

Federica Mogherini Gets Top EU Foreign Policy Job – Inconsequential Position To A Rookie

WASHINGTON – Federica Mogherini, age 41, since February 2014 Italy's (youngest ever) Minister of Foreign Affairs, has just been appointed High Representative for Foreign Affairs and Security Policy, the EU top external relations position.

Mogherini: 5 1/2 lines on Wikipedia

If this were an important job, this choice would be astonishing, given the fact that prior to becoming Italy's Minister (just a few months ago) Mogherini had no real policy-making experience. But the fact is that this EU foreign affairs job is not important; and therefore it can be (safely) given to a person whose Wikipedia biography amounts to 5 1/2 lines.

You got it. All the works and accomplishments of this lady who supposedly will "run" Europe's foreign affairs can be described in 5 1/2 lines of text. Nobody in his right mind would give a really important foreign affairs job to a person who never held any real "hands on" positions in foreign policy.

Therefore, the only possible explanation is that, contrary to what the important sounding "High Representative" title may suggest, this position is not important. (This tells you how serious the EU really is about real political integration. More on this later).

Career in the party

As to Mogherini's qualifications, as noted above, we know very little. She may be very smart and quite capable. But her career path does not tell us much about her intellectual and professional skills. And what we know is not reassuring.

She is essentially a party functionary who never had "a real job". She rose through the ranks of the Partito Democratico, the modernized and updated post-Marxist version of the old Italian Communist Party, now closer to a European Social Democratic Party.

And this allows me to assume that her promotions from this to that party position are largely (if not mostly) a matter of political loyalty. In order to get a party political job you have to be dependable more than smart.

From party to Ministry to Brussels

From her party functionary position Mogherini was picked by freshly minted Prime Minister Matteo Renzi, (another top leader with a very thin CV), to become Italy's Minister of Foreign Affairs in February 2014.

Just like that.

No prior significant experience outside of her positions within the Partito Democratico. Nothing memorable, anyway.

And now, thanks to Renzi's intense lobbying in Brussels, she gets to become Europe's "Foreign Minister". What an amazing career!

In contrast, Donald Tusk, the Polish Prime Minister who will succeed Herman Van Rompuy as President of the European Council, has a long and distinguished record in Poland's national politics.

What do we make of this?

So how do we read these two key appointments? One going to a

seasoned policy-maker, and the other one to an inexperienced rookie?

Very simple. The EU member states believe that the President of the European Council matters, while the foreign affairs job is mostly window dressing, and so it does not matter that much who gets it.

Foreign policy does not matter

If this is so, however, then we also conclude that the notion of a truly cohesive “European” foreign policy run by a powerful European “High Representative”, as opposed to a collection of individual foreign policies pursued by single EU member states, is still a dream. Europe is not a Federation.

Therefore, as foreign policy is still a national prerogative, the recently created job of High Representative for Foreign Affairs and Security Policy is of little consequence.

It is mostly window dressing aimed at giving the impression that there is a EU foreign policy.

This being the case, since there is very little “there”, the job can be safely given to a person with almost no experience. Mogherini will have no real independent negotiating powers. Therefore, very few chances of doing any real harm.

The world sees this

That said, as the whole world is watching, most observers will come to the same conclusion. This foreign policy position, now entrusted to a relatively young person with no record, is (and will continue to be) of no real consequence.

In truth, “Europe” does not exist as a real political entity. The European Union is mostly a collection of nations states tied together by a variety of intergovernmental treaties and various arrangements. But it is not a Federation, with one central government and one foreign policy, let alone a

European Army.

Just as in the past, when other nations want to discuss real business, they will go to Berlin, Paris or Warsaw, and not to Brussels.

UK Will Lead A New NATO Rapid Reaction Force – Should Putin Take Notice?

WASHINGTON – As a response to Putin’s aggression in Ukraine, NATO will do...well, not much. Most of the reactions so far, have been cosmetic, public relations moves. Of course, technically speaking, NATO does not “have to do” anything. Ukraine is not part of NATO; and so the Western Alliance is under no treaty obligation to do anything at all.

Show we do anything?

Still, NATO countries cannot ignore a conflict nearby in which a would-be NATO and EU member (Ukraine) has been attacked by rebels openly supported by Moscow. This act of Russian supported aggression at the periphery of peaceful Europe must be followed by some reactions.

Sanctions

And here are the reactions. As a tangible show of displeasure, the West enacted (limited) economic sanctions against Russia. But, on the security front, should the West do anything at all to signal Russia that there would be serious consequences

should Putin believe that after Ukraine he may have a green light elsewhere as well?

What if he think he can support subversion in Estonia, (a small and weak NATO country with a large Russian minority), just as he has done in Eastern Ukraine?

US enhanced presence in Europe

And so there have been some shows of NATO unity and resolve. The US dispatched a few combat jets to Poland. A few troops (we are talking hundreds, not thousands) have been sent to the Baltic countries to participate in exercises.

Indeed, these (relatively new) NATO countries are understandably worried. They used to be part of the old Soviet Union. Some of them, as noted above, just like Ukraine have sizable Russian minorities. Could they be next on Putin's wish list?

Mostly gestures

Still, all this is mostly symbolic stuff. Beyond these gestures, not much. Statements, declarations, yes.

But what about real actions aimed at showing that NATO is a strong, politically united and militarily prepared alliance that can credibly and quickly respond to any crisis? Not much on that front.

A UK-led rapid reaction force

Well now the UK, the country that is going to host a NATO Summit in Wales, (September 4-5), has just come up with a "major" announcement. Great Britain will lead a brand new NATO rapid reaction force. So far, six NATO countries have confirmed their participation. And who are they? We have Norway, Denmark, The Netherlands, and then Latvia, Estonia, and Lithuania, the three (scared) Baltic states mentioned above.

A credible military tool?

The goal is to have a NATO multinational force of 10,000 that can be rapidly mobilized. Look, any new effort is probably better than no effort at all. But, looking at this plan, if I were Vladimir Putin I would not lose any sleep on this. With the exception of the UK, this is a (small) collection of NATO dwarfs, in terms of countries' populations, sizes, resources –and most of all– current and projected levels of military spending.

With the exception of Great Britain (defense spending at 2.4% of GDP) and Estonia, (defense at 2% of GDP), no other member of this new, (planned), force, meets even the minimum requirement (solemnly agreed upon by all NATO countries) to increase defense budgets so that they will reach at least 2% of GDP.

Germany and France not joining

Most of all, please note the absence of Germany and France, the two most important NATO military powers in the Continent. May be they will join later, who knows. But I suspect that the Germans do not want any role in a new military arrangement that most likely will be interpreted as an unfriendly move by Moscow.

We are “doing something”

So, there you have it. NATO today is a military alliance with dwindling forces and mostly pacifist governments now trying to show that they are “doing something”, so that a new, aggressive Russia will take notice. Well, if this new “force” is the best that can be done, good luck!

Defense spending in free fall in most NATO countries

As usual, America is the country that –even in this new era of declining US military spending– has by far the largest defense

budget, (4.4% of GDP in 2013). All the other NATO members, (with a couple of exceptions, most notably Poland), have cut military spending. Most of them spend around 1.5% of GDP on defense, and a few are down to less than 1%!

Putin will just carry on

And now we have the UK leading this group of small countries that promise to put together something credible, at some point in the future. If this is the best that NATO can do, Putin can carry on his mischief in Ukraine, without any worries or concerns.

Italy Is Slowly Sinking – Years Of Recession Or Zero Growth – Unemployment At 12.6%

WASHINGTON – Mario Draghi, the President of the European Central Bank (ECB) deserves praise for his ability to save the Euro, despite major liquidity crises and recessions affecting many weak Eurozone members, (Greece, Italy, Spain and Portugal). Largely thanks to Draghi's excellent stewardship, the Euro is a solid currency; and nobody is concerned about any forthcoming catastrophic event.

Monetary policy cannot create growth

That said, the overall picture of slow growth or zero growth economies within the Eurozone and the broader European Union demonstrates that even a well conceived monetary policy cannot

produce growth. It can support growth, it can facilitate it; but it cannot *create* it.

France is in real trouble

The battered (if not devastated) economies of Southern Europe are not going to collapse. But there is very little indication of a rebound.

France, (the number two economy within the Eurozone, after Germany), is in trouble. Essentially no growth, high unemployment, while major political opposition makes it difficult to cut public spending. Extremely unpopular President Francois Hollande, (his favorable ratings are now at 17%), a Socialist, has once again reshuffled his cabinet in order to recreate some hope. But the country's mood is pessimistic.

Italy even worse

In Italy, (third largest economy within the Eurozone), it is a lot worse. Freshly minted Prime Minister Matteo Renzi, who became the country's chief executive with zero experience at the national level, (he used to be the Mayor of Florence, a second tier city), came in with bold ideas for economic renewal. But, so far, no results.

Italy languishes in the swamps of zero growth, or worse. Flat or declining GDP in 2012, 2013 and now 2014. At the same time, the official unemployment rate is still at 12.6%, while youth unemployment is at 40%, (60% in the poorer south of the country).

(By comparison, do consider that in the US most economists and policy-makers argue that America's 6% unemployment rate is unacceptably high).

The Italian leftist newspaper La Repubblica, (instinctively a supporter of this government), writes that the Italian

economy is in “*extreme darkness*”.

Dark outlook

And just to cheer everybody up, here is how Giorgio Squinzi, head of the Confindustria, the most important voice of Italy’s corporate leaders, assesses Italy’s situation and prospects. At a recent public event in Rimini he said that :

“The economic situation is dramatic. We need a project for this country. Once and for all we have to think about what we want to be, what we want to become...We have to relaunch our corporations, because without [profit-making] corporations, there is no way forward, at the economic or social level...For 20 years Italy has been living above its means. Wealth has been wasted. This way we are lowering our standard of living. Our GDP keeps going down. And even in 2014, unless we have a miracle, we shall have more negative data, just as in 2012 and 2013...”

Please note that Squinzi says that Italy needs “*a project*”. Implicitly this means that he does not have much confidence in the only “*project*” now on the table: the reform agenda announced by Prime Minister Matteo Renzi.

And do consider that Renzi came into office as a really bold innovator: a no-nonsense young leader, unafraid to chart a new course. In short, Italy’s best hope.

Well, what should Italy do to get out of this path leading to a slow but steady decline? Here is my list.

–Drastically reduce the burden of a bloated public administration

–End endemic corruption

–Fight and defeat organized crime

–Reform labor markets in order to create flexibility

–Reform the pensions system

–Reduce the oppressive tax burden that discourages investments

–Invest in modern infrastructure

–Dramatically increase targeted R&D investments

–Create a competitive higher education system

–Stop illegal immigration

The list is so long and so large that I doubt that much can be done by this or any other Prime Minister.

Old Continent

Mario Draghi is an excellent ECB President. But, sadly, without the support of a drastic cultural shift, even good monetary policies are not enough to transform his native Italy, (and the other weak economies at Europe's periphery).

As for the rest of the European Union, except for a more globally competitive North, the EU as a whole does not inspire any enthusiasm.

The Old Continent is indeed just that: "Old". Old ideas, old values, old leadership, old societies yield structurally inefficient economies.

Ukraine Should Admit Defeat – Let The Russians Take Over The East

WASHINGTON – The situation in Eastern Ukraine is getting worse. It is now clear that Putin’s Russia has intervened directly in the conflict. Gone is the masquerade of Russian soldiers who fight in Ukraine without Russian uniforms and insignia.

The invasion

This is an old-fashioned “invasion”. A small invasion; but an invasion nonetheless. While we all know that this is “illegal”, that it is against international law, the UN Charter, and what not, sadly it has happened. And, except for verbal condemnations, no one is going to do anything about it.

From its perspective, Russia will say that this a “humanitarian intervention” in order to spare the poor ethnic Russian civilians brutally attacked by the Kiev army composed of Neo-Nazis, and other such nonsense.

The Russians have intervened directly most likely because their proxies in Eastern Ukraine were about to be defeated by the Ukrainian army.

Ukraine will never win

Sadly, with these developments I see the confirmation of what I had anticipated. Russia will not admit defeat, while the Kiev government will never be able to “win” in a conflict in which it faces Russia, and not just a rag-tag rebel army.

Let the East go

Months ago I argued that the best, if painful, way to end this

conflict would have been for President Poroshenko to admit that Ukraine would never be able to prevail, fighting all alone against Russia. His government should have granted *de facto* independence to the pro-Moscow Eastern Provinces. This “self-amputation” would have removed the main cause of this costly rebellion.

Same advice

I say the same thing now. With the invasion, today the situation has become more complicated. But it is not that different. There are a few millions ethnic Russians in Eastern Ukraine who have been incited by Putin’s propaganda and promises. So now they want independence.

Here is my simple advice: “Kiev government, please, let them go. Let these territories become independent and/or join Russia. Please, do it now”.

The alternative is a never-ending border war with Russia.

Considering that neither the European Union nor NATO will lift a finger to seriously help Ukraine fight this losing war against a much stronger enemy, it would be wise for President Poroshenko to let these territories go.

This move may look unpatriotic, maybe treasonous; but it is the only way to stop the bleeding. And do keep in mind that this constant and (super expensive) bleeding is rapidly turning an already poor country into a real basket case.

Ukraine needs economic development, not a war

Ukraine urgently –and I really mean urgently– needs foreign investments and a viable, solid economic development strategy. No way that any of this can even be contemplated while the Ukrainian leadership is totally focused on a war that this impoverished country, barely surviving on foreign lines of credit, cannot afford.

Fighting for a “just cause” may appear “noble”. But it is futile. Ukraine will never win, all alone, against Russia.

Admit defeat, let the East go its own way. Refocus all your (meagre) energies on the economy and on creating a better future for the rest of the country. Do it now!

Germany's Green Energy Revolution Based On Belief, Not Economics

WASHINGTON – An interesting [WSJ](#) story, (*Germany's Expensive Energy Gamble*, August 27, 2014), provides a good illustration of top-down economic policies motivated mostly by ideological, as opposed to economic, reasons. The German government, presiding over the world's fourth largest economy and number one within the European Union, years ago decided that the country had to embrace renewable green energy not because it is cost-effective; but because it is “good” for mankind.

Mandates

In order to achieve this gigantic power generation and distribution shift, the Berlin government imposed mandates on the use of electricity produced from renewable sources, (mostly wind and solar), while subsidizing the cost of green energy production. The goal was and is to discourage the use of fossil fuels. The government also decided to phase out all nuclear power plants.

This was a political move. There is a very well-organized

anti-nuclear movement in Germany. The government felt that after the Fukushima nuclear power plant disaster in Japan it had to act in order to prevent additional public demonstrations against nuclear energy. This decision had little or nothing to do with any assessment of the safety of German nuclear power plants.

Overall, the public policy objective is to have soon a truly "Green Germany" that uses zero nuclear power, while relying less and less on fossil fuels. Germany's energy will be cleaner, and soon enough truly clean. Because of this epochal transformation, Germany will no longer contribute much to global greenhouse gases emissions.

Tech leader?

Beyond the green goals, policy-makers assume that, by virtue of establishing itself as a global renewable energy leader, Germany will ensure that its technologies will be adopted world-wide.

Once it will be clear to all that renewable energy is really the way to go, most countries around the world would turn to Germany, the technology leader.

If successful, this major energy turnaround would prove that you can be green, innovative and profitable.

High cost

All this sounds really good. Except for one fact. For the time being, renewable technologies, while improving all the time, are still rather expensive.

Therefore the German government must subsidize them in order to make them economically viable. The cost of these subsidies is passed on to consumers.

As a result, on average, the Germans pay more than double for electricity than the average US consumer. That is a lot of

money.

German energy intensive industries like chemicals, smelters and steel mills have already seen their operating costs rise and their global competitiveness reduced. Some of them are planning relocations and/or expansions in countries where electricity is cheaper, including the US.

Besides, as most of the wind energy is produced in the North of the country, Germany now needs to build new and very expensive transmission lines that will carry all this power to the energy hungry industrial South.

Why do all this?

Given all this, here is the question. Why on earth would the government in Berlin impose on the German economy –via expensive mandates and subsidies– the high cost of still immature green energy technologies?

Wouldn't it be wiser to allow the market place to decide on what are at any given time the most cost-effective electric power generation technologies? Wouldn't it be better for the government to limit its role to financing more R&D in renewable energy, this way helping its development, without picking winners today? Indeed, what if you pick the wrong winners?

There are other technologies

It fact, there is much progress in other (more conventional) energy technologies. We know from the recent US experience that an unexpected leap forward in new and cost-effective ways to develop immense shale gas reserves (hydraulic fracturing and horizontal drilling) led to large-scale production of really inexpensive natural gas for power generation.

This shale gas revolution completely transformed the entire US domestic energy supply picture in just a few years. Very

important to point out that this happened while most of the leading energy experts were looking the other way. Key Washington policy-makers and their advisors did not see any of this coming. And yet it came. The real point here is that the market decided; and not policy wonks who believe they know what works and what does not.

Private sector in the lead

It is important to stress that the US shale gas development revolution has been entirely a private sector-led effort.

Energy companies did not pursue shale gas development because of tax exemptions, mandates or subsidies. Companies invested in shale gas because they were hoping to make money. And they did.

The net effect of these massive private sector investments is that (thanks to cheap shale gas) millions of Americans now enjoy comparatively lower electricity costs.

“Good” and “bad” energy

Back to Germany, the only explanation for the top-down, forced investments in renewable energy is that this momentous “green choice” is based mostly on politics and ideology, and not on economics.

For a variety of reasons, most Germans now believe that green energy is “good”, while nuclear and fossil energy is “bad”.

Therefore, going green is a moral and ethical choice. It has very little to do with economics.

Ideological argument

Indeed, the basis of this costly energy policy is not cost-effective technology choices, but a mix of arguments grounded on (what most Germans believe are) final

and definitive assessments about the damage to the environment and to public health caused by “bad” energy.

And, of course, there is also the argument that all responsible people must act –now– to stop and hopefully reverse the emission of greenhouse gases, the byproduct of burning fossil fuels, responsible (this is the undisputed consensus) for global warming.

Environmental protection is important

Now, having said that, I certainly do not want to dismiss the fact that the unrestricted use of “dirty” fossil fuels does indeed cause environmental and public health damages.

Therefore, all governments have an obligation to regulate any kind of power generation, with the goal of minimizing its environmental and public health impact.

For instance, ancient coal-burning power plants may indeed produce cheap electricity; but their harmful emissions also damage, (in some cases destroy), the health of communities living nearby. Therefore, either the plants can be retrofitted so that their emissions are within safe public health parameters, or they should be closed down.

No reasonable person would argue that, since obtaining cheap energy is our primary goal, we do not really care at all about the way it is produced, or about the consequences.

“Expensive Energy Gamble”

That said, the German government decision to progressively phase out all fossil fuels, while mandating the use of costly and still imperfect green technologies is indeed a very “*Expensive Gamble*”, as the WSJ story tells us, based on the sweeping assumption that all fossil and nuclear energy is bad.

Of course, we do not know how all this will play out, 10 or 20 years from now.

Maybe the German government will be praised for its incredible foresight and ability to anticipate future trends. Maybe the decision to gamble on renewables will turn out to be extremely smart.

What if they are wrong?

But what if things turn out differently? What if still expensive renewable energy will be unable to compete with, for instance, abundant and even cheaper shale gas?

Yes, in case you did not know, beyond the vast reserves we have in the US, there are incredibly vast amounts of shale gas all over the world, in countries such as China, Russia, Argentina, the United Kingdom and more.

If wind and solar became really inexpensive, it would make no sense to invest massive amount of fresh capital to develop non competitive fossil fuels. But if the cost of renewables remains relatively high, while the cost of producing shale gas stays the same or goes down, then fossil fuels will win, at least for a while.

In capitalistic economies, it is not unusual for private sector companies to make huge bets on still unproven products. Sometimes the bet pays off, sometimes it does not. In either case, corporate managers put at risk investors' money.

The government chooses

But here we have the government of Germany, a large modern country, betting huge amounts (hundreds of billions) of other people's money on something that it believes to be right not because of persuasive economic reasons; but purely because of beliefs that amount to a "*green ideology*".

Is this really a sound foundation for public policy?

Ukraine Cannot Win Against Russia – Give Up The East

WASHINGTON – Despite its (surprising) military successes against the pro-Russia rebels, there is no way that Ukraine can “win” this Moscow-funded civil war in the East of the country. And I say this keeping in mind that in any conflict there is no victory until your enemy says: “I lost”, and stops fighting –for good. In other words, nobody can declare victory until the other side keeps fighting, or gets ready to resume fighting.

Victory?

A real Kiev “victory” in this conflict in Eastern Ukraine would imply that Vladimir Putin has given up –for ever– on any and all claims as the defender of ethnic Russians within Ukraine. It would imply that the rebels, lacking Russian supplies, military advisers and cash, have to give up, and essentially “surrender”. A real victory would also imply that the issue of secession has been “resolved” and closed –for good.

Now, I do not see anything even resembling this. Sure enough, it seems that the relatively weak Ukrainian armed forces overall have performed way above expectations. They have

regained territory and taken control of cities held by the rebels. This may be good for morale.

Ukraine cannot win against Russia

However, there is no way that Ukraine in the long run can prevail against a much bigger, militarily stronger and better funded Russia. (And do keep in mind that Russia, despite all this, is and will continue to be the main energy suppliers to Ukraine).

Besides, so far at least, the economic pressures enforced by the US and the European Union against Russia in the form of sanctions have not had the desired effect to make Putin stop his (not so) indirect aggression against Ukraine.

Putin can keep this conflict going

In other words, Putin can keep this crisis going for as long as he wants, almost with impunity. And let's be clear: Russia does not have to win military battles in order to succeed. Success for Russia is keeping an unfriendly pro-Western Ukraine bogged down in a never-ending conflict. Success for Russia is an impoverished, semi-failed Ukraine that will never become a strong partner for Europe, let alone become an alternative model for Russians tired of Putin's authoritarian rule.

If Putin wants it, he can keep this Eastern Ukraine secession issue going for years. If so, this messy civil war will become the constantly open wound that will sap Ukraine's meagre resources, this way preventing the government from focusing on the most urgent problems of economic revitalization and development.

No real help to Ukraine from the West

And President Petro Poroshenko should once and for all give up on any hopes to get any real help from the West. It is now

abundantly clear that neither the Europeans nor the Americans regard the fate of ethnic Russians within Ukraine something so important that it would justify the freezing of all relations with Moscow or, far worse, getting into a military confrontation with Putin.

Who cares about the ethnic Russians?

Yes, Putin is a thug. He grabs what he wants with not even an attempt at obtaining negotiated solutions. However, his appetites –the West believes– are confined to unresolved ethnic and territorial issues emerging from the sudden (and possibly hasty) dissolution of the old Soviet Empire.

And (privately at least) Western policy-makers would concede that Putin...well... he has a point. After all, he is focusing only on ethnic Russians living in Ukraine, a neighboring country with a long history of deep relations with Russia.

Sure enough, Russia has invented the story of the Russian minority under threat from the neo-Nazis in Kiev . But, there again, Putin concerns are limited to ethnic Russians. He is not threatening the US or other NATO countries.

Give up the East

Given all that, it is quite obvious that the West will not support Kiev in a prolonged war to the bitter end against Russia and its proxies in Eastern Ukraine. And this really means that President Poroshenko is essentially alone in all this.

In a context in which the West will provide moral but not material support, Germany's invitation to find a negotiated solution in practice is a not so subtle invitation to give up and essentially, (if not formally), surrender: *"Please, President Poroshenko, do us a favor and give Putin what he wants, so that this mess will be over, and we can all resume business as usual. This crisis is costing us money"*.

In practice this means that Ukraine will have to give up –formally or de facto, by conceding large autonomies that amount to independence– its Eastern territories where most of the ethnic Russians live.

Allowing Eastern Ukraine to secede is only way to end the conflict

I have suggested this unpleasant solution a while ago. And I did so not because this is the “right” way to end this conflict; but simply because I do not see any better alternative for an outnumbered and outfunded Ukrainian government that will never be able to prevail, all by itself, against Moscow.

War or economic development?

President Poroshenko at some point, and I hope sooner rather than later, will have to realize that (sadly) he is the head of an impoverished country that survives today only because of credit lines and loans from the International Monetary Fund and other friends.

If Ukraine wants to create a viable economy, it has to stop this costly and in the end unwinnable war. In order to do so, it should grant total autonomy/independence to the East.

Italy Overwhelmed By Immigrants From North Africa

WASHINGTON – Regarding the constant flow of illegal immigrants from North Africa into Italy and to a lesser degree Spain, the main media focus is on the all too frequent tragedies at sea.

Old and overcrowded vessels sometimes do not make it. Sadly, lots of people drown.

Tragedies at sea

Italian media have almost daily reports about the heroic deeds of the Italian Coast Guard and/or the Italian Navy. While patrolling the seas, they spot shipwrecked people and often save lives. The survivors are brought to shore.

No policy

That said, the larger issue here is that, tragedies notwithstanding, there is no policy to stem or reverse the flow of these desperate would-be immigrants. More of them, one way or the other, manage to get to Italy. A little more than 100,000 landed just this year, including 14,600 minors and 8,600 unaccompanied children.

A constant inflow

Now, this is not a tidal wave. But it is a constant stream of poor, in most cases illiterate, immigrants who create additional burdens for already over extended social and health care services.

Of course, If we looked at the impact of this immigration on the European Union as a whole, it would not be so great. The EU is made out of 28 countries, with more than 500 million inhabitants. Surely a relatively large Continent could make room for a few hundreds of thousands arriving from North Africa every year.

But the fact is that, in practice, there is no real Europe-wide policy aimed at absorbing illegal immigrants from North and Sub-Saharan Africa.

Immigrants become the problem of the host country

Whatever the existing EU programs, the hundreds of thousands

of illegal immigrants getting in, year after year, *de facto* become the problem of the countries welcoming them. The Africans landing in Sicily are not going to eventually settle in Denmark or Ireland. Most of them will stay right there, in Italy.

In the case of Italy, there is the issue of the significant cost of patrolling the coastal waters, rescuing people at sea, placing them in some sort of livable accommodations, feeding them and caring for them. This is truly burdensome for a country with a disastrous national debt, (around 130% of GDP), and a semi-comatose, zero-growth economy.

Not a temporary phenomenon

That said, beyond the immediate costs, one should look at the long-term impact of all these immigrants from Maghreb and other African countries.

For starters, let's understand that this is not a temporary phenomenon. Tens of thousands of semi-desperate people will continue to arrive, every month, driven mostly by extreme poverty but also by endemic conflicts.

Indeed, unless the economic circumstances in their countries of origin improve dramatically –and this is practically impossible– the drive to emigrate and look for a better life in Europe will continue.

Case in point, now there is a civil war in post-Gaddafi Libya. This chaos creates an additional incentive for more people to leave. If Libya were at peace, if there would be investments, economic growth and demand for labor, then the poor Libyans would probably stay at home. But this is not the case; and so they emigrate, trying to sail into Italy on overcrowded vessels.

Long term impact

This slow but constant migration is already changing Italy's demography. Assuming no reversal, in a few years the changes will be more and more visible. And, unfortunately, these are not good changes.

These immigrants are by definition needy. They do not bring much intellectual capital in the shape of valuable skills. These are not doctors, engineers or architects. These are mostly illiterate people who do not speak Italian. And, even if they could get jobs, please consider that Italy has a 12% unemployment rate. Youth unemployment reaches 60% in the South. Where are the jobs for these immigrants, even assuming that they were qualified?

On top of that, most of them are Muslim, and this adds another layer of complexity. Very hard to assimilate people of different races, with minimal or non-existent education, and a different religion.

A new demographic make-up

Everything else being equal, considering an extremely low –below replacement level– fertility level among the native Italians, 20 years from now there will be areas of Italy completely dominated by the recent immigrants who tend to have many more children.

Again, nothing wrong with that in principle. The problem is that it would take a real optimist to assume that these hundreds of thousands –and in the end millions– of poor immigrants will quickly adjust, get a good education, and become productive workers and tax payers who will end up enriching Italy.

Poor Italy will become poorer

Most of them are likely to live at the margin of the society hosting them, requiring help, health care and other costly social services.

Sadly, an already semi-impooverished Italy will do even worse because of all these additional costs, not to mention the predictable political reactions to all this immigration in the shape of more, and possibly violent, xenophobic, anti-foreigners movements.

Perceptions and Misperceptions About Black Crime And White Police Brutality

WASHINGTON – The killing by a White police officer in Ferguson, Missouri, of a Black young man, 18-year-old Michael Brown, triggered a (predictable) chain reaction that once again exposed the ugly truth of an America still torn by racial tensions.

Jumping to conclusion

The Black community in Ferguson and across America, even without the benefit of any real, conclusive evidence, immediately labelled this tragic death as yet another example of police brutality consciously aimed at Black people.

Yes, Black people are targeted. Yes, innocent Black people are harassed, stopped in the street and subjected to all sorts of humiliations by White policemen only because of the color of their skin. And some get killed by the police, for no reason.

White America hates Blacks

And here is the conclusion: "White America hates Blacks; and it uses police forces as attack dogs who act viciously under the bogus pretense of conducting law enforcement operations."

The sad fact is that, no matter what will come out of the ongoing investigation on what really happened that day in Ferguson, Black America made up its mind, "This tragedy proves what we already know. Blacks are the victims of police brutality. Period".

Let's step back

Of course this is the proverbial oversimplification. There is some truth here; but only some. Let's step back for a minute and let's look at the broader context.

The sad fact is that a disproportionately large percentage of young Black *are in fact* criminals –and therefore targeted by the police. And why are there so many criminals? Because most young Black people are marginalized, or semi-marginalized.

No education, no good options

And they are marginalized because, for a variety of reasons, they are unable to fit into a mainstream that includes getting a decent education, and then applying for and obtaining a decent job.

It is a well-known fact that most young Blacks get below average education in below average public schools. Some do not even get that. They drop out. And, at that point, with essentially zero qualifications, the choices available to them are really unattractive.

With little or no education, there is no chance whatsoever to be able to compete for a good job in a US labor market that has become ultra-competitive.

Therefore here is the restricted universe of available opportunities:

A) the prospect of a life of under employment, getting low-paying menial jobs here and there; or

B) crime

There is money in criminal activities

For many crime may look much more attractive because there can be money, lots of easy money coming with it. And so many Black people get into the drug trade. In so doing they get into a world of gangs, violence, lots of killings, turf wars, and more.

And, as a result of these dynamics, with some reason, we get to the stereotype held by many Whites: *"Most young Blacks are criminals. This being the case, police forces have reason to be particularly aggressive when pursuing Black suspects."*

Circular argument

And here we see how get to the circular argument:

-Whites believe that most Blacks are criminals, and therefore they should be pursued, arrested and convicted.

-Black communities, and this would naturally include peaceful, law-abiding people, see most police activities in their neighborhoods as willful persecution. (Indeed, if you are a law-abiding Black but you are stopped, questioned, harassed or worse by the police, merely because the fact of being Black makes you a suspect, it is natural that you will feel persecuted.)

Police brutality in Ferguson

And here we understand how Black communities in Ferguson and across America immediately reached the conclusion that, if an unarmed Black teenager got killed by a White policeman, the only possible explanation is that the policeman is a trigger happy racist who used a pretext to kill an innocent Black boy.

The police would say instead that policing Black neighborhoods is an extremely dangerous endeavor, because there are too many armed and violent criminals in these areas. Therefore “tough law enforcement” is totally justified.

But we know that this “toughness” can easily be construed as “willful brutality”, in many instances with cause.

So, here we are. Blacks believe that the police are out to get them. Whites believe that most young Blacks are dangerous, and therefore they welcome aggressive police actions aimed at them.

As you can see, we are in a real mess in which both sides have a good argument. This makes finding common ground a close to impossible challenge.

How do we break the cycle?

But reasonable people –Black and White– would probably agree that if young Black people could stay in the mainstream, get a good education, and then a good job, much of this now gigantic problem of *Black crime-tough policing-perceptions of brutality-protests* would disappear.

Black marginalization, whatever its causes, leads to Black crime. Black crime, very often violent crime, leads to harsh policing in Black neighborhoods.

And this leads to Black perceptions of intentional police brutality. Mostly White police forces are maliciously targeting all Blacks, including peaceful, law-abiding citizens, without any cause.

Therefore when Michael Brown in Ferguson, or any other seemingly innocent Black person elsewhere, gets killed by a White police officer, the instinctive reaction is: “*Here we go again. They just want to kill all of us*”.

Getting young Blacks to stay in the mainstream

But if most young Blacks would stay in the mainstream, get good degrees and good jobs, Black crime would decline, and with that all perceptions and exaggerations whereby “most young Blacks are criminals” would gradually fade away.

Having said that, I fully recognize that the hard part going forward is in devising smart policies and incentives that will stop and reverse Black marginalization.

However, I am sure that any constructive policy has to start with making a good education truly available to all Black children, even those living in the really tough neighborhoods.

In fact, these are the children who need it the most. If poor children do not get a good education, then –by definition– the way forward becomes extremely difficult.

Putin Destroyed All Notions Of A Peaceful Post-Cold War Europe

WASHINGTON – In an almost casual way Russian President Vladimir Putin trashed each and every agreement that supposedly guaranteed lasting peace in post-Cold War Europe. The goal of these agreements and other “confidence building measures”, (including inviting Russian representatives at NATO Headquarters, prior notices of all military maneuvers, and more), was to make sure that Europe would remain an island of peace.

Europe will be an island of peace

The foundation of all this was (supposedly) the shared

conviction that all disputes among European states would be addressed and resolved only through peaceful negotiations and diplomacy and –most of all– that no country would resort to military means and/or any other form of aggression to modify national boundaries.

The shared understanding, we all thought, was that war was no longer an option in Europe. All Europeans, including Russia, the (more democratic, we thought) state that came after the defunct Soviet Union, had unquestionably opted for peaceful means.

War against Georgia

Well, the short Russian military campaign into Georgia in 2008 proved that the Russians did not really buy into this new world. As we recall, that campaign ended with two pieces of Georgia –Southern Ossetia and Abkhazia– declaring their “independence”.

But it was and it is clear to all that the whole thing was instigated, facilitated and paid for by Moscow. In other words, while Russia did not formally proclaim a formal annexation, for all practical purposes that military operation ended with a truncated Georgia and two pieces of it becoming *de facto* parts of the Russian Federation.

Establishing a precedent

That aggressive military action, although limited in scope, established a terribly dangerous precedent, because Russia got away with it. Indeed, nothing much happened after this outrage of a military aggression that broke all the pledges and all the promises related to a peaceful European post-Cold War environment.

Yes, let’s keep in mind that Russia in 2008 paid essentially no price for its use of force aimed at taking land away from Georgia, another European sovereign state.

Ukraine

Now fast forward to 2014 and the troubles in Ukraine. In this instance, Russia, whatever window dressing gimmicks it adopted, simply went ahead and annexed Crimea, a piece of Ukraine.

Later on it supported a bogus East Ukrainian secessionist movement. It is clear to all that such a movement could not have materialized, let alone succeeded in seizing territory, without Moscow's active support, military advisers, arms and money.

The West reacted, sort of

In this case Europe and America reacted, but very feebly. At the beginning, they tried to find a way that would allow Russia to withdraw without losing face, (the "off ramp" option). Then, as diplomacy failed, after much hesitation, they imposed symbolic economic sanctions. And then some more sanctions.

Well, so far not so good. The new and broader sanctions now in place may eventually cause damages to the Russian economy, but we have yet to see the end of Russian aggression in Ukraine.

Russia gets away with it

And here is the lesson. The assumption that all Europeans –East and West– were truly committed to a vision of a peaceful Continent amounted to wishful thinking.

It turns out that Russia has its own ideas about sovereignty when it comes to new countries located in what they (ominously) call the "Near Abroad" that used to belong to the old Soviet Empire.

It is also clear that Europe and America, notwithstanding all their verbal protests, are not willing to do much about it.

While the future of war-torn Eastern Ukraine is still in doubt, Crimea will stay Russian, while Southern Ossetia and Abkhazia will never go back to Georgia.

The “law of the jungle” has prevailed.

Europe Does Not Like America

WASHINGTON – In Italy, Alessandro Di Battista, a member of parliament who belongs to the opposition 5 Stelle, (5 Stars), party, openly declared that Islamic terrorism is a logical –and quite understandable– response to American aggressive policies in the Middle East.

A response to US aggression

From his perspective, the poor Arabs, perennial victims of American bombs, have no choice. They have to use terrorism, because they cannot respond in any other way.

For example, according to Di Battista, the ISIL phenomenon –with its amiable corollary of forced conversions to Islam, beheadings, crucifixions and mass killings– is very simply the child of Abu Ghraib, the prison in which at the beginning of the US occupation many Iraqi detainees were subjected by American troops to all sorts of indignities, some of them closely resembling torture.

Anyway, you get the picture.

America is an open society

Of course, it is easy to point out and highlight American real

misdeeds. And for these fair minded critics it does not matter that in America there are rules and a system that holds people accountable.

For these impartial observers it does not matter that then Secretary of Defense Donald Rumsfeld (who had in no way ordered or condoned what happened at the Abu Ghraib prison) offered his resignation on that matter.

It does not matter that there were several investigations, open congressional hearings on the horrible Abu Ghraib matter, and plenty of media coverage that revealed and exposed who did what.

In other words, America does screw up. But it also has an open and transparent system that pursues and punishes wrongdoing.

Moral equivalence

Last but not least, none of these critics would admit that, while what went on was horrible and inexcusable, nobody got killed at Abu Ghraib. In other words, there are varying degrees of wrongdoing.

Therefore, in a truly fair-minded world the idea that what ISIL does today is pretty much equivalent to what America has done to the Arabs should have no standing.

And yet it does.

For many Europeans there is moral equivalence. America does this. The Arabs respond with that. It is normal. What else would you expect?

The Germans are upset

Likewise, the Germans are up in arms because the US spied on them. (By the way, it turns out that they do exactly the same thing to America). This "discovery" unleashed a wave of indignation that left a mark. Opinion polls now indicate that

only 35% of all Germans consider America a trustworthy partner.

And this is the opinion about America emerging from a country whose very survival in the dark years of the Cold War depended on an American pledge to defend it.

These are just recent examples that highlight a broader reality.

End of the Grand Alliance

NATO, the Grand Alliance between Western (and now also Eastern) Europe and North America, was in fact only a marriage of convenience.

Back in the 1950s, America would not allow the Soviet Union to dominate Western Europe, while the perennially weak Europeans were happy to have the protection of American troops and nuclear weapons.

With the end of the Cold War, we are back to normal. And normal means a relationship which is at best semi-friendly, and at times openly hostile.

Europe's moral superiority

The pacifist and "truly moral" Europeans are happy to condemn American over reach and heavy-handed policies. They are also happy to condemn America's barbaric use of the death penalty, its persistent racism, and appalling economic inequalities.

In other words, in their view, America is a primitive society in which the strong prey on the weak. The bloody minded American elites do this at home and abroad. Civilized Europeans should express their revulsion, while distancing themselves from this abominable country.

Obama did not improve any of this

And, incidentally, it looks as if Obama's "*let's be nice to all approach*" did not improve anything. Sadly the Edward Snowden ample disclosures about all the NSA alleged misdeeds happened under Obama's watch.

End of the NATO spirit

From all this we can only draw one simple conclusion. While we still have and probably will continue to have a NATO Alliance, its "spirit" –and therefore its essence– vanished long ago. There is no longer any notion of "shared values", let alone "shared destiny", linking Europe to America.

Sure enough, there are still innumerable economic and cultural ties linking America to Europe. And they do matter, a lot.

But these ties do not extend to the notion of an Atlantic Community of like-minded Western Nations united by a shared desire to uphold and protect deeply felt Western values.

I suspect that the Atlantic Community was always more an aspiration than a reality, even in the bad old days of the Cold War, when Soviet armored divisions were stationed literally a few miles away from Hamburg, in what used to be called the German Democratic Republic, (East Germany).

These are "the Allies"

Well, now we know for sure that there is no such thing. Therefore, when US policy-makers talk about our "European Allies", we should all understand that these Allies are at best fair-weather friends, while deep down they pity us for our moral backwardness, or worse yet, they despise us because of it.