

Christine Lagarde: crisis fighter at home in halls of power

AFP, BERLIN
After a career breaking glass ceilings to join a tiny global elite, Christine Lagarde will bring experience of cool-headed crisis fighting to her job as first female head of the European Central Bank. The 63-year-old Frenchwoman arrives at the ECB after weathering the financial crisis and its aftershocks at the French finance ministry, in 2007-11, and the International Monetary Fund in 2011-19 -- the first woman to hold both jobs. She faced one catastrophic threat after another, from financial sector meltdown in 2008 to the Greek and Argentine debt crises. Formerly a successful corporate lawyer, Lagarde is praised for tactical nous, levelheadedness and stamina. Her lack of a formal economics education also leaves her less bound by ideological convictions.

After three ECB chiefs well-versed in tinkering with interest rates and soothing the fears of financial markets, she may have to work harder to secure credibility -- a central banker's most invaluable asset. But Lagarde, unused to failure, "knows perfectly well what she has to do" at the ECB, departing chief Mario Draghi said Thursday. Her one prominent black mark is a "negligence" conviction over a business arbitration as economy minister that cost taxpayers dearly.



Judges spared her a sentence out of concern for her "international reputation". The daughter of two teachers, Lagarde was a champion synchronised swimmer in her youth. Some of her zeal for women's cause

may date back to being refused a job as a young lawyer "because you are a woman". Usually smiling and standing out by her stature and silver bob, Lagarde climbed the ladder into the circles of the powerful. Her ascent recalls the Latin motto of the elite Holton Arms high school she attended for one year in Maryland, "Inveniam viam aut faciam" -- "I will find a way or create one". She only really came to public prominence in 2005, when France's

conservative government tapped the then-president of law firm Baker and McKenzie in its search for fresh faces. Beginning as trade minister, Lagarde ascended to the economy portfolio two years later, just before the 2008 financial crisis and global recession.

When a new IMF chief was needed after former chief Dominique Strauss-Kahn's sexual assault scandal, she made the leap. Lagarde was soon trotting the globe, selling economic orthodoxy in near-flawless English. The IMF's widely-criticised role in repeated rescues of Greece brought her into close contact with the ECB, while she rarely hesitates to ruffle feathers among her former European partners or to break diplomatic protocol.

In her private life, Lagarde is an item with French businessman Xavier Giocanti, after splitting from the father of her two sons. From marking her political career in France, Lagarde's habit of speaking her mind took on new dimensions on the international stage. She once urged austerity-battered Greeks to "pay their taxes" to help end the government's fiscal woes, as well as at one point bemoaning the lack of "adults in the room" at talks with Athens and its creditors. Greeks have also targeted her for the harshest criticism, with the leftist Syriza government once accusing the IMF of "criminal responsibility" for the country's troubles. Lagarde attempted to learn from the Greece crisis in dealings with Argentina, placing responsibility for reforms firmly on Buenos Aires' shoulders. While the country is struggling to repay its record \$57 billion loan from the IMF, she insisted last month that things would be "a lot worse" if the fund had not intervened. Athletic, a vegetarian and a non-

Euro zone business lending growth plunges in Sep

Reuters, FRANKFURT

Bank lending to euro zone companies fell last month with all big countries recording drops, suggesting that the bloc's economic slowdown is increasingly persistent and widespread, data from the European Central Bank showed on Monday. Hoping to arrest a lengthy economic slump originating mostly from Germany's vast industrial sector, the ECB approved a fresh stimulus scheme last month, partly aimed at banks so they would continue to provide credit to the real economy. But data suggests that the slowdown is spreading to other countries and also to the services sector, pointing to a protracted period of anaemic growth that is weighing on jobs growth.



Indeed, corporate lending growth across the 19-member currency bloc slowed to 3.7 percent in September from 4.3 percent in August, with France, Germany, Italy and Spain all showing drops. The monthly flow of credit to corporations across the bloc was a negative 8.1 billion, the biggest monthly drop since January 2015 and the first negative reading since January 2019. In France alone, the monthly credit growth rate fell to 6.7 percent from 8.3 percent in August, as monthly flows were negative 11.7 billion euros (10.11 billion pounds), indicating that banks were withdrawing credit from the economy. Monthly flows were barely in positive territory in Italy and Spain while in Germany, the monthly flow fell by two-thirds compared to August and the annual growth rate dropped to 6.4 percent from 6.8 percent. Household lending growth meanwhile held steady at 3.4 percent, unchanged for the third straight month. The annual growth rate of the M3 measure of money supply, which often serves as an indicator of future activity, slowed to 5.5 percent in September from 5.8 percent in August, underperforming expectations for 5.7 percent.

