poursuite du fonctionnement des réacteurs au-delà de quarante ans n'est pas acquise. Nous sommes encore dans une phase de discussion technique avec l'exploitant, EDF, qui prendra quelques années. L'ASN prendra une première position sur ce sujet en 2015, sachant qu'un avis définitif demandera vraisemblablement davantage de temps.

## Donc, un feu vert de l'Etat, lors d'un prochain conseil de politiquenucléaire, n'est pas possible ?

Le rôle de l'Etat est de définir la politique énergétique du pays. Le mien est de garantir la sûreté nucléaire. Entre une décision de politique énergétique et une décision de sûreté, il doit y avoir indépendance.

## Votre décision primera-t-elle sur celle de l'Etat ?

Elle s'imposera en tout cas.

**Fin juin, pourtant, l'ASN a jugé que la démarche proposée par EDF, qui souhaite "étendre la durée de fonctionnement de l'ensemble des réacteurs nucléaires français significativement au-delà de quarante ans", était "globalement satisfaisante"...**

Nous avons dit que concernant la méthode de travail, nous étions en phase avec EDF. Mais nous avons aussi fixé des objectifs d'amélioration du niveau de sûreté et de maîtrise du vieillissement des réacteurs auxquels EDF devra satisfaire. En gros, nous avons défini le sommaire du dossier de prolongation que devra présenter l'exploitant. Nous attendons ce dossier et nous jugerons sur pièces.

**Lors de la conférence environnementale de septembre, Jean-Marc Ayrault a annoncé que le gouvernement mobilisera, au profit de la transition énergétique, "une partie des gains financiers perçus sur le parc nucléaire existant". Cela n'augure-t-il pas d'une volonté de l'Etat de pousser les centrales au-delà de quarante ans ?**

J'ai lu ce discours, je ne possède pas d'élément de décryptage particulier. Encore une fois, la prolongation des centrales après quarante ans n'est pas acquise pour ce qui est de la sûreté.

**Aviez-vous été consulté avant l'annonce de Jean-Marc Ayrault ?**

Non.

**Quelles sont les conditions qui permettraient une exploitation des réacteurs au-delà de quarante ans ?**

Nous avons dit, dès 2009, que l'objectif pour le "post-quarante ans" est de se serapprocher des standards applicables aux nouveaux réacteurs, avec une amélioration très nette de la sûreté. C'est pourquoi le rendez-vous des quarante ans est beaucoup plus exigeant que les révisions périodiques de la sûreté, qui ont lieu tous les dix ans.

**Comment les réacteurs actuels pourraient-ils atteindre les standards de sûreté du futur EPR de troisième génération ? N'est-ce pas une mission impossible ?**

Ce que nous demandons à EDF, c'est de se  rapprocher le plus possible des standards modernes. C'est tout l'enjeu du dossier de prolongation. Si EDF peut atteindre ces standards, très bien. Sinon, nous serons amenés à porter une appréciation. J'ajoute que le fait de considérer que la poursuite du fonctionnement au-delà de quarante ans doit se faire au regard des meilleurs standards de sûreté n'est pas une approche seulement française, mais européenne. Cette démarche prévaut aussi, au niveau européen, pour les sites industriels de type Seveso.

**Vous avez récemment expliqué que, compte tenu de la standardisation du parc nucléaire français – en cas d'incident sérieux sur un réacteur, plusieurs réacteurs devraient être arrêtés simultanément – il fallait anticiper le renouvellement des moyens de production d'énergie. N'est-ce pas contradictoire avec une prolongation de la durée de vie des centrales ?**

Dans les années 1980 à 1990, la France a mis en service jusqu'à 5 et 6 réacteurs par an. Donc, dans l'hypothèse où nous dirions "*non*" à la demande d'EDF de prolongation au-delà de quarante ans, ce sont entre 5 et 6 réacteurs par an qui, entre 2020 et 2030, sortiraient du système de production d'électricité. Quelles que soient les solutions qui seraient choisies pour faire face à ce déficit – économies d'énergie ou construction de nouveaux moyens de production, nucléaires ou non –, il faudra une dizaine d'années pour les déployer. Il est donc extrêmement urgent de prendre position en ayant en vue que la limite de durée de vie des réacteurs pourrait être de quarante ans.

**Selon vous, la décision devrait être prise dans la loi de transition énergétique qui doit être discutée fin 2014 ?**

Ce serait le bon timing.

**Henri Proglio, le PDG d'EDF, chiffre à 55 milliards d'euros le coût de la modernisation des 58 réacteurs français. Ce chiffre vous paraît-il réaliste ?**

C'est celui qu'annonce EDF pour les travaux prévus dans son plan actuel d'investissement. Cela ne préjuge pas de l'instruction du dossier de prolongation, qui pourrait poser des exigences aujourd'hui non prévues. Le dossier du "post-quarante ans" n'en est qu'à son commencement, il est donc impossible de donner un chiffrage définitif, et EDF ne peut pas certifier que l'investissement qu'il prévoit suffira.

**Prolonger la durée de vie des centrales n'est-il pas contradictoire avec l'annonce faite par François Hollande, lors de la conférence environnementale, de réduire de 50% la consommation d'énergie de la France à l'horizon 2050 ?**

C'est une vraie question de politique énergétique, mais elle n'est pas de mon ressort.

## Cantonale de Brignoles : "Le FN est maintenant surexposé"

Le Monde.fr | 14.10.2013 à 16h22 • Mis à jour le 14.10.2013 à 17h34 | Propos recueillis par [Philippe Euzen](#)

87,38

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L'historien, spécialiste de l'extrême droite, Nicolas Lebourg, analyse [les résultats de la cantonale de Brignoles](#). Il estime que cette élection est sur-interprétée et que le FN n'est pas encore un parti de second tour.

### **Comment analysez-vous les résultats de la cantonale de Brignoles et la victoire du candidat du Front national Laurent Lopez ?**

**Nicolas Lebourg** : C'était un résultat très attendu. Toutes les raisons étaient réunies pour que le Front national obtienne un bon résultat à Brignoles. Ce canton se situe dans une terre dans laquelle le Front national est extrêmement bien implanté. Et, il faut bien le reconnaître, ce résultat est aussi dû au talent de Marion Maréchal-Le Pen.

Mais c'est incroyable tout ce cirque que l'on observe autour de ces cantonales. On est déconnecté des réalités, on est en train de construire quelque chose de toute pièce. On est dans la prophétie auto-réalisatrice. Le FN est maintenant surexposé et devient "mainstream". Certains éditorialistes sur-interprètent ces résultats dans des analyses, qui peuvent par ailleurs être opposées. Elles sont fausses et font d'une élection cantonale partielle un bien de consommation de masse. Et lesondage IFOP qui donne le FN en tête des intentions de vote pour les européennes s'avère lui aussi être trompeur. Il pose de sérieux problèmes de méthodologie qui impliquent une sur-représentation du vote FN.

### **Ce résultat local est-il représentatif d'une dynamique nationale ?**

Une autre étude IFOP, qui étudie les électors FN du Sud-Est et du Nord-Est, montre la grande diversité des électeurs frontistes. Ces deux régions ont des spécificités qui se traduisent en termes d'électorat FN. Dans le Sud-Est, l'électorat plus bourgeois, plus conservateur, anti-fiscaliste. Marion Maréchal-Le Pen s'y adapte et construit son discours en réponse à leurs attentes. A l'inverse, dans le Nord-Est, le FN a un tout autre discours. La ligne est plus orientée sur les problématiques économiques et sociales, et contre l'Europe. La force de Marine Le Pen, c'est de réussir à faire l'arc entre les deux. Ni droite, ni gauche.

### **Le Front national est-il devenu un parti de second tour, capable demobiliser ses troupes et des électeurs d'autres partis ?**

Une chose est juste dans cette affirmation : il se passe quelque chose. Des électeurs de gauche peuvent voter FN car ils ont le sentiment que cela leur permettra de donner un signal fort pour critiquer le libéralisme économique. De l'autre côté, une partie de l'électorat de droite peut voter FN pour critiquer le libéralisme culturel (opposition au mariage pour tous...). Le FN pourra-t-il vraiment crystalliser tous ces conservatismes ? Si oui, alors le FN deviendra un parti de second tour. Mais ce n'est pour l'instant qu'une hypothèse.

October 14, 2013

## Far Right Wins a Local Election in France

By [DAN BILEFSKY](#)

87,40

PARIS — The far right National Front won a decisive victory in a local election in southeast France on Sunday, underlining how the party's tough talk on crime and illegal immigration is resonating with voters and dealing a blow to President François Hollande's governing Socialist Party.

According to the final results, the National Front candidate, Laurent Lopez, won 53.9 percent of the vote in Brignoles, a town near the Mediterranean port of Toulon, compared with 46.1 percent for Catherine Delzers, the candidate of the center-right Union for a Popular Movement, or U.M.P. The Socialists backed a Communist ally who failed to make it to the runoff. Even an eventual plea to leftist voters to support the U.M.P. failed to fend off a Front victory.

"This vote shows that the French have a wish for change, that we bring solutions for the questions the French are asking," Marine Le Pen, the National Front's leader, said on LCI television on Sunday.

Analysts said the vote, while in a relatively minor election, nevertheless represented a slap to Mr. Hollande and showed the potential for the National Front, rather than the U.M.P., to benefit from anger over the government's immigration and economic policies. Municipal elections in France are to be held in March, followed by European Parliament elections in May.

The Front's victory underscored the challenge Mr. Hollande's government faces from both the right and the left. There is disquiet on the left as Mr. Hollande faces the need to overhaul a large and expensive public sector while meeting the European Union's expectations of fiscal restraint. He is under pressure from his core voters, who want him to preserve the generous social benefits that the Socialist Party has long supported.

Writing in the center-right newspaper *Le Figaro* on Monday, Guillaume Tabard, a political commentator, said the Front's strong showing in the election was a sign that it was no longer just attracting protest voters but was becoming "normalized" as a mainstream party.

Recent polls show Mr. Hollande with the lowest approval rating of any French president in 20 years, amid stubborn unemployment hovering around 10 percent and a general feeling that his leadership lacks decisiveness. While Mr. Hollande won praise for his intervention in Mali to stop the advance of Islamist rebels, he was recently left isolated in his support for American military action in Syria when Britain and Germany opposed it. President Obama later reversed course and agreed to a Russian-brokered plan for Damascus to destroy its chemical weapons stockpiles.

Meanwhile, Ms. Le Pen has been seeking to give the Front an image makeover by distancing the party from the persistent perception among some French that it is racist and anti-Semitic. This month, she vowed to take legal action against anyone who characterized the party as "extreme right."

But attempts to recast the party have faced resistance. An editorial in *Le Monde* this month argued that the Front's rejection of French republican ideals of equality, its stigmatization of Muslim immigrants and its rebuke of the European Union made it a reactionary party. "The National Front is, today as yesterday, a movement of the extreme right," it said.

Frankreich

## Das Risiko der Sozialisten ist groß

14.10.2013 · Nach dem Sieg des Front National in der Nachwahl von Brignoles macht sich unter Frankreichs Sozialisten Nervosität breit. Denn über dem Wahlgewinn liegt die Vorahnung kommender Abstrafungen.

Von MICHAELA WIEGEL

Artikel [Lesermeinungen](#) (0)

87,41

Die Entscheidungsbefugnisse des Generalrates im Département Var, das von der Cote d'Azur bis in die Provence reicht, sind begrenzt. Deshalb könnte die französische Regierung gelassen auf den Sieg des Front National bei der Kantonalwahl in Brignoles reagieren. Die Mittelmeerregion zählte schon zu den Hochburgen der „alten“ rechtsextremen Partei unter Führung des politischen Haudegens Jean-Marie Le Pen. Mit der salonfähigen Marine Le Pen an der Spitze hat der Front National in diesem von hoher Kriminalitätsrate, Einwanderung und Arbeitslosigkeit betroffenen sonnigen Landstrich nur neuen Auftrieb erhalten. Dennoch macht sich Nervosität unter den regierenden Sozialisten breit. Denn über dem Ergebnis von Brignoles liegt die Vorahnung kommender Abstrafungen.

In knapp einem halben Jahr sind in ganz Frankreich Kommunalwahlen. Das Risiko für die Sozialisten ist groß, dass dann auch ihre magere Regierungsbilanz bewertet wird. Der Unmut der Franzosen über Steuererhöhungen, verpatzte Reformen und ausbleibenden Wirtschaftsaufschwung ist groß. Bei den Europawahlen droht der Regierungspartei eine noch größere Blamage. Umfragen geben dem Front National schon die Spitzenposition.

Marine Le Pen verleitete das zu der waghalsigen Behauptung, der FN sei „die erste Partei Frankreichs“. Unbestritten ist dabei, dass die Parteichefin von den Selbstaflösungserscheinungen bei der UMP profitiert. Der schwelende Bruderkrieg zwischen dem früheren Präsidenten Nicolas Sarkozy, dem früheren Premierminister François Fillon und dem früheren Fraktionsvorsitzenden Jean-François Copé kennt nur eine Gewinnerin: Marine Le Pen.

Der Aufstieg des Front National zu einer ernstzunehmenden rechtspopulistischen Kraft ist mit dem Niedergang der UMP eng verknüpft. 2007 gewann Nicolas Sarkozy die FN-Wähler für sich und bescherte der Partei das schlechteste Wahlergebnis seit ihrer Gründung. Jetzt aber schickt sich Marine Le Pen an, der UMP die Führungsrolle im rechten Parteienspektrum streitig zu machen. **Als Gefahr für die Republik sehen die meisten Franzosen die Partei nicht mehr. Lediglich vor Frau Le Pens Forderung nach einem Austritt aus der Euro-Zone schrecken sie zurück – aber wie lange noch?**

## One Europe, Many Europes

**The Continent must accept that there is a limit to unification.**

*OP-ED By CLEMENS WERGIN*

BERLIN — At the center of the Italian town of Siena sits the imposing Palazzo Pubblico, or city hall. Every year hundreds of thousands of visitors from around the world descend on this 13th-century building to see one of the most important nonreligious frescos in Europe: Ambrogio Lorenzetti's "The Allegory of Good and Bad Government."

Lorenzetti painted it in the 14th century, intending it as a message to the Sienese on the importance to society of a stable and wise government. Some 700 years later, it still holds a critical lesson: even in our Internet-driven age of plenty, bad governance can wreck a country.

In fact, globalization acts like a magnifying glass that exposes the weak spots in a society. Economic competition between individuals and nations has never been so strong, and investors' money has never been as elusive. That, in turn, means that a country that is governed badly will pay a higher price, and much faster, for its mistakes than in the past.

Nowhere is this message more important than in Europe, which is still reeling from the euro crisis. The European economy has been picking up, and many Europeans already believe that the worst is over.

But whoever thinks that this was the worst crisis the European project will ever encounter should think again. What Europe has gone through in recent years could be just the beginning of a long cycle of crisis. And unless it fixes its governance problems, it will do even worse in future crises.

On the campaign trail, Angela Merkel, the newly re-elected German chancellor, liked to sum up Europe's competitiveness challenge with a simple calculation: Europe today represents a mere 7 percent of the world's population, produces 25 percent of the world's G.D.P. and pays for 50 percent of its combined social welfare spending. Without drastic political action, that imbalance is going to get even worse.

The underlying problem is demographic. By 2015 there will be more people dying in Europe than being born. The median age will rise from 41.2 years today to 47.6 years in 2060. Some countries will age even faster: median age in Germany will reach 50 years in 2037.

Europe will look like an old folks' home with an ever-decreasing work force. People at or over the age of 65 — in other words, old enough to receive a pension — will account for 30 percent of the population in 2060. It is estimated that the number of working people available to finance the social-insurance programs for one retired European will decline from four today to two in 2060. Without reform, that means paying more and more for social welfare and less and less for education and infrastructure, making Europe increasingly uncompetitive.



Europe will also face external challenges. Across the Mediterranean, the Middle East is in turmoil, and is likely to stay that way for well over a decade. As we've seen in Egypt and Syria, an increasingly isolationist America is ever more reluctant to engage with this volatile region — a trend that will grow stronger as America becomes more energy independent. Without America on the scene, Europe may find itself having to step in diplomatically and militarily, putting strains on the Continent's fragile political unity.

Indeed, Europe has been taking a free ride on American military spending for decades, particularly since the end of the Cold War, when many Western European countries wanted to reap the "peace dividend" and spend less on the military and more on a lavish welfare system. In 2001 the United States accounted for 65 percent of NATO spending; today it covers almost three-quarters. The only European Union countries that in past decades retained an ambitious foreign and security policy and the will to shape world affairs have been France and Britain.

But with drastic British defense cuts and a Parliament that rebuffed Prime Minister David Cameron's request for action in Syria, Britain might become what Germany already is: a country that in matters of global security talks the talk without walking the walk. With France as last man standing, foreign-policy-wise, it is questionable whether Europe can muster the will and military might to take over America's role in the Middle East.

All of this might sound rather gloomy. But what is true for the United States is also true for Europe: decline is a choice; it is not inevitable.

When Lorenzetti painted his fresco, Italy was home to a number of proud and rich city-states that regulated their own affairs, elected their leaders and believed that man was, while occasionally subject to the whims of "fortuna," also able to shape his own destiny, and that of his community, by his own will.

So what does it take to lead Europe away from decline?

For Lorenzetti, the answer was rather simple: the quality and character of the rulers people chose and of the institutions they erected. In his allegory of good governance, Siena is flanked by the virtues of Peace, Fortitude, Prudence, Magnanimity, Temperance and Justice. Bad governance is embodied by Cruelty, Deceit, Fraud, Fury, Division, War, Avarice, Pride and Vainglory. Put differently, the future of Europe depends on how Europe decides to govern itself.

One option popular with political elites is: a more centralized Europe means a better Europe.

But that is the wrong answer, for two reasons. For one thing, it won't happen; European citizens don't want it. But more important, it won't work.

Multilateral institutions are a wonderful place to discuss problems, pool knowledge, align positions and keep in constant contact to solve conflicts by talking instead of shooting. But they are terrible when it comes to getting things done.

In fact, they are an invitation to collective irresponsibility: politicians who have to respond to their respective constituencies back home always hope that somebody else will do the

heavy lifting, foot the bill and make unpleasant decisions. We have seen this clearly during the euro crisis. Too often “Europe” or “the Germans” have been a handy scapegoat for the elites in the crisis countries to deflect the anger of their electorate over corrupt and incompetent leaders.

The talk of eurobonds, financial instruments backed by the entire euro zone, serves a similar objective. It embodies the hope that the bill for bad governance of some countries will be paid by others.

So while the European Union should maintain what it achieved so far, “more Europe” is not the way to improve the Continent’s competitiveness and its foreign policy posture. For the foreseeable future, the nation-state will remain the place of democratic decision making.

Sadly, there is no silver bullet to change Europe’s trajectory of decline. A few problems are common to most Western societies, like aging, but most are specific to each nation and necessitate individual national responses.

Europe as a whole will improve only if every single European nation improves its game in many different areas.

The Greeks have to build a lean and functioning bureaucracy.

The Spanish have to sort out the triangle of corruption that links politics, big construction firms and regional banks.

The Italians have to stop voting for populist politicians like Silvio Berlusconi and a political class that is constantly spinning around itself instead of solving the problems of the country.

The French have to stop pretending that they can keep retiring at the age of 62 and still maintain bloated public services.

And the Germans should stop fooling themselves that shutting down their nuclear power plants, and the resulting skyrocketing energy prices, are not going to hurt industry and the economy. Germany also has to realize that its allies are fed up with its reliance on the ghosts of the Nazi past as an excuse to stay out of foreign engagements.

Only when European countries start taking a hard look at themselves, when public debate gets serious about the consequences of aging societies, and when courageous politicians start making hard decisions will Europe have a chance to remain prosperous, secure and an important player in world affairs.

And only if every nation will work on its weaknesses will the European Union be able to pool its members’ strengths for greater impact on the global stage. Europe will have to reform locally in order to be able to act globally.

Europe can do it, because it still has many advantages. It has a stable political environment and cohesive societies. Europeans are well educated, and in many areas their companies, big and small, are tremendously inventive and responsive to the challenges of globalization.



The era of Italian city-states, the world of Lorenzetti's famous fresco, was the breeding ground of the Italian and European Renaissance, which spearheaded almost 500 years of Western dominance in world affairs. Europeans will have to regain some of the can-do spirit of Lorenzetti's time, when Europe was young and full of promise. We will have to reconfirm the will to be active shapers of our own destiny. Otherwise, we will have to endure a destiny chosen for us by others.

*Clemens Wergin, the foreign editor of the German newspaper group Die Welt and the author of the blog Flatworld, is a contributing opinion writer.*

## Election victory for the Front National

The far-right Front National has won the [local by-elections](#) in the town of Brignoles in southern France. The party's candidate Laurent Lopez beat his rival from the conservative UMP in the [run-off vote](#) on Sunday. Now the mainstream parties must stop the [rise](#) of the Front National, commentators urge, warning that with the crisis Europe's right-wing populists could take over the centre.

Der Tagesspiegel - Germany

### Adroit right-wing populists exploit euro crisis

The right-wing populists in Europe have renewed themselves and are successfully exploiting the euro crisis for their own ends, the liberal daily Tagesspiegel concludes: "The European elections take place in May 2014 and you don't have to be a prophet to predict that there will be one big winner: right-wing populism. Several factors point to this: the success of the [FPÖ](#) in Austria, the rise of the anti-EU [Ukip](#) party in the UK and also to a certain extent the hopes that the German party '[Alternative für Deutschland](#)', which only just failed to get into the Bundestag, associates with this vote. ... Modern right-wing populism has become more flexible, overcome a certain cultural guilelessness, and is making use of modern media and methods. So in this light the fact that the Front National is more successful under the more moderate leadership of Le Pen's daughter Marine than under her rustic and reactionary father Jean-Marie is hardly surprising. **But above all the criticism of the mistakes in the construction of the euro and the EU have provided populism with a vehicle that has given it access to the social centre.**" (15/10/2013)

To Ethnos - Greece

### Angela Merkel gives Marine Le Pen a boost

Marine Le Pen and the Front National have among other things Germany's [defamation of France](#) to thank for their success, the left-liberal daily To Ethnos comments: "Everything points to Berlin seeing France as a country of the South that is just as much of a problem case as Italy or Spain. Never before has Paris suffered such a humiliation. ... Le Pen's message is therefore clear: we're not talking about European integration but about a German Europe that for the French equates to national humiliation, social pressure and open borders that facilitate illegal immigration. Le Pen's recent success in the polls is a result of Merkel's policies. The only answer to this problematic trend is for the ruling Socialists and the moderate right-wing opposition to isolate Le Pen. However at present this seems impossible." (14/10/2013)

L'Express - France

### FN programme would be disastrous for France

The programme of the Front National would be a disaster for France, **Jacques Attali** warns in his blog with the news magazine L'Express:

"Exiting the Eurozone would bring about a collapse in the value of the currency, a huge increase in the debt burden and higher import prices. At the same time stopping immigration would destroy numerous industries and services. In order to be effective, **both policies presuppose sealing off our borders, which would immediately lead to a higher rate of departures, an end to exports, a rise in the cost of living and an explosion in unemployment levels.** And they would quickly put democracy itself in question. These are the issues that must be hashed out with the **extremists in a thoroughgoing debate on the viability of their programme.** Only with [daring reforms](#) can their rise to power be thwarted." (14/10/2013)

Financial Times - United Kingdom

### The Front National can still be stopped

Marine Le Pen's party can be stopped if the Conservatives and Socialists put up a joint fight against it, the conservative daily Financial Times writes: "The majority of French people have little truck with Ms Le Pen's fiery message. However, **the mainstream parties** cannot rely solely on innate moderation. They must forswear deals with the FN, or trying to outbid it with [populist gestures](#). This would merely legitimise Ms Le Pen. They **must be honest about the challenges facing France, and the need to embrace globalisation. Their failure to do so is one of the reasons there is so little faith in their leadership.** Ms Le Pen is not unstoppable. **But to halt her the mainstream must cease squabbling and articulate a shared vision for France.**" (14/10/2013)

October 15, 2013

## Europe's Populist Backlash

By [THE EDITORIAL BOARD](#)

87,47

The politics of populist anger are on the march across Europe, fueled by austerity, recession and the inability of mainstream politicians to revive growth.

In Greece, the main problem is Golden Dawn, whose violent neo-Nazi thugs have finally provoked a belated government crackdown. In France, it is the anti-immigrant, anti-Europe, National Front, whose clear victory in a local council race on [Sunday](#) sent shock waves through both mainstream parties. And in Italy, it is the anti-politics Five Star Movement, which feeds on popular resentment of an out-of-touch political class, austerity directives from Berlin and Brussels, and increased migration of refugees from North Africa and the Middle East.

Prime Minister Enrico Letta of Italy, who is scheduled to meet with President Obama in Washington on Thursday, [warned](#) this week of the danger that rising populism poses to political and economic stability across Europe, especially given the likelihood of strong populist gains in next spring's European Parliament elections. But it will take more than warnings to turn back this tide. Mainstream governments like Mr. Letta's must convince voters that they can do more than administer the austerity demanded by Germany and can deliver the economic relief demanded by their citizens.

Mr. Letta, in office since April, has, until now, been constrained by his need to avoid offending former Prime Minister Silvio Berlusconi, who controlled enough votes to bring down the government. But after winning a parliamentary showdown with Mr. Berlusconi this month, Mr. Letta is freer to act on needed reforms.

Mr. Berlusconi, a defendant in multiple court cases, pressed to weaken the powers of judges and prosecutors. Those powers need to be strengthened to assure swifter, surer justice. As an autocratic political boss, Mr. Berlusconi resisted democratizing the way candidates are chosen, and changing the way seats are allocated to make parliamentary deadlock less likely. With him out of the picture, it is more likely that center-right politicians will be more willing to negotiate over these issues.

On others, like moving from centralized national wage bargaining to more flexible, localized arrangements, the opposition comes from within Mr. Letta's own Democratic Party. Mr. Letta needs to pressure his party to act more responsibly on this and other pro-growth reforms that union leaders in its ranks resist.

The most effective way to reduce populist anger before it further corrodes European unity would be to loosen the constraints of fiscal austerity that European Union governments have agreed to at Germany's behest. That austerity has brought on double-digit unemployment rates across most of Europe (and more than 25 percent in Greece and Spain), which have darkened the prospects for the younger generation. Unless Mr. Letta and other European leaders can reverse this disastrous trajectory, political disillusionment will mount and destructive populist movements could emerge the only real winners.

October 14, 2013

## Minor Victory by Far-Right Party Has France Asking if Bigger Changes Are Ahead

By [ALISSA J. RUBIN](#)

87,48

PARIS — The triumph by the far-right National Front party in a minor election in the south of France has created headlines across the country and prompted politicians and political analysts to take a hard look at the landscape, a little more than a year after the election of a socialist president, François Hollande.

The decisive victory on Sunday in Brignoles, a small city in the Var district, by the National Front candidate appeared to be more of a defeat for the two more centrist parties — the Socialists led by Mr. Hollande and the conservative Union for a Popular Movement party, or UMP — than a reflection of deepening support for the far right, analysts said.

Still, the National Front was energized by the victory, and the party's leader, Marine Le Pen, said it was preparing candidates to compete in many of the elections that will be held next spring.

“This vote shows that the French have a wish for change, that we bring solutions for the questions the French are asking,” Ms. Le Pen said on television.

Mr. Hollande said that the best way to respond to Sunday's results was to demonstrate that his socialist policies were working. “The only answer is to obtain results on jobs, on growth, on security and on solidarity,” he said while on an official visit to South Africa. “It is an obligation for us to obtain results.”

Political analysts were cautious about the impact of the vote.

The ballot was a special election for one of the general counselors in Var, a district in the Provence-Alpes-Côte d'Azur region. France is made up of regions that are subdivided into districts and cities.

Brignoles, with about 20,000 registered voters, has significant unemployment, and the National Front has enjoyed a strong showing in several nearby cities in the last two decades. So its success in this race came as no great surprise, politicians and analysts said.

“This is not the discovery of America,” said Pascal Perrineau, director of the Center for Political Research at the Institut d'Études Politiques de Paris.

Still, the result and a recent poll suggest that Ms. Le Pen, who has been trying to move the party away from its image as racist and anti-Semitic and focus more on anti-crime and anti-immigration themes, may be gaining a wider following.

In [a poll](#) conducted this month by the French Institute of Public Opinion for *Le Nouvel Observateur*, a weekly magazine, 24 percent of respondents said they would vote for the

National Front in the European elections, more than any other party. Those elections will be held next May.

The National Front's share of the vote in national elections has been growing, but is still far below that of the Socialists and the UMP. In the 2012 presidential elections the National Front took just under 18 percent of the vote in the first round, an increase from 2007 when it won 10.4 percent.

In the Brignoles election, the National Front won by a far larger percentage, but tellingly with almost the same number of votes — 2,728 — that it had received in the last two elections. The difference was that socialist and conservative voters did not bother to cast ballots.

Over all, only a third of registered voters voted.

The reason for the abstentions, said Jean-Yves Camus, a political analyst, is that “the left is doing poorly at mobilizing its voters, who can't understand the government's policies, and they are not yet seeing the effects of those policies.”

“There's a sort of wait-and-see attitude as well as disappointment” on the part of left-leaning voters, he said.

Mr. Camus also said the conservatives were not expressing a clear message.

In Brignoles, that meant that barely 7,000 people voted in the first round. In the second round, the only candidates still in the race were from the conservative UMP party and the National Front, and so few left-leaning voters turned out.

Looking more broadly, Mr. Perrineau said, the outcome mirrors the politics of the far right across Europe and the way the movement has benefited from the vaguely articulated positions of more centrist parties.

“These are people who are the losers in modernization,” said Mr. Perrineau, referring to manufacturing workers made jobless by relocations overseas and demands for more technical skills.

**“And there's a rising feeling of, at best, Euro-skepticism and, at worst, Euro-phobia,”** he said, referring to doubts about the promised benefits from the European Union's economic integration.

“We're getting closer to the European elections,” Mr. Perrineau said, “and we can see better how those forces can capitalize better than others on this kind of sentiment in Europe.”

*Maïa de la Baume contributed reporting.*

October 15, 2013

## **E.U. Takes Final Step on Unified Bank Regulation**

By *JAMES KANTER*

87,50

LUXEMBOURG — The European Union on Tuesday took another step to shore up its battered banking sector after Britain agreed to new rules placing many of the largest lenders in the euro area under the supervision of the European Central Bank.

The British decision, which was announced at a monthly meeting of the bloc's finance ministers here, clears the way for the E.C.B. to take over as the single supervisor late next year.

Britain is not a member of the euro zone and its banks will not fall under the control of the central bank, which is expected to have direct oversight of about 130 of the largest financial institutions in countries using the single currency by the end of 2014. Even so, Britain held out for further assurances that its huge financial sector, based in the City of London, would not be adversely affected by the new system.

Ministers briefly applauded after Rimantas Sadzius, the finance minister of Lithuania, the country that is currently running the group's meetings, said a final decision had been reached on "establishing one of the main elements of Europe's banking union." Mr. Sadzius was referring to the package of measures aimed curbing the exposure of euro zone countries to failing banks, which has resulted in bailouts in countries like Ireland and exacerbated the European debt crisis.

But Europe is still a long way from reaching this goal. At their meeting on Tuesday, ministers were still divided on whether to create a single body that would decide when to shut down, or save, failing banks, and whether some of the costs should be shared among euro area countries.

Britain's assent is the final hurdle for the supervisory legislation, which will go into force once it is published in the bloc's official register. The idea is that the central bank will be able to detect problems more rapidly than individual national supervisors. That should help bring issues to light early and avoid the kind of debt crises that have led to a five-year economic slump, driven unemployment to record highs and undermined the single currency.

Compared with their past meetings, the ministers had no immediate crises to address. Amid an atmosphere of relative calm, some European officials could not resist a bit of gloating about how the United States was flirting with a default, the repercussions of which could upset Europe's weak economic recovery, after browbeating the Europeans about economic mismanagement for so many years.

There needed to be a "victory for responsibility in Washington in order not to inflict serious damage on the world economy and jeopardize the nascent recovery under way now in Europe," Olli Rehn, the European Union commissioner for economic and financial affairs,

said at a news conference on Monday after an earlier meeting of finance ministers from the 17 euro zone members.

“One can say that it is high time for U.S. politicians to go Dutch,” Mr. Rehn said, referring to a contentious budget agreement reached Friday in the Netherlands.

At the talks Tuesday in Luxembourg, ministers focused on putting together a deal by December that would outline procedures to be used for dealing with failing banks. Ministers also need to agree on a financial safety net that could be tapped until a formal bank crisis fund, which would rely on contributions from financial institutions themselves, is established.

The need for a temporary solution has been growing more acute as the central bank prepares to put the system through a series of health checks. European officials want the next round of stress tests to be extraordinarily tough, after previous reviews failed to restore confidence because they were not stringent enough to expose the most troubled institutions.

“Clearly the national supervisors had an incentive to hide the problems from the financial markets,” Mr. Rehn told a news conference on Tuesday. Under the future system, the central bank will not want to supervise “banks with excessively impaired assets,” and so “there is a very strong incentive for Mario Draghi and his colleagues to ensure that this asset quality review and stress tests will be conducted effectively and nothing will be hidden,” said Mr. Rehn, referring to the president of the central bank.

Some of the sickest financial institutions are concentrated in troubled countries like Spain, Portugal and Italy, though France and Germany may also have banks with deep problems. But tough checks, including a thorough review of bank portfolios, could destabilize markets if done without a pot of money available to save, or wind up, problematic institutions.

There is agreement among the ministers that shareholders and junior bondholders should take losses first in the event of bank crises next year before any public money is used. But even that may prove insufficient to cover the costs of a bank failure, which could once again leave governments on the hook and lead to taxpayer-financed bailouts.

That, in turn, touches on recurrent tension among euro zone members. Germany and a number of other Northern European countries do not want to face giant bills to patch up rickety lenders in less prosperous parts of the euro zone. They are particularly concerned about allowing countries to pass off their banking problems to the European Stability Mechanism, the bloc’s bailout fund.

The issue comes at a particularly sensitive time for Germany, where Chancellor Angela Merkel is trying to form a new coalition government after her party’s recent victory in national elections. That point was underlined on Tuesday by Finance Minister Wolfgang Schäuble, who flatly ruled out any direct access to the bloc’s bailout fund any time soon.

“The retroactive bank recapitalization is not probable for the time being,” Mr. Schäuble told reporters. “In Germany, we need a change of German legislation.”

Earlier in the day, Mr. Schaeuble warned ministers that they might have to agree to make senior bondholders take losses before allowing banks direct access to the bailout fund because lawmakers in Germany would demand such a concession, according to people with direct knowledge of the discussions who spoke on condition of anonymity because the session was meant to be private.

That, however, would be difficult for many ministers to accept because it probably would raise borrowing costs for banks, particularly in countries that already have shaky economies.



October 14, 2013

## Cracking the Energy Puzzles of the 21st Century

By STANLEY REED

87,53

Not long ago, [Chevron](#)'s exploration teams were stuck. Several years earlier they had struck [oil](#) at a place called Rosebank, 9,000 feet below the surface of the Atlantic Ocean west of Britain's Shetland Islands. But the usual seismic surveys could not make out the location of the field clearly enough for Chevron to decide where to place wells, which can cost \$100 million or more apiece.

So the teams placed 750 sensors on the sea bottom for a close-up scan, then crunched the huge reams of data with a supercomputer. "It was like putting on the right pair of glasses," said Steve Garrett, the head of Chevron's European technology center in Aberdeen, Scotland.

That is just one example of how the energy industry is transforming more rapidly than ever, driven by technology, changing economic conditions and shifts in political power. The changes are reordering both the ways of doing business and the global balance of power in energy.

"Expect the unexpected," said Robert N. Stavins, the director of the environmental economics program at Harvard, noting that, among other things, "technological change will be quick, and political change is happening much faster than before."

High oil prices, especially the spike to more than \$145 a barrel five years ago, unleashed investment and led to the discovery of new supplies, while technological advances and conservation efforts are likely to ripple through the energy world for decades to come.

Some of the rapid changes are taking place within the existing order and others outside it, with winners and losers around the globe on many fronts.

Forecasters warned for decades that fossil-fuel production was peaking and that alternate energy sources would increasingly be relied upon. But energy companies have repeatedly defied those predictions by developing new technologies — like Chevron's deep-sea exploration techniques and the rise of fracking as a means of extracting [natural gas](#). And world coal consumption has been growing strongly, especially in Asia, and is now roughly tied with oil as the world's leading fuel.

No doubt, the use of wind, solar and [hydroelectric](#) power and other less-polluting renewable energy sources will continue to grow, as concerns about global warming increase.

Hydroelectric dams are still the largest renewable source, though hydropower is expected to grow more slowly than wind and solar. Research into waves and tidal energy is extensive, notably at the European Marine Energy Center in the Orkney Islands north of the Scottish mainland, though output from such technology at present is not significant.

Nuclear power presents a more uneven picture. Germany is planning to shut all its nuclear power plants by 2022, in the wake of the Fukushima disaster in Japan, which also dealt a

heavy blow to the Japanese nuclear industry. Britain is negotiating with a French company to build a plant in England. France is still building and exporting nuclear power stations, and China, South Korea and even the United Arab Emirates are all embracing nuclear energy.

While Germany has shown that a major industrial economy can find the political will to begin a wholesale shift away from nuclear power and carbon-based fuels, renewable energies are still plagued by high costs.

Not so natural gas. Its consumption is forecast to grow faster than that of oil, and along with the availability of renewable energy, will make energy supplies more diverse and more geographically distributed, which might sooth fears of shortage and disruption. “A lot more countries have access to a decent slice of energy supply,” said David L. Goldwyn, who served as the U.S. State Department’s coordinator for international energy affairs in the first Obama administration. “That is a shift in power.”

The winners in future energy are likely to be companies and countries that are open to risk-taking, innovation and experimentation, rather than just those blessed with huge pools of oil and gas. The United States looms large, with small and midsize companies extracting huge quantities of natural gas and, more recently, what is known as tight oil from seemingly impermeable shale rock.

In fact, small and flexible may be one model for the new age. In nuclear energy, for example, engineers are working on miniaturized power plants. Gen4 Energy, based in Denver, is developing what it calls “small, transportable power sources” that might be used in remote locations, either for commercial operations like mining or to power residential communities on islands and other isolated places. Enel Green Power, a subsidiary of the Italian energy group Enel, builds [wind farms](#) on contract for private companies in developing countries, including Mexico, where it is better to have your own power source.

The behemoths of today — the Organization of the Petroleum Exporting Countries, Russia, and even some major oil companies — could be losers if they do not adapt. “People underestimated the U.S. and overestimated countries like Iraq,” said Majid Jafar, the chief executive of Crescent Petroleum, an oil company based in the United Arab Emirates with production in Iraqi Kurdistan. “It is more about the investment climate than what is in the ground.”

In the years ahead, [OPEC](#), whose member nations have about 70 percent of the world’s proven oil reserves, may face falling market share and a loss of clout. “Over time, the OPEC countries will become more marginal players in the global market,” Mr. Goldwyn said.

Relatively recent discoveries of oil and gas fields in the South China Sea, the eastern Mediterranean and off the coasts of Africa and South America will extend the supply and spread the wealth.

Certainly, compared with OPEC’s current dominant market share, the United States has no clear advantage in shale resources, which are widely distributed throughout the world.

Russia, for instance, has huge shale formations that dwarf those in the United States. Its government is beginning to change its tax system so as to encourage exploiting these resources.

Russia needs to “loosen up” and allow a little bit of trial and error, said Christof Rühl, the chief economist of BP.

At the same time, slack demand from Europe and low natural gas prices in the United States are threatening Russia’s gas revenue. This particularly hurts because Russia resembles an OPEC country, in that prices and natural resource production matter greatly to its economy.

China, the world’s largest energy consumer, is much more complicated — and hugely influential. “Anything which China needs translates into additional demand, pushing up commodities prices,” said Neil Beveridge, an analyst in Hong Kong for Sanford C. Bernstein, a research firm.

China is also the biggest carbon emitter, drawing about two-thirds of its energy from coal. This has created pressure for it to turn more to wind, solar and nuclear power. Emerging markets, particularly in Asia, are expected to account for most future energy growth.

As in many other industries, China has followed an export strategy in energy. In addition to the China General Nuclear Power Group’s discussions with Britain, China made about 70 percent of the world’s photovoltaic solar panels last year, leading to friction with the European Union, which is investigating whether China is selling at subsidized low prices in order to increase market share.

Vehicle fuel is also a mixed picture. While [electric cars](#) are becoming commonplace and an increasing number of buses and trucks are using natural gas, cars powered by gasoline or diesel are not going to be swept aside anytime soon. Indeed, advances in diesel technology that make it cleaner and more fuel efficient may strengthen fossil fuel’s base in the automotive industry.

Most forecasters predict that fossil fuels will dominate the energy picture for at least the next couple of decades. With prices high, the oil industry has raised investment in exploration: According to BP, proven oil reserves rose 26 percent over the last decade, and gas reserves increased 21 percent.

Prices of \$100 a barrel make it worthwhile to hunt for oil in deeper waters around the world and to try to squeeze more out of old fields, where large amounts of additional oil can often be recovered with more modern technologies.

“The era of easy oil is over,” said David Highton, an analyst at the oil research firm Wood Mackenzie in Edinburgh. “But the industry will always push the boundaries of technology to develop ever more complex resources.”

The ingenuity of the industry can be seen in the United States, which until recently was thought to be facing inexorable declines of its oil and gas, and ever-increasing imports. But now the United States is producing oil at levels not seen for a generation and is on the verge of becoming a natural gas exporter.

The implications of that turnaround are just beginning to be felt. The production boom is likely to help the United States retain its position as an economic superpower, and rising output should help cut the trade deficit.

John Surma, the executive chairman of the Pittsburgh-based U.S. Steel, said the energy to produce a ton of steel cost three times as much at his company's plant in Slovakia as it did in the United States. Shale gas, he said, "is one of the best things to happen to the U.S. from a cost standpoint for quite some time."

The United States also has an abundance of service contractors ready to drill wells and hydraulically fracture them on quick notice, and it has an extensive gas pipeline network for distribution. "One of the supreme advantages the U.S. has in shale is the infrastructure to distribute gas anywhere in the country," said Andrew Gould, the chairman of BG Group, a large British gas producer.

Mr. Gould said Europe was burdened by a one-directional gas system designed to handle imports from Russia. As in the case of mobile phones, developing countries setting up new grids might have an advantage, he said.

In Western Europe, however, only the British government has come out strongly in favor of fracking, and environmentalists are hobbling the effort before it even starts.

To the east, where the urge to break the hold of Russian gas runs stronger, Poland, Ukraine, Lithuania and others are more receptive to exploration.

The shale boom in the United States could also prompt a reassessment of the renewable energy business. Partly by shifting to natural gas from coal and oil, the United States cut emissions about 12 percent between 2007 and 2012, according to the Energy Information Administration, a federal agency. Investment in wind and [solar power](#) has been falling, after reaching a global peak of about \$240 billion in 2011, according to Bloomberg New Energy Finance.

"This is clearly the natural gas century," said Edward Morse, the head of commodities research at Citigroup in New York. Mr. Morse said that having gas resources, as many countries do, "frees an economy from worrying not only about security of supply but volatility of price."

October 15, 2013

## Sorry, Kids. We Ate It All.

By [THOMAS L. FRIEDMAN](#)

87,57

Eventually this shutdown crisis will end. And eventually the two parties will make another stab at a deal on taxes, investments and entitlements. But there's one outcome from such negotiations that I can absolutely guarantee: Seniors, Wall Street and unions will all have their say and their interests protected. So the most likely result will be more tinkering around the edges, as our politicians run for the hills the minute someone accuses them of "fixing the deficit on the backs of the elderly" or creating "death panels" to sensibly allocate end-of-life health care. Could this time be different? Short of an economic meltdown, there is only one thing that might produce meaningful change: a mass movement for tax, spending and entitlement reform led by the cohort that is the least organized but will be the most affected if we don't think long term — today's young people.

Whether they realize it or not, they're the ones who will really get hit by all the cans we're kicking down the road. After we baby boomers get done retiring — at a rate of 7,000 to 11,000 a day — if current taxes and entitlement promises are not reformed, the cupboard will be largely bare for today's Facebook generation. But what are the chances of them getting out of Facebook and into their parents' faces — and demanding not only that the wealthy do their part but that the next generation as a whole leaves something for this one? Too bad young people aren't paying attention. Or are they?

Wait! Who is that speaking to crowds of students at Berkeley, Stanford, Brown, U.S.C., Bowdoin, Notre Dame and N.Y.U. — urging these "future seniors" to start a movement to protect their interests? That's Stan Druckenmiller, the legendary investor who made a fortune predicting the subprime bust, often accompanied by Geoffrey Canada, the president of the Harlem Children's Zone, of which Druckenmiller is the biggest funder. What are they doing on a Mick Jagger-like college tour where they don't sing, don't dance, and just go through a set of charts showing young people how badly they'll be hammered if our current taxes, growth rates, defense spending and entitlements stay where they are?

"My generation — we brought down the president in the '60s because we didn't want to go into the war against Vietnam," Druckenmiller told an overflow crowd at Notre Dame last week. "People say young people don't vote; young people don't care. I'm hoping after tonight, you will care. There is a clear danger to you and your children."

Whenever Druckenmiller (a friend) is challenged by seniors, who also come to his talks, that he is trying to start an intergenerational war, he has a standard reply: "No, that war already happened, and the kids lost. We're just trying to recover some scraps for them."

With graph after graph, they show how government spending, investments, entitlements and poverty alleviation have overwhelmingly benefited the elderly since the 1960s and how the situation will only get worse as our over-65 population soars 100 percent between now and 2050, while the working population that will have to support them — ages 18 to 64 — will grow by 17 percent. This imbalance will lead to a huge burden on the young and, without greater growth, necessitate cutting the very government investments in infrastructure, Head

Start, and medical and technology research that help the poorest and also create the jobs of the future.

Druckenmiller is not looking to get his taxes cut. He considers Social Security and Medicare great achievements for how they've reduced poverty among the elderly. He and Canada are simply convinced that only a Vietnam-war-scale movement by the young can break through the web of special interests to force politicians to put in place the reforms that would actually secure both today's seniors and future seniors, today's middle class and the wanna-be middle class. (Watch their N.Y.U. presentation: <http://www.youtube.com/watch?v=fbgIiAnpcPc>).

Druckenmiller urges young people to design their own solutions, but, when asked, he recommends: raising taxes on capital gains, dividends and carried interest — now hugely weighted to the wealthy and elderly — to make them equal to earned income taxes; making all consumers more price sensitive when obtaining health care; means-testing Social Security and Medicare so they go to those most in need; phasing in higher age qualifications for entitlements and cutting corporate taxes to zero, so the people who actually create jobs will have more resources to do so.

At the Harlem Children's Zone, explains Canada, "we have made a promise to all of our children: you play by the rules, do well in school, avoid drugs, gangs, crime and teenage pregnancy, and we will get you into college and on your way down the path of the middle class" and toward a future of financial security. But, he adds, "the current spending on my generation — I'm 61 — if it continues unabated, will erase any chance my children will have the safety net of social, education and health services they will need. It seems deeply offensive to me that we will be asking these poor children from Harlem to subsidize a generation that is, by and large, more well-off than they are, and then leave them deeply indebted in an America that had eaten the seed corn of the next generation."



## **Austerity and hope in Ireland**

The Irish government presented the budget for 2014 on Tuesday - the seventh austerity budget in a row. Prime Minister Enda Kenny stressed that the top priority was to create jobs and exit the [bailout programme](#). Ireland's success is proof that the stringent austerity policy is the right approach, some commentators say. Others warn that the weakest sections of society will be hardest hit by the cuts.

Irish Examiner - Ireland

### **An attack on the weakest**

The government in Dublin shouldn't try to tell the people that the budget for 2014 marks the end of years of [harsh austerity policy](#), the liberal daily the Irish Examiner writes: "Last year, it was mothers and young families who faced the onslaught of cuts and increased taxes. While child benefit has been left untouched this time round, it is the old who will suffer most from Ireland's seventh austerity budget in a row. ... It is hard to imagine how the Taoiseach can characterise this death by 1,000 cuts as anything other than an attack on our most fragile and vulnerable sections of society, notwithstanding elements that will assist growth and prosperity. ... Whatever way they spin in, this is an austerity budget." (16/10/2013)

Helsingin Sanomat - Finland

### **Strict budget cuts prove their worth**

Ireland's speedy economic recovery shows that strict austerity measures for the euro crisis countries are justified, the liberal daily Helsingin Sanomat comments: "If Ireland's exit from the bailout fund and the terms it stipulates succeeds as planned, it would be of huge symbolic importance to the entire Eurozone. Ireland's economic recovery and its [return to the financial markets](#) would show that the bailout programme and its strict requirements function. That would be a victory for the EU Commission and the line represented by Germany and Finland. ... Nevertheless Ireland has had to make major sacrifices to emerge from crisis. 300,000 people have left the country and even more are jobless. The people have paid a high price. And austerity continues, even though it will be eased somewhat in the coming year." (16/10/2013)

Neue Zürcher Zeitung - Switzerland

### **Don't saddle taxpayers with bank debts**

Bailing out the banks at the expense of the Irish taxpayers was a mistake, the liberal-conservative Neue Zürcher Zeitung comments and calls for the EU to take over payment of the bank debt: "The cuts in spending and the tax hikes will amount to around 30 billion euros - that's 60 percent of the public expenditure for 2007. So far the Irish people have borne their fate with admirable stoicism. Now the economy is showing the first tentative signs of recovery and is ready for new challenges. The risks remain considerable, because the mountain of debt has taken on dangerous proportions and the banks are on very shaky ground. [Their bailout](#) at the expense of the Irish taxpayer was a mistake; satisfying all the creditors' demands was the result of an erroneous dogma. Therefore the EU, which urgently needs a successful example for its austerity policy, would be well advised to assume the Irish bank debts at least in part." (16/10/2013)

The Times - United Kingdom

### **Nationalism won't solve Europe's problems**

Marine Le Pen, president of the French [Front National](#), and the Dutch right-wing populist [Geert Wilders](#) plan to meet in The Hague in November to discuss cooperation in the 2014 European elections. The conservative daily The Times warns of an unholy alliance: "Mme Le Pen's juxtaposition of a renewal of nationalism against what seems to be a failed globalism is attractive to many who want to pull up the drawbridge and man the watchtowers. This is a dangerous fantasy. ... As mankind discovered to its cost in the 20th century, erecting barriers to trade, movement and contact, makes us poorer and more liable to become drawn into expensive and sometimes bloody conflicts. We must hope, therefore, that November's summit is a failure." (15/10/2013)

Sme - Slovakia

### **Tehran can't be trusted in nuclear dispute**

The [negotiations](#) in Geneva on Iran's nuclear programme appear to be moving ahead. Tehran's Foreign Minister Javad Zarif offered on Tuesday to reduce both uranium enrichment and the number of centrifuges needed for this purpose - two of the West's key demands. The liberal daily Sme smells a rat: "According to the information at our disposal, Tehran has accelerated its nuclear programme. For the new president it is just as indispensable as it was for his predecessor. Perhaps Iran has already enough enriched uranium, in which case it's free to suspend its nuclear activities with a big fanfare. Perhaps something is changing in Iranian politics, but the facts don't bear that out. ... It would be tremendously dumb to lift the sanctions against Iran without the world getting control of the uranium that's been enriched there just because Tehran is suddenly showing a human face." (16/10/2013)

Deutschlandfunk - Germany

### **Europe remains at odds over banking union**

The European Central Bank will in future act as a central monitoring body for the 130 biggest financial institutes in the EU. The EU finance ministers agreed on this first important step towards a [banking union](#) on Tuesday in Luxembourg. But a basic conflict remains unresolved, the public broadcaster Deutschlandfunk contends: "The South points to its own efforts to reform and cut spending in the growing hope that this will move the North to show more solidarity. And that in turn means that banks would be able to fall back on the [ESM bailout fund](#) for fresh capital in an emergency. ... Meanwhile the North, and above all Germany, is pushing for an approach that's as restrictive as possible when it comes to allocating ESM funds. ... This fundamental conflict also underlies the current dispute over the future role of the ESM when it comes to the distribution of liability in the course of the upcoming audits and stress tests for Europe's major banks. And this conflict will no doubt keep popping up in other areas too." (16/10/2013)

De Morgen - Belgium

### **Belgians long for harmony**

In his government statement on Tuesday the Prime Minister of Belgium Elio Di Rupo praised the "Belgian model" thanks to which the country had overcome its state crisis. A symbolic choice of words, the left-liberal daily De Morgen comments approvingly: "After four traumatic years of [institutional crisis](#) many were convinced that this country would [collapse](#) sooner or later. Two years later this fatalistic view has vanished. Even the [Flemish Nationalist Party] N-VA no longer dares propagate separatism. ... While support for the division is declining, self-confidence is strangely also increasing. The fact that Di Rupo explicitly referred to his model as 'Belgian' is of major symbolic significance here. ... He was clever enough not to refer to the popularity of the national football team [which has just qualified for the Fifa World Cup]. But his 'Belgian' model is based on this longing for a positive, unifying and confidence-inspiring vision of the future." (16/10/2013)



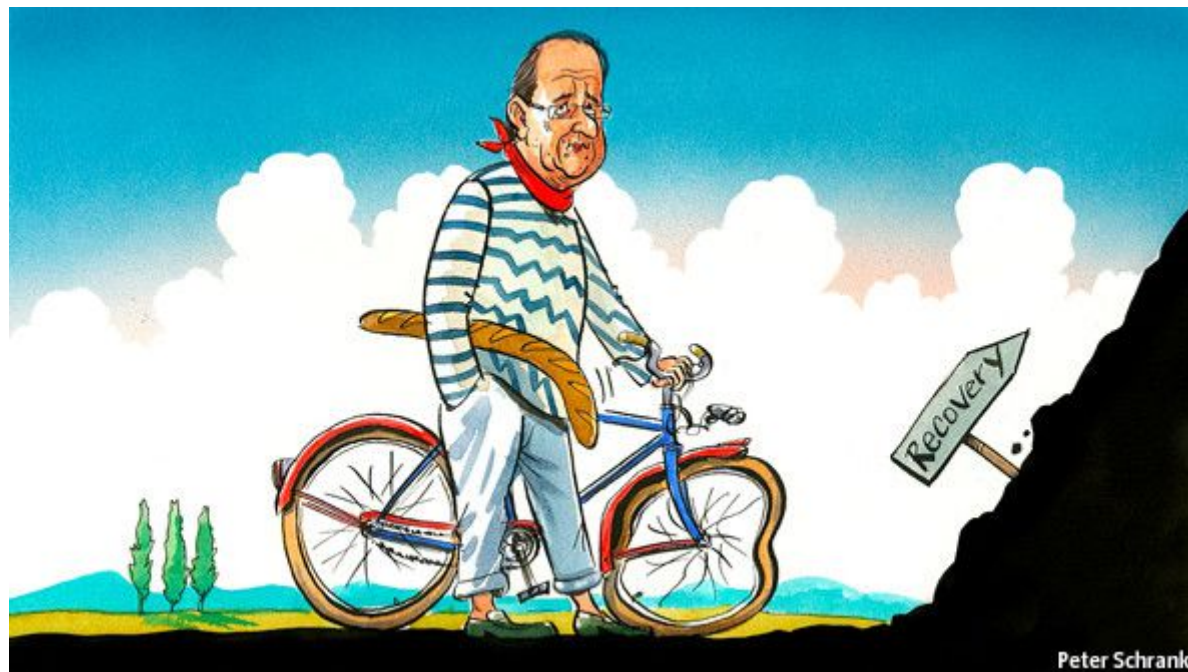
## France's battered economy

François Hollande's cyclical troubles

### It is the weakness of the economy, not political scandal, that most threatens the French president

Apr 20th 2013 | PARIS | From the print edition

87,61



IT IS hard to detect any benefit for President François Hollande in the tax-avoidance scandal that cost him his budget minister in March. Jérôme Cahuzac, formerly responsible for curbing tax fraud, resigned after lying to parliament about a secret Swiss bank account, prompting a tough new transparency drive (see article). But at least one side-effect of the affair has been to distract attention from the troubling state of the economy.

On April 16th the IMF issued a grim reminder by forecasting that France will join Spain, Italy, Greece and Portugal in recession in 2013. The Fund now predicts that France's GDP will fall by 0.1%. The worsening outlook leaves Mr Hollande's government not only unable to stick to its promises of deficit reduction, but facing an internal political rebellion over how to manage its public finances.

Despite the IMF, Pierre Moscovici, the finance minister, is standing by his forecast of growth of 0.1% in 2013 and 1.2% in 2014. He confirmed this on April 17th in France's stability programme, which it will submit to the European Commission later this month. But the IMF is not the only organisation to be more pessimistic. In its first ruling, France's new High Authority for Public Finances, set up by Mr Hollande to monitor forecasting and the budget, stressed that official French forecasts were "systematically affected by an optimistic bias", and warned of a "risk" that growth forecasts for 2013 and 2014 needed downward revision again.

The economy has been depressed by fiscal consolidation at home, which has squeezed domestic demand, the traditional motor of French growth, as well as by low confidence and weak exports. Household consumption fell in both January and February. In March the INSEE business-confidence index dropped to nearly ten points below its level of a year ago. Struggling with the lowest profit margins in the euro area, many firms are putting investment on hold. As the commission noted in its recent report on macro-imbalances, "a persistent deterioration of competitiveness" in France has led to a greater loss of world export share over the past ten years than in Germany, Italy or Spain, particularly in manufacturing.

Scarcely a week goes by without another factory closure or a redundancy plan. This week a French court rejected both proposed buyers for the Petroplus oil refinery, in Normandy, prompting its imminent closure with the loss of 470 jobs. Despite government promises to the contrary, the same fate has befallen a car plant

(Aulnay-sous-Bois) and a tyre factory (Amiens), each making headline news. A prime-time documentary on public television this week followed the workers' abortive struggle to save two Arcelor-Mittal blast furnaces at Florange, which Mr Hollande had promised on the campaign trail to rescue. Unemployment has hit a 14-year high.

All this explains why the government is pleading with Brussels to let it off its promise to cut the deficit to 3% of GDP by the end of 2013. Mr Hollande said this week that "the solution to the crisis is not austerity." Having quietly and successfully courted Olli Rehn, the (Finnish) economics commissioner, on this point, Mr Moscovici hopes to convince the commission (and the Germans) that, after a serious effort to reduce the structural deficit this year, the headline number should be allowed to overshoot next. But Mr Rehn has said that, if France is to be given any slack, it must bring the deficit "well below" 3% in 2014. Mr Moscovici now promises to hit 3.7% this year and 2.9% in 2014.

The trouble is that even these less ambitious targets will prove hard to reach. INSEE, the national statistics office, says that France missed its target of 4.5% last year, with the deficit ending up at 4.8%. Taxation in France has reached saturation point, and Mr Hollande has promised that there will be no new taxes in 2014 beyond another VAT increase. The Cour des Comptes, the national auditor, has deplored the fact that three-quarters of the structural effort to reduce the deficit this year depends on tax rises. The government now expects the overall tax burden, already the highest in the euro zone, to rise yet again, to some 46.5% of GDP next year.

Mr Moscovici insists that most of next year's effort will come from spending cuts. He points to a forthcoming pension reform as well as to some streamlining of the bureaucracy to create what Mr Hollande calls a "shock of simplification". Jean-Marc Ayrault, the prime minister, says that family benefits will be cut for the richest 15% of French households. But no other specific savings have yet been spelt out. In a sign of how hard rationalisation can be, voters in Alsace recently rejected in a referendum a plan to merge their two departments and one region into a single body.

Squaring the deficit circle would be hard enough were Mr Hollande a popular leader with a strong mandate for reform. In fact his poll numbers are at a record low, and during his election campaign he pandered to the anti-capitalist left and let voters believe that deficit reduction could be achieved mostly by taxing the rich and the "world of finance". Now a minority in his own government is dismayed by what they consider a conversion to austerity, a Socialist taboo. Arnaud Montebourg, the left-wing industry minister who once threatened to nationalise Arcelor-Mittal, recently criticised his own government's policy, arguing that "fiscal responsibility, if it kills growth, is not responsible".

At a European level, Mr Montebourg has a point. In France, however, where public spending is now at 57% of GDP, a euro-zone record, and the public debt is expected to reach 94% of GDP next year, a serious attack on spending is urgently needed. Mr Hollande is caught in a semantic trap, promising "rigour" without "austerity"—a distinction that nobody understands. The risk is that if he embraces the European anti-austerity argument too overtly he may only strengthen resistance within his own party to even modest measures of fiscal consolidation.

<http://blogs.telegraph.co.uk/finance/jeremywarner/100025824/apparently-we-dont-have-to-worry-about-spain-anymore-problem-sorted/>

## **Jeremy Warner**

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# Apparently we don't have to worry about the euro any more. Problem sorted

By **Jeremy Warner** **Economics** Last updated: October 16th, 2013

[167 Comments](#) [Comment on this article](#)

87,64



There was a lot of feedback on [yesterday's blog, which pointing out that the International Monetary Fund has substantially revised down its long term forecasts for Spain's budget deficit](#). Much of it is of the nationalistic, machismo variety – you know the sort of thing; me and other Brits have been proved hopelessly wrong in opining that Spain was doomed, and now on virtually every front it's turning the corner, with share and bond prices up, exports growing strongly, and so on.

The evident national pride that such comments display is, of course, wholly admirable, yet it is also indicative of a country with its head buried in the sand. Unemployment is still shockingly high, and shows no sign of coming down. And it's impossible to see how policy as it stands will do anything but entrench this plainly unacceptable situation.

I have long been puzzled by Spain's extraordinarily high unemployment rate – which would be even higher if the best of its youth were not decamping to Berlin and London – and share the view expressed by some commentators on the blog that it is best explained by a big black economy. If you are odd jobbing for cash, you either show up in the labour force survey as economically inactive or unemployed.

If it's true that as much as 20pc of the economy is black, then this explains quite well how Spain is managing to cope with record high unemployment without prompting a revolution. Yet it is plainly a very unsatisfactory situation if a fifth of the economy is outside the tax net, indicative as it is of institutional and political breakdown. Such characteristics are more commonly associated with a developing economy than the advanced status Spain lays claim to.

Someone on the comment thread said that both myself and my colleague Ambrose Evans-Pritchard keep writing knocking copy on the euro because we get more internet hits that way. No, that's not why we do it. A better explanation of why such pieces get more hits is that they are closer the truth than the complacent nonsense we see trotted out daily by eurozone policy makers. The Draghi "put" has succeeded in stilling the worst of the financial crisis, but it has not solved the problem of economic breakdown in large parts of the single currency area, or addressed many of the manifest deficiencies in Europe's monetary union.

**In Washington last week at the annual meeting of the International Monetary Fund, I asked Mario Draghi, president of the European Central Bank, whether it made sense for the ECB to follow the US Federal Reserve and the Bank of England in adopting an employment target. In rejecting the idea, he made an astonishing claim. In fact, he said, the employment situation in Europe was better than the US if you looked at the labour participation rate.**

The US unemployment rate – those actively seeking a job – is 7.3 per cent, whereas in Europe it is 12 per cent. However, the participation rate – that is the percentage of those of working age in some form of employment over the preceding year – is just 63.2 per cent in the US for those aged 16 and over, and 68.5 in Europe, for those aged 20 to 64. It follows that the US unemployment rate is lower than Europe's because more people are choosing to drop out of the workforce altogether in the US than in Europe.

There is obviously some truth in this argument, but to aggregate the numbers in this way is also somewhat misleading, if only because Europe is not a single country but a collection of independent sovereign states. In Spain, the labour participation rate last year was 59.3 per cent, in Italy it was 61 per cent, and in Greece it was an eye popping 55.3 per cent. Yes, nearly 45 per cent of Greeks between the ages of 20 and 64 don't work. Were it not for relatively high participation rates in the likes of Britain and Germany, the overall number for Europe would plainly look much worse.

**It's a funny old thing about European policy makers that they persist in looking at Europe as a single country. On this basis, Europe looks like a reasonably rounded economy, but it wholly ignores the gross imbalances that exist within it.**

## Time to take bets on Frexit and the French franc?

By [Ambrose Evans-Pritchard](#) **Politics and society** Last updated: October 14th, 2013

[1385 Comments](#) [Comment on this article](#)

87,65



Marine Le Pen. (Photo: EPA)

We have a minor earthquake in France. A party committed to withdrawal from the euro, the restoration of French franc, and the complete destruction of monetary union has just defeated the establishment in the Brignoles run-off election.

It is threatening Frexit as well, which rather alters the political chemistry of Britain's EU referendum.

Marine Le Pen's Front National won 54pc of the vote. It was a bad defeat for the Gaulliste UMP, a party at risk of disintegration unless it can find a leader in short order.

President Hollande's Socialists were knocked out in the first round, due to mass defection to the Front National by the working-class Socialist base. The Socialists thought the Front worked to their advantage by splitting the Right. They have at last woken up to the enormous political danger.

The Front National is now the most popular party in France with 24pc according to a new Ifop poll. Both the two great governing parties of the post-War era have fallen behind for the first time ever. The Gaullistes (UMP) are at 22pc, and the Socialists at 21pc.

I am watching this with curiosity, [since Marine Le Pen told me in June that her first order of business on setting foot in the Elysee Palace \(if elected\) would be to announce a referendum on membership of the European Union](#), with a "rendez-vous" one year later:

I will negotiate over the points on which there can be no compromise. If the result is inadequate, I will call for withdrawal. Europe is just a great bluff. On one side there is the immense power of sovereign peoples, and on the other side are a few technocrats.

Asked if she intended to pull France of the euro immediately, she hesitated for a second or two and then said: "Yes, because the euro blocks all economic decisions. France is not a country that can accept tutelage from Brussels."

Officials will be told to draw up plans for the restoration of the franc. Eurozone leaders will face a stark choice: either work with France for a "sortie concertée" or coordinated EMU break-up: or await their fate in a disorderly collapse.

"We cannot be seduced. The euro ceases to exist the moment that France leaves, and that is our incredible strength. What are they going to do, send in tanks?"

Her four sticking points on EU membership are withdrawal from the currency, the restoration of French border control, the primacy of French law, and what she calls "economic patriotism", the power for France to pursue "intelligent protectionism" and safeguard its social model. "I cannot imagine running economic policy without full control over our own money," she said.

As I wrote in June, the Front has been scoring highest in core Socialist cantons, clear evidence that it is breaking out of its Right-wing enclaves to become the mass movement of the white working class.



Hence the new term in the French press "**Left-Le-Penism**". She is outflanking the Socialists with attacks on banks and cross-border capitalism. The party recently recruited Anna Rosso-Roig, a candidate for the Communists in the 2012 elections.

Mrs Le Pen's EMU withdrawal plan is based on a study by economists from l'École des Hautes Études in Paris led by **Professor Jacques Sapir**. It concludes that France, Italy, and Spain would all benefit from EMU-exit, restoring lost labour competitiveness at a stroke without years of depression.

Their working assumption is that the eurozone's North-South imbalances have already gone beyond the point of no return. Attempts to reverse this by deflation and wage cuts must entail mass unemployment and loss of the industrial core.

Prof Sapir said the gains are greatest in a coordinated break-up with capital controls where central bank intervention steers the new currencies to target levels. The model assumes that the D-mark and guilder are held to a 15pc rise against the old euro, while the franc falls 20pc.

The gains are less if EMU collapses in acrimony and currencies overshoot. This would inflict a violent deflation shock on Germany, but would still be strongly positive for the Latin bloc.

I don't wish to get into a debate about whether or not the Front National has genuinely purged its anti-Semites, or whether its immigration and culture policies must inevitably lead to a drastic showdown with France's 5m-plus Muslims. This is a finance blog.

My own impression is that she is more relaxed about gay rights and abortion than she lets on, **closer in some ways to the assassinated Dutch populist Pim Fortuyn than to her father Jean-Marie Le Pen**, who in turn complains that she picked up "petit bourgeois" views in Paris schools.

The fact is that her campaign of "*dédiabolisation*" or **image detox** seems to have worked. Only a minority of voters still thinks the Front is a "threat to democracy". Mrs Le Pen is winning over white working-class women in droves. The feminised Front is no longer the party of the angry white male.

While her father called the Holocaust an historical "detail", she calls it the "pinnacle of human barbarism". I can understand why a lot of people disregard this as cynical repackaging. Parties don't change their character so quickly. But as Socialist advisers have warned Mr Hollande, the game has changed. It is not longer enough to keep insisting that the Front is beyond the pale. There is a new fact on the ground.

I might add that the Front is nothing like **Ukip**, a mostly pro-American, Right-leaning, libertarian, anti-welfare, free-market party. **Marine Le Pen is an ardent defender of the French welfare model**. Her critique of capitalism gives her a Leftist hue. Some call it 1930s national socialism, and here we are starting to touch on the populist appeal.

She fulminates against Washington and Nato, calling for France to retake its place as "non-aligned" voice in a multipolar world, and lashing out at the Gaulliste UMP for selling its soul to Europe and the Anglo-Saxon order. "There was a de Gaulle of the Left, and a de Gaulle of the Right. There were two de Gaulles. We stand for both," she said.

**The rise of the Front National is yet another reminder that the slow-burn political crisis in Europe has yet to reach its climax**. Mass unemployment and the gruelling effects of debt deflation are chipping away at the foundations of the establishment, just as they did in the early 1930s under the Gold Standard, so like EMU today.

France endured the same slow torture then, stoically accepting the "500 deflation decrees" of premier Pierre Laval. That dispensation seemed stable for a while. It was not. The dam broke in 1936 with the once unthinkable of the Leftist Front Populaire, with Communist support. The Gold Standard collapsed.

**Angela's Merkel's Fiscal Compact (to use the term broadly) is really just a modern version of Laval deflation**. There was no good macroeconomic reason for forcing France to squeeze fiscal policy so violently over the last

two years, tipping the economy back in recession. **The measures were shoved down France's throat done because austerity for its own sake (without offsetting monetary stimulus) is EMU doctrine, and because France has allowed Germany to call the shots.**

We can argue over whether the policy has been counterproductive in economic terms. What is crystal clear is that it has shattered the mould of French politics, opening the door to the Front National.

**It is now highly likely that the Front will sweep the European elections next May, a vote perfectly suited to their agenda. It will not be alone. Euro-sceptics look poised to storm the Strasbourg Hemicycle. That will be another fact on the ground.**

**The worst fears of the EU elites are starting to come true. It is entirely their own fault.**

## French Politics and Economics: Le Pen's National Front Back on the Scene

Author: [Mark Thoma](#) · October 15th, 2013 · [Comments \(0\)](#) [Share This](#) [Print](#) 12 2

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**Understandably overshadowed by the political melodrama in the US, a second round of a local election in France (Brignoles) resulted in a victory by Le Pen's National Front.** The Socialist candidate had been summarily defeated in the first round and the Le Pen candidate thumped the UMP candidate 54%-46%. The Socialists have been weakened by the poor showing of President Hollande. The UMP has been weakened by internal strife.

**The latest Ifop polls shows Le Pen ahead in the national polls, with 24% support. The UMP has 22% support and the Socialists 19%.** Of note the Socialist are doing worse than Hollande personally, who has a 26% approval rating. **The weekend election is important because it shows that the old reliable strategy to the center-right and the center-left coming together to defeat the far right may not longer be reliable, just old.**

Hollande called on his supporters to vote for the UMP candidate in the run-off and it failed to defeat Le Pen's candidate.

**Le Pen has honed its message.** On one hand, it outflanks the Socialists in its criticisms of banks and global capitalism. On the other hand, it outflanks the right with its nationalism, anti-Brussels's rhetoric and what it calls "intelligent" protectionism. It also fervently defends the country's welfare model and rejects austerity for the sake of austerity. **While Le Pen has often drawn support from the right, reports suggest it has begun making inroads into the Socialist base and the white working class men and, increasingly women.**

**Le Pen appears to be in a strong position going into next spring's EU parliament and French municipal elections.** Le Pen wants a referendum on the EU and wants to coordinate an exit from EMU with Italy and Spain. The argument is that this is a more desirable way to restore competitiveness than the internal deflation that is arguably condemning the region to high unemployment, lower wages and recessionary economic conditions.

**There has been practically no perceptible reaction by investors.** The CAC is building on yesterday's gains to record new five year highs today. The 10-year benchmark yield is up 4 bp today, but in line with the rise of the 10-year German bund. Over the past 3-months, the French premium over Germany has narrowed by 11 bp to about 55 bp. About half the narrowing of the spread has taken place in the last month.

**While US money market funds have rebuilt their European bank exposures, some funds are reducing their French bond positions.** The Wall Street Journal reports today that Franklin Templeton has reduced its holdings of French bonds in recent months. **The rationale cited was yields were too low to compensate for the weakness of the government.** Although exact positions were not revealed, **the two funds managed by the head of European fixed income reportedly have divested themselves completely of French bonds.** Other portfolio managers see high yields, better performance, and some suggest more stable politics than France.



**Hollande, shortly after his election last year, pledged to keep this year's budget deficit to 3% GDP. It now looks to be closer to 4% and maybe a little above. The 3% threshold does not look likely for at least two more years (2015 at the earliest). For years, the French economy lost competitiveness to Germany, but was able to compete against the periphery. Now with falling unit labor costs and improving external accounts, France finds itself in a pincer movement.**

**Japanese investors had been consistent buyers of French bonds, but also appear to have grown more fickle lately.** The latest data shows that Japanese investors have been net sellers of French bonds in two of the last four months (through August) for the first time in nearly two years.

**We continue to see France as key to how EMU evolves.** However, we recognize that it did not have the fall of the Berlin Wall that eventually led to Germany's reforms. Nor did it have the kind of crisis that has forced the periphery to reform. **We recognize France is too strong to be dictated to by Brussels, but too weak to be part of the EMU solution.** At some 30 bp below US 10-year yields, 40 bp below UK 10-year yields and 185-190 bp below Spanish and Italian yields, we agree that there is limited value left given the broader political and economic context.

- See more at: <http://www.economonitor.com/blog/2013/10/french-politics-and-economics-le-pens-national-front-back-on-the-scene/#sthash.ct58tdgi.dpuf>

## The Return of Europe's Debt Crisis

Author: [Satyajit Das](#) · October 16th, 2013 · [Comments \(0\)](#) [Share This](#) [Print](#) 76 1

87,70

Since mid-2012, the European financial crisis has been in remission, with the symptoms of the underlying disease temporarily suppressed. As treatment is discontinued and drugs lose efficacy, there is a high probability of a relapse.

### *Taking the Waters...*

A combination of austerity programs, debt write-downs, the European Central Bank's ("ECB") commitment to "do whatever it takes" to preserve the Euro, the proposed banking union and the finalisation of the primary bailout fund (European Stability Mechanism ("ESM")) helped restore relative financial stability. There were falls in the interest rates of peripheral countries and a rally in stock markets, although no meaningful recovery in the real economy.

The cost of Spanish 10-year debt fell from more than 7.5% to 4.04%; Italy from 6.7% to 3.76%; Greece from 30% to about 10%; Portugal from 12% to 6.4%. The Spanish and Italian stock markets recorded a 1 year gain of 31% and 24% respectively. The French and German stock markets rose by over 24%. In contrast, Euro-Zone gross domestic product ("GDP") fell 0.1% during Q3 2012, 0.6% during Q4 and 0.3% during Q1 2013, with sharper falls in the weaker economies.

### *Falling off the Austerity Wagon...*

Austerity has failed to bring public finances and debt under control. Increases in taxes and cuts in government spending have led to sharp contractions in economic activity, reducing government revenues and increasing welfare and support payments as unemployment rates increase. Budget deficits, while smaller, persist and debt levels continue to rise.

Euro-Zone GDP is now 3% below the level in 2007/2008. It is also some 135 below trend levels. Individual economies have fared even worse: the Greek economy has decreased by 23%; Ireland by 8%, Portugal by 8%, Spain by 8% and Italy by 9%. Euro-zone unemployment is 12%. Despite emigration of skilled worker, some weaker nations have higher unemployment: Greece 28%, Ireland 14%, Portugal 17%, Spain 26% and Italy 14%. Youth unemployment is significantly higher with 25-50% in some countries. In the antiseptic language of economists, the fiscal multipliers (the proportionate impact of austerity) have proved higher than expected, resulting in deeper recessions than forecast.

Governments have found it difficult to continue austerity programs in the face of weak economic activity and high levels of unemployment. Pleading exceptional circumstances and extraordinary conditions, many nations have sought and received exemptions. Deficit and debt reduction targets have been deferred, although even these new reduced or deferred thresholds are unlikely to be met.

### *Write Me Down, Write Me Up....*

Further write downs in debt, as in Greece and Cyprus, to reduce debt to sustainable levels is difficult. Official lenders now directly or indirectly now own large amounts of the relevant debt.

The ESM, the ECB and the International Monetary Fund ("IMF") have direct loans to or have purchased bonds issued by Greece, Ireland, Portugal, Cyprus, Spain and Italy. The ECB and national central banks have substantial loans to Euro-Zone central banks and banks secured over the bonds of beleaguered countries. For example, the ESM, ECB, IMF and European central banks now hold more than 90% of Greece's outstanding debt.

Further debt write downs, providing relief for the borrowing nations, would result in immediate losses to these official bodies, ultimately flowing through to the taxpayers in stronger countries such as Germany.

On a visit to Greece which necessitated a large and expensive security operation, German Finance Minister Wolfgang advised Greeks "not to continue at this time this discussion on a new haircut" (European code for *no* further write downs of existing loans). Wolfgang Schäuble argued that it was not in Greece's interests to ask for debt relief. In reality, it is in Germany's interest that Greece does not seek further write downs. Further

debt restructuring may result in actual cash losses to Germany, contradicting assurances to German voters that they were not at risk in the bailouts.

### ***The Invisible Measure...***

The ECB Outright Monetary Transactions (“OMT”), which allows purchase of unlimited amounts of the debt of Euro-Zone nations, has been hailed a success. President Mario Draghi has, self-effacingly, referred to it as *the “most successful monetary policy measure undertaken in recent times”*.

Details of the yet to be used program remain opaque, especially on key issues such as whether the ECB’s status as a preferred creditor on such purchases in the event of default or restructuring.

The OMT program is conditional, requiring the relevant government to formally request assistance and agree to comply with strict. It will be politically difficult for countries like Italy and Spain to ask for assistance if required, knowing that if a future debt restructuring is necessary then domestic taxpayers face a loss on their bank deposits as in Cyprus. If they are forced to seek assistance, then it will be under such extreme conditions and market pressures, meaning that ECB intervention may be too late.

Germany and other Euro-Zone members remain opposed to unlimited purchase of sovereign bonds under the OMT. Its legal basis remains uncertain. The result of a challenges being heard by the German constitutional court is unknown.

### ***Diluting the Break...***

The banking union was intended to *“to break the vicious circle between banks and sovereigns”*.

However, in the period since the announcement of the banking union, bank exposure to sovereign debt has increased, as national banks have purchased the sovereign’s debt which is used as collateral to obtain financing from the national central bank or ECB.

As at August 2013, more than 10% of Italian banks’ total assets were sovereign bonds, an increase from 6.8% at the start of 2012. Spanish banks’ holding of sovereign bonds is 9.5%, an increase from 6.3% in the same period. Portuguese banks’ holding of sovereign bonds is 7.6%, an increase from 4.6%. The majority of the sovereign bonds held is that of the banks’ own governments.

Euro-Zone bank claims on the public sector range between 10-40% of national GDP. European banks own around Euro 700 billion of Spanish government bonds and Euro 800 billion of Italian government bonds. They also have significant exposure to Greece, Ireland and Portugal.

These holdings are complicated by the fact that banks hold no or minimal capital against these investments. The securities are frequently not marked to market, being held at historical purchase value.

The key elements of any banking union are deposit insurance and a centralised recapitalisation fund.

German opposition forced the ECB President to personally assure the Bundestag that a Euro-Zone wide deposit insurance scheme would not be part of the arrangements. There are no specific additional financial resources for recapitalisation, which remains reliant on the inadequate ESM. Germany insists that the banking union cannot be responsible for *“legacy”* risk, that is, problems originating from events before the finalisation of the banking union.

Claudia Buch, a member of the German Council of Economic Advisers, speaking in an interview with the *Frankfurter Allgemeine* noted that bank recapitalisation would be carried out under *“international control and national liability”*. It highlighted the fact peripheral nations do not have the capacity to support their banks. The lack of resources to recapitalise banks has interesting side effects. Spain plans to convert Euro 51 billion in deferred tax assets (resulting from loan losses) into ‘core’ capital to meet minimum requirements.

The banking union has become an inadequate single supervisory mechanism for a small number of Euro-Zone banks, maintaining pretence of action and progress allowing all governments to save face. The European Union has clarified that the goal is now to only *“dilute”* the link.

### ***Empty Wallets...***

The scope of the Euro 500 billion ESM is also limited. Following assistance to Greece, Ireland, Portugal, Cyprus and Spain (for the recapitalisation of banks), there is only maximum capacity of around Euro 200 billion, well below potential requirements, especially if Spain or Italy should require assistance.

The ESM's position is weak as it needs to issue debt, backed primarily by four countries: Germany (27.1%), France (20.4%), Italy (17.9%) and Spain (11.9%). If Spain or Italy needs assistance, then the contingent commitment of the remaining countries, especially France and Germany, would increase.

The limitations of the ESM were highlighted by recent rating agency actions. If the ESM injects capital into Euro-Zone banks (up to a maximum of Euro 60 billion), then it will have to post collateral of Euro 120 billion (i.e. on a 2:1 basis) to maintain its credit rating, required to raise debt.

Significantly the Latin American representative did not approve release of the most recent tranche of IMF funding for Greece, on the basis that forecasts for Greece's debt and economic growth are delusional and there is significant risk of loss. The token abstention (the voting levels would have been insufficient to block the disbursement), which was puzzlingly repudiated by Brazil subsequently, highlights increasing divisions within the IMF about further assistance to Europe. In August 2013, Brazil asked for an overhaul of IMF assistance to European countries to make them more realistic.

### ***Testing Times...***

The identified weaknesses of key policies will increasingly be exposed. History suggests that European governments and the ECB will be tested.

Firstly, the weakness of the real economy will increase financial pressure on European countries. During the second quarter 2013, European economies recorded slow growth, technically ending the recession. However, the levels of economic activity excluding Germany and France remained low. The turnaround may prove fragile, given deteriorating conditions in emerging markets which have been major buyers of European exports.

Ever optimistic European governments and policy makers now proclaim a stabilisation or lower rate of decline as an indication of the success of their policies. European forecasts of recovery may prove over-optimistic.

Secondly, banking sector problems will continue. European banks may have as much as Euro 1 trillion in non-performing loans. Italian banks may have as much as Euro 250 billion of these.

Increasingly, European governments are resorting to tricks to resolve problems of the banking system including inadequate stress tests, overly optimistic growth and asset price forecasts and accounting stratagems. For example, Spain is seeking to convert Euro 51 billion in deferred tax assets resulting from loan losses into core capital to meet minimum requirements. If successful then these would represent around 30% of Spanish bank core capital.

Without urgent and resolute action, bad debts and weak capital positions will create zombie banks, unable or unwilling to supply credit to the economy restricting any recovery.

Thirdly, crucial structural reform of labour markets and entitlements will be slow, reflecting weak economic activity and also the unpopularity of many measures. In addition, the relative stability of the last twelve months has lulled governments into a false sense of security, reducing the urgency of pursuing economic restructuring.

Fourthly, political tensions, both national and within the Euro-Zone, are likely to increase.

As evident in Greece, Portugal, Spain and Italy, weak economic conditions have increased pressure on the government, highlighting political differences and destabilising fragile ruling coalitions. All these countries also have domestic issues that contribute to political instability; for example, the bribery scandal involving the ruling PP in Spain and the continued legal difficulties of former Italian Prime Minister Silvio Berlusconi.

Across the Euro-Zone, Germany's repeated rejection of any steps amounting to a mutualisation of debt or hidden transfer payments as well as a reluctance to increase German commitments, increasingly supported by Northern European nations, will complicate crisis management. Little is expected to change after the German elections.

### ***Enough, Already?***

Economic and political pressures will manifest themselves in a number of ways.

Weaker countries may require extensions of existing loans, additional assistance or debt write downs.

Credit ratings are likely to be under pressure. Italy's current credit rating (BBB with a negative outlook) is perilously close to non-investment grade. Stronger countries also face rating pressure from larger financial burdens off supporting peripheral countries and European and global economic weakness.

Borrowing costs of weak European countries have begun to increase, reflecting different factors including: economic weakness of the borrowers, political stresses and also the potential reduction of the US quantitative easing program. Doubts about the OMT program and decreasing flexibility to use national banks and state pension funds to purchase government debt will accelerate the pressure on rates.

For Europe, it is now a case of NWO (no way out), as without strong growth (which is unlikely) its debt problems may prove intractable. The ECB has repeatedly stated that its ability to respond to pressures is "adequate". Unlike in July 2012, it is not clear whether its response will be "enough" this time around.

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Satyajit Das is a former banker and author of *Extreme Money and Traders Guns & Money*

- See more at: <http://www.economonitor.com/blog/2013/10/the-return-of-europes-debt-crisis/#sthash.2NUism5R.dpuf>

## Im Gespräch: Winfried Kretschmann, „Die Ausschließeritis hat jetzt ein Ende“

16.10.2013 · Trotz gescheiterter Sondierungen hält Winfried Kretschmann Schwarz-Grün im Bund künftig für möglich. Baden-Württembergs Ministerpräsident im F.A.Z.-Interview.

Artikel [Bilder](#) (1) [Lesermeinungen](#) (17)

87,74



© LÜDECKE, MATTHIAS: Winfried Kretschmann: „Man kann nicht in den traditionellen innenpolitischen Lagern verharren“

**Herr Ministerpräsident, gab es in der Sondierungsrunde mit der CDU/CSU einen Moment, an dem Sie das Empfinden hatten, eine Vereinbarung zur Aufnahme von Koalitionsgesprächen wäre möglich?**

Ja klar. Das gab es ziemlich zu Beginn an dem Punkt, als es um die „offene Gesellschaft“ ging. Da hat sich die Union doch in erheblichem Maße auf uns zu bewegt. Das hat auch viele bei uns überrascht. Da dachte ich: „Holla, da tut sich jetzt doch was.“

**Trotzdem sind auch Sie anschließend zu dem Schluss gekommen, es reicht nicht für eine Koalition?**

Ja. Ich habe das ja schon vor den Sondierungsgesprächen gesagt: es wäre schon einer Sturzgeburt gleichgekommen, ein solches Bündnis zu schließen. Und wenn man Sondierungen macht, da geht es ja nicht nur um die nackten Inhalte, da geht es ja auch um die Frage, gibt es eine tragfähige Basis für eine Koalition. Bei der Energiepolitik war es beispielsweise so, dass wir immer noch nicht richtig wissen, bewegt sich die Union jetzt auf uns zu? Das blieb diffus und unklar, obwohl das Thema am Dienstag zum zweiten Mal aufgerufen war. Immerhin ein Kernthema meiner Partei und eine der zentralen Zukunftsaufgaben. Und so kommen wir am Ende doch zum Ergebnis: Es reicht einfach nicht. Da fehlte das Zutrauen, dass wir eine solide, tragfähige Grundlage für die nächsten Jahre hinkriegen könnten.

**Wenn Sie es von außen betrachten: Haben die Grünen nicht trotzdem gerade eine historische Chance vergeben?**

Das weiß man immer erst hinterher. Man muss das auch aus unserer Situation heraus verstehen: Wir haben die Wahlen verloren. Wir haben einen Wahlkampf gegen die Union geführt. Die Anfrage, jetzt sozusagen in einem Schnellkochtopf ein neues Bündnis zu schließen und auszuloten, ob das wirklich trägt, das war schon sehr heftig. Da muss ja auch die Partei mitgehen; das muss stabil sein auf vier Jahre, und dafür schien uns die Grundlage nicht fundiert genug. Daher haben wir in dieser Situation so entschieden.

**Sie sagen selbst, der positive Effekt dieser Sondierung sei, dass bei den Grünen die „Ausschließeritis“ möglicher Bündnispartner nun für immer vorbei sei. Die Grünen wollen also künftig eine Eigenständigkeit behaupten, die sie jetzt praktisch hätten beweisen können.**

Ich sage ja, die hohe Geschwindigkeit, mit der uns das jetzt herausgefordert hat, das war einfach ein Problem. Man muss ja sehen, es gab auch Themenfelder in der Sondierung, etwa bei der Frage, wie sollen staatliche Investitionen finanziert werden, oder bei der Europapolitik, da hat sich auf der anderen Seite wenig bewegt. Man hat gemerkt, es gibt erhebliche Schritte aufeinander zu, aber sie sind sozusagen noch nicht durchgetragen. Wichtig ist: Es ist eine Tür geöffnet, die früher eher versiegelt schien. Auf diese Erfahrung lässt sich aufbauen - mit einer klaren grünen, selbstständigen Profilierung, gesprächsfähig in verschiedene Richtungen. Die Ausschleißeritis hat jetzt ein Ende. Das ist mir wirklich wichtig.

**Wenn Sie die Schwierigkeiten mit der eigenen Basis abwägen gegen das Ausmaß der Konzessionsbereitschaft der Union - wer trägt mehr Verantwortung dafür, dass es nicht geklappt hat?**

Das ist spekulativ und bringt uns nicht weiter. Jetzt geht es darum, wie orientieren wir uns neu. Es kommt darauf an, dass wir uns jetzt wieder in der Mitte der Gesellschaft platzieren, dort, wo die aktiven Bürger sind, seien das bürgerschaftlich Engagierte, seien es Unternehmerinnen und Unternehmer. Entscheidend ist, dass wir uns auf den Teil der Gesellschaft stützen, der Gestaltungswillen hat, und uns dorthin orientieren.

**Die Linken bei den Grünen werden sagen, der Gestaltungswille steckt im linken, progressiven Lager der Gesellschaft.**

Ich glaube, dass solche Begriffe wie „progressiv“ inzwischen zu wenig hergeben, wir müssen aus diesem alten Lagerschema heraus, da gehören wir einfach nicht rein. Die SPD steht eher für den Staat, die CDU eher für den Markt, und wir eher für die Zivilgesellschaft. Dieses Verhältnis von Staat, Markt und Bürgergesellschaft neu zu ordnen, das ist die eigentliche Herausforderung in einer globalisierten Welt. Da kann man nicht in den traditionellen innenpolitischen Lagern verharren.

**Wenn die SPD sich am Ende der Bildung einer großen Koalition verweigert - wären die Grünen dann zu einer neuen Sondierungsrunde mit der Union bereit?**

Ja mit Sicherheit. Wir müssten dann im Kern die Dinge vertiefen; sehr viel konkreter vertiefen. Wir haben jetzt eine erste Sondierung hinter uns, da müssten wir in intensivere Gespräche gehen, die die Dinge konkreter fassen. Wir sind da - und ich glaube, von beiden Seiten - für eine Fortsetzung der Gespräche anschlussfähig geblieben.

**Die Grünen denken jetzt darüber nach, ihre Politiker aus den Ländern institutionell an der Parteiführung zu beteiligen: Wie sollte das Ihrer Ansicht nach aussehen?**

Ich denke, es sollte in Zukunft so etwas wie ein Parteipräsidium geben, in dem auch Regierungsvertreter aus den jeweiligen Regierungen vertreten sind. Wir regieren mittlerweile in sechs Ländern. Es ist doch wirklich angebracht, dass die präsent sind in einem Beschlussorgan der Partei. Das muss man dringend korrigieren. Diese Regierungsbeteiligungen müssen kraftvoll in die Strategieentwicklung der Partei eingebunden werden.

*Die Fragen stellte Johannes Leithäuser*



October 16, 2013

87,76

## **As Secession Talk Swells in Catalonia, Business Leaders Remain Wary of Costs**

By [RAPHAEL MINDER](#)

SANT SADURNÍ D'ANOIA, Spain — Sparkling Cava wine has become an emblem of Catalonia as one of the strongest exports from Spain's northeastern region. Over the last decade, annual shipments of cava have climbed about 50 percent, to 161 million bottles.

Which is why cava's producers show no desire to embrace the Catalan secessionist drive that is posing a serious challenge to Spain's central government, led by Prime Minister Mariano Rajoy.

Toni de la Rosa Torelló, whose family has owned its winemaking estate since 1395, said that "making the most representative product of Catalonia does not mean we want to be represented in this political debate."

José Luis Bonet Ferrer, the president of Freixenet, the largest producer of cava, said, "Businessmen have the right to worry if politicians create tensions rather than seek dialogue."

The attitude of such Catalan executives matters because a key premise in the secessionist argument is that Catalonia, which accounts for almost a fifth of Spain's economic output, would flourish economically if it broke ties with the rest of the economically lagging nation. Some businesspeople are not so certain.

It is not just the cava vintners saying this, but also executives from the spectrum of industries that make up Catalonia's 200 billion euro economy, roughly equivalent to that of Portugal. The region blends a powerful financial-services sector, led by the big bank La Caixa, with a strong industrial base that includes traditional sectors like car manufacturing as well as scientific research and medical technology.

This week the Catalan regional government, led by Artur Mas, quantified exactly what it thought the central government owed Catalonia, in terms of insufficient investments and fiscal disadvantages: 9.4 billion euros, including 5.8 billion euros of infrastructure spending.

In response, the central government said on Wednesday that it would soon publish its own set of figures to dismantle the Catalan claim that the region's contribution to the national economy and its tax revenue is far more than what it gets back from Madrid.

But with Spain expected to post economic data for the third quarter showing that it has finally emerged from a two-year recession — its second downturn since 2008 — Catalan businesspeople say they worry less about what Mr. Mas thinks Madrid owes his region and more about whether political instability could hamper Spain's prospects of returning to

precrisis growth levels. “In any diverse society, there are different points of view, but it’s clear entrepreneurs prefer to operate in a context of certainty,” said Salvador Alemany, the chairman of Abertis, which is based in the Catalan capital, Barcelona, and which is one of Europe’s biggest operators of toll roads and airports. “Consensus is always better than conflict.”

Still, there has been little sign of consensus of late. In September, hundreds of thousands of pro-independence people [joined hands to form a human chain](#) across Catalonia. Following that show of force, Mr. Mas said Catalonia [would forge ahead with plans](#) to hold a referendum on independence next year, despite Madrid’s warning that such a vote would violate Spanish law.

Mr. Rajoy recently called on Mr. Mas to show “magnanimity” and drop the referendum plan. Mr. Mas responded that it was instead for Mr. Rajoy to be magnanimous and give Catalans the right to vote.

Catalans have long defended their ancestral culture and language. But secessionism shifted from fringe to mainstream political thinking a little more than a year ago after Mr. Mas failed to convince Mr. Rajoy that Catalonia should be allowed to reduce its contribution to a fiscal system that redistributes part of the tax revenues to other, poorer regions of Spain. Catalonia’s 7.5 million inhabitants represent 16 percent of the Spanish population.

But Catalonia has also benefited from being part of greater Spain. For example, it was the 1992 Olympics — in part financed by the Madrid government — that helped transform Barcelona into one of Europe’s most visited cities, with more than seven million tourists a year, compared with one million before.

Some Catalan executives have clearly embraced secessionism, particularly members of the 100-strong business association called FemCAT, set up to help Catalonia “take its place on the world and European stage,” according to its 2004 [founding manifesto](#).

“We can construct a much better economic model for Catalonia than the one that has been imposed on us from Madrid,” said Jordi Bagó i Mons, a member of FemCAT who is chief executive of Serhs, a provider of hotel catering and other tourism services.

But most of the Catalan business community has yet to declare a formal position in the independence debate. Antoni Abad i Pous, president of Cecot, an association that represents about 8,000 Catalan businesses, deplored the shortfall in Catalan infrastructure spending by Madrid. He said that “97 percent of our members want the current relationship with Spain to be changed, but that doesn’t necessarily mean independence.” A year ago, when Cecot last surveyed its members, 53 percent said they would welcome a separate Catalan state.

Mr. Rajoy, for his part, has so far managed to keep the secessionist threat at bay — thanks in part to disagreement among Catalan politicians over how far their separatist push should go. Even the *Convergència i Unió* party, led by Mr. Mas, is far from unified on that point.

The Catalan government has also been weakened by corruption scandals, including a case centering on whether Ferrovial, a construction company, paid kickbacks to local politicians to secure the public-works contract for Barcelona’s Palau de la Música Catalana concert

hall. There are also concerns that, despite enacting unpopular austerity cuts, it has so far struggled to clean up its own public accounts and a debt pile that has doubled in the past three years to 52 billion euros. Catalonia accounts for more than a quarter of the combined debt of Spain's 17 regions.

Xavier Torra, chief executive of Simon, a maker of electrical switches and sockets, said the secessionist debate had become "far too emotional" and out of touch with Catalonia's economic reality. "The Catalan business voice has remained largely silent," he said, "because most of us understand that, whether people want to be independent or not, we are already part of a completely interdependent and global economy."

Simon is a prime example of a business that has far outgrown its Catalan origins. It started a century ago as a family-owned workshop in the town of Olot, but now generates 60 percent of its 300 million euros of annual revenue overseas. It has factories in a dozen countries, including China, Poland and Russia.

The more serious concern for some investors is whether Mr. Rajoy's government could veto Catalonia's membership of the European Union if it seceded without Madrid's approval. Last month, the promoters of a 4.8 billion euro gambling and leisure resort, called Barcelona World, warned that their Catalan project could be scuttled without guaranteed E.U. membership.

As for the cava makers, Mr. Bonet Ferrer of Freixenet, which is based in Sant Sadurní d'Anoia, said companies in his industry had extra reason to be cautious. They stood on the front line of any consumer-led boycott if political tension between Madrid and Barcelona continued to mount.

His personal view on independence? "Catalonia is an essential part of Spain," Mr. Bonet Ferrer said, "and that is how it should continue."

## Long live energy transition

15 October 2013

**DER SPIEGEL** HAMBURG

87,79



[Patrick Chappatte](#)

France is seeking to ease some of its reliance on nuclear power to try and focus more on green energy. However, as Germany has already learned to its cost, the path to energy transition is a bumpy one.

[Stefan Simons](#)

“We have butterflies, bees, and bats. The wetlands are being preserved, and in the autumn and winter, streams cut across the land.” When Marc Chiron gazes around at the woods, fields and meadows and talks about the local biodiversity around the [photovoltaic plant northwest of Nancy](#), the project leader of France’s largest solar park doesn’t shy away from poetic comparisons.

“Like the waves of the sea” is how the engineer enthusiastically describes the blue shimmer of modules lapping over the bucolic hills of the Department of Meurthe-et-Moselle. Here, next to the municipality of Rozières-en-Haye, on the grounds of former NATO airbase 136, seemingly endless lines of solar panels stream out – 1.5 million of them to be precise. France’s utility giant, Electricité de France (EDF), praises the facility run by its “EDF EN” subsidiary, responsible for new energies, as an example of “environmental excellence in the heart of Lorraine”.

### Bumper profits

The profits expected are, admittedly, also excellent: what the enterprise (85 per cent state-owned), has spread over 367 acres, demonstrates its commitment to a “future technology”, and is overwhelmingly the fruit of generous public largesse.

A practical side-effect: the world’s second largest electricity producer, a traditional champion of nuclear power, which operates 58 nuclear power plants in France, is, with its photovoltaic system of 115 megawatts, daubing itself with a green veneer.

Especially since France, when it comes to renewable energy, is lagging behind the pack. Water, wind and sun at the moment provide around 13 per cent of the net electricity in France. “The ups and downs with the feed-in tariff, lengthy approval procedures and on-again, off-again political backing have so far draped a wet blanket over France’s locational advantages”, [writes](#) political scientist Stefan Aykut in an article in *Deutsche Gesellschaft für Auswärtige Politik* (German Society for Foreign Policy). Nuclear power giants EDF and Areva continue to dominate the market.

### A ‘bank-teller’s open window’

To catch up at last with the top green electricity producers, France launched an ambitious development programme in 2007. This continues today. President François Hollande’s goal of [cutting](#) the share of energy provided by nuclear power to 50 per cent by 2025 ensures that energy producers take an interest in developing green electricity – with government subsidies, of course.

Is the mania for pushing and promoting restricted to the Federal Republic? Not at all. Paris is pushing the expansion of solar energy hard with extremely lucrative feed-in tariffs – for the benefit of the industry, and at the expense of the taxpayer. Three years ago the country’s highest financial authority, the General Finance Inspectorate (IGF), railed against the inflated purchase prices: in the photovoltaic sector alone, government subsidies for electricity rose from €1.1m in 2007 to €795m in 2011. The Auditor General’s Office condemned the system of compulsory purchases of solar power. The companies had helped themselves to the subsidies, it declared, as if they were reaching into a “bank-teller’s open window”.

In January 2011, the government slammed on the brakes, imposed a three-month freeze on construction, and fixed new tariffs. The consequence? As happened in Germany, the solar power shake-up has seen the market for solar systems collapse with dozens of medium-sized companies being pushed out of the market, and Bosch closing its solar collector factory in Lyon.

### **A deal exploited by everyone involved**

In Toul, solar park operators anticipated the new regulations. Just before the feed-in tariffs were capped, in 2011 “EDF EN” locked down a purchase price of 31.4 cents per kilowatt hour – about twice the top rates now customary – for the next 22 years. On top of that, the region even offered a bonus of 18 per cent, as the solar park was sited in Lorraine, an area of France that is not exactly blessed with sunshine. “An essential ace-in-the-hole to secure profitability”, [commented](#) daily newspaper *Le Figaro*.

The crisis-struck region is celebrating the project as a godsend. Local industry will benefit from the work to build a plant for photovoltaic modules, originally planned by “EDF EN” jointly with US supplier First Solar, and there will be a welcome rate of maintenance contracts. The solar panels, as the “Made in Malaysia” note on the import panels suggests come primarily from Asia. Head of maintenance Sebastian Martini, who together with 20 colleagues is responsible for monitoring the modules and substations, is happy to have landed a secure job: “I have a job from now until I retire.”



## Troika on the brink of implosion

16 October 2013

**MEDIAPART** PARIS

87,81



[Vangelis Papavassiliou](#)

**Disagreements between the European Commission and the IMF on how to end the debt crisis in Europe continue to grow. Starting in Brussels, it is possible to envisage the careful dismantling of the group.**

**[Ludovic Lamant](#)**

The “Men in Black” of the Troika are edging towards a divorce. Three years after it was formed outside of any legal framework provided by the European treaties, this body with three chiefs meant to steer the reform programmes for Eurozone countries threatened with bankruptcy, is riven by tension. The strife has sparked a debate in Brussels on what comes after the troika.

Established during the “rescue” of Greece in May 2010, the unpopular troika is now working with the governments of three Eurozone member states, Portugal, Ireland and Cyprus. It’s the troika that sets out the list of cuts, structural reforms and other privatisations that a country must commit to if it wants, in exchange, a mega-loan to stave off default. The IMF also provides advice to the European Council on reforming the Spanish banking sector.

In three years, this structure with its opaque inner workings has come to symbolise an authoritarian management of the crisis that has pushed Eurozone capitals to the wall, and forced them to push through reforms rejected by many of their citizens in order to stave off bankruptcy.

Logically, this troika will dissolve once the bailouts are finalised – by 2016 for Cyprus, according to the official deadlines. The problem: on the ground, the [recovery] still seems fragile (Ireland), or downright non-existent (Greece). Other mega-loans may still turn out to be necessary and will keep up the torment. This weekend the Europeans and the IMF are to meet in Washington to discuss a new aid package to Greece.

### **Fearing Pandora’s box**

If Brussels does not dare move forward in a frank manner on this issue, it is above all because the member states – Germany in the lead – do not want to open Pandora’s box. Replacing the troika would no doubt give yet more powers to the European Commission, moving it closer to a “European Monetary Fund” – a scenario that would not necessarily be any more popular in the eyes of many of the continent’s citizens.

However, the tension is building from all sides. The main explanation is the growing unease of the IMF, which is trying to limit the damage and hold onto what little crisis management legitimacy it still retains. In the spring of 2010 it was Berlin that was pushing hardest for intervention from the Washington institution, headed at the time by Dominique Strauss-Kahn. The involvement of the IMF was even one of the conditions laid down by the German Parliament, the Bundestag, to validate each aid plan that comes up.

## **The IMF, however, disagrees with the way the crisis is being managed and now it wants that to be made public**

The IMF, however, disagrees with the way the crisis is being managed and now it wants that to be made public. The report it published in June came as a bombshell. Criticising the bailout for Greece negotiated in 2010, the institution explained that, in its view, it would have been better to “soften” the austerity policy by allowing a partial write-down of the country’s public debt – a scenario ruled out at the time by Paris and Berlin.

Another piece of evidence was the *Wall Street Journal’s* article last week based on internal IMF documents that say that as early as May 2010, more than 40 IMF member states, all outside Europe, were opposed to the aid plan drawn up for Athens.

Questioned in June on the subject, Christine Lagarde attempted to calm the anger: “The members of the troika have had a very strong and productive relationship over the past three years,” she said, touting the “innovative” character of the adventure. No one was fooled, though. The calamitous management of the Cypriot crisis at the start of the year has left scars. The IMF has decided to offer only 10 per cent of the volume of global aid freed up for Cyprus – as opposed to a whole third in the previous bailouts. The IMF’s disengagement from the Eurozone crisis is already underway.

## **Gradual disengagement**

### **The ECB must refrain from intervening in highly political decisions with its advice on taxes or cuts in spending. And yet that is just what it has been doing inside the troika. It must get out of it as soon as possible**

To a lesser extent, the ECB has also distanced itself from the day-to-day management of the troika. The bank’s board of governors in Frankfurt increasingly fear for the sacrosanct independence of their institution. “The ECB does not accept interference from governments,” believes Paul De Grauwe, a Belgian economist and professor at the London School of Economics. “But that independence should work in both directions: it means equally that the ECB must refrain from intervening in highly political decisions with its advice on taxes or cuts in spending. And yet that is just what it has been doing inside the troika. It must get out of it as soon as possible”.

Hauled before MEPs in late September in Brussels, ECB President Mario Draghi tried to play down a little more the role of the ECB in the troika. Its role was nothing more than that of a simple advisor, “in liaison with the Commission”, to provide “technical expertise”. It is only one step from saying that the ECB will advise the troika externally...

While the IMF and the ECB are trying to save face, given the now obvious fiasco, it is left to the European Commission, the stoic in the storm, to pick up the – disastrous – balance sheets left by the three years of the troika’s management.

As the European elections approach, has José Manuel Barroso, so quick to worry about the rise of “populism” on the continent, grasped what is going on? His colleague Olli Rehn is unabashed: back in August the Finn declared his desire to stand in the elections as the possible European leader of the liberals.

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Translated from the French by **Anton Baer**



October 15, 2013

87,83

## Europeans Are Faulted Over Using Funds to Support Like-Minded Voices

By [ANDREW HIGGINS](#)

Critics say the European Union's practice of funding policy groups that tend to be supportive rather than critical limits discussion and fuels disenchantment over the push for greater integration.

BRUSSELS — During heated wrangling late last year over the size of a new long-term budget for the European Union, [Notre Europe](#), a Paris-based policy group, wanted to make its voice heard. So it put one of its researchers on a small radio station in the French city of Nantes to answer questions and promote its vision of a “more effective” — and bigger — budget controlled by Brussels.

The exercise in what appeared to be an energetic public debate had a catch, or two, however. The radio station, it turns out, received more than \$100,000 from Brussels last year, according to official European Union records. Notre Europe itself had received more than \$650,000 from Brussels last year, nearly half of its total budget.

“The whole thing is surreal make-believe: people who get E.U. funding talk about how wonderful the E.U. is, and then lobby for it to get more money,” said [Mark Littlewood](#), director general of the Institute of Economic Affairs, a privately financed research group based in London that is offering \$135,000 for the best plan for a British exit from the Union.

At a time when Europe is struggling with soaring unemployment and the enduring euro crisis has raised existential concerns about the 28-nation bloc, there is scant debate in Brussels over the critical issue of whether the solution to the Union's problems lies in “more Europe” — meaning greater political and economic integration — or less.

“They end up just talking to themselves,” said Martin Callanan, a British member of the European Parliament who heads the assembly's Conservative and Reformists, a group of lawmakers that, unlike some hard-core, so-called euroskeptics, does not want the European Union dismantled, but does want the authority of Brussels trimmed in favor of national governments.

The effect is not only a tightly circumscribed discussion about what might remedy Europe's crisis, said Mr. Callanan and like-minded critics, but also a rising disenchantment with “the European project,” the six-decade-long push for economic and political integration.

The European Commission says it does not tie funding to any particular point of view and provides money to a wide range of groups, including ones that do not see eye-to-eye with Brussels. “The E.U. funds think tanks to stimulate thinking and research on the European Union and its policies by outside bodies,” said Pia Ahrenkilde Hansen, a spokeswoman for the commission. “We vigorously reject that those we fund are always pro-E.U.”

Yet, a [survey of public opinion](#) released in July by Eurobarometer, the union's polling unit, found that more than two-thirds of Europeans feel their voice does not count in the European Union, up from 52 percent when the question was first asked in 2004.

The European Commission acknowledges it has a problem engaging with ordinary people and worries about the need to rally public support and to close what it calls a “democracy deficit.” To that end, it declared 2013 the “year of the European citizen.”

It also invited representatives of 16 putatively independent policy research groups from across Europe to share their views at a closed-door working lunch on Sept. 2 with its president, José Manuel Barroso. All have received money from Brussels.

According to the commission’s own records, the groups received a total of \$9.2 million last year from the same organization whose policies they assess and seek to influence. The European Parliament, also based in Brussels, has its own pot of money, part of which goes to finance some of the same policy groups — and also the radio station in Nantes.

“There is a fundamental problem with this whole situation,” said Mats Persson, the director of Open Europe, a research group based in Britain, calling it “an obvious conflict of interest.” Mr. Persson, whose privately funded organization is highly critical of what it views as wasteful spending and needless regulation by the European Union, was not invited to share his opinions with Mr. Barroso.

The director of Notre Europe, [Yves Bertoncini](#), who did attend the meeting with Mr. Barroso, acknowledged that accepting money from the European Commission might create suspicions that “he bought my breakfast and my lunch, so I’ll be kind to him.” But, he added, “it doesn’t work like that.”

“We are in favor of European construction, but after that there are very different views about how this should be done,” Mr. Bertoncini said.

Other research groups that receive European Union financing also challenge policies set in Brussels and disagree on whether austerity, the largely German-dictated focus of the bloc’s response to the economic crisis, has been the right course.

But none call for a radical rethinking of Europe’s direction as demanded by euroskeptics, who are united by a fierce hostility to any further surrender of sovereign powers to Brussels and mostly want Brussels to roll back its political ambitions and focus exclusively on facilitating free trade.

The European Commission has itself acknowledged that Europe’s policy institutes rarely produce any bold new ideas.

In a study last year, the commission noted that such groups’ research “tended to be rather ‘mainstream.’ ” It did not cite financial dependency as a possible reason for this or consider the work of research groups deeply hostile to the status quo.

One such group, New Direction, which describes itself as a “euro-realist think tank” and receives financial support from the European Parliament, published [a report](#) by Lithuanian researchers last month that found that 86 percent of the \$2 billion that the European Commission gives annually in direct grants to nongovernment organizations, or NGOs, goes to ones with headquarters in Brussels.

When Mr. Barroso invited research groups to share their views in September, he told them he was looking for outside ideas to help shape his state of the union address, an annual report on the European Union's achievements and challenges.

Those who attended were asked not to reveal who said what during the discussion. But several people who took part said the session mostly stuck to uncontroversial issues and delicate but highly technical matters of little interest to the general public, like a proposed banking union.

Groups that receive grants say the commission imposes no restraints on their research, but applicants for the biggest financing program are required to explain how their work will help "bring Europe closer to its citizens and encourage European integration."

"Just look at the uniformity of views," said Mr. Callanan, the Conservative and Reformists leader in the European Parliament. "Which one of the groups funded by the commission says let's give power back to the nation states? They never say this. That would be heresy and that would be rewarded by cuts in funding,"

Ms. Ahrenkilde Hansen, the commission spokeswoman, denied this and said financing in no way depended on reaching predetermined conclusions.

The European Commission, mindful of widespread public dissatisfaction with, or indifference to, its work, announced in July that it was starting its own news agency at an initial cost of 3.2 million euros, or \$4.3 million, to provide "independent" news about what it does.

The project was swiftly scrapped, however, after an outcry from the International Press Association, an organization representing Brussels journalists, and euroskeptic members of the European Parliament, who labeled the proposed news agency "Brussels Pravda."

At a cost of \$4 million, the commission has begun a series of 50 "citizens' dialogues" between ordinary people and senior Brussels officials. "I want to see a real debate that engages all citizens," Mr. Barroso told the inaugural dialogue at Dublin's City Hall in January. "That is why we are here today."

The audience at the Dublin event was arranged by the Irish branch of the [European Movement International](#), a partly Brussels-financed organization set up in 1948 to promote the goal of a federal Europe, a cause that now has little support in Ireland, or any other country, but still has some ardent supporters in Brussels.

Ms. Ahrenkilde Hansen said the event was open to anybody who requested in advance to attend. "There was no screening by any thought police," she said.

Some questioners were critical of Brussels for its emphasis on austerity as the cure for Europe's economic ills, but all were respectful and, on occasion, gushing in their support for the European Commission's work, particularly that of Viviane Reding, a commission vice president from Luxembourg who took questions from the floor and spoke of the need for a "United States of Europe."

As the citizens' dialogue unfolded politely in Dublin, a protester, Ronan Duffy, stood alone outside in the rain holding an Irish flag scrawled with the words: "NO EU rule in Ireland." Fuming at what he called "that charade" inside, Mr. Duffy said: "I don't feel like I'm a European citizen. I'm Irish. This whole thing about being a European citizen means nothing to me."

## DEMOCRACY

# Let the Euroseptics speak

87,87

15 October 2013

DE STANDAARD BRUSSELS



Apparently, EU politicians not only want people to think about the EU, they also want to decide what they think. They should be more open to debate with Euroseptics in all layers of the population.

[Soetkin Verhaegen](#)

In the past few days, *De Standaard*, *Le Soir* and *Le Nouvel Observateur* succeeded in bringing together an imposing collection of [European faces and philosophers](#).

Even more impressively, they managed to organise a debate in which seriously different opinions were expressed. For that, the organisers and participants deserve a word of praise. However, there was only one explicitly Euroseptic speaker present, which is the reason why each debate that I followed left me with mixed feelings.

One may be forgiven for believing that our leaders in Europe and their entourage are terrified of [Eurosepticism](#) and that they consistently fail to reach out to citizens, never mind involve them. Every political system can be positioned on a continuum between efficiency and legitimacy. In the EU, the balance has clearly tipped to an enthusiastic drive aimed at finding efficient solutions for challenges faced by the community as a whole. At the same time, the EU proudly proclaims itself the defender of democratic values, also beyond its borders. And therein lies the rub, as citizen participation and the resulting [legitimacy](#) of the political system is vital to a democracy.

### **Indoctrination communication strategy**

Make no mistake, the institutions are concerned about how they are perceived by citizens. But my toes curl when I hear Herman Van Rompuy say that it is not easy to communicate with citizens because they will settle for no less than a united positive message.

### **It appears that EU politicians not only want people to think about the EU, they also want to decide what they think**

It appears that EU politicians not only want people to think about the EU, they also want to decide what they think. That is totalitarianism with indoctrination as a communication strategy. What the quote also illustrates is that Euroseptics are all too often regarded as a threat rather than a challenge. Why does the EU not allow a debate in which the various options are presented? Why can the EU not discuss the debate – with supporters and opponents – that is underway? Besides diversity, we also need a more accessible debate.

## **Mindset of the EU in-crowd**

That this requires a significant change in the mindset of the EU in-crowd became all too clear during the opening debate. I was left open-mouthed when the audience, practically as one, laughed at a woman who erroneously called Van Rompuy the chairman of the European Commission, instead of the Council. If someone who takes the effort to attend a EU debating programme makes such a mistake, then I would at least hope that the participants would understand that presenting [candidates for the chairmanship of the Committee](#) will not solve anything. It will certainly not raise the interest of citizens in the [European Parliamentary elections](#) in May. Therefore, I wish to make an appeal to all those who are involved in politics in EU institutions. Firstly, shake off your fear for alternative opinions and enter into an open debate. Secondly, pursue that debate through your local political base with a broad public that includes youths, low-skilled people and women. And thirdly, listen to voices within the institutions who recognise the challenge and have realistic and concrete proposals to resolve it. You only have seven months.



## Reducing the democratic deficit

19 June 2013

THE GUARDIAN LONDON

87,89



Big decisions affecting how EU member states function are taken by top ministers and heads of government, and handed down by the unelected “troika” of the European Commission, European Central Bank and International Monetary Fund. But national parliaments can help make European institutions more accountable.

[Charles Grant](#)

The European Union has long suffered from a [lack of legitimacy](#), but the euro crisis has worsened the problem. There is no silver bullet that can suddenly make the EU respected, admired or even popular among many Europeans. Its institutions are geographically distant, hard to understand and often deal with obscure technicalities.

Unless EU leaders can become more credible and legitimate in the eyes of voters, parts of the union could start to unravel. For example, at some point Eurozone governments may seek to strengthen their currency by taking major steps towards a more integrated system of economic policy-making. But then a national parliament, general election or referendum may block those steps and so threaten the euro's future.

Political institutions gain legitimacy from either “outputs” or “inputs”. The outputs are the benefits that institutions are seen to deliver. The inputs are the elections through which those exercising power are held to account. The euro crisis has weakened both sorts of legitimacy.

The outputs are hardly impressive. Economic growth is negative across much of Europe, unemployment in the Eurozone is above 12 per cent and youth unemployment in Spain and Greece is over 50 per cent. For many citizens, it is not evident that either the EU or the euro are delivering a great deal in terms of benefits.



16. Oktober 2013, 17:05 Uhr

**Streitthema zwischen Union und SPD**

## **Plädoyer für einen (niedrigen) gesetzlichen Mindestlohn**

*Eine Kolumne von Wolfgang Münchau*

87,90

**Kaum eine Frage ist für Ökonomen einfacher zu beantworten als die nach dem gesetzlichen Mindestlohn: Klar, kein Problem, solange er nicht zu hoch ausfällt und solange man genügend Ausnahmen schafft. Aber 8,50 Euro wären für den Anfang wohl doch zu viel.**

Die Franzosen haben ihn. Die Amerikaner haben ihn, und die Briten haben ihn auch. In Frankreich beträgt der Bruttomindestlohn 9,43 Euro. In den USA beträgt er 7,25 Dollar, rund 5,40 Euro. In Großbritannien liegt er für Erwachsene bei 6,31 Pfund, knapp 7,50 Euro, für Jugendliche und Auszubildende deutlich geringer.

USA und Großbritannien sind eher marktwirtschaftlicher orientiert als Deutschland, und trotzdem ist der Mindestlohn dort kein Thema ideologischer Debatten. Selbst Konservative akzeptieren ihn dort mittlerweile. Wer allzu theoretisch denkt, wittert schnell einen Verstoß gegen hehre ordnungspolitische Prinzipien. Die Erfahrungswerte waren andere. **Sofern man den Mindestlohn nicht zu hoch ansetzt, hat er kaum Auswirkungen auf die Arbeitslosigkeit in hochentwickelten Industrieländern.**

Ob jetzt die von der SPD bevorzugten 8,50 Euro eine gute Schwelle sind, ist eine andere Frage. Ich bin da eher skeptisch. Hier stößt man schon in einen Bereich, in dem der Mindestlohn zu höherer Arbeitslosigkeit führen könnte. **Frankreich ist ein Beispiel dafür, was passiert, wenn Mindestlöhne zu hoch angesetzt sind und wenn sie zu unflexibel sind.** Dort ist zum Beispiel die Jugendarbeitslosigkeit sehr hoch. Bei Auszubildenden und jungen Beschäftigten muss man also unbedingt geringere Untergrenzen einführen.

### **Erhöhen geht leichter als senken**

Ich selbst würde zunächst einen etwas geringeren allgemeinen Mindestlohn vorschlagen, etwa 7,50 Euro, mir aber vorbehalten, den Lohn im Laufe der Legislaturperiode auf 8,50 Euro zu erhöhen, je nachdem wie die Erfahrungen ausfallen. Wenn man mit 8,50 Euro anfängt, dann wird es politisch schwerer sein, den Mindestlohn später zu senken, sollte sich diese Größenordnung als zu hoch erweisen. Hier spielen auch Faktoren hinein, die man nicht kontrollieren kann, wie etwa die konjunkturelle Entwicklung. Wenn man das Pech hat, den Mindestlohn in einen Abschwung hinein zu lancieren, dann es kann zu Problemen kommen.

**Ein gesetzlicher Mindestlohn ist auf jeden Fall weniger schädlich als das von der Union bevorzugte Prinzip ausgehandelter Mindestlöhne für einzelne Sektoren.** Hier vereinbaren Hinz von der Gewerkschaft und Kunz vom Unternehmerverband Mindestlöhne, die auch für nicht in Gewerkschaften und Arbeitgeberverbänden

organisierte Unternehmen und Arbeitnehmer verbindlich sind. Es werden in Wirklichkeit keine Mindestlöhne ausgehandelt, sondern Kartelle gebildet und Eintrittsbarrieren in den Arbeitsmarkt erhöht.

**Mindestlöhne sind Ausdruck der Übereinkunft einer Gesellschaft, dass man Arbeit unter einem bestimmten Lohnniveau nicht will. Wenn wir als Gesellschaft das so sehen, dann soll auch der Staat diesen Mindestlohn setzen.** Er sollte diese Aufgabe nicht jenen überlassen, die dann in Wahrung ihres Eigeninteresses staatliche Funktionen wahrnehmen. Der große Reiz des staatlichen Mindestlohns ist eben das, was seine Gegner als seine größte Schwäche bezeichnen: Er ist kein Instrument tarifpolitischer Feinsteuerung, sondern Ausdruck politischer Willensbildung.

### **So könnte ein Kompromiss aussehen**

Wie sollte also ein Kompromiss zwischen den Positionen von SPD und Union aussehen? Man einigt sich am besten zunächst auf das Instrument und feilscht dann über den Lohn selbst. Zunächst müsste sich die SPD die Frage stellen, welche der beiden Komponenten ihrer Forderung ihr wichtiger ist, die Idee des staatlichen Mindestlohns an sich oder die Zahl 8,50 Euro. Wenn sie sich für den staatlichen Mindestlohn entscheidet, wäre das eine historische Errungenschaft, auch wenn er erst einmal niedriger ausfällt. Die Union könnte ihrerseits behaupten, man habe einen wettbewerbsschädlichen massiven Lohnanstieg verhindert.

**Die Debatte um den Mindestlohn gehört zu den wenigen Themen, bei denen ein Kompromiss besser wäre als die Ausgangspositionen beider Verhandlungspartner. Die Idee ist gut. Aber 8,50 Euro sind wohl eher zu hoch.**

## **M. Le Pen, meilleure opposante (sondage)**

Selon un sondage CSA pour [BFM TV](#) publié aujourd'hui, 46% des Français estiment que [Marine Le Pen](#) est la meilleure opposante à [François Hollande](#) et à [Jean-Marc Ayrault](#).

La présidente du Front national devance largement François Fillon (18%) et Jean François Copé (13%). Jean-Luc Mélenchon, co-président du Parti de gauche, est cité par 13% des répondants, et seuls 5% des Français estiment que François Bayrou (MoDem) ou Jean-Louis Borloo (UDI) incarnent le mieux l'opposition.

Marine Le Pen devance, de très peu, François Fillon parmi les sympathisants de droite (32% contre 31%), alors que Jean-Luc Mélenchon est la personnalité qui incarne le mieux l'opposition pour les sympathisants de gauche (29%).

Sans surprise, les sympathisants du Front national citent presque unanimement Marine Le Pen (93%).

Ce sondage a été réalisé par internet les 15 et 16 octobre, sur un échantillon représentatif de 957 personnes âgées de 18 ans et plus (méthode des quotas).

## Union bancaire : assez traîné, madame Merkel !

LE MONDE | 16.10.2013 à 11h56 • Mis à jour le 16.10.2013 à 12h03

87,93

C'est l'un des éléments essentiels à la survie de l'euro et au fonctionnement de l'union monétaire. **L'union bancaire est une réforme indispensable pour éviter la répétition des crises que la zone euro a connues ces dernières années.** C'est une urgence. Mais l'inertie à laquelle se heurte cette urgence devient dangereuse. Sans surprise, les ministres des finances des Vingt-Huit ne sont pas parvenus, mardi 15 octobre, au Luxembourg, à progresser sur ce délicat chantier.

Certes, les grands argentiers ont enfin donné leur aval définitif à la **mise en place de la supervision des établissements financiers par la Banque centrale européenne.** Le dispositif avait été mis sur les rails à la demande d'Angela Merkel, en juin 2012, en échange d'un accord de principe sur la recapitalisation directe des banques par le Mécanisme européen de stabilité, le fonds de secours créé au plus fort de la crise des dettes. **Il s'agissait de dénouer le lien pervers entre crise bancaire et surendettement des Etats, qui minait la zone euro** ( ??? ). Le projet constituait une petite révolution pour des Etats longtemps jaloux de leur souveraineté en matière de supervision. Mais le dispositif ne sera pas opérationnel avant, au mieux, novembre 2014.

Surtout, le second étage de la fusée union bancaire tarde à décoller : **les divergences persistent entre Etats européens, Allemagne et France en tête, sur la meilleure façon de gérer ensemble,** et non plus chacun dans son coin, **la faillite d'un établissement financier** dont les conséquences peuvent être désastreuses, comme l'union monétaire en a fait l'amère expérience, au plus fort de la crise, avec l'Irlande ou l'Espagne.

A la décharge des ministres, les négociations sont d'autant plus laborieuses que **Mme Merkel est toujours en train de négocier les contours de sa prochaine coalition.** La chancelière n'est pas encore en position d'agir, après avoir évité, tout au long de sa campagne, de trancher les questions qui fâchent.

C'est elle qui refuse, avec le Britannique David Cameron, de placer la Commission européenne au centre du futur mécanisme chargé de recapitaliser, ou de démanteler, une banque aux abois. C'est son ministre des finances, **Wolfgang Schäuble,** qui revient aussi sur le principe d'une recapitalisation directe des banques par le fonds de secours de la zone euro, **afin d'éviter la mise en place de transferts financiers trop importants d'un pays à l'autre.** En attendant la formation du gouvernement allemand, aucune décision importante ne pourra être prise sur la Grèce, le Portugal et l'Irlande.

Cette situation n'est pas tenable. Si l'union monétaire a surmonté le pire, elle est loin d'avoir réglé tous ses problèmes. **La fragmentation entre le Nord et le Sud de la zone euro est préoccupante. L'assainissement du secteur bancaire est vital, surtout dans les pays les plus fragiles.**

**Il est grand temps que Berlin soit en mesure d'affronter la réalité :** celle d'une union monétaire et bancaire au milieu du gué, dont la refondation est encore trop inachevée pour être vraiment crédible.

## Fichue mondialisation !

LE MONDE | 15.10.2013 à 16h06 | Par **Alain Faujas**

87,94



En France, l'anti-mondialisme est à la mode. Il y prend la forme d'une apologie d'un protectionnisme modéré - façon Arnaud Montebourg, le ministre du redressement productif - ou radical - façon Marine Le Pen et Jean-Luc Mélenchon. Dans le livre qu'il consacre à la fin de la mondialisation, François Lenglet, éditorialiste à France 2 et ancien directeur de *La Tribune* et de BFM Business, oscille entre ces deux postures.

Par sa description des méfaits du libre-échange, il se rapproche de la gauche de la gauche. La mondialisation "*donne la main aux riches*" et "*a créé sur les marchés l'équivalent du changement climatique*". Elle "*consacre la domination des forts sur les faibles*" et fait des banquiers centraux "*les chiens de garde*" des épargnants.

Dans son argumentaire et sous le haut patronage de John Maynard Keynes, il adopte un ton plus mesuré et reconnaît que le monde vit des cycles d'alternance de 70 à 80 ans, en fonction de la tolérance à l'ouverture des sociétés. Il y aurait plus de pulsions sociétales que d'intérêts économiques dans la naissance et la mort de la mondialisation.

### **Cycle libéral finissant**

Chacune des phases du cycle, affirme-t-il, meurt de ses propres turpitudes. Le désir de liberté et de relâchement des règles débouche sur une orgie de crédit fabriquant des bulles spéculatives, mères de tous les krachs. Woodstock, grand-messe de la culture hippie en 1969, aboutit à la faillite de Lehman Brothers en 2008. Quant au désir de protection à l'abri de barrières réglementaires, il fait le lit de l'inflation, terrorise les investissements, gonfle la sphère publique où les petits malins proches des pouvoirs font leur miel des rentes de situation. L'Etat-providence porté à son optimum en Grande-Bretagne après 1945 a dégénéré en pétaudière où les syndicats tout-puissants et les déficits insoutenables ont préparé l'avènement de Margareth Thatcher, la « Dame de fer » de l'ultralibéralisme.

Nous serions donc « *héritiers d'un cycle libéral finissant* ». L'auteur cite la raréfaction des fusions-acquisitions, la colère des peuples contraints à l'austérité, le blocage de l'Organisation mondiale du commerce ou l'écrasement des classes moyennes.

Il croit dur comme fer que la mondialisation n'est pas domesticable. Il tient pour peu de chose qu'elle ait tiré des centaines de millions d'hommes de l'extrême pauvreté et qu'elle assure à l'Afrique une croissance jamais connue depuis les indépendances. Il méconnaît la moralisation de la finance mondiale que le G20 de Saint-Pétersbourg a consacrée en septembre, en faisant un pas de plus pour assujettir le monde à l'impôt, de Google à Gérard Depardieu. Il oublie que c'est le Fonds monétaire international qui a poussé les grands pays à se mettre en déficit pour dépenser des centaines de milliards de dollars et éviter, en 2009, l'effondrement de la demande mondiale.

François Lenglet n'est guère plus convaincant que les tenants de « la mondialisation heureuse » quand il décrit le bon protectionnisme. Il en revient au « made in France », à l'élevage de « champions nationaux », à la hausse des droits de douane, à une « relocalisation » de la finance, jurant qu'il « *ne s'agit pas de refermer l'Europe* ».

En refermant le livre, on cherche toujours de quoi serait fait « *le bon équilibre entre le marché et la règle, entre l'ouverture et la protection* », souhaité par tout un chacun.

**Note(s) :**

La Fin de la **mondialisation** François Lenglet Fayard, 264 p., 15 &euro;

**Illustration(s) :**

" La Fin de la **mondialisation** " de François Lenglet

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## Not so Calvinist any more

### The Party of Freedom benefits from Dutch austerity fatigue

Sep 28th 2013 | AMSTERDAM | From the print edition

87,96

GEERT WILDERS, a far-right populist politician, has been stirring up Dutch politics for nearly a decade, but he has never lured many people onto the streets. Unlike more mainstream Dutch parties, Mr Wilders's Party for Freedom (PVV) has no dues-paying members and propagates its anti-Islamic, anti-immigrant, Eurosceptic message largely through the media. But on September 21st, the PVV adopted a new tactic, staging a rally in The Hague to demand a halt to the Dutch government's latest austerity measures.

According to the police, only a thousand demonstrators turned up. But the low turnout belies Mr Wilders's popularity. With the Dutch public turning against EU-imposed austerity, the coalition government is paralysed. Polls suggest that if elections were held today the PVV, which calls for the Netherlands to block immigration and to withdraw from the euro and the EU, would come first.

This represents a sharp shift from a year ago, when Dutch voters shunned Mr Wilders in favour of the Liberal prime minister, Mark Rutte, and the Labour Party of Diederik Samsom. The grand coalition that Mr Rutte and Mr Samsom formed promised *daadkracht*, the power and determination to get things done. Instead, it has become mired in arguments over how to apportion the austerity needed to hit the EU's strict deficit targets. On September 17th the government presented a harsh budget for 2014, unveiled, as is traditional, in an annual address by the country's (recently enthroned) king. It contains €6 billion (\$8.1 billion) in fresh spending cuts and tax increases totalling 1% of GDP. The king's speech, written by Mr Rutte, proclaimed the end of the Dutch welfare state.

This ideological vision has received mixed reviews. But the more pressing problem for Mr Rutte is that it is not clear he can get his budget approved. The increasingly queasy Liberal-Labour coalition has a narrow majority in the Dutch lower house, but not in the Senate. That leaves the government scrambling for the votes of opposition parties, none of which are eager to help. The leaders of two centrist parties have criticised the government's budget fiercely for raising taxes and failing to invest in education. If it fails in the Senate, that may mean a cabinet reshuffle. Equally, budget defeat could lead to an early election for the third time in four years.

That option should terrify both the Liberals and Labour. After over a year of recession and austerity, polls show confidence in Mr Rutte's government at a miserable 12%. On the right, small-business owners feel betrayed by a Liberal-led cabinet that has raised value-added tax and imposed a surtax on high incomes. On the left, union members are abandoning a Labour Party that has accepted lay-offs and pay freezes in the public sector.

The big winners of a tough year have been the parties that have consistently opposed austerity, above all the PVV. As the recession drags on, Mr Wilders, a master of political rhetoric, has capitalised on the crisis and austerity fatigue by savaging the EU, which demanded the extra €6 billion effort. Opinion polls now show the PVV getting over 20% of the vote.

The Dutch are a famously thrifty people and their government has been among Europe's strongest advocates of austerity. But two years of cuts and recession have made a dent in these Calvinist attitudes: fully 80% of the public now thinks austerity is doing more harm than good. Mr Rutte's unpopularity stems from his attempt to bring the government's budget into line with the European Commission's rules. But in order to get the budget passed, he will need to offer big concessions to centrist opposition parties. Should they flinch, the prospect of Mr Wilders winning the next elections ought to focus minds.



## Le gros chagrin des pro-européens

LE MONDE | 16.10.2013 à 18h03 • Mis à jour le 17.10.2013 à 07h39 | Par **Alain Frachon**

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87,97



Le Monde - France

### **The EU has too little power**

Right-wing populists and opponents of the euro look set to have a [strong showing](#) in the European elections in May 2014, according to opinion polls. Europe is unpopular and not very successful because the [nation states](#) retain too much decision-making power, the left-liberal daily Le Monde comments: "The European project is being defeated and undermined by the irresponsible way in which its institutions have been devitalised. To whose benefit? That of the so-called 'intergovernmental' method. ... The sovereigntist school has gained ground almost everywhere in Europe. It has influenced the vision of the majority of EU governments, notably Mrs Merkel's. The institutions that embody the Union - the Parliament and the Commission - have been stripped of all initiative, talent and budget. Everything is decided among governments in the European Council, where the 28 heads of state and government meet to hash things out. The result? 'The Europe of the states has put Europe in a bad state', writes the European Member of Parliament Sylvie Goulard. It's hard not to agree with her." (17/10/2013)

L'Europe est impopulaire, dit-on. Avec l'immigration, elle nourrirait la montée des partis eurosceptiques. Le projet européen ne ferait plus rêver. Dans la plupart des pays de l'Union européenne, il susciterait, au mieux, l'indifférence, au pire, l'hostilité. En librairie, le rayon Europe accueille le désespoir des plus fervents des fidèles. Les élections au Parlement européen en mai 2014, prédisent les sondages, verront des formations d'extrême droite europhobes se tailler la part belle d'un scrutin boycotté par près de 70 % des électeurs. Si cela ne s'appelle pas du désamour...

Peut-être. Mais la situation est plus nuancée qu'il y paraît, explique le politologue Dominique Reynié dans l'édition 2013 de *L'Opinion européenne* (éditions Lignes de repères, 167 pages, 17 €). Le directeur de la Fondation pour l'innovation politique, qui parraine cette publication, s'interroge : au désaveu européen devrait correspondre, en bonne logique, un regain de confiance dans l'échelon politique national.

Faux, totalement. Dans chacun des pays membres de l'Union, les élites politiques nationales souffrent d'un discrédit égal, sinon supérieur, à celui dont Bruxelles est l'objet. *"Le système d'opinion des Européens n'oppose pas une défiance à l'égard de l'Union à une confiance dans leur Etat-nation"*, écrit Dominique Reynié. L'Etat national est au moins aussi mal aimé que l'Europe ; il suscite autant de scepticisme que Bruxelles.

Un seul pays de l'UE échappe à ce phénomène : l'Allemagne d'Angela Merkel. Outre-Rhin, une écrasante majorité des électeurs (74 %) porte un jugement positif sur les dirigeants et le système de gouvernement du pays. Sensible aussi là-bas, l'euroscepticisme n'y fait bourgeonner aucun parti europhobe ou protestataire. L'Allemagne enverra des députés europhiles au Parlement européen.

*"Elle est le pays le plus démocratique d'Europe"*, écrit Alain Minc. Dans un essai en forme d'hommage *-Vive l'Allemagne!* (Grasset, 155 pages, 10 €), il salue une démocratie en pleine maturité. Plus que la France, l'Allemagne est soucieuse des libertés individuelles. Beaucoup plus que la France, elle pratique l'équilibre des pouvoirs. Son parlementarisme, contrôlé par les juges, a produit plus de réformes que notre présidentialisme débridé. Il a contribué à un miracle économique, non sans zones d'ombre, fondé sur un *"mercantilisme efficace"*, plus attiré par le vaste monde que par le seul Vieux Continent.

L'Allemagne d'Angela Merkel ne porte plus l'idéal fédéraliste européen qui était celui de Conrad Adenauer et des deux Helmut, Schmidt et Kohl. Elle est soit eurosceptique soit indifférente au projet européen. Ses succès manifestent avec éclat la ligne de fracture qui divise l'Union : un Nord en pleine réussite économique et

financière, un Sud dans l'adversité. La zone euro ne favorise plus la convergence des économies de ses dix-sept membres, elle exacerbe la divergence entre ceux du Sud et ceux du Nord – l'exact contraire de ce pourquoi elle a été créée.

## **INTÉRÊT GÉNÉRAL**

Au bout de cette logique, il y a la dislocation pure et simple de l'UE, redoute François Heisbourg, europhile de toujours. Il a salué la naissance de la monnaie unique. Aujourd'hui, il préconise la sortie "*consensuelle, organisée*" de l'euro. Il veut le retour, au moins pour un temps, aux devises nationales, pour "booster" la croissance. Il s'en explique dans un livre provocant, *La Fin du rêve européen* (Stock, 200 pages, 18 €). Heisbourg ne croit pas les Dix-Sept capables d'aller vers le niveau de fédéralisme requis pour la gestion de l'euro, et notamment de la dette souveraine de certains de ses membres. Cette dernière continuera donc d'être traitée avec le double remède aujourd'hui infligé à l'Europe du Sud : austérité budgétaire maniaque et ajustement structurel musclé. C'est la garantie de dix années de stagnation auxquelles l'Europe ne résistera pas, prédit Heisbourg : l'Union explosera en cours.

Mais, outre qu'il sous-estime l'effet dévastateur d'un abandon de l'euro, l'auteur rend la monnaie unique responsable d'une pathologie, l'endettement, qu'affrontent aussi nombre de pays hors zone euro. Heisbourg fait porter à l'euro un risque de stagnation prolongée qu'il faut imputer, non à la monnaie unique elle-même mais à la manière dont l'Allemagne a choisi et imposé de traiter la question des dettes souveraines dans l'eurozone. Ce qu'il faut abandonner, ce n'est pas l'institution européenne – en l'espèce, l'euro –, mais la manière avec laquelle on "gère" l'Europe depuis vingt-cinq ans. Ce qui défait l'Europe, ce qui mine le projet européen, c'est l'irresponsabilité avec laquelle on a dévitalisé ses institutions originelles. Au profit de quoi ? Au profit de la méthode dite "intergouvernementale", dont Sylvie Goulard fait le procès impitoyable dans *Europe : amour ou chambre à part ?* (Flammarion, 130 pages, 12 €).

Députée européenne chevronnée, elle livre son "J'accuse" avec verve, en partant d'un constat : l'école souverainiste a gagné un peu partout en Europe. Elle imprègne la vision de la majorité des gouvernements de l'UE, et notamment celle de Mme Merkel. On prive les institutions incarnant l'Union – le Parlement et la Commission – de toute initiative, de personnalités de talent et de budget. Tout se décide entre gouvernements, en Conseil où s'affrontent vingt-huit souverainetés. Bilan ? "*L'Europe des Etats a mis l'Europe dans un sale état*", écrit Sylvie Goulard. Difficile de ne pas être d'accord, au moins sur la conclusion.

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<http://www.euronews.com/2013/10/18/student-deportations-spark-protests-in-paris/>

<http://www.france24.com/en/20131017-france-pictures-paris-students-protest-deportations>

**VIDEOS**

## Student deportations spark protests in Paris

18/10 16:35 CET

87,99

Student protestors poured onto the streets of Paris to make sure the voices of Leonarda Dibrani and Khatchik are heard across [France](#). Fifteen-year-old Leonarda was removed by police from a schoolbus and deported to Kosovo after her family had exhausted all their asylum claims. Khatchik is another student of Armenian descent, who was also removed.

Student Ines Khelifa told euronews:

“We want to fight against this roundup of students who were unjustly expelled, not only for Khatchik and Leonarda, but generally because you shouldn’t interfere with a place of [education](#). Everyone has the right to an education and it is unacceptable that they were expelled like this.”

The situation has sparked a political furore in France and brought the sensitive issue of [immigration](#) firmly to the fore of the nation’s consciousness. The French Interior Minister Manuel Valls has borne the brunt of the criticism amid calls that his immigration policies are too tough. The incident comes hot on the heels of a step-up against the Roma migrants living in illegal camps across France.

The French Education Minister Vincent Peillon urged the protection of schools, where students can feel safe:

“What is certain is that when one is in the setting of a class outing – as was the case – you are part of school life and until then, you can’t intervene during that time. Schools should be regarded as sacred.”

Far from the political rhetoric and plucked from her friends and what she considers her country, Leonarda resides for the time being with her family in Kosovo.

Den zweiten Tag in Folge gingen in Paris Hunderte Schüler auf die Straße. Sie protestieren gegen die Abschiebung ausländischer Mitschüler.

An zahlreichen Schulen errichteten die Demonstranten Blockaden. Einige forderten den Rücktritt des Innenministers.

Auslöser für die Wut der Schüler ist der Fall der 15-jährigen Leonarda, die vergangenen Mittwoch aus [Frankreich](#) ausgewiesen wurde.

Ines Khelifa, Schülerin:

“Wir wollen etwas tun gegen die unrechtmäßige Ausweisung unserer Mitschüler. Aber es geht nicht nur um Leonarda und die anderen. Grundsätzlich sollte es ausgeschlossen sein, dass so etwas im Unterricht oder in einer [Bildungseinrichtung](#) passiert.”

Leonarda war auf einem Schulausflug von der Polizei abgefangen und ins Kosovo verschickt worden – vor den Augen ihrer Klassenkameraden.

Vincent Peillon, französischer Bildungsminister:

“Fakt ist, dass ein Klassenausflug eine Schulveranstaltung ist – Schule erweitert sozusagen. Und da darf nicht eingegriffen werden. Schulen sind heilig.”

Leonarda ist inzwischen mit ihren fünf Geschwistern und den Eltern in Mitrovica. Ihr Vater stammt aus dem Kosovo. Die französischen Behörden haben den Asyl-Antrag der Eltern in Frankreich abgewiesen.

## Leonarda : imbroglio autour de la nationalité de la famille

Le Monde.fr avec AFP | 17.10.2013 à 18h35 • Mis à jour le 18.10.2013 à 11h25 |  
Par **Alain Salles** et **Soren Seelow**

87,100



Depuis leur arrivée en France, le 26 janvier 2009, Resat Dibrani, 45 ans, son épouse Gemilja, 40 ans, et leurs sept enfants, content à peu près le même récit. Celui d'une famille de Roms kosovares qui aurait pris le chemin de l'exil à travers la Serbie ou encore l'Italie, avant de rejoindre la France. C'est d'ailleurs sous la nationalité kosovare que les parents de Leonarda ont été enregistrés à la préfecture du Doubs lors de leurs demandes d'asile, les documents administratifs précisant qu'ils sont tous deux nés à Mitrovica, ville du nord du Kosovo, où ils ont été renvoyés les 8 et 9 octobre.

Et c'est depuis le logement d'accueil qui leur a été alloué par les autorités kosovares dans un faubourg de Mitrovica que les parents de Leonarda ont déclaré à une poignée de journalistes présents sur place que Gemilja Dibrani, la mère, bien que d'origine kosovare, est en fait née en Italie, comme tous ses enfants, et que seul Resat, le père, est bien né à Mitrovica. Des propos qui jettent une tout autre lumière sur le destin de cette famille.

La famille Dibrani se retrouve aujourd'hui piégée dans un pays dont, à l'exception du père, elle ignore tout. Elle a donc décidé de livrer une nouvelle version de son histoire en espérant quitter pour de bon ce pays qu'elle a toujours fui en rêve. *"On a quitté l'Italie car je n'avais pas de travail et il est plus facile d'avoir des papiers en France, explique au Monde Resat Dibrani. En France, ils donnent des papiers aux Kosovares, aux Bulgares et aux Roumains, on a donc dit qu'on était tous Kosovares. On a fait un faux certificat de mariage à Paris, et on a présenté notre dossier pour avoir des papiers."*

### "SANS NATIONALITÉ"

Le père s'exprime dans un curieux mélange d'albanais, de français, de serbe et d'italien. La mère parle italien et serbe, les enfants maîtrisent bien l'italien et le français. Et ils parlent tous en romani lorsqu'ils échangent entre eux. Selon le ministère de l'intérieur kosovar, qui a demandé des certificats de naissance à son homologue italien, Gemilja est considérée comme "sans nationalité", jusqu'à nouvel ordre.

Si ce nouveau récit est véridique, la famille aura réussi à tromper tout le monde, amis, comité de soutien, professeurs, avocats, journalistes et autorités, pendant près de cinq ans. L'avocate chargée de défendre leur dossier, M<sup>e</sup> Brigitte Bertin, ne se montre pas pour autant décontenancée par ces affirmations. *"Les demandeurs d'asile doivent décliner leur identité, mais sans forcément produire de justificatifs, ce qui peut se comprendre car les conditions de leur exil ne leur permettent pas toujours de les emporter avec eux. C'est donc purement déclaratif"*, explique-t-elle. Les fausses déclarations d'identité ne sont pas chose rare, confirme un autre avocat spécialiste du droit des étrangers.

Les Roms, explique M<sup>e</sup> Bertin, ne savent pas toujours lire ni écrire et viennent d'une culture peu administrative. Personne ne s'est donc formalisé que la famille Dibrani ne verse que très peu de pièces écrites à son dossier de demande d'asile. La note de synthèse de la préfecture sur la nature fragile de documents produits permet cependant de comprendre que la famille avait très peu de chance d'obtenir une admission exceptionnelle au séjour. *"Leur dossier était très mauvais"*, résume une source proche du dossier.

## **Lire notre décryptage Leonarda : l'école n'a jamais été "sanctuarisée"**

### **CINQ ANS DE PRÉSENCE SUR LE TERRITOIRE**

Trois lettres censées démontrer que la sécurité de la famille n'était pas assurée au Kosovo ont été présentées à l'Office français de protection des réfugiés et des apatrides : s'agissant de celle d'un certain M. Jahic, *"non traduite en français, elle ne peut qu'être écartée"*, note laconiquement la préfecture. Concernant la lettre du frère de Resat Dibrani, la préfecture relève *"que seul le prénom de son auteur est lisible sur la copie de la pièce d'identité, ce qui ne permet pas de s'assurer du lien collatéral entre ces deux personnes"*. De plus, la préfecture trouve *"surprenant qu'un courrier adressé à un membre proche de la famille soit dactylographié et ne comporte pas de signature manuscrite de son auteur"*. L'attestation d'un *"président des Roms de Kosovska Mitrovica"* ne convaincra pas davantage les autorités.

Qu'espéraient les parents de Leonarda et de ses six frères et sœurs en arrivant en France avec un dossier si léger ? Ils attendaient peut-être d'avoir passé cinq ans sur le territoire, seuil à partir duquel les autorités regardent d'un œil bienveillant les demandes d'asile. La circulaire du 21 janvier 2013, qui précise les critères cumulatifs à remplir pour prétendre à une admission exceptionnelle au séjour, comprend le fait d'*"être installé sur le territoire français depuis au moins cinq ans et y avoir au moins un enfant scolarisé depuis plus de trois ans"*.

Mais comme beaucoup d'autres demandeurs d'asile, la famille Dibrani avait épuisé tous ses recours après quatre ans de présence en France. Le dernier arrêt d'obligation de quitter le territoire français, émis par la préfecture du Doubs le 19 juin 2013, l'obligeait donc à partir dans un délai de trente jours, faute de quoi la famille tout entière serait reconduite d'office. Ce sera chose faite pour le père le 8 octobre, et pour la mère et ses enfants le lendemain.



## Les mensonges du père de Leonarda



Resat Dibrani (vendredi, à Mitrovica) a fait un long séjour en Italie avant de venir en France. *Crédits photo : Armend Nimani pour le Figaro*

**EXCLUSIF - *Le Figaro* a consulté les documents qui expliquent le refus du droit d'asile à sa famille.**

La Cour nationale du droit d'asile a mis à nu les mensonges des époux Dibrani. Les trois décisions négatives qu'ont rendues les magistrats, des jugements que *Le Figaro* a pu consulter ([lire le jugement de 2011 en pdf<sup>1</sup>](#)), dévoilent la série de fables, étayées de documents à la véracité douteuse, présentées par Resat Dibrani dans l'espoir d'obtenir indûment le droit d'asile.

La Cour nationale, qui a scrupuleusement étudié le dossier, a en effet pointé sans ambiguïté les incohérences du récit du père, ainsi que le grand flou planant sur l'identité de chacun des membres du clan Dibrani.

Lors de la première audience, en date du 10 janvier 2011, Resat Dibrani affirme qu'«il a vécu à Mitrovica avec sa famille jusqu'à l'éclatement de la guerre en 1999 ; qu'il a alors quitté le Kosovo en raison des attaques contre sa communauté ; qu'il s'est installé avec sa famille en Serbie ; qu'il y a subi le harcèlement de ses voisins et des autorités en raison de son nom à consonance musulmane ; que ne supportant plus de rester en Serbie où il était sans cesse insulté et menacé, et ne pouvant pas retourner vivre au Kosovo en raison des persécutions qu'y subit la communauté rom, il a décidé de venir en France avec sa famille ; qu'il craint pour sa sécurité».

On sait désormais que ce récit, qui n'a déjà pas paru crédible, à l'époque, à la Cour nationale du droit d'asile, est faux: en effet, ni la femme ni les enfants de Resat Dibrani ne vivaient au Kosovo, puisqu'ils sont nés en Italie - c'est le dernier aveu en date de cet homme au passé changeant. La famille n'a pas plus fait le voyage directement du Kosovo vers la France: comme il l'a dit lui-même, il a justement fait un séjour en Italie de plusieurs années, le temps de fonder une famille avant de venir dans l'Hexagone.

Dans ce premier jugement, la Cour note avec perspicacité que «l'existence d'un passeport yougoslave à son nom établi en Croatie, l'absence de tout autre document d'identité ainsi que les prénoms chrétiens de ses enfants sont des éléments qui créent un sérieux doute quant à la nationalité kosovare revendiquée (...)), et que «les persécutions relatées par l'intéressé en des termes convenus et généraux n'ont pas emporté la conviction de la Cour». L'homme a tenté de servir aux juges une histoire toute faite mais fausse. Le premier recours va être refusé.

Une deuxième demande sera également refusée un an plus tard, d'une part pour Resat Dibrani, d'autre part pour sa compagne, mère des six enfants Gemilja Braimi, présentée comme son épouse devant la loi. On sait désormais que le couple n'était pas marié.

Une fois de plus, la Cour va buter sur les questions d'identités et sur le récit des demandeurs. Elle fait ainsi remarquer que «pour solliciter de nouveau son admission au bénéfice de l'asile» Resat Dibrani a été enregistré comme étant kosovar, sans apporter plus de preuves. Quant au témoignage adressé par son «frère», prétendument agressé sur le territoire serbe, les juges ne manquent pas de souligner son caractère «particulièrement sommaire», ne permettant pas davantage de caractériser «les persécutions» dont il aurait fait l'objet. Enfin, la Cour fait remarquer qu'éligible à la nationalité kosovare, le requérant «n'invoquant aucune crainte sérieuse et concrète à l'égard de la République du Kosovo, autre que des faits s'étant produits il y a treize ans dans un contexte de guerre révolu (....) les craintes exprimées par le requérant en cas de retour (...) ne sont pas fondées».

Quant à la demande de Gemilja Braimi, elle ne sera pas plus recevable puisque cette dernière ne soulève pas de nouveaux arguments par rapport à ceux de son mari.



## French schoolchildren protest at migrant expulsions with Paris march

Anger erupted after 15-year-old Kosovar girl was detained in front of classmates as part of government crackdown

87,104

- [theguardian.com](http://theguardian.com), Thursday 17 October 2013 14.43 BST
- [Jump to comments \(90\)](#)

[Link to video: Students protest in Paris over Kosovan schoolgirl deportation](#)

Hundreds of French teenagers have erected barricades outside their schools and marched through Paris to protest against the police expulsions of immigrant families – including some of their classmates.

A few students clashed with police firing teargas but most marched peacefully, some climbing on bus shelters to shout demands for the interior minister's resignation.

Anger erupted this week over the treatment of a 15-year-old Kosovar girl who was detained in front of classmates on a field trip. The government says eight of her family had been denied asylum and were no longer allowed to stay in France.

Such expulsions occur regularly around France as the government tries to limit illegal immigration. But the treatment of the girl touched a nerve, with critics saying police went too far and betrayed France's image as a champion of human rights.

The students, saying the expulsions are unfair to children, hope to pressure France's Socialist-led government into allowing the girl and a recently expelled Armenian boy to return to France.

At one high school in Paris students piled green garbage cans in front of the entrance and hung a banner saying "Education in danger".

"Everybody should have a chance. Everybody should have a job, work and have a family. When children try to achieve that, France refuses, and that is not my country," said protester Romain Desprez.

The Kosovar girl, Leonarda Dibrani, told the Associated Press from the northern Kosovo city of Mitrovica that she wants to return to France. Activists say her Dibrani family fled Kosovo about five years ago because they are Roma and faced discrimination and few opportunities.

"My home is in France," Dibrani said in French. "I don't speak the language here [in Kosovo] and I don't know anyone. I just want to go back to France and forget everything that happened."

## French teenagers barricade schools in protest over expulsion of Roma girl

After a Roma girl in France was removed from a school bus by immigration officials threatening to deport her, students have taken to the streets in protest 87,105



Anger erupted this week over the treatment of a 15-year-old Kosovar girl who was detained in front of classmates on a field trip. Photo: REUTERS

### By Agencies

7:40PM BST 17 Oct 2013

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### Related Articles

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Leonarda Dibrani and her brother. (REUTERS)

The Kosovar girl, Leonarda Dibrani, told The Associated Press from the northern Kosovo city of Mitrovica that she wants to return to France. Activists say her Dibrani family fled Kosovo about five years ago because they are Roma, or Gypsies, and faced discrimination and few opportunities.

"My home is in France," Dibrani said in French. "I don't speak the language here and I don't know anyone. I just want to go back to France and forget everything that happened."

Adding further confusion to the controversy, the girl's father told Reuters that in fact, none of the family were from Kosovo bar him. They were in truth all born in Italy, had entered France illegally and pretended to have fled Kosovo because they thought they would have more chance of being granted asylum.

"They have nothing to do with Kosovo," said Reshat Dibrani, speaking from Mitrovica, where the family are being housed. "We had asked for asylum in France but couldn't show our Italian papers," he said.

A Kosovar official told Reuters: "We don't know what to do with this family. It is not from Kosovo. Only the father is from Kosovo."

*Edited by Chris Irvine*

October 17, 2013

87,107

## **Protests After France Expels 2 Immigrant Students (???)**

By [ALISSA J. RUBIN](#)

PARIS — Shock over France’s recent expulsion of a 19-year-old Armenian student and a 15-year-old Kosovar girl, whom the police took off a school bus so that she and her family could be sent back to Kosovo, gathered momentum on Thursday with protests by students condemning the deportations and calling for the resignation of the interior minister.

The minister, Manuel Valls, a member of the Socialist government of President François Hollande, has been a strong proponent in particular of deporting the Roma. But Mr. Valls has also removed others who lacked proper immigration papers, a policy also followed by the previous government, which was led by the conservatives.

On Thursday, it appeared that the government was questioning Mr. Valls’s judgment, at the least, in allowing the police to pull children out of school to be deported.

“If they stopped a school bus to seize a child in front of her classmates, then it’s extremely shocking,” said a government spokeswoman, Najat Vallaud-Belkacem, referring to the case of the Kosovar girl.

The racial politics surrounding the Roma minority in France shadowed the expulsion of the Kosovar girl, Leonarda Dibrani, who is also Roma, but not the case of the Armenian student, Khatchik Kachatryan. He was deported Saturday.

Many had expected the government of Mr. Hollande to adopt a less confrontational approach to France’s troubles with the Roma than the previous government of Nicolas Sarkozy, but there have been few changes. The European Union has expressed dismay and threatened sanctions after reports of the deportations.

Most of the Roma, a minority of 20,000 in France, come from Bulgaria and Romania and live on the outskirts of cities, often in makeshift camps, and they sometimes travel from place to place. Some have been accused of running criminal gangs of young girls and children who prey on tourists, especially in Paris, Marseille and Lyons.

The Interior Ministry has begun an investigation into the case of Ms. Dibrani, who was expelled on Oct. 9. The findings were expected Friday, and the government has promised to annul the expulsion if irregularities are found.

Mr. Valls has been increasingly outspoken about the social difficulties that Roma immigrants pose. In September, his remark in a television interview that “the majority must be returned to the borders” set off a wave of criticism. In the interview, with BFM Television, he said that France was “not here to welcome these populations.”

He said in another interview that “only a minority” of the Roma could be integrated into French society.

His candor, more than the government's expulsion policy, shocked many people. Polls showed that a majority of French people agreed with him that the Roma should be expelled, and Mr. Valls enjoys wide popularity.

Despite the pervasive image here of the Roma as petty criminals and pickpockets, it did not reflect the situation of Ms. Dibrani, who was forced to get off a school bus and into a police car in front of her classmates, leaving some thinking that she had committed a crime, her teachers said.

Ms. Dibrani had lived in France for nearly five years and spoke "perfect French," said her teachers, who wrote an open letter of protest over the incident that was [posted online](#) by the Network for Education Without Borders, a group that defends the right of immigrant children to study in France.

"We are profoundly shocked by the methods used to send back the children of the Roma minority to countries they do not know and where they cannot speak the language," wrote the teachers, from André Malraux Junior High School and Toussaint L'Ouverture High School in Levier, where Ms. Dibrani was a student.

Richard Moyon, a spokesman for the Network for Education Without Borders, said that his organization's work had sharply reduced the number of families with children in school who were expelled from the country. But such expulsions, he said, were "irresponsible" of the government because they could lead to a more severe policy on deportations if a more conservative government came to power.

## Diktatur der Emotionen

### Leonardas Tränen erweichen die Franzosen

15-jähriges Roma-Mädchen wird bei einem Schulausflug abgeholt und ins Kosovo abgeschoben. Der Fall weitet sich zur Regierungskrise *Von Sascha Lehnartz*

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#### DIE WELT

Seit Tagen laufen diese Sätze in [Frankreich](#) auf allen Kanälen. Es sind die Worte, mit denen das 15 Jahre alte Roma-Mädchen Leonarda Dibrani herzerweichend ihre Abschiebung in das Kosovo schildert. Bei einem Schulausflug hatten die Behörden das Mädchen, das mit seiner Familie seit fünf Jahren in Frankreich lebt, aufgegriffen und kurzerhand in seine Heimat ausgeflogen. Dort sitzt sie nun in Mitrovica und gibt fleißig Interviews über die Umstände ihrer Abschiebung. In Frankreich ist deshalb eine mittlere Regierungskrise ausgebrochen.

Für die Linken unter den Sozialisten (PS) ist der Fall ein weiteres Indiz für den schwelenden Verdacht, dass Innenminister Manuel Valls einen zu flexiblen Umgang mit traditionellen linken und republikanischen Werten pflegt. Allerdings ist der vermeintliche Hardliner Valls derzeit der beliebteste Mann in der Regierung – und laut Umfragen dreimal so populär wie Präsident François Hollande.

Letzterer hat zu dem Fall bislang vorsichtshalber geschwiegen. Es ist allerdings fraglich, wie lange er seinem Kabinett noch dabei zusehen kann, wie es sich selbst zerlegt. Am Donnerstag kam es zudem in [Paris](#) zu Demonstrationen vor zahlreichen Gymnasien. Schüler blockierten die Zugänge zu ihren Schulen und demonstrierten gegen die Ausweisung Leonardas sowie des 19-jährigen Armeniers Khatchik Kachatyran, der ebenfalls vor Kurzem in sein Heimatland abgeschoben worden war. Der Fall Leonarda hat die Regierung damit binnen einer Woche in schwere Nöte gebracht. Mehr noch als die Widersprüche in der Asylpolitik deckt der Fall jedoch die Flügelkämpfe unter den Sozialisten und die Rivalitäten in Hollandes Kabinett auf.

Am 9. Oktober war das Mädchen, das eine Schule in Pontarlier im Département Doubs besucht, während eines Schulausflugs von der Polizei abgeholt und in den Kosovo abgeschoben worden, von wo aus Leonarda mit ihrer Familie vor fünf Jahren nach Frankreich gekommen war. Der Abschiebungstermin für das Mädchen, ihre Mutter und ihre sechs Geschwister war von der Präfektur des Départements Wochen zuvor festgelegt worden. Da sich das Mädchen jedoch morgens nicht in dem Wohnheim befand, wo die Polizei die Familie abholen wollte, um sie zum Flughafen Lyon zu bringen, sondern schon zu dem Schulausflug aufgebrochen war, entschieden die Behörden sie dort aufzugreifen. Die Familie Dibrani war 2009 ohne Einreiseerlaubnis nach Frankreich eingewandert, ihre Asylanträge wurden in sämtlichen Instanzen abgelehnt. Am 8. Oktober war bereits der Familienvater abgeschoben worden.

Anfang der Woche protestierten die Lehrer von Leonardas Schule in einer öffentlichen Erklärung gegen die Umstände der Abschiebung. Innenminister Valls befand sich da gerade auf einer Dienstreise auf Martinique und reagierte auf den Tumult in der Heimat mit der Kühle eines Verwaltungschefs. Er betonte seine "Standhaftigkeit" und verteidigte den zuständigen Präfekten – der Mitglied der konservativen UMP ist.

Für die Sozialisten daheim, die bereits vor drei Wochen nur grollend Valls' Äußerungen hingenommen hatten, dass Roma "keine Berufung" hätten, in Frankreich zu bleiben, und in ihre Heimatländer zurückkehren müssten, war das offenbar zu viel an Rechtsstaatlichkeit und zu wenig Brüderlichkeit. "Wir können nicht die gleichen Bilder ausstrahlen wie Sarkozy. Daran werden wir ersticken", beschrieb ein Minister in der "Libération" das sozialistische Dilemma. Valls deckte einen "sarkozystischen Präfekten", statt diesen in die Wüste zu schicken, schäumte ein anderer Sozialist. Der Abgeordnete Bernard [Roman](#) verstieg sich gar zu dem Kommentar, es handele sich nicht um eine Abschiebung, sondern um eine "Razzia" ("rafle"). Beim Wort "rafle" denkt man im Französischen vor allem an "Deportation."

Angesichts dieser Stimmungslage sah sich Premierminister Jean-Marc Ayrault im Parlament genötigt, eine offizielle Untersuchung des Falls anzukündigen. "Wenn es eine Fehlentscheidung gegeben haben sollte, wird der Abschiebungsbefehl aufgehoben und die Familie wird zurückkommen", erklärte Ayrault in der Assemblée Nationale und desavouierte damit seinen Innenminister öffentlich. Zugleich sprach er beinahe therapeutisch auf

seine aufgebrauchten Parteifreunde ein. "Ich habe die besonderen Emotionen wahrgenommen und verstehe sie", sagte Ayrault mit fürsorglichem Ton in der Stimme. Der Premier ließ sich diese exzellente Gelegenheit nicht entgehen, den Innenminister zurechtzustutzen. Valls, der in sämtlichen Umfragen der einzige Minister der sozialistischen Regierung ist, der positive Zustimmungswerte erzielt, wird seit Wochen als potenzieller Nachfolger Ayraults gehandelt. Auch andere Kabinettsmitglieder nutzten die Gelegenheit, sich mit dem Schwung der Welle der Empörung im Rücken auf Valls' Kosten zu profilieren. Bildungsminister Vincent Peillon, der gerade selbst wegen einer verkorksten Reform der Schulzeiten in der Kritik steht, verlangte, die "Unverletzlichkeit der Schule" zu gewährleisten.

Unterstützung für Manuel Valls war aus den Reihen der Sozialisten hingegen kaum zu vernehmen. Eine Ausnahme bildet Jean-Pierre Chevènement, der selbst einst Innenminister war: **"Wir leben in einer Diktatur der Emotionen"**, brummte der gern als "Löwe von Belfort" bezeichnete Links-Gaullist. **"Es gibt nun einmal Momente, in denen man das Gesetz auch anwenden muss."**

Aber genau das ist möglicherweise das Problem: Hinter dem Aufruhr der linken Basis der PS steht nämlich teilweise auch der von Hollande unerfüllte Wunsch nach einer Lockerung der Einwanderungsgesetze. Der Präsident selbst wolle übrigens "erst klarer sehen, bis er sich äußert", sagte Regierungssprecherin Najat Vallaud Belkacem in bewundernswerter Offenheit. Das heißt, es könnte noch eine Weile dauern.



October 19, 2013

## Europe's Slow Progress on Banking Reform

By *THE EDITORIAL BOARD*

87,111

The European Union last week moved one step closer to establishing a banking union that could help address problems in its financial system. But the Continent's leaders need to act faster and do much more to end the long-running crisis.

Finance ministers of E.U. countries agreed Tuesday to give the European Central Bank regulatory authority over large banks in countries that use the euro. Countries like Britain that do not use the common currency can continue to regulate their own banks. This should improve the supervision of banks in economically weaker countries like Spain, Portugal and Italy. National regulators will continue to have some responsibilities, like ensuring consumer protection and policing money laundering, but the E.C.B. will be in charge of overall safety and soundness, which should give depositors and investors more confidence in the banking system.

While a good start, giving the E.C.B. supervisory authority will do little to clean up financial excesses that have become a yoke around the euro zone's economy. For that, the European Union has to carry out its plans to create a centralized system for shutting down failed banks and recapitalizing weakened lenders. But those plans have been stymied and delayed by Germany, which has a strong aversion to having a central European fund used to bail out reckless banks that were not properly regulated.

On Tuesday, Germany's finance minister, Wolfgang Schäuble, insisted that central funds could not be used to recapitalize banks as envisioned in European plans for a banking union until German laws were changed. Previously, he said that a banking union could not be created until treaties that created the European Union and the euro were amended.

It's possible to restructure the banking system without being overly generous to bank management and shareholders. European leaders can require that taxpayer funds are used only after banks appoint new executives and all shareholders and at least some bondholders accept losses. But it is important that the E.U. act soon.

Putting off the difficult work will only inflict further damage on the Continent's economy and perpetuate chronic unemployment. At the end of June, 49.6 percent of the 19 million unemployed people in the euro zone had been out of work for more than 12 months, according to the Organization for Economic Cooperation and Development. That was up from 46 percent a year earlier.

No economy can thrive when its banks are undercapitalized and mired in bad debts. Will European leaders take the steps needed to resuscitate their troubled financial institutions?

October 19, 2013

## France Says Deportation of Roma Girl Was Legal

By [ALISSA J. RUBIN](#)

87,112

PARIS — A 15-year-old girl who was ordered off a school bus by French police officers so that she and her family could be sent back to Kosovo was legally deported, but the operation could have been conducted with more sensitivity, the French government said Saturday after an investigation.

President François Hollande on Saturday affirmed the Interior Ministry's findings but said the ministry was sending instructions to representatives of the central government across [France](#) to prohibit the police from entering school premises to pull out children who are being deported with their families because they lack the proper immigration papers.

“The law was perfectly respected,” Mr. Hollande said, and there was no fault on the part of the police who stopped the girl. “But there was a lack of discernment in the execution of the operation,” he said.

The girl, Leonarda Dibrani, whose parents are from Kosovo, was on a school field trip when at the request of the police the school bus she was on was stopped and she was escorted by police officers to join her family, which was being put on a flight to Kosovo later that day.

Teachers at her school and another school wrote an open letter to local government officials protesting that she had been taken during a school trip. Public attention to her case grew when the letter was posted on the Web site of the Network for Education Without Borders, and [students in Paris as well as other areas mounted protests](#) to support her and another student who was expelled in the past 10 days, a 19-year-old Armenian.

In both cases, the government had the legal right to expel the students, who were in the country illegally and were not from European Union countries. The Interior Ministry's report laid out the specifics of the asylum process that Ms. Dibrani's family had unsuccessfully gone through.

The case was complicated, however, by the fact that the family is Roma, an ethnic group that Interior Minister Manuel Valls has said should be expelled from France; “only a minority” of the [Roma](#), he has said, can be integrated into French society.

His flat statements on the Roma have drawn the ire of people on the left, who had expected that a socialist government would take a more lenient approach toward the minority, many of whom live in shantytowns on the edges of France's large cities. The European Union has threatened sanctions over the expulsions.

Most of the Roma come from European Union states, including Romania and Bulgaria. But because Ms. Dibrani's family is Kosovar and Kosovo is not a European Union member, the family needed the French government's approval to remain in France. Further complicating matters is that Ms. Dibrani's nationality is unclear; her father said in interviews that she had been born in Italy, where the family lived for a while, but that she was not an Italian citizen.

“The law must be applied,” Mr. Hollande said, but “schools must be preserved from the conflicts of society.”

However, Mr. Hollande said that if Ms. Dibrani wished to continue her education in France, she would be allowed to do so but that her family would not be permitted to return.

“With regards to the case of this young girl, Leonarda, if she makes a request, given the circumstances, and if she wants to continue her schooling in France, a place will be made for her, and for her alone,” Mr. Hollande said.

The case revealed some of the internal contradictions in France on the question of immigrants. France is generous compared with other European countries when it comes to giving asylum to immigrants.

But the French have been frustrated by the large number of impoverished foreigners seeking refuge here and generally have been supportive of the enforcement of immigration laws.

At the same time, a number of people here say the right to attend school is sacred and should be respected. That means that even if it might be acceptable to expel a family from the country, it should be done in a way that does not interrupt the school day.

“The values of the republic also involve accounting for human situations,” Mr. Hollande said. “This affair has been the occasion for a clarification, and there is now no more doubt about what school must be, and what it’s possible to do there.”

19. Oktober 2013, 19:24 Uhr

**Abschiebeaffäre in Frankreich**

## **Das Roma-Mädchen und der Zickzack-Präsident**

*Von Mathieu von Rohr, Paris*

87,114

**Die französische Regierung steckt in einer tiefen Krise - wegen eines Roma-Mädchens. Erst wird Leonarda abgeschoben, dann bietet ihr Präsident Hollande die Rückkehr an. Der Fall zeigt exemplarisch: Der Staatschef will es allen recht machen. Das kann nicht gutgehen.**

Es war eine jener feierlichen Ansprachen des Präsidenten an die Nation, direkt aus dem Elysée-Palast, ausgestrahlt auf allen Nachrichtenkanälen, wie [François Hollande](#) sie sonst nur bei großen Anlässen hält, bei Krisen und Kriegen. An diesem Samstagmittag ging es aber um ein Einzelschicksal, das seit Tagen die Nation bewegt: um das 15-jährige Roma-Mädchen Leonarda Dibrani, [das vor zwei Wochen von einem Schulausflug abgeholt und in das Kosovo abgeschoben wurde.](#)

In gravitätischen Worten gab Hollande seine Entscheidung bekannt - und verblüffte alle: Leonarda dürfe nach Frankreich zurückkehren, um ihre Ausbildung fortzusetzen - aber nur allein, ohne ihre Familie.

Leonarda, die in Frankreich in den vergangenen Tagen zu einer Art Medienstar geworden ist, wurde kurz danach live aus ihrem neuen Heim im kosovarischen Mitrovica in die Nachrichtensendungen zugeschaltet, um die neuesten Entwicklungen in ihrem eigenen Fall zu kommentieren: "Der Präsident hat kein Herz", rief sie weinend. "Die Sache ist für mich gestorben, ich verlasse meine Familie nicht."

Es war der Höhepunkt eines medialen Wahnsinns, der Frankreich in den vergangenen Tagen beherrscht hat. Denn die Affäre Leonarda hat den Präsidenten und seine Regierung in eine tiefe Krise gestürzt. Und es ging dabei längst nicht nur um ein einzelnes Mädchen. Es ging um den moralischen Anspruch der französischen Linken, eine menschlichere Politik als Hollandes Vorgänger Nicolas Sarkozy zu machen.

### **"Bruch mit dem republikanischen Pakt"**

Mit seiner vermeintlich salomonischen Entscheidung am Ende einer turbulenten Woche versuchte der Präsident nun, alle Seiten zufriedenzustellen und die Regierungskrise mit einer gewagten Volte zu beenden. Stattdessen gelang es ihm, alle Seiten gleichermaßen unglücklich zu machen. Die Nachwirkungen der Affäre Leonarda werden das Land und die Regierung wohl noch länger beschäftigen, denn sie wirft zwei grundlegende Fragen auf: Ist diese zutiefst gesplante Linke in der Lage, das Land zu regieren? Und denkt die Mehrheit im Land auch wie die Regierung?

Dabei begann alles wie ein Routinefall. Die Behörden schoben die Familie Dibrani am 9. Oktober nach vier Jahren und zehn Monaten in Frankreich ab, weil ihr Asylantrag abgelehnt und alle Rechtswege ausgeschöpft waren. Doch weil Leonarda sich bei der Ankunft der Polizei nicht zu Hause, sondern auf einem Schulausflug befand, holte die Polizei sie von dort ab - um sie mit ihrer Familie zusammen ausfliegen zu können.

Dieses Vorgehen schockierte viele Linke zutiefst: Sie sahen darin einen unmenschlichen Akt im "geheiligten Umfeld" der Schule. Als der sozialistische Innenminister Manuel Valls die Abschiebung öffentlich verteidigte, hatten viele seiner Parteifreunde endgültig genug: Valls ist zwar der mit Abstand populärste Politiker Frankreichs - 56 Prozent der Franzosen finden ihn laut einer Umfrage gut (nur 24 Prozent sagen dies über den Präsidenten). Doch weil Valls für Law and Order eintritt, gilt er vielen seiner Genossen als Rechter. Als er vor einigen Wochen sagte, die Roma ließen sich in Frankreich nicht integrieren, warf ihm seine grüne Ministerkollegin Cécile Duflot erregt vor, er breche "den republikanischen Pakt". Dann kam der Fall Leonarda, und die interne Kritik eskalierte erneut.

## Belagert von Reportern

Parlamentspräsident Claude Bartolone twitterte: Es gebe Werte, bei denen "die Linke keine Kompromisse schließen dürfe", sonst verliere sie ihre Seele. Der Präsident der Linksfrente, Jean-Luc Mélenchon, warf Valls vor, die Roma "bis in die Schulen zu verfolgen". Premierminister Jean-Marc Ayrault sagte, "wenn es Fehler gegeben habe", werde die Familie zurückkehren. Selbst Hollandes Lebensgefährtin Valérie Trierweiler äußerte sich: Sie sei "nicht die Einzige, die besorgt" sei. Die Tür zur Schule sei eine Grenze, die nicht überschritten werden dürfe. [Tausende Gymnasiasten demonstrierten in den vergangenen Tagen gegen die Abschiebung.](#)

Die Live-Schalten in das von Reportern belagerte Haus der Familie in Mitrovica nahmen derweil absurde Ausmaße an - in den Abendnachrichten von France 2 interviewte Star-Moderator David Pujadas das Mädchen, das erzählte, es sehe "seine Zukunft in Frankreich" und spreche auch gar kein Albanisch. Der Vater erzählte, er habe die Behörde belogen, um bessere Chancen auf Asyl zu haben. Die Familie stamme gar nicht aus dem Kosovo, die Kinder seien in Italien geboren.

Doch dem Aufruhr bei der Linken stand der Applaus der Rechten gegenüber - und offenbar auch eine deutliche Mehrheit der Franzosen: 65 Prozent erklärten in einer Umfrage, sie seien "gegen die Rückkehr Leonardas nach Frankreich". Diese musste diese Resultate selbst live im Fernsehen kommentieren.

## 10.000 Euro für die Ausreise

[In einem Bericht kam die Aufsichtsbehörde der Verwaltung](#) am Samstag, vor Hollandes Rede, zu dem Schluss, die Abschiebung sei regelkonform verlaufen. Der 24-seitige Bericht gab den Fall in allen Details wieder und malt ein differenziertes Bild der Vorgänge: Der Vater war nach einem erneuten Verstoß gegen die Auflagen am 8. Oktober in das Kosovo ausgewiesen worden - deswegen sollte die Familie ihm so schnell wie möglich nachfolgen können. Das war offenbar auch der Wunsch des Unterstützerkreises der Familie.

Dennoch: Auch wenn die Abschiebung der Familie rechtmäßig gewesen sei, befindet der Bericht, hätten die Behörden es im Fall Leonardas an "Augenmaß" fehlen lassen. Die Autoren empfehlen, auf Abschiebungen im schulischen Umfeld künftig zu verzichten.

Gleichzeitig malt der Bericht ein sehr negatives Bild der Familie: Der Vater habe mehrfach Beamte bedroht - dabei hätten ihm diese bis zu 10.000 Euro angeboten, damit er ausreise. Doch der Vater habe angekündigt, eine Gasflasche vor dem Rathaus explodieren zu lassen oder gar seine Familie zu töten, falls man ihn ausweise. Außerdem wurden ihm ein Einbruch und weitere Rechtsverstöße vorgeworfen. Die Familie habe keinen erkennbaren Willen zur Integration gezeigt, Leonarda habe allein in diesem Schuljahr 66 Halbtage gefehlt, und die Familie habe die Asylunterkunft in einem Zustand zurückgelassen, der eine aufwendige Renovierung nötig mache.

Auf der einen Seite die tägliche Realität der Asylverfahren, auf der anderen Seite eine Linke, die sich ein Ende der Abschiebungen wünscht - das ist ein Problem, das über den Einzelfall hinausweist. Es geht um die Frage, ob und wie Frankreich seine Einwanderungspolitik verändern will: Denn einerseits sind die Asylunterkünfte überfüllt, die Verfahren dauern zu lange - andererseits gewinnt die rechtspopulistische [Front National](#) in Wahlen und in Umfragen immer weiter an Terrain.

## Frankreich oder Familie?

Als Hollande seine Rede an die Nation hielt, stand er also vor einer fast unmöglichen Aufgabe: Er wollte die Parteilinke beruhigen, die ihn wegen seiner vorsichtigen Reformpolitik ohnehin schon für zu wenig links hält. Und er wollte auch den Bürgern ein Signal senden, die das Vorgehen der Behörden für gerechtfertigt halten.

Selbst die Journalisten in den Nachrichtensendern waren nach dieser akrobatischen Nummer ein wenig sprachlos. Denn die Entscheidung wirft lauter Fragen auf: Wie kann der Präsident ein Kind vor die Wahl zwischen seiner Familie und Frankreich stellen? Warum soll Leonarda zurückkehren, wenn ihre Abschiebung

rechtmäßig war? Soll sie wegen des Medienhypes einen Vorteil erhalten? Und warum sollen etwa ihre Geschwister nicht dieselbe Chance erhalten?

Präsident Hollande hat im Fall Leonarda einmal mehr seinem Hang nachgegeben, es allen irgendwie recht machen zu wollen, und eben dies nicht geschafft. Links wie rechts wird seine Entscheidung kritisiert - die Rechte ist entsetzt über Hollandes Angebot an Leonarda, der Linken geht es nicht weit genug. Und alle sind gleichermaßen verwirrt über die Entscheidung, vor die der Präsident eine 15-Jährige stellt.

Und so hat die Affäre um ein 15-jähriges Mädchen nicht nur die tiefen und lähmenden Spannungen innerhalb der französischen Regierung offengelegt - sie hat auch einmal mehr einen unpopulären Präsidenten gezeigt, dem es schwer fällt, eindeutige Entscheidungen zu treffen. Er steht am Ende dieser Woche geschwächt da.

## Roma-Mädchen darf zurück nach Frankreich – allein

Seit Tagen streitet Frankreich über die Abschiebung eines 15-jährigen Mädchens in den Kosovo. Präsident François Hollande bekräftigt jetzt die Legalität der Abschiebung – und hebt sie danach aus. *Von Sascha Lehnartz, Paris*

Der französische Staatspräsident François Hollande (Link: <http://www.welt.de/themen/francois-hollande>) hat am Samstag in einer Fernsehansprache erstmals zur Abschiebung des 15 Jahre alten Roma-Mädchens Leonarda (Link: <http://www.welt.de/120984894>) Stellung genommen. Der Fall hält Frankreich seit mehr als einer Woche in Atem und hat zu einer schweren Regierungskrise geführt. Hollande gelang nun das Kunststück, die Rechtmäßigkeit der Abschiebung zu bekräftigen und gleichzeitig dem Mädchen anzubieten, nach Frankreich zurückzukehren, wenn sie dies wünsche. Allerdings alleine, ohne ihre Eltern und ihre fünf Geschwister.

**Die Affäre ist damit um eine paradoxe Wendung reicher und dürfte künftigen Historikern als Musterbeispiel für François Hollandes ungewöhnliches Talent dienen, Entscheidungen zu treffen und sie zugleich zu unterminieren.**

Die 15-jährige Leonarda, die an ihrem Abschiebeort in Mitrovica im Kosovo seit Tagen von französischen Journalisten umlagert wird und inzwischen dort mit täglich wachsender Professionalität Interviews gibt, erklärte umgehend, ohne ihre Eltern werde sie nicht nach Frankreich zurückkehren. Ihr Vater hatte bereits vor der Ansprache Hollandes verlauten lassen, die Familie werde ohnehin in jedem Fall nach Frankreich zurückkehren, legal oder illegal.

### Beim Schulausflug aufgegriffen und abgeschoben

Leonarda war am Mittwoch der vergangenen Woche von Beamten der zuständigen Präfektur im Département Doubs während eines Schulausflugs aufgegriffen worden, da die Abschiebung ihrer Mutter und ihrer fünf Geschwister für diesen Tag angesetzt worden war. Dann war sie über Lyon in den Kosovo ausgeflogen worden. Lehrerverbände hatten gegen das Vorgehen der Behörden protestiert, Leonarda schilderte das traumatische Erlebnis in mehreren Interviews aus dem Kosovo in französischen Medien.

Sämtliche Asylanträge der Familie, die sich seit fünf Jahren ohne Papiere in Frankreich aufhielt, waren zuvor abgelehnt worden. Ihr Vater, der aus dem Kosovo stammt, war bereits einige Wochen zuvor ausgewiesen worden. In den Asylanträgen hatte er falsche Angaben zur Herkunft seiner Familie gemacht. Denn seine Ehefrau und Leonarda sowie vier ihrer Geschwister sind in Italien geboren und nicht im Kosovo. Die jüngste, 17 Monate alte Schwester kam in Frankreich zur Welt.

Insbesondere die Umstände des behördlichen Zugriffs auf Leonarda vor den Augen ihrer Lehrer und Klassenkameraden hatten eine Welle der Empörung ausgelöst und die Sozialistische Partei vor eine Zerreißprobe gestellt. Direkt und indirekt gingen Parteilinken für die Asylpolitik zuständigen Innenminister Manuel Valls an. Valls gilt als Vertreter einer kompromisslosen Linie und erscheint damit vielen seiner eigenen Parteifreunde als zu rechts. Sie hegen seit längerem den Verdacht, Valls sei "kein echter Linker." Allerdings ist ausgerechnet der unlinke Valls laut sämtlichen Umfragen der mit Abstand beliebteste Politiker dieser linken Regierung.

### Geballter Unmut gegen Innenminister Valls

Innerhalb der Sozialistischen Partei gibt es jedoch wachsenden Unmut darüber, dass Valls und letztlich damit auch Hollande die Einwanderungspolitik auf eine Art und Weise handhaben, die sich von jener der konservativen Sarkozy-Regierung kaum unterscheidet. Zudem hatte Valls vor einigen Wochen bereits für Empörung in den eigenen Reihen gesorgt, als er die Integrationsbereitschaft der Roma pauschal in Abrede gestellt und erklärt hatte, diese seien nicht dazu berufen, in Frankreich zu bleiben, sondern müssten nach Bulgarien oder Rumänien zurückkehren. Gerade das Beispiel der offenbar recht gut integrierten und in Pontarlier seit Jahren eingeschulten Leonarda, die in fließendem, wenn auch nicht völlig akzentfreiem Französisch ihr Schicksal vor den Kameras schilderte, stand in deutlichen Widerspruch zu den von Valls geäußerten Thesen.

Auch deshalb entlud sich nun der geballte Unmut seiner Genossen über dem ehrgeizigen Minister. Als in Paris auch noch die Schüler auf die Straße gingen und aus Protest gegen die Abschiebung Leonardas ihre Schulen blockierten, brach Valls einen Besuch auf den französischen Antillen vorzeitig ab und eilte nach Paris zurück.

Bildungsminister Vincent Peillon hatte das Vorgehen der Behörden ebenso kritisiert wie der sozialistische Parlamentspräsident Claude Bartolone. Peillon hatte die Schule in pathetischen Worten zu einem "geheiligten" Bereich



erklärt, vor dem Abschiebungspolitik haltmachen müsste. Bartolone verstieg sich gar zu der These, dass es Gesetze geben könne, die republikanischen Werten zuwiderliefen.

Hollandes Lebensgefährtin Valérie Trierweiler hatte sich am Freitag auch noch in die Debatte eingeschaltet. Zwar liege ihr das "religiöse Vokabular" des Bildungsministers fern, doch die Schule sei für sie ein "Ort der Integration, nicht der Exklusion", erklärte Madame Trierweiler. Spätestens da war klar, dass es für Manuel Valls eng werden könnte. Bereits am Mittwoch hatte Premierminister Jean-Marc Ayrault, den mit Valls eine unherzliche Rivalität verbindet, im Parlament gesagt, "wenn es einen Fehler gegeben hat, wird die Familie zurückkehren können", und damit seinen Innenminister öffentlich vorgeführt. Da war allerdings noch nicht klar, dass der Familienvater Dibarni bei den Asylanträgen bewusst gelogen hatte.

### **Leonarda will Familie nicht verlassen**

Der Bericht über die amtliche Prüfung des Verfahrens, der Innenminister Valls nun am Samstagmorgen übergeben wurde, stellte fest, dass die Abschiebung der Familie zwar rechtskonform war, dass die Ordnungskräfte es jedoch am nötigen Fingerspitzengefühl hätten fehlen lassen, als sie Leonarda während der Schulzeit aufgriffen.

"Es ist nichts Unrechtmäßiges geschehen, das Gesetz wurde befolgt, aber es gab einen Mangel an Urteilsfähigkeit", erklärte Hollande daraufhin in seiner Fernsehansprache. Der Präsident zeigte Verständnis dafür, dass die Umstände "dieser Abschiebung berechnete Emotionen ausgelöst haben, insbesondere bei der Jugend". Hollande betonte "die fundamentalen Werte der Republik" zu denen der Respekt vor den Gesetzen nun einmal gehöre. Zugleich sei jedoch auch die Unverletzlichkeit der Schule ein zentraler republikanischer Wert. Er habe deshalb eine Anweisung an sämtliche Präfekten erlassen, die es künftig untersage, Kinder "während der Schulzeit, ebenso wie in der Schule, während Schulausflügen oder aus Sportanlagen" aufzugreifen, erklärte Hollande.

Dann unterbreitete er Leonarda Dibrani, dem mittlerweile berühmtesten Roma-Mädchen Frankreichs, das großzügige Angebot, sie könne nach Frankreich zurückkehren. "Sie wird empfangen werden, wenn sie dies verlangt", erklärte der gutherzige Präsident.

Leonarda, die die Ansprache des Präsidenten mit ihrer Familie und umgeben von zahlreichen französischen Journalisten in Mitrovica verfolgt hatte, erklärte indes umgehend, sie werde nicht alleine nach Frankreich zurückkehren. "Ich werde meine Familie nicht zurücklassen. "Ich bin ja nicht die Einzige, die in die Schule gehen muss, es gibt ja noch meine Brüder und Schwestern."

Das klang so, als hätte Leonarda über die ganze Sache etwas gründlicher nachgedacht als François Hollande.

## Down and out: the French flee a nation in despair

The failing economy and harsh taxes of François Hollande's beleaguered nation are sending thousands packing - to Britain's friendlier shores

87,119



By 2014, France's public expenditure will become the world's highest, at 57 per cent of GDP Photo: Howard McWilliam

By Anne-Elisabeth Moutet

7:00AM BST 20 Oct 2013

 [193 Comments](#)

A poll on the front page of last Tuesday's *Le Monde*, that bible of the French Left-leaning Establishment (think a simultaneously boring and hectoring *Guardian*), translated into stark figures the winter of François Hollande's discontent.

More than 70 per cent of the French feel taxes are "excessive", and 80 per cent believe the president's economic policy is "misguided" and "inefficient". This goes far beyond the tax exiles such as Gérard Depardieu, members of the Peugeot family or Chanel's owners. Worse, after decades of living in one of the most redistributive systems in western Europe, 54 per cent of the French believe that taxes – of which there have been 84 new ones in the past two years, rising from 42 per cent of GDP in 2009 to 46.3 per cent this year – now widen social inequalities instead of reducing them.

This is a noteworthy departure, in a country where the much-vaunted value of "equality" has historically been tinged with envy and resentment of the more fortunate. Less than two years ago, the most toxic accusation levied at Nicolas Sarkozy was of being "le président des riches", favouring his yacht-sailing CEO buddies with tax breaks and sweet deals. By contrast, Hollande, the bling-free candidate, was elected on a platform of increasing state spending by promising to create 60,000 teachers' jobs, as well as 150,000 subsidised entry-level public-service jobs for the long-time unemployed and the young – without providing for significant savings elsewhere.

By 2014, France's public expenditure will overtake Denmark's to become the world's highest: 57 per cent of GDP. In effect, just to keep in the same place, like a hamster on a wheel, and ensure that the European Central

Bank in Frankfurt isn't too unhappy with us, Hollande now needs cash. Technocrats, MPs and ministers have been instructed to find every euro they can rake in – in deferred benefits, cancelled tax credits, extra levies. As they ignore the notion of making some serious cuts (mooted at regular intervals by the IMF, the OECD and even France's own Cour des Comptes), the result can be messy.

On the one hand, the lacklustre economy and finance minister Pierre Moscovici recently admitted that he “understood” the French's “exasperation” with their heavy tax burden. This earned him a sharp rap on the fingers from the president and his beleaguered PM, Jean-Marc Ayrault. On the other, new taxes keep being announced, in chaotic fashion, nearly every week. “Announced” doesn't mean “implemented”: the Hollande crowd have developed a unique Wile E Coyote-style of leaks, technical glitches, last-minute tweaks and horse-market bargaining whereby almost nobody knows, at any given time, who will be targeted by the taxman, and how. Unsurprisingly, this is liked by no one except us reptiles of the press, eager to report on the longest series of own goals in the history of government communications.

Take last year's famous 75 per cent supertax, on individuals earning over one million euros a month. This has still not been implemented. First, it got struck down by France's Constitutional Council on a technicality. Leaks suggested the rate would fall to 66 per cent. They were confirmed, then denied. Hollande eventually vowed that the tax would be paid by the targeted individuals' employers, for daring to offer such “obscenely” high salaries. This has just been approved by the National Assembly, and must still pass the Senate. So far, it is only supposed to apply to 2013 and 2014 income, but no one knows if the bill will be prolonged, killed or transformed.

What we do know is that this non-existent (so far) tax has been the clincher that sent hundreds, possibly thousands of French citizens abroad: not just “the rich”, whom Hollande, during his victorious campaign, said he personally “disliked”, and who now are pushing up house prices in South Kensington and fighting bitterly over the Lycée Charles de Gaulle's 1,200 new places; but also the ambitious young, who feel that their own country will turn on them the minute they achieve any measure of personal success.

In the heart of Paris's Right Bank, where I live, only foreigners seem to buy flats, at prices entirely disconnected from reality. In my street, I have spotted three new Maseratis. Even before seeing their Qatari plates, I knew they couldn't belong to local owners: they're an ostentatious admission of wealth no one wants to make in Hollande's France. (A luxury car is one of the “outward signs of wealth” your tax inspector has been specifically trained to query. The lesson has been learnt: last year, Rolls-Royce sold no cars in France.) On the Left Bank, elegant Americans buy bijoux apartments on place de Furstenberg, at 30,000 euros per square metre, and venture into the fine Café de Flore for elevenses.

“It's not only that people don't like to be treated like criminals just because they're successful,” says a French banker friend who has recently moved to London. “But this uncertainty in every aspect of the tax system means it is impossible to do business: you don't know what your future costs are, or your customer's. You can't buy, you can't sell, you can't hire, you can't fire.”

While I'm still happy in Paris, I envy him his surroundings, the vibrancy of London, the feeling that anything is possible, the sense of fun I remember from the years I lived there in the Eighties and Nineties, and that I gladly find again every time I zoom in on the Eurostar. Paris, my city of birth, is an elegant museum – where any new idea, in any context, seems to be fated to be shot down by a combination of old, structural conformism and blasé disenchantment.

Today, one out of four French university graduates wants to emigrate, “and this rises to 80 per cent or 90 per cent in the case of marketable degrees”, says economics professor Jacques Régniez, who teaches at both the Sorbonne and the University of New York in Prague. “In one of my finance seminars, every single French student intends to go abroad.”

“The French workforce is now two-speed,” explains a headhunter who shuttles between Paris and London. “Among the young, perhaps a third speak English, are willing to relocate, and want to work. For one thing, their dream employers are the more prosperous of the large French multinationals, almost all those in the CAC40 index, who make over half of their profits abroad, sometimes over 90 per cent – companies like, say, L’Oréal, Schneider or Danone. This is why French universities have shocked the Académie française and now teach many courses in English.

“But I’ve also seen determined young people take jobs in places like Vietnam, with local contracts and nothing like the level of protection afforded by French labour law, in order to gain a proper first experience of business in a competitive environment. And then you have a large group whose ambition is simply to stay outside the economy.”

This means a trade-off with which anyone in France is familiar: young people, and many of their parents, dream of getting any kind of state or local administration post, usually badly paid, very often frustrating, but which ensures complete job security, unrelated to the economic situation, the market, or their own performance. More than a quarter of the French workforce is employed by some public body or other: schools, hospitals, local and regional councils, the police, the civil service proper – or those new subsidised public-service jobs the Hollande government is so keen on.

While the young French generations were aspiring to cocoon themselves away from the realities of the world, our nearest neighbours were following the opposite trend. In 2000, under a socialist chancellor, Gerhard Schroeder, German businesses paid an astonishing 51.6 per cent company tax – largely to pay for the previous decade’s reunification. Today, this is down to 29.8 per cent, when the French equivalent, the highest in Europe, is 38 per cent. By 2003, Schroeder had embarked on a widespread reform programme, lowering taxes and drastically slashing benefits, curtailing the influence of the unions, and eventually reducing German unemployment from 10 per cent to 7 per cent (it’s 11 per cent in France).

There are many reasons why this wouldn’t work in France, not least because the French Socialists happen to have noticed that Schroeder and his party reformed themselves out of a job. Another is that French unions represent very little: less than 8 per cent of the French workforce overall is unionised, a figure that falls to between 3 per cent and 5 per cent in the private sector. Unions do, however, play a mandated part in a number of negotiation and welfare net structures, the unemployment benefits system, retraining schemes and the national health and pensions co-administration. This, not members’ contributions, keeps them afloat. The law also provides for legal labour dispute fines to be paid to the unions.

French unions see as their main goal the preservation of the status quo: from overprotective labour laws that make it so hard to fire employees that French bosses will do almost anything to avoid hiring new staff (who cost them a whopping 70 per cent in payroll taxes), to perpetuating antiquated regulations dating back to Vichy France, banning Sunday trading and evening shifts.

Recent union legal actions have forced businesses to close on evenings and Sundays, from the cosmetics chain Sephora – where employees protested that they wanted to keep working their late hours – to the British-owned DIY chain Castorama, which belongs to Kingfisher: no wonder Ian Cheshire, Kingfisher’s chief executive, complained last Friday that this harmed the French economy as well as his stores. “The president has said that recovery is in sight: I’m not sure where he’s looking at the moment. The mood is improving in the UK, not in France.”

It wasn’t fated to happen. “By 2000,” says Jacques Régniez, “French multinationals had achieved a very high level of competitiveness. Having committed to the strong franc, in the run-up to the euro they were forced to become lean and efficient. They rationalised production, and French workers became some of the most productive in the world.” French utilities, insurers, aerospace makers and luxury-goods conglomerates were up

there with the best. If you wanted the best nuclear plant, crocodile handbag, commercial aircraft, high-speed train, you bought French.

What went wrong, says Régniez, was a bill passed by the then socialist Lionel Jospin government reducing the working week to 35 hours. “Where our competitors, especially the Germans, saw the need to keep prices and costs down, France spent money she couldn’t afford.” The entire system, he explains, tilted fatally to the side of salary hikes, perks and a lowering of retirement age, in the face of every observable demographic trend. Investment slowed down in the private sector, and almost stopped in the public one. “Each year, France has missed out on four GDP points of capital investment. By now, after a decade-and-a-half, we are not only lagging behind, it’s not certain we can make up for it. It would cost a 4.5 per cent hike in VAT, and other significant hikes in payroll taxes. That, quite simply, is not realistic.”

Even France’s vaunted infrastructures – those trains, roads, telecoms cables, the once ultra-performing electrical grid, the nuclear plants, the delayed 4G network – have taken a severe hit.

A French businessman who moved to London last year and asked not to be quoted by name, “because my tax audit would be even more retaliatory than what I’m currently being subjected to”, compares July’s Brétigny train crash, France’s worst rail disaster in a quarter of a century that killed six and injured 100, to the Paddington and Potters Bar derailments. “The rolling stock is ageing, the tracks are in a constant state of disrepair, even the TGVs now have regular delays because of catenary failure.”

Despite disputing allegations of negligence, SNCF have said they will reinforce maintenance “without waiting for the conclusions of the inquiry”. Criticisms have also been made that vast sums went on salaries, benefits and pensions.

But most analysts share the blame between Left- and Right-wing French governments in the past two decades. An investment banker, who has also moved to London recently, dates the wrong choices from the first Jacques Chirac presidency, in 1995. Chirac and his PM Alain Juppé, both Gaullists, decided to reform the huge French public sector’s pension system, to align civil servants’ pay-as-you-go pensions, which were (and still are) much more favourable, with those of the private sector.

There followed three weeks of hard strikes, shutting down the entire country, from schools to public transport to utilities and the post office. Juppé was ready to stick it out, but Chirac blinked. The reform was shelved, and for the next 12 years he stayed in office, Chirac never, ever tried to clash with vested interests again.

Sarkozy had great plans after his 2007 election. He believed in business, and good pay for hard work, and was devastatingly frank about it. It might – perhaps – have passed in prosperous times: one year on, the financial crisis hit, and his brusque style and love of bling clashed with both the times and age-old French preferences. (France is an old Catholic country that, for over a century, was influenced by unapologetic Marxism. It is atavistically hostile to money.) The reforms Sarko managed to pass, much milder than necessary, still ensured his unpopularity. He bet on French realism, and lost.

Realism – actual, real-life realism – is not an accusation you can levy at Hollande. Like Chirac – who supported him both because of a deep personal dislike for Sarkozy, and because they are in many ways very similar – France’s unlikely seventh president of the Fifth Republic is a professional politician, a graduate of the top government school ENA, and has never held a job in the private sector. Both Chirac and Hollande come from Corrèze, in central France, a region that has regularly provided French politics with a certain type of wily opportunist. Both appear easy-going and friendly, and both are complete cynics, with very little in the way of ideals, and an infinite capacity to scheme in order to stay in power.

Chirac, like Hollande, knew how to cultivate an array of political allies: in the case of Hollande, this means keeping the Left of his party as well as his Green allies happy with a number of symbolic measures, from the supertax to the recent anti-fracking bill.

Uninterested in the impact of morale and image on politics and the economy, Hollande believes that the economic cycle is bound to turn (he has said several times already that the recession is behind us), and that all he's got to do is stay in power until things get better – thanks to the Chinese, the Americans, it hardly matters which. He doesn't even worry about Marine Le Pen's inroads in local elections: a junior aide in the Mitterrand Élysée 25 years ago, he believes the National Front, conjured up by his old boss, is a convenient accessory designed to split the Right and help him win a second term in 2017.

Professor Régniez believes this is very dangerous. “Sarkozy narrowly lost in 2012 for personal reasons – his style annoyed voters who could have agreed on his policies, but who wanted to punish him: 18 per cent of them voted for Marine Le Pen, against only 5 per cent for her father in 2007.

“This should be a warning to other countries, like Britain – it's all very well punishing a conservative politician you're dissatisfied with by voting for a maverick, Le Pen here, Farage there. But it gets the likes of Hollande elected. Think well: is ours the kind of future you want for your country?



Against the odds

## The French president is battling dismal poll ratings, local election defeats and government division

Oct 19th 2013 | PARIS | From the print edition

87,124



IT WAS a double blow for France's Socialist president, François Hollande. On October 13th, Marine Le Pen's far-right National Front (FN) bagged a symbolic local by-election victory in southern France, having eliminated the left in the first round. The same day, the only Socialist minister running in a party primary for next year's mayoral race in Marseille was evicted from the second-round run-off. **Such results may be small and local. But they reflect a bigger credibility problem in France, which reaches to the very top.**

The local-election victory for Laurent Lopez, the FN candidate in the town of Brignoles, was a defeat for both left and right. The centre-right UMP, whose leaders never miss an opportunity to take pot-shots at each other, failed to persuade voters that it was the natural alternative to the Socialist-backed Communist incumbent. Eliminated in the first round, the left then failed to convince supporters to heed its call for a "republican" anti-FN vote in the run-off.

**Under France's two-round voting system, which favours big parties, any FN victory is an impressive feat. That it has won in Brignoles, succeeding a Communist departmental councillor, marks the party's success in drawing disaffected left-wing voters, not only those on the right. Casting a ballot for Ms Le Pen's new-look FN, out of fears over crime, immigration, jobs and globalisation, is no longer seen as taboo.** Mr Hollande's problem, as Jean-Christophe Cambadélis, a Socialist deputy, put it, is that **"a tripartite structure" is emerging in French politics between the UMP, the Socialists and the FN which threatens both mainstream parties.**

The primary vote in Marseille was in many ways quite different. It was an open poll among self-declared left-wing supporters to select the Socialist candidate to run for mayor of France's second city next March. Currently held by the UMP, Marseille will be tough for the left to capture. It was generally assumed that voters in the primary would back Marie-Arlette Carlotti, a junior minister.

On voting day, however, Ms Carlotti found herself evicted in the first round. In first place came **Samia Ghali, an energetic Marseille-born senator of Algerian descent who made her name by calling for the army to be sent in to deal with the city's escalating drug-related murders.** Although Mr Hollande did not publicly back his minister, Ms Carlotti's elimination was nonetheless a serious snub. And the ascension of Ms Ghali, who has risen from the Marseille housing estates to the Senate in Paris, is **an awkward reminder of the party's paltry record in promoting ethnic diversity.**



**If there is a common message in all this it is of defiance towards the political elite.** The fractious UMP deserves its share of the blame for the FN's advances. But the two rebukes at the ballot box also reflected **Mr Hollande's inability to convince even his own supporters that he is safely in charge.** This month his poll ratings plumbed new depths, hitting **23%**, according to TNS-Sofres, a pollster. **Even among Socialist voters he has lost 11 points.**

**Socialist deputies are "worried about his leadership"**, in the words of one of them. Moderates deplore his reluctance to offend the left. **The left grumbles that he is too concerned about deficits, and not enough about the socialist dream.** Such differences within government periodically explode into public view. This week, Manuel Valls, the popular, tough-talking interior minister, clashed with an indignant Vincent Peillon, the education minister, after **a teenaged Roma pupil from Kosovo was expelled under French immigration law**, along with her family, having been taken into custody while on a school trip.

Yet Mr Hollande appears **preternaturally** serene. Perhaps he genuinely believes the two local votes do not reflect his personal standing. Perhaps he had already accepted the prospect of a dismal local-election result. **Or possibly Mr Hollande is simply a defiant optimist.** "He is a great believer in the cycles of history," says Jean-Marie Le Guen, a Socialist deputy. **"He believes that things will improve, growth will return and problems will be solved."**

This would explain the president's approach to **economic despondency**. With France emerging from recession and the IMF forecasting 2013 GDP growth of 0.2%, he has seized the chance to talk up a rebound, promising a drop in unemployment by the year's end. **This** could be a tactical effort to boost confidence, but he may actually believe it as well. Not so the French. In another poll, when asked whether they thought the recession was over, a minuscule 1% agreed, even among left-wing voters.

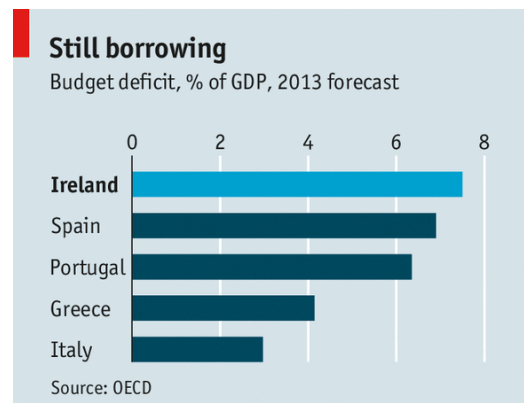
## Ireland

The eighth austerity budget

# For the government, the end of an economic emergency is in sight

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87,126



“TOO long a sacrifice can make a stone of the heart,” said Michael Noonan, Ireland’s finance minister, quoting Yeats, to justify an easing of austerity measures when he presented his 2014 budget to the Irish parliament on October 15th. This time the government inflicted less fiscal pain than it had originally planned. Austerity fatigue is growing among the public. And relations between the coalition partners, Fine Gael and Labour, are starting to fray. The two parties are keen to avoid any repeat of 1987, when they were also in a coalition and failed to tackle an earlier Irish economic crisis. At that time the government broke up after a disagreement over the budget—and Fianna Fail came back into power.

Since 2008, successive Irish governments, in seven budgets, have taken €28 billion (\$38 billion) out of the economy in spending cuts and tax rises, which amounts to 17% of today’s GDP. Mr Noonan, introducing the latest (eighth) austerity budget, has eased the burden of adjustment marginally, providing some relief to the public while throwing a political lifeline to Fine Gael’s junior partner. He took €600m less than the €3.1 billion in savings specified under the terms of a €67.5 billion bail-out programme that Ireland agreed with the European Union, IMF and European Central Bank in 2010.

The government’s move to signal the beginning of the end of austerity comes as Ireland prepares to leave the bail-out programme in December, and follows a strong rebuff by Irish voters. The coalition was expected to win easily a referendum on October 4th on the abolition of the Senate, the upper house of parliament. It lost narrowly, which was a particular blow to Enda Kenny, the Fine Gael prime minister. A recent opinion poll showed Labour Party support dropping to 6%, less than a third of its 2011 general election vote.

How well placed is the Irish economy to complete a successful and durable exit from its bail-out programme? The indicators are encouraging. Since 2010 the government has met all the targets set by the troika of international lenders. Yields on ten-year Irish sovereign bonds have fallen below 4%, and Ireland has accumulated substantial cash balances, some €25 billion, as a backstop.

The economy moved out of recession in the second quarter of 2013, with 2% GDP growth forecast for 2014. Unemployment, which peaked at over 15% in 2012, fell to 13.3% in September, helped by high levels of emigration and increased jobs growth. The property market shows signs of a sustained recovery. And though he failed to offer all the savings hoped for in 2014, Mr Noonan expects to achieve a lower budget deficit next year than the programme asked for. Nevertheless, the budget strategy remains a gamble on the government meeting its 2014 budget targets as well as an export-led recovery.

The day three years ago when a Fianna Fail-led coalition was forced to ask for an international bail-out was regarded as Ireland’s day of infamy. December 15th this year, when Ireland hopes to exit the bail-out, is being seen as the end of an economic emergency. According to Mr Noonan, “Ireland will have been handed back her purse.” It will be a good deal lighter, and emptier, than before.

## Marx, Methodism and Mecca

Oct 18th 2013, 14:29 by B.C.

87,127



ACROSS western Europe, parties of the centre-left have struggled to make sense of the fact that Islam is a growing cultural force in their continent. At times, the relationship has veered between close embrace and secularist recoil. But parties of the left will lose out politically unless they can find a way to give Muslims the opportunities to participate in public life that other religious groups already enjoy.

That, in a nutshell, is the argument laid out by Jonathan Laurence, a professor at Boston College, in the latest issue of *Dissent*, a quarterly journal. As one of the most thoughtful observers of the politics of European Islam, he makes some important, paradoxical points.

When poor immigrants of Muslim heritage started coming to work in Europe's factories half a century ago, they were welcomed by leftist parties as victims to be defended and promising political allies. But the relationship went sour after Muslim migrants showed their traditionalist side: burning the books of Salman Rushdie, the writer whose death was demanded by the Ayatollah Khomeini, and insisting on traditional headgear for women.

The centre-left has an ambivalent attitude to religion in general. It was once said of Britain's Labour party that, although it was a "broad church", it owed more to Methodism than to Marx. But in most other European countries, social-democratic parties have occupied the secularist ground, in opposition to the moderate religious conservatism of the centre-right. When centre-leftist parties have tried to reach out to Muslim voters, they have sometimes been burned by the experience. Earlier this year, a Muslim member of Sweden's Social Democratic party had to quit the leadership after making a reference to attacking Israel.

The paradox grows sharper, as Mr Laurence points out, when you look at voting patterns among Muslim migrants in Europe. In their new homelands, they still generally vote for centre-leftist parties (unless there a strong reason not to, like the Iraq war), but if they remain active in the politics of their mother country, they lean towards Islamist conservatism. The Islamist parties of Turkey and Tunisia do even better in the European diaspora than they do at home, Mr Laurence notes. (He could have added that the Islamists of Bangladesh do better in east London than they do in Dhaka.)

Although his broad-brush analysis of the European scene is clear and persuasive, some readers will part company with Mr Laurence's conclusion. Despite the relationship's inherent problems, he argues, the centre-left may lose out electorally unless it somehow re-engages with Islam. "When the left 'bets against God'....[it] forgoes potential alliances with faith communities that share common moral, economic and social ground."

In Britain at least, it looks likely that the centre-left will continue to swing erratically between cultivating Islam and cultivating wariness of Islam. In recent days Labour's education spokesman, Tristram Hunt, has scored points over the strange goings-on at the Al-Madinah school in Derby, which asked all prospective women teachers, Muslim or otherwise, whether they would be prepared to cover their hair. This establishment, excoriated in an inspectors' report this week, was a perfect example of the flaws in the Conservative-led government's policy of allowing "free schools" with weak supervision: by making that argument, Mr Hunt will please some citizens and alienate others, including Pakistani-born voters who have reacted defensively to criticism of the school. In the confusing, multicultural Europe of 2013, a politician or political party cannot please everybody and perhaps should not try.