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Longitude

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JANUARY 2012

PUBLISHED BY

Longitude
Via Bruxelles 67,
00198 Rome, Italy

Koiné
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PRINTED BY
Amilcare Pizzi SpA
Cinisello Balsamo (MI)

DISTRIBUTED BY
Press-Di Distribuzione
Stampa e Multimedia Srl
Segrate (MI)

Registrazione
presso il Tribunale di Roma
n. 3/2011 del 20/01/2011

Photo Credits:
COVER: MARCO MONA - TECH BUBBLE
HEADER STRIP: FADI AL-ASSAAD / REUTERS

Go to press date: December 21, 2011

COVER STORY

29 Tech it to the max
BY LANFRANCO VACCARI

38 Yesterday's future
BY FRANCESCO GALIETTI

FEATURED BRIEFING

64 Theopolitics
BY VITTORIO EMANUELE PARSÌ

70 Europe's problematic freedom
of religion
BY CHRISTOPHER CALDWELL

72 Religion in a post-secular world
BY GIANLUCA SADUN BORDONI

78 Map: If God works
through demography

81 Serving God and neighbor
BY RICHARD GRECO

85 We are family
BY PASQUALE FERRARA

86 A decade of praying dangerously
BY STASH LUCZKIW

90 Too heavy for the springs
BY JEFFREY HAYNES

93 Christians caught in the crossfire
BY GIUSEPPE MORABITO

97 Relating with the infidels
BY FRANCESCO ZANNINI

100 Common ground between faiths
BY FABIO PETITO & ANTONIO CERELLA

103 Let the parties start
BY LUCA OZZANO

EUROPE

44 The opera ain't over till
the fat lady sings
BY STEFANO CINGOLANI

INDIA

106 New Delhi's middle-class high rise
BY MARINA VALENSISE

LEADERS

4 God save us from ideologues
BY PIALUISA BIANCO

6 A common
Euro-Mediterranean home
BY GIULIO TERZI DI SANT'AGATA

8 Redefining national interests
in a global reality
BY GIAMPIERO MASSOLO

WIDESCREEN

12 Heavenly clutter
BY MARCO MONA

TALKING HEADS

20 The Four Horsemen
of 2012
BY CARMINE FINELLI

WORLD MONEY

22 The euro: still on the brink
BY PAOLO SAVONA

SMART THINKING

24 Integrity and innovation:
Europe's new challenge
BY DANILLO BROGGI

BERLAYMONT

48 Should I stay, or should I go?
BY ADRIANA CERRETELLI

POTOMAC WATCH

58 Asymmetrical threats
BY MAURIZIO MOLINARI

WARMING BLOOPERS

122 The Durban Package:
a step toward a global climate
treaty
BY CORRADO CLINI

CHOSEN WORDS

124 Thanks for the memories
BY MAURIZIO STEFANINI

NUMBERS

126 Gazillions and gazillions
of bytes
BY FEDERICO BINI



God save us from ideologues

BY PIALUISA BIANCO

This is usually the way worlds end: destroying themselves in an effort to prove that they are indestructible. For nations, the desire to gain an immediate selfish advantage imperils their ultimate interests. If they recognize this fact, they often recognize it too late. This is a recurrent historical truth. Extending it into the here and now, the story of 2011 has been that of another paradox of the new global disorder: the attempts at democracy (don't ask how difficult it is) in the Arab world and the whimpering of democracies in the heart of the West.

Since Western countries are increasingly inclined to write off the future, heedless of the consequences for themselves, Europeans and Americans are in no position to offer lectures. Their own political systems are being strained to breaking point by economic adversity and the shifting balance of global power. The thread that runs across the Atlantic is one of popular disenchantment with political establishments. Leaders and institutions are increasingly discredited. True, whether it is fear of the bond markets or unemployment or competition from rising economies, governments are trapped between global economics and local politics. Washington has been paralyzed by congressional bickering. EU leaders are straightjacketed by a failure of nerve. Fearful of their own electorate, leaders have denied themselves the space to identify their shared interests. Some blame the system, but it is pointless blaming democracy. Falling back on ideological crutches for our perplexing problems may add a touch of pathos, but it will also nudge the tragedy of our age toward its acme.

The crisis engulfing Europe's single currency now promises to drag the continent into a depression. Yet no economy in the world will be immune to the crisis which, according IMF Managing Director Christine La-



garde, "we see not only unfolding but escalating." When it comes to the global economy, Europe is systematically important for at least three vital reasons. First, it is the largest economic area on the planet and an important source of demand for the rest of the world. Second, with its banks holding large claims outside of Europe, their forced deleveraging will transmit waves of credit rationing well beyond the EU. Third, by fueling volatility and uncertainty, the European crisis has a material influence on global markets. Moreover, this crisis comes at a time when the US is struggling to spur growth and generate more jobs. And although the large emerging economies seem healthier, they lack the ability to fully compensate the shortfall.

This magazine's hope would be that Europeans embrace a global solution by finally getting serious about reforming their rigid economies and their welfare states. Crises have a way of speeding up history. Indeed, the present one is a unique chance to shatter the political interests that have held the EU back.

The near failure of the euro has made the European dream seem more remote than ever. In the year ahead of us, Europe faces the prospect of depressed living standards, rising unemployment and stingy public services. The likely beneficiaries will be populists from both the left and right, and their ideologues. Euro-

peans should know well enough the dark forces that can be unleashed by depression. The post-Nazi taboo on populist parties is fading away. Without the Soviet Union's occupying armies, Germany is once again the power that drives Europe, though it is unable to dominate it. The bloodless politics of Brussels, once a bulwark against extremism, has now become an obstacle. The welfare state, built on postwar prosperity, has become too expensive for these times of shrinking production and wealth. What the EU lacks is not democracy, or even the passionate intensity of ideas; what it lacks is popular conviction. With the Union beset by populist anti-elitism on one side and impenetrable technocracy on the other, the fate of the euro lies in the hands of national governments. And none more so than the Franco-German duo that have long been running Europe. Meanwhile, the continent's leaders have dithered their way headlong into an even bigger problem: a crisis of the 27-member EU as a whole.

It is often said that in the face of the euro crisis the EU must either integrate or disintegrate. Either is possible. More likely, it will muddle through, integrating as little as it can get away with, disintegrating somewhat as Britain becomes increasingly detached, and reforming just enough to get by. The temptation among politicians will be to avoid making any active choices.

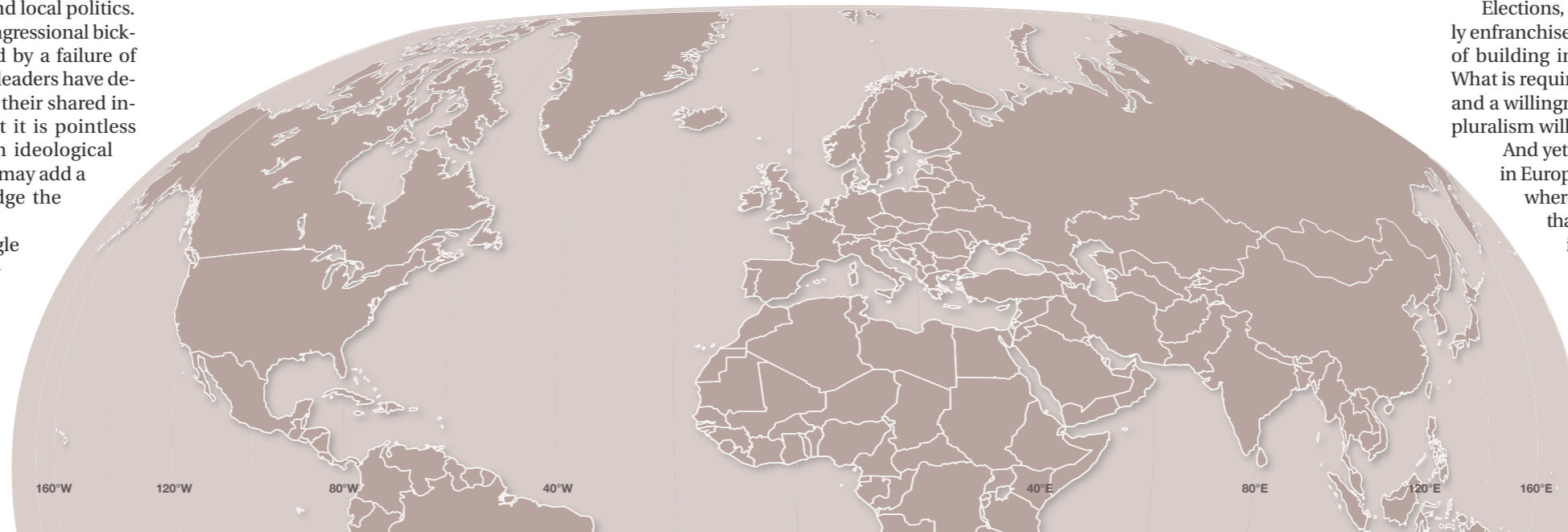
That would be a big mistake. It would further reduce Europe's future range of freedom and erode her ability to influence outcomes.

As time passes, Europe may find some respite and breathe a sigh of relief, but it will continue to descend the slippery slope of decline. Such a torpid, impotent slide is not a dynamic Western countries are used to. We live in a dangerous age that defies the easy assumptions of the old order. To make matters worse, the passing of two centuries of Western hegemony will be an unpredictable and uncomfortable experience.

The other huge paradox of 2011, the Arab uprisings, is a difficult problem to solve. The road to democracy will be uneven, and there's very little the West can do about it. The choices belong to the Arabs. Americans and Europeans may not like some of the decisions that will be made by the newly emancipated citizens, but the tyranny many assumed to be the natural state of affairs in the Middle East is crumbling. Real life will no doubt cloud the vision of idealists who imagined that the protesters in Arab cities would build a shiny new liberal democracy overnight. Some are already lamenting how quickly the revolt has turned into a new form of oppression. The Egyptian military is reluctant to surrender power, and, given a chance, voters have preferred Muslim conservatives to twittering liberals.

Elections, of course, don't make democracies. Newly enfranchised citizens in the Arab world face the task of building institutions to entrench the rule of law. What is required of Europe and the US is patience, aid and a willingness to accept that their road to political pluralism will be fraught with pitfalls.

And yet, the major source of distress right now is in Europe. The democratic crisis on the continent where democracy originated is more perilous than the difficulties of nurturing democracies in the Arab world. If Europeans don't manage to pull themselves out of the trenches of their outmoded models and adapt to new realities, then there will be little left of the European ideal—apart from the ideologues.



A common Euro-Mediterranean home

BY GIULIO TERZI DI SANT'AGATA
Italian Minister for Foreign Affairs



The idea of *ecumene*, or “home in which we live together,” has existed around the Mediterranean Sea since ancient times. With recent events, the time is ripe for nurturing new – more pragmatic – initiatives between Southern Europe and North Africa

In illustrating the foreign policy guidelines of the new Italian executive to the Italian parliament, I pointed out that the Mediterranean is an absolute priority of ours. To many this choice may seem like déjà vu. After all, this region has always been at the center of Italian national interests, given our country's geographical position and traditionally strong economic and cultural bonds with the southern shore of the Mediterranean. As a matter of fact, Italy is most North African countries' biggest trading partner, and the Italian culture and language are very popular throughout the region.

Despite our deeply rooted presence in the Mediterranean, however, we cannot ignore that the potential of this region to grow has been stifled by long decades of authoritarian regimes, and as a consequence the people have had to deal with widespread economic frustration and social and political marginalization. With the coming of the Arab Spring this “ossified” Mediterranean landscape has drastically changed. It is important to note that democracy, this time, was not a product imported from the West. The protagonists of these democratic transitions have been the Arab people themselves, genuinely aspiring to freedom and better economic conditions. A major role was played by both the young and women. The population of the Middle East is actually made up of a great number of young people (50% of Egyptians are younger than 18 and two thirds of Tunisians are under the age of 35) who struggle for “bread and democracy.” Women also played a major role in the Arab Spring. Thanks to such broad popular mobilization, major changes have occurred in Tunisia, Libya, Egypt, and Morocco in less than a year. True, in most cases, the political transition is far from over. As seen in Egypt, the slow pace of transition has proved to be hard to reconcile with the people from Tahrir Square's immediate aspirations; in Libya, elections will take place

only in the second half of next year. In countries such as Syria, the political transition has not even begun. Although far from complete, these democratic revolutions represent a historical opportunity for the people of the region and Europe as well.

The Arab Spring has dramatically altered Italy's perceptions of the region. We believe that the Western countries' “pacts of convenience” with the old regimes which guaranteed an illusory stability are now history. Therefore, we are required to adapt our vision and policies toward the region accordingly. Italy's new strategy is based on three pillars: a broader and renewed bilateral political and economic engagement; the active fostering of regional dialogue; and the promotion of a new European vision.

We begin by moving away from the conviction that it is in our interest to make democratic transitions in the Arab world a success. Italy believes that sustainable democracies are the best guarantee for stability in each of these countries and in the region as a whole. While supporting the legitimate democratic aspirations of Arab people, we should, at the same time, respect the principle of *ownership*. We must refrain from patronizing these countries or trying to impose pre-cooked models. Instead, we need to respect national specificities and discreetly help each country to succeed in its own democratic endeavor. We also need to step up our political engagement with new Islamic political parties as well as the wider spectrum of political forces emerging from democratic consultations. Such engagement, however, should be conditioned upon three basic principles: rejection of any form of violence, respect of individual and minorities' rights, and acceptance of international obligations. We also believe, however, that no democratic stability is possible without economic and social development. The Italian government is therefore expanding its

economic contribution to the region. We are focusing particularly on the development of SMEs, but we have also launched a number of projects in the fields of agriculture, environment, health, tourism and cultural heritage. Our highly concessional loans established with most of our Deauville Partners are a concrete opportunity for the development of the private sector.

Second, Italy is committed to re-launching the regional political dialogue in order to instill in the region a new mindset based on cooperation rather than competition. Good neighborhood policies are conducive to consolidating democracy and creating a better environment for economic development. I will chair a meeting of the Foreign Ministers of the 5+5 (the five countries of the Northern and Southern shore) in Naples early next year. We warmly support the NATO-sponsored Mediterranean Dialogue and hope that the new Libya will choose to participate. I think we could and should consider, together with the Mediterranean countries, a new scheme of regional confidence-building measures along the lines of the CSCE/OSCE model, obviously adapted to the specificities of the region.

Last but not least, Europe must demonstrate a far greater sense of ambition when defining the new relationship between the two shores of the Mediterranean. The Barcelona process and the Union for the Mediterranean no longer suffice in defining our relations with this part of the world. We need a new strategic vision with clear-cut goals. One of the goals should be the setting up of a new Compact leading to the creation of a “Euro-Mediterranean common home.” By that, I do not mean big projects that, as our past experiences sadly indicate, tend to remain on paper for lack of political will and, above all, financial means. Nor do I believe we should create new institutions and bureaucracies. I think rather of building an “ever closer de facto”



integration between the two shores based on concrete economic, cultural and human changes. A Euro-Mediterranean common home should be based on four elements: a common market, social mobility, cultural bridges and enhanced political engagement. First, Europe should devise the prospect of full access to its internal market encompassing the “four freedoms,” starting from the access to its markets of Southern Mediterranean agricultural and textile products. The principle “more trade than aid” would be an incentive to making the Mediterranean economies more competitive and better integrated with European and world markets. Second, social and labor mobility should be encouraged through mechanisms of “circular migration.” Third, we need to build stronger cultural bridges between the two shores. University cooperation is particularly important to instill a common sense of cultural belonging to both European and Mediterranean countries' young generations. The existing Mediterranean Erasmus can and should be

reinforced. People-to-people contacts, with broader participation of NGOs and media representatives should be intensified and re-conducted to a common European project. Last but not least, political cooperation should be enhanced. We need regular summits and consultations between the EU and the Mediterranean countries to better share our political and foreign policy agendas. In sum, The Arab Spring has created a unique opportunity for a historical rapprochement between long the shores of the Mediterranean. We cannot afford to miss it.

Redefining national interests in a global reality

BY GIAMPIERO MASSOLO

Secretary General of the Italian Ministry of Foreign Affairs



Paradoxically, in the age of globalization the sovereign state has reaffirmed its place in international relations. In order to continue to be constructive, however, national interest must adapt itself to the increasingly fluid geopolitical situation.

The international scenario is obviously more complicated today than it was in 1648, the year of the Peace of Westphalia, which traditionally marks the beginning of a new stage in international relations, one that saw sovereign states as the key actors. In certain ways, 1648 is closer to 1989, the year of the fall of the Berlin Wall, than the latter is to the year that is now drawing to a close. Who could doubt that in the last quarter of the past century the world would have been transformed more profoundly and in a more far-reaching manner than in the previous 350 years?

Everything has changed: from the fall of the Soviet Union, to the rebirth, in a new form, of the ancient “Chinese Empire”; from the revolution brought by information technology, to the growing influence of finance on the economy; from the paradoxical co-existence of so many “low-intensity conflicts,” with the apparent end of war in the classic sense, to the growing difficulty of predicting and therefore planning, because of the global nature of all the principal challenges we are facing.

In such a radically changed landscape, where even characters who once were simply bit-players (i.e. individuals) have now gained a place in the limelight, one traditional actor, the sovereign state, seems to be enjoying a new lease of life. And along with the state, its very essence: the national interest. Or, to put it in less politically correct terms, the reason of state. Prematurely dismissed as “past their prime,” supposedly overwhelmed in their very legitimacy by the intensity of change inherent in the new global reality, states are now re-emerging.

We can see, indeed, that not only the global dimension of international relations and the role of the sovereign state co-exist, but the latter is growing in its influence over the former. Although the state cannot be considered as the *dominus* of globalization, its actions remain crucial in facing the complex issues of the global agenda.

Will it be possible to find credible re-

sponses to the challenges of climate change? Will global trade liberalization advance? Will the economic recovery, on a global scale, take root? Can we manage the threats to security – from piracy to drug trafficking – as well as the local crises that are scattered across the world or will they slip from our grasp?

Today, the answers to all these questions depend much more on the capacity of the states, and of their governments, to pursue their national interests in a manner compatible with those of the international community as a whole, and less on the stance taken by other global actors, such as major corporations, influential NGOs, financial “gurus,” sub-national institutions or by networks active in social media.

The so-called “global public good” can be pursued by states through shared sovereignty and patterns of international cooperation, to varying degrees and in different ways. The proliferation of international organizations and processes, where global issues are discussed in many different formats, proves it. The difficulty, common to many of these fora, is to strike a balance between the aim of a wide participation of all the relevant stakeholders and the need to ensure that the effectiveness of decisions taken gives clear evidence that states are and will remain central in representing and adopting, at negotiating tables and domestic and international decision-making processes, the expectations and positions of their national communities.

It would be too easy to draw on the example of increasingly relevant actors in global geopolitics, from India to China, from South Korea to Mexico, from Brazil to South Africa. Each of them move on the regional and global stage with careful consideration of their national interests, conscious of their growing influence over the most relevant global issues.

In the European Union, member states are part of an advanced model of shared sovereignty, but they are still very far from an authentic subordination of their national



interests in the name of the common supranational goal of the growth of the Union as a whole. The hard road followed to attain a single European seat on the UN Security Council is just one of the many examples, and not even the most glaring one.

In this context, a nation like Italy, young in its history as a unified state, but ancient in its cultural roots, should pay special attention to defining its national interests, not to encourage a re-nationalization of the foreign policies of EU member countries, which in fact would be hugely damaging for all of us, but rather to devote much more space in the public debate and political life of the country to identify which fundamental interests we should be promoting abroad on behalf of our national community.

National security, the internationalization of our economy, the projection

abroad of our cultural “soft power,” the protection of our citizens abroad, and participation in global economic governance are just some of the macro-areas of our country’s national interest. But in times of extremely limited resources and hard competition with other states, we are called to be very careful and selective in establishing our priorities. This is a point that was unanimously confirmed at the Conference of the Italian Ambassadors that took place in Rome on December 15 and 16, 2011.

Today’s global scenario and its challenges are too fluid and changeable for us to freeze them in a static snapshot. Our national interests must therefore be continuously adapted to a fast changing environment. This is the daily’s work essence of the Ministry of Foreign Affairs, and the mission of our network of diplomatic and con-

sular offices abroad. And this is also the basic principle which inspired the reorganization of the structure of the Ministry entered into force on December 2010.

The Italian Foreign Ministry is therefore fully ready to take an even more active role in developing a wider and deeper national debate on who we are and what we expect from our role in the world. Three fundamental points can help us out: having a strong foreign policy represents, in itself, our main national interest; our country must compensate for the slow pace of the transition towards more efficient international and European institutions through a strengthened and more efficient “country system”; we need to devote an adequate amount of resources to foreign policy, otherwise we will seriously incur the risk of having others managing our own national interests.



VERSACE

pour homme

THE NEW FRAGRANCE FOR MEN

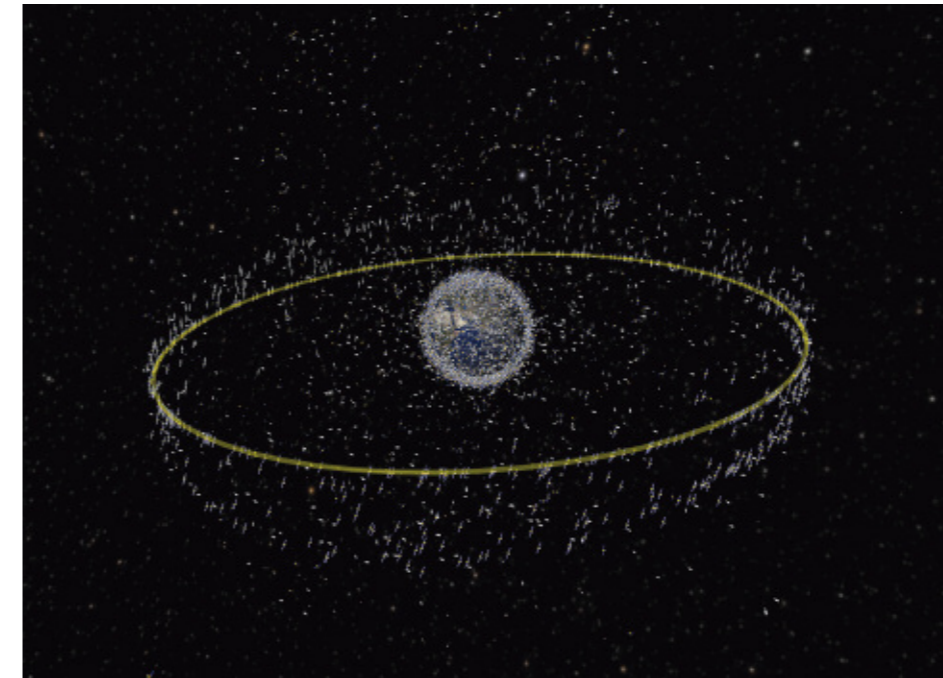


Heavenly clutter

BY MARCO MONA

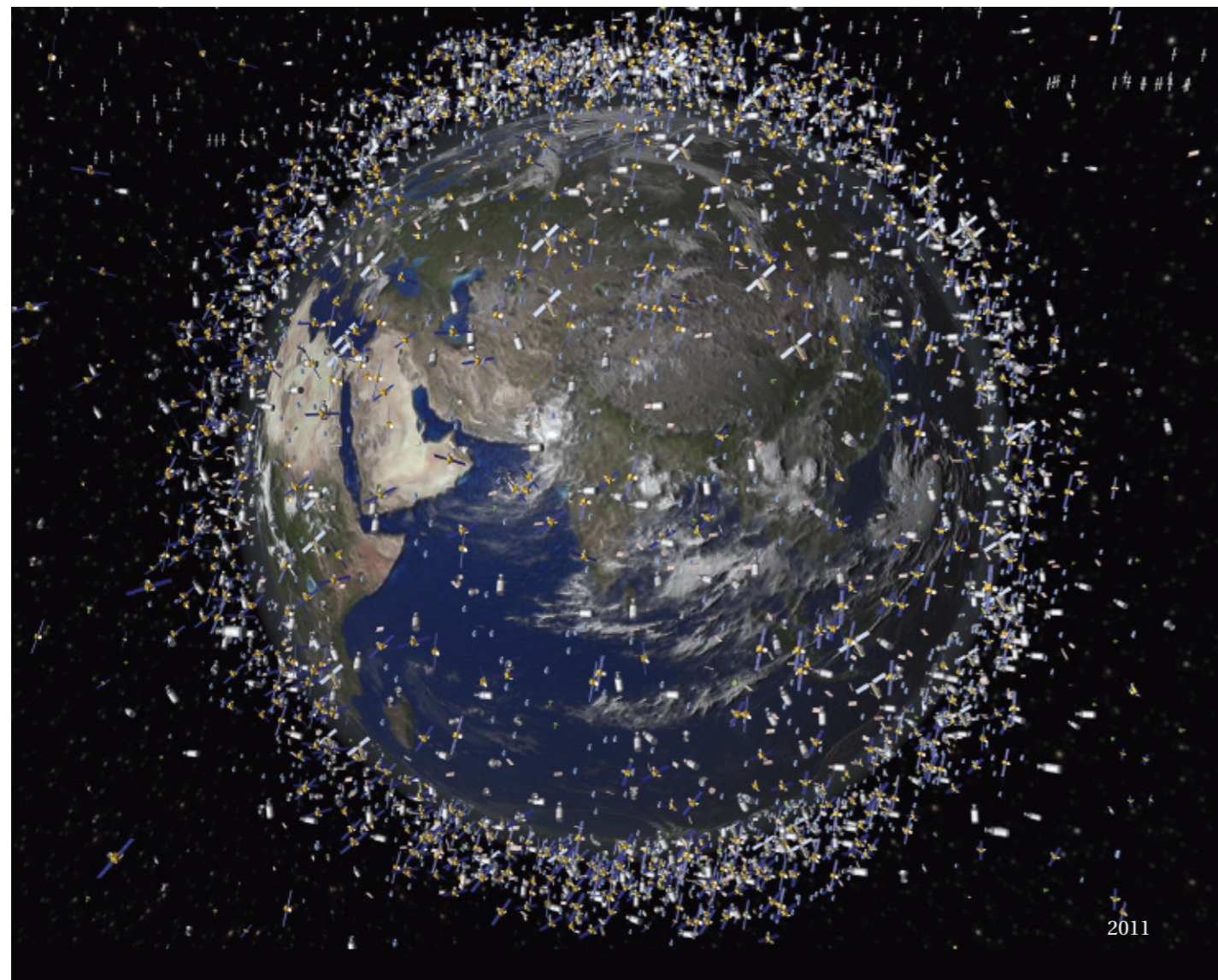
The launch of Sputnik 1 by the Soviet Union in 1957 marked the beginning of the utilization of space for science and commercial activity. During the Cold War, space was a prime area of competition between the USSR and the US, reaching its climax with the race to the moon in the 1960s. In 1964 the first TV satellite was launched into a geostationary orbit in order to transmit the Olympic games from Tokyo. Since then, the number of objects in Earth orbit has increased steadily – by two hundred per year on average. Currently, the US Strategic

Command monitors 12,771 satellites and other objects of about 10 centimeters in diameter orbiting the earth. Out of these 12,771 objects only 872 are active satellites, while most of the remaining 11,899 monitored pieces are dysfunctional and considered “space debris.” While our lives on earth depend more and more on GPS satellite support, the space they are imbedded in becomes increasingly cluttered. As an American general puts it: “Our space architecture is very fragile.”



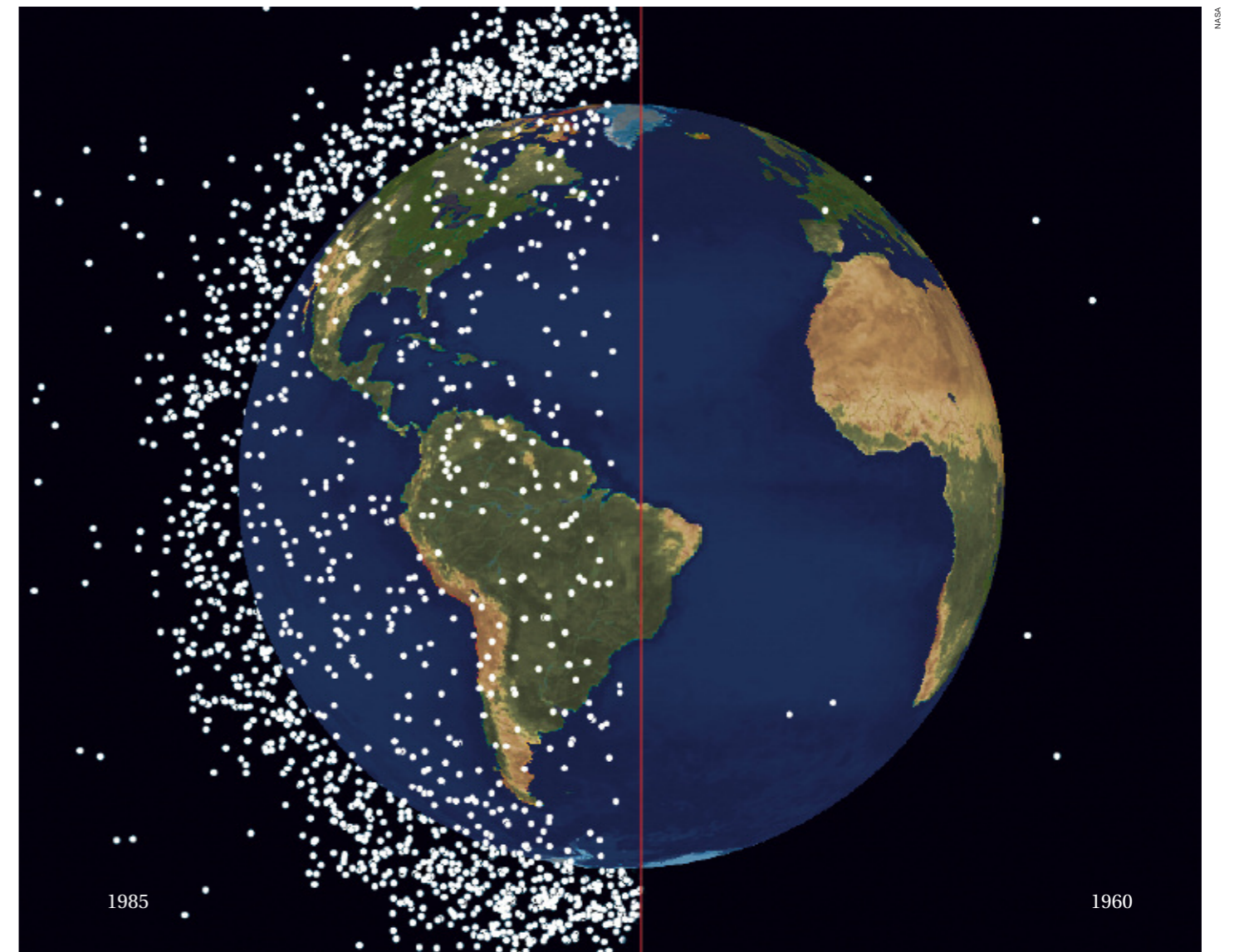
Computer artwork showing space debris in geostationary Earth orbit used by weather and communications satellites (GEO, around 35,700 kilometers altitude, shown by yellow ring). Space debris includes thousands of inactive satellites, fragments of broken up spacecraft and equipment lost by astronauts. This artwork is based on density data, but the debris is not to scale.

Space debris through the ages. 70% of all catalogued objects are in low-Earth orbit (LEO), which extends to 2,000 km above the Earth's surface. To observe the Earth, spacecraft must orbit at such a low altitude. The spatial density of objects increases at high latitudes. The debris field shown in the image is an artist's impression based on actual data. However the image does not show debris items in their actual size or density.



2011

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1985

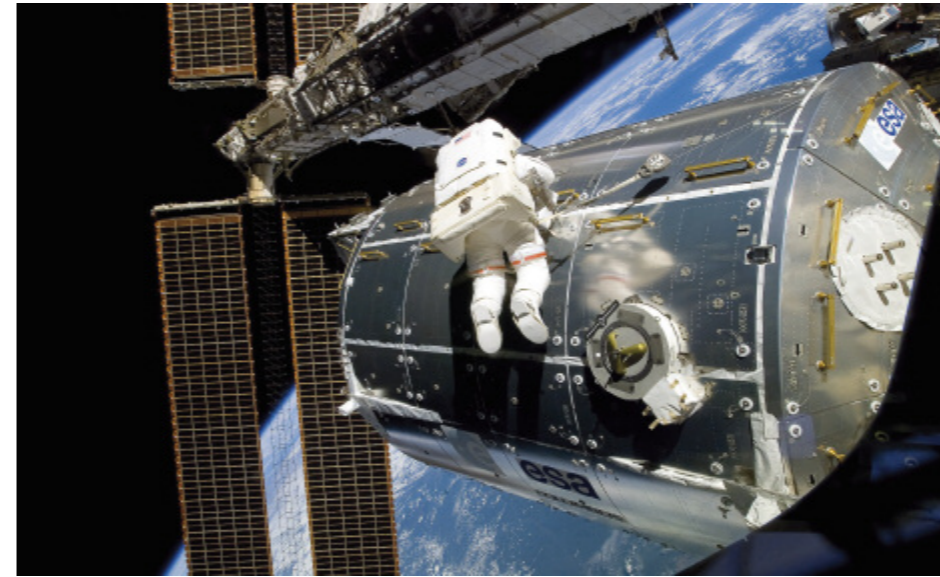
1960

NASA



ESA-S.CORVAJA

📍 NASA's final voyage. *Endeavour* launched from Kennedy Space Center at 8:56am ET, reached orbit in 8.5 minutes.



NASA

📍 An astronaut works on an exterior panel of the International Space Station as it hovers above the Earth.

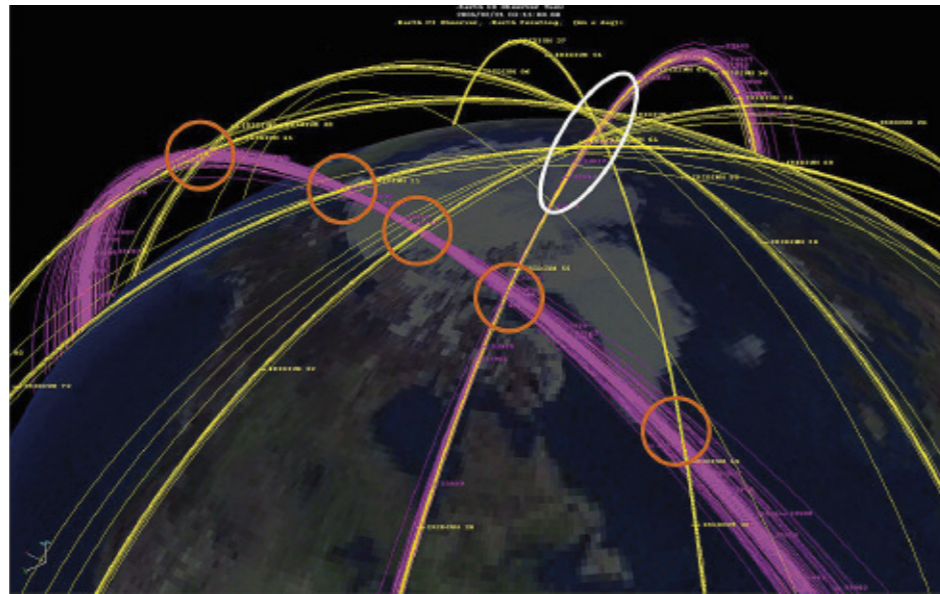
📍 The first pair of satellites for Europe's Galileo global navigation satellite system lofted into orbit by the first Russian Soyuz vehicle ever launched from Europe's Spaceport in French Guiana in a milestone mission. The two Galileo In-Orbit Validation satellites are protected during their launch by Soyuz by a launch fairing. Once the Soyuz has passed most of the way through the atmosphere, this fairing can then be ejected.



ESA

⬇ In the report issued on February 10, 2009 at 1502 UTC, SOCRATES predicted a close approach of 584 meters between Iridium 33 and Cosmos 2251. The US Space Surveillance Network (SSN) subsequently reported that they were tracking debris clouds in both the Iridium 33 and Cosmos 2251 orbits, confirming a collision. This is the first time two satellites are known to have collided in orbit.

➡ The Iridium satellites are shown in yellow and the pieces of space debris from the collision are shown in magenta. The white circle shows an area of Iridium crossings of the Iridium 33 debris above the North Pole while the red circles highlight the places where Iridium satellites cross the debris tube of the Cosmos 2251 satellite.

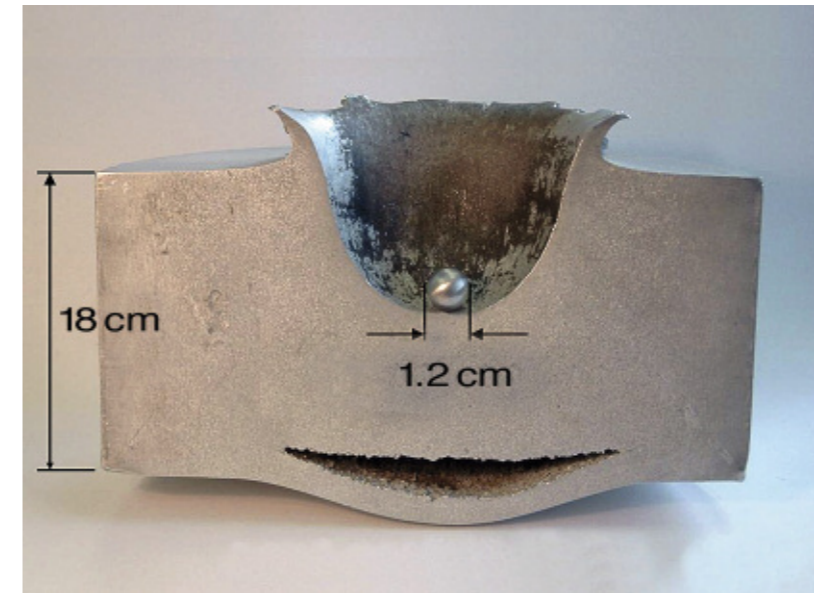


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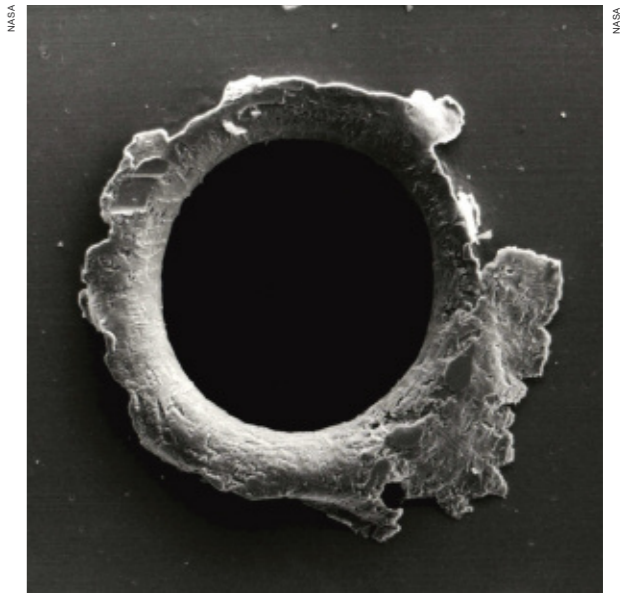
☑ So far, about 200 explosions and at least 5 collisions in space have occurred. More explosions and collisions are likely. The explosions are mainly caused by onboard energy sources, either due to pressure build-up in propellant tanks, battery explosions, or

the ignition of hypergolic fuels. Each explosion creates thousands of small debris objects which, according to the Kessler effect, could lead to a cataclysmic chain reaction of collisions which would wipeout the existing satellite network.

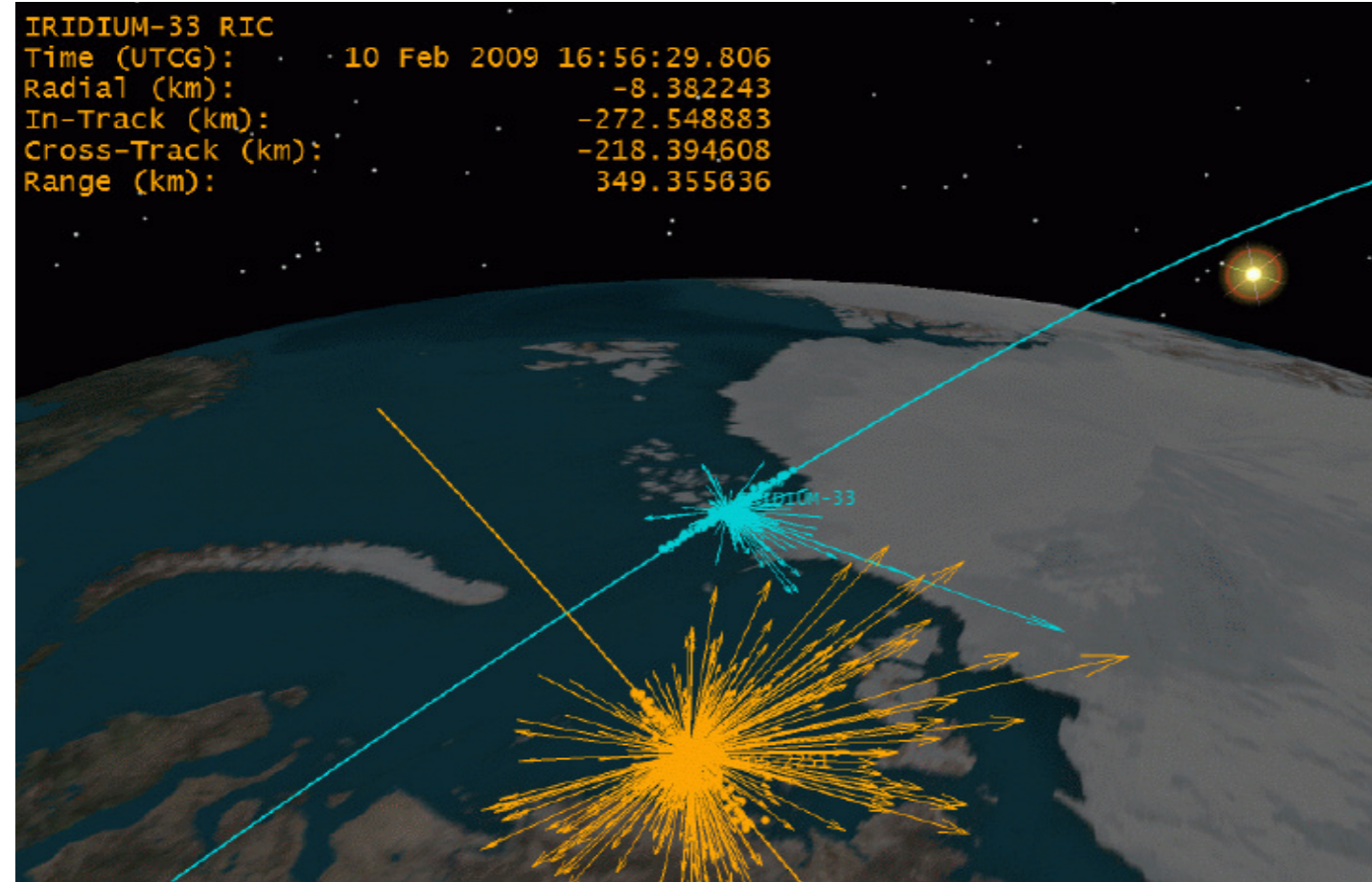
☑ ⬇ Impact of orbiting space debris at 6.8 kms per second or 56,500 J of force.



NASA



NASA

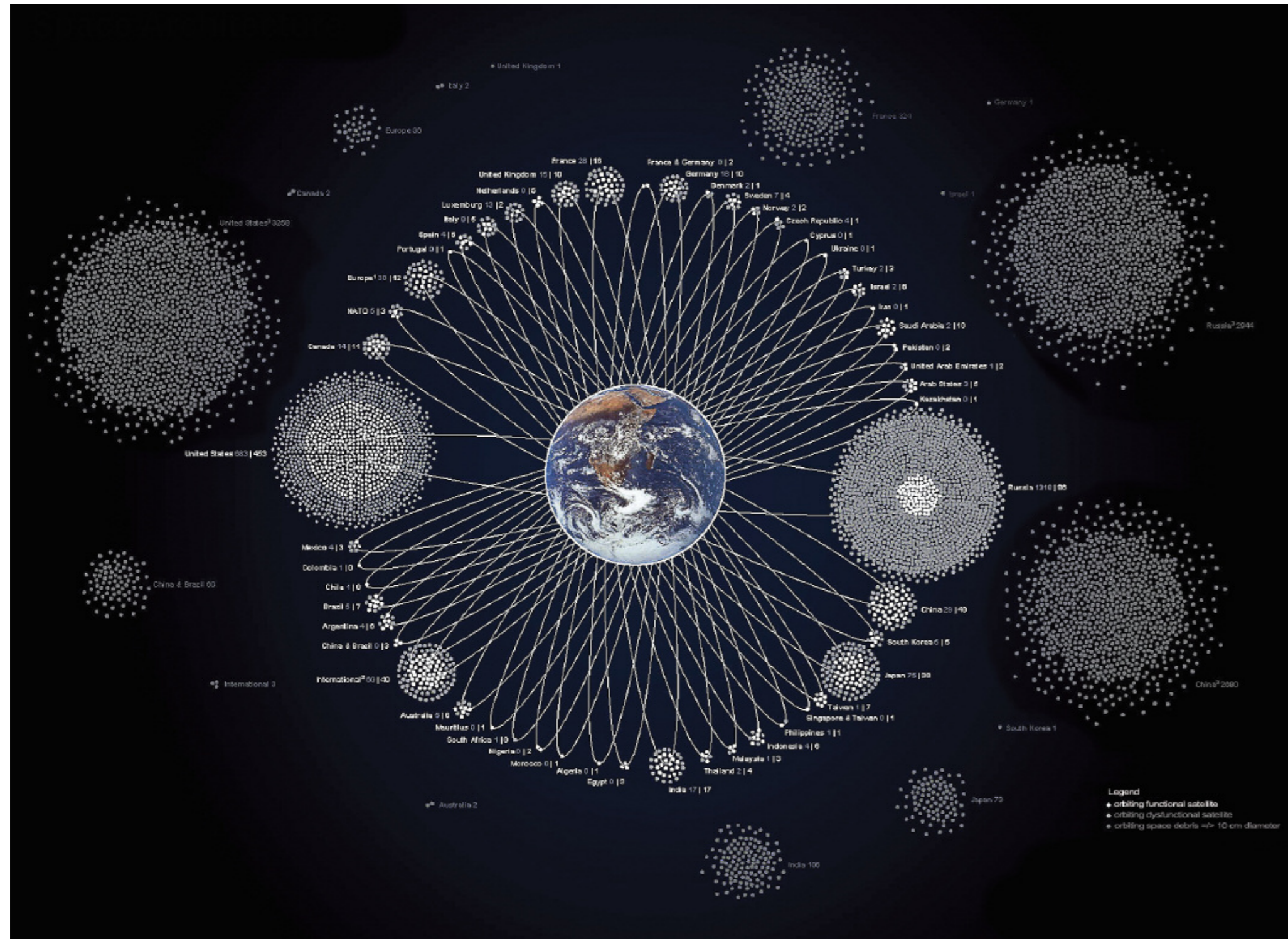


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The US Strategic Command is currently monitoring 12,771 satellites and other large objects orbiting the earth. Out of these objects only 872 are active satellites, while most of the remaining 11,899 monitored pieces are considered "space debris."



SSA space hazard program. Computer artwork showing the three main "segments," or areas of activity, of SSA (Space Situational Awareness): space surveillance and tracking of debris objects (SST, center), detection of space weather (SWE, upper right) and searching for near-Earth objects (NEOs, lower left). SSA is a system of radars, telescopes and networks on the ground that can work in unison to detect these space hazards. The program is being used to help Europe detect hazards to critical space infrastructure.

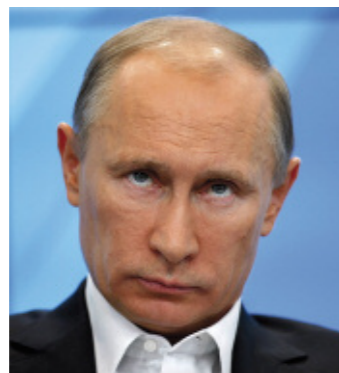


Satellite disposal. Computer artwork of the Terminator Tether Satellite Deorbit System in use. This system will reduce the amount of debris in low-Earth-orbit. The terminator tether is bolted to the satellite before launch and remains dormant during the life of the satellite. When commanded to deorbit the satellite, it releases a 5-kilometer-long tether that interacts with the ionospheric plasma and geomagnetic field in the Earth's atmosphere. This produces the current seen running along the tether (center right). These currents cause forces that lower the satellite over a period of weeks or months until it is vaporized in the Earth's upper atmosphere.

The Four Horsemen of 2012

BY CARMINE FINELLI

The year 2012 will be one of presidential elections, with four of the world's most influential leaders on the campaign trail. In the midst of a global economic crisis, Vladimir Putin, Nicholas Sarkozy, Recep Tayyip Erdogan and Barack Obama will all be judged by their people – especially on economic issues. On the one hand, high unemployment rates and weak growth make reelection difficult for Obama and Sarkozy. Putin and Erdogan, on the other hand, have to confront the challenge of modernization and development. With the exception of Putin in Russia, reelection for the other three candidates is not a sure thing. Paradoxically, Putin is the only candidate to be contested in mass protests. It remains to be seen whether the protests will erode the near certainty of his election. Changes at helm of these countries (the US, France and Turkey) will undoubtedly shape their international role. For these reasons, the international community will be watching closely to see if anyone has the right recipes for emerging out of the crisis.



Vladimir Putin

"Some countries want Russia to stop interfering in their ruling of the world. They're still afraid of our nuclear potential. That's why Russia is a pain in the neck for many."

The Tsar is back. Actually, he never went away. On November 24, Russian Prime Minister, Vladimir Putin, was nominated by the United Russia Party to run for the presidential election on March 4, 2012. This would be his third presidential term. In theory, Putin could wind up ruling Russia for a quarter century – that is, if he can win the next two six-year presidential terms.

Until the December 4 parliamentary elections and the growing anti-Putin protests that followed, reelection seemed like a done deal. Putin has said he wants a "strong Russia" and during his tenure, Russia has regained much of its international standing. Nevertheless, his rule has been plagued by endemic corruption and accusation of authoritarianism. At the United Russia congress he announced free market reforms and other modernizations, continuing Dmitry Medvedev's work. Because of the lack of a strong opponent, it is still likely that he will become the next President of the Russian Federation, despite the fact that in the elections for the Duma, United Russia lost almost 20% of its votes. It got 49.06% of the popular vote, as compared to 65% in 2007. One surprise was the strong performance of Communist Party, led by Gennady Zyuganov, which got 19.06%.

The election outcomes could affect Russian foreign policy. Putin's idea of a

"strong Russia" means, first of all, reasserting the country's lost international influence. In Russia's relationship with the United States, Putin seems to be willing to engage in a "cool war," if not an outright cold one. At a recent four-and-half-hour televised phone-up session with the Russian people, Putin said: "We'd like to be allies with the United States, but what I see now is not partnership. Sometimes I think America doesn't need allies, it needs servants." The attempt to join the World Trade Organization and the renewal of the NATO-Russia partnership bear out the increased role of Russian Federation as fundamental political actor in Asia. Putin is aware that only with the involvement of Russia, can China be counterbalanced in its soft power expansion across Central Asia. But as things stand, this path will need to be negotiated with Zyuganov's party. Therefore, Putin's idea of creating a Eurasian Union, similar to the European Union, is intended to curb Chinese ambition and to give Russia a strong negotiating position with respect to the European Union. Indeed, the Great Game will begin in Asia, as soon as Putin wins the presidency, if not sooner.



Nicholas Sarkozy

"There can be no common currency without economic convergence, without which the euro will be too strong for some, too weak for others, and the eurozone will break up."

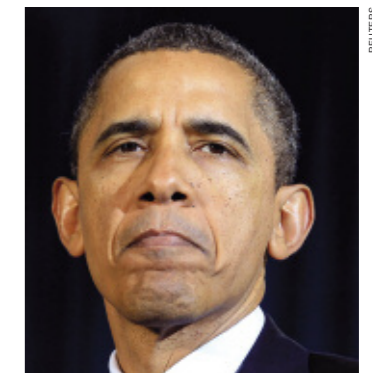
For Nicholas Sarkozy, getting reelected in May 2012 will not be easy. He is caught between domestic and foreign policy issues, and has seen consensus within his UMP (Union for a Popular Movement) eaten away by Marine Le Pen, leader of the FN (National Front). According to the latest polls, the National Front has almost 20% of votes, going over the 12.5% mark needed to get to the second round. So Sarkozy will have an additional competitor apart from François Hollande, the Socialist Party candidate, who is at 30% in the polls versus Sarkozy's 29%. Domestic issues will weigh heavily on Sarkozy's popularity. With an economic growth rate under the European average and an unemployment rate near 10%, France has to boost its economy to remain one of the pillars of the eurozone. Sarkozy's concern about the dissolution of the euro justifies his activism in the EU to forge ties with Germany and urge treaty reforms. Sarkozy and Angela Merkel have agreed on the need to reform the European treaty in order to save the euro. Moreover, France's muscular approach to the Arab Spring (in particular toward Libya) contributed to a loss of consensus. Finally, for Sarkozy what might matter most is his ability to draw votes away from the FN. If he can do that, then he will have a chance to defeat Hollande. Otherwise he will lose.



Recep Tayyip Erdogan

"It is time for us to take responsibility for our common future; we are entitled to meet the righteous demands of our people using any legitimate means"

In the June 12, 2011 general elections, Recep Tayyip Erdogan's Justice and Development Party (AKP) did not get an overwhelmingly victory. With 49.9% of the votes and 325 seats in the parliament, the numbers are not enough to change the 1982 Turkish constitution and increase presidential power, shifting the institutional architecture created in 1982 toward a pure presidential republic. The impossibility of realizing that constitutional reform may affect the Erdogan's campaign for presidential election in 2012. Despite the fact that he is the favorite, the Republican People's Party, led by Kemal Kilicdaroglu, is rising in the polls. However, the management of the economic crisis by the ruling government gives Erdogan a serious advantage with respect to his competitor. Not a single Turkish bank has failed during the global crisis, the inflation rate has declined and the Turkish lira has remained stable – notwithstanding the sharp recession in 2009. However, Erdogan will have to deal with several difficult regional issues. First of all, the Kurds pushing for an independent state in south-east Anatolia and northern Iraq. Then there is the repression in Syria; and ties with Israel may also impact Erdogan's campaign. Given the current scenario, the election may be determined more by foreign policy than Turkish domestic matters.



Barack Obama

"A lasting peace depends on a sense of justice and opportunity, of dignity and freedom... on struggle and sacrifice, on compromise, and on a sense of common humanity."

When Barack Obama took office in 2008, hope for a better future arose all over the world. After three years, Obama seems to have lost his magic touch. His popularity fell after the healthcare reform and kept on dropping. The unemployment rate leapt to 9% in September. Not only have domestic matters played a role Obama's popularity slump, but also his course of action in foreign policy. The Afghan exit is uncertain and difficult. US troop withdrawal is scheduled for 2014, when Obama would be winding down his second presidential term (if reelected). Moreover, Obama's call for a return to the 1967 borders in the Israeli-Palestinian conflict may cost him Jewish support. Good news, however, comes from the Republican side. The GOP is unable to put forth a strong candidate. Currently, Mitt Romney and Newt Gingrich are vying for the top spot, but neither has excited the crucial independent and swing state voters enough to pose a threat to the incumbent. So for the moment the 2012 election remains doubtful for the GOP – at least in the race for the White House.

CARMINE FINELLI is a political analyst based in Rome.

The euro: still on the brink

BY PAOLO SAVONA

EU leaders are making bold statements regarding fiscal and political unity, as if there were no alternative to a recession. But an alternative does exist, and it may be up to the markets to force decisive action.

On December 9, 2011 the heads of the eurozone countries and the European Union institutions stated that they “have done much over the past 18 months to improve economic governance and adopt new measures in response to the sovereign debt crisis. However, market tensions in the euro area have increased, and we need to step up our efforts to address the current challenges. Today we agreed to move towards a stronger economic union. This implies action in two directions: a new fiscal compact and strengthened economic policy coordination; and the development of our stabilization tools to face short term challenges.”

This technicism covers the political nature of the choices, since the creation of a “fiscal stability union” would be a step in the right direction; yet it does not lead to a new phase of economic policy where development is set at the center of the European action. In the same way, the sovereign debt and euro crises are set in merely technical bases and they are left in the hands of the European Central Bank, which is not keen on carrying out the function of lender of last resort, and of the European Financial Stability Facility, which does not have sufficient means. Therefore, not politics, but the market will determine if what has been decided during the last summit has the same value as a safety net for the euro.

Since its birth, the euro was proposed by its creators (Roy Jenkins and Jacques Delors) and accepted by the signatory countries as the most efficient and “unique” vehicle to reach a political unification of the member states of the Union. If

we were to judge by the results, this conception of Europe has been a failure. Never as much as today have we needed



to reach the target of a political unification, given that a currency needs to be backed by a state with political sovereignty. The debts of the eurozone member states are denominated in a currency that they do not create, as was the case with the dollar in Argentina. The dollarization of pesos was the triggering cause of the Argentinean default; when its government bonds reached maturity, they could not be reimbursed, as it would have been possible if they had been denominated in pesos, i.e. their currency. If the government bonds denominated in euros were denominated in national currencies, they would always be refundable given the engagement to pay in domestic money – obviously with an impact on other variables, such as the exchange rate or inflation and the future merit of the country’s credit.

Considering the dimension in terms of population and wealth reached by the main actors in the economic geopolitical competition, today we need even more to transform the European common market with its own currency and market regulation into a true political union. The process of implementation of such an institutional architecture cannot get stuck in midstream: either we go forward or we go backward. An economic organization without a sound political rationality cannot have a long life. Germany’s Chancellor Angela Merkel declared at the CDU Congress (her Party) that Europe is either political or it is not. But so far she has not behaved consistently with regard to this declaration. Nor can we consider French President Nicolas Sarkozy consistent, as he is always generous with warnings to other member states of the Union, but he heads a state that rejected the proposal for a European Constitution prepared by Valéry Giscard d’Estaing and Giuliano Amato: a decision that was perhaps fatal for the political unification of Europe. British Premier David Cameron expressed in the clearest way the negative position of the United Kingdom.

We acknowledge that, at least for the time being, the EU is not able to give an answer to the fair demands of the market that wants to know what institutional mold the European currency is made from. This



Workers make repairs to the huge euro logo next to the European Central Bank headquarters in Frankfurt, Germany, December 6, 2011.

means that the market can decide to either inflict a death blow to the euro or allow it to survive. It is definitely not a comfortable condition for the eurozone. The market wants to know if the euro is a “sovereign” currency. The proposed new EU Treaty (now forced to be an intergovernmental agreement) does not propose a political unification, but a sort of economic protectorate of which we do not yet know the extent; but for sure, it will lead to a devolution of a great deal of fiscal sovereignty, at least for the countries in trouble. If those countries were actually able to apply the demanded deflationary policies, also managing to keep social stability, the market – which, as is well known, gives little importance to the level of democracy behind choices – could also make do with it and stop the attacks against the sovereign debts

of the countries involved. It would be a not-so-honorable outcome for the social market economy, a brand of European culture, but it would make a virtue of necessity, thus postponing the realization of that better world promised us in no uncertain terms by the Single European Act.

The eurozone, followed by the EU, is planning a long period of low real growth and unemployment under the assumption that there is no alternative. Nevertheless, an alternative exists if the collaboration between the ECB and the EFSF-ESM were reinforced by agreeing that the former should carry out all the necessary interventions to convince speculators to stop their attacks, provided that the latter buys out all securities acquired by the ECB. In this way, the ECB could regain control over the monetary base creation in an agreed term by selling

the acquired sovereign bonds to the EFSF. The EU should authorize the ESM (European Stability Mechanism) to issue eurobonds, at the same time establishing a common strategy and a set of rules to guarantee that the national sovereign bonds shall be refunded by the assisted member states without begging from the neighboring European taxpayers.

PAOLO SAVONA is Emeritus Professor of Political Economy.

Integrity and innovation: Europe's new challenge

BY DANILLO BROGGI

It is possible, in this increasingly technological age, to have one without the other; but when combined, integrity multiplies the capacity for innovation, and vice versa. Policy makers need to commit to a strategy that encourages exactly such a synergy.

If we take a look at the evolution of the European market in its widest sense – covering institutions, public administrations, citizens and also enterprises – we notice that, especially during the last years, it has been characterized by a remarkable number of features, among which: i) the complex dynamics of national economic resources; ii) high expectations for the modernization of the services made available; iii) relevant need to revitalize the “real” economy even through concrete forms of mid-term structural projects.

So as a result of experiences observed at a worldwide level, European policy makers have focused their recent attention to the consideration of Information & Communication Technologies (ICT), representing one of the strategic levers fundamental to making the “European System” run more efficiently.

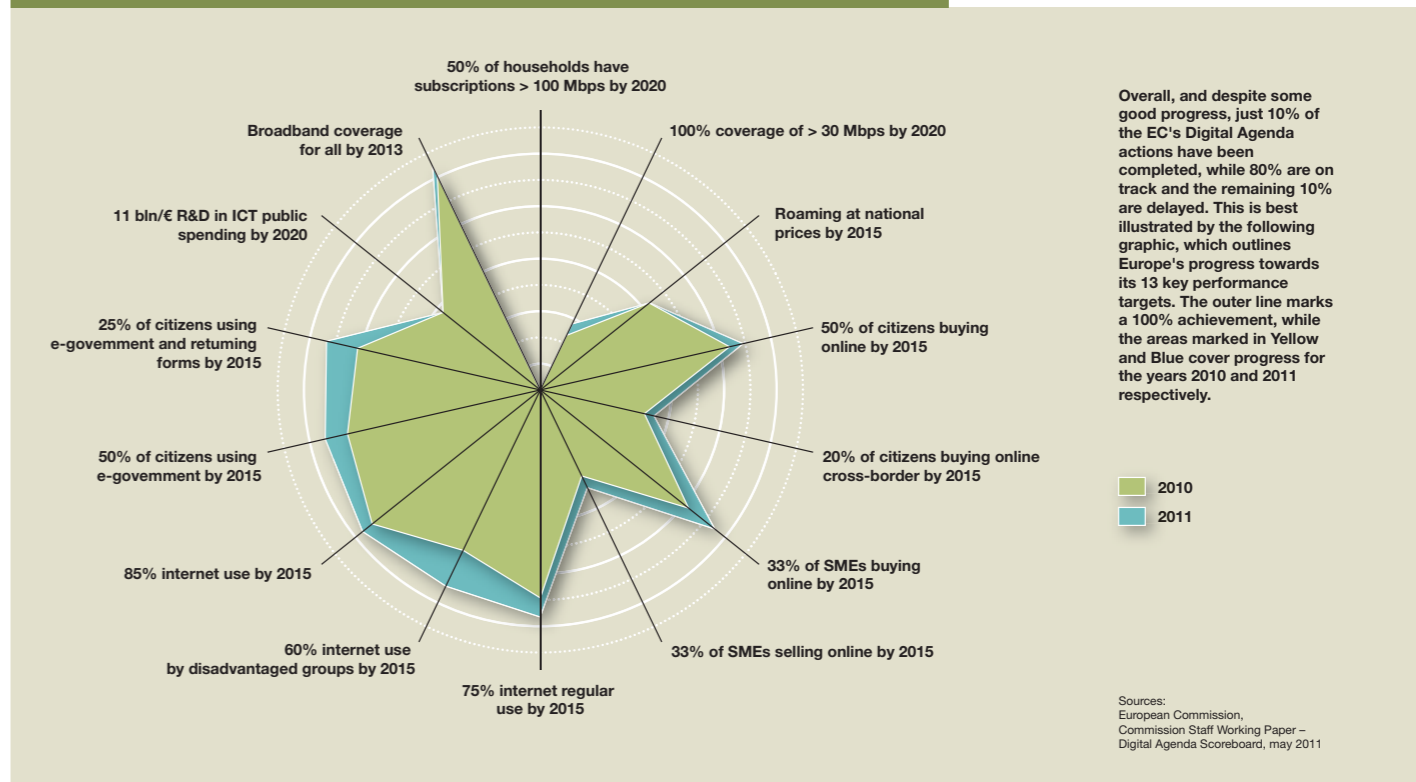
With this in mind, in May 2010, the European Commission adopted the Digital Agenda for Europe (DAE) – part of the overall Europe2020 strategy for smart, sustainable and inclusive growth – a strategy to take advantage of the potential offered by the rapid progress of digital technologies. Thus, the DAE strongly affirms this con-

cept, developing a full-range action plan at member-state level through 101 specific policy actions intended to stimulate a virtuous circle of investment in and usage of digital technologies; and identifying 13 key performance targets to show whether Europe is making progress in this area.

The last scoreboard issued by the European Commission highlights a path on the way to consolidation for most indicators: regular internet usage has risen rapidly, including among disadvantaged groups; citizens use eGovernment more and more, including interactively, and are rapidly taking to buying online, as are small and medium-sized enterprises; basic broadband is increasingly available even in the remotest corners. For other (few) targets progress is insufficient, albeit real: access and subscriptions to very high-speed broadband remain concentrated in few places; investment in R&D has not risen.

In this an extremely positive scenario. I believe the next challenge will be to maintain this course of action and that means, in my experience, assign utmost attention even to new values in order to obtain a reliable European policy – including, above all: integrity and innovation.

EUROPE'S PROGRESS TOWARD ITS 14 KEY PERFORMANCE TARGETS



Overall, and despite some good progress, just 10% of the EC's Digital Agenda actions have been completed, while 80% are on track and the remaining 10% are delayed. This is best illustrated by the following graphic, which outlines Europe's progress towards its 13 key performance targets. The outer line marks a 100% achievement, while the areas marked in Yellow and Blue cover progress for the years 2010 and 2011 respectively.

Sources: European Commission, Commission Staff Working Paper – Digital Agenda Scoreboard, may 2011

On the one hand, we should pay much attention and spend much time on the integrity – in its widest sense of transparency and accountability – of daily behavior. The simple reason is that all of us are held accountable for using more and more effectively and efficiently the extremely precious national economic resources. Achieving such profound changes in the way market works – at every level (political, institutional, industrial, etc.) – has required and still requires strong commitment and responsibility by all stakeholders. One of the essential features consists in having recourse to transparent behavior. Transparency spreads the “rules of the game” and provides stakeholders with all the pieces of information needed to measure and assess achieved goals. Transparency and accountability are also instrumental to pursue efficiency along the “value chain” and the overall consistency between means and objectives. Abiding by legal rules, regulation and ethical codes are certainly a necessary condition for reaching high lev-

els of integrity, but not necessarily a sufficient condition. On the other hand, we have also gradually realized that new technologies may support the adoption of a more sustainable model of development by promoting innovation while stimulating all the parties to adopt more friendly technologies. To recognize the concrete link between digitalization and innovation means that the former has the potential to be an instrument of industrial policy. After all, every time the possibility exists of operating on the market by using both supply and demand at the same time, industrial policy lines are being expressed. Considering the ICT as a “simple device” to generate time reduction is to have a somewhat limited vision of its potential. The “traditional” concept of value for money is certainly of fundamental importance, but a new approach has the ability to alter the way of operating on the market: setting a new model of economic development together with a high level of transparency and accountability.

In other words, considering the transformation of the European scenario, integrity and innovation become key elements to be evaluated and measured with respect to the objectives and results assigned. And consequently, the sense of responsibility – as defined at every level (political, institutional, industrial, etc.) – is a prerequisite to be credible and reliable along the path of policy making. Although briefly sketched, I am fairly convinced that this different approach – based on the delicate equilibrium between integrity and innovation – will become instrumental to obtaining greater efficiency and effectiveness in European policy. But achieving such profound changes will require an even greater commitment and responsibility by all institutional stakeholders and, above all, a deep involvement at the member state level.

DANILO BROGGI is the Chairman of Poste Assicura.



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CLASSIC ZUCK DAWG



ROBERT GALBRAITH / REUTERS

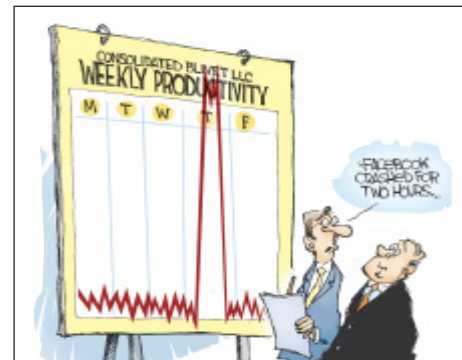
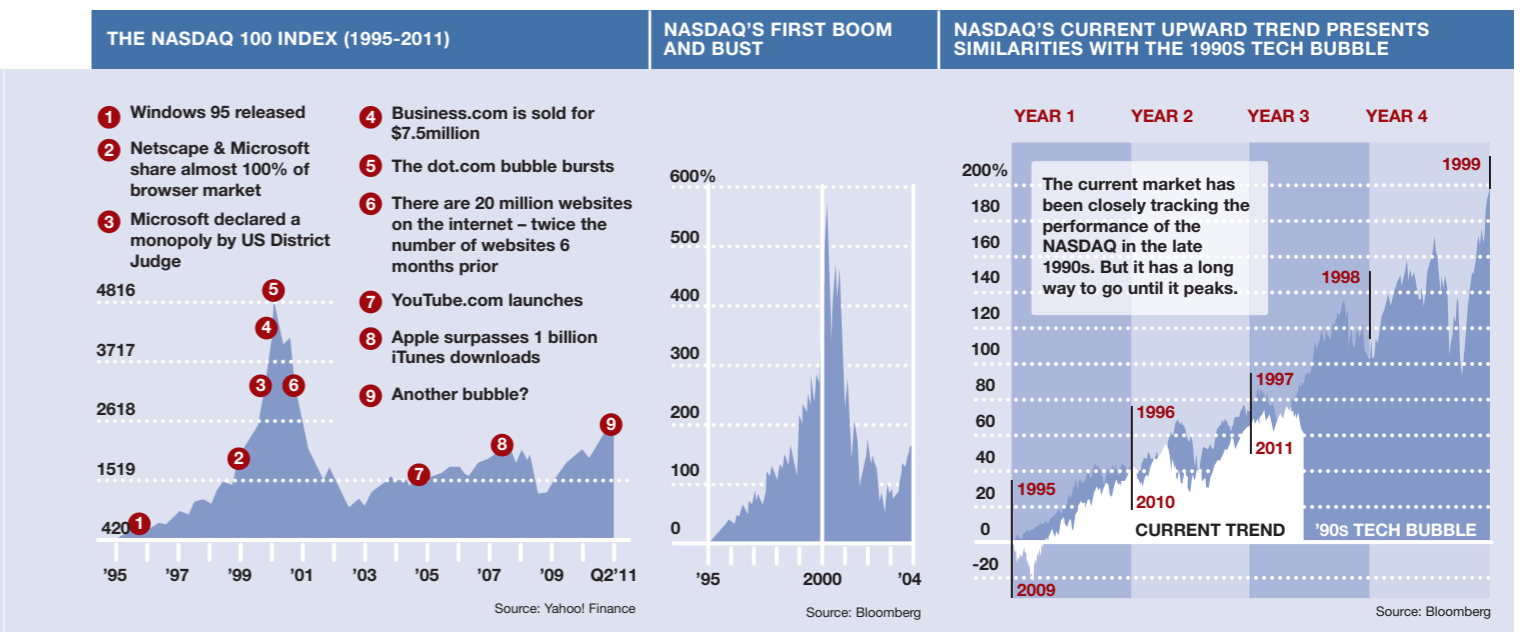
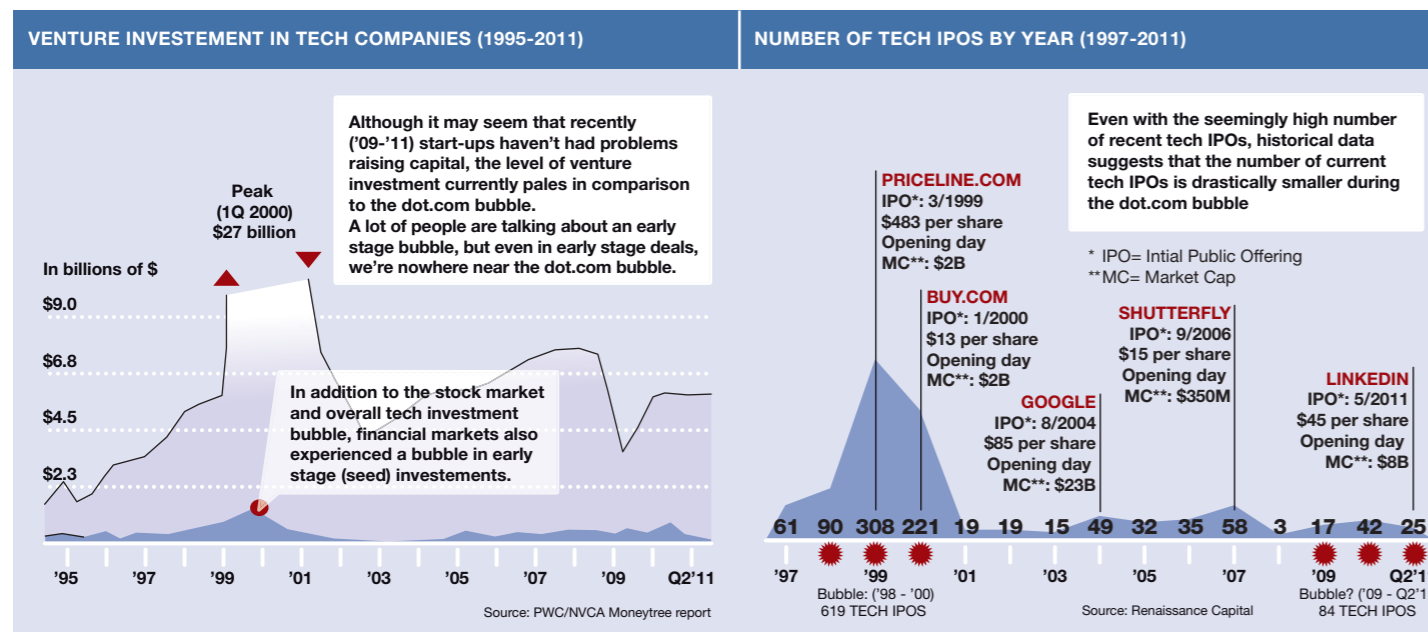
Tech it to the max

BY LANFRANCO VACCARI

Unlike the bubble of the 1990s, the recent surge is still limited to social media that process consumer information. And not all the new companies have figured out how to monetize their resources. Still, a spate of IPOs are preparing us for the big one: Facebook.

All the signs of an impending apocalypse are here – once again. The time it takes to get across Palo Alto has tripled, and it doesn't help that this new wave of environmentally conscious internet entrepreneurs are driving either hybrids (Toyota Prius) or \$100,000 electric roadsters (Tesla). In the past year, the median home sale price in Silicon Valley has risen anywhere between 24% and 49%, depending on the location. At Draeger's, a "grocery boutique" in Menlo Park, the usual assortment of \$1,750 Château Petrus and \$15-an-ounce duck foie gras has been coupled with an Acetaia Terra del Tuono balsamic vinegar that, according to a story in *Fortune* magazine, goes for about \$40 a teaspoon. The labor market is the stage for a recruiting war: computer scientists, engineers and math geeks just out of college are commanding salaries as high as \$250,000, almost doubling what top talent got in the late 1990s and higher than lawyers ("Some might call it progress", quipped David A. Kaplan, author of *The Silicon Boys*, a turn-of-the-century bestseller). Calling to mind the dot-com era, which offered metrics like "eyeballs" and "mindshare," companies are manufacturing a newspeak to replace profits: this time around, it promotes gauges like "a multiple of engineers" or ACSOI (for adjusted consolidated segment operating income, essentially operating income minus online marketing and acquisitions expenses, a trick without which many balance sheets would appear steeped in red ink). To seal the circle, Jeffrey Kleintop, chief market strategist for LPL Financial, compared the Consumer Sentiment Index, which surveys people about their outlook on the economy, and the Leading

Facebook CEO Mark Zuckerberg (L) and comedian Andy Samberg share a laugh during Zuckerberg's keynote address at the Facebook f8 Developers Conference in San Francisco, September 22, 2011.



Economic Index, which looks primarily at hard economic indicators like how many hours people are working and what manufacturers are ordering; the gap between these two indices is at a record high – a mirror image of 1999, when the last tech bubble inflated.

So is history about to repeat itself? The jury is still out and the odds on the verdict are equally split between doomers and boomers. The former position is summed up by Vivek Wadhwa, a visiting scholar at University of California-Berkeley's School of Information: "It can't last. It doesn't make sense. It's a mad rush to go public, and they're rushing out as fast as they can, because they know that before the bubble pops they might as well go make their big money." As for the latter, here is what Marc Andreessen, co-founder of Netscape and now one of Silicon Valley's biggest venture capitalists, said: "A key characteristic of a bubble is that no one thinks it's a bubble. If everybody's upset, as they are now, it's a good sign." And he added a weird reason for optimism: "There was a point in the late '90s where all the graduating MBAs wanted to start companies here, and for the most part they were not actually qualified to do it. Graduating MBAs are actually a reliable contrary indicator: if they all want to go into investment banking, there's going to be a financial crisis. If they want to go into tech, that means a bubble is forming. Now the migration is heating up again, but it's still not any-

thing near like it was back then."

Nor is the amount of money thrown around – as huge as it may be – comparable. Venture capital provided more than \$21bn in the first three quarters of 2011, according to the *MoneyTree Report*, and is projected to close the year under \$30 billion, nowhere near the \$99 billion of 2000, even though the software industry alone, during the third quarter of 2011, got \$2.0 billion from VC, the highest quarterly investment in the sector since the fourth quarter of 2001. Additional cash comes from wealthy individuals known as "angels": \$8.9 billion in the first half of 2011, mostly into seed and start-up ventures, according to data from the University of New Hampshire's Center for Venture Research. Consumer-internet firms and makers of software apps are the preferred targets. This has fueled an IPO frenzy during spring and summer months, but somehow it cooled off well before winter. Postponed or withdrawn IPOs outnumber those priced, and the ratio between the two is at the highest level since the first quarter of 2009, when the market was nearly frozen in the midst of the financial crisis. Nevertheless, the hype hangs around. Because, as the argument goes, "it's different this time."

Historically, there were no bubbles without good explanations for why "this time" it would be different. This has been the case since the tulip mania in 17th-century Holland (at its peak, in February 1637, some single bulbs sold for more than 10 times the annual income of a skilled craftsman). Yet, this time it may well be different – and for a variety of reasons.

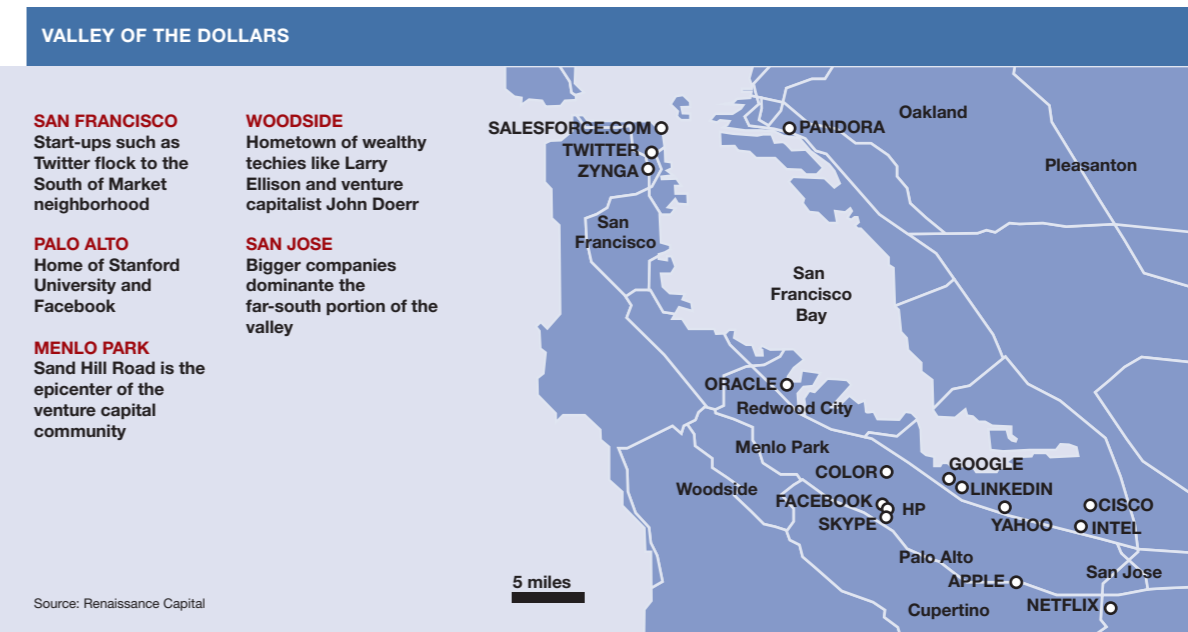
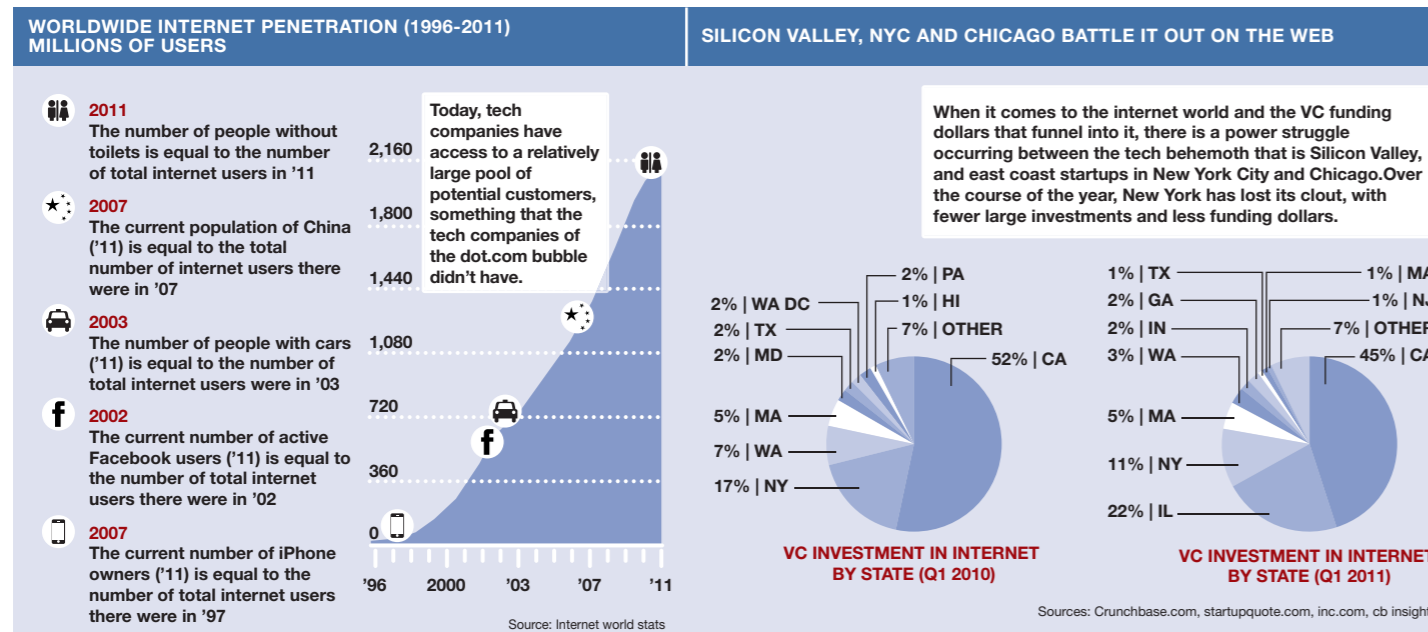
What has been dubbed as the Bubble 2.0 is not about tech, but essentially about social media. These

are sites that will change the rules of the game for e-commerce. They aim at a Total Available Market in the billions of users: in 1999 only 248 million people were online, less than 5% of the world's population, most of them on dialup connections; now they are 2.1 billion, about one in three people worldwide, most of them using broadband connections; over the next five years the internet will double in size as a result of smart phones replacing feature phones (the current number of active Facebook users is equal to the number of total internet users there were in 2002 – and is poised to pass the one billion mark soon). They can use the web to maximize inventory clearing, offering off-hour, real-time deals to increase the efficiency of the economy thanks to technological progress that has made it much simpler and cheaper to try out myriad ideas for online businesses: tablets and smart phones are more powerful than a decade ago personal computers; Apple's App Store in three years has managed to offer more than 300,000 downloadable software applications and Facebook users are installing them at a rate of 20 million a day, according to *The Economist*. They hone a new business model that substitutes information for subscriptions. According to Paul Saffo, the futurist and managing director for Foresight at Discern Analytics, an investment firm, it's part of an evolution from the age of the producer (the Industrial Revolution) to the age of the consumer (the last few decades) to a new age of the producer-consumer, the one who consumes sites for free in exchange for producing information about his habits, interests and life, which in turn allows the site to use that data to improve the product or better direct ad revenue.

Unlike their predecessors of the dot.com era, many social media companies are coming to the market in the black and with real track records, not just cool ideas and power-point presentations. Facebook, which will go public sometime in the next few months offering \$10 billion of shares (five times the Google IPO in 2004), is projected to have profits of around \$4.2 billion in 2011. LinkedIn and Groupon, which launched their IPOs in 2011, aren't making money, but they have recorded big jumps in revenues, from \$78 million in 2008 to a forecast of \$475 million in 2011 at LinkedIn and from \$94 million in all of 2008 to \$688 million in the first six months of 2011 at Groupon. This distinguishes the last web wave from the paper tigers that burst into flames in 2000. There seems to be no Pets.com around, a company that raised and lost more than \$300 million, went from IPO to liquidation in 269 days in 2000 and, when it folded, was losing \$21 million a quarter on \$9 million on revenue. Nor anything comparable to Webvan, one the most anticipated IPO's of the last bubble. It raised more than \$1bn in start-up capital and had Goldman Sachs as its lead underwriter. On its first day, its market value soared 65% to about \$8 billion at the close. Less than two years later, it was bankrupt. Up to now, the nearest thing to the dot.com list of infamy has been Color, a photo-sharing (based on geolocation) and social-networking start-up that last spring was said to be worth \$100 million and raised \$41 million for a free app for smart phones that wasn't even tested. When the app launched, it didn't work. But at least Color went bust long before going public.

This takes us to the next reason why – besides the size of the market, technology and the soundness of the

When most people think of the dot.com bubble of the 1990s, they think of the giant run-up in tech stocks. The pace at which NASDAQ 100 index shot up (10 times in 4 years) was impressive and every individual investor wanted a piece of the action.



It's the Hollywood of high tech. Hundreds of companies (including the ones in this story) have clustered in Silicon Valley since the 1970s. Lately some have been setting up shop in San Francisco (Twitter, Zynga, Salesforce.com) – even Oakland (Pandora).

businesses – it could be different “this time.” There is a lot of hot money looking for a home and, as Paul Saf-fa said, “investors are desperate for something – any-thing – with a prospect of returns.” But, unlike the 1990s (and any other bubble; in a book written in 1841, *Extraordinary Popular Delusions and the Madness of Crowds*, the economic historian Charles Mackay de-scribed that “even chimney-sweeps and old-clotheswomen dabbled in tulips”), the day traders, giddy housewives and middle-class optimists borrow-ing against their homes, haven’t gotten to play – yet. Back then was more like Las Vegas slot-machines, now it’s more of a private baccharat table in Monte Carlo. “The first component of a bubble – something a lot of people believe and can act on – doesn’t even exist,” said Peter Thiel, the PayPal co-founder. The overblown val-uation of social media has been fueled in US second-ary markets, such as SharesPost and SecondMarket, where the trading of private companies in made by pro-fessional investors – investment bankers, venture cap-italists and “angels.”

It is where, last month, Facebook’s worth has been set at the eye-popping number of \$100 billion. In 2011 Mark Zuckerberg’s online yearbook-turned-global e-sa-lon has doubled its supposed valuation. To put it in context, consider this: \$100 billion is roughly the size of the economies of Vietnam, Bangladesh or Qatar, just under 55th place in the latest World Bank GDP ranking; only five tech companies are worth more (Ap-ple, Microsoft, Google, Oracle and Intel), meaning that Facebook would have a market capitalization larger than Cisco, Amazon and HP; McDonald’s is smaller by \$20 billion and The Gap is dwarfed by a multiple of

eight. If Facebook’s valuation and revenues are correct, it would give a price-to-sales ratio of 23: according to *Bloomberg*, a business and finance news website, Google is worth 6.5 times its sales, Microsoft 2.8, and Apple 2.6. Like Google, Facebook has high margins, meaning that after expenses is able to turn a large por-tion of sales into profits. But Google has a profit mar-gin of 29%: is Facebook almost four times as prof-itable? Warren Buffett, CEO of Count Berkshire Hath-away and by far the most successful investor of all time, is among the skeptics: “It’s extremely difficult to value social-networking-site companies. Most of them are overpriced, but some will be huge winners, which will make up for the rest,” he said.

Facebook is unique and looks like a winner. Rough-ly 1 in 7 people on the planet is a user – and the greater the numbers of users, the greater the incentive to join and the higher the value of the network. But what about the rest? More than five years after the first tweet, notwithstanding its \$4.5 billion valuation and more than 100 million users (an elite crowd: media, political, business, and technology leaders), Twitter has yet to find a reasonable business model in order to make money. And companies that have gone public last year got a lukewarm reception from the market. According to data from Renaissance Capital, out of 41 IPOs in 2011 in the technology sector, the average first-day pop has been of 20.3%; but to date, the group has lost more than 13% in value. Welcomed as a marker of enthusiasm (also because they operate in an e-commerce market that is predicted to quadruple between 2010 and 2015, from \$71 billion to \$305 billion, when it will be the world’s largest) Chinese internet companies have

abruptly cooled off. Youku.com, hyped as the YouTube of China, went public in December 2010 at \$12.80, ap-proached \$70 in April, and are now down to around \$18. Renren, at the beginning hailed as the Facebook of China, opened in May at \$24 a share, and is now down at around \$3.50.

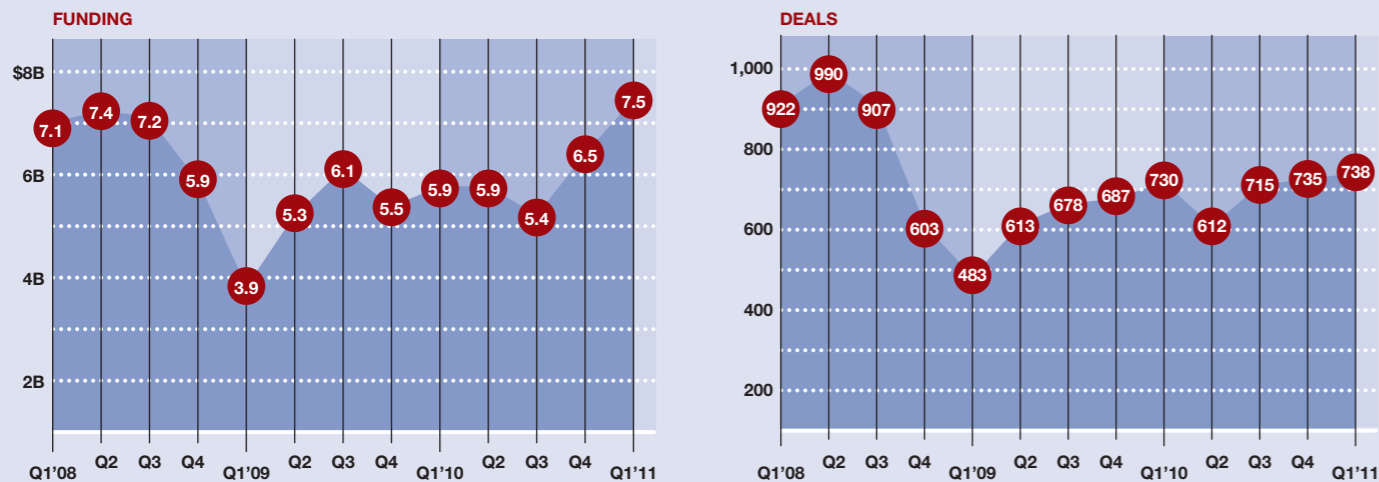
As far as American companies are concerned, Pan-dora Media got a multibillion-dollar market cap at its debut in June despite the fact that it loses money. Placed at \$20, its shares were trading as high as \$26, but lately are down at almost \$10. An online service that lets its users pick genres, songs (more than 800,000 of them) and musical groups and then builds a radio sta-tion that caters that style of music, Pandora has near-ly 100 million registered users but posted a loss of \$1.8 million in its 2011 fiscal year.

At least as disturbing is what happened to Groupon, the popular daily deals site. Offered on November 4 at \$20, its shares climbed to \$31.14 at the end of the first day, plummeted to \$14.85 at the end of the month, and are now around \$23. Such volatility is not only due to intense scrutiny because of the company’s book-keeping procedures (they are the ones who invented the ACSOI gauge). Some serious reservations have been raised about its long-term prospects. It faces stiff competition from Google and Amazon, which have launched or taken stakes in rival businesses. A growing number of merchants are concerned that relying too heavily on online coupons could damage their own companies. “Already reports are emerging that local businesses are driving harder bargains, and sharing a smaller fraction of the profits from the daily deals,” said Robin Greenwood, an associate professor of business

administration at Harvard Business School. “The end result bodes well for consumers, but perhaps not for the profitability of internet companies such Groupon and LivingSocial.” Analysts like Scarlett Madison at the website *TECHi* argue that Groupon was not IPO-ready and a 30% loss on the initial peak is “good news”: “Since going public, they have done very little to en-hance or promote their product the way that a newly-public company normally would. Their ‘big launch’ this month of an ‘exciting new feature’ posted on YouTube is, for the most part, unknown to everyone: five weeks after the posting, it has just 3,183 views.”

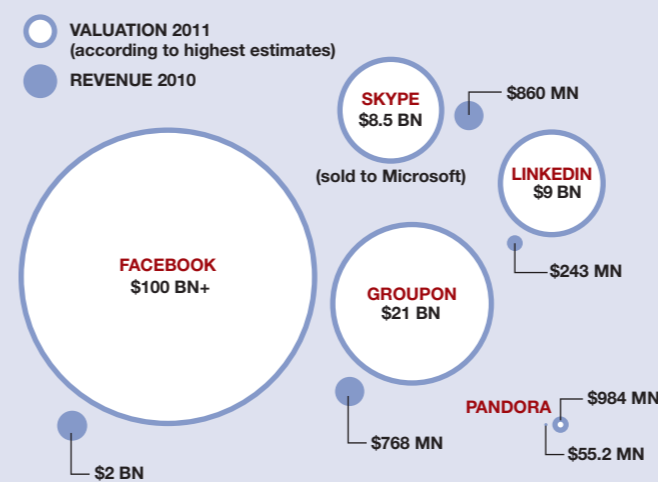
Nevertheless, Groupon is still capitalized at over \$14 billion. But this says more about social media’s overblown benchmark characteristics than about the company’s long-term prospects. The same applies to Zynga, the wildly popular social games maker that uses Facebook’s platform and mobile devices as well. Zynga went public in the middle of December and closed the first day of trading 5% off the offering price, but with a market cap around \$10 billion, according to Nypdex, another private-equity electronic exchange. Zynga was tipped to be a sure winner by almost anyone except Arvind Bathia, an analyst at Sterne Agee bro-kerage firm. Among the reasons Bathia gave for his negative view are statistics showing that customer traf-fic for new games such as “CityVille” is falling off more quickly that it did for earlier games releases: its traffic is about 50% below where “FarmVille” was at the same point in game’s history and daily average usage of “Mafia Wars 2” has plunged from 28 million users two weeks after the game’s debut in October to less than 1 million two months later. “The trend you want to see

VENTURE CAPITAL ENTHUSIASM RETURNS TO PRE-COLLAPSE NUMBERS



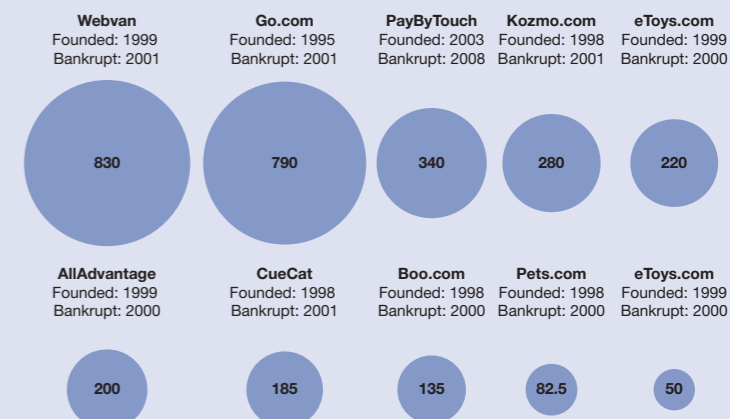
Sources: Crunchbase.com, Startupquote.com, INC.com, CB insights

OVERBLOWN? REVENUE VS. VALUATION IN TECH



Sources: Crunchbase.com, Startupquote.com, INC.com, CB insights

DOT.COM BUBBLE'S BIGGEST FAILURES - RELATIVE AMOUNT OF CAPITAL RAISED IN MILLIONS OF DOLLARS



Source: Wikipedia

After a major dip in late 2008 and early 2009, the Venture Capital industry returned back to original pre-collapse numbers. The total capital invested in Q1 2011 was even higher than the pre-collapse days in early 2008. However, the number of deals was still significantly lower. This positive trend indicates that it may be a good time for start-ups to raise capital.

is accelerating growth, not declining," he said. "Newer games are coming online at a slower pace, and when you combine that with the company spending a lot of money, sacrificing profit margins and free cash [like other firms using Facebook's platform, Zynga now has to use Mark Zuckerberg's own virtual currency, which gouges up to 30% in profits], when it's all said and done, I think you have to be very cautious about its outlook."

Waiting for Facebook's IPO, LinkedIn is thus far – and hands down – the fairy tale of the social media craze. When it went public on May 19, the shares doubled at \$122.70 before closing at \$83. They are now down 20%, at around \$67, which takes the market cap to \$7bn. A resume warehouse-turned-international career fair, LinkedIn is profitable, with revenues that go up 100% year-over-year, and its product breaks down into three categories. "Premium subscriptions" are power users who pay to see expanded profiles of potential hires and employers. "Marketing solutions" include targeted web ads from firms looking for talent. "Hiring solutions" offer premium search filters, matching talent and companies. Members have nearly tripled in the last two years and, as Derek Thompson wrote in *The Atlantic* magazine, "the network becomes more valuable to both members and corporate customers precisely because it has more members and corporate customers for networking and hiring." According to estimates by the website *Business Insider*, the market for "hiring solutions" is around \$30 billion, larger than the US beer industry.

However, all this doesn't explain the stratospheric price-to-earnings ratio than LinkedIn enjoys, as well as other social media. It was at 965.40 at mid December,

when the market average is at 15. Apple, the most successful tech company recently, is at 13.81. Google, well on its way to owing the dominant smart phone operating system and which maintains a near monopoly position in search, trades with a price of 24 times its 2010 cashflow. For comparison, the Standard&Poor's 500 in the last bubble hit 44 times and is currently 22 times. A differential weighing down on more mature businesses is more than comprehensible: it makes sense that investors are willing to pay more for younger, faster-growing companies (even if Apple comes from a period where revenues grew 80+% year-over-year and earnings grew 90+% year over year). But a multiple of 70? Such an abnormality tells us a couple of things. The first is that the supposed bubble is limited to social media and has not yet spilled over the entire tech sector, unlike it did in the 1990s, when the NASDAQ 100 index shot up 10 times in four years. The second one concerns the altogether weird interpretation of an economic indicator. In cases like these, the P/E ratio works as a magic parameter, which can instantaneously convert a tech firm with paltry annual earnings, sometimes without a coherent business model or a tested management team, into an overnight multi-billion-dollar franchise. It becomes a hype index, meaning that investors are willing to pay \$900+ for every \$1 generated by the company. And simply on the basis of belief – the belief that LinkedIn will continue to be the unrivaled No.1 in talent research for decades to come or that Facebook will continue to be the dominant social network in the long run.

It's a risky bet, to say the least. Innovation is pushing forward at breathtaking pace. MySpace may be a useful reminder. As recently as six years ago, it looked

like the dominant social media. That's when Rupert Murdoch bought it for \$580 million. It got rid of it six months ago – for \$35 million – to a group of investors that includes Justin Timberlake, leaving behind a digital ghost town with 70 million members. While they may not have been a negligible bunch, popularity doesn't mean profits – the bottom line does. As Twitter has demonstrated up to now, you may have a lot of users, but can't figure out how to monetize them. "A business model hasn't been established yet, so nobody can say what a reasonable amount of money is to pay for something like LinkedIn – or Facebook for that matter," said Michael Yoshikami, the CEO and Chairman of YCMNET Advisors, a wealth management firm out of Walnut Creek, on the other side of the San Francisco Bay. "There are no rules at this point. It's all based on sentiment and hope." Sentiment and hope are high among investors: competition in the scramble to win deals has helped to drive up valuations of social media start-ups by more than 50% in the past year, according to *The Economist*, sometimes skimping on due diligence. A handful of social media companies merit high valuations because they have hundreds of millions of costumers. But this is not true for all the start-ups. "We are not sure that the valuations we are seeing are sustainable in the long term," said Kenneth B. Sawyer, the founder and managing director of Saints Capital, which has been active in the secondary market for more than a decade. "Just because a great company is valued highly doesn't mean there should be a halo effect on the others."

This feeling is reinforced when you go to a usually seminal event, like the TechCrunch conference in San Francisco, and you come away largely unimpressed

by the new companies presenting themselves. "It just doesn't feel like there is anything new out there," said Ricky Webb, co-founder of the Barbarian Group advertising agency, a regular at the late summer technology gathering. "All the start-ups keep announcing the same thing with a different name and a lot of money backing them." But what about technological content? Is the fuel of innovation exhausted? And is Glenn Kelman, a software executive for 20 years, right when he says, "Silicon Valley has become more like Hollywood, an entertainment-oriented, hit-driven business that doesn't fundamentally increase American competitiveness.?"

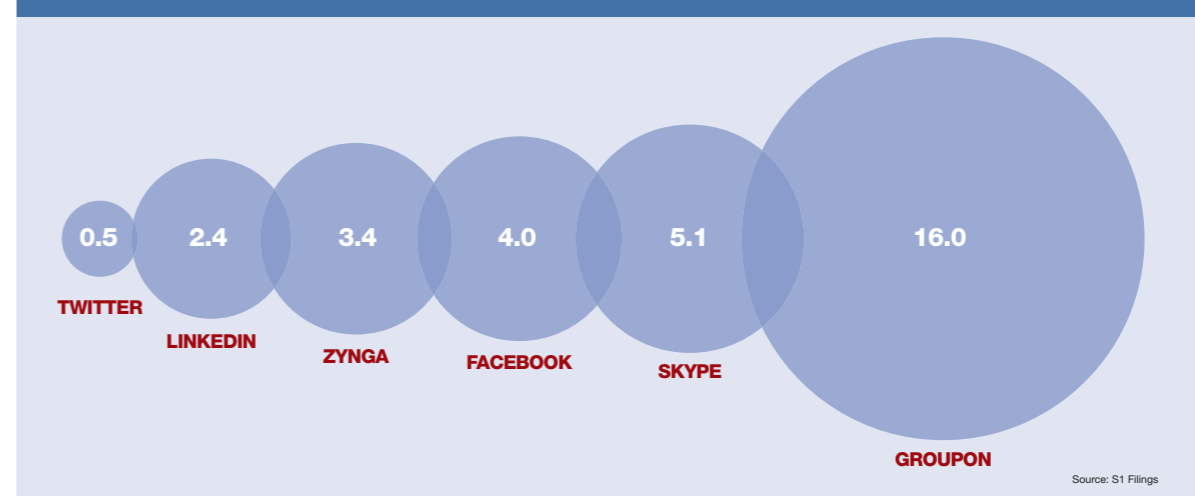
Back to the dot.com bubble, when internet was the Next Big Thing, investors and entrepreneurs threw caution to the wind and put anything and everything online. From that wreckage emerged a few clear winners – such as Amazon, eBay and Google – and an internet infrastructure that has come to benefit businesses and consumers, even as something between \$5 trillion and \$6 trillion in market value was wiped clean. It was the usual boom and bust cycle that has always been the way of Silicon Valley. In the 1970s, Genentech launched the biotech



IS THERE A TECH BUBBLE?

facebook	LinkedIn	twitter	GROUPON
<p>2004 Facebook is founded</p> <p>2006 Facebook turns down \$1 billion buyout from Yahoo</p> <p>Revenues are estimated at less than \$100 million</p> <p>2007 Microsoft buys a 1.6% stake of Facebook for \$240 million</p> <p>This transaction values the company at \$15 billion</p> <p>Revenue stays between \$100-150 million</p> <p>2009 Revenue reaches about \$700-800 million</p> <p>2010 Facebook announces that it has reached 500 million users</p> <p>Revenue reaches about \$2 billion</p> <p>2011 Facebook valuations reach \$100 billion, making the social network more valuable than Disney</p> <p>Forecast for 2012 predicts the company will go public at around 25x yearly earnings</p>	<p>2003 LinkedIn launches Sequoia Capital invests \$4.7 million in Series A funding</p> <p>2005 LinkedIn launches its first premium service: LinkedIn jobs</p> <p>2007 LinkedIn raises 1.6% stake of Facebook for \$12.8 million in Series C funding from Bessemer & European Founders Fund</p> <p>2008 LinkedIn raises \$53 million in Series D funding from Bain Capital Ventures</p> <p>LinkedIn raises \$22.7 million in Series E funding from Goldman Sachs, Bessemer, The McGraw-Hill Companies and SAP Ventures</p> <p>The company is valued at \$1 billion</p> <p>2011 LinkedIn goes public</p> <p>Three days after the IPO, stock prices skyrocket to \$100/share</p> <p>Profit remains at \$12 million/year</p>	<p>2006 Twitter is founded</p> <p>2010 Company revenues stay around \$45 million</p> <p>Twitter raises \$200 million from Kleiner Perkins Caufield & Byers</p> <p>Company valuation shoots to \$3.7 billion or more than 80x yearly revenue</p> <p>2011 SharePost reports that Twitter shares are trading at \$34.50/share</p>	<p>2008 Groupon raises \$4.8 million in Series A funding and is launched in November</p> <p>2009 Groupon is made available to 26 cities</p> <p>They raise another \$30 million in Series B funding</p> <p>2010 Groupon raises \$135 million in Series C funding</p> <p>The investment pegs the company's value at \$1.3 billion</p> <p>Groupon's revenue hits about \$760 million</p> <p>The company turns down a \$6 billion buyout offer from Google</p> <p>2011 Groupon raises \$950 million in Series D funding</p> <p>The investment pegs the company's value at \$4.75 billion</p> <p>Groupon launches an IPO which ended its first day with a market cap of \$21 billion</p>
		COLOR	
		<p>2010 Color Labs is founded</p> <p>Color spends \$350,000 on its domain name color.com</p> <p>2011 Color announces that it has raised \$41 million in its first round of founding from Sequoia Capital, Bain Capital, and Silicon Valley Bank</p> <p>In March, Color Labs releases the first version of its App, but the App doesn't work</p>	

REVENUE PER USER (IN US\$): COMPANY REVENUE (2010) DIVIDED BY THE NUMBER OF USERS



Revenue per user can often be manipulated with a gauge known as ACSOI (adjusted consolidated segment operating income), essentially operating income minus online marketing and acquisitions expenses, a trick without which many balance sheets would appear steeped in red ink.

industry while Intel and Apple invented the personal computers, with help from Microsoft and Compaq in the 1980s. When tech stumbled, the Valley was left with lots of chip microprocessors and theories on what to do with them. Then Netscape created the modern web revolution, only to be obliterated by Microsoft in the "browser wars."

This last wave centers on more precise ways to sell and is about getting shoppers to buy. "Any generation of smart people will be drawn to where the money is, and right now it's the ad generation," Steve Perlman, an entrepreneur who once sold WebTV to Microsoft for \$425 million, told *BusinessWeek*. He warns that venture capitalists have become consumed with finding overnight sensations, pulling away from funding risky projects that create general-purpose technologies, inventions that lay the foundation for more inventions: "Facebook is not that kind of thing, nor Groupon, nor any other. We need them. But they are building on top of old technology."

This is not to say that this generation of smart people's technological legacy will be limited to good, old email souped up with social media and the consumer-oriented smart phone apps. There is more in the "calculus among fear, greed, fantasy, and optimism – for which there's no Google algorithm," as David A. Kaplan's put it, that determines the Valley's pulse. There are people like Jeff Hammerbacher, one of the first 100 Facebook employees, a math geek out of Harvard, who was profiled in *BusinessWeek* last spring, in an article by Ashley Vance. Zuckerberg hired him to poke around in data, hunt for trends, and figure out formulas that would put the right ad in front of the right person in milliseconds, gauging the personality types of customers, measuring their desire for certain products,

and discerning what would motivate people to act on ads. After a couple of years at Facebook, Hammerbacher grew restless: "The best minds of my generation are thinking about how to make people click ads," he says. "It sucks." So he bailed from a pre-IPO gig at the hottest ad-driven tech company of them all, took some time off, and finally co-founded Cloudera, a data-analysis software start-up. Cloudera is trying to build an operating system for examining huge stockpiles of information. Basically, the idea is to help companies break data into chunks that can be spread across relatively cheap computers, pose questions and receive answers. But instead of asking what a group of friends "like" the most, the customers ask question such as, "What gene do all these cancer patients share?" It's exactly what companies like Pacific Biosciences, a maker of genome sequence machines, is looking for in order to discover new drugs mapping the interactions among genes, organs, and other body systems. "It won't be old school biologists that drive the next leaps in pharma," Eric Schadt, the chief scientific officer at Pacific Biosciences, told *BusinessWeek*. "It will be guys like Jeff who understands what to do with big data."

The irony of the story is that if this is ever to become possible it will only be because some of the largest and most exciting companies in the world, like Google and Facebook, are dedicating their resources to turning information into a business model, and that a new form of data analysis has become central to the success of their business. Exactly – getting people to click ads.

LANFRANCO VACCARI covered the dot.com bubble for Il Corriere della Sera.

Yesterday's future

BY FRANCESCO GALIETTI

We are living in times of exponentially accelerating change – above all, in the technological sphere. New paradigms rapidly replace old ones, and by the time we fully grasp them, they already look terribly old-fashioned.

Altered image of an installation at the Max Planck Institute depicting a Neanderthal family in their cave.

Our history is marked in tens of thousands of years, but its pace is neither constant nor slow. In fact, not only is history moving fast, it is also *accelerating*. According to one of YouTube's most popular videos, "Shift Happens," it is estimated that 40 exabytes of unique new information will be generated worldwide this year, more than in the previous 5,000 years. Moreover, the amount of new technical information is doubling every two years. For students starting a four-year technical or college degree, this means that half of what they will learn in their first year of study will be outdated by their third year of study. According to former secretary of education Richard Riley, the top ten in-demand jobs in 2010 did not exist in 2004. Students are being prepared for jobs that don't yet exist, using technologies that haven't been invented yet, in order to solve problems we don't even know are problems yet. Huge amounts of money are invested in innovation every day, and nation states have no monopoly or primacy in this space. In 2002, Nintendo invested more than \$140 million in research and development, whereas the US federal government spent less than half as much on research innovation in education. Today we are living in exponentially accelerating times.

Homo sapiens neanderthalensis emerged about 100,000 years ago in Europe and the Middle East, and then disappeared mysteriously about 35,000 to 40,000 years ago. Despite their brutish image, Neanderthals cultivated an involved culture that included elaborate funeral rituals – burying their dead with ornaments, including flowers. Our immediate ancestor, *Homo sapiens sapiens*, emerged about 90,000 years ago. Several



MAX PLANCK INSTITUTE



Customers inside the newest Apple store in New York's Grand Central Station on December 9, 2011.

species and subspecies of humanoids initiated the creation of technology. The most clever and aggressive of these subspecies was the only one to survive. This established a pattern that would repeat itself throughout human history, in that the technologically of more advanced groups ends up becoming dominant. According to the US futurologist Ray Kurzweil, this trend may bode well as intelligent machines themselves surpass us in intelligence and technological sophistication in the 21st century. Our *Homo sapiens sapiens* subspecies was thus left alone among humanoids about 40,000 years ago. Our ancestors had already inherited from earlier hominid species and subspecies such innovations as the recording of events on cave walls, pictorial art, music, dance, religion, advanced language, fire, and weapons. For tens of thousands of years, humans had created tools by sharpening one side of a stone. It took our species tens of thousands of years to figure out that by sharpening both sides, the resultant sharp edge provided a far more useful tool.

One significant point, however, is that these innovations did occur, and they endured. No other tool-using animal on Earth has demonstrated the ability to create and retain innovation in their use of tools. The other significant point is that technology, like the evolution of life-forms that spawned it, is an inherently accelerating process.

The foundations of technology took eons to perfect – although for human-created technology, eons means

thousands of years rather than the billions of years that the evolution of life-forms required to get started. Like the evolution of life-forms, the pace of technology has greatly accelerated over time. The progress of technology in the 19th century, for example, greatly exceeded that of earlier centuries, with the building of canals and great ships, the advent of paved roads, the spread of the railroad, the development of the telegraph, and the inventions such as photography, the bicycle, sewing machine, typewriter, telephone, phonograph, motion picture, automobile, and of course Thomas Edison's light bulb. The continued exponential growth of technology in the first two decades of the 20th century matched that of the entire 19th century. Today, we have major transformations in just a few years' time. As one of many examples, the latest revolution in communications – the World Wide Web – didn't exist only a few years ago.

In his book *The Age of Spiritual Machines*, Ray Kurzweil describes the trajectory of exponential innovation by quoting the studies of Gordon Moore: "Gordon Moore, an inventor of the integrated circuit and then chairman of Intel, noted in 1965 that the surface area of a transistor (as etched on an integrated circuit) was being reduced by approximately 50% every 12 months. In 1975, he was widely reported to have revised this observation to 18 months. Moore claims that his 1975 update was to 24 months, and that does appear to be a better fit to the data. The result is that every two years, you can pack twice as many transistors on an integrated circuit. This doubles both the number of components on a chip as well as its speed. Since the cost of an integrated circuit is fairly constant, the implication is that every two years you can get twice as much circuitry running at twice the speed for the same price. For many applications, that's an effective quadrupling of the value. The observation holds true for every type of circuit, from memory chips to computer processors. This insightful observation has become known as Moore's Law on Integrated Circuits, and the remarkable phenomenon of the law has been driving the acceleration of computing for the past 40 years. But how much longer can this go on? The chip companies have expressed confidence in another 15 to 20 years of Moore's Law by continuing their practice of using increasingly higher resolutions of optical lithography (an electronic process similar to photographic printing) to reduce the feature size measured today in millionths of a meter – of transistors and other key components."

For more than a century the West enjoyed the status of sole center of technological and scientific advance, a hotbed of ideas and inventions that contributed greatly to the building of denser networks of human interaction. But the fact that innovation is today so often exponential in its pace has a number of deep, unforeseen consequences.

One of them is that the fruits of innovation are accessible to a wider public than in the past. Technology costs less, intellectual property can be easily found, exchanged and traded across the whole globe in a few mouse-clicks. As a result, Western governments compete for the most advanced tools and weaponry with organized crime and terrorist groups in an impressive number of cases. This is no small detail. After all, a primary reason for the rise of Western power was the military revolution. In the military sphere, Europeans adopted gunpowder weaponry, which had originally been pioneered in China. This soon led to advances in strategy, tactics, fort-building, and discipline. Warfare became the business of professional soldiers and sailors. Europeans fought many wars during this era. These conflicts included the Wars of Religion, the Puritan Revolution in England, the Seven Years' War, the American War of Independence, and the French Revolution. Military innovations, however, did not serve all European states equally because some states augmented their power at the expense of others. By 1800, Britain had virtually eliminated France, its principal rival for global domination, from North America, the Caribbean, and South Asia. The military revolution was also fiscal because it required deep changes in state bureaucracy, taxation, and accounting to pay for increasingly expensive wars. In this race for revenue only the fiscally fit survived. Before the 19th century, European states did not have a significant military advantage over Asian or African rivals. For example the Austrian Hapsburg Empire (the largest in Europe) could not, in the beginning, defeat the Ottoman Turkish empire, its main rival. The Portuguese, Dutch, and English traded for slaves in West Africa but seized little territory because regional African states, which were increasingly armed with guns, had sufficient power to defend themselves. The tropical disease environment in West Africa was also deadly to Europeans. It was not until the 19th century that Europeans began to have adequate military and medical technology to readily defeat Asian or African armies.

A key element in this analysis is that the entire global system since 1750 has been built on the expectation of continually expanding populations. More



Imperial stormtroopers from the movie *Star Wars* during the first day of the 2011 International Consumer Electronics Show in Las Vegas on January 6, 2011.

workers, more consumers, more soldiers – this was always the assumption. In the 21st century, however, that will cease to be true. The entire system of production will shift. This shift will force the world into a greater dependence on technology – particularly robots that will substitute human labor, and intensified genetic research. All sides will be looking for new forms of energy to substitute hydrocarbons, for many obvious reasons, and a space race could start again. This is why the next big wars will be fought differently from any in history – with weapons that are today in the realm of science fiction. Indeed, George Friedman, the founder of Stratfor.com and author of *The Next 100 Years*, predicts that tremendous technical advances will come out of the next global war, as they did out of World War II.

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The opera ain't over till the fat lady sings

BY STEFANO CINGOLANI

The European melodrama is far from finished. In fact, it is still very much a work in progress. However, if Europe decides to act as a soloist, rather than sing in a chorus, it risks alienating the US and initiating the gradual demise of the West.

Opera singer Rebecca Agostine performs in New York in 2009.

“First of all, the crisis of the euro is killing the European dream. The shared currency, which was supposed to bind nations together, has instead created an atmosphere of bitter acrimony.” Paul Krugman’s December 11 *New York Times* column recalls the bitter prophecy of Martin Feldstein, who in 1997 wrote in *Foreign Affairs*: “To most Americans, European Economic and Monetary Union seems like an obscure financial undertaking of no relevance to the United States. That perception is far from correct. If EMU does come into existence, as now seems increasingly likely, it will change the political character of Europe in ways that could lead to conflicts in Europe and confrontations with the United States.”

Two economists, very different politically as well as theoretically, one opinion. Maybe because they are both Americans or because they are both very knowledgeable. But the impressions left by the European summit of December 8 do not vary very much among other detached and objective observers of different cultures and nationalities.

“The 27-member Europe is finished,” read the headlines of the French daily *Le Monde* in the wake of the agreement concluded in Brussels by the 17 euro-zone states and five or maybe six (including Sweden) other European countries. And Germany’s *Der Spiegel*: “The end of the old Europe. Why Merkel’s triumph will come at a high price... The summit, which was intended to be a turning point in the struggle to save the euro, ended up marking a major turning point in the history of the European Union. In the middle of its biggest crisis to date, the European Union is divided and Great Britain has been sidelined, possibly for the long term... European Commission President José Manuel Barroso even spoke of “warlike conditions.” According to Barroso, Angela Merkel and Nicolas Sarkozy are trying to impose their views on everyone else, even

though they themselves can hardly agree on any issue. The fact that the majority of countries bowed to the German-French duo in the end shows how dependent the EU is on its two biggest financiers. Cypriot President Dimitris Christofias described the dilemma in a nutshell: “We really ought to engineer a revolution against Merkel and Sarkozy, but each of us needs the two of them for something.”

The first decade of the euro entwined the Continent’s financial systems as never before. But as the devaluation danger waned, another risk grew, almost unseen by investors: the chance that governments, no longer backed by national central banks, could default. Banks, insurance companies and pension funds in Northern Europe have slashed their lending to overextended countries to safeguard their money. Many now are comfortable investing only at home or in the safest markets such as Germany. “We are seeing this de-globalization, a ‘de-euroization,’ of the euro zone,” Andrew Balls of Pimco, head of the big bond shop’s European portfolio management, told *The Wall Street Journal* after summit.

Feldstein has not change his mind. On the contrary, he wrote in his syndicated column published on December 6: “Europe is now struggling with the inevitable adverse consequences of imposing a single currency on a very heterogeneous collection of countries. But the budget crisis in Greece and the risk of insolvency in Italy and Spain are just part of the problem caused by the single currency. The fragility of the major European banks, high unemployment rates, and the large intra-European trade imbalance (Germany’s \$200 billion current-account surplus versus the combined \$300 billion current-account deficit in the rest of the eurozone) also reflect the use of the euro... Although the form of political union advocated by Germany and others remains vague, it would not involve centralized revenue collection, as in the US, because that would place a greater burden on German taxpayers to finance government programs in other countries. Nor would political union enhance labor mobility within the eurozone, overcome the problems caused by imposing a common monetary policy on countries with different





US Treasury Secretary Timothy Geithner (front) and the ECB President Mario Draghi arrive for a meeting with G-20 finance ministers on the second day of the G-20 Summit in Cannes November 4, 2011.

cyclical conditions, or improve the trade performance of countries that cannot devalue their exchange rates to regain competitiveness.”

What now? “One of the constants of this crisis in the euro zone is that one never knows if the last-chance summits have managed to save the single currency for good,” says Eric Maurice, a French journalist and editor for *Presseurope*. “The December summit is no exception. Angela Merkel and Nicolas Sarkozy managed to get the approval of their partners for writing fiscal discipline into the European marble. The mixed reaction of the financial markets may be a sign that it is not over yet. Because the agreement that was reached, which excludes the eurobonds that many financial players were demanding, also rules out granting a banking license to the European Stability Mechanism that will be set up in June 2012.” Germany refused to allow the rescue fund to procure money from the European Central Bank, which would have ensured unlimited means in the eurozone to be able to help the countries in distress. That deprives the eurozone of the “bazooka” that would make markets understand that it can cope with all eventualities. The Union has won a little time, and we should still be able to use our euros early into 2012. But the price is already very high: the institutionalization of a multi-speed Europe.

It is clear, now more than before, that the crisis has a broader political dimension. And speaking only about economy is a terrible mistake. The birth of the EMU was a political choice, the consequence of two different strategic swaps: the first between the end of D-Mark and the unification of Germany; the second between euro and enlargement, strongly wanted by the United States to counterbalance disaggregation and instability after the collapse of the Iron Curtain. The French disliked this second deal that was swallowed *bon gré mal gré* by the Germans. Now that the euro is clearly in

PHILIPPE WOJAZER / REUTERS

deep crisis along with the European Union, it is important to go back to the roots and recall the inner logic of the whole deal. Maybe, this is the only way to find a solution. Reducing the debate to the technicalities, or even to financial problems, brings us into a lethal trap of vested interests in perennial conflict.

The monetary dis-union has not only divided Europe but it has also led to a fight between Germany and the US. New York Times reporter Nicolas Kulich says that Merkel’s strategy remains highly risky. “A year ago she had miscalculated when she insisted that any bailout had to include the private sector’s chipping in with the public sector, a requirement included in the Greek rescue. The markets punished Italy and Spain for that stance, and it was dropped last week at the Brussels gathering. Mr. Obama was worried enough to send his Treasury Secretary, Timothy F. Geithner, to ring the alarm bells all over the Continent ahead of the summit. But the other members of the eurozone swallowed their reservations and moved ahead with Friday’s agreement because their rising financing costs left them little choice but to follow Germany’s lead. ‘The countries that had resisted these kinds of moves in the past are under so much pressure currently that they see it’s necessary to regain credibility,’ said Jürgen Matthes, senior economist at the Cologne Institute for Economic Research. In the end, Mrs. Merkel’s view clearly won out over Mr. Obama’s. ‘Merkel is calling the tune and writing the notes,’ said Mr. Joffe, the publisher of *Die Zeit*.” But for how long?

The Italian national interest is clearly inside Europe; not only, it is closely connected with the European Union. But now it is legitimate to ask: What Europe? What Union? First of all, we need to keep Britain in. “Bye, bye England,” wrote *Der Spiegel*, but Italy has nothing to celebrate. And Mario Monti exercised the traditional role that Italian diplomacy has played, trying to avoid a fracture with the UK and to reduce the backlash once it appeared unstoppable. According to Dominique Moisi in the *Financial Times*: “France does not need Great Britain to balance Germany. It is Great Britain that needs Europe if it is to carry any weight in the world. And Europe’s credibility would have been reinforced by a British ‘Yes.’ Europe is fighting a battle of political wills with the markets and the crucial weapon in this battle is confidence. The City of London’s absence from the new European construction weakens the European position more than its presence would have damaged it. It is clearly a case of: ‘United we stand, divided we fall.’” The second statement is correct, the first one undervalues the role of money, and the British pound in the world arena is still more important than the euro, not only for financial transactions, but for trade of goods, particularly commodities.

Italy is neither the long nose of Continental Europe, nor a province of a Nordic Reich. It has always

been (even when it was the wealthiest and more powerful land of the Western world) a Mediterranean country. Today it is a mid-range power and a launch pad for NATO and America. But it could play an important game. Germany has clearly showed a different strategic projection (or *Lebensraum*): hegemony in Central and Eastern Europe plus a prominent role in the Far East. Berlin is neglecting (benignly?) the political earthquake in North Africa and it has already minimized the impact of migration, refusing to adopt a common policy (with concrete measures like patrolling the costs) vis-à-vis the most striking social phenomenon of the present times. Neo-Gaullist France is trying to recuperate a post-colonial role in Maghreb and has always blocked any diplomatic attempt to enter its own (supposed) backyard, for example during the decade of civil war in Algeria. Italy is condemned by geography, history and geopolitics as well: it is on the front line of waves of migration; it has been affected by the consequence of the Arab Spring more than other countries, excluding Israel; it has always nurtured a “special” relationship with the Muslim world and the Middle East world, including Iran. That’s why Italy needs to look for a renovated and more active foreign policy, inside and outside the European Union.

Gianni Bonvicini and Alessandro Colombo, in their introduction to the *Yearbook of Italian Foreign Policy* try to give some suggestions: “The comparative weakness of Italy, is linked mainly to two factors,” they write. “The first is the outcome of the crisis of the multilateral system in general and the European uncertainties. The frame of reference, which had defined the extent and limits of Italian foreign policy after the Second World War, has lost much of its global importance and normative force. The second factor is a consequence of the fragile economy and politics of the country and reveals the great difficulty that Italy encounters when it has to compete with other interlocutors.” In line with this analysis, there are three possible guidelines for Italian foreign policy:

1) *Asymmetrical alliance*. With the crisis of the multilateral context, the asymmetrical alliance with a big power could assume more significance. But with whom? “A very close alliance with the US could create problems for Italian foreign policy both in the Mediterranean and with Russia, weakening the image of an accessible and friendlier Italy capable of mediating even with those that others might find unacceptable. All the other possible asymmetric alliances are even more problematic.”

2) *Bilateral autonomy*. The crisis of multilateralism, for Italy, is a high risk scenario, which would immediately require a speedy verification of the validity of many of the existing multilateral and bilateral ties, and hence an examination of the possible remedial measures. “A policy of autonomous bilateralism cannot



SEBASTIEN PIRET / REUTERS

Britain’s Prime Minister David Cameron (L) shakes hands with Italy’s Prime Minister Mario Monti (R) ahead of a bilateral meeting at an the European Union summit in Brussels, December 8, 2011.

avoid some negative fallout. At one level, it could contribute to accelerate the fragmentation of a multilateral system that has, to date, proved positive for Italy. At the other, an increased bilateral autonomy requires much stronger and appropriate instruments of international action and substantial funds, that is, a budget, in order to funnel rapidly in the desired direction the choices of individual operators. In the absence of such instruments and capabilities, there is a risk of ending up being even more foolishly unrealistic.”

3) *Active multilateralism*. Today it is difficult to visualize an efficacious multilateral policy which excludes a heightened capacity to mobilize interests and bilateral alliances and which can, selectively, work in favor of specific choices or instruments. “Too often in the recent past, even within the EU, inadequate information and lack of responsiveness has pushed Italy into becoming defensive and taking up a rigid attitude which has, as a consequence, weakened its credibility and reduced the quotient of consensus around its choices, without, in the end, even having the satisfaction of being fully successful. This is an example of passive multilateralism, or even reactive multilateralism, and is exactly the opposite of what is advisable.”

That implies, of course, credibility, a working state system (i.e. security forces, army, etc.), mobilization of economic means, and a strong business diplomacy. Is this the new frontier of Italian foreign policy now that the old European Union is over? Let’s open a discussion – without totem or taboo – starting from the European Union crisis of that nobody can deny any longer.

STEFANO CINGOLANI is a columnist for the daily *Il Foglio* and author of *Bolle, Balle e sfere di cristallo: L’economia dell’inganno*.

Should I stay, or should I go?

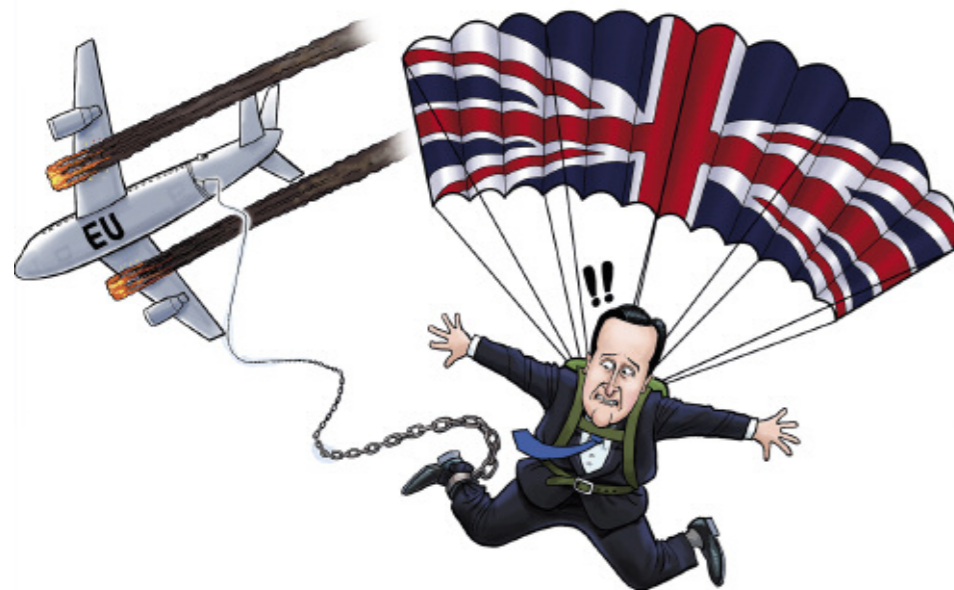
BY ADRIANA CERRETELLI

In the midst of an ongoing blame game and continual German brinksmanship, the recent EU summit has left the euro hovering over an abyss.

The year 2011 was the euro's *annus horribilis*. And 2012, in which it celebrates its tenth birthday, could become the year of its demise – unless a leap of vision, political courage and leadership, which until now has been sorely lacking, can push it away from the brink and toward a credible future.

It's easy to blame, as prevailing public opinion has done, the perfidy of markets and rating agencies, the nefarious globalization of finance, or the irresponsibility of deadbeat governments – especially from southern climes. In some respects, it's even easier to pillory the usual “exception” – Britain: David Cameron's secessionist veto blocked the Brussels summit from reforming the EU treaties and tore the Union and its single market apart. This has paved the way for a “17-plus” or “27-minus” inter-governmental tar baby, and no one has a clue as to what it will look like by March, when in theory the new euro theorem will be solved. Easy, but way too simple. And very wrong.

The affliction eating away at the euro and threatening to sink the European Union doesn't come from outside, but from within. And not from the last mega-enlargement of countries, but from the inner circle of Old Europe, the “virtuous ones”



who should be safeguarding the single currency instead of digging its grave between fits of selfish national and electoral concerns, punitive rage, and downright incompetence.

The going keeps getting tougher and tougher in the desperately lopsided membership club, looking for simplifications that are simply impossible because the integration and interdependence of economies will not allow for much dismantling of the communitarian machine. Also, because the first simplification that would need to be done is to give the Franco-German engine a tune-up by dispelling the fiction of equality, which has never existed, and erasing the misconceptions that ultimately weaken every decision to reform.

Angela Merkel's Germany is alone at the helm of the euro. The weak French President Nicolas Sarkozy, or whoever will take place after the presidential election in May, is not able to keep up with her or even to temper her excesses. To wit: Germany's diktat on the direct participation of exposed banks in the costs of Greece's sovereign debt crisis was a disaster – worse than the evil it was intended to remedy, leading to a massive sell-off of toxic bonds in their portfolios and the vertiginous rise in the bund spreads, much more than would have occurred with only the hesitations of the PIGS governments faced with austerity reforms. It got so bad that Berlin was forced to back down.

Caught in a sort of curse, Europe, which is helpless in restraining Germany, seems only able to put together one mistake after another. The EU summit in Brussels, acclaimed for its “historic import,” was supposed to finally conclude the iron-clad pact to save the euro. Not only was it rightly and immediately rejected by the markets, but its conclusions are likely to end up in a tragic farce.

Instead of clarification, the divorce with Britain has produced only legal confusion, pushing the future intergovernmental treaty intended to cement the eurozone into a limbo of uncertainty. Worse, the “fiscal” union – that is, the centralization of macro-economic policies and national budgets in the image and likeness of only

Britain's Prime Minister David Cameron looks toward Germany's Chancellor Angela Merkel at the EU summit in Brussels December 9, 2011.



the German model – was proposed to the weaker countries with nothing in return. No investment to grow the economies staring a new recession in the face. No solidarity by strengthening the European Financial Stability Facility in order to deter the daily onslaught of markets and restrict the range of spreads and increasingly unsustainable borrowing costs. No eurobonds, and no role for the ECB as a lender of last resort.

No surprise then if the Brussels Pact is melting even before seeing the light of day, theoretically in March. The 9 countries that seemed ready to join the economic union of the 17 eurozone countries are showing signs of balking. Unwilling to sign any blank checks, they first want to see what will be inside the pact. Worse, a revolt is beginning to slither inside the eurozone itself: not so much on the part of the by the reprobate, who have been blamed and therefore

condemned to silence, as by the virtuous Triple A club, who are increasingly reluctant to give up national sovereignty with respect to the levers of the economy and the budget. In France, the prospect of giving up sovereignty is a real taboo. Not only has Socialist leader François Hollande already said that if he wins the presidential election in May he will not sign the pact, but the polls show that the majority of French are against it.

The year 2011 saw the unraveling saga of European impotence, with remedies that always came up too short and too late, or were simply wrong. The result is that the Greek crisis has now become systemic, affecting all without exception. The year 2012 may include the moment of bitter truth.

Is the euro a challenge too big for Europe, which is too small in the head and heart to keep pace with globalization?

Those who believe that the amputation of Great Britain from the EU body could facilitate the search for a new future may soon find themselves disappointed. The ills of the euro are embedded in its DNA, but no one has the common sense, foresight or generosity needed to cure them. Nor has anyone fully understood that draconian austerity without growth and solidarity are not sustainable for very long. And if this all-too-grim, Teutonic Europe does not hurry up and become more reasonable and less ideological, it will need to prepare for a storming of the Bastille – that is, an onslaught of Europeans, rather than markets.

ADRIANA CERRETELLI is the Brussels correspondent for the daily *Il Sole 24 Ore*.



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The Hillary ticket

BY GIANCARLO LOQUENZI

Democrats worried that Obama might not get reelected are now looking to Hillary as a possible ace up the sleeve. No one else enjoys as much popularity, and she can repossess many votes lost to Republicans.

Americans are looking to the presidential elections of 2012, already in full swing, with a mixture of detachment and impatience. They understand that not all the cards are on the table and that something decisive, on both sides, may still occur.

US Secretary of State Hillary Clinton speaks to the media at the State Department in Washington DC on October 27, 2011.

The Democrats are having trouble believing that Barack Obama, after the landslide victory of 2008, can eke out a second term, even though it now seems very possible. In any case, it would be an exception in a long series of precedents whereby American presidents won reelection with much better results than the first time.

For their part, the Republicans can't believe that no one is able to take advantage of this President's incredible weakness. They see an unexpected victory at hand, but no one capable of grabbing it.

This explains the prevailing bad mood on both sides, filling the campaign with false starts, gaffes, and confused statements.

But on the Democratic side, something more substantial is beginning to move. Among Obama's entourage, there are many advising the President to make a move that could clinch reelection: change the ticket, retire Biden and bring to the White House as Vice President the Democratic leader who is now at the top of all popularity polls, even among Republicans: Hillary Clinton.

In all the surveys, the Obama-Clinton ticket is the dream-team for all Democratic voters, many independents, and more than a few Republicans. Against them Mitt Romney – now the best placed among the GOP candidates – pales in the polls.

Paul Starr, the deputy director of the liberal magazine *The American Prospect*, explained it with a variety



President Barack Obama makes a statement announcing that Secretary of State Hillary Clinton will travel to Myanmar, on the sidelines of the ASEAN Summit in Bali, November 18, 2011.

of arguments in a long article entitled, “The Case for a Clinton-Biden Switch.” He describes a scenario in which Obama announces a few days before the Democratic National Convention, scheduled for September 3, 2012 in Charlotte, North Carolina, that he has decided to change the ticket, exchanging the roles of Joe Biden, who would become Secretary of State, and Hillary Clinton, who would become the vice-presidential candidate.

The reason for this lies largely in what Clinton, the former senator and first lady, has become in the eyes of Americans in recent years: “According to polls, Clinton has been the most admired woman in America for the past seven years. Much of the old hostility toward her has faded away, and what remains is a wide respect for her steadiness, perseverance, and intelligence. Recent surveys put her approval ratings in the high 60s, considerably higher than Biden or Obama himself. In fact, a Gallup poll earlier this year found that 45% of those who disapprove of Obama’s performance viewed Clinton favorably. As was true in 2008, she continues to have more appeal than Obama among older,

white voters, a group that turned sharply toward the Republicans in 2010.”

But polls are not the only indicator to lend credibility to such a case, there is politics as well: Hillary Clinton is seen as a candidate uncontaminated by Obama’s economic failures and able to boast credible results on the foreign policy front. Moreover, on top of the support Clinton enjoys among the older white voters, she also has the perennial support of women, Latinos and Jews, which could prove decisive for the reelection in key states like Florida.

Obviously, at this stage Clinton flatly denies any possibility of the sort. Indeed, on several occasions Hillary said she was considering ending her experience in public life, which began almost 30 years ago. In 1983 she became the first lady of Arkansas, then passed through eight hard years in the White House, eight years as New York State Senator, a campaign for the Democratic primary in 2008, and now she will be entering her fourth year as Secretary of State. “I have made my contribution,” she told NBC’s *Today Show* in October. “I’m very grateful I’ve had a chance to serve,

but I think it’s time for others to step up.” Speaking with the reporter Savannah Guthrie, Clinton also revealed a little of what she thinks of her future: “I’m really old-fashioned. I have done the best I can. But now I want to try some other things. I want to get back to writing and maybe some teaching, working on women and girls around the world.” Even her husband Bill has diligently carried out his part to head off those projecting a political future for Hillary: “I think she will have a major role to play in the non-governmental world,” Bill Clinton told NewsMax. “That’s what she plans to do, and I think she’ll do it well... I think she wants to continue a lot of the work that she’s done, she did as a private citizen, as first lady, as senator and as secretary of state.”

All this did not help dispel the rumors about Clinton as possible vice-presidential candidate. *The Wall Street Journal* was quick to title an article “Bye, Bye Biden,” which listed all the benefits Obama would get by changing ticket. Even though such a choice would be unusual and could be interpreted as a sign of weakness, Obama might have no choice.

To show just how concerned the Democratic camp is about the reelection, some have speculated even further, suggesting the possibility of Obama not running in 2012 and leaving room for Hillary Clinton. The president himself had blatantly admitted that “Americans are not better off than they were four years ago.” It’s an admission that has already forced him into a negative campaign, one aimed at demonstrating that Americans would have been worse off with the Republicans – a very uncomfortable position for a president who bet that his charisma would lead to national reconciliation after the fractures of the Bush era. And yet, according to a recent Bloomberg survey, in a sort of electoral buyer’s remorse, 34% of American voters say they think the US would be in better shape if Hillary had won the election over Obama.

While most observers do not consider a Hillary presidential bid in 2012 realistic, it has found unexpected support from former Vice President Dick Cheney, who has openly said in an interview: “I think it would be good for the country for Clinton to run for president; I think that it would be good for the Democratic Party – it might even help the Republicans a lit-

tle bit.” Even Tea Party supporters are dreaming of Clinton – 44% told pollsters the US would be better off with her as president, even as 59% say they hold an unfavorable view of her.

The Wall Street Journal condensed this strange phenomenon in a piece with a revealing title: “The Hillary Moment.” The writer, Patrick Caddell, was assistant to Bill Clinton in the White House, one of his trusted pollsters, and he is merciless with Obama: “He should abandon his candidacy for reelection in favor of a clear alternative, one capable not only of saving the Democratic Party, but more important, of governing effectively and in a way that preserves the most important of the President’s accomplishments. He should step aside for the one candidate who would become, by acclamation, the nominee of the Democratic Party: Secretary of State Hillary Clinton.”

But how have we arrived at this “Hillary moment”? What has produced this unusual astral conjunction in which a political figure once considered ambitious, unscrupulous, in love with power, beholden to large corporations and immersed in the apparatus of the Democratic Party, has become a sort of national institution, universally admired, respected and, perhaps, even loved?

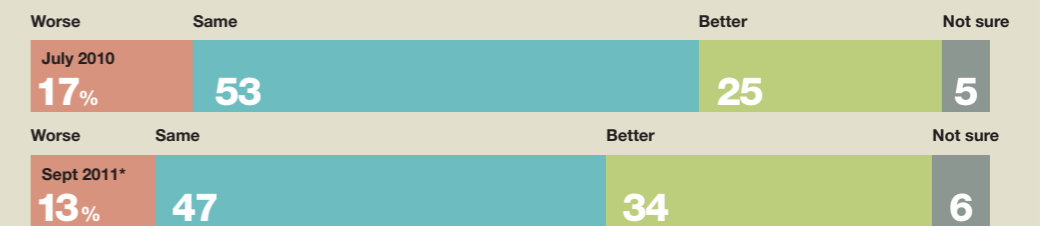
One of Hillary’s dearest friends and most trusted advisers when she was in the White House, Sidney Blumenthal, explains in the book *A Woman in Charge* by Carl Bernstein, that the decisive change in public per-

HILLARY CLINTON: AMERICA'S MOST POPULAR NATIONAL POLITICAL FIGURE

WHAT ARE YOUR FEELINGS TOWARD HILLARY CLINTON?



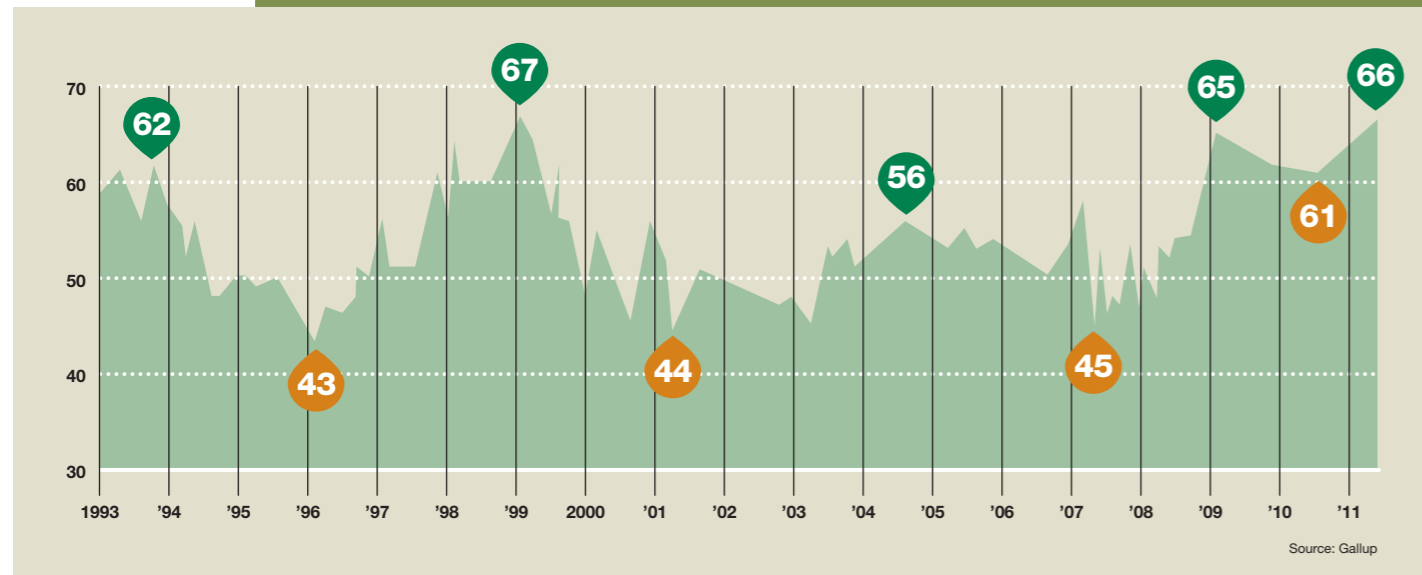
DO YOU THINK THINGS IN THE U.S. WOULD BE BETTER, WORSE OR ABOUT THE SAME IF HILLARY CLINTON HAD BEEN ELECTED PRESIDENT?



* The survey of 1997 adults was conducted Sept.9-12, 2011
The margin of error is plus or minus 3.1 percentage points

Source: Bloomberg L.P. 2011

VIEWS OF HILLARY CLINTON, 1993-2011 (% OF FAVORABLE)



ception first began in the terrible days of the Monica Lewinsky scandal, especially after Bill confessed to his wife and to America that he had lied about everything. “Hillary hoped against hope that her husband had reformed himself,” Blumenthal says, “that whatever agony she had gone through earlier in her marriage had been resolved. Now she was discovering that it was not over. In a way, this blow to her pride made her in the eyes of many a more accessible and sympathetic figure. As she steeled herself, she drew warm concern. Her private relationship with her wayward husband had a magnified effect through her every word and gesture.”

In that painful time Hillary knew how to hold together both her private and public life, without giving in on either front. She recalls in her memoir, *Living History*, the difficult balance between the two. When she heard that Bill had lied about having sex with an intern, she would have emptied her husband’s closets, “thrown his clothes off the Truman Balcony and kicked him out of the house.” Only the house was the White House and anything that flew down from the Truman Balcony would have been filmed by TV cameras from all over the world. “It was just not that easy.” So Bill stayed home and his clothes stayed the closet, but for months he was forced to sleep on the couch.

If the Lewinsky scandal brought Hillary compassion and sympathy, the decisive years that formed her political career were those of being Senator of the State of New York. After the failure of her all too grandiose healthcare reform, Clinton was seen as averse to compromise, not pragmatic and ideologically linked to her personal set of values – the very causes that sank her reform plan just steps away from success. When she en-

tered Capitol Hill, however, she took a more humble approach to politics and learned the value of teamwork as well as the necessary and often esoteric art of compromise – she sought to convince rather than to win.

In the Senate Hillary could develop her own political identity: more personal, less dependent on her husband, the same that would prove useful in the 2008 presidential race in and then in her work as Secretary of State. The ingredients were there already, being senator gave her the experience, the context and the time to turn it into a winning mix. Hillary had what Bernstein in his book called a “mind conservative and heart liberal” approach to politics. To this she added the unique capabilities acquired from Bill’s electoral battles: an understanding of the harshness of politics from confrontations with people like Lee Atwater and Karl Rove, organizational and logistical skills, and a keen sense for fund-raising.

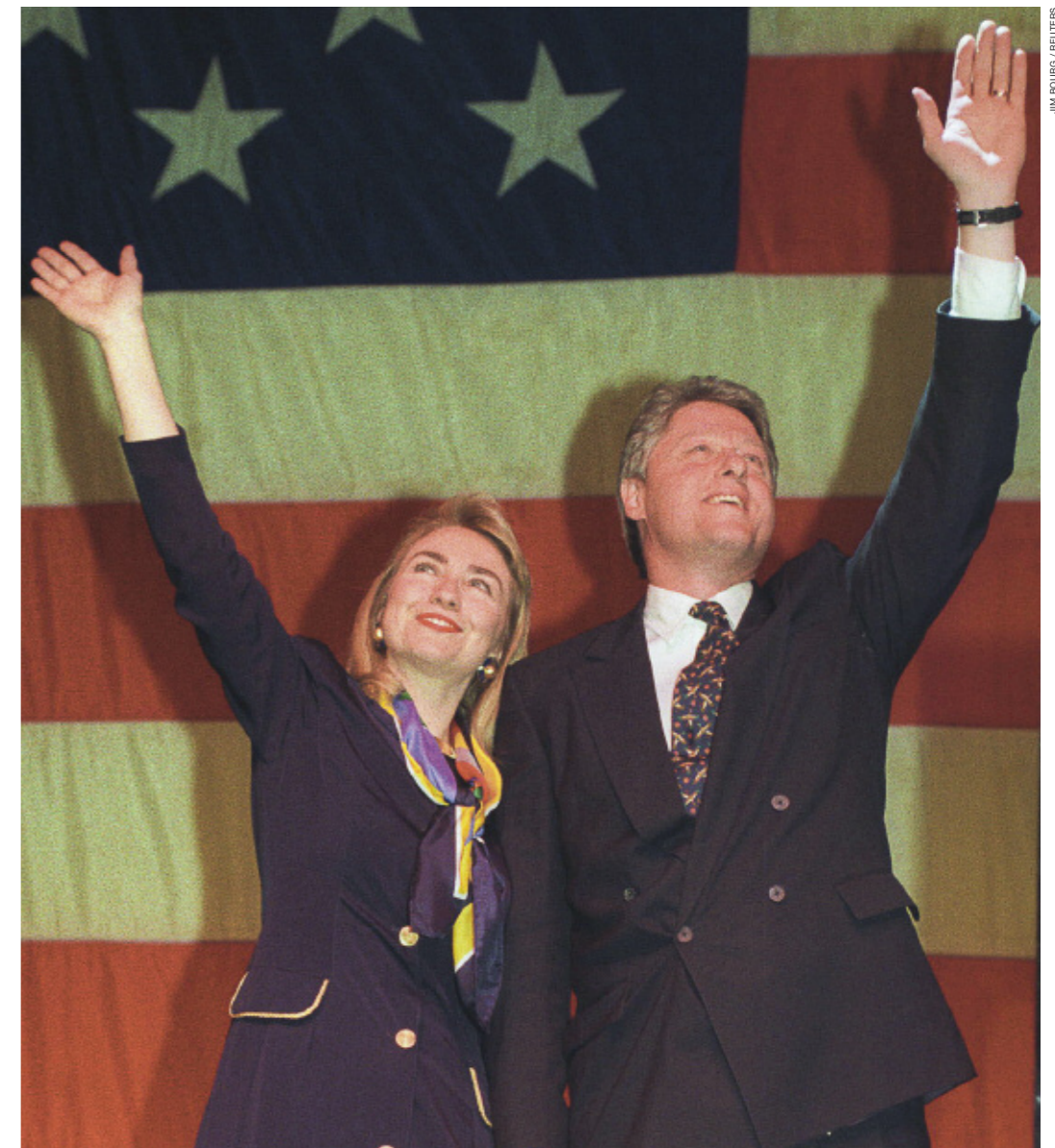
Almost paradoxically, it was Clinton who in the 2007 Democratic primary campaign gave a lesson in realism to her opponents: “When my colleagues who are running against me, who are all wonderful people, say things like ‘We are going to make it happen!’ Well, we’ve got to get the vote, and we’ve got to be able to make the persuasion, and that very often means you’ve got to compromise, which is not a word that people in a Democratic primary want to hear, because we all want to think that we can go and do exactly what we believe in and make it happen. The fact is you can’t.”

The lesson learned allowed Hillary to shift from the electoral battle to the global scenario, and successfully take up the role of US Secretary of State. In this phase of waning American influence in the world, her

mix of Kissingerian realism combined with strong sensitivity to human rights typical of the Clintons, has proved an effective tool for managing global crises. When the role of the US can no longer be that of the undisputed great power, there arises the need for an honest broker to address the risks of a multipolar world. The case in Libya is emblematic: Hillary won out against internal resistance, including the doubts of Obama himself; she cajoled Russia to abstain in the UN Security Council vote, helped convince the Arab League to support the need for intervention, and pushed NATO to take charge of running the military operations and cover much of the costs.

In the November issue of *Time* magazine, where Hillary Clinton appears on the cover under the headline “The Rise of Smart Power,” the Secretary of State explains the American approach not only in Libya but throughout the North Africa: “As we look at how we manage the Arab Spring, we are trying to influence the direction, with full recognition that we don’t have ownership and we don’t have control. And there’s a lot that’s going to happen that is unpredictable. But we want to lead by our values and our interest in ways that, regardless of the trajectory over the next decade, people will know the United States was on the side of democracy and of the rule of law.”

What will happen to Hillary Rodham Clinton in the coming months or years is also very unpredictable. Despite opinion polls giving the former first lady a clear advantage over all the Republican candidates, doing better than even Obama, very few believe that Hillary would agree to take the place of the President in 2012. Clinton and Obama have worked well together – after the often bitter campaign – and they have established a relationship of mutual respect and loyalty. Nor are many willing to predict what will happen in 2016. But the prospect of an election ticket with Clinton as vice-presidential candidate is considered very



Presidential candidate Bill Clinton and his wife Hillary celebrate his victory in the New York primary at a New York City disco on April 7, 1992.

plausible and likely to save the Obama presidency from defeat or even an ignoble victory by slim margin. Yet she continues to deny any such reports. Some, however, still remember her words when she decided to stand by her man, Bill: “I was not yet resolved to fight for my husband and my marriage, but I was resolved to fight for my president.” Perhaps fighting for her president is what she will be called upon to do again.

GIANCARLO LOQUENZI is the editor-in-chief of Italian online newspaper L'Occidentale.

Asymmetrical threats

BY MAURIZIO MOLINARI

The Republicans are down to two contrasting candidates. Romney has the organization and money, Gingrich the determination and grit. What each lacks, the other makes up for in abundance.

At stake in the Republican primaries, which are set to begin on January 3 in Iowa and conclude with the convention in Tampa, Florida in late August, is not only the presidential nomination, but above all the possibility of creating a coalition of voters that can take the White House on Election day, November 6.

Each electoral coalition in America arises from the ability to consolidate the largest number of supporters from one's own party with a significant proportion of independents and, if possible, voters from the opposing party. The question is therefore: How much weight will each of these components will have and around which issues will they coalesce?

In the lead-up to the Iowa caucuses the only candidate who has any idea of a coalition is former Massachusetts Governor Mitt Romney. He aims to capitalize on his background as an entrepreneur in order to garner votes from the middle classes battered by the economic crisis. This way he would create a core of voters protesting against how the economy has been handled – not just limited to Republicans. This coalition is based on widespread economic hardship, from workers in Michigan to executives on Wall Street, and as such crosses political party lines. Romney has to assign the responsibility of the lingering economic crisis to Barack Obama and present himself as a more suitable replacement, who can bring back employment to the private sector – from where the Massachusetts governor originally came.

Romney's approach is non-ideological, which explains how his positions on issues from abortion to immigration are sufficiently balanced between the opposing camps to attract independent voters. The strength of such an approach is the ability to attract a significant percentage of Democrats who have abandoned Obama; since February 2009 the President's popularity has fallen from 61% to 44%, which leaves many of his former constituents ripe for the picking. Indeed, there is a widespread feeling that there may be room for a third party due to the increase of independent voters who refuse to define themselves as either Democrats or Republicans. Romney is betting that he will be able to unite America around a primarily economic program that goes against Obama's, a program aimed at restoring growth and therefore opening a dialogue with all the leaders of Congress. Vin Weber, former adviser to Romney when he was governor of Massachusetts, assures that "his electoral machine is very well organized," implying that there are large financial donations to support Romney's challenge of bringing together a coalition of citizens united by the desire get America back on track. This approach, in its method of constructing a base network, is similar to that of the Tea Party, a movement that from its beginnings in February 2009 has cobbled together multiple political identities – all, however, united in a protest against the economic management of public funds to bail out private banks in difficulty.

If Romney's strength in appealing to independents is his organizational machine, then the strength of his rival, Newt Gingrich, is his personality. The former Speaker of the House of Representatives, who in the mid-1990s dueled with Bill Clinton's White House, is a conservative known for his combative ways. He can boast of being a Reaganite in terms of values and of knowing the ins and outs of Washington as few do. He is a political heavyweight, a tank who bowls his opponent over, a skilled debater capable of slugging it out on live TV, a marathon runner capable of getting up after a fall, as he did this summer when his entire team abandoned his electoral campaign, accusing him



Republican presidential candidates Mitt Romney (L) and Newt Gingrich (R) before the Republican debate at Drake University in Des Moines, Iowa, December 10, 2011.



of having gone on vacation in Greece with his wife Callista and losing interest in everything else. Gingrich's personal characteristics could lead to the creation of a conservative coalition, nostalgic for a new Reagan to lead a party now lacking identity. Gingrich has the determination of a leader who has often been considered finished, yet always manages to make a comeback. When former Vice President Dick Cheney says, "do not underestimate Newt," he evokes the precedent of 1978, when Gingrich first won a seat in the House as a Republican. The party was still reeling from the aftermath of Watergate, but Gingrich was convinced it could win back the Congress. It took more than a decade, but the skepticism was annulled by the landslide victory of 1994, which saw the Republicans take control of both the House and the Senate after 40 years. Gingrich appeals to the instincts of the Republicans, the conservative gut, to the Tea Party activists who believe in the possibility of America returning to lead the international community after Obama's negative parenthesis. The electoral strategy aims to mobilize the party core to win the primaries in the wake of a revival

of conservative values, and then make the final assault on the White House by riding on popular discontent. So if Romney's coalition focuses on political issues, Gingrich's would be built on personal characteristics. It's difference that stands out in this primary because it promises to be an asymmetrical race between the two main challengers: Romney, the man with the best organizational structure, and Gingrich, who is determined to fight to the death. If the challenge were to last beyond Super Tuesday, scheduled for March 6, then other factors would come into play, beginning with the conservative sectors of the electorate which have so far identified with other candidates. Among them, the most active and popular is Ron Paul, the deputy leader of the Texas libertarian movement; his son Rand Paul, elected Senator of Kentucky in 2010, is also a star of the Tea Party. Although Paul has no chance of winning the nomination in late August, he is the candidate best able to interpret the winds of protest sweeping even the conservative front: he is hostile to the existence of the Federal Reserve, against the presence US

soldiers in foreign countries, and skeptical about the benefits of free trade agreements. Paul speaks to the heart of an isolationist America that is gaining momentum in the global financial crisis, especially in those sectors of the electorate who blame the increase of poverty and unemployment on global competition. As Iowa kicks off the primaries, neither Romney nor Gingrich are strong enough to reach out to the libertarians. But if by Super Tuesday, neither of the two have prevailed, a hand extended to Paul could be the first move toward groping for a new coalition. The next, and far more important move concerns the religious right. After having followed with interest the nominations of Michele Bachmann, Rick Perry and Herman Cain, the "moral majority" seems to be waiting for the right moment to determine who will prevail at the polls. Even here, Romney's Mormon faith gives greater space to the Catholic Gingrich for dialogue with the Evangelicals.

MAURIZIO MOLINARI is the chief correspondent in the United States for Italian daily La Stampa.

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The geopolitics of religion

64 Theopolitics

BY VITTORIO EMANUELE PARSI

70 Europe's problematic freedom of religion

BY CHRISTOPHER CALDWELL

72 Religion in a post-secular world

BY GIANLUCA SADUN BORDONI

78 Map: If God works through demography

81 Serving God and neighbor

BY RICHARD GRECO

85 We are family

BY PASQUALE FERRARA

86 A decade of praying dangerously

BY STASH LUCZKIW

90 Too heavy for the springs

BY JEFFREY HAYNES

93 Christians caught in the crossfire

BY GIUSEPPE MORABITO

97 Relating with the infidels

BY FRANCESCO ZANNINI

100 Common ground between faiths

BY FABIO PETITO & ANTONIO CERELLA

103 Let the parties start

BY LUCA OZZANO

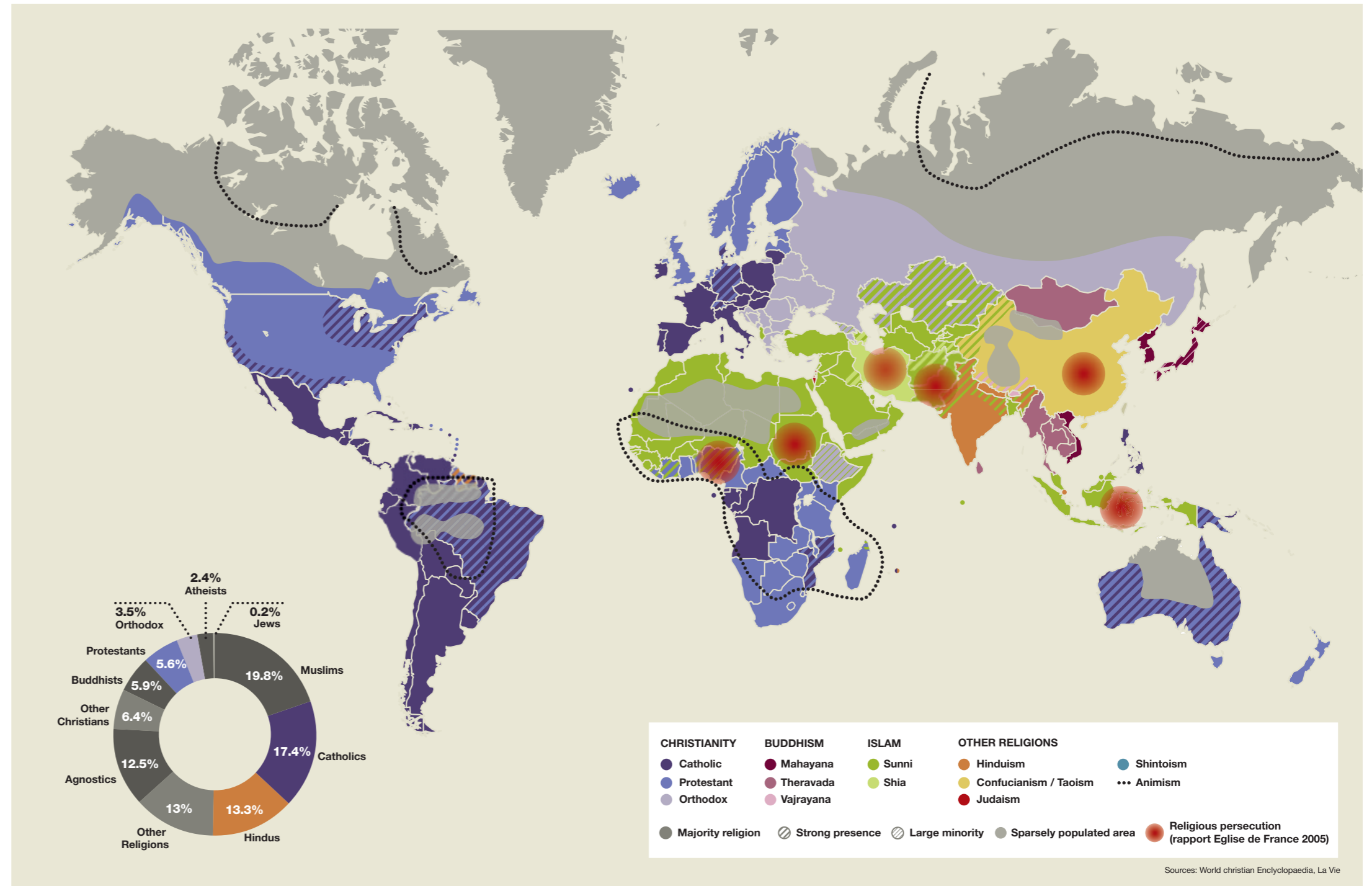
Theopolitics

BY VITTORIO EMANUELE PARSÌ

Religion has always served as either an expedient or impediment to political will. So the return of the sacred will by no means mitigate the many wildfires burning in the geopolitical landscape.

The theme that connects the extremely diverse 20th and 21st centuries is precisely the return of the sacred in international relations, even more so than the actions resulting from religion in politics. The specification may appear trivial, but it is not intended to be. Religions, in fact, represent one of the possible responses, though obviously the more institutionalized and by far the most visible, to a question that comes in different forms to societies that often have little else in common. Some might call it a question of “meaning,” giving the term an almost metaphysical connotation. In more secular terms, it is probably related to the void left by the decline of the great ideological systems, replacing them with weaker, hasty “surrogates.” For example, an “abridged version” of the market has taken the place of the complex of values, ideas and even contradictions of political and economic liberalism – a version so oversimplified that it has brought the promises and political achievements of liberalism on a collision course with its economic premises.

In this respect Samuel Huntington was right. Not so much in the role, assigned by many of his detractors, as a prophet of doom or sower of religious conflict, but as one who understood better and earlier than many others how objective space – and subjective vertigo – created by the absence of clash between the two great ideological systems, which in the 20th century found its armed advocates in the Soviet Union and the United States, would be occupied, in all probability, by religions. Indeed, they presented themselves and continue to present themselves as the effective guardians and enforcers of collective identities. These bodies of doctrines are sufficiently detailed and consolidated as to offer material for the construction of an almost infinite repertoire of responses and, at the same time, an apparatus equipped with a discursive and narrative ca-



Sources: World christian Encyclopaedia, La Vie

capacity that is almost universally accessible because of its ability to modulate the level of simplicity depending on the public that needs to be reached.

No doubt, conflict is immediately evoked by the return of religion to the international political stage; this despite the fact that contemporary Western opinion, which assigns an essentially peaceful role to religions, is incredibly forgetful of Europe’s bloody tradition. It is hard to forget that the new century was inaugurated in 2001 with the 9/11 attacks on the Twin Towers. After more than a decade we have seen how that single spectacularly dramatic and catastrophic event has really changed the world. Surely it redrew the map of the new century, marking the conclusion of the post-Cold War phase and what Eric Hobsbawm called the “age of

extremes,” which came to an abrupt end on November 11, 1989.

No question, the 9/11 attacks and their consequences (the Afghan conflict, the Iraq War, Pakistan’s drift...) wound up crystallizing the sense of religious conflict in the relationship between the West and the Islamic world, making everyone quickly forget that at the end of the Cold War, Europe was the theater where wars of religion so rudely reappeared. Whoever has studied the subject in depth often emphasizes that these wars, especially when they initially flared up, can not be categorized as strictly religious wars. But concepts such as religion, ethnicity or identity, which can (but need not) have their own clear-cut meaning, lose that meaning, or at least change it, when they are

used for political purposes. In the Balkans, throughout most of the course of modern history, religion has also been a tool for mobilization and political struggle. Indeed, the fusion of these three concepts – identity, ethnicity, religion – was so deeply rooted they offered themselves to be used immediately in a political conflict. It’s completely irrelevant if the Serbian, Bosnian or Croatian leaders were genuinely religious. What mattered is that once they decided to wave the banner of religion and rehabilitate its political use, the winds of an age-old and never-resolved hatred filled their sails.

It is important to note that just as religious civil wars had come back to cast their dark shadow over a finally undivided Europe, between 1997 and 1999 Ireland was ending a long civil war fueled by religious differ-



Bosnian Muslims carry a coffin prepared for a mass burial on July 11, 2011 of 614 recently identified victims of the 1995 Srebrenica massacre.

DADO RUVIC / REUTERS

From the point of view of the possible influence of religion on European foreign policy guidelines, it is obviously very difficult to determine a common denominator. In addition to political and social systems that are highly receptive to the needs of religious agencies, Europe is very secular and legislatively well equipped to prevent religious influence from becoming an interference. But it is undeniable that the common descent from the ancient *Res Publica Christiana* – which almost supports an *a posteriori* victory of for the Holy See in the dispute over the preamble to the European Constitution – contributes to form the common guidelines that stem, to a greater or lesser degree, from Christian ethics.

ences. Where the collapse of statehood had allowed new flare-ups of religious war, the seal of the state, the rediscovery of its impartiality and its uneasy “neutrality” on religious matters when they are inextricably tied to political loyalty (as in Northern Ireland), seemed to be there merely to hark back to the origin of the system of European states. This system entails the very close connection between the affirmation of the system of sovereign states and the neutralization of any politicization of the religious question – not so much in the sense of an absolute and total dismissal of religion in order to consolidate the legitimacy of political authority, as some oversimplified versions of this complicated relationship would have it, but in the sense of neutralizing religion’s capacity to significantly oppose political institutions.

It should come as no surprise, therefore, that the question of the relationship between political institutions and religious institutions has resurfaced at the time of the (partially failed) attempt to endow the European Union with a Constitution – because the direction that the history of religious freedom has taken in Europe implies such a dichotomy between religion and politics. The construction of Europe was gearing up for a legislative instrument able to formally and symbolically sanction the transfer of sovereignty from member states to the Union. In such a redefinition of sovereignty it would have been very strange if, in the face of such a transfer of authority between political institutions, religious institutions had not tried to lay the foundations for a possible renegotiation of mutual relations.

In this sense, there is the same widespread receptivity of social discourse with regard to human rights in their broadest sense, along with the increasing importance that they are taking in the sphere of foreign policy and international relations. This is at least partly attributable to the ancient and lasting awareness of values, which although universal, have also been channeled through religious means, even when they don’t overlap: such as with issues of equality, respect for human life and solidarity, to name a few. At the same time, the attention that the Vatican has dedicated to the protection of Christian minorities in Islamic societies has been greeted by European governments in various ways, but at least in some cases has become the subject of foreign policy interests. Meanwhile, the growing presence of Muslim minorities in Western societies has undoubtedly contributed to more cautious attitudes and behaviors in order to determine not only the specific issue of Christian minorities, but more generally with regard to the global human rights agenda, especially those dealing with gender or the legitimacy of satire or critical discourses aimed at religion. It is worth noting that in this context of freedoms, sometimes the positions taken by the Catholic Church – even though they differ for a variety of items, including the absolute condemnation of the practice of violence or any form of abuse of individual free will – has found allies on important issues (such as the protection of prenatal life or aversion to homosexual couples) with regimes such as Sudan or Iran, whose conception of politics is heavily influenced by the Islamic religion.

Before specifically addressing such a point, it is



CATHAL McNAUGHTON / REUTERS

important to stress that a global civil society is gradually emerging, however haltingly; and as the debate about the values that should inform this society becomes more urgent, it is logical to expect a greater presence of religious agencies among the actors who attempt to play a significant role in setting the agenda. This fact obviously has repercussions on the positions taken by states in locations where this is discussed. But that is not all. For several years we have been facing a slow-but-steady trend of de-Westernization of the international political system. This is the first serious attempt – above all the first that may have a chance of success – at a kind of multiculturalism that could replace the Western monopoly on cultural practices and often competing, if not conflicting, values. Within this vast and lasting movement, the weight of religion is destined to be influential.

The position of United States is of particular significance. The “land of the free and home of the brave” has never opted for a primarily institutional relationship between politics and religion; rather, it is a matter related to the sphere of freedom. This has allowed the religious discourse (even in terms of vocabulary) to

unfold naturally within the political discourse. Sometimes this has taken on the appearance of messianic zeal couched in genuine liberal inspiration (one thinks of Woodrow Wilson); sometimes it was a sort of “deism,” with a sense of the religious rather than a true religious spirit, somewhat of an anthropology of the sacred in politics (as was the case for many of the Founding Fathers). In more recent times, from the conservative revolution of Ronald Reagan’s presidency, notwithstanding the tenures of Clinton and Obama, the tone of religious discourse in the political arena has changed to allow for more openly liberalist political speeches.

In particular, the success of the neoconservative movement brought to the fore the culture of the Bible Belt, which was no longer resigned to participating in the construction of US policy in association with others, but rather has tried to claim all of America for itself. While it never reached the peak of McCarthyism, which had also extended foreign policy concerns (the Soviet threat) into domestic policy, the influence of the neocon agenda of American foreign policy reached its apex in the aftermath of 9/11. A particular vision of foreign policy has entered the common sensibility of

Members of the Orange Order in Northern Ireland hold their annual protest outside Drumcree Church, as they are prohibited from walking back to their Lodge headquarters along the Garvaghy Road in Portadown, July 4, 2010. The Orange Order has been banned from going down this road since 1998, due to violent confrontations that had broken out previously between the marchers and Nationalists.

Bar Mitzvah ceremony at the Wailing Wall in Jerusalem.



ALBERTO CONTI / CONTRASTO

Americans, generating a growing distrust of the Arab Islamic world, an awakening of never completely dormant exceptionalist tendencies, which has also allowed for more dogmatic and ideological support for Israel's actions in the Middle East. This has probably done a disservice to the US's closest regional ally. If anything, Israel needs a friend more free to criticize and not necessarily support any action under the pretext of security or the common fight against terrorism.

Clearly, the US position in the Middle East appears (or may appear, and the difference is really irrelevant) at least co-determined by religious bias, even beyond the intentions of this or that administration or some of its most brilliant exponents (think of the warnings launched by General Petraeus about how certain decisions by the Israeli government were exposing US troops in the area to safety risks). One wonders if the long and growing American involvement in a region characterized by the extreme importance of religion in politics has not resulted in accentuating certain more or less latent tendencies in American policy toward a blurring of the two spheres whose separation is vital in avoiding further constraints to foreign policy.

From the Iranian theocracy to the Jewish state, from Saudi Arabia to the complex puzzle of Lebanon: the Middle East, more than anywhere else, is an area where religion and politics are inextricably intertwined. Obviously, we are talking about different systems. The Islamic Republic of Iran, increasingly totalitarian and aggressive since President Mahmoud Ahmadinejad was declared the winner in an election tainted by ac-

cusations of fraud and intimidation, in many ways represents an extreme case, in which the use of religion in support of the legitimacy of the political regime is happening "live." The missionary zeal of its foreign policy, however, seems far more rhetorical than substantive, driven mainly by considerations of national interest, in which Shiism is more a means than an end in Tehran's foreign policy.

A similar situation exists in Saudi Arabia. The link between Wahhabism and the House of Saud is known to be at the very source of the dynasty's power and legitimacy, and things have not changed substantially in recent decades. The Saudis, however, have never made any secret of internationally financing political movements inspired by Wahhabi and Salafi religious currents. But it's hard to ignore the fact that Saudi foreign policy can only exert such a growing influence in the region thanks to the leverage possible from oil exports. Just think of how its influence has grown over the years in Lebanon, a country religiously very mixed, in which the Sunnis represent the third biggest religious group (numerically smaller than the Shiites and Christians, although economically important); or otherwise one can consider how the interests of Saudi security have been pursued since 1990, at the cost of exacerbating tensions with a considerable part of the more conservative Islamic world, inside and outside the country.

Also noteworthy are the peculiarities of countries like Iraq, Lebanon or Syria; while they appear to be wracked by religious cleavages, their foreign policy decisions are scarcely conditioned by these fractures.

A phenomenon that will need to be observed with particular attention in the months to come, is how the 2011 Arab uprisings proceed. While they have occurred in nations very different from each other, all of them share the Arab cultural matrix. The success of Islamist political movements in several of them, along with further expected gains, tells us nothing, actually, about the possibility that their foreign policy agenda could be significantly different from that of the regimes that preceded them. With regard to issues of global civil society, in fact, almost all of those regimes were already very conservative and obsequious with respect to the Islam, especially since such an attitude allowed them to maximize their benefits in terms of internal consensus arising from formally supporting a "pious" stance without incurring significant costs in terms of limiting its repressive power. The only consequence of foreign policy that could result from a possible Islamist regime change in Egypt and Syria would be with regard to their relationship with Israel. The relationship of the Arab world with Israel, of course, goes beyond the religious question. But the political consolidation of the use of religion in the Middle East, which has thus far taken place mainly through peaceful means, is likely to accentuate rigidity in an already inflexible situation.

This applies to Israel as well, albeit in different form. Israel is in fact a liberal and democratic regime only for its Jewish citizens. It has become increasingly difficult to maintain these values when it comes to its Arab citizens (Christians and Muslims) and those living in the territories illegally occupied for more than 40 years. The pressure of the increasingly less containable settlers in Israeli politics has exacerbated the perception of a state that each day moves further away from the model suggested by its founders. And now the co-existence of a conceptual "ethnic-identity" state and a defined democratic model has become especially problematic. Moreover, this is adversely affecting Israeli foreign policy, specifically in relationships with its Arab neighbors, starting with the Palestinians. The dreams of a "Greater Israel" and the overtly messianic dimen-

sion of the small but decisive religious parties are weighing heavily on Israeli foreign policy: in the peace process and in its relationship with the US, whose interest in the area may eventually change. Yet it is probably on the Indian subcontinent where religion will continue to play an important role in determining foreign policy objectives and security. Religious differences and the attendant antagonism is in fact the source of the Partition's legitimacy, from which both India as Pakistan were born; and the continuing disputes in Kashmir are a constant reminder of these ongoing hostilities. Especially in the case of Pakistan, however, mainly in the direction of its Afghan policy, that the religion and ethnicity cards are increasingly being played in order to achieve geopolitical ambitions.



REUTERS

A Shiite Muslim man flagellates himself during a religious procession to mark Ashura in Lahore, Pakistan. Ashura commemorates the death of Imam Hussein, grandson of Prophet Muhammad, who was killed in the 7th-century battle of Kerbala.

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Europe's problematic freedom of religion

BY CHRISTOPHER CALDWELL

In Europe the most ardently practiced faith is now a foreign one. With too much freedom, Europeans feel threatened. Too much regulation, and the freedom rings hollow.

Christian cleric Anne Marie Tronvik (L) and Muslim Imam Ghulam Abbas (L) lead the funeral ceremony of Bano Rashid, 18, at Nesodden church near Oslo, July 29, 2011, as the Norway paused for memorial services after the worst attacks on the nation since WWII.

At the Munich Security Conference this year, British Prime Minister David Cameron complained, in a carefully scripted way, about the role of Islam in European life. “Multiculturalism has failed,” he stated. He insisted that Muslims embrace British values. But Cameron almost immediately began *un*-saying all of the controversial things he had said. “We need to be clear,” he said. “Islamic extremism and Islam are not the same thing.”

What a platitude. Everyone understands that there is more to this 1,500-year-old religion than the Ayatollah Khomeini and Osama bin Laden. Cameron seeks to muddy the question, not clear it up. Because Islam and Islamism, while not identical, *do* overlap. France and Belgium have banned the burqa, the niqab and other face-covering veils on the grounds that they are Islamist, extremist, an affront to the political equality of women. Yet millions of Muslims, especially in Europe, understand them as a religious obligation. This spring, when Osama bin Laden was killed by a US commando squad, the German Islamist Pierre Vogel was prevented by authorities in Frankfurt from holding a public prayer service for the late terrorist. You may not like it, but praying in public does not make Vogel a terrorist himself.

European leaders face a new predicament. They must protect religious rights for a society in which the most visible and ardently practiced religion is a foreign one. They are unlikely to succeed. Each European culture adjudicates religious matters according to its own idiosyncratic rules. Consider the crazy situation that prevails in Germany, where an agency of the Turkish government, the DITIB, is allowed to represent Turkish-German religious interests. This turns ordinary matters of zoning and policing into diplomatic crises. The government in Ankara believes it has a role in German domestic life. Turkish Prime Minister Recep Tayyip Erdo-

gan has told an audience in Cologne that assimilation is a “crime against humanity.” Recently DITIB objected to regulations the city of Cologne imposed on the building of a mosque.

A second problem is that Europe’s leaders have become reflexively anti-religious and hostile to tradition. They fail to see religious sentiments in the most obvious places. The “Arab Spring” uprisings of 2011 have brought Islamists to power almost everywhere where there have been elections. Yet many European observers who were closest to the Arab democracy movement denied there was any significant Islamist element in it at all. One was the French journalist Bernard-Henri Lévy, the leading proponent of Western intervention in Libya, who went so far as to say that there were no anti-Zionist sentiments among the rebels. That turns out not to be true, either.

For a long time it was impossible to speak openly about the religious element of mass immigration. That is changing. The Dutch populist Geert Wilders helped put the present center-right government in power and has found himself on trial in a Dutch courtroom, and both for the same reason: His party has broken many taboos against racism erected in the middle of the last century. While those taboos were erected for noble reasons, they have been misused. They provided a convenient way for establishment politicians and closed-minded academics to squelch dissent, even *non*-racist dissent. For instance, almost three quarters of Dutch people want a French-style ban on head coverings, but few have dared to say so.

Politically correct taboos have been like a pesticide too liberally applied. In Germany, Hans-Peter Friedrich, now Interior Minister, was attacked when he disagreed with President Christian Wulff’s statement that “Islam is a part of Germany.” Friedrich made explicit that he considered Germany’s Muslim *citizens* a



part of Germany. But to say the religion and the country were intertwined is “an assertion for which you will find no proof anywhere in the history books.”

It is easy to agree about how to fight Islamism and terrorism. What is hard is figuring out how to live together in a multi-religious society. France’s ban on veils, Italy’s attempt to keep crosses in classrooms, citizenship tests in Baden-Württemberg, the successful Swiss referendum banning minarets in 2009 – these are not attempts to regulate extremism, even if European politicians pretend they are. They are attempts to regulate religion.

Europe is in a poor position for doing so. Muslim immigrants are, on average, more traditional than European natives. They are less tolerant of pornography, abortion and homosexuality. They are less inclined to

relegate the aged to old-age homes. In the US, there is a party, the Republican party, for people who hold such attitudes. (Opinions vary on how effectively or sincerely the Republicans do this, but at least newcomers from traditional societies can find a home in their new country’s political rhetoric.) European societies are too fragile to tolerate such opinions. European ideology is too hedonistic and too suspicious of tradition. That is why European leaders are coming to see full freedom of religion as a luxury they can no longer afford.

CHRISTOPHER CALDWELL is senior editor at The Weekly Standard as well as a regular contributor to the Financial Times.

Religion in a post-secular world

BY GIANLUCA SADUN BORDONI

The rejection of religion by secular governments is now being reassessed. This, however, does not mean an end to the separation of the religious and political – not as long as the pluralist tradition can be maintained.

Girders in the shape of a cross, preserved from the wreckage of the, stand over the Ground Zero site in New York, September 10, 2004.

Nowadays, it has become customary to claim that our societies are “post-secular” (Jürgen Habermas) and that the return of religion is one of the biggest phenomena of our times. In particular, what we are witnessing is the growing influence of religion in the public sphere, with political effects that manifest themselves both within states and international affairs. This would contradict one of the fundamental arguments of the modernization theory that, since the late 19th century, has held that religion was destined, in the modern world, to lose importance, reducing itself to merely a private matter. The great ideologies of our times, socialism and nationalism, despite the fostering of eschatological elements clearly influenced by religious, were characterized as “secularist” ideologies, and expressly atheist in the case of socialism.

The rebirth of religion, as a political phenomenon, has much to do with the failure of such modern secularist ideologies. What is certain is the fact that religion is once again making itself heard in the world, having unexpected influence over politics and international affairs. Moreover, the main theoretical directions in international relations (e.g. realism and idealism) are scarcely prepared to comprehend this phenomenon as they have a secularist vision regarding political reality. And in recent years this has determined an intense debate that relates to the comprehension of the globalized world and the theory of international politics.

The shock that was caused by the September 11 terrorist attacks has naturally had a determinant effect, inducing the attention of international relations scholars to focus once again on the importance of religion. As stated by Robert Keohane, “the attacks of September 11



REUTERS



Exiled Tibetan spiritual leader, the Dalai Lama, speaks to followers during a mass prayer session for Typhoon Morakot victims in Kaohsiung, southern Taiwan.

reveal that all mainstream theories of world politics are relentlessly secular with respect to motivation. They ignore the impact of religion, despite the fact that world-shaking political movements have so often been fueled by religious fervor." What is true is that starting in the 1990s, the influential analysis by Samuel Huntington's analysis in his *Clash of Civilizations* had attributed to culture – and within it to religion – a central role in explaining the dynamics of post-Cold War international politics. However, only after September 11 has a "prophetic" role has been given to such analysis, in contradiction to the theory expounded in Francis Fukuyama's well-known *The End of History and the Last Man*.

Nonetheless, we cannot say that this has contributed to a comprehension of Huntington's theories and above all to a well-balanced evaluation of the phenomenon in itself. Rather, the prevailing tendency has been that of seeing religion as a struggle between Western Christianity and Islam, demonizing the latter and erecting ourselves as the paladins of Christianity in a political, identitarian sense, with the risk of entering into a collision course with constitutive pluralism of Western democracies. Ten years later, George W. Bush's failure to export democracy and the advent of the Arab Spring put those presuppositions into question, inviting us to a more balanced reflection on the complex interlacement of modernity and religion in the politics of a globalized world. We will see, in conclusion, that the opposition between Huntington's and Fukuyama's hypotheses is still under dispute.

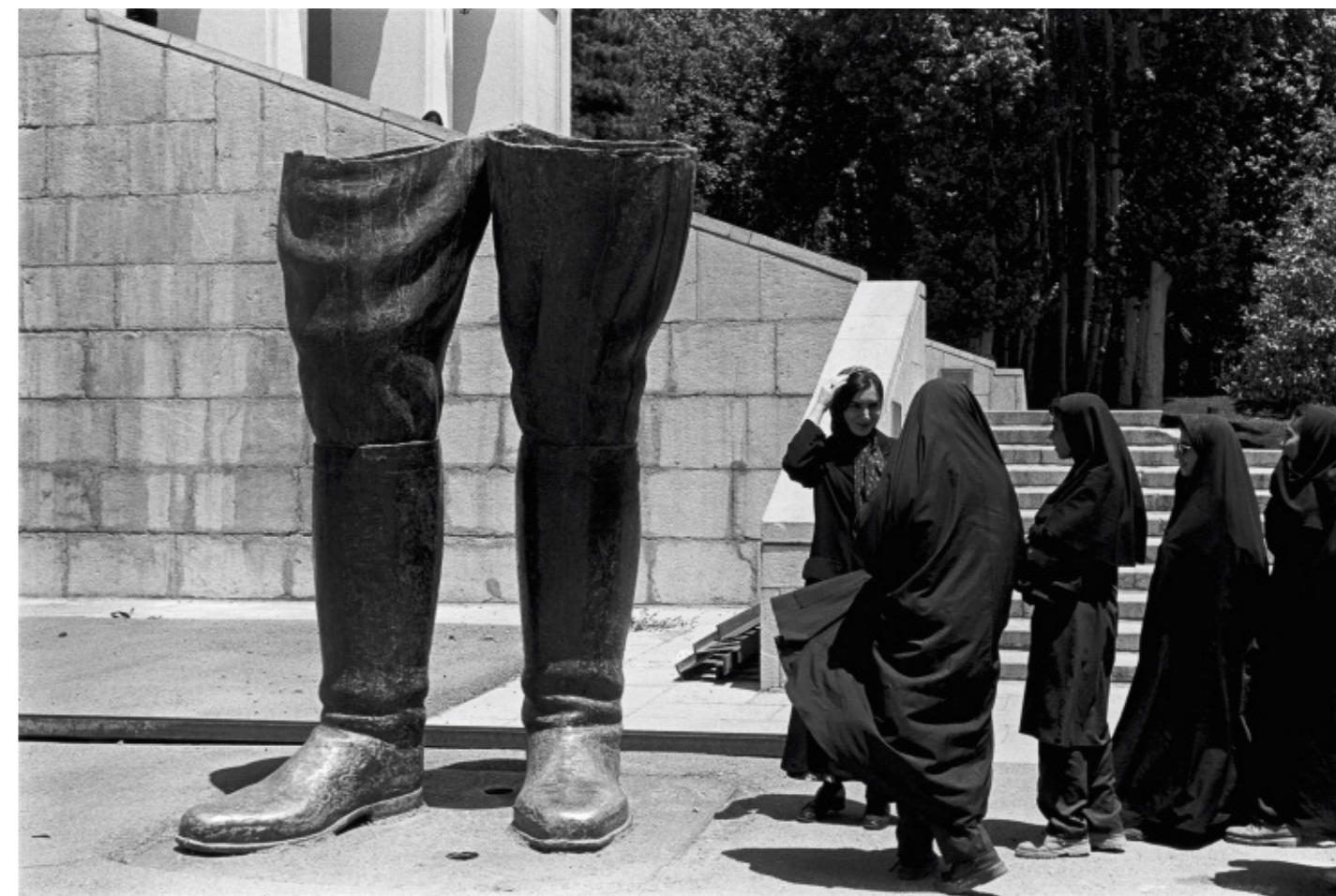
In fact, important sociologists, such as Pippa Nor-

ris and Ronald Inglehart, maintain that the end of the modernization theory is premature, deeming necessary only a need for revision. It is clear, however, that secularization – the distinction of the religious sphere from the political sphere – should not be confused with secularism – the leading or exclusive role connected to worldly matters. The first is, in the Western world, of Christian heritage (to Caesar and to God), and guarantees necessary state secularity, whereas the latter is an ideology that aims towards reducing or even eliminating the presence of religion in society. Boundaries are not always easy to delineate, especially when religious convictions are widespread within the public sphere; however, both phenomena are distinct in their list of principles. From a historical point of view, the overlapping between the process of secularization and that of secularism is, in part, due to the efforts in Europe, of separating church and state. This has been accomplished in Europe, beginning with the French Revolution, due to a political push from secularism. The difference between these phenomena is nevertheless clearly indicated by the fact that the United States, whose institutions are certainly "secular," are at the same time a religious democracy within which European type secularism has always remained marginal, even though religion has assumed the characteristics of a "civil religion."

Yet even if secularist ideology could not possibly be a constitutive element of modernity, there is no doubt that the process of secularization is an irreversible step in our society, in which functional differentiation is constantly growing in various fields. The separation between church and state belongs to this process of differentiation, from which derives an inevitable pluralism in ethical and religious subjects, both on a national and international level. In this sense, although it is clear that religion holds an important role in the 21st century, which secularist ideologies did not expect, no international order is possible if not secular, that is, based on the coexistence between diverse civilizations and religions.

If we examine the issue from a historical point of view, we can see that the origin of the international order, "secular" in the defined sense, is officially indicated by the 1648 Peace of Westphalia Treaty, which privatized religion and at the same time gave rise to the modern system of the European states.

The reaction to tragic religious wars and the search for a valid political and juridical system, *etsi Deus non daretur* – even if God did not exist (Hugo Grotius) – have led the European consciousness towards a culture increasingly disentangled from the influence of religion on a moral and political level. However, only with the Enlightenment, during the 18th century, did secularism impose itself on European culture, culminating in the French Revolution, giving a strong push towards the



In Iran, a sculpture of the Shah's boots stand empty next to his Saadabad palace, a symbol of the fallen Pahlavi dynasty.

separation between "crown and altar," which in different ways was displayed throughout Europe.

Beginning in Europe, where it spread progressively during the 19th century, political secularism, which gave rise to modern ideologies, became universally widespread only in the 20th century, after WWI and the Russian Revolution in 1917. For example, political secularism appeared in Russia when the first atheist regime of modern history was established; in Mexico, in that same year, a new constitution brought about a radical secularization of their society and state and meanwhile, in the 1920s, Kemalism secularized Turkey. Thus, Catholicism, the Orthodox Church and Islam were taken aback by the globalization of secularism.

This was only the beginning of a tempest that totalitarian regimes, different from traditional authoritarian regimes, would have radically opposed those religious institutions aiming toward the affirmation of a new secularized, socialist and nationalistic religion. In continuity with the past, there was however violent anti-Semitism that led to the extermination of European Jews by the Nazis.

After the Second World War, the process of secularization was reinforced and spread towards Asia and Africa, together with the process of decolonization. It is in this context, for example, that the Dalai Lama was obliged to go into exile when the communist Chinese entered Tibet and the Muslim Brotherhood was strongly suppressed in Egypt during the 1950s (its leader, Sayyid Qutb, would be condemned to death in 1966, after many years of imprisonment). Many leaders in the struggle for liberation from colonialism were in search of an ideology able to go beyond ethnic and religious divisions, following the model of Soviet socialism and nationalism, which were orientated toward secularism. They founded a network that began to take shape at the Conference of Bandung in 1955. Secularism seemed to be one of the "pillars of modernity," as stated by Jawaharlal Nehru, India's first prime minister. Even minority religious denominations, from the Copts in Egypt to the Muslims in India, believed that a secular state would be better for them than one based on a majority religion.



Congress Party activists lay garlands before a portrait of former Prime Minister Indira Gandhi in Allahabad, India.

The mid-20th century was the height of modern secularism and its worldwide advancement. The dominating orientation of political thought in the US believed that secularism was necessary for the political modernization of developing countries, where America gave support to secular regimes, such as Shah Reza Pahlavi in Iran and Ngo Din Diem in Vietnam. The Soviet Union was where the most radical model of secularism – Communist atheism – spread; and it became the foundation of a worldwide empire. Even third-world countries, in the end, adhered to secularism. The entire planet, as was observed, seemed to have in common the thesis: no secularity, no modernity.

The turning point for third-world countries was about the mid- to late 1960s and should be traced back to the death, deposition or military defeat of the principle leaders of what we call “Westernized decolonization” – a supposition that considered necessary imported Western secularism for the process of decolonization. Instead, the defeat of Egypt in 1967 and the end of Nasserism, together with the establishment, in 1969, of the Organization of Islamic Conference, marked the turning point for the Arab world. India reached its standstill in 1977, with the defeat of Indira Gandhi. Iran’s Khomeinist revolution in 1979 is perhaps politically and symbolically the most important event in this backwards trend, in which secularism is tied

with the colonial past and together with the latter rejected. Khomeini explicitly indicated, within the government of the Shah, a continuation of colonial rule because it was imbued with Western culture (like its Kemalist model); effective liberation from colonial rule coincided with the revolt against Western secularism.

Religious radicalism regained intensity everywhere, not only within Islam, and violently contrasted all other secularist inspired regimes. A long trail of bloodshed accompanied this process, from the assassination of Sadat by the Muslim Brotherhood, (1981) to that of Indira Gandhi by Sikhs (1984). However, the key event is the Afghan War that throughout the 1980s saw millions of mujahidin soldiers take part in the war against the Soviet Union. This became the primary location for the training and indoctrination of radical Islamists during

the following decades. Even the Palestinian movement, which up until then had been secular with strong ties to the Soviet Union, began a religious orientation beginning with the first intifada and the founding in 1987 of Hamas, connected to the Muslim Brotherhood.

The fall of Communism, from the point of view of all religious followers, was the fall of one of the bastions of secularism. Together with Communism, Marxism also began to wane. Marxism, which was still very influential in Europe during the 1970s, is certainly the most radical model of Western secularism, with the reduction of religion to a mere “opium of the people.” After the defeat of Pan-Arab nationalism, the defeat of Communism marked a point of no return in what became increasingly more apparent as a “global rebellion” (Mark Juergensmeyer) against secularism.

Throughout the 1990s, attention was focused on the remaining superpower, the US, becoming the only guarantor of the abhorred secular order. A series of anti-American terrorist attacks culminated with the September 11 attack on the Twin Towers in 2001. This act ended the innocent age of globalization and marked the beginning of the new century, with a seal of political- and religious-based conflict. Naturally, religion is often the sublimation of a conflict based purely on politics or ethnicity, all the same connected to identity, which holds true for suicide terrorism, as show by Robert Pape.

Nonetheless, the Westphalian order seems incompatible with globalization, and the return of religion could possibly be part of the transition towards a post-Westphalian order. At the beginning of political modernity, as we have seen, the Peace of Westphalia privatized and nationalized religion, making the state the guarantor of political order. Social-economic modernization was reckoned to transform faith into a private affair. Globalization brought everything back into discussion. As observed by Olivier Roy, it pulled religion up from its national roots, casting it toward global scenarios. Here is where globalization encounters an ever weaker secular political order, with which it tends to enter into conflict. As it increases in degree of intensity, it becomes interpreter of the discrediting that secular ideology, from Communism to Nationalism, has undergone in the eyes of millions. As per Juergensmeyer, “the revival of religious politics at the dawn of the 21st century is due in large part to the loss of faith in secular nationalism in an increasingly globalized world.” Thus, Russia rediscovered its Orthodox faith, China its Confucianism and Muslims their Islam.

Notwithstanding, doubt remains as to whether this corroborates the idea of an endemic clash of civilizations, whose epicenter seems to be the struggle between Western Christianity and Islam, as sustained by Huntington. Aside from the limits of the American political analyst’s concept of civilization as monolithic blocks not susceptible to the processes of self-reform, the events of the Arab Spring seem to indicate a different trend. Although the process is still ongoing and it is difficult to foresee its outcome, it appears reasonable to believe that a strong push toward democracy, rather than fundamentalism, is emanating from the Arab world. It is not by chance that Fukuyama was able to interpret the Arab Spring as a confirmation of his thesis regarding the end of political ideologies and the absence of concrete alternatives to pluralistic democracy.

As a reference model, Arab countries have chosen Turkey, whose Prime Minister Recep Tayyip Erdogan, during his visit to Egypt in September 2011, addressed the Egyptian population in an invitation to build a “secular” state, open to religious pluralism. Islamic radicals have an apparent interest in sabotaging this project by making moderate Islam’s openness to democracy fail, as seen clearly in the violence against the Copts which broke out in Cairo in October 2011.

It is evident, however, that religions have to reconcile with a secular political order. That the order of modernity, based on the Westphalian model, is subject to growing tensions and religious rebellion is one of the manifestations of this – even if fundamentalism does not offer alternatives, being considered a dangerous, though still marginal, phenomenon.

The return of religion appears to be an important element in the reaction to the crisis of legitimacy af-

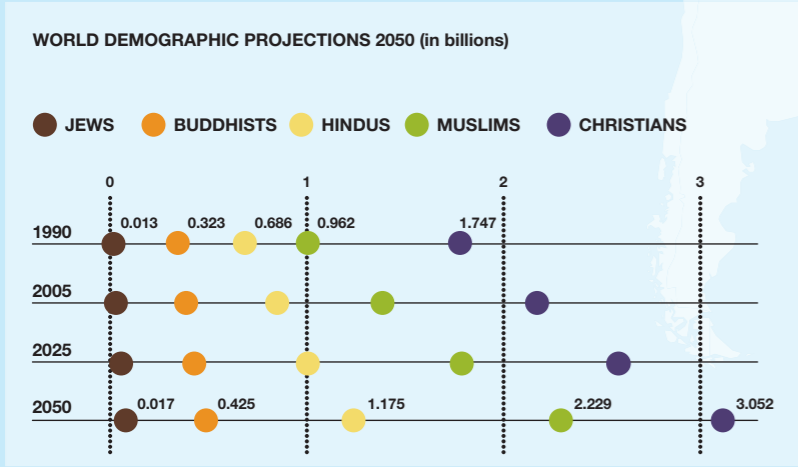
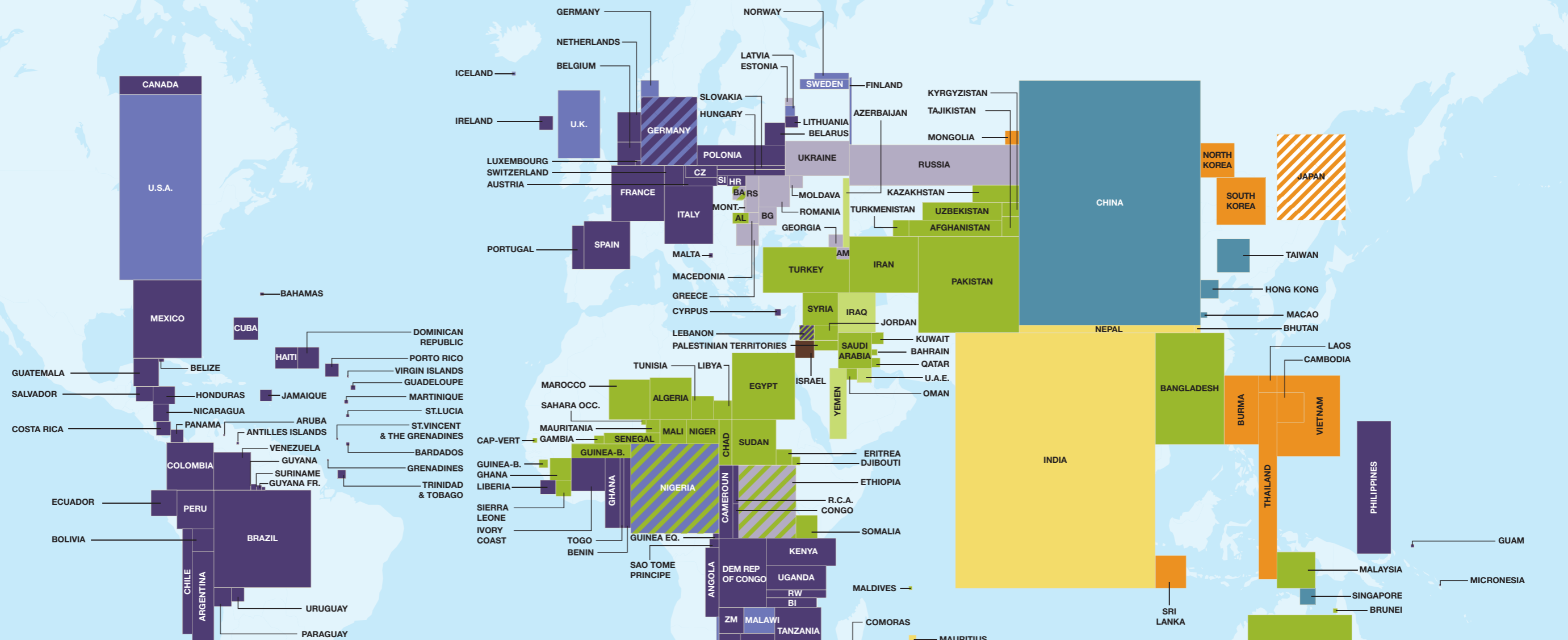


Russian President Dmitry Medvedev (L) and Prime Minister Vladimir Putin (R) attend an Orthodox Easter service in the Christ the Savior Cathedral in Moscow April 23, 2011.

fecting the entire Western world. If religion were able to contribute to recasting such legitimacy, it could only occur in a framework that does not call into question the distinction between religion and state, even though it claims to have gone beyond secularist ideologies. This is the condition of possibility inherent in pluralism, which runs deeply through the modern world to which it belongs and to the globalization that has rendered it irreversible.

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If God works through demography



Source: World Population Prospects, UN, 2009

Serving God and neighbor

BY RICHARD GRECO

The modern world marked a passage in which faith, once imposed by whoever held power, became a private affair. Religion as instrument of public policy became a secular sin. Now, with religion in international affairs resurgent, a host of altruistic opportunities – *in servitio Dei et proximi* – accompany the obvious hazards of sectarian conflict.

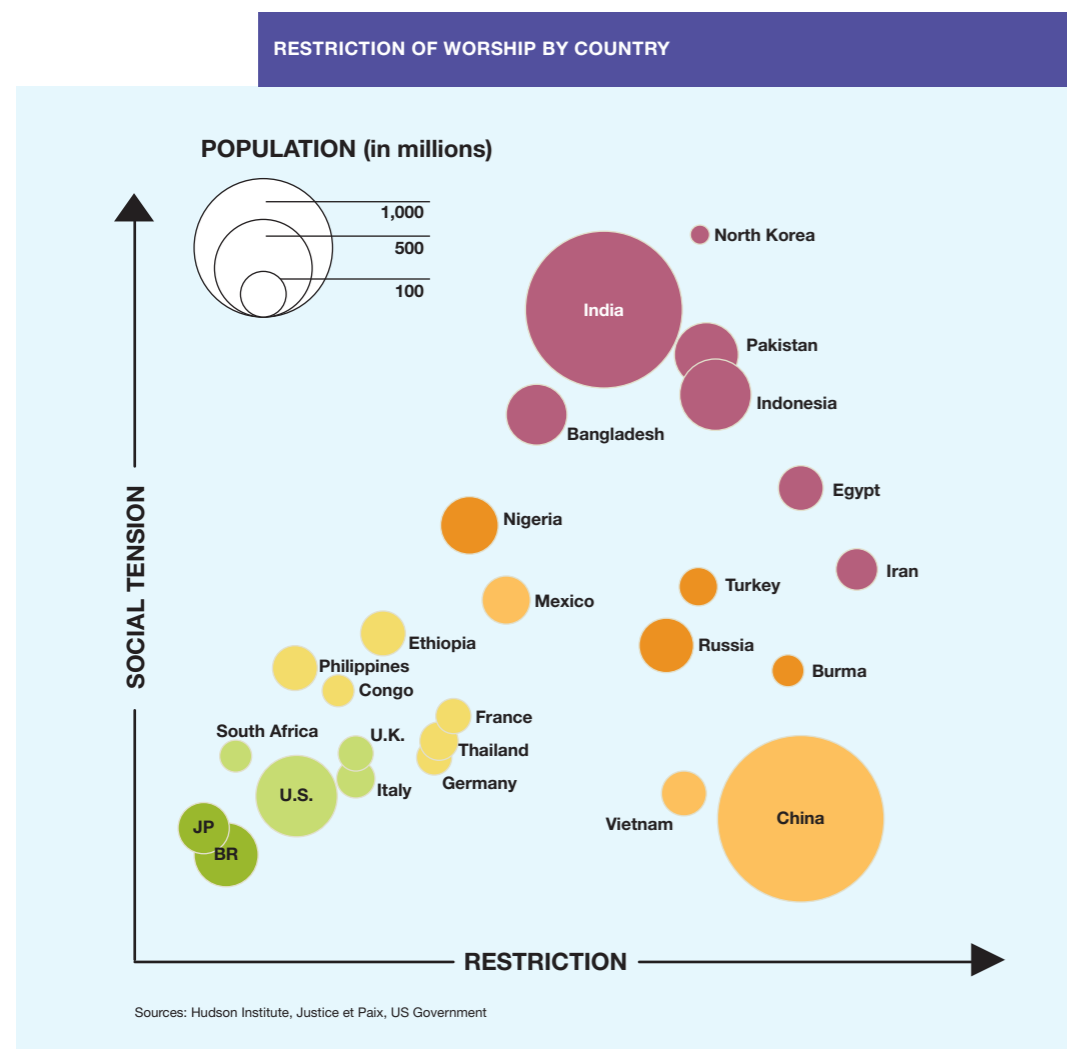
A funny thing happened on the way to modernity – the West forgot about God. Maybe this is the very definition of modernity – a bold break from thousands of years of human experience, *liberating* humankind from God or religious faith. Darwin's materialism had no room for God; He was no longer necessary to explain man's creation or his evolution. Marx's communism defined religion as the opiate of the masses and as something to be risen against and eliminated. John Stuart Mill's utilitarianism maintained that organized religion was actually an obstacle to man's pursuit of happiness; moral code may have been born from God, but man's belief in God was no longer necessary to maintain that moral code. Most famously, Nietzsche asserted, "God is dead. God remains dead. And we have killed Him." Beginning in the mid-1800s these and other influential thinkers, as well as their disciples, brought the Western world closer to the secularism we know today, where man is reduced to materialism, and God – if He is even still contemplated – is conveniently isolated in man's privacy. To speak of God and religion in public is impolite, if not offensive, and to consider religion an instrument of public policy or international relations is a secular sin.

In Henry Kissinger's *Diplomacy*, one of the most important textbooks for students of international relations, the term religion is not even included in the subject index. After an introductory chapter entitled "From Universality to Equilibrium" wherein Kissinger brilliantly describes the convulsive passage of one world view (religious, where relations among nations on Earth should mirror Heaven) to another world view (secular, where international relations were about del-

Pope Benedict XVI after his weekly audience in Saint Peter's Square in Vatican City on November 16, 2011.



STEFANO RELLANDINI / REUTERS



search showed that between 1980 and 1999 only 6 of 1,600 articles published in four major international relations journals included religion as a significant element. Nowhere is this relegation of God more pronounced than in the 2002-2005 debate over the European Constitution, where the proposed draft left out (read rejected) God or reference to Europe's millennial Christian heritage.

Of course, an honest analysis of modern international relations must include religion if not specific reference to Christianity, Judaism, Islam, Buddhism, and Hinduism. The Christian faith, for example, has been a key element in the world outlook of many influential Western leaders, particularly American. Woodrow Wilson, the father of the League of Nations (the predecessor of the United Nations) and Ronald Reagan who helped America defeat godless communism, were deeply Christian men who believed, like many of America's founding fathers and many in America today, that America was blessed by God and had a divine purpose to serve as a beacon for all peace-loving and liberty-loving people. Indeed,

icate balances of power). Kissinger seldom revisits religion as a force of international relations. One can argue that religion in international relations in the West actually began to disappear in 1648 with the Peace of Westphalia, which generated the concept of the modern sovereign state, the principle of non-intervention, and the notion that religion ought to be separate from the secular sphere of international relations. Westphalia rejected international relations based on how things should be in favor of a realistic analysis of how things really are – the birth of realpolitik.

The absence of religion from modern Western thought, particularly in the sphere of relations among nations, was made painfully clear by the attacks of September 11, 2001, which were motivated by many reasons including, ostensibly, religious faith. Following the attacks, a study called "The Challenge of September 11 to Secularism in International Relations" was published in the journal *World Politics*. The author's re-

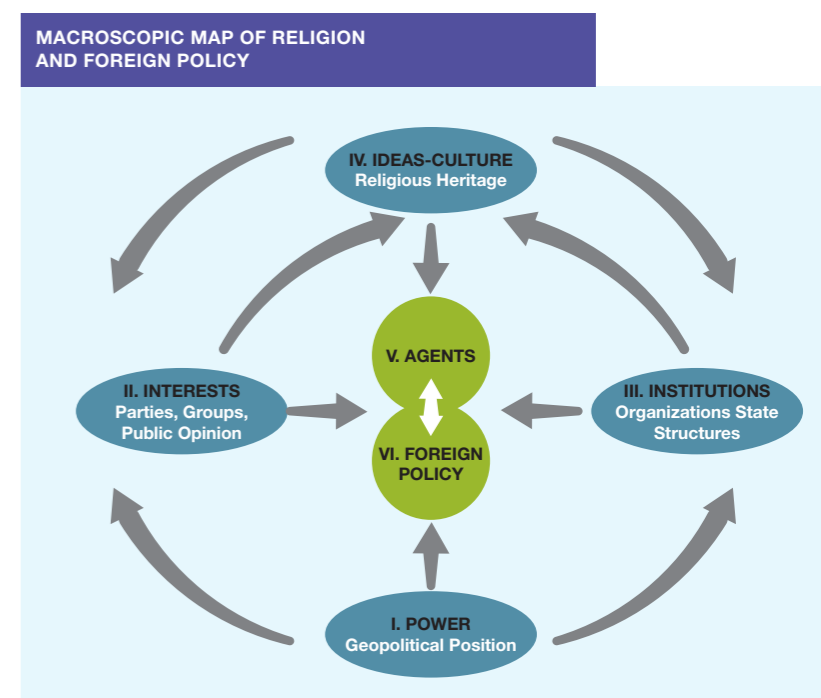
the whole construct of the rights of man to life, liberty, and the pursuit of happiness come from religious, if not Christian, frameworks. One may argue that the proximate cause of communism's collapse was the weight of its own economic inefficiency and political despotism; but one may also argue that through Ronald Reagan and Pope John Paul II the power of Christianity's worldview defeated communism through its strong tenets that no man or government could ever take away the rights that God had given. And even though the origins of the modern state of Israel are secular and cultural, the country has evolved since its founding into a thriving, powerful, and religiously Jewish nation.

After the fall of Communism, attention among leading international thinkers turned to Islam. In 1990 Bernard Lewis, in his "Roots of Muslim Rage," spoke of a "clash of civilizations." This theme was soon picked up by Samuel Huntington, who in 1992 predicted a

"clash of civilizations" – flashpoints in the world where different peoples of different beliefs would inevitably turn to conflict, especially where different cultures bordered Islam. Huntington was widely criticized for over-simplifying the roots of conflict and for failing to define precisely religion's role in civilization. Nevertheless, he identified an important but missing dimension in the study and practice of international relations – religion. The world needed a more holistic paradigm that moved beyond materialism and realpolitik.

In 1995 the Center for Strategic and International Studies in Washington DC sponsored a book called *Religion, the Missing Dimension of Statecraft*. It was among the first attempts after the Cold War to create a new paradigm of international relations, warning that the "the most intractable sources of conflict, are those with which conventional diplomacy is least suited to deal." Again, September 11 made this clear. Now, in the post-September 11 world, religion in world affairs cannot be ignored. The Council on Foreign Relations, the Brookings Institution, and the Belfer for Science and International Affairs at Harvard University all now have programs regarding religion and world affairs. Even former Secretary of State Madeline Albright wrote a book, *The Mighty and the Almighty: Reflections on America, God, and World Affairs*. They all describe a real "Struggle for the Soul of the Twenty-First Century." The Belfer Center published a study called *God's Century: Resurgent Religion and Global Politics*.

The West cannot ignore Islam as a factor in relations with predominantly Muslim countries or Hinduism in its relations with India, for example. But more to the point we cannot ignore our Judeo-Christian heritage and all that it has given to the world. The United States, her Western allies, and Israel must embrace their own religious heritage and the hope and charity that have shaped their history – indeed their very existence. As today's most influential political philosopher in Europe Jürgen Habermas has concluded, Christianity is the source of Europe's values of human rights, tolerance, and democracy. *This is powerful*. Christianity has motivated unprecedented efforts in the 20th century towards humanitarian assistance for victims of earthquakes, tsunamis, and other disasters; unprecedented liberations of people in Europe, the Middle East, and North Africa; unprecedented ideological battles worldwide against oppression. We must be proud of our achievements in the world born of religious and philosophical underpinnings that are mostly for the good. By being secure in our own identity and in our own faith we in the West can engage other religious peoples and nations using more common mindsets and world outlooks. Of course matters of realpolitik will not disappear – Muslim nations hold much of the world's proven reserves of oil, for example, and there may seem to be little room for religion in discussions of oil supply and de-



mand. But if Islam, for example, holds to a tenet that state and religion are integral, and there are real social, political, and environmental problems to solve in order to avoid conflict, it is – perhaps only – through religion that we may find common ground. We cannot reject the spiritual dimension of man or think that it is irrelevant. This would be both ignorant and naïve, if not insulting to the dignity of man in general, as well as to world leaders and world actors who have deeply held religious beliefs. It would also ignore a modern-day reality that religion is resurging – perhaps we are witnessing the birth of a *religious realpolitik*.

Paradigms are fluid and are constantly evolving. Paradigms involving religion are likely to be influenced by both styles and beliefs of individual world leaders and by the work of international organizations, which are tasked more and more with executing the work of international relations, especially development and humanitarian assistance, among the most pressing matters of international affairs. Faith-based organizations have always existed, such as hospitals, schools, chivalric organizations with humanitarian missions, and others. The World Bank estimates that as much as 50% of all health and education services are provided by faith-based organizations.

Religious organizations have actually been engaged in active collaboration with the United Nations since its founding in 1945, and a Committee on Religious NGOs has been meeting regularly since 1972. A 2010 study on international religious NGOs at the UN, "Thinking about the Role of Religion in Foreign Policy: A Frame-



Buddhist nuns pray during a ceremony celebrating Buddha's birthday in Hanoi.

work for Analysis," concludes that of the approximately 3,183 NGOs holding consultative status with the UN, 320 or 10% consider themselves religious. Of these, there are 187 Christian, 52 Muslim, 22 Jewish, 14 Buddhist, and 3 Hindu NGOs. Muslim, Hindu, and Buddhist NGOs are clearly underrepresented compared to the number of Muslims, Hindus, and Buddhists in the world. More important, however, than the number of NGOs is the work they are committed to doing. An analysis of the goals of these NGOs shows that 47.3% have cultural, recreational, educational, health, social services, environment, development and infrastructure, law, defense, and political goals. Only 13.9% have religious promotion as their field of work. Herein lies the secret – NGOs can collaborate in the work of international affairs, knowing that each believe broadly that man is a creation of God and that the highest calling among men is to serve both God *and* neighbor.

Ironically, the forces of democracy, globalization, and modernization of communication technology have actually solidified religion's place in man's heart and mind. Since man is a social and political being, religion will inevitably make its way into politics and world affairs. We, in the West, cannot fear this but must embrace it. By embracing our religious heritage and understanding all that it has given to the world – both good and bad – we may begin to enlarge our paradigms and

find genuine common ground on world matters of war, peace, justice, human rights, education, humanitarian assistance, development, and many other pressing matters. We should keep in mind the words of Abraham Lincoln in his second Inaugural Address on March 4, 1865, spoken to a broken Christian nation of different political factions, but equally applicable to a broken world of different religions, "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right, let us strive on to finish the work we are in, to bind up the nation's wounds, to care for him who shall have borne the battle and for his widow and his orphan, to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

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We are family

BY PASQUALE FERRARA

Now could be the time to give a more concrete and democratic meaning to the vague and somewhat oligarchic idea of global governance.

In the words of Julia Kristeva, today mankind is capable of destroying the earth in the name of beliefs, religions or ideologies; but, at the same time humankind's "constituent religiosity" is being recognized. In their analysis of the role of religion on the international scene, experts have chosen, on the one hand, to focus on the impact of new religious radicalisms on the relations among "civilizations"; on the other hand, they have devoted their attention to the possible role that motivations based on religious beliefs can play in the process of conflict prevention and resolution. There is, however, a different reading of the new religious phenomena, based on the complex interplay of national, international and transnational effects of religious identities.

The core issue is how to "de-nationalize" religions to make their inclusive claims flourish. De-nationalize doesn't mean deculturalize. Religious identities are not a danger per se to international relations; on the contrary, religions could reinforce the idea of a global common identity, both symbolic and pluralistic.

Transnational religions could either be destabilizing or the opposite: integrative factors for world politics. Examples of the first are the violent networks that make an instrumental use of the concept of "ummah" as a closed and exclusive community. Examples of the second type are religious groups fostering a pragmatic dialogue among religious traditions with regard to peace and reconciliation on a global scale.

In many religious traditions we can find the same basic idea of "universal brother-



Children pray before getting a free meal donated by a non-governmental agency in a slum near Manila, the Philippines, on May 18, 2011.

hood" or "human family" which has been dismissed for a long time as an ethical aspiration irrelevant for the international order and uninfluential in terms of the adoption of policies that reflect asymmetries of power and interests. That position has been considered, in political and diplomatic circles as an irenic, utopian perspective, without any roots in reality, and with no practical impact.

And yet, religions could give more concrete and democratic meaning to the vague and somewhat oligarchic idea of global governance.

There are many possibilities for religions to forge pragmatic, pro-active and creative ways of combining justice, community and dialogue in international relations. Religions are a way for understanding the world and realizing the existence of a connection of the individuals to a wider context of meaning. Religions can also provide transnational legitimacy for global actions and international institutions.

More concretely, in the Mediterranean, religions can reconceptualize the political narrative of the region, too often trapped between geopolitical and deterministic visions ("Broader Middle East," "Middle East and North Africa," or "Southern Shore").

Moreover, in the Mediterranean there is a need to "compare notes" and exchange points of views on how to overcome the current crisis of democracy as a political system in which comprehensive visions of the worlds have been "sterilized" rather than considered components of a positive-sum game. The same goes for the formal and informal international institutions, whose legitimacy is sometimes challenged on the ground that they are the offspring of a "Westphalian," state-centric logic of organization rather than representative of the global civil society. Instead of considering religions as an obstacle to cooperation and understanding, Western countries should first do their homework, moving away from simplistic and reductionist visions of the religious sphere in international relations as the realm either of intolerance or naïveté. A correct and balanced assessment of the new political environment in the Mediterranean, where religions will certainly play a role in the framework of fragile transitions towards democracy, represents a crucial test.

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A decade of praying dangerously

BY STASH LUCZKIW

Since 9/11, religion has become a glaring aspect of political conflict. In the face of upheavals building steam, both the Islamic world and the West will be forced to reexamine their cultural foundations.

A child looks up at posters depicting the slain al-Qaeda leader Osama bin Laden at a roadside stall in Quetta.

Geopolitical events over the past ten years have largely been shaped by American post-Cold War supremacy, al-Qaeda's attack on the United States, and the subsequent reaction to that attack. Interpretations of how those events have played themselves out range from one extreme to another.

From a fundamentalist Muslim perspective, you could plausibly argue that more than ten years after 9/11 al-Qaeda has achieved many of its strategic goals: It provoked the US into two costly wars that have crippled the American economy. The US has lost much of its credibility in the Muslim world. As an indirect consequence, a reawakening has occurred within the Arab world, toppling one secular despot after another. If the results of the first elections in Tunisia, Morocco and Egypt are any indication, Islamic parties will come to rule these societies and bring them in line with Islamic precepts.

At the other extreme, from the perspective of Americans who rallied behind the invasions of Afghanistan and Iraq, you could argue that the US has achieved many of its strategic goals. By killing Osama bin Laden, it decapitated al-Qaeda, whose ideas had already been discredited in the Muslim world. Internationally, it has ensured hegemony for at least a generation to come, while spreading democracy in places where freedom has long been stifled by tyranny. In Afghanistan, women enjoy more freedom than under the Taliban. In Iraq, the US has formally pulled out its troops and left a democratically elected government behind. Now the Arab world is turning its back on radical Islam and choosing the path of liberal democracy. In the realm of realpolitik, the US has not only managed to withdraw its military bases from Saudi Arabia (one of the main pretexts for al-Qaeda's attack on the US), it has moved

those boots on the ground to other locations in the Middle East and Central Asia, thereby controlling the flow of oil and gas, and effectively surrounding Iran. Meanwhile, over the course of this decade the US has been forced into learning how to fight a completely different kind of war – based on counterinsurgency, intelligence, space-age technology and special forces. As a result, the US armed forces have significantly widened the already huge gap in military supremacy.

Presented in such an artificially dualistic manner, we seem to be witnessing exactly the “clash of civilizations” that Samuel Huntington first prophesied in 1992: Islam versus Western liberal democracy.

Indeed, the only thing that fundamentalist Islam (with its desire to install a government beholden to a strict interpretation of the Koran and sharia law) and liberal democracy (in the sense of extolling free market economics, private property, decentralization of political power, and maximization of the individual freedom) seem to have in common is their inherent messianism. Fundamentalist Muslims believe it is their duty to vanquish the enemies of Islam and bring the faithful in line with God's law; while American neocons, albeit more subtly, hold that freedom and political self-determination are the inalienable rights of all human beings. To wit, George W. Bush's 2002 State of the Union Address, better known as the “Axis of Evil” speech: “America will lead by defending liberty and justice because they are right and true and unchanging for all people everywhere. No nation owns these aspirations, and no nation is exempt from them. We have no intention of imposing our culture, but America will always stand firm for the non-negotiable demands of human dignity: the rule of law, limits on the power of the state, respect for women, private property, free speech, equal justice and religious tolerance.”

As Islamic parties gain power in North Africa – often at the expense of Christian minorities, as evidenced in Egypt – there is a growing concern that more religious conflict throughout the 21st century is inevitable.



Much of the success or failure of ascendant religious parties will be determined by their ability to revitalize the economies in their countries and improve their citizens' material wellbeing. In this light, the primary concern among foreign policy planners must be to pragmatically evaluate two currents that will shape the political landscape in the immediate future: the role of Islam in government, and the fate of the globalized economic system. In other words, they must address the question that is on everyone's mind: Is Islam compatible with liberal democracy? If not, then which of the conflicting forces will prevail? If so, then to what extent?

Islamic scholar Bernard Lewis has argued that liberal democracy is the political expression of the Judeo-Christian tradition. Obviously, “democracy” – i.e., rule of the people – has its institutional roots in ancient Athens. But many of the “liberal” aspects, including individual rights, private property, free markets and, most importantly, the separation of church and state, are inherently Christian.

“If the idea that religion and politics should be separated is relatively new, dating back a mere 300 years, the idea that they are distinct dates back almost to the beginnings of Christianity. Christians are enjoined in their Scriptures to ‘render... unto Caesar the things which are Caesar's and unto God the things which are God's.’” The separation of church and state is the result.

In Islam, on the other hand, religion and politics are perceived rather differently, and the problems and their possible solutions are radically different from those we know in the West, according to Lewis. So can religion and government be separate in an Islamic context and still be deemed legitimate by Muslims? Are theocracy and democracy mutually exclusive?

If we take a very broad view of democracy, limiting the criteria to elections and leaving aside, for argument's sake, the attendant freedoms, then Islamic democracy is already possible: Iran calls itself a “religious democracy.” If, on the other hand, by Islamic democracy we mean a deeper synthesis between liberal



NIKOLA SOULIC / REUTERS

US soldiers pray in a circle before leaving Camp Victory for their patrol mission on the streets of Baghdad.

timately subordinate to the will of Allah. Over the last millennium, the Ash'arites have prevailed, and most Salafi and Islamists in the Arab world come from this tradition. One of the most influential expressions of this tradition in the 20th-century political context comes through the writings of Egyptian thinker Sayyid Qutb, who along with Hassan al-Banna founded the Egyptian Muslim Brotherhood. Qutb's fundamental criticism of all systems of life which he views as non-Islamic is that they are *jahiliyyah*, or ignorant of divine guidance. *Jahiliyyah* encapsulates Qutb's entire critique of the West, the Soviet Union, Nasser's government, and any government which does not follow God's divine guidance. These regimes are fundamentally the same because they ignore God's authority over man and his actions. By ignoring God's revelation, Qutb wrote, man rebels "against the sovereignty of God on earth." Therefore, any government that would establish a barrier between divine guidance and the democratic process

freedoms (where Iran has far to go) and a society based on sharia law, then we are in uncharted territory.

Today, one viable model appears to be Turkey, with a secular state in which an Islamic political party holds power. It is no coincidence that Turkey's ruling party is called the Justice and Development Party (AKP), nor that the new incarnation of Egypt's Muslim Brotherhood is called the Freedom and Justice Party – because the key to navigating this uncharted territory will be an understanding of the relationship between ethics and freedom, and their role in the economy.

The philosophical idea of freedom is embedded within Western democracy. In Islam, debates over the nature of free will go back to the tenth-century disputes between philosophers of the Greek-influenced Mu'tazili school, with its emphasis on reason, and the more determinist Ash'ari school, in which Allah is the ultimate cause of everything. While the Mu'tazilites had contended that the Koran was *created* and so God's purpose for man must be interpreted through reason, the Ash'arites believed the Koran to be coeval with God, and therefore unchallengeable. While the Ash'arite school does allow for the notion free will, such will is ul-

would be antithetical to Islam.

We are now poised to see how the Islamic parties elaborate the issue of separation between religion and government. One important factor to keep in mind is that even in the West, separation of church and state does not by definition mean separation of God – or divine guidance – and state. Certainly the Soviet Union was militantly atheist; contemporary France is vehemently secular. The US, on the other hand, has enshrined both the separation of religion and government (in the Constitution) and the explicit necessity of divine guidance: "in God we trust" on the money, "one nation under God" in the pledge of allegiance, and the almost obligatory "God bless the United States of America" at the end of every major presidential speech addressed to the American public since 9/11.

Even in nominally Islamic countries, the degree of divine guidance and adherence to sharia law will need to be determined on a case-by-case basis. For example, in the euphoria of post-Gaddafi Libya, Mustafa Abdul-Jalil, chairman of the NTC, publicly pledged to forbid usury as anti-Islamic, proclaiming that interest on loans would no longer need to be paid. Obviously, the new

Libyan government can decide to what degree its banking system should be sharia compliant, but any such decision will directly impact its integration into the free market system – with huge economic repercussions.

The relationship between government and ethics – in the context of freedom – is crucial to understanding not only of how any clash of civilizations will play itself out in the Muslim world, but also how the West will react to the convulsions of the economic system.

The notion of freedom itself has evolved. The freedoms now inherent in liberal democracy are not the same as the classical Aristotelian sense of freedom from which they sprang: i.e., freedom as the power of a being to realize its nature by growing into greater conformity with the good as such. We no longer assume we have a nature, we no longer assume that the good as such is anything other than a cultural construction. Rather, the modern notion of freedom consists in the power of the self to construct for itself the ends it desires and then to pursue them with as little interference as possible. With the modern model of freedom, the pretense that there is some obviously self-evident system of ethics out there that all rational people agree upon because it is good for us is wishful thinking.

In the context of the Arab Spring, the latter conception of freedom might, on first inspection, appeal to the Facebook and Twitter set who first descended on Tahrir Square. But to any Muslim who has not rejected the Islamic tradition outright, the idea that there can be a legitimate system of ethics apart from the guidance of a transcendent God, just because the majority of voters agree, is not merely wishful thinking, it is obscene. And this will be the crux of the issue.

In the same vein, a reevaluation of market freedoms will not be limited to the Muslim world. The economic crisis in the West is forcing an ethical reassessment of market forces previously held to be "neutral." Whether it be in the form of Pope Benedict XVI's 2009 encyclical *Caritas in Veritate* or the slogans spouted by the Occupy Wall Street protesters, there is a growing call not only for a more equitable redistribution of wealth, but a dismantling of the firewall that seems to have been built between economics and ethics.

Only two decades after the collapse of Soviet communism, many philosophers and economists have begun contemplating the end of our current economic system. Even Nouriel Roubini, the Cassandra economist famous for having predicted the economic crisis, has recently said: "Karl Marx, it seems, was partly right in arguing that globalization, financial intermediation run amok, and redistribution of income and wealth from labor to capital could lead capitalism to self-destruct." But everyone is in such shock that people are still groping for a name to give the amorphous alternative waiting in the wings.

One thing is clear, ethics is already a rally cry. And



GUEBEN SOUBSI / REUTERS

Protesters wave flags and shout "Allahu Akbar" (God is Great) during a demonstration in Tunis October 14, 2011. The flags read "There is no God but Allah, and Mohammad is His prophet."

since social justice is the foundation of both Islamic and Judeo-Christian political cultures, there is a solid common ground on which to build. The devil in the details will be in what manner and to what degree guidance – be it divine or through democratic consensus – should be institutionalized.

So what's in store for the rest of the 21st century? Most reasonable observers will concede that we won't see new Caliphate based on strict adherence to sharia. Nor will we see Jeffersonian democracy take hold in the Muslim world. In the near future, at least, it seems as if Islamic parties will try to adapt to global political realities in a manner that doesn't undermine their convictions. Indeed, they will have their hands full trying to deliver material improvements in people's lives.

Meanwhile, in the West, there still seems to be no viable alternative to liberal democracy. Nevertheless, it's safe to say that "capitalism as we know it" has taken a hard body blow and will need to evolve – probably as much due to technical reasons as to ethical ones.

Yet those who dismiss the existence of a "clash of civilizations" would appear to have a narrow understanding of "clash." We are currently in the middle of growing cultural friction. But the demand for greater justice is common to both civilizations; and in many respects, the conflict is *internal* to the two cultures as well as *between* them. Clearly, the metaphor of two or more civilizations, each on their side of a predefined border or natural barrier, in conflict with each other is outmoded. Perhaps culture and civilization in our times would be better understood through metaphors of chaos theory than through those of classical mechanics.

STASH LUCZKIW is the author of numerous essays in comparative religions.

Too heavy for the springs

BY JEFFREY HAYNES

A combination of sectarian conflict, economic decline and rivalry between regional powers is proving to be a major obstacle in achieving the democracy that protesters demanded.

A protester holds up a Koran while taking part in a rally at Cairo's Tahrir Square on July 29, 2011.

Fundamental political change in the Arab-Muslim countries of the Middle East and North Africa (MENA) is a core concern of the continuing phenomenon commonly known as the Arab Spring. The implicit starting point for the Arab Spring was that there is nothing “inherent” in Islam – the majority religion of the region – that means that they will “inevitably” lack the capacity to change their political arrangements in a pro-democracy direction.

During 2011, the Arab world has undergone a continuing series of uprisings and rebellions which began in Tunisia in January 2011 and led eventually to the fall of the country's government. Soon after, the government of Egypt also collapsed. Later in the year, due in part to the support of the North Atlantic Treaty Organization, the government of Libya collapsed and a new one began to reconstruct the country's shattered political and economic infrastructure. Political upheavals continue in Syria, Bahrain and Yemen, and smaller, although still notable, expressions of political dissent in Algeria and Morocco. These concerns took a new twist with the killing of Osama bin Laden in May 2011, the ramifications of which for Western security are not yet clear.

The UK Prime Minister David Cameron was sufficiently concerned, however, to announce in May 2011 the UK's major financial support for the democratization and improved social welfare demands of the proponents of the Arab Spring. The UK announced that £110 million (€120 million) would be siphoned off from the existing Department for International Development budget, to be focused upon encouraging the Arab Spring. In addition, the Foreign and Commonwealth Office stated that up to £40 million (€44 million)



would be spent over the 2011-2015 period to try to improve three democratic cornerstones in the Arab Spring countries: increased political participation, improved rule of law and greater freedom of the press. Finally, the UK would donate a further £70 million (€77 million), focused generally on economic reform and specifically on aiming to boost youth employment, strengthen anti-corruption measures and promote private sector investment. In sum, the UK government was committing extensive funds to the democratization and improved social policy of the Arab Spring countries in a bid not only to spread democratic values but also to undermine religious extremism in the MENA.

However, a word of caution is necessary: for three main reasons, the region is not about to jump from authoritarianism to democracy à la Central and Eastern Europe circa 1989-1991. The rise in sectarianism which threatens democratization, serious economic problems, and foreign policy meddling by Saudi Arabia and Iran. First, despite the coming together of people from all faiths in the protests that brought down their governments, both Egypt and Tunisia have recently experienced sectarian tensions and conflict, while Syria may be embarking on the same path. Egypt was the

scene of a bloody attack against a Coptic church in Alexandria in December 2010, followed by a clash in the Imbaba district of Cairo which killed at least 15, both Copts and Muslims. In October 2011 a further incident occurred in which 26 Copts were killed and hundreds injured during a night of mayhem, apparently carried out by the security forces. Tunisia saw the murder of a Polish-born Catholic priest, Father Marek Rybinski, killed on the premises of an inter-denominational school in Tunis, while Islamist protesters gathered together outside the Great Synagogue of Tunis and a chapel was burned near Gabes. In Bahrain, the political violence pitted Shias against Sunnis. In Syria the Assad-led Alawite minority government seeks to exploit the country's latent sectarian divisions by stirring up trouble in order to proclaim: *après moi le deluge*.

Second, the region is undergoing a frightful economic slide. GDP is down and social welfare declining, and all this in the context of some of the fastest growing populations in the world. Egypt is a good example of what is happening. Arguably, much of the cause of the uprising which led to the overthrow of the Mubarak government in early 2011 was the result of economic frustration, especially among the young, those in the

forefront of the rebellion. Egypt's economy contracted by 7% in the first three months of 2011. Tourism revenue, the mainstay of the economy and the biggest single element in GDP, fell by 80%, the stock market plummeted, and the IMF revised its growth estimate to a mere 1% following 5.1% growth in 2010.

Third, both Saudi Arabia and Iran are deadly rivals in the region. Saudi Arabia has had to deal with the loss of its closest ally, the Mubarak government. Iran is contemplating the fall of its ally, the Assad regime. The government of Bahrain is bolstered – but for how long? – by the injection of Saudi troops, while Iran seeks to exploit the growing anarchy in Yemen in order to destabilize its Saudi arch enemy.

In sum, the prospects for a clear and linear path to democracy in the region are poor and the likely outcome is a slide into entrenched and long-term political instability culminating in some cases in state failure and regional instability.

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Christians caught in the crossfire

BY GIUSEPPE MORABITO

The Middle East is home to Christian communities that have been there since long before Islam existed. Now, as has often been the case in times of political strife, they are fearful of being persecuted.

The turmoil in the Arab world has brought to the attention of the interna-

tional community the situation of the forgotten Christian communities in the Middle East and North Africa. Starting from the last century, we have witnessed a decline in the Christian population living there. They first disappeared from Turkey with the end of the Ottoman Empire and the massacre of Armenians and other native Christians, then sharply decreased in Palestine with the formation of Israel. More recently, two events in particular are worth mentioning: their exodus from Lebanon during the long years of the Lebanese Civil War (1975 - 1990), and the migration in the recent years from Iraq. The fact that we do not have exact figures of the people actually involved in these two events is not reassuring. The civil war in Lebanon pushed many Lebanese outside their own country forever and most of them were Christians. The immediate and direct consequence was a change in the delicate confessional balance of the country. As far as Iraq is concerned, probably one million Christians out of an overall population of one and a half million left the country because of the attacks and persecution against their community and the general situation of insecurity. What happened in Iraq (and before that in Lebanon) gives us reason for concern. For instance, the Maronite Patriarch, the Lebanese Bechara Boutros al-Rahi, does not conceal his fear of an "Iraqi scenario" for Syria, after the possible fall of President Bashar al-Assad or as a consequence of the civil war taking place in that country. Those who share the same concern, stress that it is not by chance that the majority of those who fled Lebanon during the civil war were Christians and not Muslims. Indeed, for cultural and social reasons Christians adapt more quickly, especially in the West, where they easily find new opportunities for a better life and good jobs, and generally do not find it difficult to integrate into the host societies. It helps that many Lebanese Christians, have a double passport, which allows them to establish themselves legally in another country.

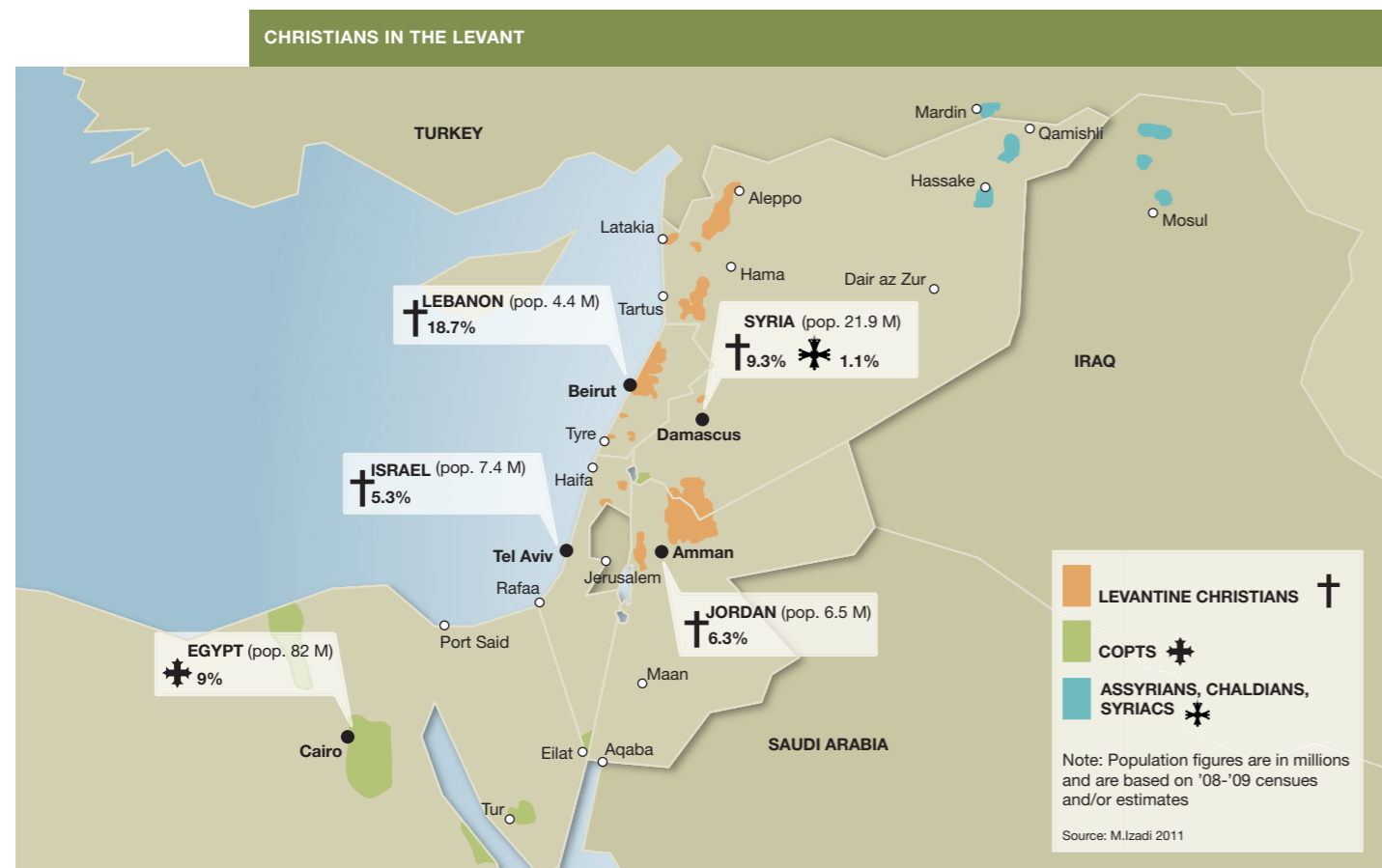
But why should we be worried if Christians leave

the Arab world and in particular the Middle East? Is it because Christianity was born in the Middle East and Christians were in this region 600 years before Muhammad? Are we just worried about religious cleansing? The answer to these questions brings us to reflect on the consequences of the so-called "Arab Spring," and more generally on the social and political role of Christians in the modern Arab world.

First of all, we have to completely abandon the idea that we must protect Christian minorities because they are the "best friends" of the West in the Arab world. This theory is utterly false. Middle Eastern (and North African) Christians are first of all Arabs and they consider themselves Arabs, not the "*longa manus*" of the West, although it could have been the case in the past. One example for all: in a crucial issue such as the Middle East Peace Process, Arab Christians are by no means necessarily pro-Israel, and in any case their views are in favor of solutions which take into account the rights of all communities living in Palestine. The issue is totally different. We must be aware of the extraordinary value and the unique opportunity represented by the presence of Christians in the Arab world, and in the Middle East in particular. To stress this point, contemporary Lebanese Sunni scholar, Muhammad Sammak, has spoken of the "Christians of the East" instead of the "Christians in the East," because Christians forged the history of the region, even preserving and developing Islamic culture and literature (e.g., many Christian scholars were involved in the Al Nahda movement).

Nowadays, Christians are essential for the stability and democratic underpinnings of the region, especially now that the conflict between Sunnis and Shias is likely to inflame all the Middle East and the uprisings in Northern Africa could bring Islamic fundamentalist groups to power. A Lebanese politician, also a Sunni, who has been minister several times, recently told me: "The problem of Lebanon is that there are only two confessions: Sunni and Shia. Christians seem today not willing to play an autonomous role between the

A Coptic Christian cleric shows empty bullet cartridges found after the clash between Muslims and Copts at the Abu Fana Monastery near the city of Minya, 400 km south of Cairo June 1, 2008.



other two.” The idea that Christians are called to play a conciliatory role is very dear to the Maronite Patriarch, who started to bring together the political leaders of the Christian community to discuss non-controversial topics, in order to find a common ground on subjects of mutual interest (like land ownership or the presence of Christians in the civil service). In the view of Monsignor al-Rahi, this should be the precondition for a new policy of dialogue involving all religious communities, starting from Lebanon, with the aim of addressing the complex reality of the Middle East.

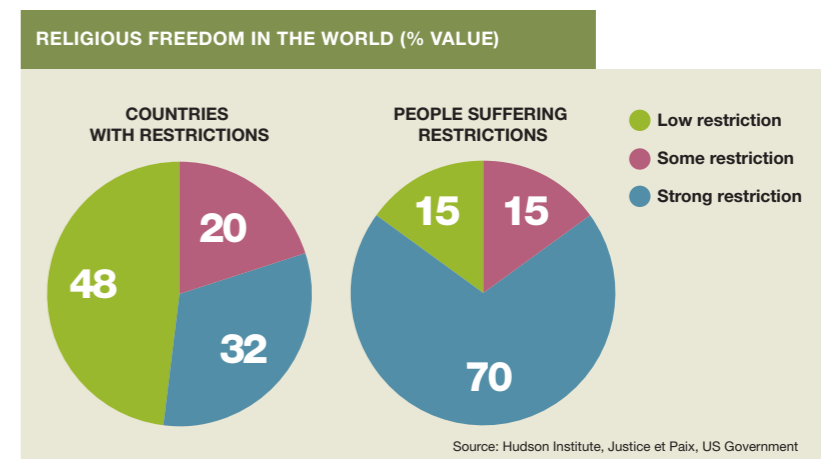
If Christians are essential to the stability of the Middle East and the Arab world and they have to play a conciliatory role, the first thing they need is security. If there is no security, the first ones to leave will be the Christians, with the consequence of creating even more instability. In the ongoing Arab Spring, the Christians have three main fears, according to Patriarch al-Rahi: inter-confessional conflicts, anti-democratic and intolerant regimes, and the division of the region on a confessional basis. The first two are quite obvious. In inter-confessional conflicts, Christians, who are the weakest, usually pay the highest price. This has been the case in Iraq; it could be the case in Syria, in Lebanon

(if the Syrian crisis affects this country heavily) and even in Egypt. Anti-democratic and intolerant regimes are those which do not guarantee freedom of religion, forcing minorities to emigrate. The third fear may appear as the least obvious, but in a way it is essential to understanding the problem of the Christians living today in the Middle East (and more generally in the Arab world).

The possible division of the region on a confessional basis underlies the idea of confessional states (an old theory of Henry Kissinger), most probably one against the other and neither completely autonomous from external aid and control. Besides, and more importantly, a confessional state is culturally antinomic to the vision that Christians have of staying and living in the Middle East. In fact, three main concepts are at stake: living together, citizenship, and the notion of secular state. The concept of “living together” (antinomic to a “confessional apartheid”) brings us to the idea of tolerance, of collaboration, of widespread consensus on some key common values, and underlines the importance of respecting and recognizing the identity of people different from us for their own religion. Moreover, the idea of “living together” is inherent in the

history of the Middle East, in spite of the wars that have occurred. (But how many wars have taken place in Europe with Christians against Christians?) The idea of “citizenship” is no less essential. Christians want to be guaranteed and protected in their rights because they are citizens of the state in which they live, equal to all other citizens. In this regard, belonging to a state comes before belonging to a confession or a religion. The third idea concerns the secular state. Again, Patriarch al-Rahi has spoken many times against the concept of a theocratic state, no matter if it is Islamic or Jewish. Christians need to live in a secular state that respects the freedom of religion of everybody, including the right to practice its own religion in public. The same model (living together, citizenship, secular state) could be useful in solving the problem of integration in Europe of the new Muslim minorities. What could be the role of the European Union and of Italy towards the Christian minorities? And what will be the consequences of the Arab Spring? Europe, reticent about the recognition of its Judeo-Christian roots, initially appeared distracted, unaware of the problems affecting the life of Christians living in the Arab world. And the Christians in this part of the world felt themselves misunderstood and almost abandoned. A significant exception in the European panorama has been represented by Italy’s former Minister of Foreign Affairs, Franco Frattini and by his policy to advocate Christian minorities’ rights not only in the Middle East, but also all over the world. If we think of a more incisive role for Europe, we must first counter two opposite theories, both false and dangerous. The first is that through the imposition of a single religion we will reach peace; the second is the idea that religions are the cause of violence and war and consequently they should be abolished or at least confined to the private sphere. The first theory is related to religious fundamentalism, the second falls within what we could define “negative secularism.” Clearly, this second theory is not only much stronger in Europe, but it also impedes us from understanding the complex reality of the Middle East.

This is particularly evident in a country like Lebanon where 18 recognized confessions still play an extremely important role in society. In other words, what for many people in Europe could appear like a problem (the fact that Arab society has not yet undergone a process of secularization like Europe in the 1960s), should become for us an opportunity to work for a world based on democracy, respect for human rights, freedom of religion and tolerance. We cannot fully understand the Middle East if we do not take into consideration the complexity of its different confessions and the role that they play in society. In this vein Europe can be a major player, first of all by supporting dialogue inside the new Arab societies, particularly through interfaith dialogue. In societies where political divisions



are strong and there is the risk confessional strife, religious leaders, clerics and intellectuals can all give an important contribution to dialogue in order to avoid political differences and find solutions for more free and democratic societies. In this context we cannot lose sight of what will be the result of the ongoing upheaval in the Arab world. Which kind of society (or societies) will emerge? From this perspective we must rely on inter-religious dialogue and its capacity to find the shared principles on which to build the new constitutions of the changing Arab world. Again, it was Muhammad Sammak who confided to me his ambition to achieve a common understanding, involving different religious leaders, Sunni and Shia, on the principles, derived from the Koran, which are against the use of violence and in favor of tolerance and mutual respect of other beliefs. Significantly, the idea of summoning an inter-religious conference in Beirut was muted a few months ago by Patriarch al-Rahi. In perspective, the ambition could be to reach a common social understanding between Christians and Muslims of the Middle East, based on religious principles and the idea of citizenship (a public declaration?). Indeed, who can tell a young man or woman that it is not God who authorizes in his name to kill somebody else, but a recognized religious authority? At stake is not only the outcome of the Arab Spring but also the possibility for us to overcome once and for all the trauma of 9/11, to prevent the gap with the Islamic world from widening and leaving behind a period of confrontation between the West and the Arab world, Christianity and Islamism. Winning this challenge is in the interest of everyone, as it is in the interests also of Muslims to demonstrate and to declare publicly that the Koran means respect and tolerance, and not violence, so that no one in the West can possibly equate Islam with terrorism.

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DADO RUVIC / REUTERS

Relating with the infidels

BY FRANCESCO ZANNINI

Despite Islam's explicit antagonism toward non-Muslim political institutions, history shows that Islamic states have tended to be quite flexible and generally adapted their international relations to political and social realities.

After the recent success of Islamic parties both in Tunisia and Egypt, and the emerging role of the model of encounter between secularity and Islam being carried out in Turkey, a new role of Islam within some of the Muslim majority countries seems to be appearing on the horizon of the present globalized world, with a possible impact in the field of international relations.

It is very difficult to have a comprehensive approach to the attitude that many Muslim majority states may have in the field of international relations in order to find a common link that might help us to define a unified Islamic system in this area. This is due mostly to the diversity of cultures, the social and political setting of the countries where Islam is either a state religion or represents the basic reference for the entire society.

Islam is the second largest religion in the world and affects the life and the social and political setting of countries from North Africa to Southeast Asia, mostly placed in geopolitical and strategically relevant areas. The majority of Muslims, 68%, live in Asia, followed by 27.4% in Africa and 16.3% in the Arab countries. The demographically largest Muslim country, Indonesia, has 15% of the world's Muslims, while Bangladesh, India and Pakistan together have 30%, with the consequence that, in spite of our focusing on North Africa and the Middle East and the stress put by the media on this area, the majority of the Muslim world population does not belong to these regions. In fact, it is in Asia that the present and the future of this religion lie – in terms of theology, philosophy, technology and politics – with a growing new generation of

Muslims who are also moving from their countries to the West to fill universities and research centers, gaining technological skills and using the global media networks. In this context, the capacity of adaptation and acculturation that has characterized this religion from its beginning should not be overlooked. Different religious symbols, philosophies and ways of life have always been adopted by Islam in the process of Islamization, particularly in the eastern part of the Muslim world, creating peculiarities from one country to the other. Such a process gives a clear image of the pluralistic dimension of Islam, which is able to assume local religious traditions and harmonize them within the Islamic social and religious frame, respecting the fundamental beliefs. The process of acculturation then brought Islam to assume different shapes from Morocco to Turkey, from the Caucasus to China and Thailand, and from Malaysia to Indonesia and the Philippines. In all these cases, we always find that Muslim believers, who practice the same faith, guided by the same principles of Islamic Law, have different ways of life, according to their own philosophical and religious institutions, as well as through various local legal systems, rooted in the local cultural background. Consequently each Muslim majority country both in Asia and the Middle East will have a particular way of facing internal and external realities depending not only on their Muslim religious beliefs but also on the tradition and history of the country itself. It is vital, in this sense, to have a more global perspective in reading the phenomenon of an emerging Islam in the modern age.

Although we should not forget that Islam is above all a "religion," it is true that unlike Christianity, it de-

Bosnian *efendis*, or Muslim clerics, walk up a mountain before commemorating Ajvatovica near the Bosnian village of Prusac, June 26, 2011. Tens of thousands of Muslims climb the mountain to pray at a site where, according to tradition, a miracle occurred when a huge rock divided in half after a Muslim man prayed in front of it. The pilgrimage, the biggest for Muslims in Europe, is a 501-year-old tradition.



FAVAO SHADEED / REUTERS / CONTRASTO

A Saudi trader adjusts traditional clothes at Souq Al Zal in downtown Riyadh September 7, 2009. Home to Islam's holiest cities of Mecca and Medina, Saudi Arabia receives more than five million pilgrims a year, but they are not allowed to travel around the rest of the country.

veloped, during the life of its Prophet himself, in a context of political power, particularly from 622 AD onwards, when Muhammad was called, as a charismatic leader, to solve the political problems of the town of Medina and had to act as a ruler and head of state. It is in this context that even the Koranic revelation started to address legal issues such as marriage, inheritance, contracts, loans, retaliation, penalties to be imposed, liturgy, religious duties, political orientations, as well as war and relationships with non-Muslim groups. The Muslims then found themselves in a sort of religious and political community, the *umma*, which in the beginning was not limited to Muslims as such, but also included all the citizens of Medina who had not accepted Muhammad's religious message. But soon, with the growing number of Muslims and after their victories over the pagans those who had not accepted Muhammad's religious message started to be excluded from such a community where the blood relations that united the ancient Arab tribes was replaced by strong religious bonds. Consequently the religious *umma* became a political entity where citizenship was combined with faithfulness to the basic moral and religious tenets of Islam. With the expansion of Islam, however, emerged the territorial concept of the state, and physical boundaries started to divide the territories where Islam was established and Islamic Law implemented. The "House of Peace" (Dar as-Salam) or "House of Islam" (Dar al-Islam), which could also ac-

commodate nonbelievers, had to deal with treaties between people of other religions, and where only Muslims could rule within the frame of an Islamic ruling system. There is also the "House of War" (Dar al-Harb); this expression does not indicate peoples and countries the Muslims are compelled to fight (as happens in some simplified fundamentalist interpretations), but simply lands where the peaceful and pacifying system of Islamic rules has not yet been established. Then a question may rise: how does this traditional distinction work in the present day? It is impossible to analyze here all the details that Islamic jurisprudence introduces to express the various ways of dealing with non-Muslim states and to stipulate with them contracts and agreements, on the model of those which were stipulated by Muhammad and the first caliphs. It is, however, clear that these models and legal bounds do not affect the international relationships of many Muslim countries with the rest of the world and that they mostly follow the rules of international diplomacy, irrespective of whether they are dealing with non-Muslim or fellow Muslim partners. In fact, different Muslim countries have different expressions of foreign policies which have nothing to do with a religious and doctrinal framework, but are simply based on the principle of *realpolitik*, as has been the case since the time of the Umayyads, the Abbasids, the Safavids, the Moguls, the Ottomans, up to the modern Muslim states. Only the resurgence of fundamentalism – with Khomeini in Iran and later the Taliban in Afghanistan implementing of their vision of an Islamic state – has there been any change in their relationship with the West. In fact, what may be called an "Islamic international relationship system," as somehow foreseen in the Muslim legal tradition, does not affect the way states interact with each other, but rather represents a vision of a world order that focuses on the relations between the Muslim and the non-Muslim and how this sphere should be ordered. It is difficult in fact to give a precise identification of an Islamic theory of "International Relations in Islam", particularly if we look at the different experiences of modern Muslim states, at the so called Islamic Republics, the Egyptian New Islamists, the traditional Muslim Brotherhood, the Salafi movements and

al-Qaeda in order to find out its framework. The difficulty in finding such a possible unified theory emerges clearly from the history of the last century, in which we witnessed the end of the international formal unity of the *umma* with the abolition of the caliphate in 1924. There were also the many failed attempts to rebuild that unity through the Pan-Islamic movement – largely stirred by Saudi Arabia, as well as Morocco and Pakistan – which also interacted with the more secular Pan-Arabism strongly supported by Nasser. But the main purpose of Nasserism was, after all, to ensure Egypt a leading role among the newly independent countries of Asia and Africa. At the level of international policies, the last century also saw the inefficiency of the Organization of the Islamic Conference, founded in 1969 in order to help Muslim countries have a common ground in dealing with international affairs.

A new presence of Islam, as ideology, and consequently a new approach to international relationships was created in 1960s and 1970s with the emerging of the fundamentalist movements where the concepts of *jahiliyya* (age of ignorance), *shirk* (idolatry) and *ji-had* (effort to defend Islam) have become the main elements in a Muslim interpretation of the Western world and international relations. The first two words, in fact, stress the fact that a society of nonbelievers (that is non-Muslims) lives in political, moral and social disorder, and no agreement can be made with it unless it adjusts to the "Islamic world vision" and consequently the only obvious relationship with them is *ji-had* – which does not necessarily mean war, but essentially the defense and implementation of Islamic values and socio-political perspectives, even in diplomatic relations and the use of international institutions. Several attempts of calling the Muslim countries to a sort of renewed *ji-had* against the West have been made with the creation of the Islamic Republic in Iran, the Gulf War, the emerging of al-Qaeda movement and the Afghan War, but so far these calls have remained unheard and no common policy has appeared among the Muslim majority states which normally behave much like non-Muslim states in the international system on the basis of self-support and self-interest, according to the principles of *realpolitik*. This makes the idea of the existence of an Islamic way of conducting international relationships less and less realistic. There is no doubt that the sense of "moderation" expressed by many new Muslim leaders, even among those belonging to the Islamic inspired parties that have won the most recent elections in the Arab world, will have to confront the ideologies that have dominated their movements and their electorate for years. Certainly their approach to the Western world and to the Israeli-Palestinian issue will not be the same as that of the dictators protected by the West. Account must also be taken of the growing role of the Salafi movements and their parties. In



EYENIE / CONTRASTO

A woman in a bikini walks past a lady in an abaya on a beach in Dubai.

any case a combination of factors – i.e., the long history of realistic international relations of many Muslim countries and their fair interaction with international institutions, and a new positive attitude of the West, which has begun to understand that Islam cannot be dismissed, not even in strongly secular states, as was the case in modern Turkey – will help the new Islamic leaders avoid the antagonistic attitude of the present Iranian leaders and find a diplomatic path to establishing a new and peaceful world order.

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Common ground between faiths

BY FABIO PETITO & ANTONIO CERELLA

The analogies between the establishment of Christian Democratic parties in Europe and rise of Political Islam in North Africa are too striking to ignore. Such similarities could provide a framework for dialogue and cooperation.

An Egyptian man sits under electoral posters for the Salafi political party Al-Nour and the Muslim Brotherhood's Freedom and Justice Party outside a polling station in Beheira, 135km north of Cairo, December 14, 2011.

The ongoing events in the Arab world are leading to a greater openness to democracy in many countries of the region, not only in those directly affected by the popular uprisings; and this openness will probably increase in the future. In some of these states one can expect the emergence and consolidation of religiously inspired political movements and parties, in some cases hitherto banned from the national political life. Yet Europe has not paid enough attention to the role that emerging democratic streams of Islamic political thought and practice, i.e., Muslim Democrats, could play in the democratization of the countries of the Eastern and Southern Mediterranean region. This is even more regrettable in a moment in which these political forces are gaining influence in countries such as Turkey, Tunisia, Morocco and Egypt. In this panorama of opportunities and constraints, it is critical for Europe to find new ways of communication and cooperation across the Mediterranean and, in particular, with these increasingly influential realities of mainstream Political Islam – the Muslim Democrats – with a broad view to foster mutual understanding, trust and cooperation between Europe and the Arab world, as well as to encourage inclusive change and social cohesion domestically and stability and conflict resolution internationally.

An interesting development that has largely been unnoticed by the foreign-policy communities of European countries has been the growing and explicit use in recent years, and arguably even more in the aftermath of the Arab revolts, of the analogy between Muslim-democrats and Christian-democrats. This is not only part of a self-legitimizing rhetorical strategy by some actors of mainstream Political Islam to reassure

European governments and public opinion about their “compatibility” with democracy; it is also a significant factor in itself, not least in symbolic terms, a cultural-political opening that European intellectuals, the foreign policy community and political leaders cannot afford to leave unanswered. Our hypothesis is that on the knowledge base generated by this comparative intuition a more empathetic dialogue between these two major religiously-inspired political traditions can emerge and, as a consequence, through this channel better forms of communication and cooperation can be constructed with these new realities of Political Islam, a critical challenge for European leaders in the decades to come. Recognizing each other as “peers,” creates the conditions for a more genuine hermeneutical dialogue whose primary purpose is a better reciprocal understanding. The possibility of seeing the “other’s” history and experience through the lenses of “my own” history and experience activates a different communicative pattern: a positive dynamics that, we would argue, has broadly failed to materialize in the context of previous attempts at cultural-political dialogue with the world of Political Islam because of the nature of the object/agenda of the dialogue, which was very often perceived from the beginning as intrinsically biased and putting them in an implicit position of intellectual and political inferiority.

Although it has been rightly pointed out by Olivier Roy in *Le Monde* that religion has played a marginal role in promoting the recent upheavals in the Arab world, this does not mean that Political Islam will not benefit from this situation, as the recent electoral results in Tunisia, Morocco and Egypt clearly suggest. We should not overlook the fact that Islamists movements and parties are part of the fabric of Arab societies and they will remain so, even though in many cases we are dealing with a “post-Islamist” but not “post-Islamic” generation, as Asef Bayat puts it. Therefore, once one recognizes the importance of religiously-inspired political parties and social movements in the Middle East and



the Southern Mediterranean as “gatekeepers” between a relevant part of society and politics and in particular given what could be called their “organizational superiority” on the territory, it becomes strategically important for Europe to understand the best ways to pursue a realistic and lasting cultural-political dialogue based on mutual trust. This approach is strengthened by the growing acknowledgement that policies of forced exclusion of religious movements from the public sphere undermine institutional consolidation and democratization, while dialogue and inclusive participation increases the possibilities of democratization even of those less democratic parts of society.

During the 20th century, Christian-Democratic parties emerged and flourished in Western Europe, giving a fundamental contribution to the democratization of

those European countries, such as Germany and Italy that had experienced some of the most authoritarian forms of government of the 20th century history. These were – and in some degree remain – moderately religious parties. Their role in European politics, according to Émile Perreau-Saussine, has always taken into account the principles of secularism which have been articulated in the context of democratic and representative institutions, with full implementation of constitutional principles and respect for political and cultural pluralism. The history of the Christian-Democratic movement, however, goes back at least to the end of the 19th century, in the context of the gradual disintegration of the Ancient Regime in Europe, the resulting tensions between the church and the state, and the attempt to integrate Catholics into emerging forms of



Violent clashes took place in Cairo's Tahrir Square between police forces and protesters the day after a large demonstration against military rule on November 19, 2011.

democratic politics or, particularly in Germany and the Benelux, to counter the anticlerical measures of secular-liberal or republican states, according to Stein Rokkan. And, indeed, Christian Democratic parties, even those formed more directly by the church soon charted their own course and developed their independent political agendas, as Stathis N. Kalyvas points out. In fact, the influence of the Vatican on the development of the Christian parties must be considered minimal as demonstrated by the cases of Don Luigi Sturzo in Italy and Konrad Adenauer in Germany. Both these leaders were self-promoters of a new Christian way to democracy and were involved in the forefront in the fight against Nazi-Fascism. The role of the Christian democratic ideas in promoting not only democracy but also the broader projects of post-WWII human rights and European integration has historically been established. Christian intellectuals such as Jacques Maritain, for example, played a major role in helping to reconcile the role of Christian identity in modern society, taking part in the drafting of the United Nations' Universal Declaration of Human Rights in 1948 and contributing to making the Christian tradition politically modern.

From this very brief overview, it emerges that the condemnations of Islam as incompatible with democracy overlook the fact that religious doctrines are not determined exclusively by a clerical hierarchy, or that religious ideas are not mutually exclusive to the democratic process. The European experience shows that the critical reconciliation between Christianity – Catholicism in particular – and democracy was the result of a long and complex process of negotiation, with tensions and contradictions. This required theological

re-elaboration and re-interpretation by the religious institutions and authorities but it was also critically advanced by the gradual emergence of a Christian/Catholic-democratic political tradition which made the fight for democracy its own; it was the idea of “inculturating” democracy into a Christian worldview with the powerful idea of a “Christian Democracy.” There is no guarantee that “Muslim Democracy” can emerge in the coming years and be sustained permanently; the case of the AKP in Turkey is unquestionably an interesting one, and arguably an advancement of this path. Indeed, there are many positive signals in this sense. In any case, it is our hypothesis (as well as that of Jan-Werner Müller in his article “From Christian Democracy to Muslim Democracy?”) that the history of Christian Democracy – including the intellectual history – provides both reasons for optimism and lessons for the future.

If the plausibility of such a comparison between Christian and Muslim-Democrats is even partially substantiated, then this mutual recognition also creates the conditions for a pragmatically oriented dialogue between intellectual, business and civil society leaders, as well as politicians of these two camps, which can become a privileged framework for dialogue between Europe and Political Islam. The scenario in the political field could be the following: by engaging constructively in a dialogue with Muslim democrats, European Christian Democrats (both from the left and the right of the political spectrum of countries such as Italy, Germany, Belgium and France) would reduce their misperception and increase mutual understanding and vice versa, and perhaps even find common positions on domestic and international issues by creating unexpected political “alliances and convergences” between these two different political worlds. Given the reality of social movements of these two religiously-inspired political traditions, the dialogue between components of these broad constellations of actors (trade unions, business organizations, religious communities, youth movements, women's organizations, cultural foundations, etc...) would further contribute to mutual understanding, trust and cooperation, and might allow for joining efforts to promote common initiatives (cultural, social, communicative and political) to build new transversal (cross-cutting and re-inventing traditional allegiances) practices of solidarity, cooperation and mobilization, involving, for example, Christians and Muslims acting together.

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Let the parties start

BY LUCA OZZANO

It remains to be seen if Islamic parties will be successful in promoting democratic values.

For a long time, the role of religion in democratization processes has been underestimated by political scientists. This attitude was a consequence of the secularization paradigm (regarding religion as a regressive factor, doomed to disappear or to be confined to the private sphere) shared by most social science classics. The studies on religious parties make no exception to this rule: indeed, as observed by Nancy Rosenblum, liberal democratic thought always turned a “cold shoulder” to them. They were supposed to be merely an instrument of the churches in politics, to be “opportunistic and not committed to electoral democracy... intransigently ideological, uncompromising, militant, extremist... authoritarian in their organization and goals... culturally conservative, even anti-modern, with sectarian attitudes that generate potentially radical political instability.” These ideas can probably be applicable to some kinds of actors, such as fundamentalist or nationalist religious parties. However, in the decades after World War II, they proved wrong in several contexts, particularly in the Mediterranean region, where religious parties have often enhanced democratization and stability. The instrumental vision of religious parties as an arm of religious organizations also proved mostly wrong, since they were often born despite the opposition or the indifference of churches, and even competed at times with religious organizations to define the identity and the values believers. Finally, they did not usually prove intransigent, but adaptable, and able to reshape themselves to comply with the rules and the values of liberal democracy, even when they started from non-democratic stances.

The best known example of a religiously oriented political movement engaged in democratization is the case of Christian Democracy in Western Europe. Although

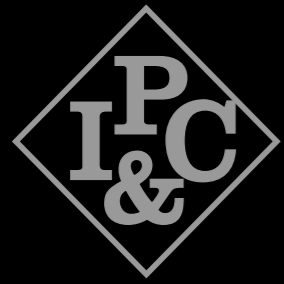


Tunisian women chant slogans during a demonstration against the Islamist Ennahda movement in Tunis, November 2, 2011.

in the first half of the 20th century the loyalty of some Catholic religious movements in politics – especially those connected to the extreme right – was questionable, the leaders of the newly founded postwar Christian Democratic parties opened a new political page. Staunchly pro-democratic, and at times involved in resistance movements during the war, they were resolute in repudiating both right-wing and left-wing totalitarianism. In countries with a mixed religious identity, such as Germany and the Netherlands, they managed with a certain degree of success to overcome ancient divides between Catholics and Protestants. They also played a crucial role in promoting European integration, and peaceful international cooperation. Their greatest achievement, however, was perhaps the reintroduction in democratic politics of masses of conservative citizens, previously attracted by the fascist and Nazi regimes. After Vatican Council II, which marked the definitive transition of the Catholic Church itself to pro-democracy stances, this experience spread also to other regions, such as Latin America, Southeast Asia and (after the fall of communism) Eastern Europe. Recent events in Turkey have, however, contributed to proving this idea wrong. In that country, an Islamist, anti-democratic and anti-Western movement has given birth, in a couple of decades, to a pro-democracy, Western-friendly and pro-free-market force: the currently ruling Justice and Development Party (AKP). Despite

some difficulties and structural flaws, its government has assured Turkey a decade of stability, reforms, development and GDP growth. Today, such a party model is under scrutiny as a possible example for the Middle East and North Africa (MENA) countries undergoing a regime change process as a consequence of the so-called Arab spring. In the West, and particularly in the US administration, this experience is appreciated by many who think it can set milestones for the pro-democratic transformation of powerful Islamic movements, such as the Muslim Brotherhood, in order to get peaceful cohabitation and mutual respect between them and the secular institutions. This model also seems to be appreciated by the people of the Arab countries themselves, although for different reasons, mainly connected to the ability of the Turkish leadership to be a friend of the West, while at the same time following an independent foreign policy course. The victory of Ennahda in the recent Tunisian elections is, according to many, a first embodiment of this possible “democratic contagion” from Turkey to the Arab world. Today, many hope that Islamic democracy will be as successful in promoting democratic values and international cooperation on the southern shore of the Mediterranean, as Christian democracy was on the northern.

LUCA OZZANO is Professor of Political Science at the Università di Torino.



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New Delhi's middle class high-rise

BY MARINA VALENSISE

India's capital is exploding – in population, in wealth, and in creative energy. Paradoxically, India's ancient philosophical tradition is helping to turn the city into an international center for innovation.

New apartment buildings for the new Indian middle class in Gurgaon, a satellite city of New Delhi, India.

One hundred years since the decision to transform Delhi into the new capital of the Anglo-Indian government, India, now independent, is witnessing the transformation of its society. Gone are the days of an apocalyptic gap between the maharajas, with their enormous wealth, and the hundreds of millions of dispossessed, abandoned to poverty, hunger, and disease in India's streets and villages. After Japan, after Southeast Asia and China, now India is now experiencing the tumultuous rise of a new middle class. As a result, the customs, lifestyles and expectations of the population – or at least its elites – is changing. And New Delhi, the capital city, is slowly transforming itself into to a new branch of the intercontinental luxury network, in which major hotels, shopping centers, even Grand Prix Formula One races, are the tangible symbol of having achieved a new status: that of an increasingly competitive emerging economy.

Ferrari, for example, the object of desire for millions, was not only on display at the Indira Gandhi airport this fall. This symbol of luxury, of "made in Italy," of Italian taste and style, with its sleek lines, winged nose and fiery red was also on display at the Leela Palace's egg-shaped lawn. The Leela Palace, one of the ultra-luxury hotels in the Kempinski chain, opened about a year ago in the center of the Indian capital. Its ten-story building rises in the heart of Chanakyapuri – the embassy district not far from Rashtrapati Bhavan, the Presidential Palace (formerly of the Viceroy) and the offices of the Prime Minister – amid the exotic splen-

dor of marble columns and Murano glass vases filled with fresh orchids arriving daily from Bangkok because Leela Nair, the owner's wife is obsessed with fresh flowers. Ferrari drivers Fernando Alonso and Felipe Massa, who participated in the first edition of the Formula One Grand Prix's brand new circuit in Noida, also came. Welcomed like maharajahs by hostesses wearing traditional saris, they were given rooms with a view of the endless Delhi plain (the hotel cost \$400 million, has 260 rooms of various sizes, and the price ranges from \$560 to \$10,000 per night). For several nights they lived like nabobs as the Indians catered to them. And they probably didn't experience much nostalgia for Italy, because in the evening they had to travel no more than ten floors to find the taste of home, with a plate of spaghetti and tomato sauce, or Kashmiri style risotto with asparagus and melted cheese, followed by stockfish à la Livornese, or tuna tartar with mango spices, topped off with tiramisù and masala tea full of shaved white chocolate and pistachios. Last year, on the tenth floor, Leela Palace opened Le Cirque restaurant, whose New York branch was frequented by Jackie Kennedy and Henry Kissinger and also appreciated by Michelle and Barack Obama. The owner, Sirio Maccioni, from the Tuscan town of Montecatini, has tried to replicate the success of Manhattan in Las Vegas and now in New Delhi, the city chosen 100 years ago by King George V as the new home of the Anglo-Indian government, built from scratch by the genial urban planner Edwin Luytens, who designed the enormous tree-lined streets, eyeing the length and breadth of the plain.

The vast majority of Delhi's 16.8 million inhabitants today still live in the Middle Ages, lying on the sidewalks of Chandni Chowk in resigned prayer, absorbed in devout pilgrimage to the shrine of Nizamuddin Auliya (1238-1325), a Sufi saint of the Chishti order. But a small minority is already projecting itself into the 22nd century. Here millionaires abound. "There are about 150,000 of them, almost the same

BIALOBREZKI / AIF / CONTRASTO





Indian children ride in a cart on the way home from school in the outskirts of New Delhi.

number in Italy," says Italian Ambassador Giacomo Sanfelice di Monteforte, "except that only last year the number increased to 26,000 thousand." And the number of Italophiles grows exponentially. "Last year we recorded a strong increase in visas for tourism or business, the latter by more than 20%. Every day we receive hundreds and hundreds of requests: a record compared to other EU countries," says Caesar Bieller, cultural attaché and visa officer. Sunil Seht literary critic and host of Just Books, a popular NDTV program confirms the observation: "We love Italy, we love the three F's: food, fashion and films. Indian are crazy about Italian style, Italian taste and panache. We love Italian manners." He admits to a weakness for pizza and pasta (which here is sold precooked, even in various fast food places), Ferragamo for shoes, Ferré for clothes, and the films of Gabriele Muccino and Massimo Troisi. "Traditionally, we are fascinated by the larger than life image. Even Berlusconi. He is like somebody out of Bollywood, so wild."

It's no surprise that Sirio Maccioni's gamble has been a winning one. But the real secret weapon of the new Delhi restaurant is the chef. Mickey Boithe, a 30-year-old who thinks in Tuscan, loves in Hungarian, works in English and is fluent in Hindi, Gujarati and Marathi, three of the 22 national languages (among more than 750,000 dialects) spoken on the subcontinent. A breeder of poisonous snakes, Boithe is an original: "There are three of us in all of Italy, where they sell more reptiles than dogs and cats put together. The

challenge is to raise a creature that doesn't show affection, and when they mate, the goal is achieved," says the chef who in order to come to Delhi had to leave his 60 snakes inside glass cases at his home in Montecatini to the care of the mother. The son of a Fiat sales representative who had to go back to Turin when the factory in India shut down, Boithe grew up between Verona and Montecatini. He cut his teeth in Japan, Singapore, Sydney and finally in Lausanne, at the Kempinski in Vevey. "Here no one wants French cuisine anymore. Italian food is better suited to the Indian palate. So we do Italian cuisine with French cooking techniques," he says running around behind the glass windows of the visible kitchen which looks like an artwork by Damien Hirst there in the center of a wood-paneled dining room suffused by soft lighting. In just two months of activity, with his team of 22 cooks, he has already won the Hindustan Times Crystal Award, for the best restaurant in India. "This is the chef's room," he says entering a huge room with single table in the middle, overlooking the kitchen. "Here, they eat only what I say," he adds proudly. And that's just one of many curiosities of the five-star restaurant frequented by heads of state, who can eat in a separate armored dining room, Bollywood stars, and captains of industry and finance, where only the king of Swaziland, however, has dared to order a €35,000 bottle of Black Pearl.

Greater Noida, the satellite city 40 km southeast of Delhi, is famous not only for the Jaypee Circuit, 5 km of track with six corners, wide straight-aways for race cars whizzing by at 320 km per hour, designed by Herman Tike, who also designed the circuits in Shanghai and Bahrain. Greater Noida is also famous for the countless number of colleges and universities in recent years that have changed the face of the suburbs of Delhi, and now for the Rashtriya Dalit Prerna Sthal, the landscaped park filled with giant statues and Mughal-style buildings built by Kumari Mayawati, the leader of the Bahujan Samaj Party, which represents the Dalits, as the caste of untouchables are known. Mayawati is now in her fourth term as chief minister of Uttar Pradesh, which with its 166 million inhabitants is the most populous and influential of the 28 states that make up the Republic of India. She wanted to honor the memory of her parents and that of her mentor and benefactor, Kanshi Ram, founder of the Bahujan Samaj Party.

With her Asian features, dark complexion, sagging jowls and hair pulled back tight, the charismatic 55-year-old Mayawati fixes her black eyes on passengers below from the billboards that line the Delhi-Noida expressway along the Yamuna. The lady has the air of a charismatic leader destined to be a player on a national scale. But she has been accused of wasting public money by erecting statues of herself, her family, and her party comrades, instead of investing in schools

and hospitals. Born into a modest family of *jatav*, a sub-caste of *chamar* leatherworkers, she is considered a genuine product of Indian democracy, the highest representative of the Dalits. Nowadays the caste of untouchables seems completely rehabilitated, seeing as how a Dalit has become the President of the Republic and even supreme court judge. Yet they once suffered exclusion as the impure, wallowing at the bottom of the social ladder, destined for the most menial jobs. In the caste hierarchy, established around the time that the Aryans came to control the subcontinent, society was divided into four main castes: the priests (*brahmins*), the warriors (*kshatriya*), the merchants (*vaishya*), and the non-Aryan peasants and servants (*shudra*). The Dalits were literally "outcastes" below all four categories. Strengthened by the banner of caste pride, Mayawati has rejected all accusations: "The west bank of the Yamuna is full of statues of Nehru and the Gandhi family. The park that I inaugurate today is the only place that shows respect for Bavaasahb Ambedkar and Kanshi Ram [the leaders of Bahujan Samaj, who fought against social discrimination]." Suddenly, the person who had seemed to many the exaggeration of a politically cunning and ruthless woman who, as NDTV journalist Shika Trivedy described, does not have time to go to the cinema, take a walk, who disdains having a family or a love story because she is completely absorbed by political passion and the struggle for social justice, has now become the spokesperson of a high idea of politics. "The chattering elites should understand this and abandon their double standard," said the liberal newspaper *Indian Express*.

Meanwhile, in Greater Noida, the future is impetuous. Here, alongside hundreds of schools, colleges, universities and research centers, is the seat of STMicroelectronics, one of the world's leading semiconductor manufacturers. This global enterprise is headed by an Italian, Carlo Bozotti. In 2010 STMicroelectronics produced \$10.3 billion of net revenues, and 23% was invested in research and development. The cutting-edge company was formed by the merger between a firm from northern Italy, SGS Microelectronics, and a French company, Thomson Semiconducteurs, whose members still hold 30% of the capital, while the rest is publicly owned on the stock market, because since 1994 STMicroelectronics with its 53,000 employees, 14 manufacturing sites and research cen-

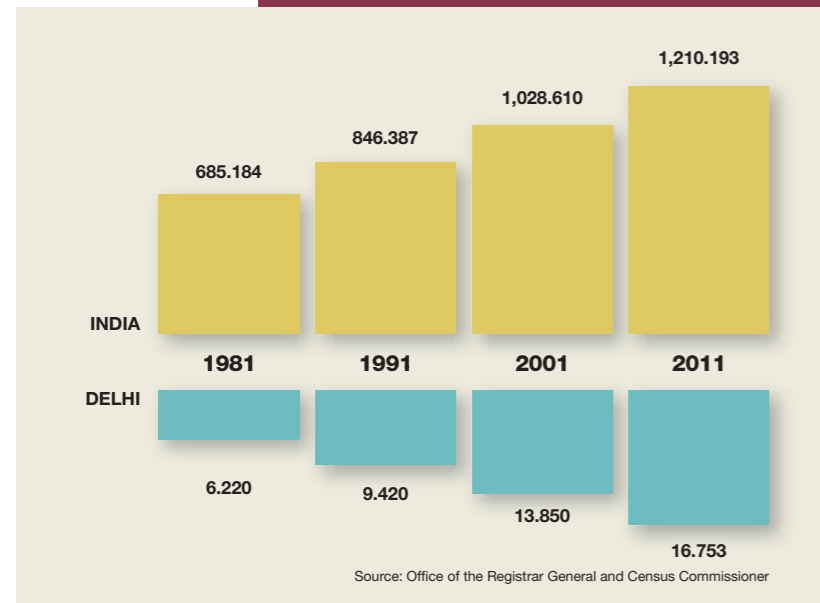


Ferrari Formula One driver Fernando Alonso of Spain drives during the first Indian F1 Grand Prix at the Buddh International Circuit in Greater Noida, on the outskirts of New Delhi on October 30, 2011.

ters located in 10 countries around the world, has listed on the major exchanges in New York, Paris and Milan. Nodia houses one of India's four microchip laboratories. "Here we don't manufacture. It's a question of the local market. That requires a high capital intensity, and here infrastructure is lacking," says Vivek Sharma, vice president of STMicroelectronics, a 46-year-old Punjabi engineer, who for the past two years has headed the company's China and South Asia region. They only design microcircuits for semiconductors and innovative applications that allow the chips to activate automatic devices in robotics, computer processors, mechanisms in the electronics industry, analogical systems, and controlling apparatuses. Since 1987, STMicroelectronics has opened two centers in India, one in Greater Noida and another in Bangalore, and two sales offices in Pune and Chennai. Why India? Because India churns out 500,000 electronics engineers each year, because it is a credible job market, and an economy based on competitiveness and strong communication skills, Sharma explains.

The figures bear this out. Out of India's population of 1.2 billion, or 17% of the world population, 30% are under 15. Over the past 30 years, 140 million Indians have made their entry into the middle class: in 1980 it was only 8% of population, or around 65 million; and by 2000 it had risen to 220 million, or 22%; in 2010 it had become 368 million, representing 32%. Thanks to technology the literacy rate also increased, from 64.8% to 74.8%, and the gap between men and women was reduced. The Indian GDP growth trend is 7.7% per year, with inflation at 8%-9% per cent; the IMF has calculated real growth at 50% over the past 5 years. Moreover, according to Goldman Sachs projections, India in 2050 will have the second biggest GDP in the world with \$41 trillion, after China, with \$75 trillion in first place, and

POPULATION OF INDIA AND DELHI (IN MILLIONS)



above the US's \$40 trillion. Meanwhile Germany, France and Italy, with around \$10 trillion, will further down (another reason for the EU).

India's immense potential is evident, despite the huge differences in income due to the fact that much of the population is still illiterate and lives below subsistence levels. After the boom in outsourcing services, which, for example, allows a company in Minnesota to have its budgets reviewed by a computer company in Bangalore, the Indians are asking foreign companies to develop manufacturing industries. There are already about 400 Italian companies in India with different formulas on their own or in joint ventures. The big ones include Fiat, Piaggio, Ducati, and now subsidiaries of Ferrero. Others are ready to invest in a young boundless country that needs foreign technology and know-how to solve structural problems by streamlining the tax bureaucracy, developing efficient infrastructure, modernizing the distribution of income, and closing the energy deficit.

It remains to be seen whether the Hindu character, absorbed as it is in calm resignation rather than dedicated to activism and self-improvement, will ever adapt to the Western attitude dictated the logic of profit and profitability. Perhaps, as Nobel Prize-winning author Rabindranath Tagore thought, it will bring a variant, a combination of East and West, perhaps even more productive than the individualism that is the engine of the liberal market. The idea is not far-fetched in the eyes of Vivek Sharma. "Hinduism has no dogmas. There is unity even if everything appears diverse," says the vice president because of STMicroelectronics. "But the

apparent form does not matter. It is born and dies like ocean waves. But the lack of individualistic, allows for a predisposition to cooperate and interact on multiple planes, because we belong to a holistic ensemble, a higher form."

This conception of reality is deeply rooted in India's millennial philosophical tradition. Sharma explains how in the Hindu religion, the three processes of creation, destruction and preservation, are related to the trinity of the gods Brahma, Shiva and Vishnu. But in the end the three processes concern forms. "But the forms are unreal," he adds. "In the Upanishads all these shapes and forms are *maya* – an illusion. What appears is only illusion. All of us are like ocean waves. If each wave begins to think of itself being separate it ends up dying. But if it knows it is produced by natural forces, then it continues to live like the ocean, and its self survives in all."

This means that we are all part of a whole, he concludes. We are all motivated by the search for eternity. Yet we continue to believe that our self is a material form, and this deserves to be considered further. Here is how Hinduism can also make a contribution to the modern world of innovation, because it is a school of thought that leads to a deeper notion of liberation, occurring as a process of self-realization within the whole.

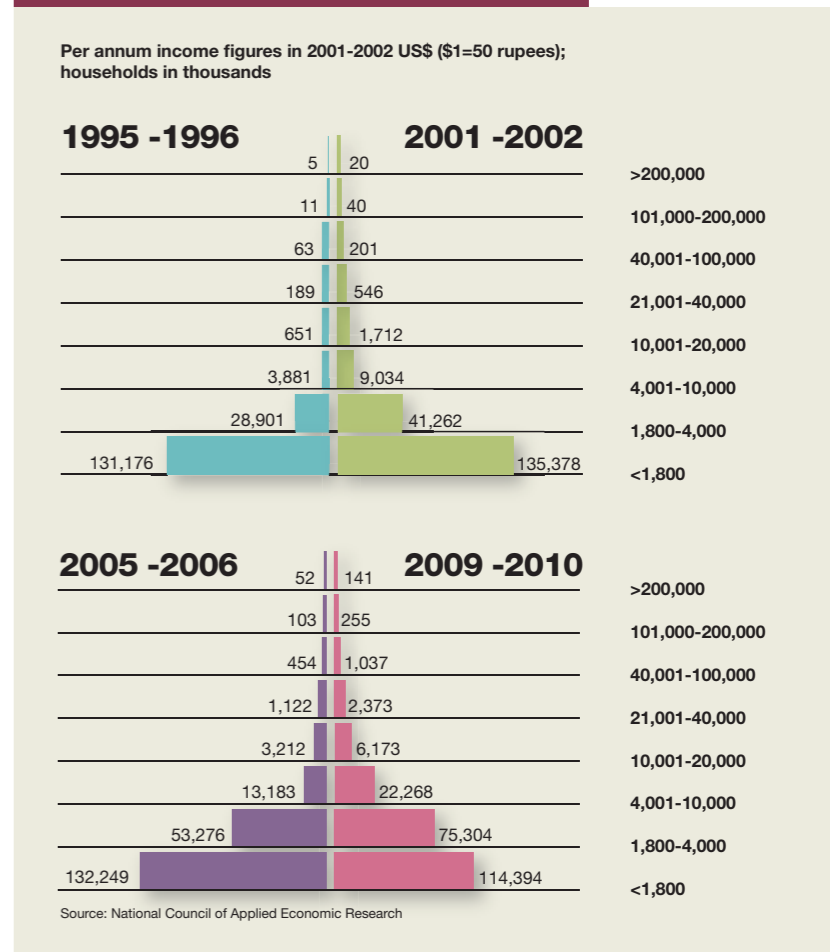
Even Sudhir Kakar, a historian and psychoanalyst, who specializes in the historical identity of the subcontinent agrees that while the self does indeed exist in India, unlike in the West, it is believed to be connected to a collective, cosmic dimension. "Hindus believe that an individual comes into the world not as a tabula rasa, but reincarnated from a previous life. He cannot change much, there is a limit. And the limits of the human being cannot be overcome by education. Time is cyclical, everything increases and declines. We believe in progress, but we don't make a god out of it. There is no such investment in progress. As a result there is an inner moderation in the Indian psyche, a sort of resigned wisdom that leads us to believe that we can only become what we really are, as Nietzsche says."

It's somewhat unsettling talking to Kakar in his Delhi psychoanalyst studio, beside the couch where for the past 30 years, thousands of neurotic Indians from all ethnicities and castes have lain to overcome their family problems, justifying the refusal of an arranged marriage – a driving force in a country where it is customary to marry within the same caste, especially among the middle classes, and where reproduction is considered a sacred duty to the ancestors. "My granddaughter is now good, but we are not," the grandfather of a girl who had come to Kakar to escape the grip of an arranged marriage said. "Caste is above all," insists Shika Trivedy, widow of a Rajput (even though she was expected to marry into her own Brahmin caste) citing

the many crimes of honor committed against those who take part in mixed-caste affairs. Meanwhile others who have had to deal with a love marriage outside of their caste, as Dileep Padgaonkar has, seem uninhibited, ready to accept that his son will marry a low caste or Dalit girl. "But family relationships are the most important thing in life. And this explains our corruption," says Kakar. "We do not have a Christian ethic: thou shalt not kill, steal, or bear false witness. There is always some exception, some loophole. Do not lie, of course, unless you're drunk, old, or a child. Do not kill, of course, unless you belong to the warrior caste. Do not commit adultery, sure, unless you fall madly in love or can get a promotion out of it. Here in India the context matters. And the tradition is valid because it is open to other traditions, slowly assimilating and elaborating them. This is also a guarantee of tolerance," says Kakar.

Innovation and change is at the heart of the challenge launched by Naresh Trehan, the most famous heart surgeon in the subcontinent and a very charismatic man in his 60s. Having made a career for 20 years in the US, he decided to return home, where he founded a medical center and private hospital, which opened last year in Gurgaon, a satellite city east of Delhi. The hospital is called Medanta, because in Sanskrit Med means "illness" and *anta* "the end." It is huge, with 1,250 beds, and cost \$300 million. The hospital is open to all, with variations in prices to accommodate those without income as well as the wealthy. Each year about 20 open-heart surgeries are performed and a dozen orthopedic operations. There are state-of-the-art diagnostic centers with CT scans and MRIs. Even Anna Hazare, the recent prophet battling against corruption scandals came here to seek treatment. "If you want to be the Cleveland Center of the East, you need to treat, do research and teach," said Trehan, who was born in Karachi in 1946 and came to India as a result of the Partition, the division between India and Pakistan, which forced him to run away with his doctor father and gynecologist mother to avoid being massacred at the hands of Muslims. They lived together in three small rooms in Delhi, with nothing. Dr. Trehan, who is an enthusiastic skier, is married to a well-known journalist, Madhu. Dr. Trehan considers himself a Hindu convert to Buddhism. And it's enough to see how he welcomes hundreds of patients in his office as President of Medanta, reserving a special word for each of them, to understand that compassion for him is not just an abstract ideal. "We cannot cure all, not even the rich countries can. We just have to do it more effectively, focusing on research and controlling costs." Today, Dr. Trehan is with the executives of Sanofi Aventis, which would like to make new molecules for pharmaceutical products. "We can not print money, like the Americans have been doing for years, then giving them to the

GROWING PROSPERITY – ALL INDIA



Chinese. The world is in crisis because it is consuming itself. We understand that greed has exceeded its limit. America consumes 32% of world resources. India has a unique advantage: purity of thought. Unlike China, which looks toward future hegemony, India does not want to conquer the world, it is a nation that has rarely done anything wrong, even towards Pakistan it has never had feelings of hatred. For this reason, India can be a useful ally for new development."

MARINA VALENSISE is a journalist at Italian daily Il Foglio and the author of several essays.



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Where to put the nuclear waste

BY FEDERICA PORCELLANA

The biggest issue with nuclear energy is what to do with the radioactive waste. The European Union has tried to draw up some guidelines that will keep both Europeans and less developed countries safer.

A jogger runs past a giant mock nuclear waste barrel built by anti-nuclear protesters in downtown Rome June 7, 2011.

In the wake of the Fukushima disaster in Japan, governments everywhere have galvanized into either pro- or anti-nuclear camps, while at the same time reassessing their nuclear power facilities.

Opinion polls show that public support for nuclear power has declined since the Fukushima crisis began, not only in Japan but also in other nations around the world. People oppose nuclear power for a variety of reasons, but the predominant concern is the perception that it is a risky technology. The nuclear industry has tried a variety of strategies to break down public resistance to nuclear power – including information campaigns, risk comparisons, and efforts to promote nuclear

power as a solution to climate change. None of these strategies has worked well, mostly because the public lacks trust in the nuclear industry. Public resistance to nuclear power is likely to continue, making it difficult to build new plants. This resistance may be a major obstacle to the rapid expansion of nuclear power.

On May 30 German Chancellor Angela Merkel announced the closure of all the country's nuclear plants by 2022, reversing her previous decision to keep all plants running till 2035. Germany's shift in its nuclear policy, joining Italy and Scotland, put it in direct opposition with the pro-nuclear countries, France and England.

Although nearly half of Scotland's power currently comes from nuclear plants, Scotland's "no-new plants" policy, is directly opposed to its neighbor England, which in 2010 announced plans to open ten new plants by 2020.

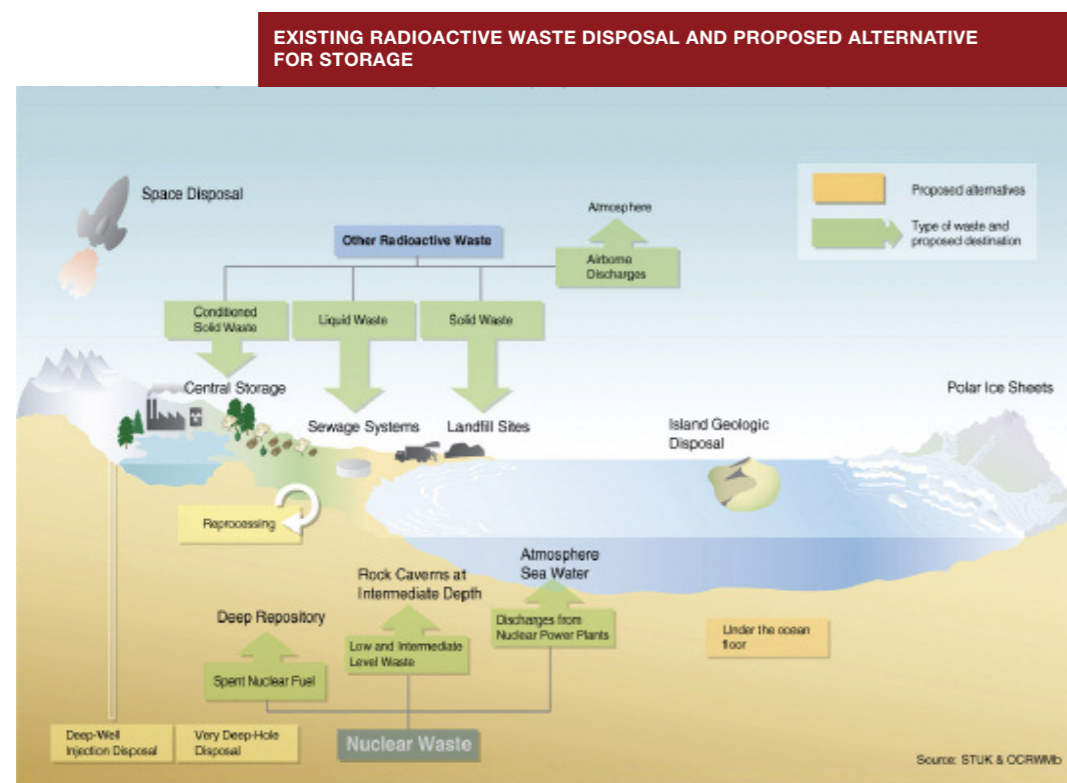
France, the world leader in generating nuclear power, with almost 80% of its energy coming from its 49 nuclear plants, has shown no sign of reducing its dependency on nuclear.

In June, Italy held a referendum which resulted in a very strong vote against nuclear energy, banning the use of nuclear power for five years.

In the aftermath of the Fukushima nuclear incident, the Italian Minister for Economic Development Paolo Romani, who is also responsible for energy matters, had already stopped the nuclear program with a moratorium of one year. Soon after, considering the worrying evolution of the accident in Japan, the Italian legislation regarding the construction of new nuclear plants was repealed, stating that "nuclear energy may come back only after we have understood all the consequences and unknowns of the Fukushima accident and after a coordinated evaluation at the European Union level."

After the referendum, the Italian Prime Minister Silvio Berlusconi took immediate note of the popular will and openly said "farewell to nuclear energy in Italy."





However, the withdrawal of Germany and Italy from the nuclear energy club does not affect areas of scientific research, nuclear safety, decommissioning and radioactive waste management.

For the population the key focus is in not building nuclear power plants, the real nuclear threat is waste pollution, which could have detrimental effects on the environment. Environmental clean-up projects around the world aim to dispose of nuclear materials in a responsible and safe manner.

Indeed, the most compelling environmental issue raised by nuclear power in the 21st century is the disposal of nuclear waste.

Regardless of their respective energy mixes, all EU member states generate radioactive waste, whether or not they have nuclear power reactors. Radioactive waste arises mainly from activities related to power generation, from the operation of nuclear power plants and their decommissioning to applications of radioactive isotopes in medicine, research and industry.

The incredibly long life and environmental hazards of nuclear waste have made its satisfactory disposal seemingly impossible. As such, the economic cost of proper and safe disposal, along with the public's "not in my back yard" reaction, has stood in the way of such projects that involve deep geological disposal. The EU draft *Council Directive on the management of spent fuel and radioactive waste*, which is currently

In this direction the EU draft Directive is the first common European legislation in the field of the management of nuclear waste and spent fuel, stating that "whatever the future of nuclear power and non-power applications, the implementation of disposal as the end point in the management of existing and future radioactive waste is needed in order to assure safety in the long term."

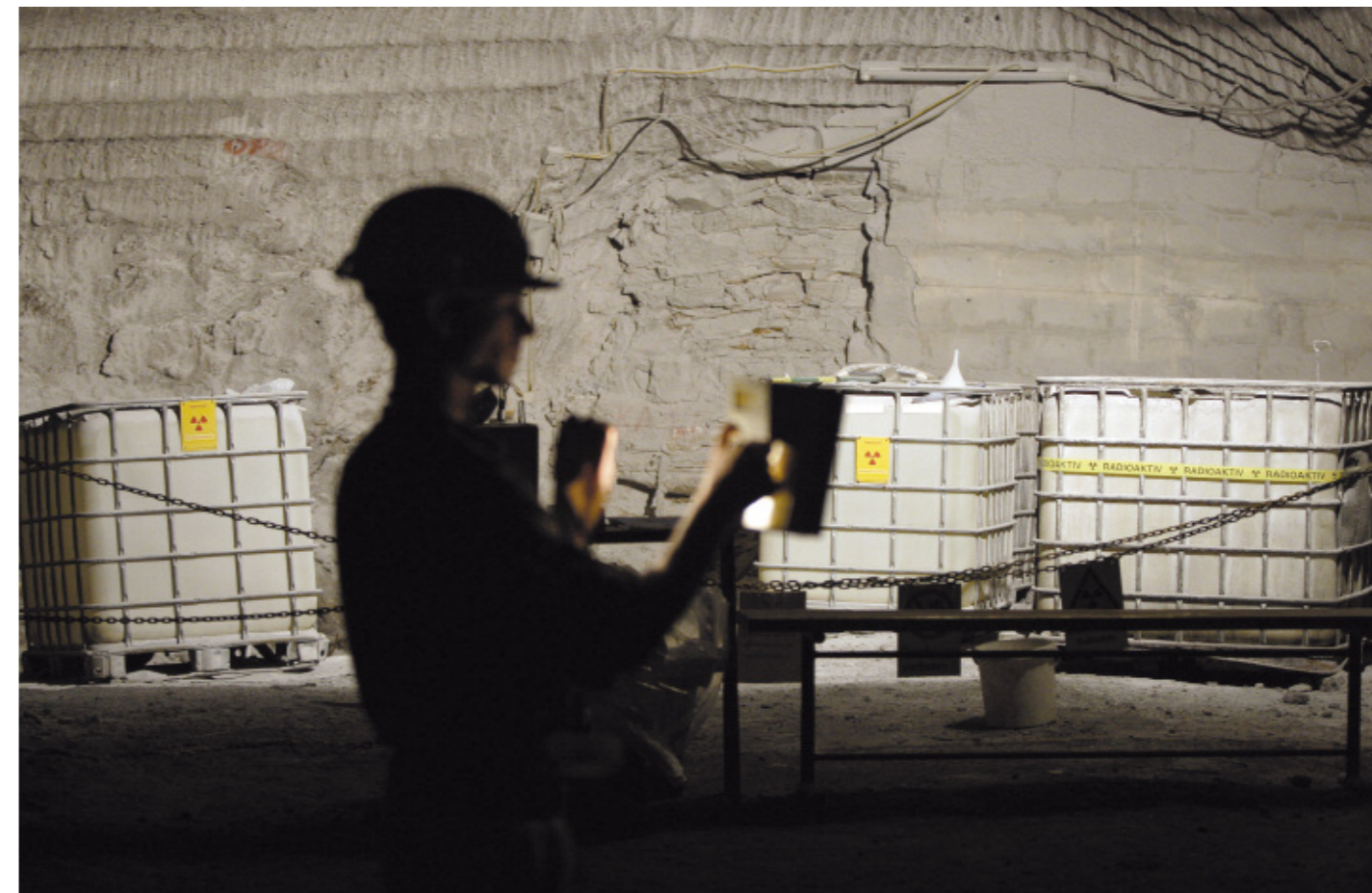
To achieve and maintain a high level of safety worldwide in spent fuel and radioactive waste management through the enhancement of national measures and international co-operation, special attention has to be paid to making internationally accepted principles and requirements. These have been laid down in the IAEA Safety Standards and the Joint Convention, the most significant international agreement in its field, legally binding and enforceable in the EU.

It should be noted that, at present, there are no sanctions for non-compliance. Therefore, even though all EU member states (except Malta) and the Euratom Community are contracting parties, the internationally accepted principles and requirements laid down in the Joint Convention and related IAEA safety standards do not guarantee a uniform approach at EU level, as they are not binding.

In this respect, the new draft, referring to the *Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management*,

being discussed, has paid special attention to this sensitive issue, establishing the achievement and continuing improvement of the management system as a goal in order to protect public health and the environment, based on stepwise decision-taking and social acceptance. It has concluded that "the lack of binding EU legislation is likely to lead to postponement of taking key decisions, with potentially adverse environmental, economic and social impacts, including undue burdens on future generations and possibly distortion of competition in the electricity market."

Pursuant to the ethical principle that a society should avoid imposing undue burdens on future generations, the commitment of the current generation, which has benefited from nuclear electricity or medical procedures, is to manage all existing waste appropriately.



makes it binding in order to ensure the implementation of internationally endorsed principles and requirements for spent fuel and radioactive waste management.

One of the most contentious issues of the EU draft directive is the ban on nuclear waste export outside the EU.

According to the provision of the draft proposed by EC, "radioactive waste shall be disposed of in the member states in which it was generated, unless agreements are concluded between member states to use disposal facilities in one of them." This point has particular relevance, given that it means that the "self-sufficiency principle" should be applied in the field of radioactive waste.

Such a principle requires that an integrated and adequate network of waste disposal installations be established by each member state. This network must enable the EU as a whole to become self-sufficient in waste disposal and the member states to move towards that aim individually.

Until this proposal, the self-sufficiency principle, established by the Basel Convention, was applicable just for hazardous waste for the purpose of banning its trade and disposal in other states, especially develop-

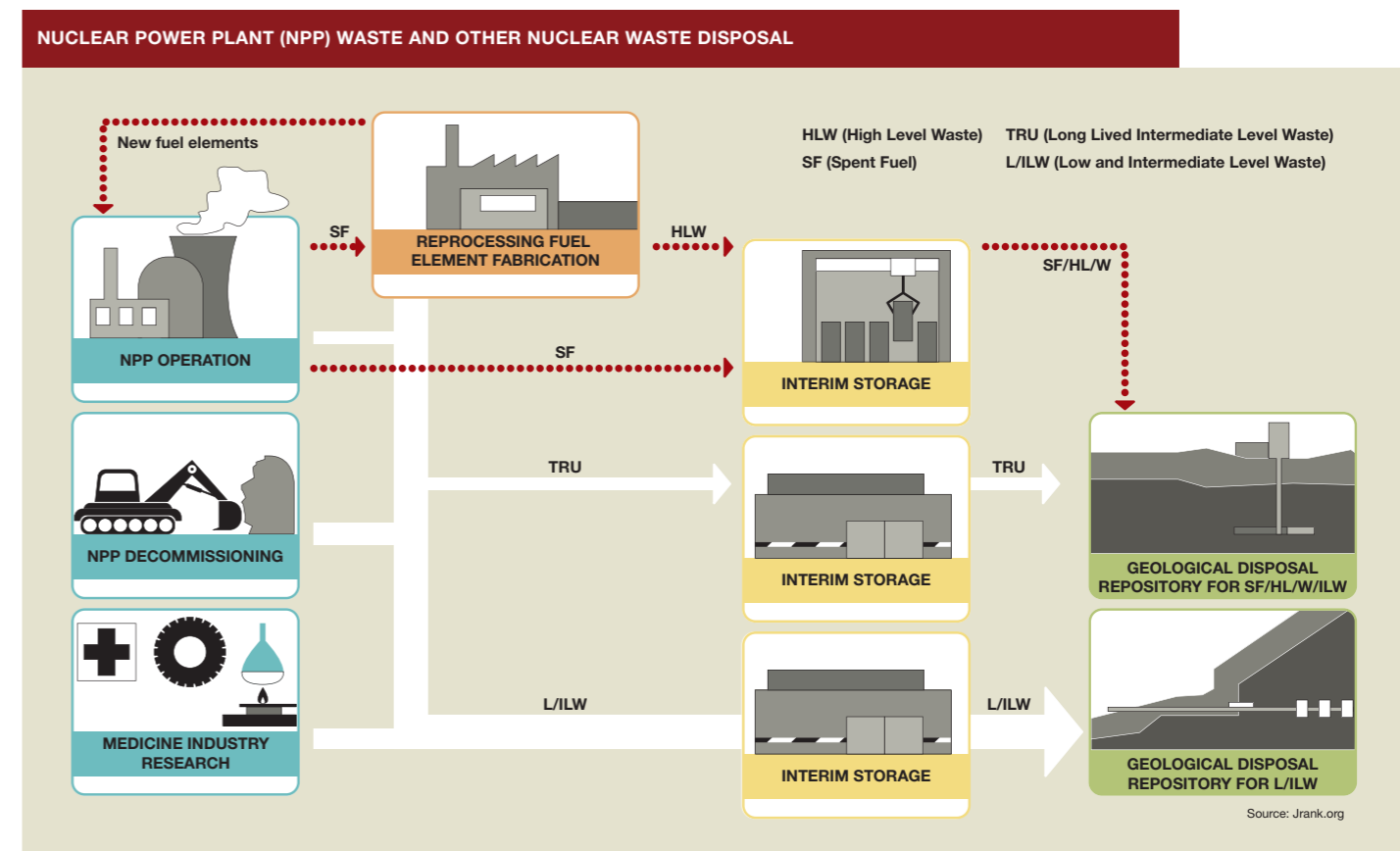
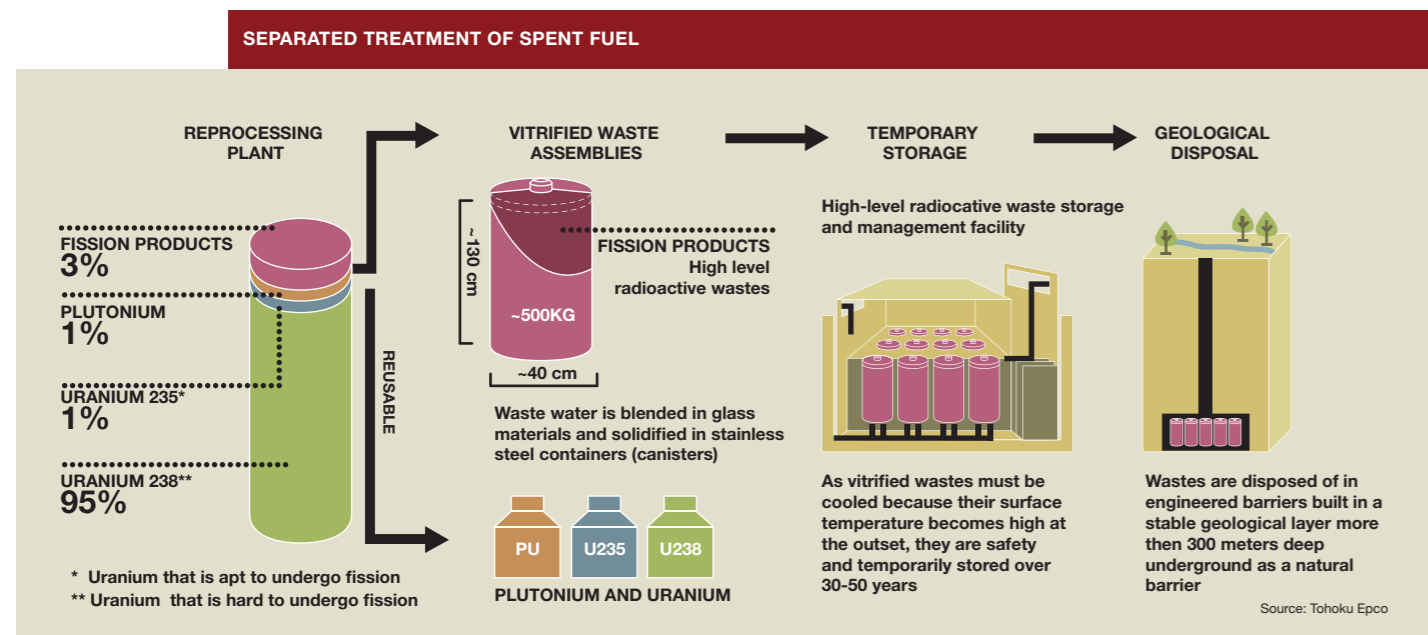
ing countries. It was enacted to prevent the export of wastes to countries that lack the same level of facilities and technology as the exporting nations.

However, the draft proposed by the EC risks remaining vaguely worded with unclear practical implications, as the draft plans could pose a problem for countries that lack the suitable geological substrate for underground burial. The export ban to non-EU countries may also run into government opposition.

Member states still have some reservations about the wording on waste exports, objecting to the total ban on waste exports because they want to ship spent and radioactive waste back to the countries of origin – Russia and the US. Such shipments have been going on for many years under programs subscribed to by both countries to repatriate spent fuel for safety and security reasons.

EU Energy Commissioner Günther Oettinger defended the draft rule as a necessary measure to enforce International Atomic Energy standards, and added, "If an accident happens in one country, it can have devastating effects also in others. We don't want to export nuclear waste to third countries, frequently with low-

A worker uses a contamination indicator next to Chamber 12 of the former Asse nuclear waste disposal center in a unused mine near the German village of Remlingen. The 100-year-old mine was filled with around 126,000 barrels of Low-Activity Waste (LAW) and Medium-Activity Waste (MAW) between 1967 to 1978.



er safety standards. That cheap solution is out of the question.”

It should be noted that the aim of the new directive is to force members states to become self-sufficient, but while the EU currently has 143 nuclear power plants in 14 of its 27 Member States, no final repositories exist for the roughly 7,000 cubic meters (not an unmanageable amount) of high level waste produced each year. At present, only France, Finland and Sweden have plans to build the secure final storage for the waste. As a result, the majority of the toxic substance is kept in interim storages.

In this respect, Oettinger said that “each member state will have its own timetable because of different appeal procedures, explaining why no fixed deadline for the building of the repositories is to be set.”

To its credit, the ITRE Committee’s report dated May 26, 2011, amending the draft, has highlighted that this provision could be hard to implement and stated that it could be applicable if member states exporting their waste outside EU sign an agreement with the third country and ensure that the third country has the same safety standards as the EU member states, and the waste will be disposed of in compliance with the provisions of the directive.

During the “EU Council’s Working Party on Atomic Questions” meeting held in Brussels on June 27-28, 2011, taking into account the ITRE report, member states’ experts agreed on a draft text that would allow permanent exports of waste from the EU under certain conditions: export of waste to a non-EU country would be possible provided that the recipient country has an agreement for nuclear cooperation with Euratom or is

a party to the Joint Convention on the safety of spent fuel and radioactive waste management.

The text will now go to the Council for adoption, but before the directive would likely be presented to the first meeting of Coreper (*Comité des représentants permanents*), comprised of member state ambassadors, and from there to the first EU Council of the Polish presidency.

Regarding the last draft of the provision, Oettinger said he regretted “that the ‘total export ban’ proposed by the EC, and accepted by the full European Parliament, had been ‘watered down’ by the atomic questions group.”

According to the new provision, the Commission proposal hopes to consolidate the radioactive waste within a single location, and the option of a storage site abroad is not entirely ruled out, but would only be possible under extremely stringent conditions.

Using another EU country’s repository may also be an option, as the geological criteria it is setting may not exist in a particular member state, especially a small one, so it needs cooperation between states.

However, deep geological repositories are very difficult to construct, very expensive, and, moreover, if you’re a small country with small amounts of waste, it’s really unaffordable to do it on your own.

The concept of small countries joining together in a cooperative effort to make one repository makes very obvious economic sense. As well as identifying a common site for waste disposal, the goal is to figure out how a future European repository organization would actually function.

Several European waste management organiza-

tions have started the work on creating a technology platform to accelerate the implementation of deep geological disposal of radioactive waste in Europe. There is an increasing consensus in the international community about geological disposal as the preferred option for solving the long-term management of spent fuel, high-level waste, and other long-lived radioactive wastes. At the same time, the European citizens have a widespread wish for a solution for high-level radioactive waste disposal. A majority of the European countries with nuclear power have active waste management programs, but the current status and the main challenges of those programs vary. The most advanced waste management programs in Europe (i.e. Sweden, Finland and France) are prepared to start the licensing process of deep geological disposal facilities within the next decade.

Despite the differences between the timing and the challenges of the different programs, there is a joint awareness that cooperation on the scientific, technical, and social challenges related to geological disposal is needed, and the cooperation will be beneficial for the timely and safe implementation of the first geological disposal facilities.

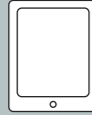
Finally, deep geological disposal allows present

generations to progress without leaving burdens for those of the future, but a main weakness is that although the concept is technically sound, it is rarely socially or politically accepted. The issue is not so much about information provision as understanding the mechanisms that govern the social perceptions of risk. There are many factors that affect these perceptions, such as familiarity with the technology, the degree of uncertainty, the level of control, concern for the consequences, the degree of credibility of the institutions, the decision-making process and the ideas and values of the community in which people live.

The role of governments will be crucial in defining this process, and they should act as a source of reliable information, supported with adequate resources for this purpose, so that public confidence may be won in the scientific solutions being proposed.

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Disclaimer: The views and opinions expressed in this article are of the author and do not necessarily reflect the official positions of ENEA and OECD/NEA NLC.



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The Durban Package: a step toward a global climate treaty

BY CORRADO CLINI
Italian Minister of Environment,
Land and Sea



Governments agreed to a second commitment period of the Kyoto Protocol. To achieve rapid clarity, parties will turn their economy-wide targets into quantified emission limitation or reduction objectives and submit them for review.

In Copenhagen 2009, the international community “agreed to disagree” on working together towards common commitments and measures to address global climate change.

The failure of Copenhagen was driven by the joint disagreement of the United States and China:

President Obama was not able to make commitments to reduce emissions, because of the opposition of Senate; The Chinese Premier Wen Ja Bao, despite the pledge to reduce the energy intensity of Chinese economy by 40%-45% by 2020, clearly stated that international commitments by China could be considered only if the US took proportional and comparable commitments, and if the Chinese effort were supported by multilateral/bilateral technology and financial cooperation.

The European Union was isolated and the EU leading role in the climate change process was affected by the US-China “G-2”.

In Durban 2011, the international community agreed to work together in order to finalize a global commitment by 2015, (“agreed outcome with legal force under the Climate Convention”) to replace the Kyoto Protocol.

The agreement was driven by the partnership between EU, China, Brazil, South Africa and Mexico, with the active support of the developing countries.

At the end of the day, notwithstanding opposition throughout the entire conference, the US, Australia, Canada, Japan and Russia, agreed to join the “Durban Package.”

Of course, the package is not the global agreement but the framework for the agreement. But, considering the negotiations in the past two years, it is a good step forward.

The outcomes of Durban show a new geography in the global climate change negotiations, with the emerging role of China and Brazil together with a new leading role for EU.

The main challenge of Durban Package is the designing of a global mechanism for

driving the global economy toward a low carbon intensity in the next decades, taking into account the “energy & social divide” between the developing and developed countries as well as the principle of common but differentiated responsibilities.

In this context the “Kyoto second commitment period” adopted by the European Union and by a few other countries (Norway, Croatia, Belarus, Ukraine, Switzerland, Island, Kazakhstan, Liechtenstein and Monaco) is both a bridge toward the global commitment and the way to overcome the obsolete format of the Kyoto Protocol.

According the Kyoto 2, the EU is committed to update the 20-20-20 “climate and energy package.”

Looking at the new global perspective after Durban, the European commitment is the strategic opportunity for building, in partnership with the emerging economies and with the US/Canada/Japan, a “Global Platform” to test the rules and measures necessary to promote a global “de-carbonized” economy able to sustain growth and reduce emissions.

The renewed 20-20-20 could be the background and the framework for designing global common principles, goals and programs, such as: international standards (in energy efficiency, sustainable bio-fuels, renewable performances...); international rules to shift the energy system toward the “carbon neutral” technologies; international trade and fiscal rules, both to support low carbon technologies investments and to avoid unfair fossil fuels subsidies; international financial mechanisms to support the energy security in the developing world, starting from access to electricity; sustainable agriculture and animal husbandry, and sustainable forestry management.

Busi Ndlovu, a member of the aid group OXFAM, stages a protest against the use of coal-based energy on Durban's beachfront on December 9, 2011.

Details of key decisions that emerged from Durban.



Green Climate Fund

- Countries have already started to pledge to contribute to start-up costs of the fund, meaning it can be made ready in 2012, and at the same time can help developing countries get ready to access the fund, boosting their efforts to establish their own clean energy futures and adapt to existing climate change.
- A Standing Committee is to keep an overview of climate finance in the context of the UNFCCC and to assist the Conference of the Parties. It will comprise 20 members, represented equally between the developed and developing world.
- A focused work program on long-term finance was agreed, which will contribute to the scaling up of climate change finance going forward and will analyze options for the mobilization of resources from a variety of sources.

Adaptation

- The Adaptation Committee, composed of 16 members, will report to the COP on its efforts to improve the coordination of adaptation actions at a global scale.
- The adaptive capacities above all of the poorest and most vulnerable countries are to be strengthened. National Adaptation Plans will allow developing countries to assess and reduce their vulnerability to climate change.
- The most vulnerable are to receive better protection against loss and damage caused by extreme weather events related to climate change.

Technology

- The Technology Mechanism will become fully operational in 2012.
- The full terms of reference for the operational arm of the Mechanism – the Climate Technology Centre and Network – are agreed, along with a clear procedure to select the host. The UNFCCC secretariat will issue a call for proposals for hosts on January 16, 2012.

Support of developing country action

- Governments agreed a registry to record developing country mitigation actions that seek financial support and to match these with support. The registry will be a flexible, dynamic, web-based platform.

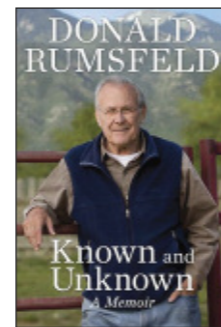
Thanks for the memories

BY MAURIZIO STEFANINI

There is less than a year to go before the United States presidential election to be held on November 6, 2012. President Barack Obama's Democratic Party suffered major defeats during the 2010 midterm elections, but this is quite common in US history. Bill Clinton, too, won his second term in 1996, after a Democratic defeat in 1994. Polls also show declining support for Obama, but in this time of crisis he seems to be the most popular leader in the Western world, compared to the polls for David Cameron, Angela Merkel or Nicolas Sarkozy. Other leaders – Berlusconi, Zapatero, Socrates and Papandreou – have been removed from power. Obama has benefitted from the elimination of Osama bin Laden: a dream George W. Bush wasn't able to achieve. He also presided over the end of the Gaddafi regime, which eluded Ronald Reagan. But it is not yet clear whether the evolution of the Arab Spring will feed the neocon idea of exporting democracy, or present a dangerous opportunity for Islamic fundamentalism. On the domestic front, his saving of the automobile industry, the passage of healthcare reform, and the infrastructure plans were paid for with the historical loss of the US's triple-A credit rating and a Federal debt that surpassed \$15 trillion on November 17, 2011. "A day that will live in infamy," said Republican Paul Ryan, the chairman of the House Budget Committee, echoing Franklin Delano Roosevelt after the attack on Pearl Harbor. The unease in American Society is reflected in the Tea Party on the right and Occupy Wall Street on the left. One thing in Obama's favor is that the Republican Party seems to be in disarray.

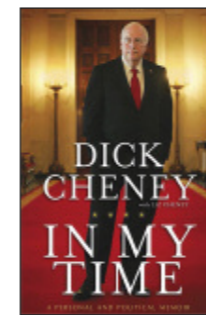
Perhaps experiences from the past are needed in order to find a way out from this uncertainty. This year the American editorial market has churned out one political memoir after another. Former Vice-President Dick Cheney's books came out on August 30. Former Secretary of State Con-

doleezza Rice's on November 1. Former President Bill Clinton's on November 8. There's also a book by Republican candidate Herman Cain. Dick Cheney and Condoleezza Rice were the most prominent members of the George W. Bush administration, and responded to the September 11 attacks by invading Afghanistan and Iraq. Cheney had been also the Secretary of Defense in George W. H. Bush's administration and led the 1991 Gulf War. It was the first main conflict of the post-Cold War world, and the beginning direct US involvement in the Middle East. Bill Clinton was the President between the two Bushes and was faced with the first problem of globalized economics. He was also the first to conduct an air-only military campaign such as was recently seen in Libya. Cain, meanwhile, showed a poor knowledge of foreign policy. But he stated, "I don't need to know the details of every one of the issues we face. We've got plenty of experts who can fill in the details." Also if he suffered a blow in the polls after the first foreign policy gaffes, it is possible he could be seen as the outline of a candidate more focused on domestic problems which Americans in this moment care more about.



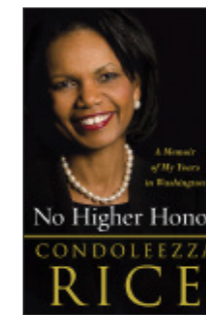
Known and Unknown: A Memoir by Donald Rumsfeld Penguin 2011

Born into a middle-class family in Illinois during the Great Depression, Donald Rumsfeld grew up during World War II, went to Princeton, and served as a aviator in the Navy for three years after he graduated in 1954. He got his first political job on Capitol Hill during the Eisenhower administration. He won a seat in the House of Representatives at age 30 and was a member of the Republican Opposition in Congress during the Kennedy and Johnson years. In the Nixon Administration he was Director of the Office of Economic Opportunity (1969-1971), Counselor to the President (1969-1973), the US Permanent Representative to NATO (1973-1974), and White House Chief of Staff (1974-1975). In the Ford Administration he was Secretary of Defense. Then he was a CEO in the private sector and had special assignments for President Reagan, including a face-to-face meeting with Iraqi dictator Saddam Hussein in 1983. In 2001, at age 68, he returned to the Pentagon as Gorge W. Bush's Secretary of Defense, with a mandate to transform the military for a new century. Just nine months later he would confront the worst acts of terrorism in American history, followed by unexpected wars in Afghanistan and Iraq. He wound up on the firing line for many controversies, including the use of torture at Abu Ghraib and Guantánamo Bay. But "if you are not criticized, you may not be doing much," is one of the Rumsfeld's rules. In a famous press briefing, Rumsfeld once remarked that "there are also unknown unknowns... things we do not know we don't know." This book was just written in order to make us realize just how much we didn't know.



In My Time: A Personal and Political Memoir by Dick Cheney (Author), Liz Cheney (Contributor) Threshold Editions 2011

This memoir begins with the September 11 attacks, when Dick Cheney was in the White House bunker and conveyed orders to shoot down a hijacked airliner if it would not divert. But he can also describe driving through the White House gates on August 9, 1974, just hours after Richard Nixon resigned. Dick Cheney served at the highest levels of government and the private sector for more than 40 years. Born into a family of New Deal Democrats in Lincoln, Nebraska, he was the son of a father at war and a high-spirited and resilient mother. He came of age in Casper, Wyoming, playing baseball and football and, as senior class president, courting homecoming queen Lynne Vincent, whom he later married. Then he flunked out of Yale University, signed on to build power lines in the West, and started living as hard as he worked. He was the youngest White House Chief of Staff, working for President Gerald Ford – the first of four he would come to know well. He became Congressman from Wyoming and was soon a member of the congressional leadership working closely with President Ronald Reagan. He became Secretary of Defense in the George H. W. Bush administration, overseeing America's military during Operation Desert Storm and through the historic transition at the end of the Cold War. He was CEO of Halliburton, a Fortune 500 company with projects and personnel around the globe. He became the first US vice president of the to serve out his term of office in the 21st century. Working with George W. Bush from the beginning of the global war on terror, he was – and remains – an outspoken defender of taking every step necessary to defend the nation.



No Higher Honor: A Memoir of My Years in Washington by Condoleezza Rice Crown 2011

On August 24, 2011, after the capture of the Gaddafi stronghold of Bab al-Azizia, a photo album filled with pages of pictures of Condoleezza Rice was discovered inside the compound. "I support my darling black African woman. I admire and am very proud of the way she leans back and gives orders to the Arab leaders... Leezza, Leezza, Leezza... I love her very much," Gaddafi had stated in a 2007 television interview. And during her visit to Libya as Secretary of State, he showered her with gifts for a total value of \$212,225. One of the world's most admired women, Rice was the first woman to serve as National Security Advisor during George W. Bush's first term; during his second term she was the first African-American female Secretary of State, as well as the second African-American and the second woman. But she had also been Soviet and East European Affairs Advisor to President George H. W. Bush during the dissolution of the Soviet Union and German reunification. Professor of political science at Stanford University, Rice is a pioneer of the policy of Transformational Diplomacy. And this story of eight years serving at the highest levels of government was also particularly centered on the September 11 attacks, with new details of the debates that led to the war in Afghanistan and then Iraq. But she also reveals the behind-the-scenes maneuvers that kept the world's relationships with Iran, North Korea and Libya from collapsing into chaos, the secret negotiating about the fates of Israel, the Palestinian Authority, and Lebanon, and how frighteningly close all-out war loomed in clashes between Pakistan and India, Russia and Georgia, and in East Africa.



Back to Work: Why We Need Smart Government for a Strong Economy by Bill Clinton Knopf 2011

"I wrote this book because I love my country and I'm concerned about our future... America at its core is an idea – the idea that no matter who you are or where you're from, if you work hard and play by the rules, you'll have the freedom and opportunity to pursue your own dreams and leave your kids a country where they can chase theirs." Bill Clinton intended to write not a memoir about the past but a manifesto on the future. *Back to Work*, precisely. He details how it could get out of the current economic crisis and lay a foundation for long-term prosperity. He offers specific recommendations on how to put people back to work, create new businesses, increase bank lending and corporate investment, double US exports, and restore its manufacturing base. Bill Clinton supports Obama's emphasis on green technology. But he also says that it needs both a strong economy and a smart government working together. Whenever we've given in to the temptation to blame government for our problems, he states, we've lost our commitment to shared prosperity, balanced growth, financial responsibility, and investment in the future. "Our ability to compete in the 21st century is dependent on our willingness to invest in infrastructure: we need faster broadband, a state-of-the-art national electrical grid, modernized water and sewer systems, and the best airports, trains, roads, and bridges. There is no evidence that we can succeed in the 21st century with an antigovernment strategy."

MAURIZIO STEFANINI is a journalist, essayist and author of the book *Grandi Coalizioni*.

Gazillions and gazillions of bytes

BY FEDERICO BINI

Too much information? Or still not enough? Whatever the case may be, the amount keeps growing, and in order to keep up with it we'll need to expand our vocabulary.

A great revolution is under way: along with physical objects made of atoms, we are also carrying large amounts of data from point to point on Earth. It is an enormous flow of information, measured in bytes, which takes the form of images (still and moving), sounds and words. Each letter, each pixel of a photograph, each sound pulse is, in the digital world, data moving from here to there. It is generated at the end of a huge, invisible stream that is impossible to quantify exactly, but it can be estimated.

All this requires the use of new units of measurement. In everyday life, we first became familiar with millions, then billions, and occasionally trillions. In the virtual world of moving data, new names have appeared. Some are used frequently enough to have acquired nicknames, others are still unknown, though they will soon become familiar. The basic unit is the byte.

Exabytes created and replicated this year (estimate): **2,300**

In bytes:
IDC - International Data Corporation
2,300,000,000,000,000,000

Expressed in words this means two sextillion three hundred quintillion (or two thousand three hundred billion billion). Created and replicated means that the same data can do many "trips" during the year and each contributes to the overall flow. The phenomenon has exploded in recent years. And the outlook for the future are impressive.

Exabytes created and replicated in 2004:
Imation **2**

In 2007:
ABC **161**

Exabytes created and replicated in 2015 (estimate):
IDC **7,910**

Bytes contained in a megabyte (or meg):
1,000,000 (one million)

In a gigabyte (or gig):
1,000,000,000 (one billion)

In a terabyte (no nickname yet):
1,000,000,000,000 (one trillion)

In a petabyte:
1,000,000,000,000,000 (one quadrillion)

In an exabyte:
1,000,000,000,000,000,000 (one quintillion)

In a zettabyte: (we are already there):
1,000,000,000,000,000,000,000 (one sextillion)

In a yottabyte (in the near future):
1,000,000,000,000,000,000,000,000 (one septillion)

The only context in which numbers reach such heights is when measuring the universe.

Estimated number of stars in the universe, in zettabytes:
Pieter van Dokkum and Charlie Conroy **300 (three hundred sextillion)**

Whoever loves comparing sizes can refer to the glorious 3½ inch floppy disk, one of the icons of the 1990s.

Floppy disks needed to store all of this year's data:
1,500,000,000,000,000,000 (1.5 quintillion)

In this enormous flow of data, images dominate.

Percentage of images among the data generated throughout the year: **89%**

Sounds: **1%**

Other data: IDC **10%**

In the world of words, a fundamental role is played by social networks, Twitter in particular. All the tweeting amounts to a global roar.

Tweets generated every day: **230,000,000**

Bytes in each tweet: **200**

Daily volume in gigabytes: **46,000,000,000**

Equivalent copies of *War and Peace*: **9,300**

Estimate of tweets that will be broadcast in 2012:
The Economist **500,000,000**

Where will all this data end up? For the most part it disappears, deleted by users or machines, but some of it is stored. Our computers have a small storage spaces – the hard disk – and there are CDs and USB drives, which are small portable storage spaces. But there are also large structures that retain data. Here we come back to the physical world. The ability to store data is not infinite. Hard drives still have limits.

Total storage capacity of mankind today, in exabytes: **295**

Exabytes stored in the world: **250**

Space still available in exabytes:
Martin and Priscilla Lopez Hillbert, University of Southern California **45**

Data storage has now become profitable. Indeed, the sector offers interesting perspectives.

Cost to store a gigabyte of data in 2005: **\$18.95**

Today: **\$2**

In 2015 (estimated): **\$0.80**

Increase in storage systems data management investment since 2005:
IDC **100%**

All this has its price on the energy front. Energy is needed for data to be transported and kept alive.

Percentage of total energy costs in the cost of managing an advanced data storage system:
Koomey et al. **10%**

All this data is "information" of a different nature. But who creates it?

Percentage of network communication, generated by individuals and not by media or institutions:
IDC **70%**

And yet, Martin Hillbert of the University of Southern California, who has calculated the data storage capacity of all mankind, also tells us that man-as-machine has no rivals.

Relationship between the information stored by human DNA compared with that stored on all storage systems on Earth:
Martin Hillbert **300/1**

As for us, we have contributed our little part.

Bytes generated and transmitted by creating this column for *Longitude* and sending it: **31,000**



FEDERICO BINI has written three books on numbers, including *Presi per il caso* (Taking the Rear View).

Your safety is not simply an aspiration. It's a right.



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Anello in oro bianco 18 carati e diamanti

Salvatore Ferragamo
JEWELS