

## Domestic Spying, French Style

95,1

On Wednesday, the French Senate voted to adopt a law giving government broad powers to monitor just about anything a person in France does on a cellphone or through an Internet connection. The timing of this move is troubling, given the French government's outrage in October over revelations of spying on the French by the United States through the National Security Agency. Despite assurances from the French defense minister, Jean-Yves Le Drian, that adequate oversight is built into the new law, in the post-Snowden era, opponents of the bill have reason to be skeptical.

Article 13 of the sweeping new Military Programming Law permits police and security forces to request telephone and Internet data and activity, including location information, "in real time," without a judge's authorization. It also extends government surveillance to any conduct that jeopardizes the "scientific or economic potential of France." Presumably this means industrial espionage, but the language is disturbingly vague. The new law also grants the Ministries of Economy and Finance access to citizens' data and activity.

The National Commission on Information Technology and Freedom, or CNIL — supposedly the main government watchdog over the new surveillance protocol — was not consulted in the drafting of Article 13.

In addition to concerns about citizens' rights, service providers worry the law will hurt their businesses. Two powerful business lobbies — one of which counts Skype, AOL and Google as members — joined to express fears that the new law will cause customers to lose confidence that their data are secure. While French Senate passage of the bill — by a 164-to-146 vote — makes it final, it is possible for 60 deputies and senators to request a review by the Constitutional Council. France's Green Party, which opposed the bill, has vowed to gather the support to do just that.

Article 13 sets a dangerous precedent for the expansion of citizen surveillance. And it fails to regulate in a transparent manner the vast amount of data sharing going on between technology service providers, the French national security apparatus and those of other governments. To dispel citizen and industry concerns, the French government should support a review of Article 13 by the Constitutional Council and ask the CNIL to review the law as well.

December 13, 2013

## When We Were Poor Before

95,2

By ALMUDENA GRANDES HERNÁNDEZ

MADRID — On cold winter mornings when I was a child in Madrid, maids never walked. I remember them always running, their arms crossed over their chests to try to stay warm inside their thin wool jackets.

I also remember dark-skinned men walking slowly, with their collars raised, carrying cardboard suitcases. I used to watch them, admiring their resilience, and wondered whether they, too, were cold. But I kept my questions to myself.

In the 1960s, curiosity was a dangerous vice for Spanish children. We were surrounded by photographs — sometimes framed and placed on a shelf, other times buried in the back of a dresser drawer — of young smiling people we'd never met. Who is he? They were uncles, cousins, siblings, grandparents or family friends, and they were dead.

And how did they die? A long time ago. But how, why, what happened? During the war or after the war, but it's a story so sad, so terrible, we children were told, it's better not to talk about unpleasant subjects.

To us children, the war was the mysterious conflict nobody dared speak of, though its memories haunted the eyes of the adults, like an open wound that's become infected by fear or guilt. Mentioning it ended the conversation.

We children learned not to ask, even before we read the terrible and poignant verses by Jaime Gil de Biedma: "Of all the stories in history, the saddest is undoubtedly Spain's, because it has an unhappy ending."

Even today, Spaniards don't want to remember.

We lived in a poor country, but we were used to that. We'd always been poor, even when the kings of Spain were the masters of the world, when the gold of the Americas traveled across the peninsula, leaving behind nothing more than the dust raised by the wagons that transported it to Flanders, to pay the Crown's debts. In the Madrid of my childhood, where a warm coat was an out-of-reach luxury for maids and day laborers waited for trains to take them to the French wine harvest or a German factory, poverty was our shared destiny, the only heirloom many parents could bequeath their children. But there was something else in that legacy, something of value we Spaniards have lost.

I remember and can conjure all those images in my mind: the cold, the beggars, the silence, the uneasiness of adults whenever they saw a policeman on the street, an old habit that was hard to break. In those days, if we dropped a piece of bread on the floor, they made us pick it up and kiss it before putting it back on the table, so much hunger had they known in our homes back when the loved ones nobody wanted to talk about had died. But no matter how hard I try, I don't recall any sadness.

Anger, yes, and the clenched jaws of some men and women who in one life had suffered enough misfortune for six people, but nonetheless kept going. Thirty years ago, in Spain, children inherited from their parents poverty, but also dignity, a way of being poor that was never undignified. We learned to never stop fighting for a better future, to never give up. Not even Franco, in his 36 years of dictatorship that the vile war gave birth to, could prevent his enemies from prospering, from falling in love, from having children and being happy. In the Spain of my childhood, happiness was a way to resist.

Later they told us we had to forget, that to build a democracy it was essential to look forward, to pretend nothing had happened. And by forgetting the bad, we also erased the good. That didn't seem to matter because all of a sudden, we were attractive, we were modern, we were fashionable. Why remember the war, the hunger, the misery and the hundreds of thousands of dead people?

By turning our backs on the maids with the thin coats, the men with the cardboard suitcases and the habit of kissing the bread, we lost touch with our tradition, with the values that now could help us overcome this new poverty. This deprivation has been foisted on us from the very heart of that Europe that was supposed to make us rich, and has stolen from us a treasure that cannot be bought with money. Today, Spaniards are not just broke; we are lost, stunned and confused, as disoriented as a spoiled child whose toys have been taken away. That child does not know how to make his voice heard, claim what was his, denounce the robbery or stop the thieves.

If our grandparents saw us, they would die laughing, then die of shame. For them, our economic slide would be a mere inconvenience, not a crisis. Because Spaniards, who for centuries knew how to be poor with dignity, never knew how to be docile.

Never. Until now.

*Almudena Grandes Hernández, a novelist, is the author of a trilogy on the Spanish Civil War.*

PATRICK CHAPPATTE

## Going It Alone

95,4



Patrick Chappatte

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France tries to stop the killing in the Central African Republic.

*Patrick Chappatte is an editorial cartoonist for The International New York Times. View [more of his work](#), visit his [Web site](#) or follow him on [Twitter](#).*

December 13, 2013

## African Crisis Is Tougher Than France Expected

95,5

By [ALISSA J. RUBIN](#)

PARIS — With photographs emerging of children toting guns and estimates of more than 400,000 displaced people in camps, the crisis in the Central African Republic is proving more complicated, violent and desperate than the French expected, according to Western diplomats, analysts and human rights activists.

The scale of the humanitarian needs and the growing animosity between the country's Christians and Muslims threaten to overwhelm President François Hollande's goal of quickly restoring order, disarming militias, expediting emergency aid and preparing for elections in 2014.

The French ambassador to the United Nations, Gérard Araud, has described the country as verging "on the brink of mass atrocities." But a number of Western diplomats and human rights advocates fear that the country is already so deep in a spiral of revenge killings that it will be difficult for the French soldiers — who have a substantial task ahead just in Bangui, the capital — to slow the mayhem nationally.

More than 600 people have been killed in the past week in the sectarian violence and lawlessness convulsing the Central African Republic, and the turmoil is getting worse, the United Nations refugee agency said Friday.

This crisis is far different from the one in Mali, another former French colony, where France intervened militarily in January to halt an advance by Islamist insurgents.

"In Mali you had a pretty identifiable enemy in one part of the country, albeit a large part, but in the Central African Republic you have communities breaking into violence all over the country — it's not just one group," said a Western diplomat familiar with the situation, who asked not to be named because of he was not authorized to discuss the situation with reporters.

The full contingent of 1,600 French troops arrived over the weekend, and the United States is now helping to transport reinforcements from other African countries to join an African Union force of about 2,500 soldiers already deployed, with the goal of increasing that force to 6,000. The soldiers are authorized to pre-empt violence under a United Nations Security Council resolution approved last week. President Obama has ordered \$60 million in nonlethal military equipment to be sent.

It is unclear whether that will be enough.

"What we are facing today is a bit heavier than we expected," said a French diplomat speaking in Washington this week, referring to some of the Muslim militias active in Bangui and elsewhere. "We plan for everything," said the diplomat, who, under the diplomatic protocol established by the French government, declined to be identified. "But some have hidden weapons in the capital city and are behaving in a very unconventional way with fake uniforms. Some are wearing civilian clothes. We have to cope with that; we hope we can."

[The genocide in Rwanda in 1994 casts a long shadow](#). The French have been blamed for not doing more and accused of allowing the escape of some notorious figures who were involved in perpetrating the carnage, and they now appear committed to preventing a similar cycle of killing.

French military intervention in its former colonies carries other risks. Islamic insurgents linked to Al Qaeda, seething over France's deployment in Mali, retaliated with a [deadly attack](#) on a desert gas field in neighboring Algeria that left at least 37 foreign hostages and 29 attackers dead. While Qaeda operatives are not

believed to have turned their attention to the Central African Republic, some analysts worry that it has the kind of lawless and remote profile that could attract jihadist cells.

The Central African Republic is France's fourth military engagement in Africa in 10 years, including Mali, Ivory Coast and Libya. Thirty-four French soldiers have been killed during that period in combat operations in Africa, with the largest number in Ivory Coast. All except Libya have been part of France's colonial past, and each has a complex relationship with its former overlord.

France had hoped that its engagement in Mali, where it has deployed 2,800 troops, would be winding down by now, but those plans have been delayed.

From the start, the Central African Republic was a challenge of a different order, analysts said.

The country is poorer and farther from Europe, making it less of a celebrated cause than Mali, whose culture and tradition of democratic stability and religious tolerance are admired far beyond its borders. Mali attracted financial support from the European Union as well as from individual members to help with its rebuilding.

The Central African Republic, by contrast, is much more isolated, with the world's fourth-highest infant mortality rate and a life expectancy of about 50 years.

One of the toughest problems France faces is trying to reach the lawless areas outside the capital. In large parts of the countryside, communities belonging to the Christian majority have formed militias known as the anti-balaka to repel attacks from the largely Muslim rebels, known as the Seleka, who took power after toppling the government this year. Some analysts say the rebels' allies include foreign mercenaries and warlords from neighboring Sudan and Chad.

"The French haven't reached many of the towns where the Seleka are present, and they haven't reached the countryside, where the anti-balaka militias are, and the countryside is armed and ready to fight to overthrow the Muslim rule," said Peter Bouckaert, director of emergencies for Human Rights Watch, who was visiting the country for the past two weeks.

"It is very scary to walk into some of these villages and see everyone other than yourself armed," said Mr. Bouckaert, who posted a [photo on Twitter of a boy](#), about 12 years old, carrying a gun near Bossangoa, a more heavily Christian area in the country's west.

The child had been pressed into service by the anti-balaka Christian militias. Disarming such groups, one of the French objectives, could backfire unless both Christian and Muslim militias are disarmed, said Mr. Bouckaert and other analysts. Human rights advocates have already documented instances in which the French disarmed Seleka leaders, who were then lynched by Christian militias within hours.

Africa analysts worry that France does not have a clear plan for how to contain the sectarian violence and create an environment for a caretaker government to bring stability.

"The most difficult thing at the moment is the disarmament of the population," said Thierry Vircoulon, the central Africa project director for the International Crisis Group.

"Communities are armed now; they will try to hide their weapons," he said. "The second thing is what to do with the Seleka fighters," he continued. "If they go to their barracks and agree to disarm, the French have to offer them an alternative future."

French officials argue that they had an overriding reason for sending in troops. "If we hadn't intervened," said Mr. Hollande, speaking on Tuesday, shortly after French troops arrived, "there would have been further massacres, there would have been more women raped, more children would have been killed."

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Dans les prochaines décennies, l'écart entre le dernier salaire et la pension augmentera dans le privé. Ce ne sera pas le cas dans la fonction publique, car le mode de calcul des retraites est différent.

C'est une inégalité à laquelle le gouvernement n'a pas voulu s'attaquer: la différence de [calcul des pensions](#) entre privé et public. Le niveau de la retraite d'un salarié d'une entreprise dépend de ses vingt-cinq meilleures années de salaires. Celle d'un fonctionnaire, des six derniers mois. Le gouvernement Ayrault a évacué le sujet en démontrant que le taux de remplacement, c'est-à-dire le montant de la pension rapporté au dernier salaire, était similaire entre [fonction publique](#) et secteur privé. C'est vrai à l'heure actuelle.

Hélas, pour le privé, cela ne le sera plus à l'avenir, selon une étude du Conseil d'orientation des retraites. Le taux de remplacement d'un cadre fondra en effet de 56 % pour la génération 1950 à 51 % pour celle de 1990. Dans le même temps, les cadres de la fonction publique (catégorie A) verront leur taux de remplacement augmenter d'un point, à 77 %, pour ceux dont les primes ne représentent pas grand-chose dans leur rémunération, et d'un point également, à 55 %, si elles représentent beaucoup (les primes des fonctionnaires ne sont pas soumises aux cotisations).

Or, ce fossé se creusera justement à cause du mode de calcul des retraites. En effet, les vingt-cinq ans de meilleurs salaires servant de base à la pension d'un salarié sont intégrés à la formule de calcul de la pension après avoir été «rafraîchis» pour prendre en compte l'inflation sur un quart de siècle. Or, les prix progressent historiquement moins vite que les rémunérations. Les salaires soumis au calcul rétrécissent donc. Les rémunérations des fonctionnaires, qui ne datent que de six mois, ne sont, elles, pas soumises à ce traitement.

Le rapprochement du mode de calcul ne réglerait toutefois pas tous les problèmes. Selon le rapport Moreau réalisé en amont de la réforme des retraites, prendre en compte les dix dernières années de salaires des fonctionnaires et intégrer les primes serait neutre budgétairement. Rien n'est dit sur les conséquences d'un strict alignement du public sur le privé.

### Le report de l'âge de la retraite

Ce fut fixé dès la campagne du candidat Hollande: pas question de repousser l'âge légal de départ à la retraite lors de la réforme à venir. Évidemment, la mesure aurait été périlleuse à défendre pour une majorité socialiste qui avait attaqué le report de cette borne de 60 à 62 ans lors de la [réforme Woerth de 2010](#).

Pourtant, c'est bien la tendance dans les pays développés alors que les seniors sont de plus en plus nombreux du fait du vieillissement de la population et qu'ils vivent de plus en plus longtemps. Pour limiter les effets de cette double tendance sur les finances des régimes de retraite, l'âge moyen de départ «atteindra au minimum 67 ans dans les pays développés à l'horizon 2050», estime l'Organisation pour la coopération et le développement économique (OCDE).

Le gouvernement français a préféré utiliser la durée de [cotisation et l'allonger de 41,5 à 43 ans](#) à partir de 2020 et jusqu'en 2035. Certes, cela revient bien à repousser l'âge effectif de départ à la retraite. Le gouvernement l'a reconnu dans sa «Stratégie de politique économique» envoyée à Bruxelles début octobre: «Un assuré qui débute sa carrière à 23 ans (c'est la moyenne en France) ne pourra partir à la retraite au taux plein qu'à partir de 66 ans.»

Mais les effets de l'allongement de la durée de cotisation sur les déficits ne se feront sentir qu'après 2020 et il sera deux fois moins puissant qu'un report de la borne d'âge. L'allongement de deux ans et demi de la durée de

cotisation sur quinze ans, entre 2020 et 2035, devrait rapporter 10,4 milliards d'euros à terme. La réforme Woerth, en repoussant l'âge légal de départ de 60 à 62 ans entre 2011 et 2017, aura pour sa part généré 20 milliards d'économies sur une décennie.

## La fusion des régimes

Le rendez-vous pour une réforme en profondeur du système des retraites avait été pris lors de la précédente réforme des retraites, celle d'Éric Woerth, en 2010. Le gouvernement Ayrault n'a pas souhaité l'honorer. Il a préféré jouer sur les curseurs plutôt que de changer de moteur. Or, ce dernier ne tourne plus rond. Conçu après-guerre et développé durant les Trente Glorieuses, son équilibre est trop dépendant de la croissance, avertissent les économistes Didier Blanchet, Antoine Bozio et Simon Rabaté, de l'Institut des politiques publiques. Une crise comme celle de 2009 est ainsi capable de compromettre les effets d'une réforme comme celle de 2010. De plus, le système est devenu illisible. À tel point qu'un Français sur deux surestime ce qu'il gagnera à la retraite, selon une récente étude de la banque HSBC.

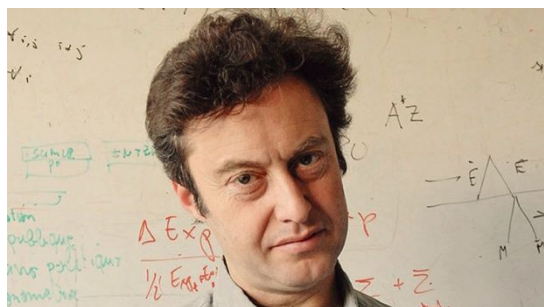
En quoi une réforme du système améliorerait tout cela? Cela permettrait «un pilotage plus facile», donc moins de déficit, «une égalité de traitement», une «simplification drastique» du calcul des pensions et la «transparence» indispensable à la confiance dans le régime des retraites, liste dans ses derniers travaux la chaire «transitions démographiques et transitions économiques».

Il ne s'agit pas d'abandonner le principe de la répartition (les cotisants d'aujourd'hui payent les pensions des retraités d'aujourd'hui). Mais de passer d'un système basé sur les trimestres cotisés et divisé en de multiples régimes aux règles différentes à un système unifié, par points par exemple. La valeur desdits points pourrait ainsi être ajustée régulièrement afin de garantir l'équilibre du régime.



## «En France, dès qu'on augmente le smic, on détruit des emplois !» 95,9

Publiée le 22/11/2013 à 06:00



INTERVIEW - Francis Kramarz est directeur du Centre de recherche en économie et statistique (CREST). Il conseille depuis 2009 le gouvernement français sur les revalorisations annuelles du smic.

LE FIGARO. - Le smic nuit-il à l'emploi en France?

Francis KRAMARZ. - Oui. Toute hausse de 1% du salaire minimum détruit entre 15.000 et 25.000 postes. La seule politique qui a limité la casse, ce sont les allègements de cotisations employeurs au niveau du salaire minimum, mises en place en 1995-1996. Ces allègements de charges sociales n'ont pas permis de créer des postes. Mais ils ont empêché la suppression de 400.000 à 500.000 emplois peu qualifiés.

Comment le réformer?

Ce sont les Français les moins expérimentés, les jeunes sans diplôme, qui sont le plus pénalisés par [le niveau élevé du smic](#). Car les entreprises ne veulent pas les embaucher à un tel niveau de rémunération. Si on veut que le chômage des jeunes diminue, il faut instaurer un salaire minimal inférieur au smic pour [les jeunes sans diplôme](#) et sans expérience. Une telle mesure aurait également comme avantage d'inciter ces jeunes à mieux se former, afin d'éviter d'être payés à ce salaire plus bas. Plus généralement, il est absurde de vouloir régler par le smic [le problème du pouvoir d'achat](#) des classes populaires. On pourrait jouer sur d'autres leviers, et notamment le coût du logement.

La France profitera-t-elle de la création d'un smic en Allemagne?

Ce n'aura aucun effet sur l'économie française, car les emplois peu rémunérés se trouvent dans les services en Allemagne. Ce serait le coiffeur ou le restaurant du coin qui seraient touchés par [la création d'un smic](#). Ils ne sont pas en concurrence avec leurs homologues français! Les PME industrielles allemandes qui sont en compétition avec les entreprises d'autres pays payent bien leurs salariés. L'instauration d'un salaire minimal national ne changerait pas grand-chose pour elles.

L'industrie agroalimentaire française ne bénéficierait-elle pas d'une hausse des coûts de la main-d'œuvre en Allemagne?

La crise de l'agroalimentaire français n'est pas due à la présence en Allemagne de travailleurs détachés peu rémunérés. Certains de ces industriels hexagonaux, pas tous bien sûr, ont choisi les mauvais créneaux et des produits peu différenciés. Ils ont préféré bénéficier pendant des années de subventions européennes sans monter en qualité, alors qu'ils savaient que ce système allait cesser.

December 15, 2013

## As Merkel Embarks on Third Term, Critics Urge Her to Be Daring 95,10

By [ALISON SMALE](#)

BERLIN — Chancellor Angela Merkel, a decisive winner in September’s elections but muted ever since about where she plans to take Europe’s biggest economy, embarks this week on a third term that could put her stamp on German and European history — but only, critics say, if she abandons her cautious tactics for a more strategic embrace of the demands of the 21st century.

But few experts here said they expected to see such a significant change of course.

The legacy of Ms. Merkel — the youngest chancellor ever when, in 2005, she was first sworn in, and the first woman and the first former East German to hold the post — could be in Europe, nurturing its fragile economic recovery and encouraging further European integration, said Marcel Fratzscher of the influential German Institute for Economic Research in Berlin.

“But if she left office now, it certainly would not be Europe. It would be the safe pair of hands” — highlighted in her election campaign — “that maneuvered Germany through the crisis,” he said. “Not more, and not less.”

For now, he said, Ms. Merkel and her government are likely to stick to “the policy of small steps, reactive rather than proactive.” **The coalition agreement reached this weekend with the Social Democrats, he said by telephone, was “remarkably noncommittal on Europe.”**

Ms. Merkel faces an array of other challenges. She is trying to wean her country from nuclear power. She is trying to define new rules for Germany’s relationship with the United States after disclosures about the National Security Agency’s surveillance activities. She is facing pressures at home to do more for Germans and from abroad to take on international responsibilities commensurate with Germany’s strength.

Her task is made all the more complicated by the consensus-oriented nature of the German political system and her own innate caution, both of which continue at times to frustrate allies at home and abroad who have looked to her for greater flexibility and bolder leadership.

There was scant hint of change in the coalition agreement to **Ms. Merkel’s fiscally conservative approach to Europe’s economic problems**, even as it signaled a willingness to bolster some worker protections and expand some welfare state provisions for Germans.

The German business lobby and some economists have howled over the new government’s promise to introduce a minimum wage and to raise to 63 the retirement age for workers with 45 years of social security contributions. Yet the message this weekend from Ms. Merkel and her new cabinet was that they would plow forward with those changes.

Sigmar Gabriel, leader of the Social Democrats, is widely considered to have skillfully negotiated the new coalition pact, shepherding it past the resistance of leftists in his party. He will become the new economics and energy minister, charged with carrying out Ms. Merkel’s rare bold pledge to turn away from nuclear power and rely more on renewable energy sources.

Wolfgang Schäuble, at 71 the most experienced politician in the German government, retains his position as finance minister, meaning the conservatives control the purse strings and the all-important Chancellery.

Frank-Walter Steinmeier, a Social Democrat, returns to the Foreign Ministry that he headed in Ms. Merkel's first "grand coalition" from 2005 to 2009. Some conservatives and other critics have accused him of being too soft on Russia, and his handling of the crisis in Ukraine will be closely watched.

Perhaps the only real surprise as details of the cabinet leaked out this weekend was the nomination of Ursula von der Leyen, a Christian Democrat, as the first female defense minister in Germany. Ms. von der Leyen is an energetic mother of seven who has made the position and advancement of women her signature issue. Commentators say she may have the skills and energy to undertake a revamping of European security policy much desired by Germany's partners in NATO.

Many people note how skilled Ms. Merkel, 59 and a trained scientist, has been at leaving room to maneuver out of almost any political situation in her eight years in office. In the same way, she could still now surprise Germans and Europeans with a determined push to remake Europe — according more power to the European Parliament, say, or even embracing reforms that would require treaty changes and democratic approval.

More overt expressions of sympathy with the struggling nations of southern Europe would be welcome, suggested Nils Diederich, a politics professor in Berlin.

But Ms. Merkel's record suggests a less adventurous course.

At home, there is plenty of unfinished business: her move away from nuclear energy is floundering; education needs money and reform; roads, railways, canals and the Internet demand attention; **the population is aging rapidly — every third voter is over 60 and there are 20 million pensioners in a nation of 82 million; immigrants, needed as workers, are seeking better integration.**

These problems have accumulated in part because Ms. Merkel had to spend so much of her second term on the euro crisis. "There has to be a shift back toward tackling the domestic issues," said Guntram B. Wolff, the director of Breugel, a policy research organization in Brussels.

But he lamented "a lack of ambition in the economic reform area" in the coalition's program and a sense of complacency in Germany.

**"There is a wrong sense of, 'Yes, we have mastered the challenges of our times, and we are the greatest,' without accepting that these kinds of things can change rather quickly," Mr. Wolff said.**

Perhaps the most immediate challenge in the 28-nation European Union is political, in the shape of next May's elections to the European Parliament, the only directly elected body in Europe's maze of governing structures.

Right-wing, anti-European Union populists like Marine Le Pen in France and Geert Wilders in the Netherlands threaten to make common cause, essentially using elections designed to bolster European unity to undo it. **In Germany, the anti-euro Alliance for Germany, which just failed in September to make it into Parliament, is thought certain to clear the 3 percent hurdle for the European legislature.**

"It cannot be in the interest of the German government to have the Parliament turn anti-European," Professor Fratscher said. He said Ms. **Merkel should explode the prevailing popular narrative here of Germany as paymaster, taking huge risks for the rest of spendthrift Europe.**

The euro has benefited Germany, he said, undervaluing German exports and keeping interest rates low while German banks recover the money that they lent to southern Europe in the boom years and the nation's tax coffers bulge.

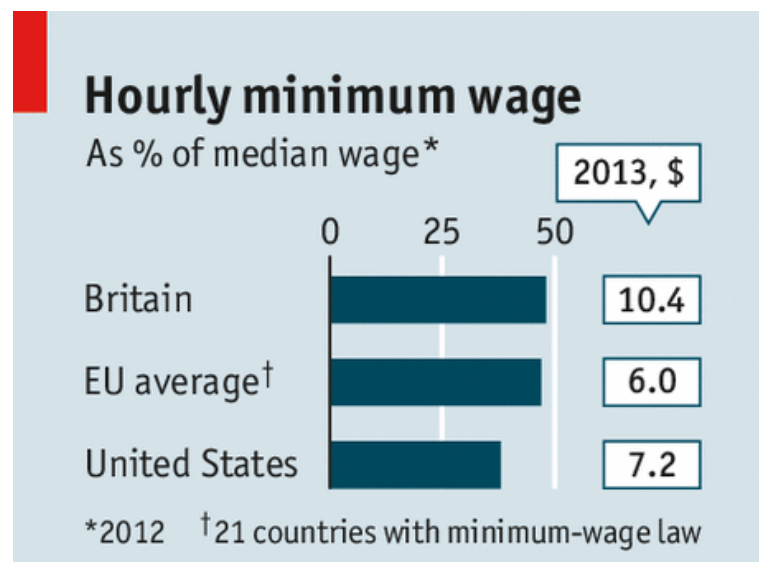
Minimum wages

## The logical floor

95,12

Moderate minimum wages do more good than harm. They should be set by technocrats not politicians

Dec 14th 2013 | [From the print edition](#)



ON BOTH sides of the Atlantic politicians are warming to the idea that the lowest-paid can be helped by mandating higher wages. Barack Obama wants to raise America’s federal minimum wage by 40% from \$7.25 to \$10.10 an hour, and more than three-quarters of Americans support the idea (see [article](#)). In Germany, one of the few big rich-world countries still without a national wage floor, the incoming coalition government has just agreed on an across-the-board hourly minimum of €8.50 (\$11.50) from 2015. In Britain, which has had a minimum wage since 1999, the opposition Labour Party is keen to cajole firms into “voluntarily” paying higher “living wages”.

For free-market types, including *The Economist*, fiddling with wages by fiat sets off alarm bells. In a competitive market anything that artificially raises the price of labour will curb demand for it, and the first to lose their jobs will be the least skilled—the people intervention is supposed to help. That is why Milton Friedman called minimum wages a form of discrimination against the low-skilled; and it is why he saw topping up the incomes of the working poor with public subsidies as a far more sensible means of alleviating poverty.

Scepticism about the merits of minimum wages remains this newspaper’s starting-point. But as income inequality widens and workers’ share of national income shrinks, the case for action to help the low-paid grows. Addressing the problem through subsidies for the working poor is harder in an era of austerity, when there are many other pressing claims on national coffers. Other policy options, such as confiscatory taxes, are unattractive.

Nor is a moderate minimum wage as undesirable as neoclassical purists suggest. Unlike those in textbooks, real labour markets are not perfectly competitive. Since workers who want to change jobs face costs and risks, employers may be able to set pay below its market-clearing rate. A minimum wage, providing it is not set too high, could thus boost pay with no ill effects on jobs.

## French lessons

Empirical evidence supports that argument. In flexible economies a low minimum wage seems to have little, if any, depressing effect on employment. America's federal minimum wage, at 38% of median income, is one of the rich world's lowest. Some studies find no harm to employment from federal or state minimum wages, others see a small one, but none finds any serious damage. Britain's minimum wage, at around 47% of median income, with a lower rate for young people, also does not seem to have pushed many people out of work.

High minimum wages, however, particularly in rigid labour markets, do appear to hit employment. France has the rich world's highest wage floor, at more than 60% of the median for adults and a far bigger fraction of the typical wage for the young. This helps explain why France also has shockingly high rates of youth unemployment: 26% for 15- to 24-year-olds.

Theory and practice suggest two lessons for governments contemplating setting or changing minimum wages. The first is to ensure that the level is pretty low—say, less than 50% of the median, with lower levels for less productive people such as the young and long-term unemployed. Germany risks breaking this rule. Its proposed level is, by one calculation, 62% of the median wage. One in six German workers is paid less than that, suggesting that jobs will be lost, especially in the less productive east of the country. Similarly the “living wage” which campaigners are calling for in Britain is 20% higher than the minimum wage. That could hit employment. Though America's proposed increase is huge, the minimum wage would still be only about 50% of the median.

A second lesson is that politicians should give the power to set minimum wages to technocrats. In Britain, the floor is adjusted annually on the advice of economists and statisticians in the Low Pay Commission; it has generally advanced gradually. In America, the federal floor is set by politicians and adjusted irregularly in huge increments. That does no favours to American workers or their employers.

Finally, governments should remember that minimum wages are a palliative. They should not distract attention from more fundamental causes of low wages—such as a lack of education and skills—and the efforts to address them.

Charlemagne

## Banking on a new union

95,14

The promises and pitfalls of the euro zone's next big idea

Dec 14th 2013 | [From the print edition](#)



IT IS the most ambitious change in Europe since the launch of the euro: to transfer to European authorities the supervision of euro-zone banks and the power to wind them up, using a common European fund if necessary. The principle of a banking union is easy to state. But turning it into reality requires a jigsaw of legal texts that have kept finance ministers working overtime.

A deal now seems close at hand. Ministers hope to reach an overarching agreement in time for a European Union summit on December 19th, and to complete the legal process before the European elections in May. "Banking union will be done," declared Pierre Moscovici, the French finance minister, after two nights of hard bargaining this week. But will it be the real thing?

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The project was launched in June 2012 at the height of Spain's crisis, when euro-zone leaders vowed to "break the vicious circle between banks and sovereigns". A new euro-zone bank supervisor would be created, in turn allowing the euro-zone rescue fund directly to recapitalise troubled banks. The burden of saving Spanish banks, and perhaps Irish ones too, would be taken off the shoulders of weak sovereigns. The bargain fits Germany's mantra that more solidarity requires more control.

The doom-loop between weak sovereigns and weak banks works both ways. In Ireland the collapse of the banks bankrupted the state; in Greece the bankrupt state wrecked the banks. A related aim has been to fix the cracks in the single market for financial services: a firm in, say, northern Italy must now pay higher borrowing costs than a similar one across the border in Austria.

At its heart, banking union requires Germany and other creditor countries to make a mental leap by sharing the liabilities of the banks of others. And it requires all countries to stop coddling their banks as national champions. Above all, it requires trust.

The essential first step is creating the supervisor, centred on the European Central Bank (ECB). It will take direct charge of the 130 largest banks, and will leave national bodies to deal with the 6,000 smaller lenders, while retaining the right to oversee any bank. Legal work was finalised in November and the supervisor will become fully operational in late 2014.

So much for control. The next steps, involving solidarity, are harder. The single supervisor should be matched by a single resolution authority to restructure or shut troubled banks; a single resolution fund (paid for by industry levies) to deal with any resulting costs; a single euro zone-wide deposit-guarantee system; and a common backstop. This is roughly the set-up of America's Federal Deposit Insurance Corporation (FDIC).

A complication is that cross-border banks operate not only in euro-zone countries, but in other EU countries, notably Britain. So this second stage involves a two-step process. First, harmonise the rules on resolution and deposit guarantees across the 28 members of the EU. Then merge the systems of the soon-to-be 18 countries of the euro zone (and any others that want to join). In practice, everything depends on everything else.

Germany has fought a rearguard battle on two central questions. Who decides? And who pays? Until recently it opposed a central authority with access to pooled funds, pushing instead for a network that would leave German money in German hands. Wolfgang Schäuble, the German finance minister, said the euro zone should start with a "timber-framed" banking union; a steel one would require changing EU treaties.

Mr Schäuble made an important shift towards the latter this week. He agreed that, over a ten-year period, national "compartments" of the resolution fund would be progressively mutualised until there was a single European fund of about €55 billion (\$60 billion). In other words, he agreed to mutualise the money of German banks, if not yet the money of German taxpayers. The answer to the problem of trust, it seems, is time.

But there are still rickety wooden bits and missing pieces. Mr Schäuble has insisted on a complex legal structure and a convoluted decision-making system. There will be no single deposit-guarantee scheme. Losses would be borne first and foremost by bank shareholders and creditors under tough new bail-in rules that will come into effect in 2016. This is right in principle, but there is little or no leeway to save banks if a systemic crisis occurs (non-euro Sweden is especially annoyed). The promise of direct recapitalisation has become remote.

**Who's covering your back?**

The most glaring flaw is that the common backstop is missing. The latest draft proposes to maintain the link between banks and sovereigns in the transition period: if the resolution fund runs out of money, national treasuries would have to step in. The future remains a blank. The danger is that the problem will be left for decision another day, or another year. The most obvious solution is to allow the existing rescue fund, the European Stability Mechanism, to extend a line of credit to the resolution fund, as America's treasury does with the FDIC.

Banking union is no panacea for the euro zone's ills, but done properly it would help recovery. It is designed to ensure that taxpayers are not called upon to save the banks. But it will not be credible without some assurance that states collectively stand behind it.

It was too much to hope that banking union would deal with today's crisis. It will not deal with tomorrow's problems if, say, the ECB finds big holes in its review of bank asset quality next year. But it needs to be solid for the day after tomorrow. The euro zone should not assume the banking crisis is over because Spain and Ireland are emerging from their bail-out programmes; instead it should heed the IMF, which has warned that a half-baked, piecemeal banking union could be worse than none.



The politics of low pay

## Raising the floor

95,17

America's minimum-wage debate has rolled round again

Dec 14th 2013 | BALDWIN PARK, CALIFORNIA, AND NEW YORK | [From the print edition](#)



HE LIKES the work; but at \$9.60 an hour, stacking the shelves at a Walmart in east Los Angeles does not pay Anthony Goytia enough to cover the bills for his family of five, he says. He supplements his fortnightly pay of \$560-600 with the odd catering job, by subjecting himself to clinical trials of a treatment for his psoriasis, and with federal and state assistance. He was recently approved for food stamps; that should make Christmas a little jollier.

America is going through one of its periodic fits of agony over the minimum wage. In recent weeks several states and municipalities have approved rate rises; most dramatically in SeaTac, a suburb of Seattle consisting of a large airport, where voters raised the hourly figure to \$15. On December 4th Barack Obama called for a higher federal minimum wage. He has previously suggested that it rise from \$7.25 to \$10.10. It has lost 5.8% of its purchasing power since it was last raised, in 2009.

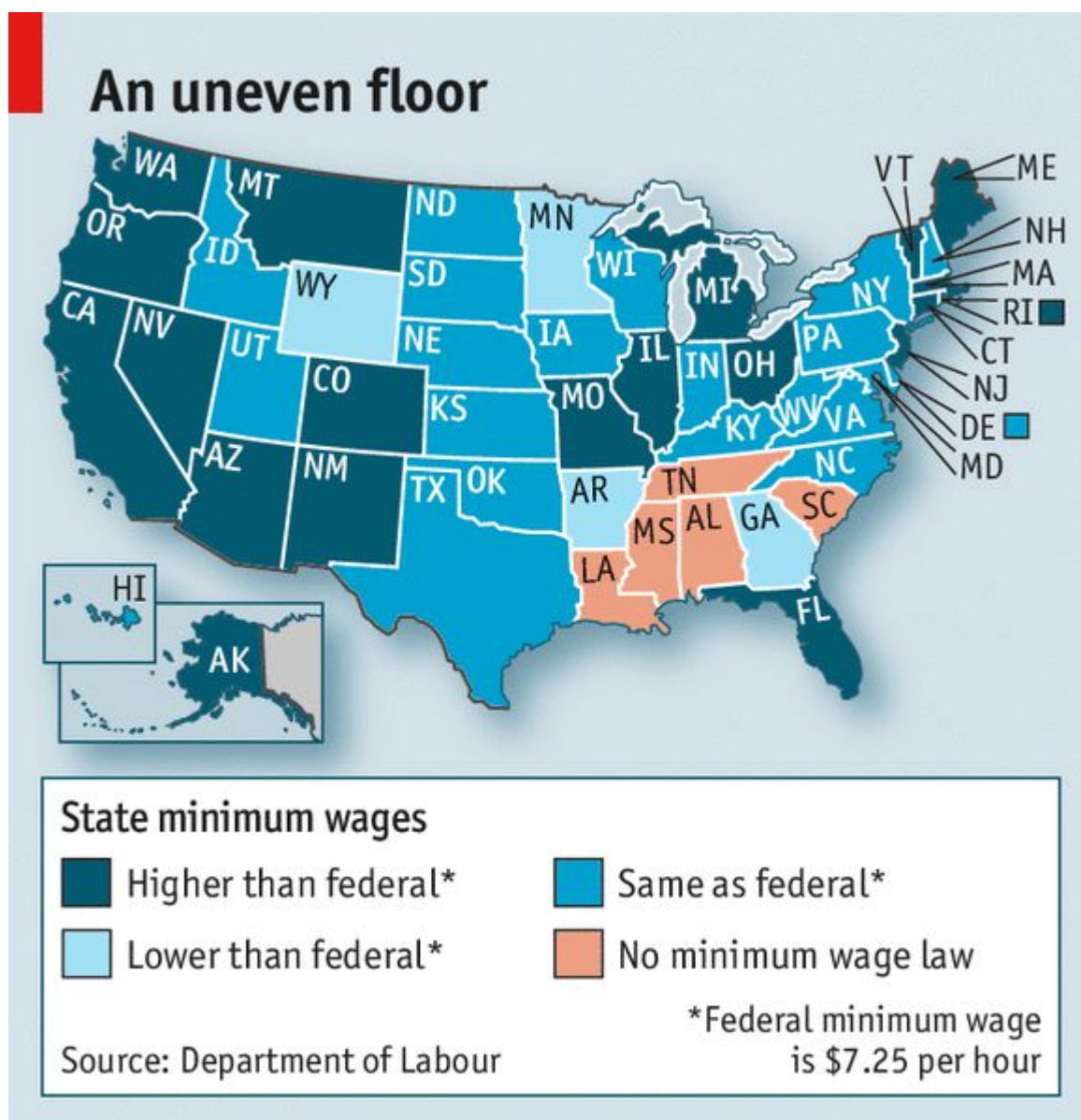
Between 1979 and 2007 the incomes of the top 1% of American earners rose by 275%, according to the Congressional Budget Office. Those of the bottom 20% rose by 18%. Had the federal minimum wage kept up with productivity gains since 1968 it would have reached \$21.72 last year, estimates the Centre for Economic and Policy Research (CEPR), a leftish think-tank. Campaigners gripe that the government should not have to top up the pay of workers like Mr Goytia (who agrees); this “hidden subsidy” amounts to \$7 billion in the fast-food industry alone, according to one study.

There is no consensus among economists about the extent to which minimum wages kill jobs. But recent research suggests that relatively low rates (America's is 38% of the median wage) are not harmful, and that small increases can be beneficial. They not only lift workers' purchasing power; they also make them more loyal, and so reduce the amount companies must spend recruiting new people.

Mr Obama will not convince Republicans in the House of Representatives to vote for an increase. But by raising the idea he may help Democrats in next year's midterm elections, particularly in red states where local minimum-wage rises are on the ballot. Republican voters do not recoil at the prospect; 58% told Gallup in November that they would support a rise to \$9 an hour; overall, 78% of Americans agree.

Advocates for a higher federal minimum wage point out that, in real terms, it is well below its peak in 1968. That is true, but misleading. First, the big drop came in the 1970s and early 1980s, not recently. Second, as David Neumark of the University of California, Irvine, has pointed out, the earned-income tax credit, a federal subsidy for low-wage workers, makes up for a lot of the losses.

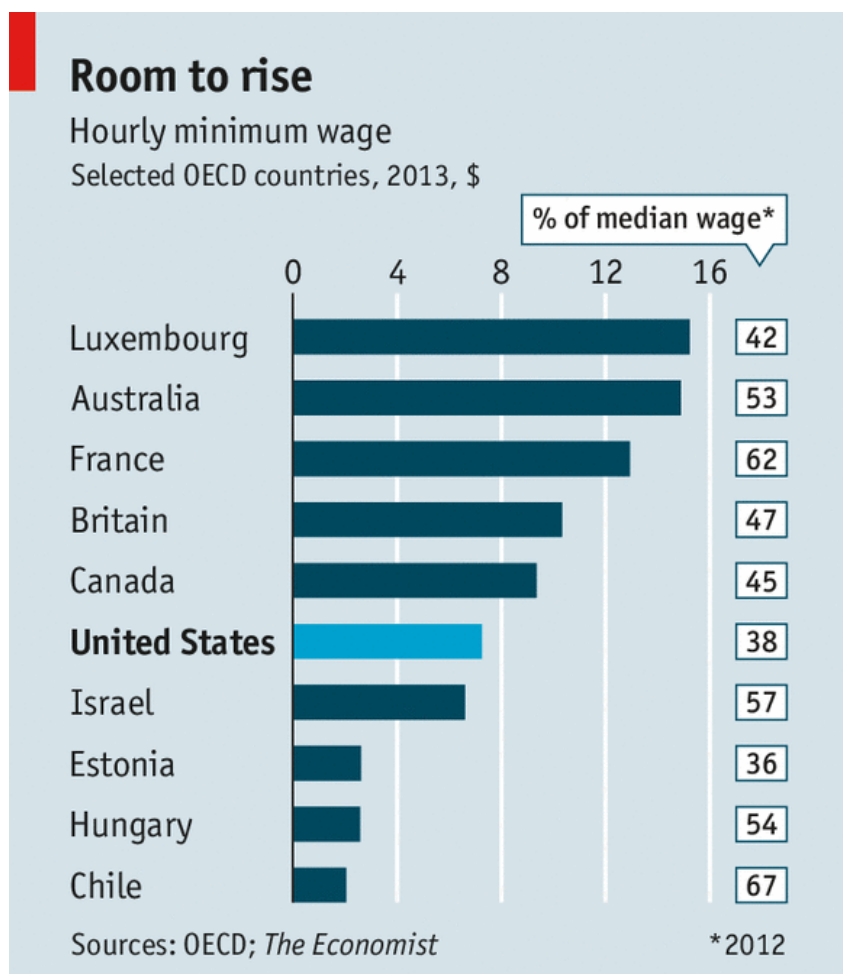
Moreover, the proliferation of state and municipal minimum wages means that the federal rate covers far fewer people than it once did. In 1979 7.9% of workers toiled at or below the federal minimum wage; last year 2.8% did. From January 1st 21 states will have a minimum wage higher than the federal one (see map). More may introduce one next year; others will raise theirs further.



Variable minimum wages make sense for a large country with variable costs of living. But they can have unexpected consequences. The campaign in SeaTac became a big issue during the concurrent mayoral race in Seattle; there, both candidates backed a \$15 rate. John Burbank of the Seattle-based Economic Opportunity Institute now reckons the city will approve a \$15 rate next year. Washington, DC and two neighbouring counties recently co-ordinated huge rate rises to stop firms playing them off against each other.

Such quirks are inevitable when politicians are left in charge. Most countries with a minimum wage outsource rate-setting to independent technocrats. Eleven American states and several cities index their rates to inflation; this can be awkwardly inflexible when economies stumble, but it does mean firms and workers avoid nasty shocks. Elsewhere, and at the federal level, minimum wages are subject to the fancies of politicians and voters.

Some agitators for higher pay focus on specific industries or companies, such as McDonald's. Last week hundreds of union-backed workers went on the latest of a series of nationally co-ordinated strikes calling for a \$15 wage. That figure, according to a recent business-backed survey, would lead to "personnel decisions" (management-speak for cutting jobs or hours) at 86% of fast-food and other franchises. Ron Shaich, the boss of Panera, a chain of 1,800 eateries, is an exception in the industry; he backs an increase in the minimum wage so long as it applies to everyone.



Other business leaders feel differently. The solution to the "wage problem" said Jim McNerney, the boss of Boeing, this week, is not a minimum wage but "an economy that's growing". But John Schmitt of the CEPR says the demand for a \$15 wage is best understood as a broader push for collective-bargaining rights. Perhaps some employers can be convinced to pay higher wages as part of a strategy to reduce job churn, he suggests.

This happened with caretakers (janitors) in the late 1990s, after a decade of campaigns. An industry once staffed by ill-paid part-timers now pays workers in unionised cities \$15 or more an hour.

Voting rights at the ECB

## New club rules

95,20

Germans will soon have another reason to fume about the euro

Dec 14th 2013 | [From the print edition](#)

WHEN Latvia becomes the 18th country to adopt the euro, at the start of 2014, European leaders will celebrate the occasion as an endorsement of the battered single currency, even though the Baltic state has a population of just 2m. But the renewed expansion may prove destabilising. Latvia will be the last country to join under the current system of voting rights at the European Central Bank (ECB), which is becoming ever more unwieldy and unrepresentative. The planned changes are also controversial.

The ECB's governing council consists of the heads of the euro countries' central banks plus a six-strong executive board, which includes Mario Draghi, the bank's president. With Latvia in, the council will thus be 24 strong. Each of its members has one vote on monetary policy and, from November 2014, on banking supervision (though decisions on that will generally be made by a new supervisory body). Ilmars Rimsevics, the Latvian governor, will accordingly have as much say as Jens Weidmann, head of the Bundesbank, even though Germany's economy is over 100 times bigger than Latvia's.

If, as expected, Lithuania joins the euro in 2015, the voting structure will shift slightly in bigger countries' favour. The number on the council who can vote at any one time will shrink to 21. The six executive-board members, who are appointed by a vote among euro-zone heads of government, will keep their say. But the heads of central banks will be divided into two groups. The first will consist of the five countries with the biggest economies and financial sectors: Germany, France, Italy, Spain and the Netherlands. Their governors will share four votes, meaning that each will vote 80% of the time. The remaining 14 will get 11 voting rights, meaning that each will vote marginally less often.

If the euro zone expands still further, the five big states will keep their four votes but the 11 remaining ones will be shared among ever more countries. If the euro area ever reaches 22 members, the second group will be split, with 11 middling countries sharing eight votes whereas the smallest six will have only three.

The national origin of council members is supposed not to matter, since they attend meetings in an independent and personal capacity. In practice it does and during the euro crisis a north-south divide has opened up on the council, reflecting the differing interests of creditor and debtor nations. Although the new system will gradually increase the bigger states' clout, it is still likely to stoke disquiet in the largest of them all, Germany, which contributes nearly 30% of euro-zone GDP.

Since bigger countries have more say in the appointment of the six executive-board members, there is always likely to be a German on the board. But many Germans will balk at the fact that Mr Weidmann will be unable to vote every fifth month, even though like the other non-voting governors he will still take part in the council's discussions. It will be scant consolation that his counterparts from smaller countries will vote a little less frequently. If the euro zone does expand further, it is likely to rekindle calls in Germany for its economic and fiscal weight to be recognised in the currency's governance.

## GÉRARD MESTRALLET; « L'Europe de l'énergie va droit dans le mur » 95,21

Propos recueillis par Béatrice Mathieu

1 décembre 2013

Refonte du marché du carbone, arrêt des aides aux technologies renouvelables matures... Pour le patron de GDF Suez, il est temps que l'Europe définisse une politique énergétique cohérente si elle veut redevenir un acteur compétitif dans un secteur en pleine mutation.

EST-CE L'EXASPÉRATION D'UN GRAND PATRON LAS D'ESSUYER DES TEMPÊTES ou l'assurance d'un vieux briscard qui n'a plus rien à prouver ? Gérard Mestrallet, PDG de GDF Suez et doyen des patrons du CAC 40, d'habitude si flegmatique, se lâche. Après avoir perdu son combat sur l'exploitation des gaz de schiste en France, il s'attaque désormais à la politique énergétique européenne. Ou plutôt à son absence, synonyme d'échec de compétitivité, d'échec environnemental et d'échec en matière de sécurité d'approvisionnement. L'Europe de l'énergie va droit dans le mur, assène-t-il, et avec elle c'est toute l'Europe qui va mal. Rencontre avec l'un des derniers grands patrons saint-simoniens, pour qui progrès technique et scientifique sont gages de bien-être collectif.

Pouvez-vous dessiner le paysage énergétique mondial tel que vous l'observez depuis les deux derniers chocs, à savoir la catastrophe de Fukushima au Japon en 2011 et la révolution des gaz de schiste aux Etats-Unis ?

En quelques années, la planète énergétique s'est scindée en trois blocs, chacun avançant à des rythmes très différents. D'abord, le monde émergent : il a un besoin impérieux et quantitatif d'énergie tout simplement pour accompagner sa croissance. Tous les pays émergents ont l'obligation d'augmenter chaque année leurs ressources en énergie et leurs capacités électriques installées, faute de quoi leur expansion ralentirait mécaniquement. D'ici à 2030, 90 % des nouvelles capacités énergétiques qui vont être installées sur la planète le seront en dehors des pays de l'OCDE.

Deuxième bloc, l'Amérique du Nord, où la révolution des gaz de schiste est une réalité qui entraîne un bouleversement de la compétitivité énergétique. S'ensuit une modification extrêmement rapide des sources de production d'énergie : le gaz élimine le charbon pour la production d'électricité, mais aussi le pétrole et le diesel pour le transport des camions, des locomotives, des bateaux. Ce gaz étant très bon marché, l'électricité devient elle aussi très peu chère, et le charbon, délaissé, a vu son prix chuter non seulement aux Etats-Unis, mais aussi partout dans le monde.

Troisième bloc, l'Europe. Contrairement à ce que l'on pourrait penser, les centrales allemandes qui ont été arrêtées étaient déjà en sommeil avant la catastrophe de Fukushima, et les autres seront fermées plus tôt que prévu. Sans que l'on s'en aperçoive réellement, l'Europe est en train de connaître une révolution énergétique beaucoup plus profonde que partout ailleurs sur la planète. Une révolution qui ne doit pas grand-chose aux deux chocs dont vous parlez.

Quelle révolution ? Celle de la transition énergétique ?

Non, pas seulement, je parle de la révolution des 4 D. D, d'abord, comme dérégulation. On a voulu appliquer au secteur de l'énergie la recette simple selon laquelle la concurrence, la libéralisation, la dérégulation allaient faire

baisser les tarifs, comme on avait pu l'observer dans les télécoms, par exemple. De fait, les marchés européens se sont ouverts – à l'exception de la France –, mais les prix n'ont pas baissé, car les fondamentaux techniques du secteur énergétique sont très différents de ceux des autres secteurs industriels, comme les transports ou la distribution du courrier... Deuxième D, c'est la décentralisation, rendue possible par la technologie du renouvelable. La principale caractéristique des énergies renouvelables, c'est leur miniaturisation. Après la Seconde Guerre mondiale, le secteur énergétique s'est construit sur des unités de production de plus en plus grosses. Nous observons l'inverse aujourd'hui. Une centrale électrique, c'est 1 000 mégawatts, une éolienne, c'est 2 à 3 mégawatts, et un panneau solaire, c'est encore 1 000 fois moins. On a donc divisé par 1 million la puissance des unités de production. Cette miniaturisation rend possible la décentralisation. Du coup, le rapport qu'entretient le consommateur avec l'énergie change profondément. Avant, il était relativement indifférent à ces questions, se bornant à brancher ses appareils sans se poser la question de leur coût ou de leur origine. Maintenant, il devient acteur, il veut savoir comment cette énergie est produite, il veut en changer les usages, négocier son prix, parfois même produire lui-même son électricité. Et c'est là qu'intervient mon troisième D, c'est-à-dire la digitalisation. Nous observons une convergence entre les technologies numériques et énergétiques. Demain, chacun pourra gérer sa propre consommation grâce à des capteurs et à des microprocesseurs. Bienvenue dans le monde du smart home... Imaginez ce que cela peut donner à la dimension d'un bâtiment ou d'une usine. Le pilotage des consommations énergétiques est une vraie révolution, nous en sommes à l'aube, mais le potentiel est considérable. Ces trois premiers D – dérégulation, décentralisation, digitalisation – sont accompagnés d'un quatrième, à savoir le déclin. Nous avons vécu dans un secteur qui a été en croissance ininterrompue depuis soixante ans : hausse continue de la consommation de gaz et d'électricité. Depuis 2008, c'est l'inverse. Le secteur énergétique est en contraction, sous l'effet de la crise, certes, mais aussi en raison des progrès en matière d'efficacité énergétique. En Europe, nous sommes donc passés – très différemment des Etats-Unis – d'un monde ancien à un nouveau monde. Cette transformation est structurelle.

Sommes-nous au début d'un âge d'or du gaz, comme certains experts l'affirment ?

Une nouvelle ère, oui, un âge d'or, je nuancerais. Le gaz ne sera pas l'énergie qui effacera toutes les autres. Ce serait simpliste de le penser. D'ailleurs, dans tous les scénarios de l'Agence internationale de l'énergie, son poids dans le mix énergétique mondial augmente dans le temps, mais le gaz n'élimine pas les autres énergies. Ce qui se passe actuellement aux Etats-Unis ne peut pas être appliqué ailleurs. Si les prix du gaz outre-Atlantique sont si bas, c'est en grande partie parce que ce gaz ne peut pas aujourd'hui être exporté.

Justement, l'Amérique pourrait bientôt devenir exportatrice de gaz, sous forme de gaz naturel liquéfié (GNL). Vaut-il assister à un afflux de gaz américain en Europe, susceptible de faire baisser les prix ?

Je ne pense pas que ces livraisons de gaz américain iront en Europe. Tout simplement pour des questions de prix de marché et de rentabilité. Le gaz vaut environ 3 dollars par million de BTU aux Etats-Unis, entre 8 et 9 dollars en Europe, et entre 16 et 18 dollars en Asie. Les bateaux qui quitteront la Louisiane iront donc prioritairement en Asie. Cela contribuera à rapprocher les prix, mais cela ne créera pas un marché mondial unifié du gaz, qui restera donc très régionalisé.

Avez-vous définitivement fait une croix sur l'exploitation de gaz de schiste en France ?

Ecoutez, je suis très à l'aise sur ce sujet. La puissance publique a adopté une position : elle est légitime pour le faire, et nous la respecterons, même si nous étions prêts à examiner le potentiel de gaz de schiste dans le pays. Si la France ne souhaite pas explorer ce potentiel, nous irons ailleurs ! Nous sommes le premier groupe international à avoir une prise de participation dans treize permis d'exploration dans l'ouest de la Grande-Bretagne. Nous regardons aussi la Pologne, le Brésil, l'Allemagne, l'Algérie et la Chine. La France a choisi de fermer la porte, nous n'insisterons donc pas.

D'autres le font pour vous...

Plus tellement. Cela donnerait le sentiment que nous en avons absolument besoin pour nous développer, ce qui est faux. En tant que chef d'entreprise, je prends acte de la décision de l'Etat et je me développe ailleurs. En tant que citoyen français, je le regrette pour mon pays. Cela dit, même si l'Europe se mettait à exploiter ces fameux gaz de schiste, il ne se passerait pas ici ce qui s'est produit aux Etats-Unis. Ce serait forcément plus compliqué, plus long, avec un impact plus faible sur les prix. Tout simplement parce que les contraintes « techniques » sont plus nombreuses : la densité de population est plus forte, les contraintes écologiques et environnementales sont plus dures... Même en Chine, où les réserves de gaz de schiste sont plus importantes qu'aux Etats-Unis, les Chinois sont bien conscients que le coût d'exploitation de ces gaz sera plus élevé qu'en Amérique.

Vous avez poussé un cri d'alarme, cet automne, au sujet de l'Europe de l'énergie. Va-t-elle vraiment dans le mur ?

L'Europe de l'énergie est un triple échec. Premier échec, celui de la compétitivité. Les prix de l'énergie montent sur le continent, alors qu'ils baissent aux Etats-Unis, avec le paradoxe suivant : les prix de gros de l'électricité en Europe ont été divisés par deux en cinq ans – ils n'ont d'ailleurs jamais été aussi bas –, alors que, pour les consommateurs, ils n'ont jamais été aussi élevés (+ 17 % en quatre ans). Cet échec est lourd de conséquences pour l'industrie européenne, car ni le coût de la main-d'œuvre ni celui de l'énergie ne sont compétitifs au plan international.

Deuxième échec, celui de la sécurité d'approvisionnement. L'élimination du charbon dans le mix énergétique aux Etats-Unis fait que cette matière première est exportée très bon marché en Europe. Le charbon remplace donc progressivement le gaz naturel dans la production électrique, contrairement à ce qui se passe outre-Atlantique. Comme le marché est déjà excédentaire en raison d'un développement non coordonné et très subventionné du renouvelable, nous sommes obligés de « mettre sous cocon », ou tout simplement de fermer, des dizaines de centrales thermiques. Pour les dix plus grands énergéticiens européens réunis au sein du club Magritte (dont notamment GDF Suez, l'allemand E.ON, l'espagnol Iberdrola ou l'italien Enel), plus de 50 000 mégawatts de capacités de production électrique, soit l'équivalent de 50 centrales nucléaires, sont aujourd'hui à l'arrêt. Or ces centrales sont celles que l'on utilise le plus fréquemment pour les périodes dites de pointe. En cas de froid intense et prolongé, la sécurité d'approvisionnement pourrait être fragilisée, car ni le nucléaire ni les énergies renouvelables ne pourront répondre à ces pics de demande.

Troisième échec, enfin, le climat. L'Europe a massivement subventionné les énergies renouvelables pour répondre prioritairement à une exigence climatique. Or les émissions de CO2 dans le secteur énergétique augmentent en Europe, notamment en Allemagne ou au Royaume-Uni. Tout cela alors que le marché du carbone ne fonctionne plus. Le prix du CO2 s'est tellement effondré qu'il n'incite plus les électriciens à réduire leurs émissions.

Ce triple échec justifie-t-il votre croisade contre les énergies renouvelables ?

Je ne me suis lancé dans aucune croisade, je vous rappelle d'ailleurs que GDF Suez est un acteur majeur du renouvelable, avec de fortes ambitions ! C'est ma responsabilité de chef d'entreprise de ne pas laisser le système énergétique européen aller droit dans le mur. Nous proposons trois choses. Premièrement, une refonte du marché du carbone pour en faire remonter significativement son prix. Deuxièmement, nous demandons l'arrêt des subventions aux renouvelables matures, comme l'éolien onshore, par exemple. Pour ne pas trop déséquilibrer le marché, les tarifs de rachats très généreux d'électricité verte pourraient, dans un premier temps, être remplacés par des appels d'offres ou par une prime fixe. Enfin, troisièmement, nous demandons la mise en place à l'échelle de l'Europe d'un mécanisme qui permette de rémunérer les centrales que nous sommes obligés de mettre à l'arrêt.

Mais, alors, vous demandez de nouvelles subventions...

Non, ce mécanisme doit faire rémunérer par la collectivité des centrales qui tournent peu, à peine mille heures par an, quand les autres fonctionnent huit mille heures par an. Dans ce cas, les prix au kilowattheure ne peuvent être les mêmes. En revanche, je ne suis pas contre les subventions quand il s'agit d'aider à la recherche sur les technologies de demain : l'éolien offshore, les smart grids [NDLR : réseau de distribution d'électricité « intelligent »] le stockage de l'énergie, la capture et le stockage du carbone... Les technologies matures, comme le photovoltaïque, n'ont plus besoin de subventions publiques.

Ne faut-il pas, pour accélérer la transition énergétique, que les consommateurs paient enfin leur électricité au vrai coût ?

Je ne crois pas au discours alarmiste selon lequel les prix de l'énergie, notamment ceux de l'électricité, vont s'envoler dans les années à venir. Il n'y a pas de fatalité. D'ailleurs, ils baissent aux Etats-Unis. Nous avons deux cent cinquante ans de consommation devant nous grâce aux gaz non conventionnels, nous pouvons voir venir. En outre, dans le secteur des énergies renouvelables, les coûts de production vont diminuer dans l'avenir, car les technologies seront de plus en plus matures.

Vous êtes décidément un patron très saint-simonien...

La Compagnie universelle du canal de Suez – ancêtre de GDF Suez – a en effet été inspirée par les saint-simoniens. La science et les technologies sont des leviers de transformation de la société pour le bien-être du plus grand nombre. Je crois que le progrès scientifique doit amener au progrès social.



# Merkel Seals New Cabinet, Unveils Coalition

95,25

## Planned Spending Increases, New Labor Rules Raise Business Fears

By MATTHEW KARNITSCHNIG

Updated Dec. 15, 2013 8:34 p.m. ET

BERLIN—German Chancellor Angela Merkel cemented a new coalition government, clearing the way for an agenda of spending increases and labor rules that business leaders fear will undermine the country's economy and discourage overhauls elsewhere in Europe.

Ms. Merkel could be sworn in for her third term as German chancellor as soon as Tuesday after the center-left Social Democrats endorsed a coalition agreement with Ms. Merkel's conservatives over the weekend. Their approval removed the final hurdle to forming a new government nearly three months after the September election.



Ms. Merkel announces her cabinet alongside the Christian Democrats' new general secretary, Peter Tauber. *Zuma Press*

The coalition parties on Sunday also disclosed planned cabinet appointments. Among the key posts, Wolfgang Schäuble will return as finance minister and Social Democrat leader Sigmar Gabriel will lead the economics and energy ministry.

"We have the chance in this coming legislative period to make a contribution toward fairness between the generations without new debt," Ms. Merkel said late Sunday as she presented her new cabinet.

Ms. Merkel's new center-left partner secured a number of measures in coalition talks, including a minimum wage and the easing of retirement-age restrictions, in a bid to boost living standards after years of stagnant German wages. Yet, many economists and industry leaders say that goal, which entails significant spending increases for pensions and other programs, will be difficult to achieve without tax increases, something Ms. Merkel has vowed to avoid.

Some industry leaders say the government's legislative blueprint focuses too much on spending programs and not enough on the priorities of the business community. Those include investments in infrastructure and a revamp of the country's strategy for shifting to a heavier reliance on renewable energy.

## A New German Government

Wolfgang Schäuble, Christian Democrat, returns to the high-powered position of finance minister.

Social Democratic Party leader Sigmar Gabriel will lead a newly consolidated economics and energy ministry.

Ursula von der Leyen, Christian Democrat, will become Germany's first female defense minister after previous stints as family and labor minister.

Social Democrat Frank-Walter Steinmeier, who was foreign minister in Ms. Merkel's first term, returns to the role.

Andrea Nahles, the Social Democrats' general secretary, will become labor minister.

Though Ms. Merkel solidified her position as German leader with the coalition accord, conservatives within her own party and many in the business community worry the price for the alliance with the Social Democrats was too high.

Opponents of the coalition program say the new government's spending priorities and other measures, such as a plan to reduce the retirement age, set a negative example for the rest of Europe when Germany is demanding that other countries reduce public-debt loads.

"This sends the wrong signal both to Europe and Germany," said Volker Treier, deputy head of the Association of German Chambers of Industry and Commerce. "We're steering our economy into the next difficult situation."

Germany's position as Europe's largest and most robust economy at a time of continued malaise across much of the region means much is riding on its performance in the coming years.

Germany's strong recent economic record, driven by robust foreign demand for its autos and machinery, has left it largely unscathed by the debt crisis that has plagued countries in Europe's southern tier.

That success has lulled Germany's political class into a false sense of security, said Thomas Mayer, [Deutsche Bank's DBK.XE +1.21%](#) former chief economist who is now a senior fellow at the Center for Financial Studies at the Goethe University in Frankfurt.

"There's a sense that everything is going beautifully and will remain so," he said.

Since the coalition agreement was first presented at the end of November, leading industry associations and economic institutes across Germany have been unsparing in their criticisms of it.

Included in the coalition accord are plans to phase in a minimum wage of €8.50 (\$11.67), a reduction of the retirement age for some workers to 63 and an array of social-spending increases. Taken together, the new measures will add more than €20 billion a year to Germany's budget.

"This program amounts to a reversal of the structural reforms that were achieved in recent years," Mr. Mayer said.

Those overhauls, known as the Agenda 2010 and enacted under Ms. Merkel's center-left predecessor, made Germany's labor market more flexible and tightened welfare rules. They are widely credited by economists with laying the foundation for the country's recent economic resurgence. But they have also been criticized for fueling more economic inequality within Germany—one reason the Social Democrats campaigned on the labor measures.

Another concern is energy policy. Germany is in the process of shifting from conventional to renewable energy, a goal it says will help make the country a leader in "green" innovation and achieve its plan to phase out nuclear power.

Known as the "energy transformation," the shift relies on a program of subsidies for solar and wind that has led to an increase in energy costs and many industrial businesses complain that the plan is putting them at a competitive disadvantage.

"The energy transformation needs a quick, courageous and thorough overhaul," said Ulrich Grillo, head of the Federation of German Industries. "Germany's future as a home for industry is at stake."

Critics of the coalition's legislative plans, including the government's own council of economic advisers, say the financing of the agreement rests on a set of unrealistic expectations for German borrowing costs and economic performance.

As a consequence, many economists believe tax increases are inevitable.

Mr. Schäuble has rejected such criticism, insisting that the spending increases and other reforms are underpinned by cautious planning.

In any case, political realities after the election left Ms. Merkel with few options but to strike a deal with the Social Democrats.

Ms. Merkel's conservatives were the clear winners at the polls, with 41.5% of the vote, compared with 25.7% for the Social Democrats. But the business-oriented Free Democrats, Ms. Merkel's current coalition partner, failed to win enough votes to enter parliament. That left Ms. Merkel two options: a so-called grand coalition with the Social Democrats or new elections.

The Social Democrats campaigned on a number of measures that are generally viewed with skepticism by the business community, including the minimum wage and a plan to make it more difficult for companies to hire temporary workers.

Yet, to avoid new elections—a course that might have resulted in a left-wing alliance led by the Social Democrats—Ms. Merkel was forced to accede to their demands.

## Shadow of Noose Speeds Up Banking Union

95,28

**The deal euro-zone leaders are expected to agree upon is far more substantial than had seemed possible.**

By SIMON NIXON

Updated Dec. 15, 2013 5:08 p.m. ET

Nothing concentrates a man's mind quite like the prospect of being hanged in the morning, observed Samuel Johnson, the 18th century English writer. In a similar vein, two factors helped concentrate the minds of European governments in recent weeks as they thrashed out important details of the euro zone's proposed banking union.

The first was the European Parliament elections scheduled for May next year. These are expected to result in large gains for euro-skeptic and extremist parties, which could make it much harder to agree on complex legislation involving a substantial pooling of sovereignty.

The second is growing anxiety in the markets and among some policy makers that the euro zone is sliding into deflation. With interest rates already close to zero and no easy way to further loosen monetary policy, a credible banking union is the euro zone's best chance to reduce financial fragmentation and reduce borrowing costs in the periphery.

The result is that euro-zone leaders are expected this week to agree upon a far more substantial banking union deal than had recently seemed possible. This deal will include a legally binding set of arrangements for the winding up of failed banks—the so-called Single Resolution Mechanism—to be headed by a Single Resolution Board with access to a Single Resolution Fund to help pay for the cost of clearing up bank failures.

The speed with which the deal has fallen into place has surprised officials. Germany had previously ruled out any common euro-zone fund to help pay for winding up failed banks, insisting instead on a network of national funds.

True, Berlin has only agreed to pool a targeted €55 billion (\$75.51 billion) of resolution funds financed by industry levies rather than agree to a taxpayer-funded backstop, and even then only a gradual merging of funds over 10 years. But this is still a significant shift.

In return, the rest of the euro zone has bowed to Berlin's objection to handing the final say over the deployment of these funds to the European Commission, the EU's executive arm. The compromise solution is a convoluted structure involving an intergovernmental treaty which will hand the final say to the European Council if Brussels objects to a decision of the SRB.

Will these arrangements be adequate to fulfill the high hopes vested in the banking union? Will they allow banks to be judged on their own financial strengths, irrespective of where they are domiciled? Will it pave the way for more cross-border mergers and acquisitions and the creation of a genuine single market—the real test of banking union?

No one is claiming the deal is perfect. The ECB fears the resolution process is inefficient and could make it hard to wind up a failed bank over a weekend.

But officials in Brussels and Berlin believe they have found an elegant and workable compromise: the European Commission is satisfied that it will be represented on the SRB and so will have a say in resolution discussions; while Berlin believes that Brussels would never refer a decision to the European Council given the institutional rivalry, so the SRB will be effectively independent.

Some ECB officials also fear that new rules requiring that 8% of a bank's liabilities must be "bailed in"—wiped out or converted into equity—before any public money can be used to recapitalize a bank are too rigid. Sweden had argued for a more flexible approach, reflecting its successful experience of bank nationalization following its own financial crisis in the 1990s.

The 8% requirement has been calibrated so that almost every bank in Europe would have survived the recent crisis without public money.

But Brussels and Berlin are in agreement on this too: They argue that concerns over the impact on debt markets and bank funding costs of the bail-in mechanism are overblown as banks are already adapting their capital structures. Besides, Brussels was determined to avoid an uneven playing field in which rich country banks were bailed out while poor country banks were bailed in; and Berlin feared any weakening of the bailout requirement would inevitably lead to greater pressure on the Single Resolution Fund.

Perhaps the strongest criticism is that 10 years is too long to wait for the resolution funds to be fully merged, and that there is still no common taxpayer-funded backstop should the SRF be insufficient.

Many argue that a true banking union is impossible without common deposit guarantees. Progress here seems very unlikely given the strength of German resistance. But other euro-zone countries will continue to push Berlin to allow the European Stability Mechanism to lend to the SRF where necessary.

But while these concerns are relevant to the long-term success of the banking union, they are less important to the near-term success of the project. The new rules will not take effect until 2016 and only become fully active 10 years later. Before then, the euro zone needs to restore confidence in the safety and soundness of bank balance sheets using existing rules. This is the goal of the ECB's Comprehensive Assessment and stress tests of the 130 largest euro-zone banks to be completed in 2014.

This remains very much a work in process. The ECB has started collecting information and has met with the chiefs of the relevant banks. But all the key questions that most concern investors remain unanswered: What level of provisions will the ECB require against nonperforming loans? How will it stress test banks' exposure to sovereign debt? How will it stress test the safety and soundness of bank funding structures, including continued reliance on ECB facilities and the recent sharp rise in ultra short-term market funding?

What is becoming clear is that the Comprehensive Assessment may not be as comprehensive as some had hoped. The ECB will be bound by existing national rules relating to provisions and quality of capital. Indeed, some officials fear the ECB is being burdened with excessively high ambitions: It is unrealistic to expect the Comprehensive Assessment to lead to a miraculous transformation in the euro zone's financial landscape.

Yet without a transformation in the financial landscape, the ECB is likely to come under further pressure to adopt radical measures to ease borrowing costs in the periphery. It is not just euro-zone governments that face the prospect of being hanged in the morning.

LATVIA

## The euro steams in against nostalgic backdrop

95,30

11 December 2013

[EESTI PÄEVALEHT](#) TALLINN



Distribution of euro kits at Marupe post office, near Riga, on December 10, 2013

AFP

**On January 1, the Latvians will shift to the single currency. Latvians have been able to buy their new coins since December 10, amid an atmosphere of excitement tinged with concern.**

### [Rein Sikk](#)

Security guards dressed in black surround a bank at Brīvības iela, the main street of Riga. The national hero, Lāčplēsis, nicknamed “the Bear Killer”, standing at the base of the statue of liberty nearby, its bas-relief engraved with the Latvians’ war cry of “For the fatherland and freedom!” (Tevzemei a Brīvībai), observes with stoic calm everything that passes.

However, only one in five Latvians are convinced that the era to be ushered in on January 1, with the adoption of the euro, will actually be good for the fatherland and freedom. Most fear, rather, the opposite. The men dressed in black are carrying kits of euros into the bank.

Since the morning of December 10, 302 salespoints have been opened where these 800,000 kits are being sold for 10 lats [14.23 euros] each. Buyers turn their new euro coins over in their hands, gazing down at the stamped image of a pretty woman in traditional costume. Should the mood be happy or unhappy? No one knows. Every citizen has the right to buy five of the kits.

There is nothing more to do with these images of Latvia than throw them in the trash”, says a tearful Marta, a souvenir seller

A month earlier, in early November, the people lining up to buy the last 500,000 one-lat coins were gripped by melancholy. On one side of these coins is stamped “1 lat”, and the other, “1.42 euro” – the official exchange rate. “There is nothing more to do with these images of Latvia than throw them in the trash”, says a tearful Marta, a souvenir seller.

Price rises ahead?

Zinaida and Aida, vendors in the Salacgrīva boutique, are pleased with the look of the euros that Estonian journalists show them. Although all the product prices in their store are also displayed in euros, the women are confused. How will it be possible to calculate in both lats and euros at the same time, come January 1? How will all that money go into the drawers of the same till?

What Zinaida and Aida fear most is the rise in prices. According to them, and despite the promise of “Honest Euro Changeover” displayed outside the doors of thousands of shops around the country, price hikes will be inevitable.

The classic example is the price of coffee, which is sold in newsstands today for 1 lat. There is no need to be particularly clever to guess that this cup of coffee will soon be rounded up to 1.50 euro for the paying comfort of customers. In a survey of 7,599 price conversions, Latvia’s consumer protection office has already discovered 3,000 errors.

Half of the population backs the single currency and that this proportion is rising steadily

Against the background of confusion and general misunderstanding, Arina Andreičika, head of the Ministry of Finance office in charge of the changeover to the euro, seems unperturbed by the low percentage of Latvians who support the euro. The Ministry, it turns out, has another survey, which shows that half of the population backs the single currency and that this proportion is rising steadily.

Shared enthusiasm

According to Andreičika, what has happened has been a great thing indeed, and this is also thanks to the help of Estonia [which [adopted the euro](#) in 2011]. To prove the love that both Estonia and Latvia share for the euro, the presidents of the two countries will meet on January 2, 2014 in the small town of Rūjiena (3,000 inhabitants). Together, they will withdraw the new money at an ATM.

Niina and Ella are two friends who meet up every two days in a kiosk that sells chebureki. One is the seller, the other her customer. What brings together them is their enthusiasm for the euro. “Let the euro come!”, they say with a single voice. “But when it comes, let there also come the same wages and prices as in normal countries like Germany, for example.”

## Final spurt towards banking union

95,32

The project of a banking union is taking shape. The [EU finance ministers](#) agreed on Tuesday night on a plan for closing down insolvent banks. A single resolution fund is to gradually replace national provisions over the next ten years. Berlin has once again got its way with this "banking union light", some commentators grumble. Others express relief that one of the major problems of the crisis has been solved.

Delo - Slovenia

### One problem less, at any rate

The [banking union](#) in its watered-down version solves a few, but by no means all of the Eurozone's problems, the left-liberal daily Delo writes: "Whether taxpayers who have helped out the banking sector to the tune of several billion euros in recent years will really be spared the expense of future bailouts remains to be seen. There are no guarantees. ECB chief Mario Draghi warned Brussels in the summer that total insistence on shareholders and creditors being the first to pay up could push investors to abandon Europe and go elsewhere in the world. ... The watered-down banking union will indeed eliminate one of Europe's main problems in the crisis. But it won't secure any jobs for young people or an economic recovery. Nor will it correct many of the mistakes in crisis management. It will simply create a more stable environment for a fairer distribution of the burdens." (12/12/2013)

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Spiegel Online - Germany

### Berlin has pushed through banking union light

Germany has once again pushed through its own interests - to the detriment of the [banking union](#), columnist Wolfgang Münchau criticises on the news portal Spiegel Online: "In the next ten years the banking union will remain a national affair. Spain will continue to decide whether a Spanish bank must close down or not. And Spain must also foot the bill. The German taxpayer can breathe a sign of relief. ... And Finance Minister Wolfgang Schäuble has taken great pains in Brussels to ensure that nothing comes through the back door. ... When so much money is squeezed out of the banks in the next ten years that the planned resolution fund of 55 billion euros for recapitalisation is amassed, it should at least be big enough to cover smaller crises in the banking sector. At that time, granted, the principle won't hold explicitly that Spanish banks are to be restructured with Spanish money. Nevertheless Germany and its allies would still have an effective veto right, at least for large-scale projects." (12/12/2013)

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El Mundo - Spain

### Germany can't call the shots on its own

Following the [meeting of the EU finance ministers](#) the German banks praised Wolfgang Schäuble for his tough stance in the negotiations: "We have cause to be proud that the German finance minister has stood up for German banks," said Stephan Rabe of the Federal Association of Public Banks in Germany. The conservative daily El Mundo sees this as a cause of concern: "This sentence perfectly sums up the result of the Ecofin meeting on the banking union. ... In other words: Germany has once again got its way regardless of what the other countries say about the agreement. ... Germany has scored another goal against the EU at a time when the banking union seemed to be a key step for securing the precarious recovery of the EU. Merkel should rethink her stance and the other governments should try to convince her to soften her maximal demands." (12/12/2013)

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Karjalainen - Finland

### Campaign ammunition for the EU's critics

The euro-critical parties will capitalise on the banking union in the campaign for the European elections, the liberal daily Karjalainen predicts: "Getting a handle on the [banking crisis](#) is one of the biggest and most difficult projects the EU has faced in recent years. How far should joint responsibility go, and how far should the Lisbon treaty [which only generally allows member states to charge the ECB with tasks related to banking supervision] be stretched? Now, shortly before the European elections, it's particularly difficult to find a solution. The anti-Europeans are seeking an election victory at the cost of the parties and politicians that are now working on a solution. But there is unlikely to be a banking solution that doesn't give EU critics and populists new ammunition for their election campaign." (12/12/2013)

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## RENEWABLE ENERGY

# The Feldheim model 95,33

13 December 2013

[NEUE ZÜRCHER ZEITUNG](#) ZURICH



'Energy self-sufficient village. Feldheim, district of Treuenbrietzen'

AFP

**This village near Berlin is the only place in Germany that is completely autonomous in terms of energy supply. Thanks to wind turbines in their backyard and an independent grid, residents pay minimum prices for electricity. It's an example for environmentalists everywhere.**

### [Helmut Uwer](#)

Petra Richter doesn't need a lot of words to tell the winning story that has helped her community experience a whiff of worldwide fame. The alternative came along at just the right time, says the chairperson of the municipality of Feldheim, a small village southwest of Berlin that has become the first – and so far the only – place in Germany to be self-sufficient in energy. That's why every year around 3,000 visitors from all over the world come to the village in Brandenburg with a population of only 130, which despite its altitude of 150 metres above sea level, is not so easy to find.

### Heat for all

It was all put together step by step, Petra Richter says. The first four wind turbines were put up in 1997. There are now 43 of them, and they produce 140,000 megawatt hours of electricity annually. Pondering alternative energy sources each and every day, the local agricultural cooperative began at some point to mull over the construction of a biogas plant. A meeting was held with the initiator of the windmills, Michael Rascherman, and he was asked to come up with a concept.

He found out that the 4.3 million kilowatt hours from the biogas plant could heat more than the buildings for the pigs and the cooperative offices: it could heat the entire village

He found out that the 4.3 million kilowatt hours from the biogas plant could heat more than the buildings for the pigs and the cooperative offices: it could heat the entire village. At that time, many residents still heated their homes with stove heaters. Others who had put in central heating after the energy transformation discovered it had already broken down. The willingness to venture into new and unexplored territory, Petra Richter recalls, was enormous: "Nearly everyone was excited at first."

Following a few community meetings it was decided to start up the Feldheim Energie GmbH & Co. KG. The company was intended only to generate district heating for comfortable temperatures in all Feldheimer households, and was also set up to distribute the electricity produced by the wind turbines on the villagers'

doorstep. But matters weren't as simple as that. The owner of the local power grid, E.ON-Edis, was unwilling to sell or lease its power lines, and so new ones had to be built and installed. And so there arose a situation unique to Feldheim: there are two power lines in the village today, and the old house connections have been severed.

### Favourable price

For its new power supply, Feldheim Energie had to come up with around €400,000. The deposits of the limited partners were just sufficient for this. Only property owners from the district, as well as businesses, the waterworks, the Church, and the town of Treuenbrietzen, which Feldheim belongs to, could be members. The contribution of each came to €3,000 for electricity and heat, or half of that if the shareholders wanted only one of them.

Building the power grid, on the other hand, was a piece of cake compared to the €1.7m that the district heating network cost. The Feldheimer residents could finance that only because the EU and the state of Brandenburg came up with half the funding. For the rest, Feldheim Energy took out a 15-year energy loan, which it is paying off according to plan. Almost all the residents have signed up to the scheme and committed themselves for ten years with their deposit. Only two out of 40 households could not be won over. Still, the agricultural cooperative, the municipality, the waterworks and the Church did join those 38 individual households. The three-kilometre-long heating network runs out to 35 households; the others rely on geothermal energy. Those who have opted for the alternative networks, however, have saved a lot of money.

The heat has been piped in since 2009, and a year later the wind turbines began to feed in their energy

The heat has been piped in since 2009, and a year later the wind turbines began to feed in their energy. While the average price of a kilowatt hour [in Germany is 28 cents](#), Feldheimer residents pay only 16.6 cents, as they buy the electricity directly from the producer. This unusually cheap fare is only possible thanks to a special provision in the Zugangsentgeltverordnung, the "Grid Access Fees Ordinance". According to the spokesman for Energiequelle GmbH, Werner Frohwitter, only a fraction of the current generated – around half a percent – flows to Feldheim, while the rest is fed into the public grid. The cost of heat for the Feldheim residents is 10 per cent less than in the rest of the country.

### Ecotourists from around the world

Feldheim has become a model village in all matters related to environmentally friendly energy. In 2009, to complement the biogas plant, a wood-chip heater was built, and it ensures that the old farmhouses stay toasty warm on cold winter days. One of three villages to win the Ministry of Agriculture's "Bio-Energy Village" award in 2010, the municipality ploughed the €10,000 back into continuing to develop renewable energies. Today, its environmentally friendly energy has become a significant factor in the small town's economy. Agriculture, which offers bread and work to 30 people, still dominates nonetheless. But the EQ-SYS company, which makes metal components for photovoltaic systems, has also created 21 jobs.

Eco-tourists from all over the world flock to the village every year, despite the lack of an intact Gasthof where they can sleep. The former restaurant building is currently being converted into a Research and Education Centre by the Feldheim New Energy Forum Foundation, the Förderverein Neue-Energien-Forum Feldheim. The association offers tours of the Ecovillage in German, English, Spanish and French. Japanese is yet not on offer – despite the many Japanese who, last but not least, following the disaster in Fukushima, have found their way to Feldheim.

MAIN FOCUS

## Germany gets a grand coalition

95,35

After the [positive vote](#) by members of the SPD, the CDU/CSU and Social Democrats presented the new cabinet in Berlin on Sunday. They plan to sign the coalition contract today. Angela Merkel has a firm grip on the reins of power and will continue to push through her [austerity dictates](#), some commentators write. Others believe SPD leader Sigmar Gabriel will stand up to the chancellor.

Kurier - Austria

### Gabriel will give Merkel a hard time

The leader of the social democratic SPD Sigmar Gabriel has emerged strengthened from the vote among his [party's members](#) and will make things difficult for Angela Merkel, the liberal daily Kurier predicts: "The members' unexpectedly clear yes to the coalition effectively makes Gabriel the winner after all. The party chief has managed to weaken the obduracy of his on average 60-year-old party colleagues, who even in the times when the goal was to reduce debt wanted to govern like when Willy Brandt was in charge - with new debt helping to fulfil almost everyone's wishes. ... The chancellor now has a stronger Gabriel at her side, who will therefore be more awkward to deal with than the leftovers from Gerhard Schröder's reform-oriented SPD in the first grand coalition. Gabriel wants to keep moving away from that - back to the left. For him, this government is just a springboard to a change of government and the realisation of his own goal to be chancellor. The hurdles to the success and durability of Merkel III are now higher." (16/12/2013)

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El País - Spain

### An end to excessive austerity in sight

The new German government will back down on the austerity policy, the left-liberal daily El País hopes: "Everything indicates that the era of excessive austerity is coming to an end. ... The introduction (albeit gradual) of a [minimum wage](#) that is triple that in Spain compensates for some of the disproportionate sacrifices social democrat Gerhard Schröder demanded from employees a decade ago. And the flexible retirement age stands in contrast to what had been demanded so far of the economically weaker states. Consequently we can expect the pressure to balance national budgets and cut social benefits to be reduced. The rigorous frugality has probably come to an end, to be replaced by an era of balanced and well-judged modesty." (16/12/2013)

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Corriere del Ticino - Switzerland

### Berlin right to stick to austerity

Berlin's European policy won't change with the new government - and that's a good thing too, the liberal daily Corriere del Ticino comments: "Perhaps there are governments in the Eurozone that believe that with the new grand coalition government in Berlin, they can postpone measures for reducing the undeniably excessive sovereign debts indefinitely. But they should think again. Merkel won't deviate from the course that fixing the budgets is the prerequisite for new and more solid economic growth. And this will benefit the common currency, which without Berlin's approach would suffer a new crisis. This course also works to Switzerland's advantage, whose main trading partner is Germany and which in the event of a new euro crisis would face further devaluation of the franc - with all the negative repercussions this entails for the country's exports and economy." (16/12/2013)

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Lidové noviny - Czech Republic

### Great chance for Left Party

The opposition Left Party has offered a new political home to SPD members who [voted](#) against the coalition agreement with the conservative CDU/CSU. The SPD is in for a protracted struggle for voters on the left, the conservative daily Lidové noviny comments: "The SPD only stands to lose in the coalition with the conservatives. It's understandable that the Left Party senses that its chance has come. Above all in eastern Germany it would be painful for the Social Democrats to lose their role as the most standard-bearer of leftist ideas. Until now cooperation with the post-communists has been taboo for the SPD on the federal level. With the Godesberg Programme it bid farewell to Marxist ideas as early as 1959. Recently, however, it has begun to rethink its relationship to the Left Party. Even if the Social Democrats have decided to side with the conservatives for the next four years, things may look very different after the elections in 2017." (16/12/2013)

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## An abnormal democracy 95,36

16 December 2013

[ELDIARIO.ES](http://eldiario.es) MADRID



[Mavk](#)

European elections are transnational, but voting is determined by campaigns on local issues, and the political consequences of the election results are essentially local. This paradox is a major obstacle for European integration.

[José Fernández Albertos](#)

Imagine that you are about to vote in a local elections tomorrow. You evaluate the performance of the team in power in your area and examine the alternatives proposed by the opposition. And on the basis of this analysis, you come to a decision about how you intend to cast your vote.

Now imagine that on election night, to everyone's surprise, the authorities in charge of the vote suddenly announce: "Following a series of computer, administrative and communication errors, the elections that were held today were not local but general elections. We have therefore decided to group together all of the votes for candidates fielded by each of the political parties in the same region, and to appoint MPs to parliament as though they had won seats in a general election."

Voters opt to punish or reward parties on the basis of their local performance; thereafter, politicians and "experts" will spend a few days deciphering the "message" that citizens wish to "send" to government

You might think that all of this is nonsense, but it is pretty much the principle that governs [European elections](#). Voters opt to punish or reward parties on the basis of their local performance; thereafter, politicians and "experts" will spend a few days deciphering the "message" that citizens wish to "send" to government and to the opposition. But once the future parliamentarians begin to travel to Brussels and Strasbourg, they form political groups with MEPs from other countries, and take decisions in the certain knowledge that voters will not call on them to account for their actions in five years time.

Absurd scenario

The figures speak for themselves. In a [survey](#) conducted by the Spanish *Centro de Investigaciones Sociológicas (CIS)* in the wake of European elections in 2009, only 13.7 per cent of respondents said "issues relating to the European Union and the European Parliament" had determined how they chose to vote, while 58.6 per cent acknowledged that they were mainly influenced by "the current political situation in Spain."

According to the survey, only one in three Spaniards believe that, in European elections, it is more important to vote for a majority in Strasbourg than it is to reward or punish the government in Madrid. As in the absurd scenario described above: most voters are actually thinking about a completely different election when they cast their ballots [to elect the European Parliament].

In a recent paper, I examined how voting for parties that had participated in at least two European elections evolved in relation to national and European circumstances at the time. I found that economic growth in the EU had no impact on the election performance of parties whose members had been appointed to act as European Commissioners. At the same time, the state of the economy in individual member states clearly affected the results posted by parties that were in government in national parliaments. And this nationalisation of the European vote was even more pronounced in periods of economic crisis.

### Normalisation equation

Given that the European Union is a unique political structure, perhaps we should not be surprised to find that the manner in which Europeans elect representatives to European institutions is also wholly unique

Should we be concerned about this? After all, given that the European Union is a unique political structure, perhaps we should not be surprised to find that the manner in which Europeans elect representatives to European institutions is also wholly unique. If we consider that European Parliament is merely a pluralist representation of citizens' views that forms part of a complex framework to decide on mostly technical issues that are of limited interest to those same citizens, perhaps we should not worry that its members are elected in such a "novel" manner. At the end of the day, given that the vast majority of decisions in parliament are the subject of a consensus between the major political groups, does it really matter that national contexts determine whether the social democrats or the conservatives will win a few more or less votes?

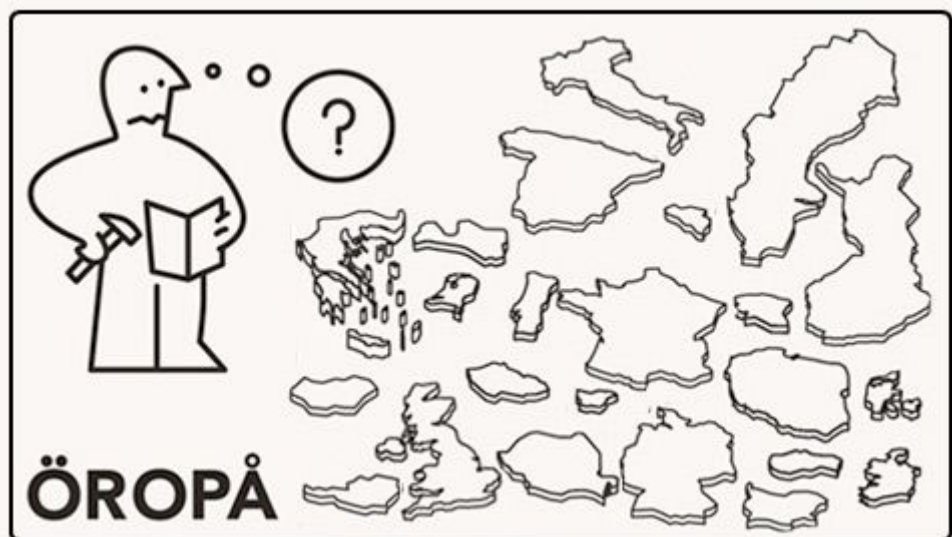
However, if, on the contrary, we consider that the European Union is a body that decides on the distribution of major budgets, and that citizens want to express their opinion of these decisions and to respond to them by rewarding representatives that satisfy the wishes of the majority while punishing those who do not, then the fact that voters focus on national contexts in European elections is a problem — one that is largely analogous to electing a national parliament in the bizarre procedure described above. How can we punish European politicians whose performance is not satisfactory, and how can we support or oppose the policies of European programmes if voters elect representatives to the EU on the basis of the popularity of incumbent national governments?

It is not clear if Europeans will be able to "normalise" elections to the European Parliament in the medium to long term. Personally, I am sceptical. But if we fail to do so, then we will have to resign ourselves to the fact that greater political integration, which many believe is now indispensable, will be ushered in by the loss of our collective ability to decide on policies that directly affect us.

## Shattered Europe 95,38

10 December 2013

[LES ECHOS](#) PARIS



Gorilla

**Societies against their elites. North against South. Germany against France. Britain against everyone. Despite the multiple fractures that weaken an EU struggling to cope with the new world market, the union must inspire faith, says political scientist Dominique Moïsi.**

### [Dominique Moïsi](#)

Europeans, open your eyes. You will make up no more than 6 per cent of the population of the world by 2050, when back at the start of the 18th Century you represented 20 per cent of it. Taken all together, you are very small; taken as individual nations, you are tiny. Even Germany, the new economic and demographic giant of the union, has only 1 per cent of the world's population today, and tomorrow it will have even less. At the same time, the African continent has grown in population from 180 million in 1950 to more than 1 billion today, and probably to more than 2 billion within 35 years. Of course, demography is not everything: the influence of Singapore is not measured by the size of its population. But population is an important factor.

If Europeans need the union now more than ever before, it is not only because they are comparatively less numerous than they once were; it is also because the world around them is becoming more uncertain. America is moving away, tired of its costly and uncertain military adventures in the Middle East, and no doubt reassured as well by the energy independence it should have by 2020 thanks to shale gas and oil. Russia is drawing closer, but not in the good sense of the word – not at the level of values, but rather bringing the shadows of its imperial ambitions. It has never renounced the Ukraine and now it [is leaning on Kiev](#) with all its weight. This is not the return of the Cold War; Russia is not the Soviet Union. But in the east, it is back once more, and that is worrying.

To the south, the Middle East has been fragmenting ever since the start of the Arab Spring

To the south, the Middle East has been fragmenting ever since the start of the Arab Spring. The Arab revolutions can provoke a double analogy, with the French Revolution and the wars of religion that saw so much blood spilled in Europe from the middle of the 16th Century to the middle of the 17th Century: today, the roles of Protestants and Catholics are being played by Shiites and Sunnis. In reality, though, it's the [1916 Sykes-Picot agreements](#) [on dividing the Middle East after the First World War] that are crumbling before our eyes and,

as they crumble, undermining the unity of countries like Iraq, Syria and Libya, on whose stability the whole Middle East depends.

### Confrontations ahead

And finally, there is the huge expanse of Asia. From Tokyo to Beijing to Seoul, Asian elites are wondering anxiously if 2013 is not for their continent what 1913 was for Europe: the year that preceded the war. Nobody wants an armed conflict, but no one of them has tried hard enough to avoid a war that could break out by accident in the China Seas.

Facing an international environment that has become more dangerous, what is Europe doing? It's turning inwards, leaving the field open to the rise of populism.

In 1994, a film that enjoyed huge success came out in Britain: *Four Weddings and a Funeral*, starring Hugh Grant. Today one could probably describe the reality of Europe as "Four Divorces and No Funeral".

There is indeed a quadruple divorce underway, which tends to be getting more entrenched among the EU member countries. The first and the most important is that between European societies and their elites, whether those are national or "Brussels" elites. This divorce came before the financial and economic crisis broke out in 2007; [negative referendums on the 2005 Constitutional Treaty](#), in France and the Netherlands, are proof of that. The crisis has only deepened the trench that has been dug between a European project that no longer inspires anyone – except non-Europeans or non-members of the union, like in the Ukraine – and citizens disillusioned by both politicians and policies.

### Geographical split

Apart from Poland, the eastern and central European countries that joined the European Union between 2004 and 2005 are not faring well, neither economically nor politically

The second divorce, a geographic one, is between a northern Europe that falls in behind Germany and a southern Europe that is failing, like Greece – although Athens, fortunately, is still the only one in that category. To this North-South divide we now ought to add an East-West dimension. Apart from Poland, the eastern and central European countries that joined the European Union between 2004 and 2005 are not faring well, neither economically nor politically.

The third divorce is a divorce brought on by the different positions that France and Germany, two countries that were once the pillars of the Union, now find themselves in. To put it brutally, Paris no longer plays in the same league as Berlin. Certainly, Germany's total lack of any hankering after international power tends to restore a balance between the two countries. But the balance is an artificial one. Since 1995 and the death of François Mitterrand, no president of the French Republic has been a match for a Chancellor of Germany. One should not be surprised that France is moving dangerously close to the neighbourhood of southern Europe and its problems and drawing away from northern Europe and its successes.

The fourth divorce, that [between Britain and Europe](#), makes that third divorce even messier. Paris can no longer rely on London to counterbalance Berlin, because London is moving further away from the continent, with an inevitable referendum on Europe coming up in 2017.

Europe has lived well above its means materially and far below its means politically and intellectually, if not spiritually. There will be no funerals if it rediscovers lucidity and courage when confronted by a crisis that is, above all, ethical. Europeans have no choice but to continue to believe in Europe and its exceptional mixture of unity and diversity. They have to: they need it more than ever.

## Europäische Großbanken stocken Staatsanleihen wieder auf

95,40

16.12.2013 · Große europäische Banken greifen laut der EU-Branchenaufsicht EBA wieder verstärkt zu Staatsanleihen. Vor allem Banken aus den Euro-Krisenstaaten stecken das Geld, das sie billig von der EZB bekommen, in Staatsanleihen ihrer Herkunftsstaaten.

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

Die gegenseitige Abhängigkeit europäischer Banken und ihrer Heimatstaaten wächst wieder. Die 64 größten Institute aus 21 Ländern hielten Mitte des Jahres 9,3 Prozent mehr Staatsanleihen als 18 Monate zuvor, wie die EU-Bankenaufsicht EBA am Montag in London mitteilte. 2011 hatten sie die Bestände unter dem Eindruck der Staatsschuldenkrise im Euro-Raum noch um neun Prozent abgebaut. Dabei hatten sich die Bankenregulierer eigentlich vorgenommen, die Verflechtung von Kreditinstituten mit ihren Heimatländern zu beenden, die sich in der Finanzkrise als Teufelskreis erwiesen hatte.

Doch stecken vor allem Banken aus den Euro-Krisenstaaten das Geld, das sie billig von der Europäischen Zentralbank (EZB) bekommen, in die deutlich höher verzinsten Staatsanleihen ihrer Herkunftsstaaten, wie aus der Erhebung der EBA hervorgeht. So lagen die 199 Milliarden Euro spanischen Staatsanleihen, die die Londoner Behörde in den Büchern aller 64 Banken zählte, bei spanischen Häusern. Ende 2010 waren es erst 78 Prozent. Von 274 Milliarden Euro in italienischen Staatspapieren hielten Banken aus Italien Mitte des Jahres 76 Prozent, nach 59 Prozent Ende 2010. Auch in Irland, Griechenland, Zypern und Großbritannien sind die Anteile der heimischen Institute hoch.

EU-Behörde: Kapitalpolster von Großbanken im Schnitt bei 11,7 Prozent

Die EBA hatte die Institute um aktualisierte Daten zu ihrer Kapitalausstattung und zu ihren Staatsanleihen-Beständen gebeten, nachdem der Stresstest auf das nächste Jahr verschoben worden war. Der letzte Stresstest hatte auf Daten von Ende 2011 gefußt. Die Banken greifen auch deshalb zu Staatsanleihen, weil sie nach den gegenwärtigen und künftigen Eigenkapitalregeln als risikofrei gelten und sie dafür kein Kapital vorhalten müssen.

Insgesamt zog die Aufsichtsbehörde eine positive Bilanz: Die Kapitalausstattung der 64 Banken - darunter zwölf deutsche Institute - sei in den 18 Monaten bis Juni 2013 im Schnitt auf 11,7 von 10,0 Prozent gestiegen. Die Institute hätten ihre Polster von hartem Kernkapital (Core Tier-1) um mehr als 80 Milliarden Euro aufgebessert und zugleich 817 Milliarden Euro an Risiken in den Bilanzen abgebaut. Damit seien sie mindestens so gut kapitalisiert wie ihre Konkurrenz aus den USA. Doch die Zahlen basieren auf dem Kapitalstandard der EBA, der in einigen Punkten laxer ist als die künftigen Basel-III-Regeln, an denen sich EBA und EZB beim nächsten Stresstest richten. Der Bestand an Krediten an Unternehmen und Privatkunden schrumpfte nach den EBA-Daten binnen eineinhalb Jahren um drei Prozent.



## Chart Of The Day: This Is What "Generational Theft" Looks Like 95,41

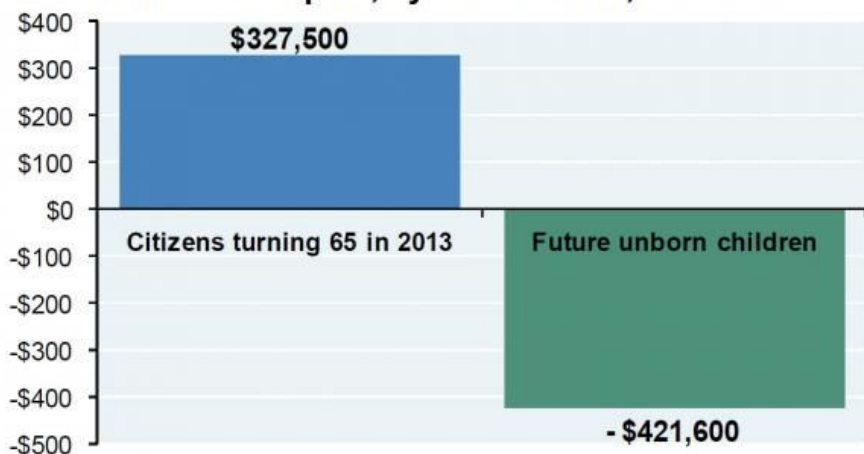


Submitted by [Tyler Durden](#) on 12/16/2013 14:35 -0500

Much has been said about the key aspect of the Ponzi scheme behind America's welfare state (if not enough where it matters as the three living Fed Chairmen currently joke around during the Fed's shindig [on the central bank's 100th anniversary](#)), namely that *all those who have paid in money to entitlements, are entitled to benefit from entitlement distributions in the future*. On paper this is absolutely correct, and in an efficient market, without capital allocation distortions this would work (ignoring that a Ponzi scheme, is, by definition, a Ponzi scheme and is reliant on ever greater inflows of money and participants or, as some may call them, suckers). More importantly, this is also fair. Sadly, as recent experiments within the Obama administration and elsewhere, most notably France, when the entire developed world has hit "peak debt" levels, the fairness doctrine no longer works, especially if and when it is enforced upon a destitute population.

Since we don't live in a paper world, one should be able to quantify the disparity between the "haves" and the "have nots" when it comes to entitlements. This is precisely what Larry Kotlikoff did in August 2013 in "[How the millennial generation will pay the price of Washington's paralysis](#)." The results, charted, show what JPM's Michael Cembalest has dubbed, accurately, "generational theft", or the difference between how much excess some Americans will have received in government benefits (the older ones), compared to how great the funding deficit is for others - mostly young Americans, those who are about to graduated from college with record amounts of student loans (on average) and those yet unborn.

### US generational theft: government benefits received less federal taxes paid, by date of birth, USD



Source: "[How the millennial generation will pay the price of Washington's paralysis](#)", Callegari and Kotlikoff, August 2013.

Cembalest's summary:

*After you graduate, the US will be in the thick of the "generational theft" issue; here's a heads-up on what this is all about. Generational accounting is an estimate of who benefits from and who pays for government programs. As shown in the first chart, the average person in the generation that turned 65 this year received \$327 thousand dollars more in lifetime government benefits than they paid in Federal taxes. On the other hand, children born in the future (e.g., yours) will have a lifetime deficit on this basis of -\$421 thousand dollars. If it sounds unfair, it is.*

It seems that these days few things are *fair*. Which is perhaps why the rulers are desperate to do everything in their power to "enforce" their idea of fairness on everyone.

## Another German Steps Down From The ECB As Joerg Asmussen Leaves For Deputy Labor Minister Post 95,42



Submitted by [Tyler Durden](#) on 12/15/2013 13:17 -0500

One of the more vocal members of the ECB's governing council and executive board, 47-year old German Joerg Asmussen, surprisingly announced this morning that he is stepping down for "purely private family reasons." Concurrently, the German who has been a less tenuous version of his far more outspoken and hawkish compatriot Jens Weidmann, announced that he would accept a job as Deputy Labour Ministry job in the new German government.

What is surprising is that the German was not appointed finance minister in Merkel's new cabinet, although with Schrodinger Schauble determined to keep his position it is explainable. What is more surprising is that Asmussen replaced none other than Juergen Stark, who once was said to be Trichet's successor, and who dramatically quit the ECB over disagreements on the bank's bond monetization program. **One wonders: is Joerg's untimely departure just the latest indication that the ECB is finally preparing to unroll a blanket quantitative easing program, just as BNP predicted it would, in its desperate, last-ditch attempt to defeat Europe's slide into outright deflation and credit-creation collapse? Certainly, if Weidmann were to quietly leave next, then whatever you do, don't stand below the Euro.**

*The full details from [Reuters](#):*

Asmussen, a member of the centre-left Social Democrats (SPD), was a highly regarded deputy Finance Minister in Berlin between 2008 and 2011 before being appointed to the ECB Executive Board by Chancellor Angela Merkel in 2012.

He has since become a well-recognised face in European financial circles, giving speeches from Athens to Madrid. His surprise return to Berlin and inclusion in the government adds a dash of international flair to the right-left coalition that takes office on Tuesday.

Asmussen said he wanted to move back from the ECB headquarters in Frankfurt - and accept what is ostensibly a lesser job - in order to spend more time with his young family.

"This wasn't an easy decision for me," the 47-year-old said in a statement to Reuters after the appointment was announced by Labour Minister Andrea Nahles.

"I'll be stepping down soon as a member of the ECB Executive Board. The reasons for this step are purely private, having to do with my family situation."

He added: "It's just not possible in the long run to reconcile having a position based in Frankfurt, with frequent business trips, and having my family and especially my two very young children in Berlin. There is definitely no other reason."

Asmussen succeeded Juergen Stark, who stepped down from the ECB board in a row over its bond-buying programme.

**Alongside Bundesbank President Jens Weidmann, but with perhaps less tenacity, Asmussen at times criticised the ECB's expansive policies.** Both defended the ECB's last interest rate cut in November as justified, however.

ECB President Mario Draghi said Asmussen will be missed.

"Joerg Asmussen has been a tremendous help in shaping the monetary policy in the past two years while successfully addressing many other challenges," Draghi said in a statement. "I will personally miss him."

Merkel said she was looking forward to working with Asmussen again, and that Germany would propose a successor at the ECB.

Among the top candidates are Bundesbank vice president Sabine Lautenschlaeger, BaFin head Elke Koenig and the head of the Halle institute for economic research, Claudia Buch - all women.

**Asmussen's name had been mentioned in recent months as a possible candidate for Finance Minister if the SPD took control of the ministry that it held in the last "grand coalition" from 2005 to 2009, when Asmussen was a deputy to Peer Steinbrueck.**

But Asmussen had been consistently non-committal on the issue, saying he planned to fulfil his contract as an executive board member at the ECB that ran until end of 2019.

In the end, Merkel's Christian Democrats (CDU) retained control of the Finance Ministry with veteran Wolfgang Schaeuble, 71, staying in charge.

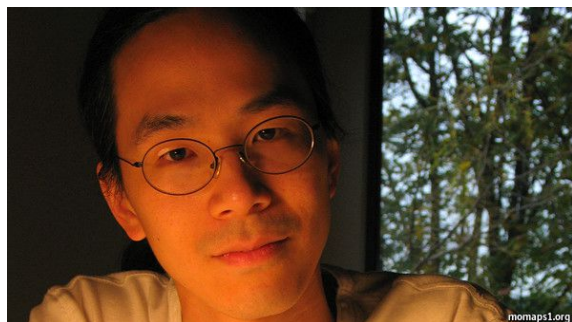
While Asmussen has enjoyed a sterling reputation with the SPD's conservative wing and across the aisle in Merkel's CDU, he was viewed with suspicion by the SPD left - which is informally led by Nahles.

Asmussen's move to the ministry could help improve his standing on the left in the long term. Nahles told Reuters she was looking forward to working with Asmussen as her deputy.

"I'm delighted that Joerg Asmussen will be a state secretary in the Labour Ministry and bring his great executive experience and full engagement into this key ministry," she said.

## Why you should read his stories

Dec 16th 2013, 16:36 by B.D. | WASHINGTON, DC



UNLESS you read science-fiction magazines, you probably have not have heard of Ted Chiang. He is not terribly prolific. His longest works are novellas of about 50,000 words, and he publishes one or two short stories every few years. But when he writes, the results are profound. His stories are perennial winners of the Locus and Nebula Awards—top prizes for science fiction and fantasy works in America. His readers are few, but they are devoted.

Mr Chiang's short story "The Truth of Fact, the Truth of Feeling", available in the autumn issue of *Subterranean Press Magazine*, a genre-fiction quarterly, involves a journalist who investigates a futuristic gadget. Called "Remem", it is a tool that searches one's personal "lifelog" (a real-time account of one's life captured by a personal camera) and projects memories the moment they come to mind. It is like Google Glass, a continuous-filming camera and search engine rolled into one. Mr Chiang's narrator frets that having constant access to past events will take away his power to forget, and so to forgive.

A parallel strand in the story concerns the introduction of writing to the Tiv people of Nigeria. To document experience in writing also changes how memory works. "We don't normally think of it as such, but writing is a technology," Mr Chiang writes. A "literate person is someone whose thought processes are technologically mediated." This subtle thread ties the two stories together. The moment of revelation feels powerful, as if the reader has suddenly understood something new.

Science fiction is a genre that often works well off the page. Spaceships and robots are just as thrilling on screen as in books. But Mr Chiang's approach is irreplaceable. His stories mirror the process of scientific discovery: complex ideas emerge from the measured, methodical accumulation of information until epiphany strikes.

Hefty scientific principles buttress Mr Chiang's works, yet he draws from them a startling humanism. "Story of Your Life" (1998), a tale about learning an alien language, came from thinking about Fermat's last theorem; "The Merchant and the Alchemist's Gate" (2007) considers the nature of time. The laws of nature are fixed. But Mr Chiang's stories remind us that the world need not be as it is. Time did not have to be so that we experience it linearly. Consciousness need not have been possible. What we take for granted is often miraculous.

"Exhalation", a short story from 2008, describes a world of sentient mechanical beings. The pressure in their atmosphere allows air to pass through their brains; thoughts emerge from the whirls and patterns of these eddies. But the pressure of this universe is decreasing. When it is gone, consciousness will follow. "The universe began as an enormous breath being held," Mr Chiang writes. "I am glad that it did... until this great exhalation is finished, my thoughts live on."

Alas, Mr Chiang does not write convincing dialogue. Conversation is weighted with exposition, as stilted as in a "Star Trek" film ("Suppose I gave you an hour's worth of recordings; how long would it take you to determine if we need this sound spectrograph or not?"). The genre's typical weakness on this front—together with its reliance on invented realities and creatures—invites critics to scoff that science fiction is childish and un-literary. But this criticism misses the point. The best science fiction inspires awe for the natural properties of the universe; it renders the fundamentals of science poignant and affecting. Mr Chiang's writing manages all of this. He deserves to be more widely read.

## **The Truth of Fact, the Truth of Feeling by Ted Chiang 95,46**

When my daughter Nicole was an infant, I read an essay suggesting that it might no longer be necessary to teach children how to read or write, because speech recognition and synthesis would soon render those abilities superfluous. My wife and I were horrified by the idea, and we resolved that, no matter how sophisticated technology became, our daughter's skills would always rest on the bedrock of traditional literacy.

It turned out that we and the essayist were both half correct: now that she's an adult, Nicole can read as well as I can. But there is a sense in which she has lost the ability to write. She doesn't dictate her messages and ask a virtual secretary to read back to her what she last said, the way that essayist predicted; Nicole subvocalizes, her retinal projector displays the words in her field of vision, and she makes revisions using a combination of gestures and eye movements. For all practical purposes, she can write. But take away the assistive software and give her nothing but a keyboard like the one I remain faithful to, and she'd have difficulty spelling out many of the words in this very sentence. Under those specific circumstances, English becomes a bit like a second language to her, one that she can speak fluently but can only barely write.

It may sound like I'm disappointed in Nicole's intellectual achievements, but that's absolutely not the case. She's smart and dedicated to her job at an art museum when she could be earning more money elsewhere, and I've always been proud of her accomplishments. But there is still the past me who would have been appalled to see his daughter lose her ability to spell, and I can't deny that I am continuous with him.

It's been more than twenty years since I read that essay, and in that period our lives have undergone countless changes that I couldn't have predicted. The most catastrophic one was when Nicole's mother Angela declared that she deserved a more interesting life than the one we were giving her, and spent the next decade criss-crossing the globe. But the changes leading to Nicole's current form of literacy were more ordinary and gradual: a succession of software gadgets that not only promised but in fact delivered utility and convenience, and I didn't object to any of them at the times of their introduction.

So it hasn't been my habit to engage in doomsaying whenever a new product is announced; I've welcomed new technology as much as anyone. But when Whetstone released its new search tool Remem, it raised concerns for me in a way none of its predecessors did.

Millions of people, some my age but most younger, have been keeping lifelogs for years, wearing personal cams that capture continuous video of their entire lives. People consult their lifelogs for a variety of reasons—everything from reliving favorite moments to tracking down the cause of allergic reactions—but only intermittently; no one wants to spend all their time formulating queries and sifting through the results. Lifelogs are the most complete photo album imaginable, but like most photo albums, they lie dormant except on special occasions. Now Whetstone aims to change all of that; they claim Remem's algorithms can search the entire haystack by the time you've finished saying "needle."

Remem monitors your conversation for references to past events, and then displays video of that event in the lower left corner of your field of vision. If you say "remember dancing the conga at that wedding?", Remem will bring up the video. If the person you're talking to says "the last time we were at the beach," Remem will bring up the video. And it's not only for use when speaking with someone else; Remem also monitors your subvocalizations. If you read the words "the first Szechuan restaurant you ate at," your vocal cords will move as if you're reading aloud, and Remem will bring up the relevant video.

There's no denying the usefulness of software that can actually answer the question "where did I put my keys?" But Whetstone is positioning Remem as more than a handy virtual assistant: they want it to take the place of your natural memory.

#

It was the summer of Jijingi's thirteenth year when a European came to live in the village. The dusty harmattan winds had just begun blowing from the north when Sabe, the elder who was regarded as chief by all the local families, made the announcement.

Everyone's initial reaction was alarm, of course. "What have we done wrong?" Jijingi's father asked Sabe.

Europeans had first come to Tivland many years ago, and while some elders said one day they'd leave and life would return to the ways of the past, until that day arrived it was necessary for the Tiv to get along with them. This had meant many changes in the way the Tiv did things, but it had never meant Europeans living among them before. The usual reason for Europeans to come to the village was to collect taxes for the roads they had built; they visited some clans more often because the people refused to pay taxes, but that hadn't happened in the Shangev clan. Sabe and the other clan elders had agreed that paying the taxes was the best strategy.

Sabe told everyone not to worry. "This European is a missionary; that means all he does is pray. He has no authority to punish us, but our making him welcome will please the men in the administration."

He ordered two huts built for the missionary, a sleeping hut and a reception hut. Over the course of the next several days everyone took time off from harvesting the guinea-corn to help lay bricks, sink posts into the ground, weave grass into thatch for the roof. It was during the final step, pounding the floor, that the missionary arrived. His porters appeared first, the boxes they carried visible from a distance as they threaded their way between the cassava fields; the missionary himself was the last to appear, apparently exhausted even though he carried nothing. His name was Moseby, and he thanked everyone who had worked on the huts. He tried to help, but it quickly became clear that he didn't know how to do anything, so eventually he just sat in the shade of a locust bean tree and wiped his head with a piece of cloth.

Jijingi watched the missionary with curiosity. The man opened one of his boxes and took out what at first looked like a block of wood, but then he split it open and Jijingi realized it was a tightly bound sheaf of papers. Jijingi had seen paper before; when the Europeans collected taxes, they gave paper in return so that the village had proof of what they'd paid. But the paper that the missionary was looking at was obviously of a different sort, and must have had some other purpose.

The man noticed Jijingi looking at him, and invited him to come closer. "My name is Moseby," he said. "What is your name?"

"I am Jijingi, and my father is Orga of the Shangev clan."

Moseby spread open the sheaf of paper and gestured toward it. "Have you heard the story of Adam?" he asked. "Adam was the first man. We are all children of Adam."

"Here we are descendants of Shangev," said Jijingi. "And everyone in Tivland is a descendant of Tiv."

"Yes, but your ancestor Tiv was descended from Adam, just as my ancestors were. We are all brothers. Do you understand?"

The missionary spoke as if his tongue were too large for his mouth, but Jijingi could tell what he was saying. "Yes, I understand."

Moseby smiled, and pointed at the paper. "This paper tells the story of Adam."

"How can paper tell a story?"

“It is an art that we Europeans know. When a man speaks, we make marks on the paper. When another man looks at the paper later, he sees the marks and knows what sounds the first man made. In that way the second man can hear what the first man said.”

Jijingi remembered something his father had told him about old Gbegba, who was the most skilled in bushcraft. “Where you or I would see nothing but some disturbed grass, he can see that a leopard had killed a cane rat at that spot and carried it off,” his father said. Gbegba was able to look at the ground and know what had happened even though he had not been present. This art of the Europeans must be similar: those who were skilled in interpreting the marks could hear a story even if they hadn’t been there when it was told.

“Tell me the story that the paper tells,” he said.

Moseby told him a story about Adam and his wife being tricked by a snake. Then he asked Jijingi, “How do you like it?”

“You’re a poor storyteller, but the story was interesting enough.”

Moseby laughed. “You are right, I am not good at the Tiv language. But this is a good story. It is the oldest story we have. It was first told long before your ancestor Tiv was born.”

Jijingi was dubious. “That paper can’t be so old.”

“No, this paper is not. But the marks on it were copied from older paper. And those marks were copied from older paper. And so forth many times.”

That would be impressive, if true. Jijingi liked stories, and older stories were often the best. “How many stories do you have there?”

“Very many.” Moseby flipped through the sheaf of papers, and Jijingi could see each sheet was covered with marks from edge to edge; there must be many, many stories there.

“This art you spoke of, interpreting marks on paper; is it only for Europeans?”

“No, I can teach it to you. Would you like that?”

Cautiously, Jijingi nodded.

#

As a journalist, I have long appreciated the usefulness of lifelogging for determining the facts of the matter. There is scarcely a legal proceeding, criminal or civil, that doesn’t make use of someone’s lifelog, and rightly so. When the public interest is involved, finding out what actually happened is important; justice is an essential part of the social contract, and you can’t have justice until you know the truth.

However, I’ve been much more skeptical about the use of lifelogging in purely personal situations. When lifelogging first became popular, there were couples who thought they could use it to settle arguments over who had actually said what, using the video record to prove they were right. But finding the right clip of video often wasn’t easy, and all but the most determined gave up on doing so. The inconvenience acted as a barrier, limiting the searching of lifelogs to those situations in which effort was warranted, namely situations in which justice was the motivating factor.

Now with Remem, finding the exact moment has become easy, and lifelogs that previously lay all but ignored are now being scrutinized as if they were crime scenes, thickly strewn with evidence for use in domestic squabbles.



I typically write for the news section, but I've written feature stories as well, and so when I pitched an article about the potential downsides of Remem to my managing editor, he gave me the go-ahead. My first interview was with a married couple whom I'll call Joel and Deirdre, an architect and a painter, respectively. It wasn't hard to get them talking about Remem.

"Joel is always saying that he knew it all along," said Deirdre, "even when he didn't. It used to drive me crazy, because I couldn't get him to admit he used to believe something else. Now I can. For example, recently we were talking about the McKittridge kidnapping case."

She sent me the video of one argument she had with Joel. My retinal projector displayed footage of a cocktail party; it's from Deirdre's point of view, and Joel is telling a number of people, *"It was pretty clear that he was guilty from the day he was arrested."*

Deirdre's voice: *"You didn't always think that. For months you argued that he was innocent."*

Joel shakes his head. *"No, you're misremembering. I said that even people who are obviously guilty deserve a fair trial."*

*"That's not what you said. You said he was being railroaded."*

*"You're thinking of someone else; that wasn't me."*

*"No, it was you. Look."* A separate video window opened up, an excerpt of her lifelog that she looked up and broadcast to the people they've been talking with. Within the nested video, Joel and Deirdre are sitting in a café, and Joel is saying, *"He's a scapegoat. The police needed to reassure the public, so they arrested a convenient suspect. Now he's done for."* Deirdre replies, *"You don't think there's any chance of him being acquitted?"* and Joel answers, *"Not unless he can afford a high-powered defense team, and I'll bet you he can't. People in his position will never get a fair trial."*

I closed both windows, and Deirdre said, "Without Remem, I'd never be able to convince him that he changed his position. Now I have proof."

"Fine, you were right that time," said Joel. "But you didn't have to do that in front of our friends."

"You correct me in front of our friends all the time. You're telling me I can't do the same?"

Here was the line at which the pursuit of truth ceased to be an intrinsic good. When the only persons affected have a personal relationship with each other, other priorities are often more important, and a forensic pursuit of the truth could be harmful. Did it really matter whose idea it was to take the vacation that turned out so disastrously? Did you need to know which partner was more forgetful about completing errands the other person asked of them? I was no expert on marriage, but I knew what marriage counselors said: pinpointing blame wasn't the answer. Instead, couples needed to acknowledge each other's feelings and address their problems as a team.

Next I spoke with a spokesperson from Whetstone, Erica Meyers. For a while she gave me a typically corporate spiel about the benefits of Remem. "Making information more accessible is an intrinsic good," she says. "Ubiquitous video has revolutionized law enforcement. Businesses become more effective when they adopt good record-keeping practices. The same thing happens to us as individuals when our memories become more accurate: we get better, not just at doing our jobs, but at living our lives."

When I asked her about couples like Joel and Deirdre, she said, "If your marriage is solid, Remem isn't going to hurt it. But if you're the type of person who's constantly trying to prove that you're right and your spouse is wrong, then your marriage is going to be in trouble whether you use Remem or not."

I conceded that she may have had a point in this particular case. But, I asked her, didn't she think Remem created greater opportunities for those types of arguments to arise, even in solid marriages, by making it easier for people to keep score?

"Not at all," she said. "Remem didn't give them a scorekeeping mentality; they developed that on their own. Another couple could just as easily use Remem to realize that they've both misremembered things, and become more forgiving when that sort of mistake happens. I predict the latter scenario will be the more common one with our customers as a whole."

I wished I could share Erica Meyers' optimism, but I knew that new technology didn't always bring out the best in people. Who hasn't wished they could prove that their version of events was the correct one? I could easily see myself using Remem the way Deirdre did, and I wasn't at all certain that doing so would be good for me. Anyone who has wasted hours surfing the internet knows that technology can encourage bad habits.

#

Moseby gave a sermon every seven days, on the day devoted to resting and brewing and drinking beer. He seemed to disapprove of the beer drinking, but he didn't want to speak on one of the days of work, so the day of beer brewing was the only one left. He talked about the European god, and told people that following his rules would improve their lives, but his explanations of how that would do so weren't particularly persuasive.

But Moseby also had some skill at dispensing medicine, and he was willing to learn how to work in the fields, so gradually people grew more accepting of him, and Jijingi's father let him visit Moseby occasionally to learn the art of writing. Moseby offered to teach the other children as well, and for a time Jijingi's age-mates came along, mostly to prove to each other that they weren't afraid of being near a European. Before long the other boys grew bored and left, but because Jijingi remained interested in writing and his father thought it would keep the Europeans happy, he was eventually permitted to go every day.

Moseby explained to Jijingi how each sound a person spoke could be indicated with different marks on the paper. The marks were arranged in rows like plants in a field; you looked at the marks as if you were walking down a row, made the sound each mark indicated, and you would find yourself speaking what the original person had said. Moseby showed him how to make each of the different marks on a sheet of paper, using a tiny wooden rod that had a core of soot.

In a typical lesson, Moseby would speak, and then write what he had said: "When night comes I shall sleep." *Tugh mba a ile yo me yav*. "There are two persons." *Ioruv mban mba uhar*. Jijingi carefully copied the writing on his sheet of paper, and when he was done, Moseby would look at his paper.

"Very good. But you need to leave spaces when you write."

"I have." Jijingi pointed at the gap between each row.

"No, that is not what I mean. Do you see the spaces within each line?" He pointed at his own paper.

Jijingi understood. "Your marks are clumped together, while mine are arranged evenly."

"These are not just clumps of marks. They are... I do not know what you call them." He picked up a thin sheaf of paper from his table and flipped through it. "I do not see it here. Where I come from, we call them 'words.' When we write, we leave spaces between the words."

"But what are words?"

“How can I explain it?” He thought a moment. “If you speak slowly, you pause very briefly after each word. That’s why we leave a space in those places when we write. Like this: How. Many. Years. Old. Are. You?” He wrote on his paper as he spoke, leaving a space every time he paused: *Anyom a ou kuma a me?*

“But you speak slowly because you’re a foreigner. I’m Tiv, so I don’t pause when I speak. Shouldn’t my writing be the same?”

“It does not matter how fast you speak. Words are the same whether you speak quickly or slowly.”

“Then why did you say you pause after each word?”

“That is the easiest way to find them. Try saying this very slowly.” He pointed at what he’d just written.

Jijingi spoke very slowly, the way a man might when trying to hide his drunkenness. “Why is there no space in between *an* and *yom*?”

“*Anyom* is one word. You do not pause in the middle of it.”

“But I wouldn’t pause after *anyom* either.”

Moseby sighed. “I will think more about how to explain what I mean. For now, just leave spaces in the places where I leave spaces.”

What a strange art writing was. When sowing a field, it was best to have the seed yams spaced evenly; Jijingi’s father would have beaten him if he’d clumped the yams the way the Moseby clumped his marks on paper. But he had resolved to learn this art as best he could, and if that meant clumping his marks, he would do so.

It was only many lessons later that Jijingi finally understood where he should leave spaces, and what Moseby meant when he said “word.” You could not find the places where words began and ended by listening. The sounds a person made while speaking were as smooth and unbroken as the hide of a goat’s leg, but the words were like the bones underneath the meat, and the space between them was the joint where you’d cut if you wanted to separate it into pieces. By leaving spaces when he wrote, Moseby was making visible the bones in what he said.

Jijingi realized that, if he thought hard about it, he was now able to identify the words when people spoke in an ordinary conversation. The sounds that came from a person’s mouth hadn’t changed, but he understood them differently; he was aware of the pieces from which the whole was made. He himself had been speaking in words all along. He just hadn’t known it until now.

#

The ease of searching that Remem provides is impressive enough, but that merely scratches the surface of what Whetstone sees as the product’s potential. When Deirdre fact-checked her husband’s previous statements, she was posing explicit queries to Remem. But Whetstone expects that, as people become accustomed to their product, queries will take the place of ordinary acts of recall, and Remem will be integrated into their very thought processes. Once that happens, we will become cognitive cyborgs, effectively incapable of misremembering anything; digital video stored on error-corrected silicon will take over the role once filled by our fallible temporal lobes.

What might it be like to have a perfect memory? Arguably the individual with the best memory ever documented was Solomon Shereshevskii, who lived in Russia during the first half of the twentieth century. The psychologists who tested him found that he could hear a series of words or numbers once and remember it months or even years later. With no knowledge of Italian, Shereshevskii was able to quote stanzas of *The Divine Comedy* that had been read to him fifteen years earlier.

But having a perfect memory wasn't the blessing one might imagine it to be. Reading a passage of text evoked so many images in Shereshevskii's mind that he often couldn't focus on what it actually said, and his awareness of innumerable specific examples made it difficult for him to understand abstract concepts. At times, he tried to deliberately forget things. He wrote down numbers he no longer wanted to remember on slips of paper and then burnt them, a kind of slash-and-burn approach to clearing out the undergrowth of his mind, but to no avail.

When I raised the possibility that a perfect memory might be a handicap to Whetstone's spokesperson, Erica Meyers, she had a ready reply. "This is no different from the concerns people used to have about retinal projectors," she said. "They worried that seeing updates constantly would be distracting or overwhelming, but we've all adapted to them."

I didn't mention that not everyone considered that a positive development.

"And Remem is entirely customizable," she continued. "If at any time you find it's doing too many searches for your needs, you can decrease its level of responsiveness. But according to our customer analytics, our users haven't been doing that. As they become more comfortable with it, they're finding that Remem becomes more helpful the more responsive it is."

But even if Remem wasn't constantly crowding your field of vision with unwanted imagery of the past, I wondered if there weren't issues raised simply by having that imagery be perfect.

"Forgive and forget" goes the expression, and for our idealized magnanimous selves, that was all you needed. But for our actual selves the relationship between those two actions wasn't so straightforward. In most cases we had to forget a little bit before we could forgive; when we no longer experienced the pain as fresh, the insult was easier to forgive, which in turn made it less memorable, and so on. It was this psychological feedback loop that made initially infuriating offences seem pardonable in the mirror of hindsight.

What I feared was that Remem would make it impossible for this feedback loop to get rolling. By fixing every detail of an insult in indelible video, it could prevent the softening that's needed for forgiveness to begin. I thought back to what Erica Meyers said about Remem's inability to hurt solid marriages. Implicit in that assertion was a claim about what qualified as a solid marriage. If someone's marriage was built on—as ironic as it might sound—a cornerstone of forgetfulness, what right did Whetstone have to shatter that?

The issue wasn't confined to marriages; all sorts of relationships rely on forgiving and forgetting. My daughter Nicole has always been strong-willed; rambunctious when she was a child, openly defiant as an adolescent. She and I had many furious arguments during her teen years, arguments that we have mostly been able to put behind us, and now our relationship is pretty good. If we'd had Remem, would we still be speaking to each other?

I don't mean to say that forgetting is the only way to mend relationships. While I can no longer recall most of the arguments Nicole and I had—and I'm grateful that I can't—one of the arguments I remember clearly is one that spurred me to be a better father.

It was when Nicole was sixteen, a junior in high school. It had been two years since her mother Angela had left, probably the two hardest years of both our lives. I don't remember what started the argument—something trivial, no doubt—but it escalated and before long Nicole was taking her anger at Angela out on me.

"You're the reason she left! You drove her away! You can leave too, for all I care. I sure as hell would be better off without you." And to demonstrate her point, she stormed out of the house.

I knew it wasn't premeditated malice on her part—I don't think she engaged in much premeditation in anything during that phase of her life—but she couldn't have come up with a more hurtful accusation if she'd tried. I'd been devastated by Angela's departure, and I was constantly wondering what I could have done differently to keep her.

Nicole didn't come back until the next day, and that night was one of soul searching for me. While I didn't believe I was responsible for her mother leaving us, Nicole's accusation still served as a wake-up call. I hadn't been conscious of it, but I realized that I had been thinking of myself as the greatest victim of Angela's departure, wallowing in self-pity over just how unreasonable my situation was. It hadn't even been my idea to have children; it was Angela who'd wanted to be a parent, and now she had left me holding the bag. What sane world would leave me with sole responsibility for raising an adolescent girl? How could a job that was so difficult be entrusted to someone with no experience whatsoever?

Nicole's accusation made me realize her predicament was worse than mine. At least I had volunteered for this duty, albeit long ago and without full appreciation for what I was getting into. Nicole had been drafted into her role, with no say whatsoever. If there was anyone who had a right to be resentful, it was her. And while I thought I'd been doing a good job of being a father, obviously I needed to do better.

I turned myself around. Our relationship didn't improve overnight, but over the years I was able to work myself back into Nicole's good graces. I remember the way she hugged me at her college graduation, and I realized my years of effort had paid off.

Would those years of repair have been possible with Remem? Even if each of us could have refrained from throwing the other's bad behavior in their faces, the opportunity to privately rewatch video of our arguments seems like it could be pernicious. Vivid reminders of the way she and I yelled at each other in the past might have kept our anger fresh, and prevented us from rebuilding our relationship.

#

Jijingi wanted to write down some of the stories of where the Tiv people came from, but the storytellers spoke rapidly, and he wasn't able to write fast enough to keep up with them. Moseby said he would get better with practice, but Jijingi despaired that he'd ever become fast enough.

Then, one summer a European woman named Reiss came to visit the village. Moseby said she was "a person who learns about other people" but could not explain what that meant, only that she wanted to learn about Tivland. She asked questions of everyone, not just the elders but young men, too, even women and children, and she wrote down everything they told her. She didn't try to get anyone to adopt European practices; where Moseby had insisted that there were no such thing as curses and that everything was God's will, Reiss asked about how curses worked, and listened attentively to explanations of how your kin on your father's side could curse you while your kin on your mother's side could protect you from curses.

One evening Kokwa, the best storyteller in the village, told the story of how the Tiv people split into different lineages, and Reiss had written it down exactly as he told it. Later she had recopied the story using a machine she poked at noisily with her fingers, so that she had a copy that was clean and easy to read. When Jijingi asked if she would make another copy for him, she agreed, much to his excitement.

The paper version of the story was curiously disappointing. Jijingi remembered that when he had first learned about writing, he'd imagined it would enable him to see a storytelling performance as vividly as if he were there. But writing didn't do that. When Kokwa told the story, he didn't merely use words; he used the sound of his voice, the movement of his hands, the light in his eyes. He told you the story with his whole body, and you understood it the same way. None of that was captured on paper; only the bare words could be written down. And reading just the words gave you only a hint of the experience of listening to Kokwa himself, as if one were licking the pot in which okra had been cooked instead of eating the okra itself.

Jijingi was still glad to have the paper version, and would read it from time to time. It was a good story, worthy of being recorded on paper. Not everything written on paper was so worthy. During his sermons Moseby would read aloud stories from his book, and they were often good stories, but he also read aloud words he had written

down just a few days before, and those were often not stories at all, merely claims that learning more about the European god would improve the lives of the Tiv people.

One day, when Moseby had been eloquent, Jijingi complimented him. “I know you think highly of all your sermons, but today’s sermon was a good one.”

“Thank you,” said Moseby, smiling. After a moment, he asked, “Why do you say I think highly of all my sermons?”

“Because you expect that people will want to read them many years from now.”

“I don’t expect that. What makes you think that?”

“You write them all down before you even deliver them. Before even one person has heard a sermon, you have written it down for future generations.”

Moseby laughed. “No, that is not why I write them down.”

“Why, then?” He knew it wasn’t for people far away to read them, because sometimes messengers came to the village to deliver paper to Moseby, and he never sent his sermons back with them.

“I write the words down so I do not forget what I want to say when I give the sermon.”

“How could you forget what you want to say? You and I are speaking right now, and neither of us needs paper to do so.”

“A sermon is different from conversation.” Moseby paused to consider. “I want to be sure I give my sermons as well as possible. I won’t forget what I want to say, but I might forget the best way to say it. If I write it down, I don’t have to worry. But writing the words down does more than help me remember. It helps me think.”

“How does writing help you think?”

“That is a good question,” he said. “It is strange, isn’t it? I do not know how to explain it, but writing helps me decide what I want to say. Where I come from, there’s a very old proverb: *verba volant, scripta manent*. In Tiv you would say, ‘spoken words fly away, written words remain.’ Does that make sense?”

“Yes,” Jijingi said, just to be polite; it made no sense at all. The missionary wasn’t old enough to be senile, but his memory must be terrible and he didn’t want to admit it. Jijingi told his age-mates about this, and they joked about it amongst themselves for days. Whenever they exchanged gossip, they would add, “Will you remember that? This will help you,” and mimic Moseby writing at his table.

On an evening the following year, Kokwa announced he would tell the story of how the Tiv split into different lineages. Jijingi brought out the paper version he had, so he could read the story at the same time Kokwa told it. Sometimes he could follow along, but it was often confusing because Kokwa’s words didn’t match what was written on the paper. After Kokwa was finished, Jijingi said to him, “You didn’t tell the story the same way you told it last year.”

“Nonsense,” said Kokwa. “When I tell a story it doesn’t change, no matter how much time passes. Ask me to tell it twenty years from today, and I will tell it exactly the same.”

Jijingi pointed at the paper he held. “This paper is the story you told last year, and there were many differences.” He picked one he remembered. “Last time you said, ‘the Uyengi captured the women and children and carried them off as slaves.’ This time you said, ‘they made slaves of the women, but they did not stop there: they even made slaves of the children.’”

“That’s the same.”

“It is the same story, but you’ve changed the way you tell it.”

“No,” said Kokwa, “I told it just as I told it before.”

Jijingi didn’t want to try to explain what words were. Instead he said, “If you told it as you did before, you would say ‘the Uyengi captured the women and children and carried them off as slaves’ every time.”

For a moment Kokwa stared at him, and then he laughed. “Is this what you think is important, now that you’ve learned the art of writing?”

Sabe, who had been listening to them, chided Kokwa. “It’s not your place to judge Jijingi. The hare favors one food, the hippo favors another. Let each spend his time as he pleases.”

“Of course, Sabe, of course,” said Kokwa, but he threw a derisive glance at Jijingi.

Afterwards, Jijingi remembered the proverb Moseby had mentioned. Even though Kokwa was telling the same story, he might arrange the words differently each time he told it; he was skilled enough as a storyteller that the arrangement of words didn’t matter. It was different for Moseby, who never acted anything out when he gave his sermons; for him, the words were what was important. Jijingi realized that Moseby wrote down his sermons not because his memory was terrible, but because he was looking for a specific arrangement of words. Once he found the one he wanted, he could hold on to it for as long as he needed.

Out of curiosity, Jijingi tried imagining he had to deliver a sermon, and began writing down what he would say. Seated on the root of a mango tree with the notebook Moseby had given him, he composed a sermon on *tsav*, the quality that enabled some men to have power over others, and a subject which Moseby hadn’t understood and had dismissed as foolishness. He read his first attempt to one of his age-mates, who pronounced it terrible, leading them to have a brief shoving match, but afterwards Jijingi had to admit his age-mate was right. He tried writing out his sermon a second time and then a third before he became tired of it and moved on to other topics.

As he practiced his writing, Jijingi came to understand what Moseby had meant; writing was not just a way to record what someone said; it could help you decide what you would say before you said it. And words were not just the pieces of speaking; they were the pieces of thinking. When you wrote them down, you could grasp your thoughts like bricks in your hands and push them into different arrangements. Writing let you look at your thoughts in a way you couldn’t if you were just talking, and having seen them, you could improve them, make them stronger and more elaborate.

#

Psychologists make a distinction between semantic memory—knowledge of general facts—and episodic memory—recollection of personal experiences. We’ve been using technological supplements for semantic memory ever since the invention of writing: first books, then search engines. By contrast, we’ve historically resisted such aids when it comes to episodic memory; few people have ever kept as many diaries or photo albums as they did ordinary books. The obvious reason is convenience; if we wanted a book on the birds of North America, we could consult one that an ornithologist has written, but if we wanted a daily diary, we had to write it for ourselves. But I also wonder if another reason is that, subconsciously, we regarded our episodic memories as such an integral part of our identities that we were reluctant to externalize them, to relegate them to books on a shelf or files on a computer.

That may be about to change. For years parents have been recording their children’s every moment, so even if children weren’t wearing personal cams, their lifelogs were effectively already being compiled. Now parents are having their children wear retinal projectors at younger and younger ages so they can reap the benefits of assistive software agents sooner. Imagine what will happen if children begin using Remem to access those

lifelogs: their mode of cognition will diverge from ours because the act of recall will be different. Rather than thinking of an event from her past and seeing it with her mind's eye, a child will subvocalize a reference to it and watch video footage with her physical eyes. Episodic memory will become entirely technologically mediated.

An obvious drawback to such reliance is the possibility that people might become virtual amnesiacs whenever the software crashes. But just as worrying to me as the prospect of technological failure was that of technological success: how will it change a person's conception of herself when she's only seen her past through the unblinking eye of a video camera? Just as there's a feedback loop in softening harsh memories, there's also one at work in the romanticization of childhood memories, and disrupting that process will have consequences.

The earliest birthday I remember is my fourth; I remember blowing out the candles on my cake, the thrill of tearing the wrapping paper off the presents. There's no video of the event, but there are snapshots in the family album, and they are consistent with what I remember. In fact, I suspect I no longer remember the day itself. It's more likely that I manufactured the memory when I was first shown the snapshots and over time, I've imbued it with the emotion I imagine I felt that day. Little by little, over repeated instances of recall, I've created a happy memory for myself.

Another of my earliest memories is of playing on the living room rug, pushing toy cars around, while my grandmother worked at her sewing machine; she would occasionally turn and smile warmly at me. There are no photos of that moment, so I know the recollection is mine and mine alone. It is a lovely, idyllic memory. Would I want to be presented with actual footage of that afternoon? No; absolutely not.

Regarding the role of truth in autobiography, the critic Roy Pascal wrote, "On the one side are the truths of fact, on the other the truth of the writer's feeling, and where the two coincide cannot be decided by any outside authority in advance." Our memories are private autobiographies, and that afternoon with my grandmother features prominently in mine because of the feelings associated with it. What if video footage revealed that my grandmother's smile was in fact perfunctory, that she was actually frustrated because her sewing wasn't going well? What's important to me about that memory is the happiness I associated with it, and I wouldn't want that jeopardized.

It seemed to me that continuous video of my entire childhood would be full of facts but devoid of feeling, simply because cameras couldn't capture the emotional dimension of events. As far as the camera was concerned, that afternoon with my grandmother would be indistinguishable from a hundred others. And if I'd grown up with access to all the video footage, there'd have been no way for me to assign more emotional weight to any particular day, no nucleus around which nostalgia could accrete.

And what will the consequences be when people can claim to remember their infancy? I could readily imagine a situation where, if you ask a young person what her earliest memory is, she will simply look baffled; after all, she has video dating back to the day of her birth. The inability to remember the first few years of one's life—what psychologists call childhood amnesia—might soon be a thing of the past. No more would parents tell their children anecdotes beginning with the words "You don't remember this because you were just a toddler when it happened." It'll be as if childhood amnesia is a characteristic of humanity's childhood, and in ouroboric fashion, our youth will vanish from our memories.

Part of me wanted to stop this, to protect children's ability to see the beginning of their lives filtered through gauze, to keep those origin stories from being replaced by cold, desaturated video. But maybe they will feel just as warmly about their lossless digital memories as I do of my imperfect, organic memories.

People are made of stories. Our memories are not the impartial accumulation of every second we've lived; they're the narrative that we assembled out of selected moments. Which is why, even when we've experienced



the same events as other individuals, we never constructed identical narratives: the criteria used for selecting moments were different for each of us, and a reflection of our personalities. Each of us noticed the details that caught our attention and remembered what was important to us, and the narratives we built shaped our personalities in turn.

But, I wondered, if everyone remembered everything, would our differences get shaved away? What would happen to our sense of selves? It seemed to me that a perfect memory couldn't be a narrative any more than unedited security-cam footage could be a feature film.

#

When Jijingi was twenty, an officer from the administration came to the village to speak with Sabe. He had brought with him a young Tiv man who had attended the mission school in Katsina-Ala. The administration wanted to have a written record of all the disputes brought before the tribal courts, so they were assigning each chief one of these youths to act as a scribe. Sabe had Jijingi come forward, and to the officer he said, "I know you don't have enough scribes for all of Tivland. Jijingi here has learned to write; he can act as our scribe, and you can send your boy to another village." The officer tested Jijingi's ability to write, but Moseby had taught him well, and eventually the officer agreed to have him be Sabe's scribe.

After the officer had left, Jijingi asked Sabe why he hadn't wanted the boy from Katsina-Ala to be his scribe.

"No one who comes from the mission school can be trusted," said Sabe.

"Why not? Did the Europeans make them liars?"

"They're partly to blame, but so are we. When the Europeans collected boys for the mission school years ago, most elders gave them the ones they wanted to get rid of, the layabouts and malcontents. Now those boys have returned, and they feel no kinship with anyone. They wield their knowledge of writing like a long gun; they demand their chiefs find them wives, or else they'll write lies about them and have the Europeans depose them."

Jijingi knew a boy who was always complaining and looking for ways to avoid work; it would be a disaster if someone like him had power over Sabe. "Can't you tell the Europeans about this?"

"Many have," Sabe answered. "It was Maisho of the Kwande clan who warned me about the scribes; they were installed in Kwande villages first. Maisho was fortunate that the Europeans believed him instead of his scribe's lies, but he knows of other chiefs who were not so lucky; the Europeans often believe paper over people. I don't wish to take the chance." He looked at Jijingi seriously. "You are my kin, Jijingi, and kin to everyone in this village. I trust you to write down what I say."

"Yes, Sabe."

Tribal court was held every month, from morning until late afternoon for three days in a row, and it always attracted an audience, sometimes one so large that Sabe had to demand everyone sit to allow the breeze to reach the center of the circle. Jijingi sat next to Sabe and recorded the details of each dispute in a book the officer had left. It was a good job; he was paid out of the fees collected from the disputants, and he was given not just a chair but a small table too, which he could use for writing even when court wasn't in session. The complaints Sabe heard were varied—one might be about a stolen bicycle, another might be about whether a man was responsible for his neighbor's crops failing—but most had to do with wives. For one such dispute, Jijingi wrote down the following:

Umem's wife Girgi has run away from home and gone back to her kin. Her kinsman Anongo has tried to convince her to stay with her husband, but Girgi refuses, and there is no more Anongo can do. Umem demands

the return of the £11 he paid as bridewealth. Anongo says he has no money at the moment, and moreover that he was only paid £6.

Sabe requested witnesses for both sides. Anongo says he has witnesses, but they have gone on a trip. Umem produces a witness, who is sworn in. He testifies that he himself counted the £11 that Umem paid to Anongo.

Sabe asks Girgi to return to her husband and be a good wife, but she says she has had all that she can stand of him. Sabe instructs Anongo to repay Umem £11, the first payment to be in three months when his crops are saleable. Anongo agrees.

It was the final dispute of the day, by which time Sabe was clearly tired. "Selling vegetables to pay back bridewealth," he said afterwards, shaking his head. "This wouldn't have happened when I was a boy."

Jijingi knew what he meant. In the past, the elders said, you conducted exchanges with similar items: if you wanted a goat, you could trade chickens for it; if you wanted to marry a woman, you promised one of your kinswomen to her family. Then the Europeans said they would no longer accept vegetables as payment for taxes, insisting that it be paid in coin. Before long, everything could be exchanged for money; you could use it to buy everything from a calabash to a wife. The elders considered it absurd.

"The old ways are vanishing," agreed Jijingi. He didn't say that young people preferred things this way, because the Europeans had also decreed that bridewealth could only be paid if the woman consented to the marriage. In the past, a young woman might be promised to an old man with leprous hands and rotting teeth, and have no choice but to marry him. Now a woman could marry the man she favored, as long as he could afford to pay the bridewealth. Jijingi himself was saving money to marry.

Moseby came to watch sometimes, but he found the proceedings confusing, and often asked Jijingi questions afterwards.

"For example, there was the dispute between Umem and Anongo over how much bridewealth was owed. Why was only the witness sworn in?" asked Moseby.

"To ensure that he said precisely what happened."

"But if Umem and Anongo were sworn in, that would have ensured they said precisely what happened too. Anongo was able to lie because he was not sworn in."

"Anongo didn't lie," said Jijingi. "He said what he considered right, just as Umem did."

"But what Anongo said wasn't the same as what the witness said."

"But that doesn't mean he was lying." Then Jijingi remembered something about the European language, and understood Moseby's confusion. "Our language has two words for what in your language is called 'true.' There is what's right, *mimi*, and what's precise, *vough*. In a dispute the principals say what they consider right; they speak *mimi*. The witnesses, however, are sworn to say precisely what happened; they speak *vough*. When Sabe has heard what happened can he decide what action is *mimi* for everyone. But it's not lying if the principals don't speak *vough*, as long as they speak *mimi*."

Moseby clearly disapproved. "In the land I come from, everyone who testifies in court must swear to speak *vough*, even the principals."

Jijingi didn't see the point of that, but all he said was, "Every tribe has its own customs."

"Yes, customs may vary, but the truth is the truth; it doesn't change from one person to another. And remember what the Bible says: the truth shall set you free."

“I remember,” said Jijingi. Moseby had said that it was knowing God’s truth that had made the Europeans so successful. There was no denying their wealth or power, but who knew what was the cause?

#

In order to write about Remem, it was only fair that I try it out myself. The problem was that I didn’t have a lifelog for it to index; typically I only activated my personal cam when I was conducting an interview or covering an event. But I’ve certainly spent time in the presence of people who kept lifelogs, and I could make use of what they’d recorded. While all lifelogging software has privacy controls in place, most people also grant basic sharing rights: if your actions were recorded in their lifelog, you have access to the footage in which you’re present. So I launched an agent to assemble a partial lifelog from the footage others had recorded, using my GPS history as the basis for the query. Over the course of a week, my request propagated through social networks and public video archives, and I was rewarded with snippets of video ranging from a few seconds in length to a few hours: not just security-cam footage but excerpts from the lifelogs of friends, acquaintances, and even complete strangers.

The resulting lifelog was of course highly fragmentary compared to what I would have had if I’d been recording video myself, and the footage was all from a third-person perspective rather than the first-person that most lifelogs have, but Remem was able to work with that. I expected that coverage would be thickest in the later years, simply due to the increasing popularity of lifelogs. It was somewhat to my surprise, then, that when I looked at a graph of the coverage, I found a bump in the coverage over a decade ago. Nicole had been keeping a lifelog since she was a teenager, so an unexpectedly large segment of my domestic life was present.

I was initially a bit uncertain of how to test Remem, since I obviously couldn’t ask it to bring up video of an event I didn’t remember. I figured I’d start out with something I did remember. I subvocalized, “The time Vince told me about his trip to Palau.”

My retinal projector displayed a window in the lower left corner of my field of vision: I’m having lunch with my friends Vincent and Jeremy. Vincent didn’t maintain a lifelog either, so the footage was from Jeremy’s point of view. I listened to Vincent rave about scuba diving for a minute.

Next I tried something that I only vaguely remembered. “The dinner banquet when I sat between Deborah and Lyle.” I didn’t remember who else was sitting at the table, and wondered if Remem could help me identify them.

Sure enough, Deborah had been recording that evening, and with her video I was able to use a recognition agent to identify everyone sitting across from us.

After those initial successes, I had a run of failures; not surprising, considering the gaps in the lifelog. But over the course of an hour-long trip survey of past events, Remem’s performance was generally impressive.

Finally it seemed time for me to try Remem on some memories that were more emotionally freighted. My relationship with Nicole felt strong enough now for me to safely revisit the fights we’d had when she was young. I figured I’d start with the argument I remembered clearly, and work backwards from there.

I subvocalized, “The time Nicole yelled at me ‘you’re the reason she left.’”

The window displays the kitchen of the house we lived in when Nicole was growing up. The footage is from Nicole’s point of view, and I’m standing in front of the stove. It’s obvious we’re fighting.

*“You’re the reason she left. You can leave too, for all I care. I sure as hell would be better off without you.”*

The words were just as I remembered them, but it wasn’t Nicole saying them.

It was me.

My first thought was that it must be a fake, that Nicole had edited the video to put her words into my mouth. She must have noticed my request for access to her lifelog footage, and concocted this to teach me a lesson. Or perhaps it was a film she had created to show her friends, to reinforce the stories she told about me. But why was she still so angry at me, that she would do such a thing? Hadn't we gotten past this?

I started skimming through the video, looking for inconsistencies that would indicate where the edited footage had been spliced in. The subsequent footage showed Nicole running out of the house, just as I remembered, so there wouldn't be signs of inconsistency there. I rewound the video and started watching the preceding argument.

Initially I was angry as I watched, angry at Nicole for going to such lengths to create this lie, because the preceding footage was all consistent with me being the one who yelled at her. Then some of what I was saying in the video began to sound queasily familiar: complaining about being called to her school again because she'd gotten into trouble, accusing her of spending time with the wrong crowd. But this wasn't the context in which I'd said those things, was it? I had been voicing my concern, not berating her. Nicole must have adapted things I'd said elsewhere to make her slanderous video more plausible. That was the only explanation, right?

I asked Remem to examine the video's watermark, and it reported the video was unmodified. I saw that Remem had suggested a correction in my search terms: where I had said "the time Nicole yelled at me," it offered "the time I yelled at Nicole." The correction must have been displayed at the same time as the initial search result, but I hadn't noticed. I shut down Remem in disgust, furious at the product. I was about to search for information on forging a digital watermark to prove this video was faked, but I stopped myself, recognizing it as an act of desperation.

I would have testified, hand on a stack of Bibles or using any oath required of me, that it was Nicole who'd accused me of being the reason her mother left us. My recollection of that argument was as clear as any memory I had, but that wasn't the only reason I found the video hard to believe; it was also my knowledge that—whatever my faults or imperfections—I was never the kind of father who could say such a thing to his child.

Yet here was digital video proving that I had been exactly that kind of father. And while I wasn't that man anymore, I couldn't deny that I was continuous with him.

Even more telling was the fact that for many years I had successfully hidden the truth from myself. Earlier I said that the details we choose to remember are a reflection of our personalities. What did it say about me that I put those words in Nicole's mouth instead of mine?

I remembered that argument as being a turning point for me. I had imagined a narrative of redemption and self-improvement in which I was the heroic single father, rising to meet the challenge. But the reality was...what? How much of what had happened since then could I take credit for?

I restarted Remem and began looking at video of Nicole's graduation from college. That was an event I had recorded myself, so I had footage of Nicole's face, and she seemed genuinely happy in my presence. Was she hiding her true feelings so well that I couldn't detect them? Or, if our relationship had actually improved, how had that happened? I had obviously been a much worse father fourteen years ago than I'd thought; it would be tempting to conclude I had come farther to reach where I currently was, but I couldn't trust my perceptions anymore. Did Nicole even have positive feelings about me now?

I wasn't going to try using Remem to answer this question; I needed to go to the source. I called Nicole and left a message saying I wanted to talk to her, and asking if I could come over to her apartment that evening.

#

It was a few years later that Sabe began attending a series of meetings of all the chiefs in the Shangev clan. He explained to Jijingi that the Europeans no longer wished to deal with so many chiefs, and were demanding that all of Tivland be divided into eight groups they called 'septs.' As a result, Sabe and the other chiefs had to discuss who the Shangev clan would join with. Although there was no need for a scribe, Jijingi was curious to hear the deliberations and asked Sabe if he might accompany him, and Sabe agreed.

Jijingi had never seen so many elders in one place before; some were even-tempered and dignified like Sabe, while others were loud and full of bluster. They argued for hours on end.

In the evening after Jijingi had returned, Moseby asked him what it had been like. Jijingi sighed. "Even if they're not yelling, they're fighting like wildcats."

"Who does Sabe think you should join?"

"We should join with the clans that we're most closely related to; that's the Tiv way. And since Shangev was the son of Kwande, our clan should join with the Kwande clan, who live to the south."

"That makes sense," said Moseby. "So why is there disagreement?"

"The members of the Shangev clan don't all live next to each other. Some live on the farmland in the west, near the Jechira clan, and the elders there are friendly with the Jechira elders. They'd like the Shangev clan to join the Jechira clan, because then they'd have more influence in the resulting sept."

"I see." Moseby thought for a moment. "Could the western Shangev join a different sept from the southern Shangev?"

Jijingi shook his head. "We Shangev all have one father, so we should all remain together. All the elders agree on that."

"But if lineage is so important, how can the elders from the west argue that the Shangev clan ought to join with the Jechira clan?"

"That's what the disagreement was about. The elders from the west are claiming Shangev was the son of Jechira."

"Wait, you don't know who Shangev's parents were?"

"Of course we know! Sabe can recite his ancestors all the way back to Tiv himself. The elders from the west are merely pretending that Shangev was Jechira's son because they'd benefit from joining with the Jechira clan."

"But if the Shangev clan joined with the Kwande clan, wouldn't your elders benefit?"

"Yes, but Shangev was Kwande's son." Then Jijingi realized what Moseby was implying. "You think our elders are the ones pretending!"

"No, not at all. It just sounds like both sides have equally good claims, and there's no way to tell who's right."

"Sabe's right."

"Of course," said Moseby. "But how can you get the others to admit that? In the land I come from, many people write down their lineage on paper. That way we can trace our ancestry precisely, even many generations in the past."

"Yes, I've seen the lineages in your Bible, tracing Abraham back to Adam."

“Of course. But even apart from the Bible, people have recorded their lineages. When people want to find out who they’re descended from, they can consult paper. If you had paper, the other elders would have to admit that Sabe was right.”

That was a good point, Jijingi admitted. If only the Shangev clan had been using paper long ago. Then something occurred to him. “How long ago did the Europeans first come to Tivland?”

“I’m not sure. At least forty years ago, I think.”

“Do you think they might have written down anything about the Shangev clan’s lineage when they first arrived?”

Moseby looked thoughtful. “Perhaps. The administration definitely keeps a lot of records. If there are any, they’d be stored at the government station in Katsina-Ala.”

A truck carried goods along the motor road into Katsina-Ala every fifth day, when the market was being held, and the next market would be the day after tomorrow. If he left tomorrow morning, he could reach the motor road in time to get a ride. “Do you think they would let me see them?”

“It might be easier if you have a European with you,” said Moseby, smiling. “Shall we take a trip?”

#

Nicole opened the door to her apartment and invited me in. She was obviously curious about why I’d come. “So what did you want to talk about?”

I wasn’t sure how to begin. “This is going to sound strange.”

“Okay,” she said.

I told her about viewing my partial lifelog using Remem, and seeing the argument we’d had when she was sixteen that ended with me yelling at her and her leaving the house. “Do you remember that day?”

“Of course I do.” She looked uncomfortable, uncertain of where I was going with this.

“I remembered it too, or at least I thought I did. But I remembered it differently. The way I remembered it, it was you who said it to me.”

“Me who said what?”

“I remembered you telling me that I could leave for all you cared, and that you’d be better off without me.”

Nicole stared at me for a long time. “All these years, that’s how you’ve remembered that day?”

“Yes, until today.”

“That’d almost be funny if it weren’t so sad.”

I felt sick to my stomach. “I’m so sorry. I can’t tell you how sorry I am.”

“Sorry you said it, or sorry that you imagined me saying it?”

“Both.”

“Well you should be! You know how that made me feel?”

“I can’t imagine. I know I felt terrible when I thought you had said it to me.”

“Except that was just something you made up. It actually *happened* to me.” She shook her head in disbelief. “Fucking typical.”

That hurt to hear. “Is it? Really?”

“Sure,” she said. “You’re always acting like you’re the victim, like you’re the good guy who deserves to be treated better than you are.”

“You make me sound like I’m delusional.”

“Not delusional. Just blind and self-absorbed.”

I bristled a little. “I’m trying to apologize here.”

“Right, right. This is about you.”

“No, you’re right, I’m sorry.” I waited until Nicole gestured for me to go on. “I guess I am...blind and self-absorbed. The reason it’s hard for me to admit that is that I thought I had opened my eyes and gotten over that.”

She frowned. “What?”

I told her how I felt like I had turned around as a father and rebuilt our relationship, culminating in a moment of bonding at her college graduation. Nicole wasn’t openly derisive, but her expression caused me to stop talking; it was obvious I was embarrassing myself.

“Did you still hate me at graduation?” I asked. “Was I completely making it up that you and I got along then?”

“No, we did get along at graduation. But it wasn’t because you had magically become a good father.”

“What was it, then?”

She paused, took a deep breath, and then said, “I started seeing a therapist when I went to college.” She paused again. “She pretty much saved my life.”

My first thought was, *why would Nicole need a therapist?* I pushed that down and said, “I didn’t know you were in therapy.”

“Of course you didn’t; you were the last person I would have told. Anyway, by the time I was a senior, she had convinced me that I was better off not staying angry at you. That’s why you and I got along so well at graduation.”

So I had indeed fabricated a narrative that bore little resemblance to reality. Nicole had done all the work, and I had done none.

“I guess I don’t really know you.”

She shrugged. “You know me as well as you need to.”

That hurt, too, but I could hardly complain. “You deserve better,” I said.

Nicole gave a brief, rueful laugh. “You know, when I was younger, I used to daydream about you saying that. But now...well, it’s not as if it fixes everything, is it?”

I realized that I’d been hoping she would forgive me then and there, and then everything would be good. But it would take more than my saying sorry to repair our relationship.

Something occurred to me. “I can’t change the things I did, but at least I can stop pretending I didn’t do them. I’m going to use Remem to get a honest picture at myself, take a kind of personal inventory.”

Nicole looked at me, gauging my sincerity. “Fine,” she said. “But let’s be clear: you don’t come running to me every time you feel guilty over treating me like crap. I worked hard to put that behind me, and I’m not going to relive it just so you can feel better about yourself.”

“Of course.” I saw that she was tearing up. “And I’ve upset you again by bringing all this up. I’m sorry.”

“It’s all right, Dad. I appreciate what you’re trying to do. Just...let’s not do it again for a while, okay?”

“Right.” I moved toward the door to leave, and then stopped. “I just wanted to ask...if it’s possible, if there’s anything I can do to make amends...”

“Make amends?” She looked incredulous. “I don’t know. Just be more considerate, will you?”

And that what I’m trying to do.

#

At the government station there was indeed paper from forty years ago, what the Europeans called “assessment reports,” and Moseby’s presence was sufficient to grant them access. They were written in the European language, which Jijingi couldn’t read, but they included diagrams of the ancestry of the various clans, and he could identify the Tiv names in those diagrams easily enough, and Moseby had confirmed that his interpretation was correct. The elders in the western farms were right, and Sabe was wrong: Shangev was not Kwande’s son, he was Jechira’s.

One of the men at the government station had agreed to type up a copy of the relevant page so Jijingi could take it with him. Moseby decided to stay in Katsina-Ala to visit with the missionaries there, but Jijingi came home right away. He felt like an impatient child on the return trip, wishing he could ride the truck all the way back instead of having to walk from the motor road. As soon as he had arrived at the village, Jijingi looked for Sabe.

He found him on the path leading to a neighboring farm; some neighbors had stopped Sabe to have him settle a dispute over how a nanny goat’s kids should be distributed. Finally, they were satisfied, and Sabe resumed his walk. Jijingi walked beside him.

“Welcome back,” said Sabe.

“Sabe, I’ve been to Katsina-Ala.”

“Ah. Why did you go there?”

Jijingi showed him the paper. “This was written long ago, when the Europeans first came here. They spoke to the elders of the Shangev clan then, and when the elders told them the history of the Shangev clan, they said that Shangev was the son of Jechira.”

Sabe’s reaction was mild. “Whom did the Europeans ask?”

Jijingi looked at the paper. “Batur and Iorkyaha.”

“I remember them,” he said, nodding. “They were wise men. They would not have said such a thing.”

Jijingi pointed at the words on the page. “But they did!”

“Perhaps you are reading it wrong.”

“I am not! I know how to read.”



Sabe shrugged. “Why did you bring this paper back here?”

“What it says is important. It means we should rightfully be joined with the Jechira clan.”

“You think the clan should trust your decision on this matter?”

“I’m not asking the clan to trust me. I’m asking them to trust the men who were elders when you were young.”

“And so they should. But those men aren’t here. All you have is paper.”

“The paper tells us what they would say if they were here.”

“Does it? A man doesn’t speak only one thing. If Batur and Iorkyaha were here, they would agree with me that we should join with the Kwande clan.”

“How could they, when Shangev was the son of Jechira?” He pointed at the sheet of paper. “The Jechira are our closer kin.”

Sabe stopped walking and turned to face Jijingi. “Questions of kinship cannot be resolved by paper. You’re a scribe because Maisho of the Kwande clan warned me about the boys from the mission school. Maisho wouldn’t have looked out for us if we didn’t share the same father. Your position is proof of how close our clans are, but you forget that. You look to paper to tell you what you should already know, here.” Sabe tapped him on his chest. “Have you studied paper so much that you’ve forgotten what it is to be Tiv?”

Jijingi opened his mouth to protest when he realized that Sabe was right. All the time he’d spent studying writing had made him think like a European. He had come to trust what was written on paper over what was said by people, and that wasn’t the Tiv way.

The assessment report of the Europeans was *vough*; it was exact and precise, but that wasn’t enough to settle the question. The choice of which clan to join with had to be right for the community; it had to be *mimi*. Only the elders could determine what was *mimi*; it was their responsibility to decide what was best for the Shangev clan. Asking Sabe to defer to the paper was asking him to act against what he considered right.

“You’re right, Sabe,” he said. “Forgive me. You’re my elder, and it was wrong of me to suggest that paper could know more than you.”

Sabe nodded and resumed walking. “You are free to do as you wish, but I believe it will do more harm than good to show that paper to others.”

Jijingi considered it. The elders from the western farms would undoubtedly argue that the assessment report supported their position, prolonging a debate that had already gone too long. But more than that, it would move the Tiv down the path of regarding paper as the source of truth; it would be another stream in which the old ways were washing away, and he could see no benefit in it.

“I agree,” said Jijingi. “I won’t show this to anyone else.”

Sabe nodded.

Jijingi walked back to his hut, reflecting on what had happened. Even without attending a mission school, he had begun thinking like a European; his practice of writing in his notebooks had led him to disrespect his elders without him even being aware of it. Writing helped him think more clearly, he couldn’t deny that; but that wasn’t good enough reason to trust paper over people.

As a scribe, he had to keep the book of Sabe’s decisions in tribal court. But he didn’t need to keep the other notebooks, the ones in which he’d written down his thoughts. He would use them as tinder for the cooking fire.

#

We don't normally think of it as such, but writing is a technology, which means that a literate person is someone whose thought processes are technologically mediated. We became cognitive cyborgs as soon as we became fluent readers, and the consequences of that were profound.

Before a culture adopts the use of writing, when its knowledge is transmitted exclusively through oral means, it can very easily revise its history. It's not intentional, but it is inevitable; throughout the world, bards and griots have adapted their material to their audiences, and thus gradually adjusted the past to suit the needs of the present. The idea that accounts of the past shouldn't change is a product of literate cultures' reverence for the written word. Anthropologists will tell you that oral cultures understand the past differently; for them, their histories don't need to be accurate so much as they need to validate the community's understanding of itself. So it wouldn't be correct to say that their histories are unreliable; their histories do what they need to do.

Right now each of us is a private oral culture. We rewrite our pasts to suit our needs and support the story we tell about ourselves. With our memories we are all guilty of a Whig interpretation of our personal histories, seeing our former selves as steps toward our glorious present selves.

But that era is coming to an end. Remem is merely the first of a new generation of memory prostheses, and as these products gain widespread adoption, we will be replacing our malleable organic memories with perfect digital archives. We will have a record of what we actually did instead of stories that evolve over repeated tellings. Within our minds, each of us will be transformed from an oral culture into a literate one.

It would be easy for me to assert that literate cultures are better off than oral ones, but my bias should be obvious, since I'm writing these words rather than speaking them to you. Instead I will say that it's easier for me to appreciate the benefits of literacy and harder to recognize everything it has cost us. Literacy encourages a culture to place more value on documentation and less on subjective experience, and overall I think the positives outweigh the negatives. Written records are subject to every kind of error and their interpretation is subject to change, but at least the words on the page remain fixed, and there is real merit in that.

When it comes to our individual memories, I live on the opposite side of the divide. As someone whose identity was built on organic memory, I'm threatened by the prospect of removing subjectivity from our recall of events. I used to think it could be valuable for individuals to tell stories about themselves, valuable in a way that it couldn't be for cultures, but I'm a product of my time, and times change. We can't prevent the adoption of digital memory any more than oral cultures could stop the arrival of literacy, so the best I can do is look for something positive in it.

And I think I've found the real benefit of digital memory. The point is not to prove you were right; the point is to admit you were wrong.

Because all of us have been wrong on various occasions, engaged in cruelty and hypocrisy, and we've forgotten most of those occasions. And that means we don't really know ourselves. How much personal insight can I claim if I can't trust my memory? How much can you? You're probably thinking that, while your memory isn't perfect, you've never engaged in revisionism of the magnitude I'm guilty of. But I was just as certain as you, and I was wrong. You may say, "I know I'm not perfect. I've made mistakes." I am here to tell you that you have made more than you think, that some of the core assumptions on which your self-image is built are actually lies. Spend some time using Remem, and you'll find out.

But the reason I now recommend Remem is not for the shameful reminders it provides of your past; it's to avoid the need for those in the future. Organic memory was what enabled me to construct a whitewashed narrative of my parenting skills, but by using digital memory from now on, I hope to keep that from happening. The truth about my behavior won't be presented to me by someone else, making me defensive; it won't even be

something I'll discover as a private shock, prompting a reevaluation. With Remem providing only the unvarnished facts, my image of myself will never stray too far from the truth in the first place.

Digital memory will not stop us from telling stories about ourselves. As I said earlier, we are made of stories, and nothing can change that. What digital memory will do is change those stories from fabrications that emphasize our best acts and elide our worst, into ones that—I hope—acknowledge our fallibility and make us less judgmental about the fallibility of others.

Nicole has begun using Remem as well, and discovered that her recollection of events isn't perfect either. This hasn't made her forgive me for the way I treated her—nor should it, because her misdeeds were minor compared to mine—but it has softened her anger at my misremembering my actions, because she realizes it's something we all do. And I'm embarrassed to admit that this is precisely the scenario Erica Meyers predicted when she talked about Remem's effects on relationships.

This doesn't mean I've changed my mind about the downsides of digital memory; there are many, and people need to be aware of them. I just don't think I can argue the case with any sort of objectivity anymore. I abandoned the article I was planning to write about memory prostheses; I handed off the research I'd done to a colleague, and she wrote a fine piece about the pros and cons of the software, a dispassionate article free from all the soul-searching and angst that would have saturated anything I submitted. Instead, I've written this.

The account I've given of the Tiv is based in fact, but isn't precisely accurate. There was indeed a dispute among the Tiv in 1941 over whom the Shangev clan should join with, based on differing claims about the parentage of the clan's founder, and administrative records did show that the clan elders' account of their genealogy had changed over time. But many of the specific details I've described are invented. The actual events were more complicated and less dramatic, as actual events always are, so I have taken liberties to make a better narrative. I've told a story in order to make a case for the truth. I recognize the contradiction here.

As for my account of my argument with Nicole, I've tried to make it as accurate as I possibly could. I've been recording everything since I started working on this project, and I've consulted the recordings repeatedly when writing this. But in my choice of which details to include and which to omit, perhaps I have just constructed another story. In spite of my efforts to be unflinching, have I flattered myself with this portrayal? Have I distorted events so they more closely follow the arc expected of a confessional narrative? The only way you can judge is by comparing my account against the recordings themselves, so I'm doing something I never thought I'd do: with Nicole's permission, I am granting public access to my lifelog, such as it is. Take a look at the video, and decide for yourself.

And if you think I've been less than honest, tell me. I want to know.

## Délinquance : les étrangers commettent un quart des vols en France 94,68

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Selon l'Observatoire national de la délinquance, la part des étrangers dans les vols «s'est appréciée de plus de 10% en quatre ans». Leur proportion a doublé chez les mineurs, surtout les Roumains, triplé chez les Tunisiens, quadruplé chez les Géorgiens.

«L'évolution du profil des personnes mises en cause pour vols par la police nationale en France métropolitaine de 2008 à 2012». Sous un titre clinique, l'[Observatoire national de la délinquance et des réponses pénales](#) (ONDRP), dirigé par le criminologue Christophe Souleuz, s'attaque à un sujet sensible: la distinction entre Français et étrangers dans la délinquance, selon le type de vol, mais aussi selon la nationalité des mis en cause, en séparant les majeurs et les mineurs.

Ce travail de fourmi est basé sur des extractions du Stic, le fichier d'antécédents judiciaires, qui constitue le principal outil de travail de la police. Le constat alors dressé par Cyril Rizk, statisticien incontesté de l'Insee, se veut le plus objectif possible: «On peut affirmer que l'hypothèse selon laquelle la part des étrangers au sein des auteurs de vols s'est fortement élevée entre 2008 et 2012 est très vraisemblable», écrit l'auteur de l'étude.

### Plus de 40.000 étrangers mis en cause

Tout a été quantifié. «En 2012, la police a mis en cause 151.885 personnes pour vols (...) parmi lesquelles on dénombre 36.210 femmes, soit 23,8% des personnes mises en cause, 49.487 mineurs, soit 32,6% et 40.670 personnes de nationalité étrangère, soit 26,8%». Les étrangers pèsent ainsi plus du quart des vols commis en France. En tout cas, ceux identifiés par la police. Et encore ce chiffre n'intègre-t-il pas ce que la gendarmerie enregistre, pour sa part, dans les zones rurales et périurbaines placées sous sa responsabilité.

Globalement, la part des étrangers dans les vols «s'est appréciée de plus de 10% en quatre ans». Or, «pour moitié», selon l'ONDRP, cette hausse «s'explique par celle des mis en cause de nationalité roumaine ou d'Europe balkanique», en intégrant la Bulgarie, l'Albanie et les pays issus de l'ex-Yougoslavie. Les étrangers d'Afrique du Nord (Maroc, Algérie, Tunisie, Libye, Égypte) ont représenté, pour leur part, un quart de cette hausse, les Tunisiens mis en cause voyant leur proportion tripler en quatre ans. Dans le même temps, la part des Géorgiens mis en cause pour vols a quadruplé.

### Les contrecoups de la révolution arabe

L'ONDRP a voulu analyser la hausse de ces vols commis par des étrangers selon le type de délit: 57% sont des vols sans violence, 36% des vols à l'étalage et 7% des vols avec violence. Pour cette dernière catégorie d'infraction, la part des étrangers est passée en quatre ans de 12,7% à 19,5%. Avec une spécificité que les criminologues ont souhaité relever: près de 60% de la hausse des vols avec violence est le fait de ressortissants d'Afrique du Nord. L'ONDRP s'interroge ici ouvertement sur le lien possible entre l'explosion d'une délinquance de subsistance et la révolution arabe en 2011, notamment tunisienne, qui a vu affluer en France nombre de jeunes hommes sans ressources.

Pour le reste, l'ONDRP avance d'autres explications. «Les vols commis en France connaîtraient une mutation car, d'après l'Observatoire, une part croissante de leurs auteurs serait des personnes entrées sur le territoire national pour une période transitoire au cours de laquelle ils commettraient des vols au profit d'organisations criminelles».

Les experts citent notamment le cas des jeunes filles roumaines ou de l'ex-Yougoslavie, à qui l'on doit l'essentiel du doublement en 4 ans de la part des femmes mineures mises en cause pour vols en France. Elles s'illustrent tant dans les vols à la tire que dans les vols à l'étalage, les vols avec effraction, escalade ou fausses clés, mais aussi les vols liés aux véhicules à moteur.

### De jeunes Roumaines victimes de réseaux mafieux

Sur quelque «5300 personnes» mises en cause par la police pour les seuls vols à la tire, on estime, grâce au Stic, que «près de 30% d'entre elles sont des filles de moins de 16 ans de nationalité roumaine ou d'ex-Yougoslavie», affirme l'ONDRP. Ses spécialistes poursuivent: «Dans le cas des mineurs, qui sont parfois très jeunes, on peut penser qu'ils agissent sous la contrainte de réseaux criminels qui leur imposent un quota quotidien de vols, ce qui s'apparente à une forme de traite des êtres humains.»

Selon l'Observatoire, «en choisissant des modes opératoires d'une faible gravité -au sens pénal du terme- vols à la tire, vols à l'étalage, cambriolages sans violence, les réseaux de criminalité organisée se seraient investis plus fortement ces dernières années dans une activité illégale dont la rentabilité économique reposerait sur l'effet de volume (nombreux vols dont le butin est peu élevé) ou sur la valeur (vols d'or dans les habitations et de métaux, comme le cuivre, dans les infrastructures ou sur les chantiers).»

Une étude qui ne manquera pas d'être commentée.

## En 2012, la pression fiscale a fortement augmenté en France

95,70

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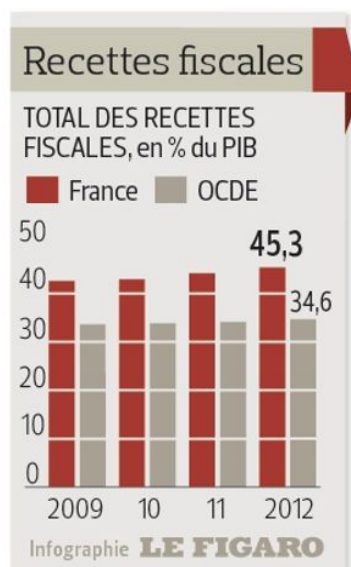


INFOGRAPHIE - L'Hexagone est champion des prélèvements de la zone euro, avec la Belgique. Après une baisse entre 2007 et 2009, les recettes fiscales sont en forte augmentation, de 1,4 point en 2012, après 1,2 en 2011 et 0,4 en 2010.

Les rentrées fiscales sont en hausse dans les pays les plus avancés. C'est le double résultat d'une reprise économique un peu plus soutenue qui a provoqué une augmentation des recettes plus rapide que celle des revenus. Cela tient aussi aux politiques d'ajustement budgétaire visant à assainir les finances publiques, surtout dans la [zone euro](#).

Après le creux de 2008 et 2009, au plus fort de la crise, le ratio moyen des recettes fiscales sur PIB est passé en 2012 à 34,6%, contre 34,1% en 2011 et 33,8% en 2010 dans la zone [OCDE](#), selon les derniers chiffres publiés ce mardi par l'Organisation internationale.

Vingt-et-un pays sur trente ont enregistré une augmentation, dont les plus fortes en Hongrie, en Grèce et en Italie. «Dans ces pays, elles sont liées à une hausse de l'imposition, un relèvement des taux et un élargissement de l'assiette fiscale, ainsi qu'à des baisses de PIB qui jouent mécaniquement», explique Pierre Leblanc, l'un des auteurs du rapport. La Grèce a connu une forte récession en 2011 et 2012, de 7,1% et 6,4% quand le PIB italien a chuté de 2,6%.



En [France](#), vice-champion des impôts de l'OCDE, la pression fiscale continue de s'accroître. Après une baisse épisodique entre 2007 et 2009, les recettes fiscales sont en forte augmentation, de 1,4 point en 2012, après 1,2

en 2011 et 0,4 en 2010. «Cela provient surtout des hausses d'[impôts](#) des personnes physiques, résultat de plusieurs budgets d'économie d'affilée», relève Pierre Leblanc.

## Fardeau des charges sociales

La facture totale côté prélèvements pour les ménages et les entreprises atteint 64 milliards d'euros sur trois ans: 16 milliards en 2011, 20 en 2012 et encore 28 en 2013, à cheval sur les deux majorités.

Cela étant, si la France arrive en deuxième position en termes de recettes fiscales sur PIB, ex-aequo avec la Belgique à 45,3% et derrière le Danemark à 48%, c'est dû au poids des charges sociales. Les contributions pour la Sécurité sociale, plus la taxe sur les salaires, pesaient 18,5% du PIB en 2012, contre 16% en 2000, soit le double de la moyenne OCDE.

Cela renvoie à l'éternel combat des entreprises contre l'excès de charges dans l'Hexagone. En revanche, elles ne sont pas les plus à plaindre sur le front des impôts. Car les recettes d'IS, à 2,5% du PIB en 2012, sont en ligne avec la moyenne OCDE autour de 3%.

Dans les pays les moins taxés, on retrouve les États-Unis, les pays émergents comme le Chili, le Mexique ou la Turquie et, en Europe, la Suisse et l'Irlande, grâce à son taux d'IS très attractif de 12,5%

## Entre Hollande et Merkel, «une différence d'approche et de méthode» 95,72

Publiée le 18/12/2013 à 06:00



INTERVIEW - Angela Merkel réélue chancelière, François Hollande est contraint de faire fonctionner avec elle le couple franco-allemand pendant trois nouvelles années. Une affaire compliquée selon Florence Autret, journaliste à Bruxelles et biographe\* d'Angela Merkel.

LE FIGARO - Les relations entre [Angela Merkel](#) et [François Hollande](#) se sont-elles réchauffées depuis les débuts assez froids entre les deux dirigeants?

Florence AUTRET - Je ne pense pas qu'ils aient des relations cordiales. Pendant l'élection présidentielle, François Hollande a tout de même fait campagne sur la renégociation du traité européen portant sur la discipline budgétaire qu'avait fait adopter Angela Merkel. Puis en juillet 2012, juste après son élection, Hollande a fait passer, allié avec l'Italie et l'Espagne contre l'Allemagne, le projet d'union bancaire. Il y a donc un passif politique.

Avant que le président français n'entre en fonction, ils ne se connaissaient pas du tout. Au sein du Parti populaire européen, le PPE, Angela Merkel côtoie Jean-François Copé, pas les dirigeants socialistes. Entre les deux, on part donc de très bas.

Comment se passe la communication entre eux?

Ce n'est pas très facile. Il y a une différence d'approche et de méthode. La France parle de l'Europe en termes trop généraux. Angela Merkel possède, elle, une approche pragmatique. Elle liste les problèmes et les règle un à un. Même si, du coup, il est difficile de savoir si elle a également un dessein à plus long terme pour l'Union. Du coup, les Allemands pensent que les Français ne sont pas très sérieux dans leurs ambitions de réforme, qu'ils manquent de constance.

Et au niveau personnel?

François Hollande a fait faire le tour du jardin de l'Élysée à Angela Merkel, lors de l'une de ses visites en France. Visiblement, cela l'a laissée indifférente. Même s'il y a eu tentative, ils n'y arrivent pas du tout côté amical. Mais ce n'est pas valable uniquement pour le président français. Merkel est comme cela. Il n'y a guère qu'avec le premier ministre polonais qu'elle semble être un peu plus proche personnellement.

Maintenant [Angela Merkel reconduite dans son poste de chancelière](#), elle et François Hollande vont tout de même devoir travailler ensemble pendant plus de trois ans, une période suffisante pour mettre en place des politiques de plus long terme. N'y a-t-il rien qui ne puisse les rapprocher?

Il y a deux personnes peut-être susceptibles de faire avancer les choses entre eux. La première c'est l'Allemand Martin Schultz, social-démocrate, actuel président du Parlement européen et candidat à la présidence de la Commission européenne. C'est un francophone, et il connaît un peu François Hollande. Il connaît également Merkel, qui a mené deux coalitions avec les sociaux-démocrates. S'il arrive à la tête de la Commission, Schultz pourrait être un pont entre les deux, il pourrait arriver à les faire se parler.



L'autre maillon pourrait être le Français Joseph Daul. C'est un Alsacien qui préside le groupe du PPE au Parlement. Il est l'un des rares à bien connaître Angela Merkel, qui accorde beaucoup d'importance ce parti, et à avoir une vraie relation avec elle. Daul pourrait jouer un rôle entre eux si Hollande a l'intelligence de s'en servir.

Peuvent-ils trouver un terrain de convergence au niveau politique?

Il n'y a guère de grands desseins européens en ce moment, mais les deux peuvent se rapprocher politiquement, sur l'harmonisation fiscale et sociale. On peut noter également une inflexion de Merkel, qui s'est ralliée à l'idée d'agir avec un groupe restreint de pays au sein de l'UE. Avant, pour elle, il fallait agir à 27. Elle réagit ainsi en Est-Allemande, qui a horreur de la division et de la séparation. Hors, vouloir créer un groupe qui va plus loin que les autres, une sorte de noyau dur européen, est une marotte française sur laquelle elle semble donner quelques signaux positifs.

On a le sentiment de voir deux destins inversés entre une Angela Merkel réélue une troisième fois chancelière, et un François Hollande très bas dans les sondages un an après son élection. Est-ce ici aussi une différence de méthode qui joue?

Il y a une différence toute simple: en Allemagne cela va bien, en France cela va mal. Avec Merkel, la situation du pays s'est améliorée. Elle ne divise pas et a mené une coalition avec le SPD, puis les libéraux et à nouveau le SPD. C'est une sorte de mère de la patrie. Hollande s'est fait élire par le peuple de gauche avec le mot d'ordre de tondre les riches. Il a déçu ces derniers et ensuite ses propres électeurs. Si l'on chute plus facilement en France qu'en Allemagne dans les sondages, la faiblesse de François Hollande se ressent au niveau européen. Il est vu comme l'homme qui ne peut pas faire une réforme sans déclencher des manifestations monstres. Merkel de son côté, bien qu'à la tête d'une coalition, est vue comme quelqu'un de respecté.

\* Florence Autret, *Angela Merkel, Une Allemande (presque) comme les autres*. Editions Tallandier. 2013.

Publiée le 17/12/2013 à 22:57



Près de trois mois après les législatives, Angela Merkel a été élue mardi pour la 3ème fois consécutive chancelière et a prêté serment. Elle a mené ces « formalités » au pas de charge.

### Correspondant à Berlin

Elle n'a pas de temps à perdre. Après l'annonce du vote, [Angela Merkel](#) a rapidement laissé tomber sous sa chaise le bouquet de fleurs qu'on venait de lui tendre. Mardi matin, les députés du Bundestag l'ont désignée chancelière pour [un troisième mandat](#).

Depuis les élections du 22 septembre qu'elle a remportées mais sans obtenir de majorité, elle attend ce moment. «J'accepte ce vote et je vous en remercie», déclare-t-elle, selon la formule consacrée. Suivent des applaudissements un peu mécaniques et le défilé des députés de la majorité et de l'opposition qui viennent la saluer. Puis la chancelière file au Château de Bellevue, la résidence du président fédéral, où Joachim Gauck l'investit officiellement. Une poignée de main, une minute de protocole, puis elle repart aussitôt pour le Bundestag où elle prête serment, la main posée sur la «Loi fondamentale» allemande, de remplir sa mission «avec l'aide de Dieu». Gerhard Schröder avait été le seul chancelier à omettre cette référence religieuse dans son serment.

Sur les 504 députés de la grande coalition qui soutiennent Angela Merkel, 462 ont voté en la faveur d'Angela Merkel. Les votes contre ont totalisé 150 voix alors que les groupes de Die Linke et de Verts comptent seulement 127 députés. 23 opposants internes au sein de la grande coalition, c'est beaucoup pour un premier vote. «La grande coalition doit montrer, à mon avis, dès le premier jour qu'elle est disciplinée», a commenté le président du groupe [CDU](#) Volker Kauder. Mais la majorité est suffisamment pléthorique pour pouvoir supporter des comportements dissidents. Le cas de figure n'est pas non plus exceptionnel: en 2005, 48 députés de la précédente grande coalition n'avaient pas voté pour la chancelière.

### Un programme très recentré

Mais cette fois, ce sont peut-être les députés de la CDU/CSU qui ont le plus à se plaindre de [la nouvelle orientation du gouvernement Merkel III](#): le programme de coalition s'est beaucoup recentré par rapport à la campagne électorale. «Angela Merkel a fait accepter aux conservateurs l'armée de métier, le salaire minimum, la double nationalité et le tournant énergétique, tout ce qu'ils ne voulaient pas», explique Arnaud Lechevallier, spécialiste de l'Allemagne et professeur au Centre Marc Bloch à Berlin. Conservateurs et sociaux-démocrates ne cachent pas leur compatibilité en Allemagne. En pratique, il ne faut cependant pas s'attendre à une vaste relance budgétaire: les programmes d'investissements sont échelonnés dans le temps, tout comme l'introduction du salaire minimum, pour ne pas bouleverser l'activité économique.

December 17, 2013

## Merkel's Putin Problem

95,75

By JUDY DEMPSEY

BERLIN — Under Chancellor Angela Merkel, Germany has been taking a hard line on Russia: Ms. Merkel has repeatedly criticized attempts by President Vladimir Putin to keep Russia's neighbors away from the European Union, and she has been outspoken about the Kremlin's muzzling of the media, the banning of nongovernmental organizations and the spread of corruption.

Clearly, Mr. Putin is not pleased. Yet it is not Moscow that presents the biggest challenge to Ms. Merkel's line on Russia. It will be her new coalition partners in Berlin, the Social Democrats, and in particular the new foreign minister, Frank-Walter Steinmeier.

This is bad news both for Europe and for the United States: Ms. Merkel's tough stance has created a sense of unity inside the European Union toward the Kremlin, and, for once, between Europe and the United States. Any attempt by the Social Democrats to undermine that unity would be exploited by Mr. Putin.

Germany's hard line on Russia isn't limited to the chancellor's office. Germany's president, Joachim Gauck, announced earlier this month that he would not be attending the official opening of the Winter Olympics next year in Sochi, Russia. Although his post is largely ceremonial, the fact that a German president would snub his Russian counterpart signals a major shift between Moscow and Berlin.

Around the same time, Guido Westerwelle, then the foreign minister, went to Kiev, Ukraine, to witness the huge anti-government demonstrations. He stood alongside the former world heavyweight boxer Vitali Klitschko, one of the leaders of Ukraine's opposition. The crowds loved it. By all accounts, President Viktor Yanukovich's office was furious.

Nor is this a new position: When Ms. Merkel was first elected chancellor in 2005, she surprised her European Union counterparts by speaking out about Russia's violation of human rights, an issue rarely touched on by previous chancellors; her immediate predecessor, the Social Democrat Gerhard Schröder, had described Mr. Putin as "an impeccable democrat."

Ms. Merkel pursued a two-pronged strategy toward Germany's eastern neighbors: criticizing Russia, but also working hard to mend relations with Germany's most important eastern and European Union neighbor, Poland. After centuries of distrust and hatred, relations between Warsaw and Berlin are now blossoming, which Russia had not expected.

And yet this hard line could be challenged under Mr. Steinmeier, who last headed the Foreign Ministry during Ms. Merkel's "grand coalition" of 2005 to 2009. Then, the Chancellery and Foreign Ministry were often at loggerheads over Russia. This time around, if Mr. Steinmeier fails to understand Mr. Putin's policies, Germany's allies can expect even more tensions.

Indeed, the tensions between Ms. Merkel's center-right Christian Democrats and the center-left Social Democrats over Russia were already obvious during recent coalition discussions over foreign policy. The section of their draft agreement on Russia exposed big differences between the two sides.

One of the Christian Democrat's foreign policy experts, Andreas Schockenhoff, had inserted tough language about Russia's deteriorating human rights record and the need to support pro-democracy movements. The Social Democrats pushed back, softening the language. They also inserted phrases about supporting the modernization of the Russian economy, maintaining a special bilateral partnership and recognizing that Russia was an indispensable partner for tackling big security issues.

The parties' differences over values, interests and obligations are now a recipe for renewed conflict between the Chancellery and the Foreign Ministry, with consequences that affect Europe's position as a whole. After all, when it comes to European policy toward Russia, it is Germany's voice that counts the most.

Yet many Social Democrats still cling to the concept of "Ostpolitik," or Eastern policy. Forged in the 1960s by the Social Democratic Chancellor Willy Brandt, that policy was based on dialogue and détente toward East Germany and the Soviet Union, rooted in the belief that trade and contacts with them would erode the Communist system over time. In the end, it was the people's power, and the policies of Mikhail Gorbachev, not Ostpolitik, that triggered the collapse of Communism.

Despite that, many Social Democrats still believe that a modern-day version of Ostpolitik offers the best approach for fostering change and democracy in Russia. Many also believe that Germany is duty-bound to have a special relationship with Russia because of Adolf Hitler's brutal war against the country.

Ms. Merkel and Mr. Gauck see the relationship differently. Perhaps their upbringings in Communist East Germany has shattered all illusions about former K.G.B.-turned leaders like Mr. Putin being capable of embracing democracy. After all, in the 1950s Mr. Gauck's father spent four years in a Soviet labor camp, returning a broken man.

Ms. Merkel's critics say her policies toward Russia will damage trade ties; in fact, bilateral trade is at an all-time high. They also accuse her of not taking Russia seriously as a foreign policy player. But Ms. Merkel has worked hard — though in vain — to persuade Mr. Putin to help stop the civil war in Syria or resolve the "frozen conflict" in the Transnistria region of Moldova, to no apparent avail.

This is not to say that Ms. Merkel can't incorporate parts of the Social Democrats' position, or that a hard line is always the best idea — rejecting some of Russia's obvious shortcomings does not constitute a strategy. In the long run, the focus of German and European efforts must be on bringing about change in Russia's government and state institutions.

That is no easy task, and doing so requires, above all, political unity. A fractured German foreign policy toward Russia, and the accompanying fissures that it would create, may soon appear at precisely the worst time.

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<http://www.nytimes.com/2013/12/18/business/international/britain-opens-door-to-more-shale-gas-drilling.html?ref=europe>

## Britain Opens Door to More Shale Gas Drilling

95,77

By **STANLEY REED**

LONDON — The British government signaled on Tuesday that it was intensifying its efforts to encourage the development of shale gas production, with plans to award a new set of shale drilling licenses next year despite persistent opposition from environmental groups.

“Today marks the next step in unlocking the potential of shale gas in our energy mix,” Energy Minister Michael Fallon said in a statement on Tuesday. Britain’s Department of Energy and Climate Change, which regulates the oil and gas industry, said it was “currently making preparations” to offer the licenses.

Environmental groups have warned that shale gas development, done through hydraulic fracturing, or fracking, would swamp British villages with truck traffic, and pollute and waste enormous amounts of water. They also say that Britain and the world should be investing in renewable energy sources like wind and solar rather than opening up a new trove of fossil fuels.

“Real energy security in the U.K. can only be achieved through clean renewable sources and energy efficiency,” Greenpeace said on Tuesday. “Fracking is a dangerous distraction.”

The government’s decision means that 2014 could be a crucial year for determining whether shale gas production takes off in Britain. Companies may be able to drill enough wells to figure out whether the country has large and exploitable reserves.

Next year may also determine whether the local authorities, which tend to be more skeptical than the national government of the potential value of shale gas, will allow a substantial amount of exploration work.

Shale gas operators say they are encouraged despite very little drilling activity currently. The British Geological Survey estimated this year that a large area in the middle of Britain had 1,300 trillion cubic feet, or 36.8 trillion cubic meters, of shale gas in place. If 10 percent of that amount could be produced, it would be enough for about 45 years of current consumption.

“Only a year since restrictions on hydraulic fracturing were lifted we have now got a complete suite of measures under which we can operate,” said Andrew Austin, the chief executive of Igas Energy, a shale gas company that is drilling at the Barton Moss site near Manchester, England.

What is particularly worrying to environmental groups is a government map indicating that a very large part of Britain — Greenpeace says two-thirds of the land area of England — is under consideration for shale gas licenses.

“There’s no public mandate for this industrialization of the English countryside and for digging up new forms of fossil fuels,” Anna Jones, a Greenpeace campaigner, said in a statement on Tuesday.

The British government stands out in Western Europe for pursuing potential gains from shale gas, which has transformed the energy market in the United States. Even though countries like France and Germany are big importers of natural gas and other fuels, their governments are nervous about taking the political heat that an approval of fracking would almost certainly generate.

The picture is different in Eastern Europe, with the Polish government courting shale developers in hopes of reducing its dependence on coal and gas imports from Russia. Ukraine and Romania have also made long-term shale gas deals with oil companies including Chevron.

The British government is trying to convince the public that shale gas will be an economic boon rather than an environmental headache. Mr. Fallon said that local communities would receive 100,000 pounds, or about \$162,000, for each well that was hydraulically fractured and that almost £1 billion might eventually be paid out to communities across Britain as they receive 1 percent of the revenue from each producing well during its 20-year lifetime.

The government on Tuesday also published a series of booklets detailing the rules for obtaining drilling and fracking permits, and it released an environmental assessment prepared by an energy consulting firm, AMEC, that presented an optimistic picture of the effects of fracking.

The report, the “Strategic Environmental Assessment for Further Onshore Oil and Gas Licensing,” said that if a large number of licenses were awarded, oil and gas companies might produce in total more than twice the amount of gas consumed in Britain per year. It also estimated that shale gas exploration and production, if successful, could create 16,000 to 32,000 jobs.

But the AMEC report also noted some potential negatives, including large-scale water use and the possibility that fracking sites might require up to 51 truck visits per day for 145 weeks. But it said that tough planning restrictions and other regulation could ensure that such issues would not “be unacceptable in the local context.”

Mr. Fallon, the energy minister, said the government would consider comments on the report before going ahead with the licensing round.

## Pas de programme Prism à la française

95,79

LE MONDE | 17.12.2013 à 11h55 • Mis à jour le 17.12.2013 à 17h00 | Par Philippe Aigrain et Jérémie Zimmermann (Cofondateurs de La Quadrature du Net)



Le mardi 10 décembre, le Sénat a voté en deuxième lecture le texte de la loi sur la programmation militaire pour les années 2014 à 2019.

Ce texte étant identique à celui voté en première lecture le 3 décembre à l'Assemblée, la loi est donc adoptée et, en son sein, le très contesté article 20. Cet article porte sur l'accès aux « informations ou documents traités ou conservés par » les réseaux des hébergeurs ou services de communications électroniques, « y compris les données techniques relatives à l'identification des numéros d'abonnement ou de connexion à des services de communications électroniques ». Il précise que ces informations et documents « peuvent être recueillis sur sollicitation du réseau et transmis en temps réel par les opérateurs ». Le débat autour de cet article continue de plus belle dans l'espoir de le voir aboutir à une saisine du Conseil constitutionnel par des parlementaires.

Certains prétendent clôre ce débat en affirmant que l'article ne ferait qu'un habillage cosmétique de dispositions existantes pour en assurer la lisibilité ou même serait plus protecteur des libertés. Selon eux, l'opposition n'est due qu'à une désinformation issue de l'Association des services Internet communautaires, dont certains membres sont de grands collecteurs et exploiters de données personnelles.

Nous constatons l'inaction du gouvernement pour protéger ses propres citoyens d'atteintes sévères à leurs droits fondamentaux par la surveillance. Loin d'accorder l'asile à Edward Snowden, il s'est transformé un temps en auxiliaire de police à la demande des Etats-Unis lors de l'interdiction de survol du territoire de l'avion du président bolivien. Depuis, la France a consenti au Conseil européen à reporter à 2015 l'adoption du nouveau règlement européen sur la protection des données.

A-t-on suspendu l'accord sur la sphère de sécurité (*Safe Harbor Agreement*), qui permet le transfert des données personnelles aux Etats-Unis, comme les Etats membres en ont le droit face à une violation aussi patente ? Et enfin, voilà qu'on adopte un texte qui ouvre la porte aux mêmes abus que le *FISA Amendment Act* de 2008, base légale invoquée par la NSA pour justifier le programme Prism.

L'article 20 marque une dérive vers un système dans lequel les informations issues des communications de chacun pourront être capturées sur simple décision administrative, sans mandat judiciaire ni contrôle effectif et décisionnel de la part d'un juge ou d'autres autorités indépendantes. En assemblant les dispositions de la loi de 1991 et celles de la loi antiterroriste de 2006, loi d'exception provisoire rendue maintenant pérenne, en y ajoutant la « *sollicitation du réseau et transmission en temps réel* », en y incluant de nouvelles formes de données de géolocalisation, on change l'étendue possible de la surveillance.

Les garanties invoquées comme sécurisantes sont d'une insigne faiblesse. Elles sont bien inférieures à celles qui existaient pour les citoyens américains dans le *FISA Amendment Act* qui, pourtant, n'ont pas empêché d'immenses abus à leur égard. Enfin, l'un des membres de la Commission nationale de contrôle des interceptions de sécurité, autorité administrative chargée d'une tâche relevant du pouvoir exécutif, a joué un

rôle-clé dans l'adoption de l'article 13 comme président de la commission des lois à l'Assemblée nationale, rapporteur pour avis, et propagandiste de ce texte qui étend les pouvoirs de la CNCIS et son domaine d'activité. Qu'en penser au regard de la séparation des pouvoirs ?

Il fut un temps où nous considérions que les services chargés de la sécurité y travaillaient honnêtement, quitte à ce que des autorités abusent parfois de leurs moyens pour des motifs politiques ou pour couvrir quelque affaire louche. Cette confiance relative est rompue par l'ouverture à un régime de surveillance généralisée. Le Conseil constitutionnel censurera, espérons-le, cette atteinte aux droits fondamentaux. L'invocation sécuritaire, ici aussi vague qu'extensible, ne doit pas empêcher de penser ni de défendre les libertés.



## The elusive European army 95,83

17 December 2013

[DE VOLKSKRANT](#) AMSTERDAM



[Mavk](#)

In both military intervention and investment in the defense industry, Europeans lack coordination and have lost credibility. Yet, after the French intervention in the Central African Republic, the issue has returned to the spotlight and will be discussed at the summit on December 19 and 20.

[Jan Rood](#) | [Kees Homan](#)

In 1991, the Belgian foreign minister of the time, Mark Eyskens, remarked on the EU's incapacity to develop a common defence policy when he [described](#) Europe as "an economic giant, a political dwarf and a military worm." In recent years, there is no denying that the EU has become more active in this field. But the grand and often expressed ambition for real investment in a [common security and defence policy](#), which includes an independent military capacity, has yet to be realised. And this continues to be the case at a time when global change is obliging Europeans to engage in a more serious consideration of security as an issue in common.

In an increasingly multi-polar world, the United States is no longer ready to militarily intervene, as a last resort, if European security is threatened. At the same time, we are also witnessing growing instability on the EU's doorstep: in North Africa, the Middle East, and the Caucasus. Worse still, threats to our security are growing more and more diverse, and more intertwined in terms of internal and external security.

The logical response to this situation appears to be greater cooperation and more European responsibility, and the European Council has set itself this goal. Europe must be more effective and more visible in the field of security, there must be more investment in military capacity, and the European defence industry must be reinforced. These are the priorities underlined by [the documents](#) published by the European Commission and by [the EU's High Representative for Foreign Affairs] Catherine Ashton ahead of the Council meeting.

Slide of EU operations

**The lack of unity and resources in the EU was highlighted by the intervention in Libya where Europe was obliged to let the United States and NATO take the initiative**

In recent years, we have also witnessed a reduction in the number and the scale of European military operations outside the Continent. Europe's contribution to global security and stability is mainly composed of training and support, and does not involve the proper deployment of military resources. The lack of unity and resources in

the EU was highlighted by the intervention in Libya where Europe was obliged to let the United States and NATO take the initiative.

In the cases of Mali and the Central African Republic, France did not wait for the EU to express an opinion, because as a French diplomat, who was [quoted by Le Figaro](#) explained: “Waiting for Europe is like waiting for Godot.” The decision to intervene was entirely unilateral. And although those who have the capacity and the will can contribute, these operations will remain basically French.

The situation with regard to Europe’s military capability is even more serious. Pressure from the financial and economic crisis has led all the EU’s member states to cut their defence budgets. And there has been virtually no coordination of this on the European level. Given the pre-existing lack of crucial resources, the investment needed to maintain a credible defence force in Europe is more urgent than ever.

**In the long term, cooperation initiatives of this type will not be viable if they are not integrated into a wider European strategy**

But here once again, EU member states have found bilateral cooperation, like the [Dutch-Belgian cooperation initiative](#), to be more practical than cooperation on the European level, while “pooling” and “sharing” have become watchwords. They are not intrinsically bad, but in the long term, cooperation initiatives of this type will not be viable if they are not integrated into a wider European strategy. And this strategy does not yet exist.

Cooperation is key

With regard to the purchase and deployment of equipment, cooperation between member states is essential, and this also applies to Europe’s largely fragmented defence industry. Compared to other countries, EU states invest very little in military research and development. And what little investment there is has hardly any impact, because member states — and in particular large member states — protect their own industry. As a result: Europe has to contend with the redundant and overpriced production of very expensive equipment, and a loss of competitiveness on international markets.

But if this situation persists, the greatest loss of all will be that Europe will no longer have sufficient industrial capacity to guarantee its own security.

In short, there has been no response, apart from stringent budget cuts, to a confusion of policy objectives in the field of defence. The question now is, when they meet on December 19 and 20, will EU member states be willing and capable to set aside their own priorities for the general interest. If not, this will be yet another wasted summit, and the pertinence the remark made by Mark Eyskens so many years ago will continue undiminished.

[http://www.nytimes.com/2013/12/18/opinion/why-students-do-better-overseas.html?hp&ref=opinion/international&\\_r=0](http://www.nytimes.com/2013/12/18/opinion/why-students-do-better-overseas.html?hp&ref=opinion/international&_r=0)

EDITORIAL

## Why Other Countries Teach Better 95,83

Why Students Do Better Overseas



EKTA

By [THE EDITORIAL BOARD](#)

Published: December 17, 2013

Millions of laid-off American factory workers were the first to realize that they were competing against job seekers around the globe with comparable skills but far smaller paychecks. But a similar fate also awaits workers who aspire to high-skilled, high-paying jobs in engineering and technical fields unless this country learns to prepare them to compete for the challenging work that the new global economy requires.

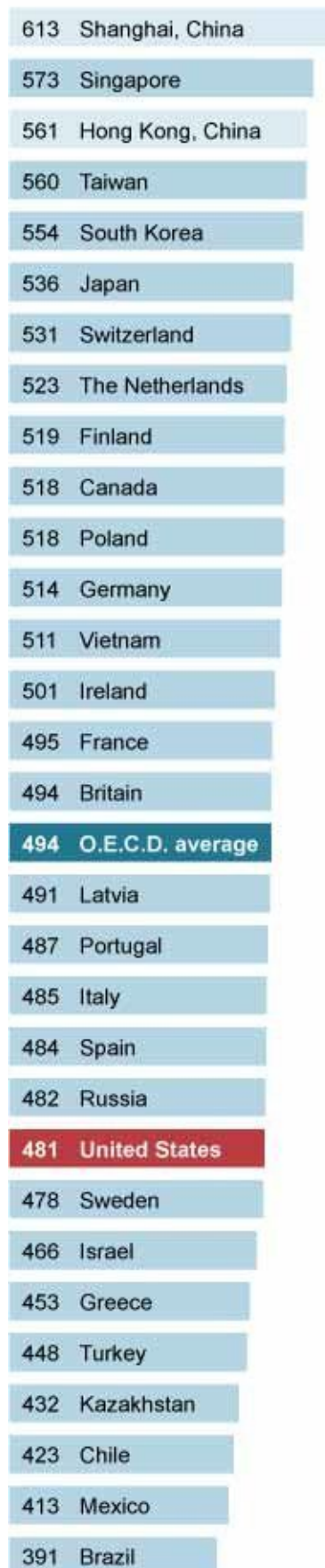
**[Q. & A. With Arthur Levine](#)**

By DAVID FIRESTONE

A longtime critic of the quality of teacher preparation in the United States.

## Bested by Many in Math

Math test scores for  
15-year-olds in selected nations  
and two Chinese regions, 2012.



Source: Organization for Economic  
Cooperation and Development

The American work force has some of the weakest mathematical and problem-solving skills in the developed world. [In a recent survey](#) by the Organization for Economic Cooperation and Development, a global policy organization, adults in the United States scored far below average and better than only two of 12 other developed comparison countries, Italy and Spain. Worse still, the United States is losing ground in worker training to countries in Europe and Asia whose schools are not just superior to ours but getting steadily better.

The lessons from those high-performing countries can no longer be ignored by the United States if it hopes to remain competitive.

### **Finland: Teacher Training**

Though it dropped several rankings in last year's tests, Finland has for years been in the highest global ranks in literacy and mathematical skills. The reason dates to the postwar period, when Finns first began to consider creating comprehensive schools that would provide [a quality, high-level education](#) for poor and wealthy alike. These schools stand out in several ways, providing daily hot meals; health and dental services; psychological counseling; and an array of services for families and children in need. None of the services are means tested. Moreover, all high school students must take [one of the most rigorous required curriculums in the world](#), including physics, chemistry, biology, philosophy, music and at least two foreign languages.

But the most important effort has been in the training of teachers, where the country leads most of the world, including the United States, thanks to a national decision made in 1979. The country decided to move preparation out of teachers' colleges and into the universities, where it became more rigorous. By professionalizing the teacher corps and raising its value in society, the Finns have made teaching the country's most popular occupation for the young. These programs recruit from the top quarter of the graduating high school class, demonstrating that such training has a prestige lacking in the United States. In 2010, for example, 6,600 applicants competed for 660 available primary school preparation slots in the eight Finnish universities that educate teachers.

The teacher training system in this country is abysmal by comparison. [A recent report by the National Council on Teacher Quality](#) called teacher preparation programs "an industry of mediocrity," rating only 10 percent of more than 1,200 of them as high quality. Most have low or no academic standards for entry. [Admission requirements for teaching programs at the State University of New York](#) were raised in September, but only a handful of other states have taken similar steps.

Finnish teachers are not drawn to the profession by money; they earn only slightly more than the national average salary. But their salaries go up by about a third in the first 15 years, several percentage points higher than those of their American counterparts. Finland also requires stronger academic credentials for its junior high and high school teachers and rewards them with higher salaries.

### **Canada: School funding**

Canada also has a more rigorous and selective teacher preparation system than the United States, but the most striking difference between the countries is how they pay for their schools.

American school districts rely far too heavily on property taxes, which means districts in wealthy areas bring in more money than those in poor ones. State tax money to make up the gap usually falls far short of the need in districts where poverty and other challenges are greatest.

Americans tend to see such inequalities as the natural order of things. Canadians do not. In recent decades, for example, three of Canada's largest and best-performing provinces — Alberta, British Columbia and Ontario — have each addressed the inequity issue by moving to province-level funding formulas. [As a recent report by the Center for American Progress notes](#), these formulas allow the provinces to determine how much money each district

will receive, based on each district's size and needs. The systems even out the tax base and help ensure that resources are distributed equitably, not clustered in wealthy districts.

These were not boutique experiments. The Ontario system has more than two million public school students — more than in 45 American states and the District of Columbia. But the contrast to the American system could not be more clear. Ontario, for example, strives to eliminate or at least minimize the funding inequality that would otherwise exist between poor and wealthy districts. In most American states, however, the wealthiest, highest-spending districts spend about twice as much per pupil as the lowest-spending districts, according to [a federal advisory commission report](#). In some states, including California, the ratio is more than three to one.

This has left 40 percent of American public school students in districts of “concentrated student poverty,” the commission's report said.

### **Shanghai: Fighting Elitism**

China's educational system was largely destroyed during Mao Zedong's “cultural revolution,” which devalued intellectual pursuits and demonized academics. Since shortly after Mao's death in 1976, the country has been rebuilding its education system at lightning speed, led by Shanghai, the nation's largest and most internationalized city. Shanghai, of course, has powerful tools at its disposal, including the might of the authoritarian state and the nation's centuries-old reverence for scholarship and education. It has had little difficulty advancing a potent succession of reforms that allowed it [to achieve universal enrollment rapidly](#). The real proof is that its students were first in the world in math, science and literacy on last year's international exams.

One of its strengths is that the city has mainly moved away from an elitist system in which greater resources and elite instructors were given to favored schools, and toward a more egalitarian, neighborhood attendance system in which students of diverse backgrounds and abilities are educated under the same roof. The city has focused on bringing the once-shunned children of migrant workers into the school system. In the words of the O.E.C.D, Shanghai has embraced the notion that migrant children are also “our children” — meaning that city's future depends in part on them and that they, too, should be included in the educational process. Shanghai has taken several approaches to repairing the disparity between strong schools and weak ones, as measured by infrastructure and educational quality. Some poor schools were closed, reorganized, or merged with higher-level schools. Money was transferred to poor, rural schools to construct new buildings or update old ones. Teachers were transferred from cities to rural areas and vice versa. Stronger urban schools were paired with rural schools with the aim of improving teaching methods. And under a more recent strategy, strong schools took over the administration of weak ones. The Chinese are betting that the ethos, management style and teaching used in the strong schools will be transferable.

America's stature as an economic power is being threatened by societies above us and below us on the achievement scale. Wealthy nations with high-performing schools are consolidating their advantages and working hard to improve. At the same time, less-wealthy countries like Chile, Brazil, Indonesia and Peru, have made what the [O.E.C.D. describes](#) as “impressive gains catching up from very low levels of performance.” In other words, if things remain as they are, countries that lag behind us will one day overtake us.

The United States can either learn from its competitors abroad — and finally summon the will to make necessary policy changes — or fall further and further behind. The good news is that this country has an impressive history of school improvement, as reflected in the early-20th-century compulsory school movement and the postwar expansion, which broadened access to college. Similar levels of focus and effort will be needed to move forward again.

12/18/2013 02:43 PM

Merkel Speech

## Chancellor Urges Reforms to Preserve Euro 95,87

**In the first parliamentary speech of her third term, German Chancellor Angela Merkel warned that Europe needs to take more action to make its single currency crisis-proof and urged states to undertake binding economic reforms.**

German Chancellor Angela Merkel on Wednesday called on European countries to agree to binding economic reforms to correct flaws in the makeup of the single currency.

In her first parliamentary speech since her re-election for a third term on Tuesday, she warned that Europe needed to take further action to make the euro zone crisis-proof.

"Clearly the euro-zone **debt crisis** is not yet overcome. One cannot emphasise this often enough. But we are seeing first successes and we are convinced it can be overcome permanently," she told the Bundestag lower house of parliament.

She said Ireland's successful exit from the bailout program last week and progress elsewhere showed that her approach of seeking reforms in return for aid had been the right one.

### More European Control

"I know that pushing through treaty changes in the member states can be difficult, but if you want more Europe, you have to be prepared to develop it further," **Merkel** said. "In a world that is constantly changing, we can't stand there and say that at some point we agreed the Lisbon Treaty and there's no need to change it again. This won't work."

Germany wants closer economic policy coordination and will push at a summit of **European Union** leaders on Thursday and Friday for members to agree binding contracts with the European Commission to implement further reforms.

It is also pushing for changes to the Lisbon Treaty to give greater European control over policy. Germany's closest ally in Europe, France, opposes such a move, as do other member states.

"European unity remains one of the most important tasks of the grand coalition," said Merkel. "Germany is only strong if Europe is strong."

### Criticism of EU Green Energy Probe

She said she would fight an EU probe announced on Wednesday into exemptions from a green energy surcharge for some 2,000 German companies. The European Commission is examining whether the exemptions, totalling some €5 billion and granted to heavy energy users like the steel industry, were unfair and should be repaid.

The German government would not tolerate a weakening of German industry or job losses, she said. "Germany wants to remain a strong industrial location, we need competitive companies," she said. "This is about companies and when it's about companies, it's about jobs."

She said Germany's new Economy and Energy Minister, Social Democrat Sigmar Gabriel, would make this very clear to the European Commission. "As long as there are countries in Europe where electricity is cheaper for industry than it is in Germany, I cannot see how we are distorting competition."

Turning to Ukraine, Merkel said the offer of an EU association agreement with the country would remain on the table, but that the government would have to guarantee "what we expect of every country: sensible guarantees of demonstration rights and adherence to basic democratic rules."

*cro -- with wire reports*



Italiens Regierungschef

## Letta wettert gegen „verfluchten“ Euro-Kurs 95,89

18.12.2013 · Italiens Regierungschef Enrico Letta stört sich am starken Euro. Die EU müsse etwas gegen den hohen Außenwert tun, um die Exportwirtschaft anzukurbeln.

[Artikel](#) [Bilder](#) (1) [Lesermeinungen](#) (30)



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Enrico Letta

Italiens Ministerpräsident Enrico Letta sieht Handlungsbedarf wegen des starken Euro. Die Europäische Union müsse gegen den „verflucht“ hohen Kurs vorgehen, sagte er am Mittwoch vor Diplomaten und Mitarbeitern des Außenministeriums in Rom. „Der Wechselkurs ist unausgeglichen, und das Ziel für die gesamte EU muss es sein, den verfluchten Kurs von 1,36 bis 1,38 Dollar je Euro zu ändern.“ Das würde die Exporte und die gesamte Wirtschaft ankurbeln.

Der Euro notiert derzeit zwar deutlich über dem Wert von gut 1,20 Dollar, den er zur Jahresmitte 2012 erreicht hatte. Dennoch ist er weit billiger als vor Beginn der Finanzkrise 2008. Ein niedriger Euro-Kurs kommt den Exportunternehmen bei Verkäufen ins Ausland zugute, weil sie ihre Produkte dann billiger anbieten können, ohne Gewinneinbußen hinnehmen zu müssen.

Allerdings ist der Einfluss der Politik begrenzt, den Euro zu schwächen. Mehr Möglichkeiten dafür hätte die Europäische Zentralbank (EZB), die Hüterin des Euro. Doch für sie ist der Wechselkurs kein Ziel der Geldpolitik. EZB-Präsident Mario Draghi sagte zuletzt, der Euro-Kurs sei für ihn kein Thema.

GERMANY

## Europe waits for Merkel 95,90

18 December 2013

[LA VANGUARDIA](#) BARCELONA



At the start of her new mandate, Angela Merkel is putting the emphasis on Europe. And, as always, Europeans are expecting a lot from her. Will she go down in history as one of the great chancellors? It all depends on what happens in Europe.

[Rafael Poch](#)

With that absence of pomp and ceremony that is one of the characteristics of domestic German politics, the Ministers of the new German [GroKo](#) – an acronym for the grand coalition that has just been declared word of the year – lined up to swear fealty to the President of the Bundestag. In a brief and cursory audience earlier, Merkel had received the formal blessing of the federal President, Joachim Gauck.

Very little pomp indeed at the start of Angela Merkel's third term. Two terms away from the records of Chancellors Konrad Adenauer and Helmut Kohl, one ahead of Gerhard Schröder, and on the verge of tying with Helmut Schmidt.

Will this [woman from the East](#) enter the ranks of the great Chancellors? Much will depend on what happens to Europe, with that European Union that is usurping the continental title. Merkel came along in 2005 when the union was still making that narcissistic claim that it meant prosperity and peace. That European peace has ignored the many wars that the members of the new Europe, colonial nations, have waged away from Europe ever since the integration of the continent and that they continue to keep going today, as well as one in the Balkans that took place under its own nose. With respect to prosperity, that has simply vanished.

A Europe of different categories

And so the two great founding myths of that Europe that Merkel first encountered have been demolished. Instead, a crack runs across the continent. It was always there, but only now has it become obvious: the Europe of different categories. One, comprised of those net beneficiaries of the euro, which defend austerity and the full repayment of the banking debts; Germany stands in the middle of this group.

Another, hesitant and undermined, is represented chiefly by France. Another is in various stages of crisis and prostration: from Portugal to Italy, through to Spain, Slovenia, Cyprus, and Ireland. And a last class, given up as a lost cause as the pure periphery and sunk in degradation: Greece, Bulgaria, Romania and Albania.

This cracked Europe will be what will mark the third mandate of Merkel, which has got off to a start under a government coalition that she is undeniably the master of, with overwhelming parliamentary support, a very small opposition and a socio-economic situation domestically that is ambiguous but stable, especially compared to most of the rest of Europe.

Respond to the unexpected

To declare that they expect no surprises in a context so unsettled would be folly. It is true that that is what is suggested in the 185-page coalition agreement signed with the Social Democrats, whose leaders were soundly defeated in the September elections but who are very happy to climb into their new Ministerial armchairs today: the coalition documents, however, do not dictate the reality.

Particularly in times of crisis, to govern is to respond to the unexpected. Angela Merkel wants to sail in one direction, but the shifting winds can take her anywhere.

And Europe is not only in crisis in its Western half. In the East, something akin to a cold war is brewing with Russia. The EU, with Germany out front, seems to regard the Ukraine as [its own backyard](#); it is interfering with Russian energy exports and stirring the Muscovite bear with all kinds of military provocations from NATO, including a missile shield against Iran that it is not going to cancel even if there is a détente with Tehran. Russia has already placed missiles in the Baltic region, and there is no mention in the German coalition document of the traditional demand to remove the American bombs that Germany has on its own territory.

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#### ANGELA MERKEL AND EUROPE

### Reform, European integration and banking union

The day after she was sworn in as German Chancellor, Angela Merkel dedicated the first official public statement of her third term to Europe. In her speech, [says German daily Süddeutsche Zeitung](#), Merkel —

... asked for more efforts from EU members in order to implement promised reforms. [...] On the eve of the [EU summit in Brussels](#), she also stressed the fact that the unification of Europe cannot be assured without the modification of EU treaties. "Construction errors must be corrected," the Chancellor said concerning new regulations aimed at monitoring banks. Germany wants to continue to play its role which involves assuming its responsibilities and encouraging European integration. [However,] the Chancellor warned the European Commission against intervening too harshly against subsidies earmarked to finance German firms developing electricity-production derived from renewable energy sources.

# Tough-talking Merkel urges EU treaty change in first speech of new term

## 95,92

18/12 14:56 CET

German Chancellor [Angela Merkel](#) urged European partners to tackle flaws in the eurozone by taking control of economic policy and making politically sensitive changes to EU treaties.

Speaking in the [Bundestag](#) lower house of parliament a day after her new “grand coalition” government was sworn in, Merkel said progress in countries like Ireland and Spain showed Europe was overcoming the financial crisis that nearly tore it apart.

“As pleasing as the progress towards greater stability and growth may be, we must also be clear that recovery is everything but already guaranteed, she said

That means we need to eliminate the causes that have led to this situation in the European Union and eurozone through preventive policies.”

But she said it was too early to declare victory, describing the 17-member bloc that shares the euro currency as an unfinished project that could not afford to rest on its laurels.

“I know that pushing through treaty changes in the member states can be difficult, but if you want more Europe, you have to be prepared to develop it further,” Merkel added.

Germany wants closer coordination of economic policy to complement the bloc’s single monetary policy. At a summit in Brussels later this week, she will push member states to agree binding contracts with the European Commission that would oblige them to take certain steps towards economic reform.

Meanwhile, France is one of a number of countries, including Italy and Spain, that are pressing Berlin for more “solidarity” in Europe to combat the economic distress, particularly in the bloc’s southern periphery, that has sent unemployment soaring.

“We have a situation in Europe where Germany is often accused of blocking certain things. This is not true,” Merkel said.

“If we got a real qualitative leap forward in terms of binding commitments ... then we could also imagine that new ways are found to provide those countries that require additional help to reach their goals with that help.”

According to Merkel, the eurozone debt crisis is not over. She praised Ireland and Spain though for their economic progress, and said there were signs of improvement in Greece, Portugal and Cyprus as well.

With a tough job ahead of her, Merkel will rely heavily on Finance Minister Wolfgang Schäuble, the most experienced member of the German cabinet, who has served as Merkel’s right-hand man in battling the eurozone crisis.

Treffen in Paris

## Deutschland lehnt EU-Finanzhilfe für Militäreinsatz ab 95,93

18.12.2013 · Deutschland will Frankreichs Mission in Zentralafrika nicht finanziell unterstützen. Das erklärte die Bundesregierung am Rande eines Besuchs von Kanzlerin Angela Merkel bei Präsident Hollande in Paris.

[Artikel](#) [Bilder](#) (1) [Lesermeinungen](#) (0)



© DPA  Bundeskanzlerin Angela Merkel zu Gast bei Francois Hollande im Élysée-Palast

Deutschland lehnt eine Finanzierung des französischen Militäreinsatzes in der Zentralafrikanischen Republik aus EU-Mitteln ab. Vor einem Europäischen Rat, der an diesem Donnerstag in Brüssel beginnt, wies ein Vertreter der Bundesregierung darauf hin, dass eine Beteiligung der EU an den Kosten von militärischen Operationen nach der derzeitigen Rechtslage nur möglich sei, wenn es sich um eine EU-Mission handle. Das ist bei der Operation Sangaris nicht der Fall, weil Frankreich hier in nationaler Verantwortung Truppen entsandt hat. Die Bundesregierung teilte außerdem mit, dass sie keine Soldaten in das afrikanische Land schicken werde und Frankreich weiterhin nur logistisch unterstützen wolle.

Bundeskanzlerin Merkel ist am Mittwochabend im Elysée-Palast in Paris zu einem Abendessen mit dem französischen Präsidenten Hollande zusammengetroffen. Sie stellte eine „neue Etappe“ in der Zusammenarbeit in Aussicht. An der Seite Frankreichs wolle sich Deutschland auch für eine verstärkte Kooperation für Afrika einsetzen. Frankreich spiele auf dem afrikanischen Kontinent eine „wichtige Rolle“. Deutschland engagiere sich bereits in Mali und wolle sich als „hilfreich“ erweisen. Hollande betonte, dass er eine Klärung der europäischen Rolle in der Zentralafrikanischen Republik erhoffe. Die französische Regierung bemüht sich seit Tagen, Unterstützung anderer EU-Staaten für ihr Eingreifen zu erhalten, macht dabei aber öffentliche Ankündigungen, die offenbar nicht der Realität entsprechen.

### Grundsatzdiskussion über die Finanzierung von Auslandseinsätzen

Außenminister Laurent Fabius hatte den Franzosen vergangene Woche versprochen, die Kosten für den Einsatz würden von der EU übernommen, wozu es in Brüssel aber keinen Beschluss gibt. Offenbar fanden dazu nicht einmal Gespräche mit Berlin statt, denn aus der Bundesregierung hieß es am Mittwoch, man habe die französischen Wünsche „über die Medien zur Kenntnis genommen“. Europaminister Thierry Repentin behauptete, Deutschland erwäge die Entsendung von Truppen, musste sich später aber korrigieren. In Belgien, das schon logistische Hilfe beim Lufttransport zugesagt hat, hat Paris offenbar um die Entsendung von 150 Soldaten zur Sicherung der Flughäfen in dem Land gebeten, was in Brüssel aber noch geprüft wird. Polen,

Spanien und Großbritannien sollen eine Beteiligung planen, offenbar geht es hier aber auch vornehmlich um Logistik.

Hollande will auf dem Europäischen Rat eine Grundsatzdiskussion über die Finanzierung von Auslandseinsätzen führen und dazu einen Gemeinschaftsfonds gründen. Derzeit gilt in der EU (wie in der Nato) der Grundsatz „costs lie where they fall“. Nur die sogenannten Gemeinschaftskosten (Hauptquartiere, Ortspersonal und Ähnliches) werden gemeinsam finanziert. Für den Gipfel ist nun ein Beschluss vorgesehen, die „finanziellen Aspekte von EU-Missionen und -Operationen schnell zu überprüfen“, wie es in einem Entwurf der Abschlusserklärung heißt. Solche Prüfaufträge werden in der EU oft vergeben, müssen aber keine konkreten Folgen haben. In Brüssel gilt es als unwahrscheinlich, dass sich die Bundesregierung dauerhaft auf eine gemeinsame Finanzierung von EU-Missionen einlassen wird.

## L'union bancaire progresse, mais à l'allemande 95,95

Publiée le 18/12/2013 à 12:44



Les ministres des Finances se sont entendus pendant la nuit sur le rôle du futur Fonds européen de résolution bancaire chargé de régler la facture des prochaines crises bancaires. L'Allemagne a refusé d'accorder une garantie publique à ce fonds, via le Mécanisme européen de stabilité (MES).

De notre correspondant à Bruxelles

[Angela Merkel](#) et son nouveau gouvernement n'ont pas traîné. Berlin a donné dans la nuit son feu vert à une pièce cruciale de l'[Union bancaire](#) des pays de l'euro. Mais l'accord s'est fait pour l'essentiel aux conditions posées par l'Allemagne, contraires à celle de la France.

Le grand chantier de l'après-crise financière, destiné à remettre collectivement d'aplomb un réseau de 6000 banques de l'eurozone, entre ainsi dans sa phase finale. D'un côté, la [BCE](#) supervisera l'ensemble. De l'autre un mécanisme dit de «résolution» décidera du sort des enseignes malades, en essayant les pertes d'éventuelles faillites et restructurations.

Dans la nuit, les 17 ministres des Finances de l'Eurogroupe ont levé le dernier gros point de blocage: qui paiera en dernier ressort pour les pots cassés, si les 55 milliards du futur fonds de résolution étaient épuisés? Deux écoles s'opposaient depuis des mois. L'une, emmenée par Paris et les capitales du Sud, voulait mettre à contribution si nécessaire les 500 milliards du Mécanisme européen de stabilité (MES), ébauche existante d'un FMI européen. L'autre, conduite par Berlin, s'opposait à voir la facture des anciennes dérives bancaires nationales épongée collectivement par le MES - c'est-à-dire en premier lieu par le contribuable allemand.

### L'offensive réussie de Wolfgang Schäuble

[Wolfgang Schäuble](#), à peine confirmé aux Finances en Allemagne, avait remis les pendules à l'heure ce week-end: pas question de toucher à la «souveraineté budgétaire» de chaque État, pas question pour Berlin de payer via le MES pour le renflouement direct de banques étrangères, espagnoles, irlandaises ou encore chypriotes. Ses collègues de l'euro, pressés par l'échéance d'un sommet européen jeudi, ont pour l'essentiel cédé à l'exigence. Tous, à commencer par [Pierre Moscovici](#), sont bien conscients aussi que l'eurozone ne peut pas construire son union bancaire contre l'avis du principal pays contributeur.

L'offensive réussie de Wolfgang Schäuble traduit aussi le retour de l'Allemagne aux affaires européennes, après une longue éclipse due à la campagne des législatives puis la formation d'un gouvernement de grande coalition. La chancelière a elle-même annoncé la couleur mercredi matin, en plaidant pour des changements de traités européens là où ce serait nécessaire. Sur l'union bancaire comme sur l'avenir de l'UE, Angela Merkel prend ainsi le contrepied des positions défendues par [François Hollande](#). À l'Élysée mercredi soir, les retrouvailles du président et de la chancelière s'annoncent périlleuses.

## Contribution annuelle et obligatoire des banques

Le compromis noué à l'Eurogroupe exclut le recours direct au MES et reporte à l'horizon 2025 la vraie mutualisation européenne du risque bancaire. En pratique, le trésor public de chaque pays restera le seul dernier recours en cas de faillite d'une banque nationale. Si les moyens nationaux s'avèrent insuffisants, l'État concerné pourra lui-même emprunter auprès du MES pour payer les dégâts. Mais ce sera sous sa signature, et non pas sous la responsabilité commune des pays de l'euro.

La procédure n'est pas nouvelle, l'Espagne en a déjà bénéficié à hauteur de 60 milliards en 2012. Et contrairement à la «mutualisation» espérée à Paris, ce circuit «souverain» viendra directement alourdir la dette du pays concerné. L'assurance collective attendue du Fonds de résolution ne jouera qu'au bout de dix ans, une fois cette cagnotte européenne effectivement abondée à hauteur de 55 milliards, grâce à une contribution annuelle et obligatoire des banques.



## Merkel and Hollande give a joint statement on the eve of the EU Summit 95,97

Newly re-elected Chancellor of [Germany](#), [Angela Merkel](#), and French President, Francois Hollande, delivered a joint statement from Paris, on the eve of the December 2013 EU Summit in Brussels.

Hollande opened the press conference, by speaking of the intended resolution of several key issues. As expected, their statement focused partially on the establishment of a Banking Union.

“We also have a responsibility to help shape Europe’s destiny,” said Hollande. “And during the upcoming EU summit, we will resolve the issues being debated, notably the European Banking Union. We’ve seen great progression.”

Merkel praised Ireland and Spain for their financial progression and had previously used the fact that they had exited the bailout programmes as an example of Europe’s renewed strength.

“It’s good that Ireland and Spain could exit the bailout programmes,” Merkel said. “The policy resulted in progress, but we are not out of the woods, yet. Therefore we have to make sure that such crises will never be repeated and that we make Europe and the euro zone resilient.”

However, key questions surrounding the volume of financial support provided by the EU are expected to remain on the back burner at the Summit.

Also on the agenda at the Summit are the prospects for the EU’s Common Security and Defence Policy.

After five years of placing almost exclusive emphasis on economic ‘crisis management’, European leaders are expected to move on and address the main political issues of the EU’s Common Security and Defence Policy, as well as Europe’s overall performance as a key security provider.

However, Germany reportedly reacted very coolly to a request from [France](#) for European countries to increase support for its military mission in Central African Republic.

December 18, 2013

## Stumbling Toward the Next Crash

95,98

By GORDON BROWN

LONDON — In early October 2008, three weeks after the Lehman Brothers collapse, I met in Paris with leaders of the countries in the euro zone. Oblivious to the global dimension of the financial crisis, they took the view that if there was fallout for Europe, America would be to blame — so it would be for America to fix. I was unable to convince them that half of the bundled subprime-mortgage securities that were about to blow up had landed in Europe and that euro-area banks were, in fact, more highly leveraged than America's.

Despite the subsequent decision of the Group of 20 in 2009 on the need for rules to supervise what is now a globally integrated financial system, world leaders have spent the last five years in retreat, resorting to unilateral actions that have made a mockery of global coordination. Already, we have forgotten the basic lesson of the crash: Global problems need global solutions. And because we failed to learn from the last crisis, the world's bankers are carrying us toward the next one.

The economist David Miles, who sits on the monetary policy committee of the Bank of England, may exaggerate [when he forecasts financial crises every seven years](#), but most of the problems that caused the 2008 crisis — excessive borrowing, shadow banking and reckless lending — have not gone away. Too-big-to-fail banks have not shrunk; they've grown bigger. Huge bonuses that encourage reckless risk-taking by bankers remain the norm. Meanwhile, shadow banking — investment and lending services by financial institutions that act like banks, but with less supervision — has expanded in value to \$71 trillion, from \$59 trillion in 2008.

Europe's leaders aren't the only ones with these blind spots. Emerging-market economies in Asia and Latin America have seen a 20 percent growth in their shadow-banking sectors. After 2009, Asian banks expanded their balance sheets three times faster than the largest global financial institutions, while adding only half as much capital.

In the patterns of borrowing today, we can already detect parallels with the pre-crisis credit boom. We're seeing the same over-reliance on short-term capital markets that ultimately brought down Northern Rock, Iceland's banks and Lehman Brothers.

While the internationalization of the renminbi is opening up new opportunities for global investment in China, it is also increasing the exposure of the global economy to any vulnerability in its banking sector. China's total domestic credit has [more than doubled](#) to \$23 trillion, from \$9 trillion in 2008 — as big an increase as if it had added the entire United States commercial banking sector. Borrowing has risen as a share of China's national income to more than 200 percent, from 135 percent in 2008. China's growth of credit is now faster than Japan's before 1990 and America's before 2008, with half that growth in the shadow-banking sector. According to Morgan Stanley, corporate debt in China is now equal to the country's annual income.

Although sizable foreign reserves make today's Asia different from the Asia that experienced the 1997 crash in Indonesia, Thailand and South Korea, we are all implicated. If China's economy were to slow, Asian countries would be doubly hit from the loss of exports and by higher prices. They would face downturns that would feel like depressions.

And China's banking system may not be Asia's most vulnerable. Thailand's financial institutions, for example, appear overdependent on short-term foreign loans; and in India, where 10 percent of bank loans have gone bad or need restructuring, banks will need \$19 billion in new capital by 2018.

If the emerging markets of Asia and Latin America are hit by financial turmoil in coming years, will we not turn to one another and ask why we did not act after the last crisis? Instead of retreating into our national silos, we should have seized the opportunity to fix global standards for how much capital banks must hold, how much they can lend against their equity, and how open they are about their liabilities.

The Volcker Rule, now approved by American regulators, illustrates the initial boldness and ultimate weakness of our post-2008 response. This element of the Dodd-Frank financial reform law of 2010 forbids deposit-taking banks in the United States from engaging in short-term, proprietary trading. But these practices are still allowed in Europe. Controls are even weaker in Latin America and Asia.

International rules are needed for international banks. Without them, as the International Monetary Fund has warned, global banks will evade regulation "by moving operations, changing corporate structures, and redesigning products."

When I was chairman of the G-20 summit meeting here in April 2009, our first principle was that future financial crises that started in one continent would affect all continents. That was why we charged the new Global Financial Stability Board with setting global standards and rules.

Nearly five years on, its chairman, the Bank of England governor Mark Carney, has spoken of "uneven progress" in recapitalizing banks and making them disclose their risks. The G-20 plan for oversight of shadow banking is, as yet, only a plan. While the world's \$600 trillion derivatives market is being regulated with new minimum capital and reporting requirements, global financial regulators must "find a way to collaborate across borders," Mr. Carney says.

In short, precisely what world leaders sought to avoid — a global financial free-for-all, enabled by ad hoc, unilateral actions — is what has happened. Political expediency, a failure to think and act globally, and a lack of courage to take on vested interests are pushing us inexorably toward the next crash.

*Gordon Brown, a Labour member of the British Parliament, is a former chancellor of the Exchequer and prime minister.*

December 18, 2013

## European Officials Agree on Plan for Failed Banks 95,100

By [DAVID JOLLY](#)

BRUSSELS — European Union finance officials agreed late Wednesday on a system for winding down failed banks, an important step toward introducing a banking union.

“This will break the vicious circle uniting banks and their sovereigns,” Michel Barnier, the European Union commissioner who oversees financial services, said at a news conference early Thursday.

The system, the Single Resolution Mechanism, is to go into effect in 2015; the details must be completed early next year in negotiations with the European Parliament, which faces elections in May, if the deadline is to be met.

For all the energy that has gone into creating a resolution authority and fund, the final agreement disappointed hopes that Europe, still a sketchy patchwork of national regulations, would embrace a more robust system for closing failed lenders.

Members of the European Parliament and officials at the European Central Bank have been scathing in their assessment that the plan adopted on Wednesday was unnecessarily byzantine and unwieldy, and would make impossible the rapid decision-making that is needed when a bank begins to falter and depositors start withdrawing cash.

[The agreement](#), the result of nearly 18 months of negotiations, will create a resolution authority with a common fund for the 17 nations of the euro zone, though all 28 European Union members are welcome to join.

Officials hope the resolution authority, along with the creation of a banking regulator under the umbrella of the European Central Bank, will help restore confidence in a financial system that has suffered through a global financial crisis and a sovereign debt crisis in the last five years.

On Wednesday, before the final deal was adopted, Vítor Constâncio, the central bank’s vice president, told European finance ministers that if a more streamlined set of procedures was not adopted, “We fear that markets will find the process too complex, and it will not be totally credible that it can work in certain situations with the speed that is required.”

When banks begin to falter, the central bank will be responsible for identifying them and notifying a resolution board. The board in turn will notify the European Commission, the European executive, of the need for intervention to wind down or sell off the bank. If the commission rejects such a recommendation, national finance ministers will have the last say. Germany and others insisted on that structure as a means of guarding their interests in a political dispute, but it means that more than 100 people could be involved in some resolution decisions.

Chancellor Angela Merkel’s government, worried about the possibility that German taxpayers could be on the hook for bailing out banks in other countries, also contended that the legal basis of the resolution authority, which is being created under European Union law, be separate from that of the fund, which is being created by a treaty between euro zone members.

The common resolution fund of 55 billion euros (\$76 billion) will be built up over 10 years, with individual member states contributing money raised by bank levies. If it is not able to meet its obligations during that time, it will in theory be able to borrow money.

Mr. Barnier, who had championed a more streamlined and robust system, acknowledged that the plan had shortcomings, but said it was “a positive compromise,” considering that the views of all 28 member states had to be considered.

“We needed an institution, legally, that could push the button,” he said.

Rimantas Sadzius, the Lithuanian finance minister who served as chairman of the meeting, said it was “very important to take the first step, because then you can check it against reality.”

EU-Gipfel

## Europa muss endlich eine Militärmacht werden 96,102

In einer Welt ohne Weltordnung steigt der Bedarf an Sicherheit. Europa muss sich jetzt selbst definieren und auch militärisch die Lücke füllen, die Amerika lässt.

Von Michael Stürmer



Foto: AFP/Frankreich – hier die Parade am Nationalfeiertag 14. Juli – ist noch immer eine stolze Militärmacht. Doch Europa spricht sicherheitspolitisch zu wenig mit einer Stimme

Zwei Soldaten fielen in den ersten Stunden des französischen Einsatzes in Mali. "Mort pour la France", sagte in seiner Trauerrede der Präsident der Republik: für Frankreich gefallen. Ihr Leben verloren die jungen Soldaten im Einsatz für die europäische Sache.

Aber es wird noch lange dauern, bis der Ernstfall Europa, statt zu trennen, vereint. Wenn es hart auf hart geht, ist jede europäische Nation sich selbst, wie eh und je, am nächsten. [Der Europäische Rat der Staats- und Regierungschefs, der diesen Donnerstag und Freitag tagt](#), muss daran gemessen werden, inwieweit er im Rahmen des Nordatlantischen Systems endlich eine Europäische Sicherheits- und Verteidigungspolitik entwickelt, die nicht nur so heißt.

Im Fall [Libyen 2011](#) hat Deutschland sich aufs Zuschauen und Kommentieren beschränkt, während die europäischen Bündnispartner schon nach zwei Tagen amerikanischer Hilfe bedurften, von Transportflugzeugen bis zu intelligenter Munition.

Die Weltenwende änderte alles

Die Sowjetunion diktierte einst dem Westen die Organisationsstrukturen. Ihr Abgang von der Weltbühne nahm der westlichen Verteidigung das lange bewährte organisierende Prinzip. Die [Nato](#) wurde seit der Weltenwende 1990 erweitert, aber nicht vertieft.



Gleiches galt und gilt für die Gestalt und Funktion europäischer Sicherheit. Jelzins Russland war vor allem mit sich selbst und seiner Misere beschäftigt und ließ sich, wengleich zornig und nachtragend, weitgehend

ignorieren. Putins Russland aber, Rohstoffgigant und noch immer nukleare Supermacht, hat sich nicht abgefunden mit dem Absturz von einem Imperium mit weltweiter Machtprojektion zum prekären Staatsgebilde.

Es hat an Warnzeichen für die Europäer nicht gemangelt. Nicht allein durch die Veränderung der strategischen Landkarte, die Überanstrengung der Schutzmacht USA und die Verlagerung des Schwerpunkts der Wirtschaft, des Reichtums und der Gefahren vom Atlantik zum Pazifik. Sondern auch durch unüberhörbare Mahnungen aus Washington, dass der amerikanische Atlas das Gewicht der Erde nicht mehr tragen kann und will.

"Ohne mich"? Ohne die Amerikaner!

Bei seiner Abschiedsrede in Brüssel vor zwei Jahren sprach der scheidende amerikanische Verteidigungsminister [Robert Gates](#) Klartext. Bekenntnisse schöner Seelen, "Kultur der Zurückhaltung" und "Ohne mich"-Opportunismus fand er nicht gut genug; und auch nicht die Zurückführung der Verteidigungshaushalte bei gleichzeitiger Weigerung, "Smart Defence" – gemeinsame Forschung, Entwicklung und Standardisierung – ernst zu nehmen.

In einer Welt ohne Weltordnung steigt der Bedarf an Sicherheit. Die Amerikaner suchen in Europa Verbündete, die vorbeugendes Krisenmanagement verstehen und auf die, wenn die Stunde schlägt, Verlass ist. Werden die Staats- und Regierungschefs die Botschaft hören?

Der europäische Traum von Frieden durch Handel und Wandel und der amerikanische Traum des Friedens der Demokratien treffen auf eine zunehmend abweisende, widerspenstige Wirklichkeit voller unangenehmer Überraschungen.

Die Welt bleibt ein gefährlicher Ort

Die Europäer müssen lernen, dass das Ende der Geschichte entgegen anderslautenden Gerüchten anno 1990 nicht eintrat, dass die Schutzmachtrolle der Vereinigten Staaten ihre Grenzen hat, dass von Klimawandel über Völkerwanderungen und Cyber-Space neue Fronten aufsteigen und dass neben "[Soft Power](#)", wo die Europäer viel können, harte Macht noch immer ins Gewicht fällt.

Hier können die Europäer wenig – weniger jedenfalls, als sie sich untereinander und den Nordamerikanern wieder und wieder versprochen haben. Vom Mittleren Osten bis zum Ostchinesischen Meer ist die Welt ein gefährlicher Ort geblieben.

Die 28 Staats- und Regierungschefs der EU kommen zusammen in bewegten Zeiten. Doch es wird nicht einfach sein, sehr unterschiedliche strategische Ansichten und Fähigkeiten, Interessen und Traditionen zusammenzufassen. Frankreich und Großbritannien gelten als ansehnliche militärische Mächte, haben ein eindrucksvolles Nuklearwaffenarsenal und sind weltweit aufgestellt, allerdings auch mehr und mehr überdehnt.

Das gilt für die Franzosen von Dubai am Persischen Golf und Djibouti am Roten Meer bis Senegal, für die Briten von den Falkland-Inseln im Südatlantik über Deutschland, die GCHQ-Filialen auf Zypern und die Flotteneinheiten im Persischen Golf bis Afghanistan – bei gleichzeitig weiter schrumpfenden Haushaltsmitteln und Investitionen und steigenden Anforderungen, zum Beispiel bei Cyber-Defence, deren Vieldeutigkeiten die National Security Agency unübersehbar und beängstigend vorführt.

Deutschland gefällt sich als "Soft Power"

Deutschland übt Zurückhaltung, gefällt sich in der Rolle der "Soft Power"-Vormacht und bietet Entwicklungs- und gegebenenfalls Ausbildungshilfe an, wie in Mali und Somalia. Afghanistan war und ist noch lange eine brutale Schule, aber auch Argument, sich nie wieder auf derlei einzulassen. Die härteste Prüfung, Rückzug unter Feuer, steht noch bevor.

Nichts ist mehr, wie es lange war. Die Pax Americana aus der zweiten Hälfte des 20. Jahrhunderts hat ihren Zenit überschritten. Factum brutum europäischer Sicherheit lautet, dass die Amerikaner überanstrengt sind, die Mühen des Mittleren Ostens nicht loswerden können, auch wenn sie es wollten, und im Fernen Osten Gegengewichte zum Reich der Mitte aufbauen müssen: politisch soweit möglich, militärisch so weit notwendig.

Der große rote Drache lässt unter Beteuerung fortdauernd menschenfreundlicher Absichten die Muskeln spielen, schüchtert durch gelegentliches Feuerspeien alle Nachbarn ein und agiert in einer Weltregion, in der Macht und Einfluss rund um den Globus neu verteilt werden. Das Jahrhundert Chinas hat begonnen.

Verteidigung als Nebensache

Europa und europäische Verteidigung? Letztere wird behandelt als Nebensache – man schaue das deutsche Koalitionsabkommen an – ist entsprechend konzeptionell weiterhin timide und divers. Die Etablierung des EU-Außendienstes und der Hohen Repräsentantin für Außen- und Sicherheitspolitik, [Lady Ashton](#), ist keine zureichende Antwort, auch nicht die Europäische Rüstungsagentur.

Die Rüstungsbasis ist zwar leistungsfähig, aber verzettelt, verdoppelt und daher überteuert. Die Regierungen sehen mehr die Arbeitsplätze, die es zu retten gilt gegen Europa, als die Soldaten, die es zu bewaffnen gilt für Europa. Dieses Europa muss sich endlich selbst definieren und die Lücke füllen, die Amerika lässt.



## L'Europe doit se doter d'une stratégie globale de défense et de sécurité 95,105

LE MONDE | 16.12.2013 à 18h10 • Mis à jour le 17.12.2013 à 16h47 | Par Olivier de France (Chercheur associé à l'Institut des études de sécurité de l'UE)



La violence de la crise économique et financière en Europe a porté un coup sévère aux ambitions de l'Union européenne sur la scène extérieure. En obligeant, ces dernières années, les dirigeants européens à parer au plus pressé, elle a contribué à repousser les impératifs du temps long à des jours meilleurs. Aussi, le destin du projet collectif européen en matière de politique étrangère et de défense a-t-il été laissé en friche depuis le début de la crise.

Les forces françaises se déploient actuellement dans les artères de Bangui comme elles investissaient l'aéroport de Gao, au Mali, en janvier, en l'absence d'effort européen concerté. Mais il ne se trouve presque plus personne pour s'entroubler. La chose ne semble pas aujourd'hui faire partie de l'éventail sérieux des souhaitables ni des possibles. Pourtant, quelque trente missions ont été déployées sous bannière européenne depuis dix ans. Alors comment comprendre cette désaffection ?

C'est tout l'enjeu de la réunion des chefs d'Etat européens les 19 et 20 décembre à Bruxelles. Pour la première fois depuis cinq ans, ils se pencheront sur le sort d'une politique de sécurité et de défense commune qui s'est enlisée pendant la crise, et à laquelle ils tenteront de redonner un cap. Comment remédier à ses insuffisances évidentes, dans le voisinage Est et Sud ? Quels sont les vrais enjeux d'un débat devenu si rare au plus haut niveau politique européen ?

Incontestablement, la donne a changé depuis 2008 et le dernier débat des chefs d'Etat et de gouvernement sur la défense. La dette publique fait partie intégrante du paysage stratégique européen. Elle grève les budgets des Etats membres et les pousse à concevoir d'impossibles équations destinées à concilier souverainetés budgétaire et nationale. En sous-main commence à s'imposer l'idée qu'aucun pays de l'UE ne pourra bientôt mobiliser la panoplie complète des moyens militaires. Dans ce contexte, il semble logique d'explorer des solutions collectives à des équations qui ne sont plus strictement nationales.

Mais le contexte économique et social alimente les réflexes de repli identitaire qui rendent malaisée la recherche de solutions collectives. Créer les conditions d'un débat serein sur le rôle de l'Europe dans le monde demeure une gageure, à l'heure où les impératifs du court terme prennent encore résolument le pas sur les intérêts à long terme des Européens. Pourtant, ce qui est vrai pour la plupart des politiques européennes l'est encore plus sûrement pour la défense : il est des décisions de court terme qui ont des répercussions parfaitement implacables à long terme. Il est clair que celles-ci s'accrochent dès lors difficilement d'une absence de vision à long terme.

## UN VRAI DÉBAT ENTRE CHEFS D'ETAT EUROPÉENS

Pour dissiper ce brouillard stratégique tenace, experts et officiels ont tenté ces derniers mois de créer les conditions d'un vrai débat entre chefs d'Etat européens. La discussion s'est centrée d'abord sur les moyens. Alors que les Etats agissent en environnement financier contraint, l'inflexion de la politique étrangère américaine vers l'Asie rend plus qu'incertain le recours à la garantie de sécurité américaine. Les Etats-Unis ne veulent plus aller en Libye ou au Sahel, et souhaitent voir les Européens y acquérir une capacité d'action autonome. Aussi, les discussions de ces derniers mois se sont-elles focalisées sur les outils qui handicapent l'UE dans ce domaine : ravitaillement en vol, transport stratégique, action aéronavale, communication par satellite, auxquels s'ajoutent cyberdéfense, drone stratégique commun et renforcement du tissu industriel sous-jacent, sous l'égide de la Commission européenne.

Reste qu'il est plus facile de se mettre d'accord sur le développement de moyens communs lorsque l'on partage une même vision sur ce à quoi ils servent. Cela supposerait que soient convergentes les lectures européennes du voisinage régional (Est et Sud), du contexte international et des risques qui s'y présentent. Force est de constater qu'elles ne le sont pas, et bien plutôt qu'elles demeurent à ce jour majoritairement nationales. C'est là pourtant un luxé qui risque de devenir de plus en plus rare, et qui reste en deçà des défis de l'époque.

Au-delà des coopérations sporadiques menées sur des bases bilatérales ou multilatérales restreintes, la rupture ne peut venir que d'une discussion de fond entre les vingt-huit Etats. Aussi Catherine Ashton a-t-elle suggéré d'élaborer une feuille de route stratégique pour la politique de sécurité et de défense commune, assortie d'une forme de semestre européen de la défense qui puisse inciter les Etats membres à planifier davantage en commun. Certains pays membres préconisent même de doter enfin l'UE d'une stratégie globale pour son action extérieure à moyen terme.

La solution consisterait en effet à imprimer à la définition du besoin stratégique une dynamique collective, qui permette d'utiliser les leviers politiques dont dispose l'UE pour peser sur le cours des choses à vingt-huit, plutôt qu'en ordre dispersé. De ce point de vue, la tenue d'un authentique débat entre chefs d'Etat et de gouvernement est chose primordiale – a fortiori s'il s'accompagne d'un calendrier précis pour évaluer les progrès et arrêter des points d'étape, chiffrés si nécessaires. Le renouvellement du personnel européen en 2014 est l'occasion de donner à la nouvelle équipe les moyens de s'approprier le projet.

La construction européenne en matière de défense et de politique étrangère est en effet une pièce à plusieurs mains – vingt-huit précisément – qui peine à nouer le fil de son histoire, mais aussi à trouver son public. Le lien entre les forces armées et les citoyens européens s'est distendu depuis la fin de la guerre froide, et le public ne comprend plus à quoi sert la force armée. Ouverture et imagination sont plus que jamais nécessaires en amont des européennes de mai 2014 : certains chantiers comme le drone et la cyberdéfense doivent permettre de donner davantage de visibilité à la défense.

Reste que l'impulsion ne pourra venir en dernier ressort que des chefs d'Etat eux-mêmes. Dans quelques jours, ils auront une occasion sans précédent de parler aux citoyens et de mobiliser les volontés. Ou de laisser l'UE s'isoler toujours un peu plus des mutations du monde, et la France toujours un peu plus seule à Bangui.

## Economie

# Sortons de l'euro pour sauver l'Europe –

Par Jean-Pierre Vesperini 95,107

15 mai 20130

Source : [observatoiredeleurope.com](http://observatoiredeleurope.com)



**Il est logique que la fin de l'euro constitue le dénouement de la tragédie franco-allemande puisque c'est la création de l'euro elle-même qui est à l'origine de cette tragédie. En effet, en faisant perdre à chaque Etat de la zone euro d'abord sa souveraineté monétaire, et maintenant sa souveraineté budgétaire, l'euro aboutit à ce qu'aucun Etat ne puisse suivre la politique économique qui est adaptée à son économie.**

Certes, le premier problème de la France est le chômage, dont la cause tient à l'absence de croissance. Dans le cadre actuel de l'euro, qui l'a privée de ses souverainetés monétaire et budgétaire, le pays ne dispose plus des leviers qui lui permettraient de retrouver la croissance. La France en est donc réduite à demander à l'Allemagne de mettre en oeuvre une action de relance dont elle serait la bénéficiaire. Pour que l'action de Berlin soit vigoureuse, elle devrait consister à la fois en une politique budgétaire moins rigoureuse et en une politique salariale plus généreuse. Etant donné les contraintes que l'euro fait peser sur l'économie française, la France est donc parfaitement fondée à demander à l'Allemagne d'appliquer cette politique de relance.

Le problème est que le gouvernement allemand ne peut pas appliquer cette politique pour deux raisons : tout d'abord, les Allemands ne comprendraient pas qu'après avoir accompli d'importants efforts pour revenir à l'équilibre budgétaire, le gouvernement décide de s'en écarter délibérément.

Ensuite, parce que le gouvernement n'est pas maître de la politique salariale, qui dépend des partenaires sociaux. Or patronat et syndicats ne souhaitent pas un relâchement de la discipline salariale qui se traduirait par une perte de compétitivité, donc par une diminution des marges des entreprises et une réduction de l'emploi. L'Allemagne est donc parfaitement fondée à refuser les demandes de la France.

De son côté, que demande Berlin à Paris ? L'Allemagne se rend compte que le déficit public et le déficit extérieur de la France ne se réduisent pas. Elle redoute de devoir financer d'une manière ou d'une autre ces déficits auxquels s'ajouteraient ceux des autres pays déficitaires. L'Allemagne est donc parfaitement fondée à demander à la France de réaliser des réformes (économies budgétaires, baisse des prestations sociales, baisse des salaires) afin de réduire son déficit public et son déficit extérieur.

Le problème est ici que le gouvernement français ne peut pas réaliser des réformes de cette ampleur dans une société française au bord de la crise de nerfs. Croire que l'on peut réformer en profondeur la société et l'économie françaises sans croissance est une illusion. La France est donc elle aussi parfaitement fondée à refuser les demandes de l'Allemagne.

Parler dans ces conditions de tension ou de confrontation entre les deux pays est encore inexact et insuffisant. Comme dans une tragédie, Paris et Berlin sont prisonniers d'une situation inextricable qu'ils n'ont pas créée, où chacun est dans son droit, à la fois dans ses exigences et dans ses refus.

Comment cette tragédie peut-elle se dénouer ? Il est vain d'espérer, comme certains veulent le croire, que la France et l'Allemagne vont trouver un compromis : des réformes de ce côté-ci du Rhin et une relance de l'autre côté. Les inerties sont trop grandes, les intérêts trop opposés et les évolutions trop divergentes pour qu'on puisse espérer aboutir à un compromis durable à long terme. Ou les réformes seront insuffisantes pour faire vraiment diminuer les déséquilibres français, ou la relance allemande sera trop faible pour accélérer substantiellement la croissance de la France de façon à lui permettre de réaliser ses réformes. Nécessairement, l'une ou l'autre finira par imposer ses vues.

Ou l'Allemagne imposera les siennes, obligeant le gouvernement français à réformer en dépit de l'absence de croissance, et, dans ce cas, le risque est de provoquer une crise sociale grave pouvant conduire à la sortie de la France de la zone euro. Ou le gouvernement allemand cédera et acceptera d'être le payeur en dernier ressort des pays déficitaires de la zone euro. Mais, dans ce cas, le risque est que l'hostilité de l'opinion allemande à cette solution n'amène l'Allemagne à quitter finalement la zone euro. On voit donc que, quelle que soit la branche de l'alternative que suivront les événements, la tragédie franco-allemande se dénouera de la même manière : par la fin de l'euro.

Il est d'ailleurs logique que la fin de l'euro constitue le dénouement de la tragédie franco-allemande puisque c'est la création de l'euro elle-même qui est à l'origine de cette tragédie. En effet, en faisant perdre à chaque Etat de la zone euro d'abord sa souveraineté monétaire, et maintenant sa souveraineté budgétaire, l'euro aboutit à ce qu'aucun Etat ne puisse suivre la politique économique qui est adaptée à son économie. L'euro empêche la correction des déséquilibres.

En maintenant et en amplifiant les déséquilibres, l'euro crée une divergence croissante entre les Etats de la zone. Ainsi, en bloquant le taux de change entre la France et l'Allemagne, alors que les salaires ont augmenté deux fois plus vite en France qu'en Allemagne, l'euro nourrit un déficit extérieur croissant de la France vis-à-vis de l'Allemagne. Plus généralement, en imposant à l'économie française un taux de change de l'euro surévalué et à l'économie allemande un taux de change sous-évalué, l'euro crée des déficits extérieurs en France et des excédents en Allemagne. En réduisant ainsi les débouchés extérieurs de la France, il affaiblit son économie, tandis qu'en stimulant les débouchés extérieurs de l'Allemagne il renforce son économie.

Dans ces conditions, l'euro ne peut que favoriser une hostilité croissante de la France à l'égard de l'Allemagne. La fin de l'euro, en faisant retrouver sa souveraineté au gouvernement français, ne l'obligerait plus à demander au gouvernement allemand ce que ce dernier ne peut lui accorder.

La disparition de l'euro est donc nécessaire pour deux raisons : d'abord, pour mettre un terme à la lamentable tragédie franco-allemande. Ensuite, pour permettre à la France de retrouver la croissance. Nombreuses sont les voies qui pourront conduire à la fin plus ou moins proche de l'euro. La seule certitude est que cette fin est nécessaire. Nécessaire aux deux sens de ce mot : indispensable et inéluctable.

Jean-Pierre Vesperini, Professeur agrégé des facultés de droit et des sciences économiques

LE MONDE | 14.09.2013 à 10h46 | Par **Françoise Fresso**

Dans le milieu économique, Jean-Pierre Vesperini, 70 ans, professeur agrégé des facultés de droit et de sciences économiques, fait figure de "drôle de zèbre". Un "*brillant garçon*" reçu premier à l'agrégation en 1973, alors "*qu'il n'avait pas une note en poche*", se souvient l'un de ses pairs. Raymond Barre, qui présidait son jury de thèse, le tenait en estime. Il a enseigné quelques années à Sciences Po puis à HEC, mais son port d'attache est resté l'université de Rouen.

*"C'est un provincial, un solitaire, un marginal à qui on n'a pas trop envie de se frotter"*, précise un autre de ces compères qui l'a fréquenté au Conseil d'analyse économique. L'universitaire y était entré en 2004 pour porter la contradiction au sein de cet aréopage chargé d'éclairer le gouvernement. Car Jean-Pierre Vesperini est un farouche adversaire de l'euro.

Le Monde.fr a le plaisir de vous offrir la lecture de cet article habituellement réservé aux abonnés du Monde.fr. Profitez de tous les articles réservés du Monde.fr en vousabonnant à partir de 1€ / mois | Découvrez l'édition abonnés

C'est ce combat qui le conduit à Marseille où il anime, dimanche 15 septembre, une table ronde à l'invitation du Front national. Le "*gaullo-barriste*", comme il se définit, fait désormais partie de ces universitaires que le FN met en vedette pour tenter de crédibiliser son programme économique.

*"C'est un invité, pas un adhérent"*, nuance Florian Philippot, vice-président du FN, qui a sollicité l'agréé sans bien le connaître après avoir reçu son dernier livre sur la monnaie unique (*L'Euro*, Dalloz, 240 pages, 3,33 euros). Mais Jean-Pierre Vesperini a déjà le vocabulaire de Marine Le Pen. Comme elle, il accuse *"l'UMPS de tourner le dos à la grandeur et à l'indépendance de la France"* et s'étrangle *"devoir que la zone euro est la seule du monde à connaître cette année la dépression"*.

## DÉTOUR CHEVÈNEMENTISTE

Jusqu'à présent, cela ne l'a jamais conduit à voter FN. Giscardien en 1981, il a participé à la campagne de Raymond Barre en 1988 puis voté Jacques Chirac et Nicolas Sarkozy, en concédant un détour par Jean-Pierre Chevènement au premier tour en 2002. Mais là, il est tout près de craquer. Il dit ne plus en pouvoir de cette "*politique de robinet d'eau tiède qui signe le déclin de la France*", réfute l'idée selon laquelle "*il y aurait des gens infréquentables*", assume, un rien bravache, sa virée marseillaise en pronostiquant "*un gros brassage à l'intérieur des partis*".

Ceux qui le connaissent ont sursauté lorsqu'ils ont appris sa démarche. "*Lui au FN ? Impossible !*", s'exclame un économiste de ses amis, évoquant le souvenir de la famille Vesperini qu'il fréquentait il y a quelques années : l'épouse Catherine, juive, aussi expansive que lui est misanthrope, cinq enfants brillants ouverts sur les autres. Une vie hors norme, loin des canons du Front. Sur ce registre, l'intéressé se ferme, comme emmuré dans son combat contre l'euro.

## The world, Europe, France 95,100

le 10 Décembre 2013 à 10:01

### AUDIO

Tribune - Pascal Lamy



Pascal Lamy, our honorary president, gave a key note speech (*in French*) on Europe and France in the global economy at the opening of our [European Steering Committee](#) which met on 29 and 30 November 2013 at the Maison des polytechniciens in Paris. The podcast of his speech is now available on our [SoundCloud](#) channel.

## Jean Pisani-Ferry, nouvel économiste en chef de Jean-Marc Ayrault 95,111

PROSPECTIVE



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Fabien Piliu | 24/04/2013, 14:44 - 418 mots

L'économiste a été nommé ce mercredi par le gouvernement. Il devra composer avec toutes une série de structures chargées elles aussi d'anticiper et de dessiner l'économie française de demain.

Lors du conseil des ministres, la nomination de Jean Pisani-Ferry à la tête du Commissariat général à la prospective a été officialisée. Ce n'est pas vraiment une surprise, l'économiste, qui les faveurs de Matignon et de l'Elysée, faisant partie des prétendants favoris à la fonction.

Ingénieur Supélec de formation, il a dirigé le Centre d'études prospectives et d'informations internationales (CEPII) de 1992 à 1997 avant d'occuper le poste de conseiller économique à Bercy de 1997 à 2000 au sein des cabinets de Dominique Strauss-Kahn puis de Christian Sautter. Il fut ensuite président délégué du Conseil d'analyse économique (CAE), expert pour la Commission européenne de 1989 à 1992. Il enseigne actuellement à l'université de Paris-Dauphine.

### Fondateur de l'institut Bruegel

Jean Pisani-Ferry s'est surtout fait connaître de l'opinion publique en tant que fondateur de l'institut Bruegel, un think tank créé en 2004, dont il vient de quitter la direction. Proche du gouvernement actuel, son nom ne fut pas retenu pour assurer la présidence de l'IEP de Paris en février. Petit lot de consolation, Claude Bartolone, le président de l'Assemblée nationale l'a nommé au Haut Conseil des finances publiques quelques semaines plus tard.

Pour ce pro-européen, cette nomination est une sorte de retour aux sources puisqu'il fut chargé de mission au commissariat général du Plan entre 1981 et 1983. A quoi servira exactement le Commissariat général à la prospective. Se contentera-t-il, comme le fit un temps Eric Besson de commander des rapports à des économistes brillants sur ce que devrait être la France de demain ? Qui se souvient du rapport "[France 2025](#)" ou du rapport de la Commission "[Energies](#)

2050" du Centre d'analyse stratégique (CAS) présenté par l'ancien secrétaire d'Etat à la Prospective ? A défaut d'avoir un pouvoir décisionnaire, sera-t-il assez puissant - et assez écouté par l'Elysée et Matignon - pour impulser de véritables projets structurants ?

### **Beaucoup de structures plus ou moins similaires**

Si tel est le cas, le Commissaire devra se battre pour faire entendre sa voix. En effet, nombreuses sont déjà les institutions en charge de « penser » l'avenir de la France. Citons, sans être exhaustif, le conseil d'orientation de la Banque publique d'investissement et ses nombreuses - fortes - personnalités, les comités de filières industrielles stratégiques, le commissariat général chargé des programmes d'investissement d'avenir ainsi que les multiples think tank qui gravitent autour du gouvernement. Le choc de simplification décrété par Matignon n'a pas encore touché la sphère institutionnelle.



<http://www.france24.com/fr/invite-leconomie/20131026-jean-pisani-ferry-commissaire-a-strategie-a-prospective/>

L'INVITÉ DE L'ÉCO

Dernière modification : 04/11/2013

**VIDEO**

## Jean Pisani-Ferry, commissaire général à la Stratégie et à la Prospective 95,113

À quoi ressemblera la France dans dix ans ?

Telle est la question posée dans une note remise au gouvernement français par un groupe d'experts, à la fin de l'été dernier. Et tel est le défi auquel doit faire face Jean Pisani-Ferry, l'économiste qui a pris la direction du Commissariat général à la Stratégie et à la Prospective, l'institution qui planche sur la stratégie économique de la France à l'horizon 2025.

Bretzel dans la gorge ?

## L'Allemagne à la barre : quel impact pour le reste de l'Europe de la nouvelle coalition allemande ? 95,114

L'accouchement a été long et douloureux mais l'Allemagne s'est enfin dotée d'une coalition qui réélira Angela Merkel à la tête du pays pour un troisième mandat de quatre ans. Et quand l'Allemagne enfante un nouveau gouvernement, c'est toute l'Union européenne qui se demande ce que lui réserve cette naissance.

Publié le 17 décembre 2013

**Atlantico : Après de longues négociations et un vote des militants du SPD, une coalition de gouvernement réélira effectivement madame Merkel pour un troisième mandat à la tête de l'Allemagne. Quelle vision de l'Allemagne et de l'Europe, et de l'Allemagne dans l'Europe, cet accord contient-il ?**

Henrik Uterwedde :

Ce gouvernement sera celui de la continuité (modèle de l'économie sociale de marché, grands axes de la politique économique, fiscalité, consolidation budgétaire, politique européenne...) mais apportera certains infléchissements importants : un agenda social (introduction d'un salaire minimum, mesures en faveur des retraités), des investissements publics renforcés (routes, écoles, universités, recherche et innovation), le tout conduisant à de nouvelles dépenses publiques à la hauteur de 40 milliards € pour les 4 ans à venir. Cela signifie une hausse de la demande intérieure allemande (consommation et investissements) que les partenaires ont toujours revendiquée.

Quant à l'Europe, le nouveau gouvernement appelle une Europe politique basée sur le principe de la subsidiarité (concentration de l'Europe aux affaires importantes, fin de l'interventionnisme bruxellois tout azimut), un retour à la méthode communautaire et une meilleure légitimité des décisions communautaires en renforçant le rôle du Parlement européen et des Parlements nationaux. Quant à la politique de la zone euro, malgré certaines ouvertures, elle affiche la continuité : appel à la consolidation budgétaire et aux réformes structurelles, mais aussi ouverture aux investissements d'avenir et à l'agenda de croissance.

Quels sont les points de convergence entre la coalition tout juste actée et la politique de Bruxelles ? Quels sont au contraire les points d'achoppements potentiels et quelle peut-être leur niveau de gravité ?

Je ne vois pas de grands changements dans les rapports avec Bruxelles. Prenons l'exemple de l'énergie : le nouveau contrat de coalition promet de mieux mettre en phase la politique allemande (promotion des énergies renouvelables par un système de prix garantis, qui sont payés par les consommateurs d'énergie) avec la politique européenne. C'est une bonne chose car la sortie précipitée du nucléaire n'a pas été concertée avec les partenaires. Cependant, Bruxelles vient de lancer une procédure contre les exceptions trop généreuses à ce principe, dont profitent les industries gros consommateurs d'énergie afin de ne pas nuire à leur compétitivité, et que la Commission considère comme des subventions incompatibles avec les règles du marché unique. Mais la procédure vise un mécanisme de la coalition sortante. Par ailleurs, ce type de différend entre politique nationale et règles européennes est classique, il ne concerne pas que l'Allemagne.

Cette nouvelle coalition peut-elle éteindre le moteur européen comme le prétend une partie de la presse étrangère, notamment "[The Economist](#)" ? Avec quel impact ?

Il y a une critique libérale et patronale de la politique esquissée par la nouvelle coalition, arguant qu'elle serait trop axée sur les mesures sociales coûteuses, qui ne manqueraient pas d'alourdir les charges fiscales et sociales, et trop peu sur les investissements d'avenir. On reproche ainsi à la coalition de tourner le dos aux réformes Schröder, qui avait tirée l'Allemagne de sa langueur à partir de 2003.

Poker menteur

Publié le 27 novembre 2013

## Jouer le bloc des pays du Sud contre l'Allemagne : quel bilan peut-on faire de la stratégie européenne de François Hollande ? 95,115



### [Henrik Uterwedde](#)

Henrik Uterwedde est politologue et directeur adjoint de l'Institut Franco-Allemand de Ludwigsburg.

**François Hollande sera mercredi 27 novembre à Madrid afin de présenter un "front commun" avec le chef du gouvernement espagnol, Mariano Rajoy, à l'approche d'échéances européennes décisives sur l'union bancaire.**

Atlantico : Quel bilan peut-on faire de la stratégie européenne de François Hollande, notamment de sa volonté de rapprochement avec les pays du Sud au détriment du couple franco-allemand ?

**Henrik Uterwedde** : Je ne sais pas si François Hollande a vraiment eu comme stratégie de rassembler le « Sud » contre l'Allemagne. **De toute façon, une telle stratégie était vouée à l'échec : d'une part, dans les questions de l'eurozone où l'Allemagne est un partenaire incontournable** comme on l'a bien vu récemment ; d'autre part, et cela vaut aussi pour l'Allemagne, rien ne remplace le partenariat franco-allemand dans ce domaine. Aucun des deux ne pourra forcer la main des autres tout seul. Par ailleurs, l'ambition de la France est-elle vraiment d'être un pays du « Sud » ?

François Hollande a-t-il perdu un temps précieux au début de son mandat particulièrement en misant sur la défaite d'Angela Merkel ? En quoi la réélection de la chancelière bouleverse-t-elle la donne ?

Là encore je me refuse à des procès d'intention, fussent-ils rétroactifs. **Il est vrai que certains, à gauche, ont pu nourrir de tels espoirs, loin des réalités car même le SPD au gouvernement n'aura pas de politique européenne fondamentalement différente.** Du reste, quand on gouverne la France ou l'Allemagne, on ne choisit pas son partenaire : on fait avec. Il me semble que François Hollande l'a compris très rapidement.

Les difficultés du couple franco-allemand sont-elles dépassées ou reste-t-il une part de méfiance mutuelle entre François Hollande et Angela Merkel ? Celle-ci est-elle préjudiciable à la poursuite de la construction européenne ?

Je pense que les difficultés sont le double résultat de l'ampleur de la crise de la zone euro et du fait que nos deux pays ont des intérêts, et des options, différents quand il s'agit d'approfondir l'union économique et monétaire. Ces différences existent, et elles sont légitimes. **Pour rapprocher ces positions, on a besoin de beaucoup de volonté politique commune et d'un climat de confiance. Je pense que les deux « chefs » et leurs équipes gouvernementales en font preuve.** Que certains cèdent parfois à la tentation de s'en prendre au voisin de manière caricaturale n'y change pas grand-chose : que voulez-vous, c'est tellement plus facile de chercher la faute ailleurs !

Pourquoi, malgré certaines divergences d'intérêts, le couple franco-allemand reste-t-il invariablement le moteur de l'Europe ?

L'Europe, c'est une entreprise de rapprochement entre maintenant 28 pays : autant d'expériences collectives, de structures, de cultures politiques et économiques différentes. **Ce rapprochement a souvent (pas toujours !) été facilité par nos deux pays, justement parce qu'ils représentent deux cultures et approches différentes, souvent représentatives de la pluralité européenne,** et par ce qu'ils ne se sont pas contentés d'un constat de différence mais ont travaillé ensemble pour rapprocher les positions. Il n'y a pas de vrai progrès en Europe sans compromis, qui passe souvent par une volonté commune franco-allemande. Tout cela confère à nos deux pays une grande responsabilité même si les gouvernements ne sont pas toujours à la hauteur...

Meinung 19.12.13

Streit um Islamlehre

## **Muslimen schadet der Kampf gegen ihren Reformer**

**95,116**

Verfassungskonform und human, so lehrt der Münsteraner Reformgelehrte Mouhanad Khorchide den Islam. Den Verbänden passt das nicht. Mit ihrer offenen Kampfansage haben sie sich ein Eigentor geschossen.

Von Till-R. Stoldt



Foto: picture alliance / dpa Mouhanad Khorchide, der Leiter des Zentrums für Islamische Theologie in Münster, ist umstritten

Eine historische Sekunde lang schien es, als gehe in der Bundesrepublik die Sonne eines voll inkulturierten deutschen Islams auf. Mit Mouhanad Khorchide war ein bekennender Reformgelehrter und Orthodoxiekritiker in Münster zum Ausbilder künftiger Islamlehrer aufgestiegen. Und da Khorchide an der Uni Münster eine Menge Fürsprecher besaß, trugen die vier großen Muslimverbände diese Entscheidung mit, wenngleich teils zähneknirschend. Sie konzedierte, man müsse ihm wenigstens eine Chance geben. Immerhin. Sogleich schossen die Hoffnungen hoch: Könnten die verknöcherten Verbände vielleicht doch, ganz behutsam natürlich, zu einer Neuakzentuierung bereit sein? Gar zu einem neuen Kurs – hin zum humanistischen und aufgeklärten Reformislam?

Diese Hoffnung darf man bis auf Weiteres begraben. Diese Woche verkündete der Dachverband der vier großen Muslimverbände, der Koordinationsrat der Muslime (KRM), eine Zusammenarbeit mit Khorchide sei nicht mehr möglich. Zur Begründung hieß es ausdrücklich, der Münsteraner Islamgelehrte verlasse den Boden der traditionellen islamischen Lehre. Auf dem wollen die Verbände offenbar stehen bleiben.



Foto: dpa Bundespräsident Joachim Gauck besuchte das in Münster ansässige Zentrum mit Leiter Mouhanad Khorchide im November 2013

Einem von Herzen verfassungskonformen und humanistischen Islam erteilten sie damit eine Absage. Denn: In seinen Büchern und Aufsätzen hat Khorchide nicht weniger als einen (aus verfassungspatriotischer Sicht) durch und durch sympathischen Islam herausgearbeitet. Reihenweise entsorgte er all die Zumutungen der islamischen Tradition – und das nicht gewunden und unter Vorbehalt, sondern uneingeschränkt und klar.

### Ungewohnte Klarheit des Reformislams

Dass Atheisten und sonstige Nichtmuslime nur Brennmaterial fürs ewige Höllenfeuer seien, dass Ex-Muslime, Ehebrecher oder Homosexuelle zu Tode gesteinigt gehörten, dass man Frauen züchtigen dürfe und dass Christen mit dem Glauben an die Menschwerdung Gottes eine verdammenswerte Todsünde begingen – all diese Kröten, um nur ein paar zu nennen, verscheuchte Khorchide aus seinem Haus des Reformislams. Für ihn ist das zeitgebunden oder nicht authentisch, jedenfalls für immer veraltet. Und damit eroberte er die Herzen hiesiger Nichtmuslime – vom Bundespräsidenten bis zu Ministern der zuständigen Landesregierung in NRW.

Khorchides Leistung wirkt umso befreiender, als man solche Klarheit von den Verbänden eben nicht gewohnt ist. Die üben sich bislang eher in der Kunst, Konflikte zwischen deutscher Werteordnung und verfassungsfeindlichen Teilen der islamischen Orthodoxie mit oberfaulen Kompromissen zu überbrücken. Ein Beispiel: Natürlich, so erklären sie mit scheinbar größter Selbstverständlichkeit, sei die Steinigung hierzulande kein Thema. Aber die Begründung dafür kann einen nur besorgen.

Manche, wie Aiman Mazyek, der Vorsitzende des Zentralrats der Muslime, erklären, sie seien doch für ein "Moratorium" in Sachen Steinigung. Damit gemeint ist gemäß dem Islamgelehrten Tariq Ramadan folgendes: Bis die islamischen Gelehrten weltweit eine Einigung über den Sinn oder Unsinn der Steinigung erzielen, soll diese Strafe nicht angewendet werden. Heißt im Umkehrschluss: Sollten sie sich darauf einigen, diese blutige Strafe sei Gottes Wille, wäre das Steinigen auch heute noch völlig o.k. Ist das eine beherzte Absage an eine derart abscheuliche Foltermethode?

### Faule Kompromisse zu strittigen Themen

Aber in den Verbänden gibt es noch viel faulere Kompromisse. So argumentieren manche, anknüpfend an das Internationale Institut für islamisches Denken in Washington oder an den Gelehrten Yussuf al-Qaradawi, in Deutschland sei das Ermorden Abtrünniger, Homosexueller oder Ehebrecher deshalb kein Thema, weil Muslime hier die Minderheit stellten. Ergo: Sollte sich das ändern, sähe die Sache anders aus.

Wohlthuend anders klingt da Khorchide. Ihm zufolge widerspricht die Steinigung eindeutig und ohne jede Einschränkung der Menschenfreundlichkeit des barmherzigen Gottes. Diese Klarheit konnten die Verbände offenbar nicht ertragen. Sie rüffelten Khorchide, mit solchen Ansichten könne er nur noch "auf Kirchentagen" reüssieren (so der niedersächsische Schura-Vorsitzende Avni Altiner). Nur zur Erinnerung: Das war nicht als Kompliment gemeint.

Nun wiederholen die Vertreter des traditionellen Islams unablässig, beim Streit mit Khorchide gehe es gerade nicht um einen Konflikt zwischen konservativen (oder reaktionären) und liberalen Muslimen. Das erkenne man schon daran, dass es in ihren Reihen auch Anhänger von Positionen gebe, die denen Khorchides ähnelten. Stimmt. Vor allem auf einen Prominenten muss man da verweisen: auf den in Frankfurt lehrenden türkischen Islamwissenschaftler Ömer Özsoy, dessen historisierendes Islamverständnis dem Khorchides in vielem nahesteht. Trotzdem führt das Argument in die Irre.

### Wer legt fest, was Islam ist?

Erstens fährt Özsoy auf dem Ticket einer Stiftungsprofessur des türkischen Staates und kann vom türkischen Kabinett jederzeit gegen einen traditionalistischen Gelehrten ausgetauscht werden, zweitens kann der deutsche Staat seinen Bildungsauftrag, also die Ausbildung staatlicher Religionslehrer, nicht an einen anderen Staat verschenken. Und drittens genießt der sympathische Özsoy keineswegs die Sympathie der in Ankara

herrschenden Erdogan-Regierung, von der er aber abhängig ist. Für die strammkonservative Erdogan-Clique besitzt Özsoy wohl nur eine Funktion: er kommt in Deutschland gut an und kann dadurch eher als ein Orthodoxer den Einfluss des türkischen Staates auf hiesige Bildungseinrichtungen erhöhen.

Von diesem Einzelfall abgesehen: Ist es denn akzeptabel, wenn in einem Verband Reaktionäre, Reformer und (laut Verfassungsschutz) mutmaßliche Verfassungsfeinde munter durcheinander gemischt werden, um gemeinsam zu definieren, was hierzulande Islam ist? Wäre es denn tolerabel, wenn in der CDU Demokraten und NPD-Leute gemeinsam den Kurs bestimmten?

Nein, die Komplettablehnung Khorchides schadet nicht nur dem Ansehen des hiesigen Islams, sondern auch dem der Verbände. Es gibt sympathische und integre Menschen in den Verbänden, kein Zweifel. Aber wundern dürfen sie sich nicht, wenn sie fortan gefragt werden: Bist du Verbandsmuslim – oder Sympathieträger?

# To Secure Peace, Be Ready for Battle

95,119

**To remain true to its nature, the EU needs the capabilities to protect its values in its neighborhood and beyond.**

Catherine Ashton

Dec. 18, 2013 3:25 p.m. ET

Off the coast of Somalia, men and women from across Europe are proving the old adage that no news can be good news. Stories of piracy used to make front pages around the world. Today they don't. That is because attacks over the past year have dropped by 95%.

This is no accident. National frigates are working together under the EU's Operation Atalanta to protect the shipping lanes needed for so much of Europe's trade with the rest of the world, and for vital food aid to Somalia. We are also tackling the underlying problems, not just the symptoms. The EU is training the Somalian army, supporting the rebuilding of its shattered institutions and providing development aid to lay the foundations for long-term prosperity.

Somalia provides an example of a wider truth. An effective and coherent security and defense policy is a necessity, not a luxury, for Europe. Possessing the capacities for crisis prevention and peacekeeping are vital if we are to build a more peaceful world order.

Of course, NATO has been the lynchpin of Europe's security for 60 years. But times are changing. Earlier this year the last American battle tank left our continent. It is necessary, as well as right, for Europe to do more. That is why since 2003, the European Union has successfully kept peace in Bosnia-Herzegovina, trained policemen in Palestine and Afghanistan, and fought piracy in the Indian Ocean.

We must now go further. If Europe is to remain a global player in the 21st century, Europeans will need to cooperate even more closely. The rationale for a stronger European defense policy is threefold: political, ensuring that the EU can live up to its global ambitions; operational, giving Europe the capacity to act on the ground; and economic, securing jobs and driving innovation in times of austerity.

Even if Europe has been at peace since World War II, war and conflict are never far away. Whether it is the civil war in Syria or cyber attacks targeting our airports or energy grids, we face clear and present threats. Poverty and social and ethnic tensions are important drivers of conflict.

This is why we need a comprehensive approach to foreign policy, employing the broad spectrum of tools the EU has at its disposal. It combines our civilian and military missions with diplomacy and dialogue, as well as development policy to address the symptoms and causes of conflict, as in Somalia.

Terrorism, cyber threats and piracy cannot be countered without modern technology and highly professional and well-equipped forces. Closer cooperation on defense will ensure that Europe can act more rapidly. When European fighter jets flew over Libya in 2011, U.S. air tankers had to refuel them in 80% of the cases. We know which capabilities Europe lacks and we know that we need to invest to develop them.

If European armies are equipped with modern air tankers and cyber-defense capabilities, it will make them more reliable NATO partners too. What the EU calls "Pooling and Sharing" and what NATO calls "Smart Defense" are complementary and mutually reinforcing. Defense markets are still too fragmented and decisions are still made in 28 national contexts.

As a result, new capabilities are purchased on a purely national basis, often giving preference to national industries, and often resulting in duplication in some areas and a lack of capacity in others. By successfully "pooling and sharing," EU countries could better focus the €200 billion they spend every year on defense.

In times of austerity, it would be unreasonable to expect bigger defense budgets. Instead, we need pragmatic solutions: more cooperation between our governments by pooling, sharing and specializing; more convergence of military planning among member states and between EU and NATO; and consolidation of European defense industries.

Cooperating on defense—a field that lies at the very core of national sovereignty—requires trust both between governments and from our citizens. This is why we need to be clear that it is essential to safeguard jobs and increase economic prosperity.

One immediate challenge is to enable our forces to react faster to a crisis. Closer cooperation on defense can achieve just that. Research conducted by the European Defence Agency and the European Commission shows that it could also save up to €130 million per year. European defense companies such as EADS or BAE employ 400,000 people, and twice as many are working throughout the whole value chain, including in countless small and medium-size enterprises.

Europe has come a long way, from being a consumer of security to becoming a provider of security. The meeting of EU leaders in Brussels this week sends a clear signal that defense is now top of the agenda in Europe. Three topics will be at the center of our discussions: first, the priorities for future development of capabilities; second, building a competitive and innovative defense industry; and third, the preparation and availability of our forces.

The new emphasis on defense does not mean that the EU has abandoned its identity as a peace project in favor of more bellicose ambitions. On the contrary: Europe is aware that to remain true to its nature as a peace project, it needs the capabilities to protect and uphold its values in its neighborhood and beyond.

*Ms. Ashton is high representative of the European Union for foreign affairs and security policy and vice president of the European Commission.*



## The Minotaur Labyrinth: What Europe's "Bank Resolution" Looks Like In One Chart 95,121



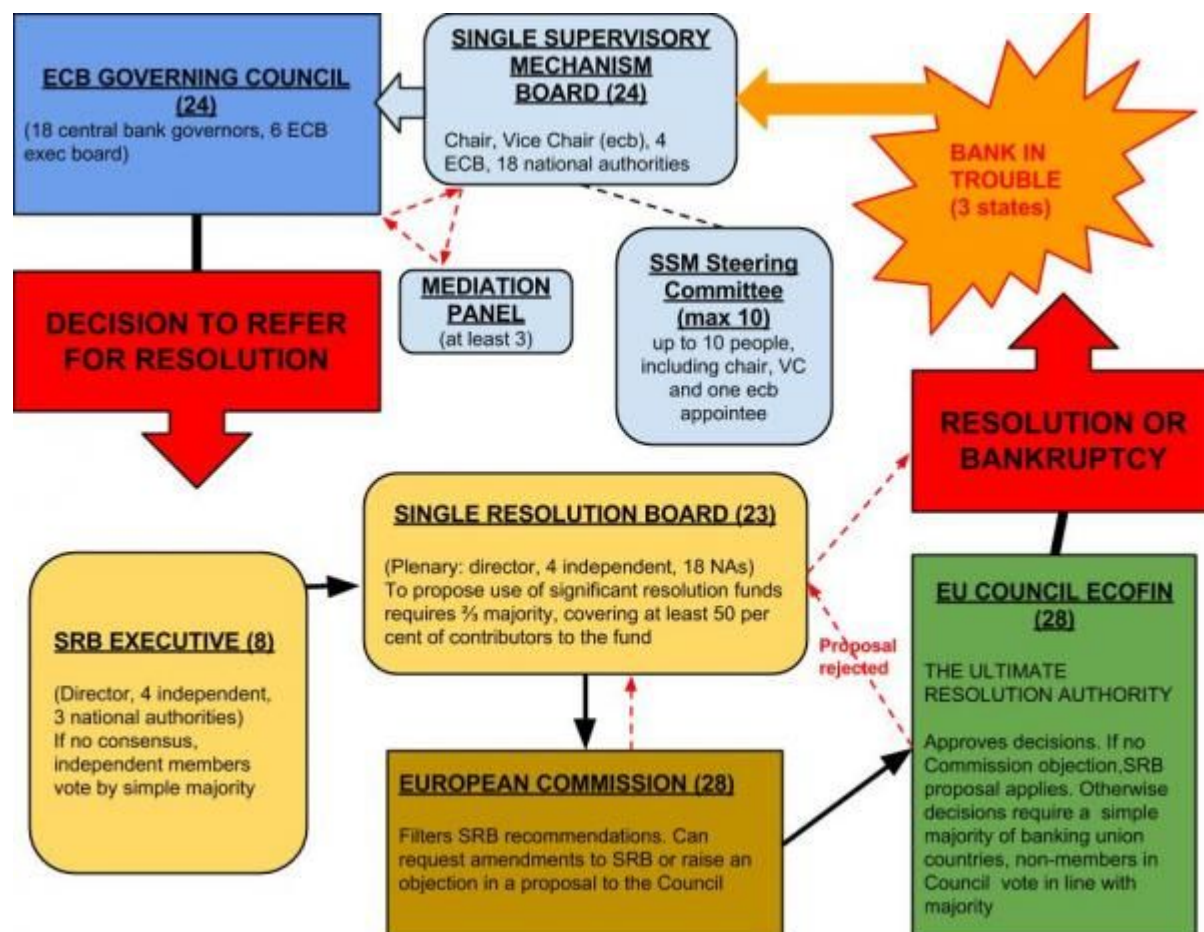
Submitted by [Tyler Durden](#) on 12/19/2013 11:17 -0500

Late last night, European Union finance ministers [agreed on a new system](#) to centralize control of failing euro-zone lenders - a so-called "bank resolution mechanism" - in the hope that it will stop expensive banking crises from ruining the finances of entire countries. As WSJ reports, ""Taxpayers will no longer foot the bill when banks make mistakes and face crises, ending the era of massive bailouts," according to Michel Barnier, the EU's internal market commissioner." Sadly, Mr. Barnier is incorrect, for two main reasons.

First, in Europe the link between a bank and its sovereign has never been tighter courtesy of ever rising holdings of host sovereign debt by a bank in question (subsequently reposed with the ECB for cash) currently at record high levels across the periphery, which means a major bank failure will always result in taxpayer impairment.

Second... well, instead of describing it, we will instead simply show graphically [courtesy of the FT](#) just what the "streamlined" bureaucratic process for achieve bank "resolution" in Europe looks like. The numbers in brackets show how many people are involved at any given stage of the resolution process: **148 or so in total**.

In a word (or two) - good luck.



## BANKING UNION

# A major leap forward 95,122

19 December 2013

[LE MONDE](#) PARIS



[Arend van Dam](#)

The agreement concluded by European Finance Ministers on December 18 provides for a single resolution mechanism for banks and will pave the way for a single resolution fund. As such it amounts to an important step towards a real monetary union, but not a definitive one.

[Le Monde](#)



It was a good day, or rather a good night, for Europe. [The banking union agreement](#), concluded in Brussels late on Wednesday, December 18, marks a major step forward, even if does not amount to full European integration.

A reassurance for savers and for the markets, it provides for the consolidation of a European banking sector which still has a good many lame ducks. Since the financial earthquake of 2008, Europe has lagged behind the United States, which was quicker to clean up its banks. Now it is moving in the right direction, and even more importantly, the banking union will stabilise a eurozone architecture, which the crisis has shown to be unbalanced and fragile.

With budgetary harmonisation, European solidarity funds, and perhaps the soon-to-be-implemented coordination of economic policies, the banking union will give the monetary union a material existence which has long been overdue. It also aims to break the link between banking crisis and sovereign debt, effectively preventing contagion of the kind that spread from catastrophically managed banks – in Athens, Dublin, Madrid

and Cyprus – to bring sovereign states to the brink of bankruptcy, and threaten the survival of the wider eurozone.

The product of a compromise between northern and southern eurozone countries, Wednesday's agreement, which will now have to be endorsed by EU heads of state and government and backed by a vote in the European Parliament, organises the banking union around two missions: banking supervision, and the resolution of banking crises.

ECB to monitor 130 credit institutions

The first of these chapters is the more radical and innovative of the two. Supervision, which was the responsibility of national regulators, will be entrusted to the European Central Bank (ECB). One of the Union's best performing institutions, the ECB will now take charge of the direct supervision of some 130 credit institutions.

**This amounts to virtually unprecedented leap forward in terms of sovereignty. And it should be welcomed as a logical necessity within a single monetary zone**

This amounts to virtually unprecedented leap forward in terms of sovereignty. And it should be welcomed as a logical necessity within a single monetary zone. Given the irresponsibility — and even the complete disengagement — of certain national regulators highlighted by the examples of Greece, Ireland, Spain, it is more than justified.

Marked by German hostility to anything resembling a “transfer” union in the eurozone, the chapter on the resolution of banking crises – the recapitalisation or orderly wind-up of lenders – is less innovative. There is no question of the creation of a public fund managed by one of the Union's institutions — the Commission was mooted as a candidate – to provide direct aid to banks in difficulty.

For the most part, it will be nationally based. In each of the countries concerned, the banking sector will agree on the creation of a resolution fund. This fund will be developed progressively and will only be fully mutualised in 2026 when it is expected to be able to deploy €60bn.

A further advance in the slow recovery of the eurozone, Wednesday's agreement will accompany Spain and Ireland in their [return to financial markets](#) . All of this remains fragile, but things are moving in the right direction.

## CLOSURE OF PRESSEUROP:

# 'A window on the lives of Europeans is shut' 95,124

19 December 2013

Presseurop

Lettera43, La Croix, Villamedia & 3 others



Uber

**Launched in May 2009, Presseurop, in its present form, will close down on December 20 due to lack of funding. This marks the end of a journalistic experiment with a civic dimension, says the European press.**

When it was launched in 2009, "the European Commissioner responsible for Communication, Margot Wallström, described *Presseurop* as "the expression of our desire to facilitate, to encourage and to support the creation of a European public forum for communication, discussion and debate", says Italian news web site [Lettera 43](#). Today, says the website,

**Lettera 43**

despite the statements of respect and of its recognition by the experts and just a few months ahead of the May 2014 European elections, a time when citizens will need to be informed, to vote and to decide on the future of institutions, Brussels chooses to cut back on the flow of information.

"A window on the lives of Europeans is shut," [notes French Catholic daily La Croix](#). "It was held wide open by Presseurop," says the paper, deploring

a loss for the mutual understanding of the residents of the 28 countries, just six months before European elections in which Eurosceptics are expected to achieve a breakthrough.

"For four years, Europe had a fine and independent transnational media," [says Dutch web site VillaMedia](#). The site, which specialises in media news, adds that

**Villamedia**

Presseurop seemed like an excellent way to begin a dialogue and conversation between the EU and its citizens. [...] Rather than giving it time to come to fruition, this precious project is being eliminated.

"When I added Presseurop to my bookmarks, I was unaware of its usefulness, of its prestige and of its impact," says European blogger, [Nacho Segurado](#).

**20 minutos.es**

I just kept it as a source because it seemed an important publication, the embryo of a great, pan-European media which many of us feel is lacking. If Europe wants to become a nation – and that means what it means – it is vital that it has its own press.

***Presseurop* "made us believe that the 'European Dream' is tangible"**

*Presseurop* "made us believe that the 'European Dream' is tangible", [adds Mircea Vasilescu](#), editor-in-chief of Romanian weekly *Dilema Veche*, in an opinion piece printed in daily *Adevărul*

By giving readers from all over the world the opportunity to comment, in their native language, on important European issues, Presseurop took a major step towards the creation a public European space. Something the European Commission has wanted for many years but never managed to achieve. [...] Of course, the world will not collapse if Presseurop disappears. But the decision to close the site is a bad sign for the future of Europe. [...] Without Presseurop, the ideals of the European construction will, more and more, become nothing more than talk.

After four and a half years of activity and [several months of uncertainty](#) over the fate of the site, "this loss, caused by the disappearance of *Presseurop*, reveals the isolation suffered by European affairs in the media," [says French media blog \*Décrypter la communication\*](#)

[européenne](#):




Among the Europe-specialised media – focused on the Brussels machine and reduced to an audience of experts and specialists – and the national media, which is far from the heart of European power and which restricts its correspondent to the bare minimum, Presseurop cannot be classified. It explores unknown territory and for this reason is bothersome. [...] Presseurop is a digest whose disappearance seems to mark the death of an ideal – one based on a certain kind of news media about Europe, for Europeans.

Europäischer Rat in Brüssel

## EU-Staaten lehnen Finanzierung französischer Mission ab 95,126

20.12.2013 · Frankreich will, dass die EU die Militärmission in Zentralafrika bezahlt. Dies lehnen Angela Merkel und die meisten übrigen Mitgliedsländer ab: Man könne nicht überall eingreifen, sagte die Kanzlerin in Brüssel.



© AP  Merkel und Hollande am Donnerstagabend in Brüssel

Die EU-Partner haben auf einem Gipfel des Europäischen Rats den Wunsch von Frankreichs Präsident François Hollande nach einer EU-Finanzierung der jüngsten französischen Militäroperationen in Afrika abgelehnt. Die 28 EU-Regierungen verabschiedeten auf ihrem Gipfel am Donnerstagabend lediglich eine Überprüfung der Regeln, nach denen bestimmte Kosten von Militärmissionen gemeinsam finanziert werden, die einer oder mehrere EU-Partner durchführen. **„Wir können keine militärische Mission finanzieren, bei der wir in den Entscheidungsprozess nicht eingebunden sind“**, sagte Bundeskanzlerin Angela Merkel nach Abschluss der Beratungen am ersten Gipfeltag in der Nacht zum Freitag in Brüssel. Hollande kündigte an, dass Polen die französische Mission in der Zentralafrikanischen Republik mit Truppen unterstützen wolle. Andere Länder dächten auch über personelle Hilfen, aber keine Kampftruppen nach.

**Merkel äußerte, dass sie und die anderen EU-Staaten künftig ein anderes Verhalten Frankreichs erwarteten. Es reiche nicht aus, einen Beschluss des UN-Sicherheitsrates für eine Militärmission zu erwirken. In der gleichen Zeit müsse man eine Abstimmung mit den EU-Partnern und einen EU-Beschluss anstreben, wenn man europäische Mitverantwortung wolle. Das habe sie Hollande auch bei dem bilateralen Treffen bereits am Mittwochabend in Paris gesagt.**

Frankreich hatte jüngst 1600 Soldaten in die frühere Kolonie Zentralafrikanische Republik geschickt, um dort Kämpfe zwischen christlichen und muslimischen Milizen zu beenden. 2012 hatte Frankreich zudem in Mali eingegriffen, um islamistische Rebellen zurückzudrängen. Sowohl UN als auch EU hätten das Eingreifen in Mali und der Zentralafrikanischen Republik unterstützt, äußerte Hollande. „Und die Finanzierung muss der politischen Unterstützung folgen“, hatte Hollande vor dem Gipfel gefordert. **Nach den Beratungen äußerte er nun allerdings, dass es ihm vor allem um politische Unterstützung gehe. Ursprünglich wollte Hollande, dass der französische Einsatz EU-Mission wird.**

EU will gemeinsame Verteidigungspolitik ausbauen

Die EU will sich in den kommenden eineinhalb Jahren derweil wieder stärker um den Ausbau ihrer Verteidigungspolitik bemühen, wozu unter anderem eine Zusammenarbeit in der Entwicklung von Drohnen gehören soll. Die Staats- und Regierungschefs der Mitgliedstaaten hatten sich am Donnerstag zu Beginn des Europäischen Rates auf eine Reihe von Vorhaben und Absichtserklärungen verständigt. Kanzlerin Merkel sagte, die EU könne auf diesem Gebiet sehr viel enger zusammenarbeiten, vor allem indem Rüstungsaktivitäten gebündelt würden.

Es war das erste Mal seit vielen Jahren, dass die Staats- und Regierungschefs eine grundsätzliche Aussprache über die Verteidigungspolitik führten. Die Beratungen fanden vor dem Hintergrund rückläufiger Verteidigungsausgaben und einem schrumpfenden Rüstungssektor in fast allen Mitgliedstaaten statt. Obwohl alle Länder einigen vorab in Brüssel ausgearbeiteten Grundlinien zustimmten, wurden unterschiedliche Akzentsetzungen deutlich. So hob Merkel hervor, dass die Europäer nicht überall selbst militärisch eingreifen könnten, weshalb es wichtig sei, „Regionen zu befähigen, ihre Probleme zu lösen“. Als Beispiel nannte sie die Ausbildung einheimischer Soldaten durch die EU in Mali.

Der französische Präsident Hollande sagte dagegen, dass Frankreich schon immer Fortschritte bei der militärischen Zusammenarbeit in Europa gewünscht habe und vor allem die Rüstungsindustrie stärken wolle. Der britische Premierminister David Cameron vertrat wiederum die klassische britische Sicht, wonach die Zusammenarbeit zwischenstaatlich sein müsse, die EU aber „keine Armee oder Luftwaffe“ unterhalten dürfe.

In den Gipfeldokumenten werden solche Festlegungen vermieden. Sie sind sehr allgemeiner Natur und enthalten vor allem Prüf- und Arbeitsaufträge für die EU-Institutionen: So soll es eine Zusammenarbeit in der Entwicklung von Drohnen in den Jahren 2020 bis 2025 geben, wobei offenbleibt, ob dabei nationale oder europäische Flugzeuge entstehen sollen. Auch bei der Luftbetankung, der Satellitenkommunikation und der Cybersicherheit wurde eine Kooperation verabredet, ohne in Einzelheiten zu gehen.

Die Staats- und Regierungschefs brachten außerdem den Wunsch zum Ausdruck, die Einsatzfähigkeit der „battle groups“ zu erhöhen, die es seit Jahren gibt, die aber (etwa wegen deutscher Widerstände) noch nie eingesetzt wurden. Diese schnellen Eingreiftruppen der EU sollen künftig „modularisiert“ werden, so dass einzelne Truppenteile vor allem von Mitgliedstaaten zur Verfügung gestellt werden können, die besonderes Interesse an einer Mission zur Krisenbewältigung haben. Auch die Verfahren für zivile Missionen sollen vereinfacht werden.

Schließlich soll die europäische Rüstungsindustrie gestärkt werden, indem vor allem kleinen und mittleren Unternehmen ein besserer Marktzugang ermöglicht wird. Auch sollen gemeinsame Industriestandards entwickelt und nationale Zulassungsverfahren gegenseitig anerkannt werden, was als wichtige Voraussetzung für die gemeinsame Nutzung von militärischer Ausrüstung gilt, wie sie in der EU und in der Nato angestrebt wird. Die EU-Kommission will ihre Forschungsförderung künftig auf „Dual use“-Technologien ausdehnen, die sowohl zivilen als auch militärischen Nutzen haben. Die Staats- und Regierungschefs haben sich vorgenommen, im Juni 2015 zu überprüfen, wie weit die Arbeit an all diesen Themen fortgeschritten ist.

December 19, 2013

## Deal on Banking Union Will Test Goal of United Europe 95,128

By [ANDREW HIGGINS](#) and [DAVID JOLLY](#)

BRUSSELS — Battling to defend its credibility after a series of troubled bank failures across the Continent, the European Union hoisted a long banner on the outside wall of its Brussels headquarters last year to trumpet Europe's march "toward a genuine economic and monetary union."

It was hardly a rousing battle cry. But it did at least acknowledge that despite the adoption of a common currency, the euro, Europe still had much to do to achieve real economic and monetary integration, a central pillar of the so-called European project since the early 1990s.

Shortly before midnight on Wednesday, after months of meetings in Brussels that often dragged into the wee hours, European finance officials finally reached a deal on how to plug a gaping hole in Europe's economic defenses, agreeing to a centralized system to shut down sickly banks in the 17 member nations that use the euro.

But as with many of Europe's grand ambitions, the construction of what was conceived as a solid banking union has been crimped by the often contradictory interests of different countries. The exercise has yielded more of a muddle than a unifying mission.

A banking union has often been described as Europe's most ambitious project since its decision in 1992 to establish a common currency. But the effort to create one has highlighted how difficult it is to act ambitiously for a bloc that has grown from six to 28 member states. It has no clear shared view on whether it is the nucleus of a future European state, a free-trade zone, or merely an intergovernmental organization that irons out disagreements between countries.

Add to this the fact that the bloc's leaders have starkly different views of what caused Europe's financial crisis and the long economic malaise that followed, and "it is no wonder the E.U. finds it so hard to take decisions," said Charles Grant, director of the Center for European Reform, a policy research group. "You have a sick patient on the bed and doctors gathered around who cannot decide on the nature of the illness or the medicine required to cure the patient."

Making decisions still harder, Mr. Grant added, was the effect of a pledge last year by the president of the European Central Bank, Mario Draghi, that the bank would "do whatever it takes" to defend the euro. Mr. Draghi effectively calmed frenzied markets, but the promise also eased the anxieties that can prod urgent action. The European Union, Mr. Grant said, "needs the spur of constant crisis for governments to do things against their own short-term interest."

Instead of establishing a European equivalent of the Federal Deposit Insurance Corporation, the powerful banking authority set up by President Franklin D. Roosevelt in 1933 in response to the Great Depression, Europe has opted for a meek central authority that Mr. Draghi warned this week risked being "single in name only."

This, said Carsten Brzeski, an economist with ING Bank, means that Europe will end up with a very different creature from the F.D.I.C., which has a long record of dealing swiftly with troubled banks. The federal agency has a reputation for moving in on a Friday afternoon after the close of business and, its staff fueled by takeaway



pizza, working straight through the weekend to tidy up the mess before Asian markets open for business Monday morning.

Since the onset of the financial crisis in 2008, the F.D.I.C. has closed nearly 500 banks in the United States.

“This is what Europe is aiming for, but what we’ve gotten is very cumbersome,” Mr. Brzeski said. “Instead of pizza weekends when a bank fails, we may end up with pizza months, because the national authorities are always going to want to have the last say.”

Nicolas Véron, a senior fellow at Bruegel, a research institute in Brussels, said the most important step toward banking union had already been taken, the creation of a pan-European financial supervisor under the umbrella of the European Central Bank. The single supervisor appears to be moving rapidly toward reality. A new head was approved last week by the European Parliament, with the mandate to hire up to 1,000 bank examiners.

That creates a potential for fireworks next year, when the banking supervisor starts examining the health of financial institutions to determine the firmness of their finances. Analysts calculate that European banks need to raise at least 100 billion euros, or \$137 billion, of new capital, though no one really knows and estimates run as high as €500 billion. The resolution system agreed to in principle on Wednesday night — which envisions a pooled war chest of just €55 billion to be set up over 10 years — is unlikely to be of much help in steadying market nerves in the middle of any potential upheaval.

Still, given the divergent forces working against consensus, it is perhaps remarkable that Europe’s finance ministers were able to arrive at this much of a unified approach. Even if the deal struck on Wednesday does not ensure that teetering banks will not topple chaotically, the fact of this accord indicates that European Union members are willing to focus on trying to solve big problems — no matter how imperfect the solutions-by-committee might seem.

Behind the numbingly technical considerations involved in the creation of the so-called Single Resolution Mechanism — technocratic jargon for a central authority to wind up ailing banks — two prickly issues dogged the months of debate. Who makes the decisions? And who pays for them?

They are questions that have tortured champions of a unified Europe ever since France, West Germany, Belgium, Italy and the Netherlands agreed in 1951 to pool some of their sovereignty and establish a “high authority” to run the European Coal and Steel Community. But having changed over the decades into the European Economic Community and then the European Union, and expanded into Eastern and Central Europe, the mechanics of European integration have grown so complex and cumbersome that even the most straightforward decisions can often require months of deliberation.

Adding to the problems created by the Union’s sprawling size has been a steady slowing in what used to be the motor driving European decision-making: a close partnership between France and Germany. In the early decades after World War II, France and Germany generally acted in tandem, seeing their interests as roughly aligned. But this arrangement has broken down as Germany has emerged as an economic powerhouse wary of being left with the bill for the mistakes of weaker countries, and France has limped along, unable to put its own house in order but forever calling for more “solidarity” between member states.

This split has played out in the banking union haggling, with Germany repeatedly putting a brake on steps that might lead to the use of German money to bail out banks in other countries, while France has pressed for “mutualization” of the burden between states.

A broader division has meanwhile opened up between factions of countries, notably Germany, that have advocated austerity as a cure to Europe’s economic ills, and those that balk at budget cuts as a recipe for permanent recession.

Nearly everyone, though, agrees that a key to unlocking future growth is the establishment of a system to kill off comatose banks and restructure those that can be saved so that lenders can start lending again.

But unlike financial markets, which react in seconds, or even the sluggish decision-making system in the United States, where matters as important as a budget can produce months of deadlock, the European Union operates on a timeline determined by the fact that it does not reach decisions as a single entity but as a looser ensemble of separate democracies.

“The time necessary for democracy is much longer than the time of the markets,” Michel Barnier, a senior official at the bloc’s policy executive, the European Commission, and an architect of the banking union plan, noted ruefully this month after yet another late-night meeting without an agreement.

Mr. Véron predicted that the resolution plan would never fulfill its purpose, but that historians might someday look back on it as having paved the way toward something better. Too much decision-making remains with the member states and the bailout fund “lacks the financial firepower for addressing financial crises,” he said.

“I expect this unseemly Single Resolution Mechanism design to fail at some point, not meeting its stated ambition,” Mr. Véron said. “But that failure might be a necessary step on the road to a better design.”

## Europe's Banking Deal Leaves Doubts 95,131

### Decision Reached on Centralized Handling of Failing Lenders

By GABRIELE STEINHAUSER and ANTON TROIANOVSKI

Updated Dec. 19, 2013 6:49 p.m. ET

BRUSSELS—Europe's leaders have their banking union, but Europe's financial system is far from unified.

Eighteen months ago, euro-zone leaders set out to revolutionize their banking system, promising to secure their common currency against the kind of crises that had almost bankrupted Spain and Ireland and sent shockwaves across the Continent.

They pledged to "break the vicious circle between banks and sovereigns."



European leaders, six of whom are pictured, gathered in Brussels on Thursday after finance ministers approved a system to deal with closing and downsizing failing banks in the euro zone. *Reuters*

On Thursday, they were back in Brussels to declare victory. Late Wednesday, finance ministers sealed a deal that will centralize decisions on shuttering or downsizing failing euro-zone lenders and build up a cross-border €55 billion (\$76 billion) pot to back up such decisions.

"That is what banking union is about: stopping financial crises from happening again and, if there is a bank failure, preventing the entire European financial system from being attacked," said French President François Hollande.

Analysts—and even some European Union officials—warn that the elaborate construction isn't "European" enough to work and still too dependent on national governments.

They say that clashing national interests have made the banking union too convoluted and left it with too small a pool of financial reserves to make it credible.

Market pressure has lifted in the last 18 months—but that is primarily thanks to the European Central Bank's pledge to intervene in government-bond markets, rather than the nascent banking union.

The agreement follows a flurry of lawmaking for banks in Europe since a summit meeting in June 2012, when a pledge to lend Spain as much as €100 billion to rescue its savings banks failed to impress plunging financial markets.

Europe has forced lenders to boost capital buffers. It has handed the power to police big euro-zone banks to the ECB. It has passed laws to impose losses on a lender's investors and creditors in an effort to curb taxpayer bailouts, and it has mandated banks to pay into national resolution and deposit-guarantee funds.

Next year, the ECB will run a new set of stress tests on lenders, hoping to reveal hidden losses that experts say have kept banks from lending to households and businesses.

Still, critics remain. A senior EU official, who was following the negotiations between finance ministers Wednesday, complained they were turning the single resolution mechanism into a "Frankenstein," a monster of national authorities that would struggle to wind down complex institutions over the course of a weekend.

In many ways, the dynamics that have hampered the banking union are the ones that have dominated the euro zone's broader crisis strategy: Germany and other rich countries like the Netherlands and Finland don't want to pick up the bill for problems in their poorer neighbors. And national governments in general are reluctant to cede more authority to European institutions, especially at a time when many voters see Brussels as a bureaucratic scourge rather than a force for good.

"As long as the main political legitimacy rests on the national level, there are limits to how much international risk sharing is possible," said Dirk Schumacher, an economist at [Goldman Sachs Group Inc.](#) [GS -0.04%](#) in Frankfurt.

What seems clear is that investors and creditors will face a much bigger risk when banks run into trouble.

Euro-zone bank bailouts between 2008 and 2011 spared junior and senior bondholders and often failed to wipe out even shareholders.

All that ended last year, when junior creditors in Spanish savings banks took heavy losses, whittling the country's tab for the bailout to €40 billion from €50 billion.

This March, depositors with more than €100,000 in their accounts at two Cypriot banks saw their claims converted into equity.

New EU rules already require losses for shareholders and junior bondholders when a bank receives government money. From 2016 onward, senior creditors and large depositors will also be on the line.

The banking union agreement represents "the beginning of the end of bank bailouts," European Commission President José Manuel Barroso said after European leaders finished talks late Thursday at a Brussels summit.

On top of that, Wednesday night's deal on the resolution mechanism will see banks not only paying into national resolution funds, but also gradually taking on responsibility for problems with lenders in other countries.

In practice, that means levies from German banks could help cover the resolution of an Italian lender and vice versa.

Yet even as national resolution funds build up over the coming decade and gradually merge into a single pot of money, their overall capacity will remain puny next to Europe's gigantic banking sector. The €100 billion that EU officials say will be in the currency union's resolution and deposit-guarantee funds by 2026 pales in comparison with the €25.46 trillion in liabilities euro-zone banks had at the end of October, or the €1.13 trillion euro-zone governments deployed on bank bailouts between 2008 and 2011.

Ministers say that thanks to the new burden-sharing rules and banks' higher capital buffers, a new financial crisis would never result in the kind of costs created by the meltdown that followed the collapse of U.S. investment bank Lehman Brothers. "Look, we don't have the situation of 2008 anymore," German Finance Minister Wolfgang Schäuble told reporters Wednesday.

Still, Mr. Schäuble blocked using the euro zone's government bailout fund, the €500 billion European Stability Mechanism, as a shared backstop for the national resolution funds. Instead, bank failures that overwhelm the funds will fall back into the arms of national governments. If they need to, governments could then request loans from the ESM.

Advocates of a common backstop, among them the ECB, France and Italy, were left with promises of a shared credit line more than a decade from now and the possibility that the funds could raise money on financial markets.

Analysts say that by leaving the core of the responsibility in national hands, the banking union does little to break the "vicious circle" between banks and governments. In the recent crisis, banks' troubles depleted government coffers, raising concerns about nations' financial health that reduced the value of lenders' holdings of government debt.

Neither, they say, will it convince investors that lenders—and governments—in the euro zone's poor South are just as safe as those in the richer North. It will do little to bring down the differences in interest rates that Northern and Southern banks charge for loans to companies and households and get sick economies growing again, critics say.

"It's not going to do anything to head off the credit crunch we're seeing in the South," says Simon Tilford, deputy director of the nonpartisan Centre for European Reform in London.

## Wie wir lernten, die Banken zu hassen

95,134

22.12.2013 · Banken haben die Steuerzahler Milliarden gekostet. Und wollen jetzt einfach so weitermachen. Das empört uns.

Von RAINER HANK und WINAND VON PETERSDORFF

War das jetzt der Durchbruch? „EU entlastet Steuerzahler bei Bankenrettungen“ titelten die Nachrichtenagenturen in der vergangenen Woche. Soll heißen: Hat sich eine Bank verspekuliert, müssen künftig die Banken selbst und ihre Aktionäre dafür geradestehen und nicht die Bürger wie damals bei der Finanzkrise. Das klingt gut.

Ist es aber nicht. Das Jahr 2013 geht zu Ende. Und systemrelevante Banken gefährden immer noch das Wohlergehen dieses Landes und vieler anderer Volkswirtschaften. Warum? Weil die Politik nur an den Symptomen herumkuriert, aber die Ursachen der Krise nicht bekämpft. Was sind die Ursachen der Krise? Dass die Banken zu wenig Aktienkapital haben, mit dem sie für Fehlspekulationen haften können. Aktienkapital (auch Eigenkapital genannt) ist das Geld, das die Eigentümer der Bank zur Verfügung stellen. Weil die Banken immer noch zu wenig Eigenkapital haben, wäre auch bei der nächsten Krise solch ein Sicherheitspolster rasch aufgebraucht. Abermals müsste der Steuerzahler einspringen.

Die linken Kritiker behalten recht: Gewinne privatisieren, Verluste sozialisieren – so lautet das skandalöse Geschäftsmodell der Banken. Mit diesem Modell haben sie die Welt an den Rand des Abgrunds gebracht. Sie täten es heute wieder: Banken sind verantwortlich dafür, dass der Ruf der Marktwirtschaft tief in Misskredit kam. Und sie tun bis heute viel zu wenig, diesen Schaden zu heilen.

Warum weigern sich die Banken so hartnäckig?

Man soll sich nicht täuschen lassen vom Kulturwandelgesäusel aus den Bankentürmen. Man soll sich nicht ablenken lassen davon, dass sie jetzt Milliardenbußen zahlen. Man soll sich nicht in Sicherheit wiegen, wenn europäische Finanzminister in notorischer Nachtsitzungsinszenierung eine sogenannte Bankenunion zimmern. Sie lässt die zentrale Frage unbeantwortet, was mit schwachen Banken passiert. Vor allem: Man soll sich nicht zufriedengeben, solange das alte, verderbliche System bleibt.

Im Kern wollen Banken weiterhin Geschäfte machen dürfen, deren Risiken sie der Gesellschaft aufhalsen. Denn sie weigern sich, den zentralen Sicherheitspuffer ihrer Bilanz – das Eigenkapital – auf eine sozialverträgliche Höhe zu bringen.

Warum weigern sich die Banken so hartnäckig? Ganz einfach: Wegen des „Hebels“. Dieser Zauberstab des Fremdkapitals vervielfacht bei geringem Eigenkapital die Renditechance gewaltig. So etwas mögen die Banker. Denn dann können sie sich hohe Gehälter zahlen und saftige Boni gönnen. Aber der Hebel wirkt leider auch in die andere Richtung; er vervielfältigt die Verlustmöglichkeiten. „Ist nicht schlimm“, sagen die Banken – und reichen die Verlustrechnung einfach an die Allgemeinheit weiter. Dass die Banken das Fremdkapital so lieben, liegt daran, dass es für sie billiger ist als Eigenkapital. Weil nämlich die Gläubiger aus guter Erfahrung darauf bauen, dass sie im Falle eines Falles von den Steuerzahlern rausgepakt werden, ist deren Risiko niedrig, weshalb sie auch eine geringere Verzinsung ihrer Kredite von den Banken fordern.

Die Banken heucheln Demut

Man kann das ganz einfach ausdrücken mit den Worten des diesjährigen Wirtschaftsnobelpreisträger Eugene Fama: „Die Erwartung der Rettung durch den Steuerzahler verleiht den Banken teuflische Anreize, viel zu hohe Risiken einzugehen.“ Fama ergänzt: „Hätten die Banken in der Finanzkrise mehr Eigenkapital gehalten, hätten die Aktionäre viel Geld verloren, die Welt als Ganzes aber nicht viel.“ Zwischen 2008 und 2012 mussten die europäischen Staaten nach Ausweis der Europäischen Kommission ihre Banken mit 5,1 Billionen Euro Steuergeld „retten“.

Die Steuerzahler haben ein Grundrecht darauf, nicht mit den Risiken der Geschäftspolitik von Banken behelligt zu werden. Sollen Banken doch zocken, spekulieren oder Casino spielen. Sollen sie sich als Trenn- oder Universalbank organisieren. Sie können machen, was sie wollen – unter einer Voraussetzung allerdings: Sie riskieren das eigene Geld, nicht das des Steuerzahlers. Man kann das auch als goldenes Gesetz der Marktwirtschaft formulieren: Risiko und Haftung gehören zusammen. Wer die Boni einstreicht, muss auch für die Verluste geradestehen.

Die Banken heucheln Demut. Doch wahre Demut bestünde darin, für mehr Eigenkapital zu sorgen. Das aber scheuen sie wie der Teufel das Weihwasser. Hartnäckig wehren sie sich gegen die Forderungen der Ökonomen nach höheren Sicherheitspuffern. Bei der Deutschen Bank betrug noch im Frühjahr 2013 das Eigenkapital gerade mal 2,1 Prozent der Bilanzsumme; das ist weniger, als Lehman vor der Pleite 2008 hatte. Inzwischen hat die Bank die Bilanzsumme geschrumpft und das Kapital erhöht, um nach eigenen Angaben auf eine Quote von drei Prozent zu kommen. Schon brüstet sich Bank-Chef Anshu Jain in der Süddeutschen Zeitung, dies sei „der höchste Kapitalstand seit Jahrzehnten“. Doch die Behauptung, man sei nun eine „der am besten kapitalisierten Banken der Welt“ (O-Ton Deutsche Bank) ist gelogen: Die großen amerikanischen Banken (Bank of America, Citigroup, JP Morgan Chase) weisen Kapitalquoten von fast fünf Prozent aus. Und auch diese Zahlen ändern nichts daran, dass alle Banken der Welt (einerlei, ob drei oder fünf Prozent) insgesamt grottenschlecht kapitalisiert sind.

Wie viel Eigenkapital wäre angemessen?

Um das zu kaschieren, werfen die Banken Nebelkerzen in die Öffentlichkeit. Eine davon sieht so aus: Eigenkapital koste sie mehr, weil die Aktionäre eine entsprechend hohe Verzinsung verlangten. Um diese Kosten einzuspielen, müssten sie aber ihre Kredite an die „Realwirtschaft“ teurer machen. Das dämpfe dann das Wachstum der Realwirtschaft. Geschickt wird aus der Verweigerung der Reform eine Drohung an die Gesellschaft: Wir schrumpfen euren Wohlstand, wenn ihr uns mit hohen Eigenkapitalvorschriften malträtiert. Wer so argumentiert, der unterschlägt auf ziemlich unanständige Weise die Kosten, die er der Allgemeinheit aufgebürdet hatte in der Finanzkrise infolge der miesen Kapitalausstattung.

Zudem hat die Finanzwissenschaft diese Drohgebärde längst als hohl entlarvt. Denn zum einen wird auch Fremdkapital teurer, wenn wegen des höheren Risikos die Gläubiger der Banken nicht mehr darauf hoffen dürfen, vom Steuerzahler rausgepaukt zu werden. Umgekehrt wird das Eigenkapital billiger, wenn auch das Verlustrisiko für den Aktionär durch den größeren Puffer sinkt. „Das Argument, wonach erhöhte Eigenkapitalanforderungen zwingend zu höheren Kreditzinsen führen, ist weder theoretisch noch praktisch haltbar“, schreiben die Schweizer Ökonomen Thomas Vettiger und Rudolf Volkart.

Aber wie viel Eigenkapital wäre angemessen? Normale Unternehmen im Dax haben im Schnitt eine Eigenkapitalquote von 25 Prozent. Die Industrie hat das übrigens, weil die Banken selbst es verlangen als Sicherheitspuffer für etwaige Kreditausfälle. 25 Prozent Eigenkapital wären auch für Banken das Minimum, findet Ökonom Fama. „Die Frage muss sein: Wie viel Eigenkapital hätte die Bank haben müssen, um einen Bail-out wie 2008 zu vermeiden? Oder anders gesagt: Die Aktionäre hätten alle Verluste tragen müssen. Und ich denke, das wäre auch ohne größere Schäden möglich gewesen.“

Man muss die Banken zwingen

25 Prozent? Was für eine Metamorphose wäre das von Ackermanns Eigenkapitalrendite von 25 Prozent zu Famas Eigenkapitalquote von 25 Prozent. Das wäre wahrhaftig der Systemwechsel.

Unzumutbar, jaulen die Banken. Es ist Rhetorik, an der nur stimmt, dass man als Bank die Eigenkapitalquote auch erhöht, wenn man seine Bilanzsumme, sprich seine Ausleihungen, konjunkturschädigend herunterfährt. Alternativ allerdings erhöht man das Eigenkapital durch die Ausgabe von neuen Aktien oder durch den Verzicht auf Gewinnausschüttungen. Dazu haben die Ökonomen Anat Admati und Martin Hellwig den entlarvenden Satz formuliert: „Wenn höhere Kapitalanforderungen Banken veranlassen, weniger zu verleihen, dann deshalb, weil sie Eigenkapital nicht erhöhen *wollen*.“ Das [Buch von Admati/Hellwig „Des Bankers neue Kleider. Was bei Banken wirklich schief läuft und was sich ändern muss“](#), ist übrigens unser Buch des Jahres 2013, liebe Leser, das man auch noch 2014 lesen kann.

Im 19. Jahrhundert waren Eigenkapitalquoten zwischen 25 und 40 Prozent (!) durchaus üblich. Und die Wirtschaft blühte. Heute werden Vorschläge dieser Höhe wahlweise als „Steinzeit-Banking“ (Deutsche-Bank-Co-Chef Jürgen Fitschen) oder als „Rückkehr zur Postkutsche“ (Deutsche-Bank-Finanzchef Krause) diskreditiert. Anshu Jain gibt zwar Lippenbekenntnisse ab, man könne „gerne“ über mehr Eigenkapital sprechen, lehnt aber die einfachste Quote („Leverage Ratio“, die das Kapital in Beziehung setzt zur Bilanz) als untaugliches Maß strikt ab. Die Alternative, die die Banken bevorzugen, ist das sogenannte risikogewichtete Eigenkapital. Diese Messzahl hatte aber verheerende Folgen: Das Regulierungsregime Basel II bewertete bestimmte amerikanische Hypothekenprodukte mit einem AAA-Rating als sehr risikoarm. 2007/08 hatten diese plötzlich große Verluste produziert. Wenn die Banken (oder die Regulierer) über „Risikogewichtung“ reden, so ist das pure Anmaßung. Denn es unterstellt, man wisse im Voraus, wie riskant ein Bankgeschäft ist. Das kann man aber gerade nicht wissen. Nicht nur Spekulanten können gefährlich sein. Jeder Kredit ist ein Problem, wenn er faul wird.

Was also tun, wenn die Banken nicht freiwillig ihr Kapital erhöhen? Dann muss man sie zwingen. Kann eine liberale Zeitung das wirklich fordern? Ja. Gewiss, Zwang ist ein schmutziges Wort, um noch einmal den Nobelpreisträger Fama zu zitieren. „Rauspauken (Bail-out) ist aber noch viel, viel schmutziger.“