

Views

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CONSPIRACY WORLD

Behind every nonpartisan institution, the American far-right sees the malevolent hand of a liberal cabal.

When Republicans began questioning President Obama's birth certificate four years ago, it seemed at first like a petulant reaction to a lost election, a flush of nativist and racist anger that would diminish over time. But the preposterous charges never went away. As this election cycle shows, many in the Republican Party continue to see the president as the center of a broad and malevolent liberal conspiracy to upend the truth.

To live and seethe in that world of conspiracy theories means rejecting any form of objective reality. When unemployment numbers make the administration look good, they are obviously "cooked." When poll numbers put Mr. Obama ahead, they are skewed. Safety-net programs are giveaways to supporters. Health insurance reform is socialism.

When desperation leads political critics of the president to discredit important nonpolitical institutions — including the Census Bureau, the Bureau of Labor Statistics, the Federal Reserve and the Congressional Budget Office — the damage can be long-lasting. If voters come to mistrust the most basic functions of government, the resulting cynicism can destroy the basic compact of citizenship.

Last week, the Labor Department reported that the unemployment rate had fallen to 7.8 percent, depriving Mitt Romney of his standard talking point that the rate had never been below 8 percent during Mr. Obama's term. No one expected Republicans to celebrate a positive trend for the country, but almost immediately the anchors on Fox News and the editors of right-wing Web sites saw something more sinister: a conspiracy to manipulate the numbers to make the president look good.

The charge was absurd. The Bureau of Labor Statistics, which along with the Census Bureau conducts the underlying household survey, is run by career civil servants and is impervious to political pressure and manipulation. But, this time, the conspiracy theorists went beyond the usual suspects. Jack Welch, the former chief executive of General Electric, said Mr. Obama's Chicago staff obviously changed the numbers, though he had no evidence. That's the same mentality that led ideologues last month to accuse independent pollsters of skewing polls to show Mr. Obama ahead, though no such charges are emerging now that Mr. Romney is improving in the polls.

Democrats aren't happy about the latest polls, but they aren't suggesting Mr. Romney is manipulating them. Many are far more worried about a conspiracy that is verifiable and serious: the concerted effort by Republicans to deprive minorities, poor people and other likely Democratic supporters of their voting rights. That, of course, doesn't seem to bother those who see "Chicago's" evil hand everywhere. When there is real-world evidence of political collusion, the conspiracy theorists are nowhere to be found.

FRAUD IN SCIENCE

A surprising surge in the number of scientific papers that have had to be retracted because they were wrong or even fraudulent has journal editors and ethicists wringing their hands. The retracted papers are a small fraction of the vast flood of research published each year, but they offer a revealing glimpse of the pressures driving many scientists to improper conduct.

Last year, *Nature*, a leading scientific journal, calculated that published retractions had increased tenfold over the past decade — to more than 300 a year — even though the number of papers published rose only 44 percent. It attributed half of the retractions to embarrassing mistakes and half to "scientific misconduct" such as plagiarism, faked data and altered images.

Now a new study, published in the *Proceedings of the National Academy of Sciences*, has concluded that the degree of misconduct was even worse than previously thought. The authors analyzed more than 2,000 retracted papers in the biomedical and life sciences and found that misconduct was the reason for three-quarters of the retractions for which they could determine the cause. The problem is global. Retracted papers were written in more than 50 countries, with most of the fraud or suspected fraud occurring in the United States, Germany, Japan and China.

There are many theories for why retractions and fraud have increased. A benign view suggests that because journals are now published online and more accessible to a wider audience, it's easier for experts to spot erroneous or fraudulent papers. A darker view suggests that publish-or-perish pressures in the race to be first with a finding and to place it in a prestigious journal has driven scientists to make sloppy mistakes or even falsify data. The solutions are not obvious, but clearly greater vigilance by reviewers and editors is needed.

Can Germany save the euro?

THE EURO CRISIS I

If the currency is to survive, German policymakers have to play a more assertive role in the governance of the euro zone.

Dalibor Rohac

Chancellor Angela Merkel of Germany was welcomed to Athens this week with signs saying: "Angela don't cry. There is nothing left in the la... to take."

Although we may sympathize with ordinary Greeks who are suffering through a severe recession, double-digit unemployment and a government that cannot honor its spending obligations, that remains an uncharitable and misguided way of framing the problem. Merkel did not visit Athens to pilage; she was there to try to help the Greeks.

In fact, if the euro is to survive, German policymakers have to play a much more assertive role in the governance of the euro zone. Moreover, other euro-zone countries need to learn to play along and abandon the mind-set of Germany as a quasi-colonial power. European countries need to learn to appreciate the value of fiscal responsibility and get serious about tackling their fiscal and structural problems. There may be good reasons why not

all European nations can be like Germany. The Greeks will not start paying taxes just because Merkel wishes they would. Interest groups, preventing structural reforms in countries on the euro zone's periphery, are not going to disappear overnight. More broadly, it is next to impossible to build credible institutions for economic prosperity by fiat.

But that only means that the euro zone needs stricter criteria for admitting new members, along with a mechanism that allows for real sanctions against members that misbehave.

Germany is the only nation that has the political capital to urge Europe to put in place such governance mechanisms. With its economic weight, Berlin is uniquely placed to assume a stronger leadership position in reshaping the governance of the euro zone.

To succeed, Germans need to revive the "ordoliberal" ideas that drove the postwar economic miracle of their country. German ordoliberals — exemplified by figures such as Wilhelm Röpke and Walter Eucken — pioneered balanced budgets, independent monetary policy and competitive markets. All three are under attack in the present-

day euro zone.

The Germans need to learn to trust their instincts. They were right to be reluctant to grant the first bailout package to Greece in May 2010. Two years and two bailout funds later, if the Greeks don't receive the next €31.5 billion installment, they will run out of money by November.

It is becoming increasingly obvious that everyone involved would have been better off if the Greek government had been forced into debt restructuring upfront, even at the cost of imposing substantial losses on its creditors.

For the sake of saving the euro, Germans need to regain control of the European Central Bank. With Mario Draghi's bond-buying scheme, the E.C.B. has become a simple instrument of monetizing the debt of individual member countries. Instead of bailing out countries through the backdoor, the E.C.B. needs to return to its monetarist roots, and stabilize nominal spending in the euro zone.

This may mean more aggressive monetary policy than what has been pursued to date, but it also means erecting a firewall between the E.C.B.

and the temptation to serve the immediate liquidity needs of individual euro-zone governments.

It is worth stressing that none of this implies deeper political integration of the Continent. A banking union is emphatically not the solution to our current illness. Nor is a fiscal union.

As Otmar Issing, a former member of the E.C.B.'s executive board, put it in the *Financial Times*, both ideas are "worthy of satire," as they "imply huge financial risks for a few member countries and could... destroy the foundation on which such a process finally rests, namely the identification of the people with the European idea."

Europe does not need a closer political union — it just needs a union that works.

It is not too late to start doing the right thing. If applied consistently and with vigor, German ordoliberalism can save the euro and lay the foundations for economic prosperity on the Continent. But if Merkel misses the this window of opportunity, Europe's economic prospects will be bleak.

DALIBOR ROHAC is an economist at the Legatum Institute in London.

Greece's bloated public sector

THE EURO CRISIS II

Calls to slash a massive bureaucracy give way to the reality of the public sector's political clout.

John Sfakianakis

For generations, political power in Greece has been based in large part on providing public sector jobs in exchange for votes. To protect workers from being thrown out when a rival party came to power, virtually iron-clad job protections for government workers were enshrined in the Constitution. Though it was very rare for a government worker to be dismissed, this did not stop politicians from continuing to hire supporters — feeding a bloated, inefficient and expensive public sector that was accountable to no one.

Every political party, whether in the coalition government or in opposition, fears the consequences of losing the support of a voting bloc of more than 700,000 government employees and their families.

So today, for every seven private employees who have been laid off, only one has left the public sector. This leaves fewer and fewer workers in a country where the unemployment rate now hovers around 25 percent to pay the taxes that provide the salaries for the people who work for the government.

The current government, formed by the New Democracy, Pasok and Democratic Left political parties, while devoted to keeping Greece in the euro zone, makes no secret of its allegiance

to its supporters in the public sector.

When the coalition was formed in June it immediately issued a statement saying that "the general aim is no more cuts to salaries and pensions, no more taxes," and added that it would not carry out any public sector layoffs.

Greece's creditors — the troika comprised of the European Commission, the European Central Bank and the International Monetary Fund — have made public-sector layoffs a condition

for providing the next tranche of the biggest bailout in history. But political pressure remains fierce. Many analysts say that the new-found strength of Syriza, the formerly fringe leftist group that is now the main opposition party in Parliament, came as support eroded for the governing coalition that is trying to reform Greece.

The expansion of Greece's huge government sector took decades to create, but its growth in recent years has been particularly striking. Public employment grew by fivefold from 1970 through 2009 — at an annual growth rate of 4 percent, according to a recent academic study by Zafiris Tzannatos and Iannis Monogios. Over the same four decades, employment in the private sector increased by only 27 percent — an annual

rate of less than 1 percent.

"Instead of shrinking the bloated government apparatus and making it more efficient, New Democracy and Pasok hardly even touched it," Stefanos Manos, a former Greek finance minister, said in an interview with *Frankfurter Allgemeine* in June. The two parties, which alternated in power in the decades since the end of military rule in 1974, "increased the taxes to unhealthy levels and risked a recession to protect their clientele in the state apparatus," Manos said.

According to the Organization for Economic Co-operation and Development, in some government agencies overstaffing was considered to be around 50 percent. Yet so bloated were the managerial ranks that one in five departments did not have any employees apart from the department head, and less than one in 10 had over 20 employees. Tenure ruled over performance as the factor determining pay.

Wages in the public sector were on average almost one and half times higher than in the private sector. Government spending on public employees' salaries and social benefits rose by around 6.5 percentage points of G.D.P. from 2000 to 2009, while revenue declined by 5 percentage points during the same period. The solution was to borrow more.

Continuous over-consumption in the public sector has contributed to productivity losses and trade imbalances. In a report last year, the World Eco-

nomics Forum ranked Greece's public institutions No. 84 in the world. Germany was 13.

Public sector wages account for some 27 percent of the government's total expenditures. As the crisis has worsened, Greece has shed some government workers, mostly through retirement, but it has failed to implement a so-called labor reserve law last year, which called for the eventual slashing of 30,000 public sector jobs. According to the country's national statistical service, since December 2009 the number of people working for the government is down 12 percent. But the number of workers in the private sector has dropped by 55 percent.

Painful salary, pension cuts and higher taxation could have been avoided had the public sector been downsized from the outset of the crisis. Had the rate of public sector layoffs been doubled, the country may have been able to reach a surplus in 2011 and would have likely achieved one in 2012. The pension system could have been in better shape and taxpayers could have avoided paying more while earning less.

In the past, a more productive and expanding private sector could have withstood — to a degree — the financial drain of a costly and profligate public sector. Today, shielding the public sector is no longer an option, especially when it comes at the expense of the welfare of the population.

JOHN SFAKIANAKIS is a Greek economist.

Long live paper

Replacing the paper textbook with widely hyped but unproven digital readers could prove extremely dangerous.

Justin B. Hollander

MEDFORD, MASSACHUSETTS Last week, Education Secretary Arne Duncan declared a war on paper textbooks. "Over the next few years," he said in a speech at the National Press Club, "textbooks should be obsolete." In their place would come a variety of digital-learning technologies, like e-readers and multimedia Web sites.

Such technologies certainly have their place. But Secretary Duncan is threatening to light a bonfire to a tried-and-true technology — good old paper — that has been the foundation for one of the great educational systems on the planet. And while e-readers and multimedia may seem appealing, the idea of replacing an effective learning platform with a widely hyped but still unproven one is extremely dangerous.

A renowned expert on reading, Maryanne Wolf, has recently begun studying the effects of digital reading on learning, and so far her results are mixed. She worries that, as with internet reading, in particular, could be such a source of distractions for the student that they may cancel out most other potential benefits of a Web-linked, e-learning environment. And while it's true that the high-tech industry has sponsored substantial amounts of research on the potential benefits of Web-based learning, not enough time has passed for longitudinal studies to demonstrate the full effects.

In addition, digital-reading advocates claim that lightweight e-books benefit students' backs and save schools money. But the rolling backpack seems to have solved the weight problem, and the astounding costs to outfit every student with an e-reader, provide technical support and pay for regular software updates promise to make the e-text-

book a very pricey option.

As both a teacher who uses paper textbooks and a student of urban history, I can't help but wonder what parallels exist between my own field and this sudden, wholesale abandonment of the technology of paper.

For example, when cars began to fill America's driveways, and new highways were laid across the land, the first thing cities did was encourage the dismantling of our train systems. Streetcar lines were torn up. A result, for many cities, was to rip apart the urban core and run highways through it, which only accelerated the flow of residents, commerce and investment to the suburbs.

But in recent years, new streetcar lines have been built or old systems extended in places like Pittsburgh, Jersey City and Phoenix. They are casting aside a newer technology in favor of an older one.

This lesson of technology-inspired extinction can be retold in many other domains of life: the way phonographs nearly disappeared when the music CD was invented; the rejection of bicycles in the middle of the 20th century; the shuttering of Polaroid factories with the advent of digital cameras.

My point is not that these are all pernicious or reversible developments. On the contrary, we have all benefited from new advances in medicine, communications and computing, even those that displaced familiar technologies.

The Polaroid is a wonderful device for what it is, but it will and should remain a technological novelty. On the other hand, few higher-tech formats deliver the lush sound quality of the vinyl record, and younger generations have recently returned to the format.

In other words, we shouldn't jump at a new technology simply because it has advantages; only time and study will reveal its disadvantages and show the value of what we've left behind.

Which brings us back to paper. With



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strength and durability that could last thousands of years, paper can preserve information without the troubles we find when our most cherished knowledge is stuck on an unreadable floppy disk or lost deep in the "cloud."

Paper textbooks can be stored and easily referenced on a shelf. Data are as easy to retrieve from paper as reaching across your desk for a textbook. They are easy to read and don't require a battery or plug. Though the iPad and e-readers have increasingly better screen clarity, the idea that every time a person reads a book, newspaper or magazine in the near future they will

require an energy source is frightening. The digitization of information offers important benefits, including instant transmission, easy searchability and broad distribution. But before we shred the last of the paper textbooks, let us pause and remember those old streetcars, and how great it would be if we still had them around.

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