

## Catch up: the ECB cuts rates; South Korea's president clings to power



The **European Central Bank** cut interest rates by a quarter of a percentage point, from 3.25% to 3%. It was the bank's fourth such cut this year. The ECB is aiming to [revive growth](#) as inflation nears its 2% target. It also cut its 2025 GDP growth forecast for the euro area, from 1.3% to 1.1%. Christine Lagarde, the ECB president, said that forecasts did not account for potential tariffs from a Trump administration, hinting at further downgrades.

**Yoon Suk Yeol**, South Korea's president, defended his [short-lived martial law](#) declaration last week, vowing "to fight till the end". In a defiant address, he described his critics as "anti-state forces". Shortly before, the leader of Mr Yoon's ruling party said the president should be impeached in a second vote on Saturday. The party boycotted the first vote.

The head of **Iran's Revolutionary Guards** said that the country must adapt to the [new "realities" in Syria](#) following the ousting of its ally, Bashar al-Assad. **Hayat Tahrir al-Sham**, the Islamist group that led the [offensive](#) that toppled the regime, has vowed to

pursue those responsible for torture and killings under the dictatorship. In Qardaha, a town in the north, Assad's family tomb was scorched.

**Meta**, the owner of Facebook and Whatsapp, donated \$1m for **Donald Trump's** inauguration events, according to the *Wall Street Journal*. It is the first time Mark Zuckerberg, the social-media firm's boss, has contributed to the costs of such an occasion. Mr Trump has criticised Meta in the past. This reflects Silicon Valley's push for political influence—and [big tech's swing to the right](#).

**Romania** and **Bulgaria** will become full members of the European Union's Schengen area from January 1st 2025. They joined the bloc in 2007, but concern over corruption, organised crime and irregular migration delayed their accession to its passport-free travel zone. Last month Austria finally lifted its veto. But as two members join, others, including Germany, have [reintroduced border controls](#).

President **Joe Biden** granted clemency to nearly 1,500 people on Thursday, the highest ever in a single day. The commutations mostly concern individuals placed under home confinement during the pandemic. He also pardoned 39 people convicted of non-violent crimes like possession of marijuana. Mr Biden was criticised two weeks ago for [pardoning his son](#), Hunter, for various convictions, including tax evasion.

**Australia's** government announced a “news bargain incentive” that will give digital platforms, such as Meta and Google, a tax refund if they pay for news. Failure to pay would result in an annual charge. The government insisted the move was not about raising revenue, but to ensure that digital platforms contribute to “Australians' access to quality journalism”.

**Figure of the day:** 25%, the rough share of British households receiving their electricity from Octopus Energy, up from less than

2% in 2018. [Read the full story.](#)

# The future of Syrians in Europe



The collapse of Bashar al-Assad's brutal regime is prompting questions over what will happen to more than 1m Syrians who sought refuge in Europe during their country's 13-year civil war. The [rapid influx](#) was in part what prompted a "migration crisis" in Europe in 2015, which benefited some hard-right [politicians](#).

Statues of the fallen dictator had barely hit the ground when several EU countries, including Germany and Italy, said they were halting the processing of asylum applications from Syrians. Austria has mooted a "programme of orderly repatriation and deportation" but says this is focused on criminals. Along with Italy, it had previously debated working with the Assad regime to see if migrants could be sent back. Nothing is likely to happen fast: European authorities designate Hayat Tahrir al-Sham, the rebel group now in charge in Damascus, as a terrorist organisation, making it hard to arrange for repatriations even if that were feasible.

# A nudge for Europe's economy



The euro zone's economy is only about 1% bigger than it was a year ago. And inflation, at 2.3% in November, is close to the European Central Bank's target of 2%, though prices of services have been rising by around 4% a year and there is sustained pressure from growing wages—the Netherlands, which has the most up-to-date figures, estimates these as rising at 6.5%.

So when the ECB met for the first time since the election of Donald Trump, on Thursday, it cut interest rates by 0.25 percentage points, to 3%. [Europe's economy could use the push](#). France is without a government and has to cut spending. Germany's economy remains stagnant. Business confidence has been declining throughout 2024. The widely watched purchasing managers' index is signalling contraction. And a trade war with the incoming Trump administration looms. Better keep the euro-zone economy grinding ahead.

# The Democrats in search of direction



As Donald Trump prepares to return to the White House, Democrats are adrift. President Joe Biden has ceded the spotlight. Kamala Harris is weighing up her future after losing the election in November. In that leadership vacuum, Democratic lawmakers and analysts are offering [competing diagnoses](#) of where the party went wrong and prescriptions for how it can right itself.

Centrists say the party waited too long to address the border crisis and failed to distance itself from unpopular culture-war stances. Leftists say Democrats need to embrace pro-labour economic populism to win back working-class voters. The next chair of the Democratic National Committee will help set the agenda. On Thursday the DNC's rules committee meets to plan how the elections, due in February, will be structured.

So far five candidates—all men, four of them white—have put their names forward. Ken Martin, who leads Minnesota's Democratic Party, is the frontrunner. He is calling for a “massive” re-brand aimed at convincing working-class Americans that the Democrats are behind them—but offering few details on how to do that.



## Macron mulls a new PM



France's president, Emmanuel Macron, heads for a visit to Poland on Thursday, fleeing his [country's political troubles](#). He will meet Donald Tusk, the Polish prime minister, to discuss how Europeans might organise Ukraine's security under the incoming American administration. Mr Macron orchestrated talks on Saturday between Donald Trump, the president-elect, and Volodymyr Zelensky, Ukraine's president, when both came to Paris for the re-opening of Notre Dame Cathedral.

Mr Macron's domestic woes have hurt his European standing. He is expected to announce a new prime minister on Thursday, to replace Michel Barnier, who was [evicted by parliament](#) last week. The French president has held talks with party leaders reaching from the left to the conservative right, though excluding the furthest fringes. Mr Macron will need cross-party agreement not to topple his next appointee. Whoever he picks will still have to draw up a new budget, and deal with a National Assembly split into three minority blocs.

## “The Nickel Boys” shines on screen



Colson Whitehead has won a cabinetful of awards for writing inventively about race in America, with pathos, humour and curiosity, and without didacticism. He won his second Pulitzer for [“The Nickel Boys”](#), a novel about two boys—decent, steadfast Elwood and cynical Turner, who become friends at the Nickel Academy, a grotesque chanel house of a reform school in Florida in the 1960s. The book is based on a true story: dozens of boys were abused, killed and buried on the grounds of the state-run Dozier School.

[The film version](#)—directed by RaMell Ross, best known for his documentary work about rural Southern African-Americans—is released in cinemas in New York this week. Mr Whitehead’s books have not always translated well into film because so much of what makes them compelling is his masterful, wry voice. But “Nickel Boys” has received sterling early notices; Mr Ross’s restrained, patient style, which earned him an Academy Award nomination in 2019, seems well suited to the grim subject matter.



## Daily quiz



*The Economist*

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 GMT on Friday to [QuizEspresso@economist.com](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Thursday:** Which movie starring Ernest Borgnine won the Oscar for best picture in 1956?

**Wednesday:** Who was the lead singer of the band Culture Club?

**Ignorance is not innocence but sin.**

*Robert Browning*