



LA LETTRE DU 211

Editorial - 'Lift me like an olive branch and be my homeward dove / Dance me to the end of love'

On February 22nd, it had been 79 years since Stefan Zweig died. He dedicated his life to peace and freedom in Europe; so that it can be crystallized by this poem of P.Eluard: 'On all the pages read / On all the blank pages / I write your name [...] And by the power of a word / I start my life again / I was born to know you / To name you / Freedom'. And yet, 79 years later, don't we see one of the greatest democracies faltered? Don't we see (too) much politicians playing with freedom? To them, these words of A.Camus: 'You have to be very sure that day will come to destroy everything that makes a man willing to keep on living'. Zweig lost hope, and committed suicide. Don't drink the poison: 'When there are clouds in the sky, you'll get by / If you smile through your fears and sorrow / Smile and maybe tomorrow / You'll see the sun come shining through for you' sang Nat King Cole.

Macro news

'Guarda come dondolo/Guarda come dondolo con il twist/[quando vedo Mario Draghi]'

Ô Mario, how could it be otherwise? You, the euro saviour, and therefore of the European Union, could you have refused to serve your country? It's impossible for the man of 'whatever it takes'. 'Whatever it takes (...) and believe me, it will be enough' you said, and everything changed: lower sovereign rates, European stock markets raised, and most importantly, the European project is still standing. Conte had to resign because Renzi's Italia Viva withdrew from the coalition, due to disagreements over how to spend the €209bn the country will receive from the European Recovery Plan: this will be your priority, Mario, as the government needs to present its plan to Brussels for approval in April. You know, Mario, that getting the full mount will depend on Brussels' approval for Italian reforms. But, you have the confidence of the whole world, Mario: of Europe, of the markets (Draghi could allow further but limited spread compression for BTP, Italian Treasury Bonds), of your republic president, of your parliament (we can consider the current coalition at risk, however, your government is supported by a large majority, 85% of deputies: should Salvini or Renzi leave the coalition, and you will stay the prince with a 60%

majority), of your people. Some people say that you are not a politician, only a technocrat? But isn't your speech to the Italian Senate a lesson in politics to the whole Europe? 'The growth of a country's economy is not solely driven by economic factors. It depends on institutions, the confidence of citizens in them, their shared values and hopes' you said. But, Mario, how can we not trust you? On the Green, on the need to fight against gender inequalities, on the necessary economic reforms, on the need to invest in education, on the need to reduce inequalities between the north and the south of your country, we can only trust you. But, perhaps the most important thing that makes you such a great man, Mario, is this sentence: 'Supporting this government means sharing the irreversibility of the choice of the euro, sharing the prospect of an increasingly integrated European Union that will result in a common public budget capable of supporting countries in times of recession (...) Without Italy, there is no Europe. But outside Europe there is less Italy. There is no sovereignty in solitude. There is only the deception of what we are, in the forgetting of what we have been and in the denial of what we could be.' Because yes, in addition to helping your country, it is still Europe that you want to save, once again. All roads lead to Roma: would it be to cover you with glory, Mario ?

Corporate news

California Dreamin' in London

On Friday 19th February, the United Kingdom's Supreme Court ruled that Uber car drivers were to be considered as salaried employees. Some of them had filed the US company into justice for many years - the first case being brought in 2016 - arguing that their work was mainly controlled by Uber and that they should not be considered as independent workers. Therefore, the UK's Supreme Court ruled in their favor, stating that Uber drivers had 'little or no ability to influence to improve their economic position through professional or entrepreneurial skills'. This significant judgement comes after the US company had filed an appeal following unfavorable lower court decisions. It may entitle workers to social rights such as paid leave and minimum wage, in addition to further compensations that have still to be evaluated by a UK employment tribunal. The judgement might also halt the gig economy's development and could threaten Uber's business model. The company had previously lost several first court cases in California but the voters' decision during the November 2020 referendum ruled in its favor. On the Uber side, the Californian air might always be preferred to the English one, as this sweet song reminds us: 'I'd be (almost) safe and warm if I was in L.A./California Dreamin' (...).

Geopolitical event

Monopoly Game

Last week, the Financial Times reported that China's industry ministry is allegedly assessing the impact of a restriction on rare earth exports to the United States, and more specifically what pressures it would put on the Lockheed Martin's F-35 fighter planes production and the Defence sector. In addition to the escalating tensions that this measure would cause, China is also running the risk of seeing the United States (and Europe more broadly) accelerate their efforts to secure their supplies of rare earths. The debate is, in any case, already in full swing in the United States: not later than last October, Ellen Lord (Undersecretary of Defence under Trump administration) recalled the need to restore a national production capacity due to their 'real vulnerability' vis-à-vis China, but also to develop refining capacities which are also China's quasi-exclusive monopoly. Would China be the biter bitten?

Emerging countries focus



New political momentum in DR Congo

The 2018 presidential elections in DRC proclaimed Felix Tshisekedi the successor of Joseph Kabila, who had been in power since 2001. Since then, Kabila managed to have tightened control of major institutions (the army, the constitutional court and most key ministries) and his party the Common Front for Congo secured two-thirds of parliamentary seats. Tshisekedi had to form a coalition with the Kabila Clan and had little room for deep reforms in the country. However, the coalition recently imploded, reorganizing the political landscape in DRC: the speaker of Parliament was dismissed, many pro-Kabila switched to the « Sacred Union » invoked by Tshisekedi, and Prime Minister Ilunga resigned. These recent events will be leaving new options for the Tshisekedi presidency and its very ambitious reform plan for the country structured notably around the fight against corruption, better allocation of public revenues, and international financing flows mobilization.

Music box

Humans after all

'Sky is the limit', even now for the music industry. While NASA's Perseverance rover landed on the planet Mars, Swedish company Spotify announced on Monday that it had deployed its music listening platform to 85 new countries. With more than 155 million paying subscribers, Spotify will now cover more than 178 countries, ahead of its main competitor Apple Music, which is present in 167 countries around the world. Wall Street greeted the news very favorably. Indeed, the company's share price rose by 5.3%, resulting in record capitalization for the company valued at \$70bn. While the opening to these markets represents more than one billion potential new listeners, there is a brand that will be missing in the ears of many

of us. In a stellar video entitled Epilogue, the most famous duo on the French electronic music scene Daft Punk announced their separation after a career that has been hailed around the world. 'I feel it coming', said those who had been getting impatient since the release of their legendary three Grammy Award-winning album Random Access Memory in 2013. We still have their musical heritage to rediscover, one more time...

Press review

 (clickable link)

On school

- [The hard lessons of home schooling](#), T. Harford (FT): As long as we learn.
- [Pourquoi n'arrive-t-on pas à démocratiser les grandes écoles ?](#), M. Duru-Bellat (Huffington Post): The Old Regime and the Revolution.
- [Crises universitaires et réformes en France](#), C. Charle (Vie des idées): Everything needs to change, so everything can stay the same.

On Asia

- [Virtual Control: the agenda behind China's new digital currency](#), J. Kynge & S. Yu (FT)
- [Yellen needs to tell Asian Nations to stop currency manipulation](#), D. Waddil (FT)
- [China's Inequality will lead it to a stark choice](#), B. Milanovic (Foreign Affairs)

On Economics

- [GDP may be imperfect but don't write it off yet](#), C. Giles (FT): Nothing is perfect.
- [Conversation with Dani Rodrik](#), (FT): As good as the F. Coppola movie.
- [La courbe de Philips : critiquée mais toujours utile](#), Y. Kalantzis (Revue Banque): We don't speak about the TV.
- [Why Central Bankers should Read Economic History](#), E. Monnet (FT): Because it's a great MJ album.
- [The Four basic truths of macroeconomics](#), T. Cowen (Bloomberg): La vérité si je mens.
- [Europe should 'go big' on fiscal policy too](#) (FT): Little big man.

On philosophy

- [On liberty, in Britain and America](#), J. Ganesh (FT): I remember G. Moustaki.

Our readings:

- *Essay on freedoms*, R. Aron: In Dauphine, the most prestigious hall is called Raymond Aron. Not being able to go there at the moment...you might as well read an author who is as relevant as ever in 2021.
- *The World of Yesterday*, S. Zweig: A will of unspeakable sadness and exceptional sincerity. The European dream is a duty of our generation.