

WORLD NEWS

Bank union rift mars summit

Merkel pushes back at French pressure

Paris anxious to avoid bail-out delay

By Peter Spiegel and Hugh Carnegy in Brussels and Quentin Peel in Berlin

Franco-German rifts over the next steps to stem the eurozone crisis deepened yesterday as Angela Merkel, the German chancellor, hit back at pressure from Paris for rapid action to create a banking union for the single currency.

As EU leaders met for their latest summit in Brussels, Ms Merkel said Germany was ready to engage urgently in talks to put in place a single eurozone banking supervisor.

But she made clear in a speech to the Bundestag in Berlin that a new supervision system must be given time to prove effective before taking the next key step of allowing direct recapitalisation of struggling banks by the eurozone's new rescue fund.

"I want to say very clearly: merely agreeing on the legal procedure for banking supervision is not enough," she said.

François Hollande, the French president – backed by other EU leaders – wants the €500bn European Stability Mechanism to be able to bail out banks as soon as a new supervisory regime is operating. He believes this was agreed at the June summit, allowing for critical debt relief for Spain and Ireland and soothing market worries about sovereign

debt contagion that could also threaten France.

He dismissed German calls for the summit to discuss proposals for a deeper eurozone fiscal union, including a new idea for a 'budget chief with powers to veto national budgets.

"The topic of this summit is not the fiscal union but the banking union, so the only decision that will be taken is to set up a banking union by the end of the year, and especially the banking supervision," said Mr Hollande. "We have to

put into action the decisions taken in June."

Mr Hollande and leaders of EU institutions in Brussels are concerned that recent market calm has created complacency. They are anxious that any slippage on decisions made in June could reignite market attacks – particularly on Spain and Italy.

Ms Merkel said as she arrived in Brussels. "We've got to work very fast, but also very thoroughly. This is not a summit where we will make decisions, but we

will prepare decisions for December."

There was also pressure from Germany to drop an announcement specifying the next steps for the banking union, including a eurozone authority to wind down financial institutions and a eurozone-wide deposit guarantee scheme.

Ms Merkel and Mr Hollande held a bilateral meeting before the summit, and made a point of entering the conference room side by side. Mr Hollande said they had "a common responsibility"

to steer the eurozone out of crisis. But their differences contrasted with the careful show of public unity that Nicolas Sarkozy, Mr Hollande's predecessor, used to make in pre-summit talks with Ms Merkel.

Although Ms Merkel came to Brussels vowing to stick to her guns, some senior EU officials believe that Wolfgang Schäuble, her finance minister, is responsible for much of the resistance, and are hoping to win concessions from her in closed-door sessions.

Besides the Franco-German dispute, efforts to get a single eurozone banking supervisor set up this year showed other signs of fraying. Non-euro states threatened to block the move unless they had more say. "If the banking union were to be approved in the presented form, we'd veto it," said Petr Necas, Czech prime minister.

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Galicia's prodigal son turns into invisible man as popularity wanes

Mariano Rajoy

The PM's austerity measures have made him a party liability in his native region, says Miles Johnson

Mariano Rajoy, Spain's proud Galician prime minister, used to be his party's big electoral asset when returning home to the rainy northwest of the country.

Ahead of regional elections to be held in Galicia on Sunday, however, the once prodigal son has recently had to get more used to life as the invisible man.

Few of his Popular party's campaign posters feature photos of Mr Rajoy, while its candidate Alberto Núñez Feijóo has seemingly done as much as possible to distance himself from a prime minister whose austerity measures in one of Spain's traditionally poorest regions have made him an electoral liability in his own back yard.

A normally parochial affair, the Galician elections have been transformed into an event of national and even Europe-wide significance as he deliberates the politically poisonous consequences of becoming the man who requested a European rescue for Spain.

"Rajoy cannot win these elections," says Antoni Gutiérrez-Rubi, an expert in Spanish political communications. "If the PP wins, it is a victory for Feijóo in spite of the unpopularity of Rajoy. If they lose, all the blame is for Rajoy and more people within his own party will question him."

As the first elections since the government began unveiling swingeing austerity measures earlier this year, the Galician polls will serve as a pseudo-referendum on the Spanish government and may force Mr Rajoy, recently more preoccupied with European summits and leaders of foreign countries, to weigh the longer term political consequences of what is happening closer to home.

Galicians, who have endured one of the most severe austerity programmes across the Spanish regions, are not always as welcoming to Mr Rajoy as they once were, with polls indicating that Mr Rajoy's party is at risk of losing its absolute majority.

"There is not a large perception here that Rajoy has much connection with Galicia any more," says David Silva, president of the Cogami social work scheme in Santiago de Compostela. "He went down to Madrid a long time ago."

In what is a traditional heartland for the PP, ruled for 15 years by Manuel Fraga, the party's founder and a former minister under General Franco, the loss of its majority – which could then result in a loss of the region owing to coalitions between rival parties – would deal a debilitating political blow to the Spanish prime minister.

While Spain's opposition socialists are not predicted to gain ground in Galicia, the entrance of the Alternative Galician Left, a new

party headed by José Manuel Beiras, a chain-smoking veteran nationalist politician, could prise away at least the one seat of the PP's 38 that would cost it a majority in the regional parliament.

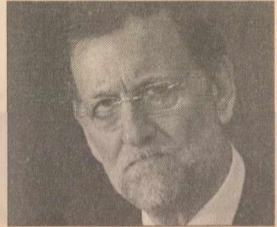
Across Spain this would indicate the support that delivered Mr Rajoy the largest majority in his party's history at general elections last November was already beginning to fade.

Elections in the Basque Country to be held on the same day are expected to provide further bad news for Mr Rajoy, with polls indicating a jump in support for Basque nationalist parties and the PP losing ground.

While Mr Rajoy has so far argued that his party's spending cuts have been necessary to save Spain's economy, there are few indications yet for voters that they have worked. Recent International Monetary Fund forecasts predict the Spanish economy will contract by 1.3 per cent next year, compared with government forecasts of just a 0.5 per cent drop.

In Santiago, where Mr Rajoy was born and came of age as a regional politician, locals report increasing signs that the state of the economy is dragging in more and more of the ruling party's electoral base.

"The type of people who



"If [the PP] lose, all the blame is for Rajoy (above), and more people ... will question him"

come here is changing," says Nazaret López, 22, a worker in a kitchen for poor and homeless people in the centre of Santiago. "The middle classes are shrinking, here and across Spain."

The number of Galicians classed as living near or below Spain's poverty line stands at 22 per cent of the total population, having increased by about 50,000 each year since 2008, according to government statistics.

Away from the symbolism of losing a grip over his home region, the greater risk for Mr Rajoy are signs that his own party faithful is increasingly beginning to question whether he is the right man to lead them in the longer term.

This week Esperanza Aguirre, the recently retired mayor of Madrid and party grandee, openly speculated that Mr Feijóo, the Galician candidate, could succeed Mr Rajoy as leader of the party. Although never an ally of the prime minister, the former mayor's intentions were clear.

"This is the first time since Rajoy came to power that people within his own party have begun to question his position," Mr Gutiérrez-Rubi says.

Athens
Protester dies during strike march

A protester died of an apparent heart attack yesterday after police fired teargas to break up an anti-austerity demonstration organised by Greek trade unions, a police official said, writes Kerin Hope in Athens.

The official said the death of the 67-year-old man was not connected with violence by leftwing groups throwing stones and petrol bombs outside parliament.

Greece's two largest unions called a 24-hour strike and march to parliament. More than 30,000 workers took part in the march through central Athens.

Government offices, banks and shops stayed closed. A three-hour stoppage by air traffic controllers caused cancellations and delays in flights from Athens airport.

Photo: AFP



Greek police battle to contain far-right violence

Extremism

The rise of the neo-fascist Golden Dawn party has alarmed officials, say Joshua Chaffin and Kerin Hope

Greece's top security official said he was determined to crack down on an alarming rise in rightwing violence but acknowledged that his police force was struggling against an unfamiliar foe.

"We are looking at uncharted grounds. We are not familiar with it. The police are not familiar with it. But they are making huge efforts to contain it," Nikos Dendias, Greece's minister of public order and civil protection, said.

Mr Dendias admitted some officers might be sympathetic to the neo-fascist Golden Dawn party, which has been blamed for much

of the violence and won a surprising 7 per cent of the vote in June elections.

But he insisted the force was broadly opposed, and that its official policy was to treat violence – regardless of its political origin – as criminal. "The fact is, the main opponent of the Golden Dawn phenomenon is the rule of law," he said. "If the police are effective, then the Golden Dawn has no reason to exist."

Mr Dendias's comments came amid concern about a string of assaults by rightwing thugs on immigrants and leftwing opponents, and accusations that Greek police were either sympathetic or acting in collusion.

Last week, dozens of members of Golden Dawn – among them two MPs – and religious groups tried to storm a theatre and stop the Athens premiere of Terrence McNally's play *Corpus Christi*, in which Jesus and the Apostles are depicted as gay men living in Texas. Police used tear-

gas to disperse the demonstrators, but made no objection when Christos Pappas, a Golden Dawn lawmaker, removed a detainee from a police bus.

In another case, a group of leftists have accused Greek police of torture, claiming they were burnt with lighters and subjected to Taser guns after a confrontation with Golden Dawn. Mr Dendias admitted officers used violence to apprehend the leftists, but stood by their denial that torture had taken place.

A lawyer from Corfu, with close-cropped hair and an imposing build, Mr Dendias may have taken on one

of the most demanding jobs in Greece when he accepted his post in late June at the urging of Antonis Samaras, the new prime minister.

"Let's be honest," Mr Dendias said. "In order to do the job, you have to accept by definition that you may not have any political future left."

The economic crisis has spawned a rise in crime in Athens, where residents say they once left their doors unlocked. It has encouraged the rise of the Golden Dawn and energised violent elements of the far left and anarchist groups, who set buildings ablaze in Athens earlier this year.

"It's not the case that the riots and the Molotovs are because some young guys suddenly explode and want to express themselves," Mr Dendias said. "This is a well-orchestrated phenomenon by people who act in a very professional way. They are

using young people and their understandable rage against what they consider as the establishment."

Mr Dendias confided his anxiety about the visit of Angela Merkel, the German chancellor, to Athens last week: "We were getting signs from the extreme left that the bells of hell were going to ring, and that sort of stuff. And we were able to avoid all that sort of violence. It even one Molotov appeared."

He argued the police had become proficient at dealing with leftist street violence through decades of – often painful – experience. By contrast, they were confronting neo-Nazis for the first time in Greece's modern history.

Other Greek law enforcement officials have also said they were struggling to develop sources within, and intelligence on, Golden Dawn.

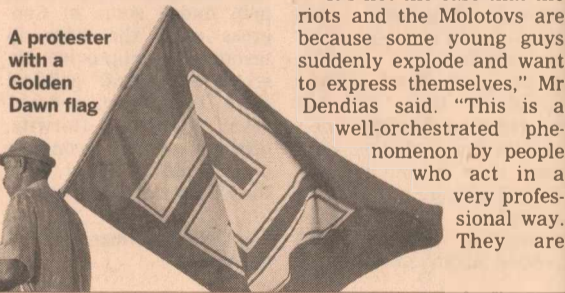
As in the rest of the Greek public sector, police numbers are being reduced.

Fewer than half of country's 52,000 officers earn more than €1,000 per month and they are facing further pay cuts.

Mr Dendias is also dealing with the EU's biggest problem of illegal migration, thanks to Greece's porous border with Turkey. Days after taking office in August, he ordered a sweep that has netted more than 16,000 immigrants and resulted in more than 1,000 deportations.

"If the irregular migrants issue is being dealt with, I think there would not be much breathing space for the neo-Nazi phenomenon," Mr Dendias said.

He said his approach of sending 2,000 additional officers to the border was beginning to bear fruit on the streets in Athens, where police checking migrants' papers are now a common sight. But he acknowledged the discontent over a string of "removal camps" in which immigrants have been detained.



A protester with a Golden Dawn flag

Turkish musician accused of insulting Islam in Twitter messages

By Daniel Dombey in Istanbul

A prominent Turkish pianist and composer has been put on trial for insulting Islam, in a case seen by some of his supporters as a test of the resilience of the country's secular system.

Fazil Say appeared in a cramped courtroom yesterday charged with "insulting religious values" in Twitter posts, accusations he rejected. The musician, who has performed with orchestras such as the New York Philharmonic and the Royal Concertgebouw in the Netherlands, faces up to 18 months in jail if convicted.

Among the tweets that

got him into trouble, Mr Say quoted the 12th century poet Omar Khayyam, who mused whether promises in the Koran of heavenly maidens and flowing wine made paradise into a brothel or a bar. The pianist also suggested that the world's "show-offs, thieves and buffoons" were Islamists.

His case has drawn particular attention amid continuing debate, notably among Turkey's traditional elites, over the impact on the country of 10 years of rule by the Justice and Development party, or AKP, which has Islamist roots. Liberals also express concern about the number of

journalists in prison, now thought to be about 75, and other pressures on the media.

"Fazil Say's trial is

another example of Turkey's terrible record on freedom of expression," said Ezgi Basaran, a Turkish columnist. "His tweets

about Islam might have offended some people but not to get offended is not a human right."

She added that, by contrast, minorities such as Kurds, Armenians, Turkey's Alevi Muslim community and lesbians and gays were often insulted in the media and in parliament.

While the AKP argues that its decade in power have shown secularist fears about a hidden Islamist agenda to be groundless, some of its critics point to the goal set by Recep Tayyip Erdogan, prime minister, of raising "a religious generation" and a recent educational

reform that greatly increased the number of religious schools.

In the light of a recent YouTube video that insulted the Prophet Mohammed, Mr Erdogan, who himself was once jailed for reciting a poem, has also promised Turkey will work on anti-blasphemy legislation. Describing Islamophobia as a hate crime comparable with anti-semitism, he has called for similar steps to be taken at an international level.

Turkey's government has shown limited sympathy for Mr Say. "I wish Fazil Say would have shown more respect for other people's

values, so that Turkey would not have to face such a case and explain it at international platforms," said Egemen Bagis, Europe minister.

But he added that if he were a judge, he would respect Mr Say's "freedom to speak drivel".

Turkish court cases are often slow and the next hearing in Mr Say's case has been scheduled for February. At Mr Say's request, the judge ruled he did not personally have to attend further hearings.

Since the prosecution began, the musician has closed his Twitter account and announced plans to move to Japan.



Fazil Say faces up to 18 months in jail if convicted

AP

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COMMENT

Learn the lesson of Cuba and seize the initiative

Philip Zelikow

Fifty years on from the Cuban missile crisis, a simple lesson of that period is often overlooked. The crisis was driven by the side that had the strategic initiative. To have the strategic initiative is to set the time, place and manner of engagement. Strategic initiative is precious in statecraft, whether diplomatic or military.

No matter who wins the upcoming US election, the next president will feel pressed to react, to put out fires. The most precious thing a president can have is the chance to set the agenda, however. He must push very hard, with great discipline, against the natural tendency to let events drive him. He should survey the sea of troubles – fiscal, Syria, Iran, European economics, relations with China and so on. Then he should choose his spots, set his timetable and frame an agenda. He should build coalitions he needs at home and abroad, and drive the action.

Recall the basic moves and countermoves of that crisis 50 years ago. The government of Nikita

Khrushchev had a plan to deploy a huge nuclear missile force to Cuba in secret. The idea was that, once he unveiled this deployment, he would bring the simmering Berlin crisis to a triumphal end – because his move would so visibly call the US bluff that defended West Berlin, namely the threat to start a nuclear war if the Soviets used their conventional power against the city. Khrushchev planned to be in a position to call that bluff by late November 1962, after the US midterm congressional elections, when all his missiles in Cuba would be ready for action.

However, it was Khrushchev who was surprised, after the US ventured a risky U-2 overflight of Cuba on October 14 and spotted the Soviet preparations, then well advanced. The Americans kept their astonishment and anger secret until they made their own countermove on October 22. That is when John F. Kennedy, then US president, went on national television to demand the missiles' removal, and to order a naval blockade of Cuba that would freeze the situation and underscore its seriousness. The US had seized the strategic initiative. They had

already set in motion plans for consultation and co-operative action with key allies in Europe, in the Organization of American States and in the UN.

The Soviets were caught off-balance, their work unfinished, with missiles still en route. From that point on, records of Soviet deliberations show a government that expected to yield, scrambling to

The new US president should survey the sea of troubles, choose his spots, set his timetable and drive the action

save face and recover something from the shambles. For the Soviets, the collapse of the Cuban venture also meant the quiet cancellation of their planned Berlin move. The Americans saw an opportunity to end a dangerous chapter of the cold war. Strategic initiative had counted.

Bring this story forward to 2012 and 2013. What would a focus on

strategic initiative imply? Think about priorities and choreography. Presidents, unlike most policy experts, must see the world as a whole. As an illustration, imagine a choreography in which fiscal and economic renewal comes first. That might mean deferring any big move in relations with China until it could be handled on a better footing. Or a more coherent policy on Syria could precede and help lay the groundwork for a later policy move on Iran.

Strategic initiative seems an obvious element of leadership. Often overlooked is just how difficult it is to this through and organise a sequence of moves on such an array of complex issues. So part of the challenge is to allocate high-level talent and energy correctly. Fifty years ago the Kennedy administration subordinated everything else to the crisis.

Whoever is president, the most important national security challenge in early 2013 will be the renewal of US fiscal and economic stability. Done well it can reverse some of the reality and most of the image of American lassitude and confusion. But to do it well,

the president must focus on this.

Thus, on a simmering crisis such as Iran, the president should defer any real confrontation to a time, place and manner of his choice – not Iran's choice or Israel's choice. That might not be attainable, but it should be the objective.

So, in this analysis, the new president should seek to avoid any major foreign confrontation until well into 2013, at the earliest. Recent statements by Israeli and US leaders acknowledge this – if only tacitly. There will be an important window for diplomacy.

Even if confrontation looms, there are ways to begin military action without making huge air strikes inside Iran the opening move. That too is a suggestive insight from the crisis of 50 years ago.

In any case, the next president should try, at least for a time, to keep the initiative on how to use the bulk of his time, energy and power.

The writer is a dean and historian at the University of Virginia, a former state department official and the co-author of 'Essence of Decision' and 'The Kennedy Tapes'

Look before you leap into eurozone banking supervision

David Green

There has been widespread political support for a rapid move to collective European banking supervision, even on the part of the British government (provided it extends only to eurozone banks). The European Commission aims to present proposals for decision before year-end. What criteria should we use to assess whether they are fit for purpose?

The rationale for such a move is that many believe national supervisors can no longer be trusted to supervise their own banks adequately, with consequences for other countries, especially those who need to support other countries' banks through the eurozone rescue funds. It is presumed that a supranational EU, or perhaps eurozone supervisor, would make a better job of operational prudential supervision, although member states would remain responsible for conduct of business supervision.

There has been much debate about which banks common supervision should cover and whether it could work without also putting in place common deposit insurance and bank resolution arrangements. Voting rights are also a focus of debate, though whether voting on a national basis is the right way to improve supervision is a moot point.

But there has been much less discussion of what supranational supervision actually entails. To assess the commission's proposals, we need to answer the following.

Who sets the supervisory culture for banks and those who run them, and with what legal authority? Which courts are to enforce supervisory decisions and hear appeals from institutions and individuals (including on fitness and propriety and ownership issues)? In which courts can interested third

Brexit: Europe loses patience with British exceptionalism

Philip Stephens

The story of British disengagement from the EU is often told as one of a proud island nation struggling to unshackle itself from its neighbours. The political dynamics, though, are changing. As David Cameron's government shuns the closer integration born of the euro crisis, British pull is now being reinforced by continental push.

European leaders at this week's Brussels summit have other things on their minds – Greece, Spain and banking union among them. The future of the euro is not yet assured. Mr Cameron has chosen the role of bystander. And yet the outcome of the deliberations could well give another important nudge towards Britain's departure from the EU.

The prime minister insists that he still backs membership, albeit on renegotiated terms. In a telephone conversation this week with Angela Merkel, he gently chided the German chancellor for scuppering the Europe-wide defence industry co-operation promised by a takeover of BAE Systems by EADS. Nick Clegg, Mr Cameron's Liberal Democrat coalition partner, counts himself a staunch pro-European. Labour's Ed Miliband castigates the government for self-imposed isolation in Europe.

Mr Cameron, however, is a prisoner of his party's anti-Europeans. As they ride the tide of public opinion, he fears the alternative to retreat from the EU is an irrevocable Conservative split. Mr Clegg has proved an inadequate brake on Tory hostility; and Mr Miliband refuses to risk unpopularity

by staking political capital on Europe. Beyond the realm of politics, investors in Britain have been slow to wake up to the implications of what the Centre for European Reform has dubbed "Brexit".

Missing from the domestic debate has been any recognition of the change of mood among other Europeans. In their demands for special treatment, the calculation of successive British governments has been that more federally-minded Europeans would bend to the threat of Britain's departure. There was some truth in this. But the euro crisis has presented these leaders with more urgent priorities than indulging the veto-waving British.

Soon after Mr Cameron's coalition was established in the summer of 2010, one of his more stridently euro-sceptic ministers was reported to have said that there was no longer a need for Britain to leave Europe because Europe was leaving Britain. The observation has turned out to be more prescient than he imagined.

Europe has tired of London's demands for exemptions and opt-outs from the rules of the Union. Other leaders have serious business to transact to rescue the euro. If Britain wants out, continental politicians are now hard to say, it should get out.

The prime minister promises a "big speech" on the subject sometime soon. He wants to set out the terms for a new relationship. The plan is to negotiate a series of concessions as the price for British consent to the treaty changes the euro group will need for deeper integration. The package could then be put to the British people in a referendum.

There are several snags to this scenario. The most obvious is that the government is running out of things from which to "opt out". It is outside the euro and, unlike say Poland, has no intention ever of joining. It has declined to be part of a fiscal pact or banking union.



Mr Cameron wants a two-tier budget to separate Britain's contributions to Brussels from eurozone spending.

Britain has long shunned the Schengen open borders arrangement. Now Mr Cameron plans to withdraw from EU-wide co-operation on matters of crime and justice. Beyond the single market and external trade policy – red lines for everyone else – this leaves precious little left from which Britain can exclude itself.

Another problem lies in the presumption that others will be malleable. In truth, the veto has lost its potency. When Britain deployed it in December last year, eurozone leaders simply created a parallel structure for fiscal co-operation. In France there is positive enthusiasm for such an approach. Germany would once have made an effort to accommodate British exceptionalism. But Ms Merkel has lost patience.

She is not alone. Mr Cameron has ignited overtures from Mario Monti, the Italian prime minister, for closer co-operation in single market policy. Mariano Rajoy, the centre-right Spanish leader, looks to Berlin rather than London. François Hollande, France's Socialist president, was never going to be a close chum. Britain's point-blank refusal to contribute to any of the support mechanisms for the euro has

baffled even close allies such as Sweden. Others confess they are tired of British lectures about how they should order their affairs.

Mr Cameron's administration has run out of what political scientists call "soft power". The reservoir of goodwill is dry. When Britain demands assurances that the new banking union will not undercut its own influence over financial regulation, others ask why London should remain the continent's pre-eminent financial centre.

There have been many crises in Britain's relationship with the EU. This one feels very different. The arrangements for banking regulation may provide a template for a new institutional architecture that effectively excludes Britain from decision-making across the single market. The consequence would be to leave Britain in a position not dissimilar to that of EU outsiders such as Norway and Switzerland – bound by the rules and to pay their dues but unable to shape anything.

Mr Cameron is said to be drawing a road map for Britain's future in Europe. He has failed to notice that, as they strike out in the other direction of closer union, his partners are content to say goodbye.

The A list

My vision for Europe's future

Whatever the single currency's fate, the crisis will transform the EU, writes David Miliband

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Mali can look to Somalia in battle against al-Qaeda

Justin Marozzi

What to do about Mali? It is a question the international community is starting to ask in earnest, if not yet get to grips with entirely. Few policy makers in Washington or Europe may be able to point out the country on a map, but recent events in the fragile west African state have thrust it high up the international agenda.

First, some background. In March, President Amadou Toumani Toure was overthrown in an incomplete military coup. That allowed al-Qaeda-allied Islamists and rebels from the Tuareg, a native Berber people, to seize control of northern Mali. Since then, the insurgents have wasted little time implementing an agenda that is worryingly familiar to seasoned al-Qaeda watchers.

Rape, forced marriage and forced prostitution have been widely reported, together with the stoning to death of an unmarried couple and public amputations for thieves. Ancient Sufi shrines have been demolished for supposedly infringing sharia law. About 1.5m Malians have

been displaced. The UN warns that war crimes may already have been committed by al-Qaeda in the Islamic Maghreb and its allies.

After recent experiences in Afghanistan and Somalia, the international community is warier than ever of allowing another vulnerable country to descend into a failed-state haven for terrorists. Many fear that instability in Mali will exacerbate the effects of drought and food shortages and precipitate a full-blown humanitarian disaster.

Encouragingly, there appears to be some sense of urgency. On October 12, the UN Security Council passed a resolution paving the way for military intervention by Ecowas, the west African regional grouping. Detailed operational planning must now emerge from African organisations within 45 days. Lest there be any suggestion that the international community is overreacting, it is worth considering the Islamists' response to proposed intervention. They pledged to "open the doors of hell" for French citizens in Mali and send President François Hollande pictures of dead French hostages.

If intervention is imminent, as seems increasingly likely, what sort of engagement can be expected? One model receiving increasing attention is Somalia, where African Union and Somali security forces have been fighting a vicious campaign against the foreign-led, al-Qaeda allied al-Shabaab insurgents since 2009. al-Shabaab has been driven out of Mogadishu, creating the space for

Financial, logistical and intelligence support from the west enables African solutions to be applied to African problems

politicians to come together to write their own political future. Somalia remains fragile and dependent on external support, but it can now hope for economic recovery under a more democratic government.

There are parallels between Mali and Somalia. For al-Shabaab in Somalia, read AQIM, the Movement for Unity and Jihad in west Africa

and other Islamist organisations that have come to prey on Mali. The nature of the international response in Somalia could also yield lessons for Mali, above all the shared responsibility and partnership between African nations and organisations, the UN and external funders.

It is instructive – and reassuring – that no one envisages sending US or other western forces to Mali. International intervention by proxy has become a more attractive option since the hard-won progress in Somalia. This model enables western powers to commit money and materiel rather than manpower to a problem with ramifications that go far beyond Mali's borders.

For the African Union and Ecowas, foreign financial, logistical and intelligence support enables the application of African solutions to African problems. It is an effective partnership, currently working in practice in Mogadishu, until recently, widely known as the most dangerous city in the world.

There is no question that any intervention in Mali will be hugely challenging. It is extremely doubtful

that the 3,000 troops proposed by Ecowas would be sufficient to help recapture the 300,000 square miles of northern Mali seized by the Islamists. Amisom, the AU mission in Somalia, now numbers almost 18,000 by comparison. However many security forces are deployed, it will be imperative to deny al-Qaeda control over airports, military installations, training areas and arms caches soon, before they become harder to expel. A further Security Council resolution is also required to authorise action in Mali.

It is to be hoped that western backing and African manpower will now combine to drive out the toxic al-Qaeda alliance from Mali for good. On 19 October, when representatives of the UN, Ecowas, the AU, EU and neighbouring countries meet in the capital of Bamako to discuss next steps, they have the opportunity to demonstrate decisively that they mean business. The world will be watching.

The writer is a former member of the Banking Supervision Committee of the European Central Bank and co-author of 'Global Financial Regulation: The Essential Guide'