

## La France peut-elle encore échapper à un scénario grec ?

Le Monde | 11.08.11 | 15h49 • Mis à jour le 11.08.11 | 22h45

La machine infernale est en train de s'enclencher. Il est désormais possible que la France suive la Grèce, le Portugal, l'Irlande, l'Italie et l'Espagne dans le club peu enviable des pays dont la dette publique est considérée comme toxique par les marchés financiers. Le scénario est bien rodé. La pression monte lentement mais inexorablement, la notation par les agences est abaissée, la panique s'installe et, au bout du chemin, il faut se résoudre à aller quémander de l'aide au FMI, aux partenaires européens et à la BCE, qui prennent le contrôle de la politique économique. La purge exigée en contrepartie des prêts est sévère. C'est le grand traumatisme national.

Ce processus est lent. Il a duré six mois pour la Grèce, l'Irlande et le Portugal. Il durera sans doute moins longtemps pour l'Italie et l'Espagne. Pour la France, le point de non-retour n'est pas encore franchi, mais les prémices sont là. Une fois le point de non-retour franchi, le gouvernement ne peut plus rien faire pour empêcher le rouleau compresseur d'avancer. Les marchés sont-ils fous et méchants ? La réaction de la classe politique est toujours la même : dénégation des risques et propos vengeurs à l'égard des spéculateurs et autres financiers sataniques qui veulent faire fortune sur le dos de la mère patrie. Mais les marchés ne sont ni fous ni méchants. Ils détiennent une grosse part de la dette publique de la France, quelque 1 700 milliards d'euros, soit 85 % de notre PIB, et ils sont effrayés de perdre une partie de leurs patrimoines. La panique n'est pas bonne conseillère, mais elle est très humaine. Faut-il leur en vouloir, voire les cadenasser ? Il fallait y penser plus tôt, avant de leur demander de nous prêter ces sommes colossales. Nous avons eu besoin d'eux et nous en aurons encore besoin, quoi que nous fassions. Les insulter et les attaquer peuvent nous soulager, mais cela ne changera rien à la situation.

Car la France est impardonnable. Nos budgets ont été en déficit chaque année depuis 1974. En 2006, avant la crise, la dette publique représentait déjà 64 % du PIB. Tous les gouvernements qui se sont succédé depuis presque quarante ans ont superbement ignoré la notion de discipline budgétaire. Tous. Les déficits sont devenus une routine, une facilité pour dépenser plus que ce dont ils disposaient, et personne n'y a trouvé à redire. Ils sont tous coupables et nous, les électeurs, le sommes tout autant. Les marchés, par contre, n'y sont pour rien. La sagesse, dont nous allons avoir besoin dans les années qui viennent, doit commencer par un grand mea culpa national.

Au lieu de cela, nous allons assister à des accusations réciproques. La gauche va répéter que la dette a augmenté de 20 % du PIB depuis l'arrivée de Nicolas Sarkozy au pouvoir ? C'est exact, mais 2007 est aussi le début de la plus grave crise depuis les années 1930. S'il y a de bons déficits, ce sont ceux tolérés durant les années de crise, car ils servent à en atténuer la sévérité. On aurait pu se passer du Grand Emprunt. Comme toujours, les objectifs étaient nobles, mais ils auraient dû être financés sans recours à l'emprunt. La droite va noter que la dette s'est accrue sous tous les gouvernements de gauche. Certes, il y a aussi eu de mauvaises passes sous les gouvernements de gauche, qui justifiaient elles aussi des déficits. Mais ces déficits auraient dû être temporaires, compensés par des surplus les bonnes années, ce qui ne s'est jamais produit. Nous ne gagnerons rien à ces récriminations, c'est toute la classe politique qui s'est fourvoyée.

Ces erreurs répétées ne sont pas l'apanage de la France. La plupart des démocraties les ont commises, à un moment ou à un autre. Avant la crise, en 2006, les dettes publiques des pays

de l'OCDE s'élevaient déjà à 74 % de leurs PIB. Partout on retrouve le même mécanisme. Chacun veut recevoir la manne de l'Etat, et chacun s'imagine que ce sont les autres qui paieront les impôts, mais personne ne veut payer plus d'impôts. Pour être élus, ou réélus, les gouvernements payent sans lever les impôts correspondants. Toutes ces dépenses sont présentées comme indispensables : santé, défense, éducation, justice, culture, aides aux démunis, transports. Rien que des bonnes causes auxquelles il serait politiquement suicidaire de s'opposer. C'est ainsi qu'aujourd'hui l'Etat dépense la moitié du PIB de la France. C'est ce qu'on appelle vivre au-dessus de ses moyens, et ça ne peut que mal se finir. Nous y sommes. Est-il trop tard ? Probablement, mais pas nécessairement. Car, contrairement à une opinion bien ancrée, les marchés financiers ne fonctionnent pas à courte vue. Ils ne pensent pas que les Etats sont en faillite irrémédiable, un pays ne peut pas être vraiment en faillite. Par contre, ils se demandent si les Etats rembourseront leurs dettes, pas cette année ni l'année prochaine, mais dans dix ou vingt ans. Ils sont prêts à attendre, mais ils veulent des preuves solides que les budgets seront en surplus dans les années qui viennent, lorsque tout ira mieux. Ce sont les gouvernements qui sont coupables de courte vue, eux qui font des déficits chaque année parce que chaque année est spéciale et qu'on verra plus tard pour les surplus.

La seule chance, et elle est maigre, qui reste à la France d'échapper au couperet est de s'engager sur la voie de la vertu budgétaire. L'Allemagne l'a fait il y a deux ans en inscrivant dans sa Constitution non seulement le principe que le budget doit être en équilibre, mais une date butoir (2016) et un mécanisme clair, net et précis pour s'en assurer. De manière à préserver de la souplesse et éviter que la politique budgétaire ne soit contractionniste dans les mauvaises années, le mécanisme allemand comporte un compte qui enregistre les déficits et les surplus. Lorsque le compte est déficitaire, le gouvernement est tenu de combler le trou en quelques années. Plus l'Etat accumule de surplus, plus il a de marge de manoeuvre pour les mauvaises années.

La commission Camdessus, dont j'ai fait partie, a été chargée l'an passé par le président de la République de proposer d'inscrire l'équilibre budgétaire dans la Constitution (la règle d'or). A la quasi-unanimité, elle a rejeté la règle allemande, parce que *"nous ne sommes pas des Allemands"*, comme si la discipline budgétaire était une affaire de culture nationale.

Politiques et hauts fonctionnaires ont préféré une usine à gaz non contraignante, sans objectif précis, et sans date butoir. Apparemment, même cette règle flasque ne convient pas à la gauche, parce qu'elle veut avoir les mains libres si elle devait arriver au pouvoir en 2012. La droite n'est pas plus vertueuse. Visiblement, députés et sénateurs veulent aussi se garder d'être enfermés dans une règle vertueuse, sans doute parce que la vertu implique d'arrêter de se voter chaque année l'autorisation de distribuer des cadeaux impayés. Les marchés ont bien raison de s'inquiéter.

Charles Wyplosz, professeur d'économie internationale au Graduate Institute de Genève

Article paru dans l'édition du 12.08.11

NYT August 11, 2011

# As Election Approaches, Sarkozy Faces Daunting To-Do List for French Economy

By [STEVEN ERLANGER](#)

PARIS — President [Nicolas Sarkozy](#) faces an uncomfortable political predicament. He must satisfy an anxious market, preserve [France's](#) AAA credit rating, defend French banks, cut the budget to fixed targets in a time of slowing growth and make it all palatable enough to win an election only nine months away.

It will not be an easy trick to pull off. Mr. Sarkozy is already struggling with low popularity ratings in opinion polls and a general disaffection among the French with his personality and style.

And the job will be harder given the nature of the European Union and the euro zone, which means that France's money is not really its own. Even the run on French banks this week has had little to do with France, where the banks are considered well regulated. The banks are suffering in large part because of doubts about their sizable holdings of the debts of weaker European economies.

France needs to narrow the deficit even as growth is slowing, and to that end Mr. Sarkozy broke his vacation to preside over a small cabinet meeting on Wednesday. With some fanfare, he told his budget and finance ministers to come back in a week with new measures to ensure that France, no matter what happens, meets its targets of a deficit of 5.7 percent of gross domestic product this year, 4.6 percent next year — election year — and 3 percent in 2013.

For political reasons, he is less likely to try to narrow the gap with taxes on anyone but the very rich.

Christophe Barbier, the editor of the weekly magazine *L'Express*, credited Mr. Sarkozy with “setting the right tone,” but said his reform plans were insufficient. In an election year, “he's faced with an insoluble equation: Either he raises taxes and risks unpopularity, or he doesn't raise them and trims spending, which will also translate into unpopularity.”

Jean-Marc Vittori, a columnist with *Les Échos*, a daily business newspaper, agreed, but he said that “one of the strengths of politicians is that they know how to make a handicap into a trump.” Mr. Sarkozy, leading a center-right government, is liked best when he acts in a crisis, and his proposal to amend the Constitution to limit budget deficits to 3 percent of gross domestic product has “put the Socialists into a corner,” Mr. Vittori said. The Socialists have their own budget plans should they win power, and they think that such an amendment would be too rigid.

To reassure anxious markets, some, like Gilles Moëc, co-head of European economics research at Deutsche Bank in London, are urging France to speed up the reduction of its deficit to 3 percent, much as Italy's prime minister, Silvio Berlusconi, promised to balance his country's budget by 2013, a year earlier than planned. But Mr. Moëc is confident that France will do what it must to keep its AAA rating. He also suggested that the constitutional amendment on deficits, if passed, would reassure the markets for the future — especially helpful, he said, if the Socialists win the presidency.

But if the problem is largely European — the failure of European leaders to put enough money and credibility behind their vows to support the euro — Mr. Sarkozy also faces another external difficulty. His default partner, the cautious German chancellor, [Angela Merkel](#), remains unwilling to provide what many market analysts seem to demand: a German guarantee on a fund big enough to cover all the debt of all the vulnerable countries, including Spain and Italy. (Germany has the largest, strongest and most energetic economy in Europe.)

On Thursday, Mr. Sarkozy and Mrs. Merkel announced that they would meet in Paris on Tuesday afternoon for accelerated discussions on “joint proposals for the reform of the governance of the euro zone,” a promise made at the last crisis summit meeting on July 21.

Mr. Sarkozy finished that meeting rhapsodizing about the transformation of an expanded European Financial Stability Facility into a nascent European Monetary Fund. He sees the fund — to be increased to 440 billion euros (about \$630 billion at current exchange rates) to cover Greece, Portugal, Ireland and more — as a way of Europeanizing the debt guarantees.

But the fund will not be big enough to cover Spain and Italy, and because it needs to be ratified by all euro zone governments, it will not be in place until late September, forcing the European Central Bank to intervene to buy bonds in the meantime. Mrs. Merkel, who had only reluctantly agreed to strengthen the fund, and whose own coalition is deeply opposed to being dragged farther into writing blank checks for Europe, said she refuses to countenance an ever bigger fund.

Mr. Sarkozy may also push her on the creation of euro bonds, which would put the collective strength and collateral of all euro zone countries behind the loans. That would be the closest Europe could come to a United States Treasury bond, and it would be considered nearly as safe, but largely because of the creditworthiness of countries like Germany, the Netherlands and, so far, France.

Mrs. Merkel has always rejected that idea because it would make Germany more vulnerable and drive up its own borrowing costs, which are the benchmark for other countries.

But the two leaders are likely to agree on putting in place a more permanent schedule of meetings, perhaps with a secretariat, for the 17 euro zone leaders, aided by the European Council president, Herman Van Rompuy, who currently does the same for the entire European Union. At the least, they will probably discuss the idea of a European finance minister.

The pattern, so far, has been for the French to shape proposals to bolster the euro, with Mrs. Merkel, in general, belatedly going along.

In the end, the solution to the European debt problem is a political one, said Mr. Vittori, the business columnist. European leaders keep constructing short-term responses that begin to look like federalism, then retreat. But in his opinion, the future will be either more federalism or a failure of the euro zone. "There will be no middle," he said.

Mr. Barbier of L'Express thinks that the gravity of the situation can help Mr. Sarkozy, despite the general European mood to throw out incumbents. "The French could say that we don't want to put an incompetent as head of state, and that Sarkozy has proved himself," he said.

Still, Mr. Barbier said, the Socialists also have a good hand to play. "Social difficulties make people demand more redistribution of wealth," he said. "But can the Socialists transform anger into hope, the way François Mitterrand did in 1981?" The answer will come, he said, only when France decides if the Socialist candidate, once chosen, "has the stature."

*Romain Parlier contributed reporting.*

## Die Religion in den Grenzen des Klassenzimmers

**Eine ganz große Koalition erwartet Wunderdinge vom islamischen Bekenntnisunterricht nach Artikel 7 des Grundgesetzes. Muslime, die sich liberal nennen, wollen dem Staat beim Lehrplanschreiben die Feder führen. Im Interesse der Aufklärung?**

Von Patrick Bahners



Lasst mich nur auf meinem Schulstuhl gelten! Lamy Kaddor erzieht Hauptschüler in Dinslaken zum Freisinn.

12. August 2011

An den islamischen Religionsunterricht in der staatlichen Schule richten sich hohe Erwartungen. Dieses Projekt wird mittlerweile von einer ganz großen Koalition getragen. Vor dem Hintergrund der Geschichte ist diese Tatsache verblüffend. In den großen schulpolitischen Kontroversen schieden sich am Platz der Religion in der Schule die Geister der ideologischen Milieus. Länder, mit denen sich Deutschland zu vergleichen liebt, wie Frankreich und die Vereinigten Staaten, kennen den staatlichen Religionsunterricht nicht.

Die „Neue Zürcher Zeitung“ machte unlängst das Scheitern der Westerwelle-FDP in der Regierung Merkel daran fest, dass der Religionsunterricht noch nicht abgeschafft wurde. Abgesehen davon, dass dafür der Bundesgesetzgeber nicht zuständig ist, versteht die FDP sich aber gar nicht mehr als Sammlungsbewegung der Antiklerikalen. Bezeichnenderweise war es der evangelische liberale Theologe Friedrich Wilhelm Graf, der kürzlich in der „Wirtschaftswoche“ bedauernd auf diesen zur gesamtgesellschaftlichen Säkularisierung scheinbar gegenläufigen Sinneswandel einer politischen Organisation hinwies.



Hoffnung auf eine Zivilisierung des Islam: Bundesbildungsministerin Annette Schavan

Thomas Dehler, auch im Geistespolitischen der Antipode Adenauers, würde sich in der nach ihm benannten Bundesgeschäftsstelle seiner Partei nicht mehr zu Hause fühlen. Wenn Florian Rentsch, der Vorsitzende der FDP-Fraktion im Wiesbadener Landtag, den Beweis führen möchte, dass seine Partei das Programm der Regierung Bouffier prägt, verweist er auf die Absicht, ein Gesetz über den Religionsunterricht für Muslime zu machen.

### Verkehrte Welt in Hessen

Tatsächlich hatte sich die hessische CDU dagegen lange gesträubt, unter dem Einfluss ihres Bildungspolitikers Hans-Jürgen Irmer, der in Wetzlar eine islamfeindliche Gratiszeitung verlegt. Heute arbeitet unter der FDP-Kultusministerin Dorothea Henzler ein christdemokratischer Staatssekretär, der aus Niedersachsen abgeworben wurde: Heinz-Wilhelm Brockmann, der von den katholischen Bischöfen als Präsident des Zentralkomitees der deutschen Katholiken abgelehnt wurde, war in der Ära Wulff im Kultusministerium für den „Runden Tisch“ zur Vorbereitung des islamischen Religionsunterrichts zuständig.

Verkehrte Welt: In Wiesbaden wirft die linke Opposition den FDP-Ministern vor, die Sache der religiösen Unterweisung nicht energisch genug voranzutreiben. Der hessische SPD-Vorsitzende Thorsten Schäfer-Gümbel, ein Mann vom linken Flügel, sagte auf die Frage der „Bild“-Zeitung nach einer Abschaffung des Religionsunterrichts: „Gibt's mit mir nicht. Qualifizierter Religionsunterricht ist eine Chance auf vernünftige Integrierung. Deshalb wollen wir auch konfessionellen Islam-Unterricht, der sich den gleichen Regeln unterordnet wie der christliche.“

Auch die konfessionslose Fraktionsvorsitzende der Linkspartei, Janine Wissler, exponiert sich als Verteidigerin des „Rechts auf Religionsfreiheit“. Sie fordert sogar die Aufhebung des Kopftuchverbots für Lehrerinnen. Der Entwurf des Grundsatzprogramms, den der

Erfurter Parteitag der Linkspartei im Oktober verabschieden soll, enthält die Forderung der Abschaffung des Religionsunterrichts nicht. Dort steht die Kompromissformel: „Schulen sollen Wissen über Religionen vermitteln und die wechselseitige Toleranz der Glaubensgemeinschaften fördern.“

### Religionsunterricht als Integrationsschule

Laizisten, denen man in der SPD der katholischen Generalsekretärin Andrea Nahles noch nicht einmal zugesteht, sich als Arbeitskreis zu konstituieren, lehnen den Religionsunterricht des Grundgesetzes als Fremdkörper ab: Das Relikt der staatskirchlichen Privilegien hat sich in ihren Augen in die Zelle eines Staats im Staate verwandelt - das Klassenzimmer wird für die Dauer der Religionsstunde zum exterritorialen Gebiet, in dem ein konkurrierendes Gesetz verkündet wird. Schäfer-Gümbel deutet nun genau umgekehrt die Religionsunterrichtsgarantie als staatliches Instrument, mit dem erreicht werden soll, dass auch der Islam die für alle geltenden Regeln akzeptiert. Ausdrücklich spricht der in Gießen verwurzelte Sozialdemokrat, der anders als viele Genossen seine Konfession („römisch-katholisch getauft, heute evangelisch“) nicht als Privatsache behandelt, von Unterordnung.



Für eine strikere Trennung von Kirche und Staat: der Philosoph Hermann Lübke

Mit dem Stichwort der Integration benennt Schäfer-Gümbel die Zweckbestimmung des Religionsunterrichts, die die Begeisterung der Politiker für diese Erweiterung des Stundenplans erklärt. Man möchte fast von Heilserwartungen sprechen - oder doch von Heilungserwartungen. Thomas de Maizière gebrauchte als Bundesinnenminister eine medizinische Metapher, um dem Unterricht wissenschaftlich ausgebildeter Islamlehrer islamischen Bekenntnisses eine Aufgabe der Vorsorge zuzuweisen: die „wirksame Immunisierung“ gegen den Extremismus.

### Grenzen staatlicher Einflussnahme

Heikel ist, dass der Staat sich gesellschaftspolitischen Segen, ja, die Stiftung sozialen Friedens von Unterrichtsinhalten versprechen soll, über die er nicht bestimmen darf. Nach Artikel 7 des Grundgesetzes „wird der Religionsunterricht in Übereinstimmung mit den Grundsätzen der Religionsgemeinschaften erteilt“, und wegen der Trennung von Staat und Kirche kann nur die jeweilige Religionsgemeinschaft definieren, was ihre Grundsätze sind. Lehrpläne werden abgestimmt und wie in jedem anderen Fach als staatliche Normen erlassen, aber daraus darf kein Staatschristentum und kein Staatsjudentum entstehen und eben jetzt auch kein Staatsislam.



Für das Bündnis von Regierungsbank und Altar: Heinz-Wilhelm Brockmann, Staatssekretär im hessischen Kultusministerium

Die Politiker müssen ihre Forderungen an das neue Fach in indirekte Redeweisen kleiden. Es herrscht Einigkeit darüber, dass durch die universitäre Ausbildung der Religionslehrer ein Islam herauskommen soll, der mit Wunschbegriffen wie Euro-Islam umschrieben wird. Aber ein entsprechend spezifiziertes Glaubensbekenntnis darf nicht schon bei der Formulierung des Curriculums hineingesteckt werden. Bundesbildungsministerin Annette Schavan beweist in ihren Stellungnahmen eine Distinktionsfähigkeit, die man im besten Sinne scholastisch nennen darf. „Ich bin als Politikerin nicht befugt, einer Religion zu sagen, welcher Glaube gelehrt werden soll. Ich kann nur die Möglichkeit schaffen, in der Universität, also in der Wissenschaftsgesellschaft, Raum für die Entwicklung von Theologie zu geben. Die Erfahrung in Deutschland zeigt, dass Theologie einer Religion gut tut, dass sie klärend wirkt, aufklärend.“

Das Ziel der Zivilisierung und Rationalisierung des Islam, das der säkulare Staat nicht vorgeben darf, wird als voraussichtliche Wirkung des Religionsunterrichts beschrieben, abgeleitet aus dem Vergleichsfall des Christentums. Es ergibt religionssoziologischen Sinn, dass katholische Laienfunktionäre wie Brockmann und Frau Schavan hier so aktiv sind: Ihre kirchenreformerische Agenda deutet die säkularisierenden Wirkungen der Begegnung von Religion und moderner Gesellschaft zu Zielen des historischen Prozesses um; der Staat, der der Kirche entgegenkommt, fördert zwanglos ihre Anpassung an den Geist der Zeit. Wie die Päpste einst eine indirekte Gewalt in weltlichen Dingen beanspruchten, waltet im Raum der Entwicklung von Universitätstheologie, Militärseelsorge und Religionsunterricht die potestas indirecta des Verfassungsstaates.

### **Religionsunterricht, nach seinem politischen Nutzen befragt**

Der Philosoph Hermann Lübke hat in dieser Zeitung am 26. April die Gegenposition zu Frau Schavan vertreten und der staatlichen Regie der Theologenausbildung die aufklärende Wirkung abgesprochen. Die „gute politische Meinung“, die Muslime „mit Hilfe der Staatsschule an den Segnungen der Aufklärung teilhaben lassen“ wolle, verkenne die Rolle der Begrenzung und Entlastung der Politik, die den Religionen in Aufklärungsprozessen wirklich zufalle. „Religionen machen politische Aufklärung dauerhaft nicht über eine staatliche Unterrichtung über sie.“

Nach Lübke ist die Hineinnahme in die staatliche Sphäre gar nicht im Interesse der Religionen, die sich dadurch verleiten lassen, ihr Selbstverständnis den staatlichen Erwartungen an ihre Nützlichkeit anzugleichen. Der jederzeit abwählbare Religionsunterricht erscheint auf der Stundentafel als funktionales Äquivalent zur Ethik und legt damit, so Lübke, das Missverständnis nahe, in der Religion gehe es also hauptsächlich um Ethik oder, in Politikersprache, um Werte.

### **Liberaler Muslime bevorzugt**

Eine Variante dieses Kategorienfehlers begegnet jetzt bei Lamya Kaddor, der eloquenten und vielgefragten Schulbuchautorin und Lehrerin aus Duisburg. In zwei nahezu gleichlautenden Beiträgen im Deutschlandfunk und in der „Süddeutschen Zeitung“ hat Frau Kaddor die nordrhein-westfälische Landesregierung kritisiert, die den Beirat für den islamischen Bekenntnisunterricht, der im kommenden Schuljahr ordentliches Lehrfach werden soll, mit Vertrauenspersonen der großen Verbände besetzen will. Frau Kaddor sortiert das Feld der öffentlich mitredenden Muslime nach der Unterscheidung liberal/konservativ. Sie attackiert „junge Konservative“ in den Moscheegemeinden und rät den „politischen Entscheidungsträgern“ zur Umsicht: Sie sollen sich lieber mit liberalen Muslimen verbünden, so ist die Gründungsvorsitzende des Liberal-Islamischen Bundes e.V. zu verstehen.

Wer einen liberalen Islam nicht für denkunmöglich hält, wird sich darunter etwas Erfreuliches vorstellen. Eine säkulare Öffentlichkeit muss auch versuchen, sich die islamische Geisteswelt, die ihr unbekannt ist, hilfsweise mit vertrauten Begriffen zu erschließen. Die Entgegensetzung von liberaler und konservativer Theologie ist in christlichen Reformdebatten gut eingeführt. Allerdings ist die Formel auch im christlichen Gebrauch schon eine Übertragung, die Übernahme einer Unterscheidung der weltlichen Politik, der Leitdifferenz des Parteienstreits in den Jahrzehnten nach der Französischen Revolution. Die analoge Verwendung der Losungen von Freisinn und Bewahrung zur Bezeichnung kirchlicher Fraktionen hatte damals ihren guten Sinn, weil die politischen Parteien besonders heftig über den Status der Kirche stritten und ihre Positionen auch theologisch erklärten.

Götz Aly hat soeben verkündet, die Stiftung der FDP dürfe nicht mehr nach Friedrich Naumann heißen. Der Vulgärindividualismus, mit dem Aly das begründet, mag hier auf sich beruhen. Aber tatsächlich ist der Pfarrerssohn Naumann eine anachronistische Figur: als Politiker und Theologe, bei dem alle politischen Handlungen eine Entsprechung im religiösen Reden hatten. FDP-Generalsekretär Christian Lindner interpretiert die Trennung von Staat und Kirche als wechselseitige Emanzipation: „Unser Zusammenleben ordnen weltliche Gesetze und nicht religiöse Gebote. Der liberale Verfassungsstaat steht nicht im Wettbewerb mit der Religion.“ Das heißt dann aber auch, dass „liberale“ Theologen nicht mehr die geborenen Verbündeten liberaler Politiker sind - weil „liberal“ in der Kirche und im Staat nicht dasselbe bedeuten muss.

### **Irrwege einer liberalen Theologie**

Der auf Religionsfreiheit verpflichtete Staat kann eine freisinnige Koranauslegung nicht gegenüber einer bewahrenden bevorzugen. Es gibt aber ohnehin keine Garantie dafür, dass eine „liberale“, kreative und aktualisierende Hermeneutik „liberale“ Ergebnisse im Sinne politischer Verträglichkeit produzieren wird. Die Geschichte der christlichen liberalen Theologie enthält warnende Exempla: die Aussonderung des Alten Testaments oder die Vergötzung der Nation. Um den Lesern der „Süddeutschen Zeitung“ plausibel zu machen, was sie an den „Konservativen“ stört, muss Frau Kaddor selbst den Vergleich mit der politischen Welt bemühen: „Ein Teil der Muslime steht vor derselben Frage, die heute auch die CDU umtreibt: Was ist eigentlich konservativ? Man will das Alte bewahren, weiß aber nicht genau, was. Die mangelnde Selbstvergewisserung manifestiert sich in einer Dagegenhaltung. Die jungen Konservativen sind dagegen, dass sich der Islam verändert; was auch immer das heißt.“ Aber taugt die Gegenposition, die liberale CDU von Merkel und Schavan, denn wirklich zum Sinnbild gelingender, überlegter und mit Gründen erklärter Selbstvergewisserung?

Lamya Kaddor bringt mit ihren theologischen Argumenten, etwa zur Freiheit vom Kopftuch, regelmäßig sowohl Verbandsfunktionäre als auch Islamkritiker in Bedrängnis. Aber mit dem liberalen Islam, den sie gegen das Phantombild der „jungen Konservativen“ setzt, umreißt sie keine sachliche Position, sondern eine Funktionsstelle: Es gibt Muslime, die als Vermittlungstheologen nach dem Geschmack von Annette Schavan zur Verfügung stehen.

Der undogmatische Denkansatz bringt es mit sich, dass man den liberalen Theologen am Habitus erkennt. Wenn Lamya Kaddor ihren konservativen Altersgenossen, die sie als gebildet und wortmächtig vorgestellt hat, ein „diffuses, von theologischem Halbwissen gezeichnetes Bild von Religion“ bescheinigt, meint man den Originalton Friedrich Wilhelm Grafts zu hören. Der Kritik Grafts an seiner protestantischen Kirche, ihren Sünden wider den akademischen Geist, wurde in der Kirche zuletzt kaum noch Resonanz zuteil. Es wird von Mitgliederzahl und Ausstrahlung des Liberal-Islamischen Bundes abhängen, ob die Landesregierungen auch diesen Verein zur Mitwirkung bei der Formulierung von Grundsätzen für den Religionsunterricht einladen.

Text: F.A.Z.



Hohe Arbeitslosigkeit

# Südeuropas Jugend ohne Perspektive

Fast überall in Europa trifft die Krise die Jugendlichen am stärksten. Deutschland bildet dank eines flexiblen Arbeitsmarktes eine Ausnahme.

Von Sven Astheimer

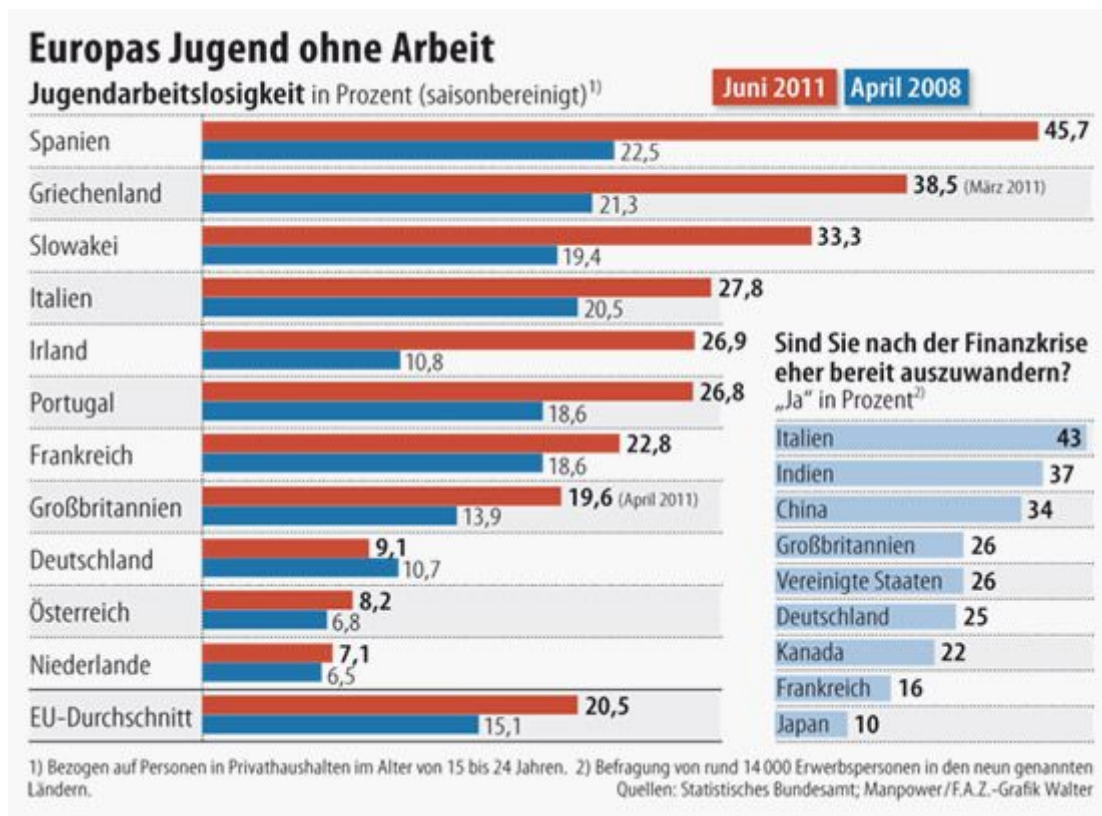


Perspektivlos: Proteste junger Spanier in Madrid gegen die Arbeitsmarktpolitik der Regierung

12. August 2011

Deutschland ist neben Luxemburg das einzige Land in Europa, in dem die Jugendarbeitslosigkeit gesunken ist. Wie das Statistische Bundesamt in Wiesbaden mitteilte, betrug im Juni die Erwerbslosenquote der Menschen im Alter zwischen 15 und 24 Jahren 9,1 Prozent. Das waren 1,6 Punkte weniger als vor der Wirtschaftskrise im Frühjahr 2008. Lediglich das kleine Luxemburg schnitt mit einem Rückgang um 3,3 Punkte besser ab. In allen anderen Ländern ist die Quote gestiegen. Deutschland hat sich damit auf Platz drei hinter den Niederlanden (7,1 Prozent) und Österreich (8,2) verbessert.

In vielen anderen Ländern stiegen die Quoten dagegen sprunghaft an. In Spanien, Lettland, Litauen und Griechenland betrug der Anstieg im selben Zeitraum jeweils rund 20 Prozent. Diese Länder bilden gemeinsam mit der Slowakei die Schlusslichter des Vergleichs. In Spanien ist damit fast jeder zweite Jugendliche auf der Suche nach einem Arbeitsplatz, Griechenland bewegt sich sogar auf die Marke von 40 Prozent zu. Kaum besser sieht es in den anderen Krisenstaaten des Euroraums aus: Auch in Italien, Portugal und Irland ist offiziell mehr als jeder vierte junge Mensch erwerbslos. In Großbritannien gilt dies für jeden fünften. Der Durchschnittswert der 27 Mitgliedstaaten der Europäischen Union kletterte innerhalb der drei Jahre um mehr als fünf Punkte auf 20,5 Prozent.



Die deutsche Sonderentwicklung erklärt das Statistische Bundesamt mit der hohen Flexibilität der Beschäftigung. In Deutschland seien junge Menschen deutlich häufiger „atypisch“ beschäftigt. Darunter verstehen die Statistiker alle Abweichungen von einer unbefristeten Vollzeitstelle (Minijobs, Teilzeit, Befristungen) sowie Zeitarbeit. Im Jahr 2010 waren knapp 37 Prozent der jungen Erwerbstätigen atypisch beschäftigt. Für alle Berufstätigen lag der Wert bei 22,4 Prozent.

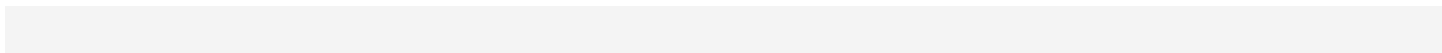
### **Sprunghafter Anstieg bei Deutschkursen**

Wegen der schlechten Chancen am Arbeitsmarkt denken derzeit vor allem junge Südeuropäer häufig daran, in Deutschland eine Stelle zu suchen. Nach Angaben der Auslandsvermittlung der Bundesagentur für Arbeit haben sich im Juni 17.000 junge Spanier nach einem solchen Angebot auf der europäischen Stellenbörse erkundigt. Die Rede ist von einem sprunghaften Anstieg. Die Nachfrage nach Sprachkursen am Goethe-Institut in Madrid hat sich binnen Jahresfrist verdoppelt.

Wie eine Umfrage in zehn Ländern des Personaldienstleisters Manpower, die der Frankfurter Allgemeinen Zeitung vorliegt, ergibt, hat die globale Wirtschaftskrise die Mobilität der Arbeitnehmer erhöht. 43 Prozent der befragten Italiener gaben an, dass ihre Bereitschaft, für ein attraktives Angebot zumindest zeitweise ins Ausland zu gehen, gestiegen sei. Auch viele Inder (37) und Chinesen (34) zeigten eine höhere Bereitschaft. In Deutschland traf dies auf jeden vierten Befragten zu, etwa so viele wie in Großbritannien und den Vereinigten Staaten von Amerika. Am wenigsten Neigung zu einem Ortswechsel verspürten die Japaner (10). Der wichtigste Grund gegen einen Arbeitsplatz im Ausland waren die familiären Bindungen, der bei fast jeder zweiten Ablehnung genannt wurde. Es folgten die Kosten der Migration, der unwillige Partner und die Sprachbarriere.

Unter den beliebtesten Auswanderungszielen erlebte Deutschland, wo die Rezession zwar heftig ausfiel, jedoch auch zügig beendet wurde, einen Aufschwung. Das Land kletterte vom neunten Platz in der Umfrage 2008 auf den sechsten Rang im Jahr 2010. Beliebtestes Ziel blieben die Vereinigten Staaten. Neue Nummer zwei ist Kanada, das Großbritannien verdrängte. Deutlich eingebüßt an Attraktivität hat Spanien, das vom dritten auf den neunten Rang fiel. Für die Studie wurden mehr als 14 000 Beschäftigte in neun Ländern befragt.

Text: F.A.Z.



## *Why Aren't Germans Protesting? Room for debate NYT 12/8/11*

Market confidence worldwide took a hit this week. And in Europe, while fears over sovereign debt were temporarily eased by the European Central Bank's decision to buy Italian and Spanish bonds, there is growing concern not only of more bailouts but also of possible bank failures. Who will pay for all of this?

As the situation in Greece shows, a huge part of the cost of more bailouts will fall on the wealthier European countries, especially Germany. But paying for the mistakes of profligate countries -- and their early retirement policies -- can't possibly sit well with the hard-working Germans. And yet, the German taxpayers haven't risen in protest.

How much will the Germans have to pay? What effect might the bailouts have on their lives?

### **Too Abstract to Rally Against**

August 11, 2011

**Stefan Homburg**, an economist, is a professor at the University of Hannover and the director of its Institute of Public Finance.

Almost everyone understands that the bailouts of Greece, Portugal or Ireland will become very costly for Europe's taxpayers. The costs could actually increase if Belgium, Italy and Spain also lose access to the capital markets. The acronym BIGSIP, formed from the initial letters of the aforementioned countries, is already notorious.

The bulk of the burden will fall on Germany, of course, as France is itself vulnerable, whereas other possible rescuers, like Finland or the Netherlands, are relatively small countries. Because the introduction of the euro was accompanied by the strong promise that bailouts would never take place, a rule laid down formally as Article 125 of the Lisbon Treaty, German taxpayers now feel betrayed.

Under the surface, there is a growing unrest in Germany that may induce the formation of new, anti-European, parties.

Although there have been protests here in Germany -- mostly "banana" (build-absolutely-nothing-anywhere-near-anybody) complaints directed at a new railway station in Stuttgart that is expected to cost about \$7 billion -- there haven't been riots against the bailouts, which will possibly burden taxpayers with hundreds of billions of dollars. Why is that? There seems to be only a single explanation of this paradox, namely, that fiscal and monetary policies are totally abstract matters.

When a railway station is built, you can occupy the building yard or block traffic to the site to express your disgust. This also makes for nice TV footage. When a fiscal officer presses the enter button on his computer to transfer some billions to Athens, it would be difficult to find an adequate countermeasure.

Yet, under the surface, there is a growing unrest in Germany that may induce the formation of new, anti-European, parties. If this happens, the premature introduction of the euro would run counter to its principal objective.

### **The Cost Hasn't Sunk In**

August 11, 2011

**Veronique de Rugy** is a senior research fellow at the Mercatus Center at George Mason University in Arlington, Va.

The United States is a mess, but consider the European Union. Of the 126 countries with a Standard & Poor's rated debt, Greece ranks 126th, winning the award of the country perceived as the least likely to repay its debt. Greece is not alone in its misery in the E.U. There's Portugal and its junk-like debt; Italy and France, which may soon follow the United States into the ignominy of downgraded credit ratings; and Spain, which just acknowledged its debt is deeper than it thought.

As new bailouts are requested, as countries fail to reform their bloated welfare states, Germans will start seriously questioning their attachment to European solidarity.

The only major European economy left standing is Germany. Some of the continent's smaller countries, like Finland, are doing well, but Germany stands head and shoulders above its E.U. partners in its willingness and ability to bail out deadbeat neighbors. With an unemployment rate of 6.4 percent (France stands at 9.5 percent) and relatively high private saving rates compared to other countries (12.1 percent), Germany has been growing at a 2.6 percent rate when everyone is suffering from anemic growth.

Yet, Chancellor Angela Merkel finds herself in a tough spot. Her popularity is at its lowest point since 2006; her party was just trounced in recent local elections. Germany bailed out fiscally irresponsible countries for fear that a Greek or Irish default would trigger a bank run in other weak countries like Portugal and Spain. A continent-wide bank run, the Germans reasoned, might destroy Europe's banking system. But Germans are increasingly unhappy and morally outraged with the situation.

They've already bailed out Ireland, Greece and Portugal. Now they are being told that more money is needed. In addition, they understand that if Greece defaults on its debt, the European Central Bank might face insolvency along with other E.U. countries. All those beggared institutions would then turn for funds to its one solvent member government: Germany. That means yet more bailouts.

Germans are especially losing patience over the continued demonstrations in Greece over the government's austerity measures which they see as signs that the Greeks are uninterested in changing the behaviors that got them into trouble in the first place. But so far, German outrage is mainly moral. But that can change quickly. They tightened their belts after the 2007 financial crisis. They spent years of paying extra taxes toward the successful German reunification (without any help from other countries). They've bailed out profligate countries. Now they are being asked for still more. The bailouts so far haven't cost Germans a euro since the real costs are mostly in the future. But once Germans internalize all the costs they have already paid or may be on the hook for, their attitude may change quickly. As new bailouts are requested, as countries fail to reform their bloated welfare states, no one can be surprised if the Germans start seriously questioning their attachment to European solidarity. Why should they work two or three extra years to pay for their neighbors' early retirement policies? The short answer is: They shouldn't. And they probably won't.

## Rightly Disgusted at the Banks

August 11, 2011

**Michael Hudson**, a distinguished research professor of economics at the University of Missouri, Kansas City, is a [research associate](#) at the Levy Economics Institute at Bard College, Annandale-on-Hudson, N.Y.

A bailout, like any other government expenditure, is a tax. Someone must pay all this money. And it is unfair to tax the broad population to pay for a special interest. Instead of being a progressive tax policy, bailouts enable bad behavior by the financial elite, sticking taxpayers with the cost.

Bailouts are unpopular among Europeans who see them as a tax being paid by the population as a whole to financiers at the top of the pyramid. These bankers have lived in the short run, taking large risks of capital for short-term gains to outperform their rivals. It is a game that most individuals have not played with their own savings, and they don't think that governments should compensate banks for taking these risks.

The bonds in question are held largely in German and French banks in Europe, and by U.S. banks. Germans are especially angry by reports that U.S. Treasury Secretary Timothy Geithner intervened in opposition to the insistence of Germany's chancellor, Angela Merkel, that bondholders should take a loss on their irresponsible investments. News reports say that as many as half the troubled securities are held by U.S. money market funds or subject to derivatives gambles. So it is not only European banks that are being bailed out, but also risk-taking U.S. speculators.

Banks bought these bonds to earn high rates of interest; they took a risk, and now the taxpayers will pay. This is morally repugnant.

The tendency among German voters is to favor tangible investment and employment over financial speculation. Indeed, throughout Europe there is a feeling that bank executives are acquiring too much political power, pushing for regressive taxes that serve their own interests at odds with those of domestic populations.

This in part helps explain the rise in nationalist parties throughout Europe, most noticeable a month ago when populist Finnish nationalists opposed the bailouts.

As in the United States, the financial mentality in Europe is to take the money and run. The bankers who have made the bad loans pay themselves exorbitant salaries and bonuses, and then look for the other highest-return possibility in some other country.

This mentality flies in the face of a perceived national interest, and it subsidizes the emergence of a very unpleasant, greedy and increasingly loathed oligarchy. Worst of all, the bankers will use a large amount of their money to buy even more control of politicians serving their interests and arguing their case for why populations should pay even higher taxes to subsidize financial wealth at the top of the pyramid.

But the most important reason for opposing the bailout is economic: there is growing awareness that the bailouts must fail in the end. The debt simply is too large for governments who issued the bonds to pay by taxing their populations -- without forcing them into stark austerity.

One German professor who follows financial markets told me that bailouts in the form of buying Greek and other government bonds from banks under present conditions "are like removing water from a leaking ship. They will not succeed when the damage is too big and more water comes in than goes out. At a point, the captain has to give up the ship and let it sink. Take the lifeboat and flee; there will be other ships around to take you in. Life will go on without the debts being paid to the banks. Let their bondholders lose."

The problem is that the debts have grown too high to be paid without wrecking the economy. So someone will have to lose in the end. Banks bought these bonds to earn high rates of interest. They took a risk, and now want to take the money -- and make taxpayers pay. This is morally repugnant.

## No Protests, Yet

August 11, 2011

**Kai Carstensen**, a professor of economics at the University of Munich, is head of the department of business cycle analyses and surveys at the Ifo Institute for Economic Research.

It was just a few years ago, in 2003, when Germany, then called the sick man of Europe, adopted a comprehensive set of labor market reforms. At the same time, a trend of offshoring by domestic firms forced unions to accept a series of very modest wage agreements to save jobs at home. As a consequence, Germany experienced a decade of stagnating net real wages. While this internal devaluation laid the foundation to the current economic strength, it was fiercely debated at the time with huge demonstrations on the street and a chancellor losing the election.

Increasing tax rates or soaring inflation could cause a decade of net real wage stagnation in Germany.

These days many people seem to believe Germany is an almighty giant that can shoulder all the debt that their neighbors feel they cannot sustain anymore. True, Germany is one of the few triple-A countries, left but this is by no means sure forever. The financial crisis raised the public debt to an unprecedented 2 trillion euros, or 81 percent of gross domestic product. Add to this the maximum risk exposure of approximately 400 billion euros that Germany is facing because of all the current and foreseen rescue packages, and you arrive at a debt-to-G.D.P. ratio of nearly 100 percent. It is difficult to believe that a number like this will leave financial markets unconcerned.

Against this background, it is not surprising that those who stayed sober when other countries went on a binge are reluctant to clean up the mess. Right now there is a public debate as to whether Germany can afford the moderate income tax cut promised in the last election campaign or whether it should prepare for the burdens that may come.

Above all, there is a deeply rooted fear of inflation that is fueled by each unconventional measure the European Central Bank is taking to bail out private investors. Today, opinion polls indicate that the German government has lost its majority, but there are no protests on the streets. This may change when the European transfer union has become reality and increasing tax rates or soaring inflation cause another decade of net real wage stagnation.

## Primarily a Political Crisis

August 11, 2011

**Henning Meyer** is a senior visiting fellow at the London School of Economics and Political Science and the editor of [Social Europe Journal](#).

The eurozone crisis is yet again coming to a head. Even though the reluctant readiness of the European Central Bank to buy Italian and Spanish bonds has eased the immediate pressure for the time being, there is no fundamental solution to the debt crisis in sight. The European Financial Stability Facility, with which solvent countries help their fellow eurozone countries in trouble, is not the answer.

The test in all this will be whether the eurozone, and hence the European unification project, can be saved and have a prosperous future.

The problem with the facility is that it is backed by taxpayers from richer eurozone countries -- above all Germany -- and this kind of direct guarantee has political and economic limits. But discussing the size of the facility is the wrong debate for at least two reasons. First, the current design of the facility is [questionable because the debt-to-G.D.P. ratio of still-solvent countries tends to increase](#) the more member states are in trouble. The principle that each member state is ultimately responsible for all its own debt remains. Second, in the end only the European Central Bank [can provide unlimited guarantees](#) because it alone has the capability to create unlimited amounts of money. The European Financial Stability Facility will never be able to provide such a guarantee because it is dependent on the limited resources of other member countries, which will find it increasingly difficult to provide ever more funds.

So the discussion should not be "how much can the German taxpayer bear?" but "how can we resolve the debt crisis?"

The eurozone governments need to issue eurobonds that are guaranteed by the European Central Bank as the lender of last resort. This would put an end to the discussion about how big the facility needs to be and should help to stop the contagion. Similar to guarantees in the financial sector, such a move would create a moral hazard for national governments. This situation needs to be addressed by new governance mechanisms.

The [German opposition suggested](#) that there should only be a limited community guarantee and excessive debt should remain national risk. Such a mixed system, with both eurozone-wide and national elements, combined with effective governance mechanisms to create a closer fiscal union deserves urgent attention.

The eurozone crisis [is primarily a political crisis](#). Measures like the ones above would help to end the debt crisis and allow the eurozone governments to focus on the critical yet unanswered question: How can sustainable growth be generated?

Whatever measures are eventually taken, the ultimate political test is whether they save the eurozone and hence the European unification project and convince people in northern as well as southern countries that there is a more prosperous future at the end of what will inevitably be a difficult period of adjustment.

NYT August 10, 2011

## Some in Germany Want Greece to Temporarily Exit the Euro Zone

By JACK EWING AND LIZ ALDERMAN

FRANKFURT — If the [European debt crisis](#) were an old survival movie, there would be a scene in which the passengers in a lifeboat realize that they don't have enough food and water for everyone and that someone needs to go over the side. We're looking at you, Greece.

In fact, that is the sentiment that a growing number of reputable economists and other commentators, particularly from fully liquid Germany, have been expressing lately.

Greece, they say, should leave [the euro](#) zone for its own good, as well as the Continent's. Some German economists argue that others in the 17-nation currency union, like Portugal or even Italy, might need to leave as well.

"It is better for all concerned, in particular for Greece, if the country leaves the euro temporarily," Hans-Werner Sinn, president of the influential Ifo Institute at Ludwig Maximilian University in Munich, wrote in an essay published two weeks ago.

Continuing to throw money at Greece will only reduce incentives for the country to restructure its economy, he and other experts say, while pushing Europe toward a so-called transfer union, where strong countries must prop up weaker ones.

Meanwhile, Germany's attitudes draw plenty of publicity in Greece and other stricken euro countries, where they feed stereotypes of arrogant, domineering Germans and stoke the resentments that are already deeply straining European unity.

There is no provision in European Union law for a member to be ejected, according to legal experts. Greece would have to withdraw voluntarily. But if the other countries cut off aid, it may have little choice.

Among European economists outside Germany, the idea that a country should be put under pressure to leave the euro zone is regarded generally as reckless and cruel. Greek banks would fail, the country would default on its debt and would lack a credible currency with which to buy essential imported goods like oil or food. The whole euro area, their thinking goes, would suffer as investors feared the disintegration of the currency union and perhaps the European Union itself.

"It's very risky," said Silvio Peruzzo, an economist in London for Royal Bank of Scotland. "It would set a precedent for other countries leaving the region. And the market would start to flirt with the idea that the euro as a whole doesn't make sense."

But in Germany, with its embedded fear of inflation and insistence that individuals should suffer the consequences of their actions, the idea that Greece should just leave is gaining wider currency, even in elite circles.

Otmar Issing, a former chief economist of the European Central Bank and one of the architects of the common currency, has implied that Greece should exit. Asked about his position by e-mail, Mr. Issing answered indirectly, saying that countries that break the rules of monetary union — as Greece did — should have to fend for themselves.

"If a country does not comply with the conditions agreed on, it should not get further financial aid," he said. "A country which does not get further support has to decide what to do."

Mr. Issing and Mr. Sinn are both extremely influential, and their thinking provides an intellectual foundation for opinions widely held by ordinary Germans. Chancellor Angela Merkel is facing intense pressure within her own center-right party, some of whose members are pushing for a special party congress to discuss the [debt crisis](#).

Greeks, meanwhile, are as fed up with Germany as Germans are with Greece. As plumes of tear gas bathed the streets of Athens in June, for example, many protesters said they wanted the drachma back.

"We don't care about staying in the euro," said one protester, who gave his name only as Dimitris. "It would be costly, but at least with the drachma we would be able to control our own currency and our own future."

Greeks have still not forgotten a cover on the German magazine Focus last year, which depicted the Venus de Milo raising a middle finger. “Cheats in our euro family,” said the headline, a reference clearly aimed at Greece.

“People believe Greeks don’t pay our taxes and we don’t want to work,” said Christos Manolas, a Greek businessman. “That’s a myth perpetuated by the Germans.”

Mr. Manolas cited a study published in June by the French bank Natixis, which found that Greeks and other south Europeans worked more hours than Germans, though the German economy was more productive.

Nor have Greeks let go of the idea that Germany owes them billions in reparations that were never paid after the brutal Nazi occupation during World War II. “We could pay off half our debts today with those reparations,” Mr. Manolas said, echoing a sentiment often expressed by his fellow citizens.

Among European economists as a whole, the idea that Greece should withdraw from the euro is seen as irresponsible, if not verging on madness. Jean-Claude Trichet, the president of the European Central Bank, has called such proposals “absurd.”

Charles Wyplosz, an economics professor at the Graduate Institute in Geneva, said the idea that Greece should spin off was “as silly as could be.”

“It would be the undermining of the euro itself,” he said. “Nobody will benefit from that.”

The German view is also based on the presumption that the northern European countries have a more virtuous record than those in the south, which has not always been true.

Early in the last decade, Germany’s budget deficit was in violation of treaty limits and its economy was one of the weakest in Europe.

But Mr. Sinn of the Ifo Institute and other German economists argue that countries like Greece will never do what they need to do to fix their economies if others keep bailing them out.

They point out that market pressure in the last week has prompted the Italian government to speed up efforts to remove barriers to entrepreneurship, after years of procrastination.

“We have seen that market pressure via higher interest rates is the most convincing sanction — if not the only one — which will trigger substantial, immediate reform measures,” Mr. Issing wrote.

Economists who say Greece should leave the euro zone acknowledge that Greek banks would probably fail and that the Greek economy would suffer a deep recession.

“Individuals would have to accept a big drop in living standards,” said Matthias Kullas, an economist at the Center for European Policy in Freiburg, Germany. “But the living standard has to fall anyway.”

The benefit would be that Greece would have its own currency and monetary policy and could devalue to recover competitiveness, he said. “It would be a very difficult adjustment process, but afterward, Greece could stand on its own two feet,” he said.

Other countries, like Italy and Portugal, might face pressure to leave the euro zone, too, Mr. Kullas said. “Some countries would suffer, and some would not be able to stay.”

But the result, he argued, would be a currency union with more integrity.

“Whoever wants to be a member of the euro zone has to follow the rules, and undertake the necessary reforms,” Mr. Kullas said. “For me that would strengthen trust in the euro.”

*Liz Alderman reported from Paris.*

NYT August 10, 2011

# Growing Concern Over France's Top Credit Rating Spreads Market Anxiety

By [LIZ ALDERMAN](#)

PARIS — With the sense of economic crisis deepening in Europe after the United States debt downgrade, investors have played Who's Next with the shrinking list of nations that still hold the top rating of AAA. And their sights have landed on [France](#).

Shares of French financial institutions were hammered Wednesday on the Paris stock exchange on mounting fears that France's own sterling credit rating could be cut, if the cost of cleaning up the [European debt crisis](#) weighs on the nation and its banks.

French banks are loaded up on the debt of Italy and Greece, among other troubled European countries that share the euro.

It seemed not to matter that the French government — along with the credit raters Standard & Poor's, Moody's and Fitch — issued statements on Wednesday insisting France's rating was not at risk. The market anxieties spread wildly, engulfing Société Générale, the second-largest French bank. Its shares slumped as much as 21 percent before closing down by 14.7 percent.

Stock in BNP Paribas, France's largest bank, fell 9.5 percent.

President Nicolas Sarkozy interrupted his vacation on the French Riviera to return to Paris for an emergency meeting with finance officials to discuss “the economic and financial situation” of France, whose government debt and budget deficit make it look the weakest of any big AAA-rated nation.

Mr. Sarkozy gave his ministers a deadline to prepare measures to ensure that France meets its deficit reduction targets, which it had trouble doing in the past. Analysts say France also needs to stoke growth and cut its high sovereign debt, which S.& P. cited in its note accompanying the American downgrade on Friday.

That note projected that France's debt in the year 2015 would be 83 percent of its [gross domestic product](#) — even higher than the 79 percent S.& P. forecast for the United States by that year.

S.& P. also indicated that it expected France and other AAA-rated nations to have their debts and deficits more under control than the United States by then. But the vultures now circling France apparently did not read, or at least heed, that caveat.

“There has been a lot of market noise about France, rather than ratings agency noise,” said Gary Jenkins, a strategist at Evolution Securities. “On the other hand, there was market noise about the PIGS and the United States before they were downgraded,” he noted, using an acronym for the European countries swept up in the [debt crisis](#) — Portugal, Ireland, Greece and Spain.

The annual cost to insure \$10 million in French government debt against default jumped to a record \$175,000 on Wednesday, up from only \$100,000 three weeks ago. The cost also hit records for Société Générale and BNP Paribas.

French banks are among the most exposed to Greek, Spanish and Italian debt, and they also hold huge amounts of French sovereign debt.

Société Générale, a globally interconnected bank that the French government regards as too big to fail, moved closer to the eye of the storm recently. It has significant exposure to Greece through a retail subsidiary there, and it holds vast sums of troubled debt from small and large European economies.

On Wednesday, it was hit in particular by talk that Groupama, a large French insurer that owns about 4 percent of Société Générale, needed to raise money. Groupama did not return calls for comment.

But David Thébaud, head of quantitative sales trading at Global Equities in Paris, noted that many other European insurance companies, as well as banks, were scrambling after S.& P. downgraded the United States to AA+ from AAA. Many of those companies and banks need to replace their United States Treasury securities because they are required to hold only top-rated sovereign debt.



“Volatility is very high — we’re in quasi-crisis mode,” he said.

Société Générale issued a lengthy statement after the close of trading, saying it “categorically and vigorously” denied all the “completely unfounded” market rumors that affected its share price. The bank, which reported a 1.6 billion euro (\$2.28 billion) first-quarter profit last week, said it had asked the French stock market regulator to investigate the source of the rumors.

The big fear in the markets, though, is the threat of contagion — whatever the reason for the tumult.

“We’ve been really cautious, and the sovereign crisis is now escalating,” said Philip Finch, global bank strategist for UBS. “It boils down to a crisis of confidence. We haven’t seen policy makers come out with a plan that is viewed as comprehensive, coordinated and credible.”

Despite France’s undisputed influence as Europe’s biggest power broker next to Germany, its debt as a percentage of gross domestic product is expected to reach 85.3 percent this year, according to the International Monetary Fund. That would be the highest among any European country in the AAA club.

France’s budget deficit, meanwhile, will fall to 5.7 percent of G.D.P. this year, the I.M.F. said, still well above the 2.3 percent forecast for Germany, and the second-highest after Britain among the AAA-rated countries in Europe.

And despite an array of world-class companies like LVMH Moët Hennessey Louis Vuitton, L’Oréal, Renault and Danone, France’s economy is gripped by labor market rules and other factors that keep it from growing faster.

The economy is expected to grow only 2 percent this year and next, slower than the 3.4 percent pace of Germany. Unemployment is around 9 percent.

Mr. Sarkozy pledged on Wednesday to find new ways to cut the deficit and reduce France’s huge debt ratio, which would swell if a widening crisis forced France to supply tens of billions more euros to pay the cleanup bill. But just as President Obama’s speech on the American economy on Monday fell on deaf ears, so, too, did markets ignore Mr. Sarkozy’s promises.

The French president has made it a priority to avoid a sovereign debt downgrade on his watch, especially as he girds for a campaign in the presidential elections scheduled for 2012.

Mr. Sarkozy has emphasized France’s strong stewardship of the European crisis. But that could come back to haunt his political ambitions if the crisis devours his own country.

*David Jolly contributed reporting from Paris, Nelson Schwartz and Louise Story from New York and Landon Thomas Jr. from London.*

This article has been revised to reflect the following correction:

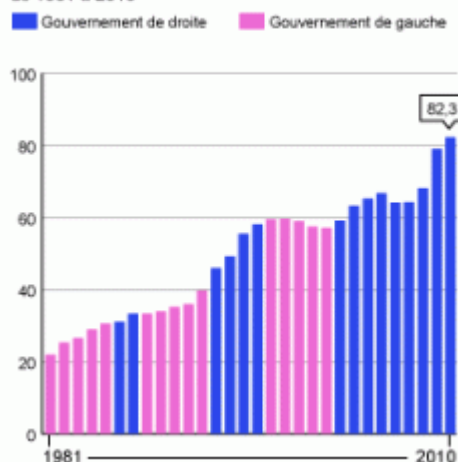
***Correction: August 11, 2011***

*An earlier version of this article erroneously indicated that the budget deficit forecast for France by the I.M.F. was the second-highest in Europe. It is the second-highest among European countries with AAA ratings.*

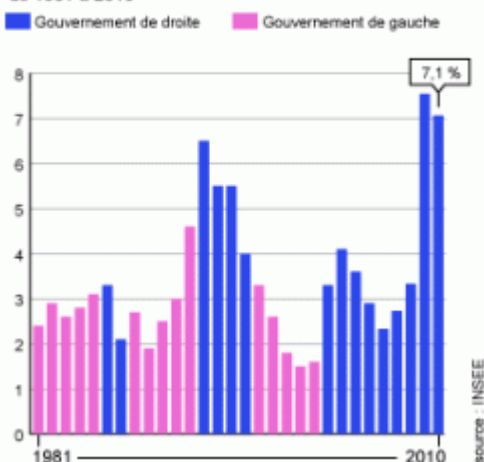
# Qui détient la dette de la France ?

LEMONDE.FR | 10.08.11 | 17h14 • Mis à jour le 10.08.11 | 20h34

**Dette publique** en pourcentage du PIB au 31 décembre de 1981 à 2010



**Déficit public** en pourcentage du PIB au 31 décembre de 1981 à 2010



## La dette et les déficits français depuis vingt ans. LeMonde.fr

Qui achète et possède la dette publique de la France ? Cette question, apparemment simple, est plus complexe qu'il n'y paraît. Et éminemment stratégique, alors que notre pays atteint un record d'endettement, à hauteur de 85 % de son produit intérieur brut (PIB), soit 1 646,1 milliards d'euros, en progression de 110 milliards d'euros depuis un an.

### Comment est composée la dette publique ?

La dette publique est en fait triple : celle de l'Etat proprement dit, mais aussi celle des collectivités locales et celle des administrations publiques.

Sur les 1 646,1 milliards dus par la France, 1 286 le sont par l'Etat lui-même, [selon l'Insee](#), soit l'essentiel. Les administrations locales (régions, départements, communes), sont endettées à hauteur de 156 milliards d'euros ; les administrations de sécurité sociale (assurance maladie, caisse nationale d'assurance vieillesse) pour 191 milliards d'euros. Enfin, les organismes divers d'administration centrale (établissements et agences dépendant de l'Etat) doivent 11,6 milliards d'euros.

Le déficit cumulé, conséquence de plus de trente années de budgets déficitaires, a été empruntée à divers acteurs financiers : Etats, entreprises, grandes banques... Ceux-ci achètent des produits, émis par la France et remboursables à plus ou moins long terme. La fameuse note "AAA" du pays permet de réaliser des emprunts à des taux réduits. De 1 % à 4 % en fonction de la durée de l'emprunt contracté, selon [le dernier bulletin mensuel \(en PDF\) de l'Agence France Trésor \(AFT\)](#), chargée d'émettre ces produits et de réaliser les emprunts pour l'Etat.

### Qui achète des titres de dette publique en France ?

Les produits émis par l'Etat sont au nombre de trois, qu'on peut classer en deux catégories. D'abord les titres de long terme. Ce sont les obligations assimilables au trésor (OAT), les plus importants en volume, remboursables en sept à cinquante ans, qui peuvent être à taux fixe ou variable. Ensuite, ceux à court terme, de deux genres : les bons du Trésor à intérêt annuel (BTAN), d'une durée de deux ou cinq ans ; et les bons du Trésor à taux fixe et à intérêts précomptés (BTF), émis pour des périodes très courtes (de l'ordre de quatre à sept semaines).

La France emprunte environ un tiers de sa dette à ses propres banques et sociétés de crédit. Avec une particularité : le pays est plus endetté auprès des compagnies d'assurance (20 %), qui "achètent" des titres de dette française pour les placements d'assurance vie, qu'auprès de ses banques. Contrairement à la situation du reste de l'Europe, les établissements bancaires français possèdent moins de 14 % de la dette nationale.

### **Quel part de dette est détenue par des étrangers ?**

La dette française est détenue à plus de 65 % par des "non-résidents" français. Un [chiffre en baisse](#) : jusque fin 2010, il se situait plutôt autour de 70 %. Mais un chiffre qui n'a eu de cesse de grimper ces dernières années : en 1993, seuls 32 % de la dette française était détenus par des non-résidents.

La situation française en Europe est particulière : selon une [étude publiée en avril par la fondation pour l'innovation politique \(Fondapol\)](#), notre pays est en troisième position de l'Union européenne, derrière le Portugal (75 % de la dette détenue par des non-résidents) et la Grèce (71 %). En moyenne, 53 % de la dette des pays européens est détenue par des non-résidents. C'est une différence majeure avec un Etat comme le Japon, dont l'énorme endettement (plus de 200 % de son PIB) est essentiellement possédé par ses épargnants. Les Etats-Unis, quant à eux, ont un tiers de leur dette aux mains de non-résidents.

Le terme de "non-résidents" recoupe une série d'acteurs : fonds de pension, grandes banques, compagnies d'assurance, fonds souverains... Il est impossible de savoir précisément quel pays possède le plus : la loi [interdit la divulgation de cette information](#), à part aux vendeurs eux-mêmes. Ce qui pose question : la provenance des possesseurs de dette revêt en effet un caractère de plus en plus crucial.

### **Quelles conséquences au fait que la dette soit détenue hors des frontières ?**

Le fait que la dette nationale soit détenue par des acteurs étrangers est un atout autant qu'une faiblesse. Un atout, car c'est une preuve de l'attractivité du territoire national et de la confiance qu'il obtient auprès des marchés. Mais une faiblesse, car le pays est d'autant plus sensible aux questions de conjonctures que sa dette est placée sur des marchés internationaux. La Grèce ou le Portugal, qui avaient également une dette majoritairement située à l'étranger, en ont ainsi payé les conséquences.

La dette des pays de la zone euro est en grande partie possédée par des non-résidents d'autres pays de la zone. C'est ainsi que, en 2010, 52 % des dettes de la France et de l'Allemagne étaient détenus au sein de la zone euro, et donc libellés dans cette monnaie. Par ailleurs, 60 % de la dette des deux pays sont détenus en Europe au sens large (en incluant Norvège ou Suisse).

C'est une sécurité, dans la mesure où l'Europe est capable de politiques contracycliques. La France a ainsi racheté une partie de la dette grecque au terme de l'accord du 21 juillet. Mais c'est aussi un danger, puisqu'un pays de la zone qui ferait défaut (qui se montrerait incapable de s'acquitter du paiement de ce qu'il doit) fragiliserait toute la zone et la monnaie européennes.

Restent donc 40 % à 48 % de la dette française qui sont détenus hors de l'Europe, et donc sur des marchés internationaux. Cette part est la plus vulnérable aux aléas de la conjoncture et à l'effolement de la sphère financière.

NYT August 8, 2011

# Berlin Wall Is Gone, but Mental Barriers Remain

By **JUDY DEMPSEY**

BERLIN — On Aug. 13, the 50th anniversary of the building of the [Berlin Wall](#), the regional branch of [Germany's](#) Left party will gather in the northeastern state of Mecklenburg-Western Pomerania.

The delegates, many of them former East German Communists but also younger people, will debate an extraordinary motion put forward by some members: They want their party to declare that the building of the wall was an inescapable necessity.

If that leaves any doubts about the Left party's nostalgia for a wall that imprisoned 17 million people for nearly 30 years, a newspaper survey published this month by *The Berliner Zeitung* showed that 75 percent of that party's supporters in Berlin thought the wall was justified or partly justified.

Support for the wall is not confined to the Left party. The poll also showed that over all, a third of Berliners thought the 155-kilometer, or 96-mile, construction that curtained off West Berlin from its East German surroundings, not to mention the 1,400-kilometer, heavily guarded border between the two Germanys, was at least partly justified.

Respondents said the wall was necessary to stop the exodus of qualified people fleeing the German Democratic Republic — around 2.5 million from 1945 to 1961 — and to stabilize the political situation there and throughout all of Germany during the Cold War.

Arnold Schoenenburg, a Left party member who is one of the authors of the Mecklenburg-Western Pomerania motion, said socialism would have been impossible to build without the wall.

Such support for the wall makes a mockery of the hundreds who were killed trying to escape and the thousands who opposed the regime and the invidious, ubiquitous Stasi, or secret police, that underpinned the dictatorship.

“This anniversary is very, very sad,” said Hope M. Harrison, associate professor of history and international affairs at George Washington University in Washington. Dr. Harrison has had extensive access to archives in Moscow and Berlin documenting the decision to build the wall.

“When you look at these polls, the anniversary is particularly sad. They show that the wall is still very much in the minds of many people,” she said.

This perpetuation of the wall in the mind is linked to economic insecurity, especially among women who were in their late 30s or early 40s when the wall collapsed in November 1989.

“For these people, there is a pervasive sense of disappointment,” said Everhard Holtmann, political science professor at the Martin Luther University of Halle-Wittenberg.

Women were in a particularly privileged position in Communist East Germany. There was an excellent child-care system, allowing mothers to return to flexible or full-time work. West German conservatives claim that such facilities gave the Communist regime a chance to indoctrinate the next generation. Yet these are opportunities Western German women are seeking today.

When reunification did take place in 1990 and the huge, uncompetitive industrial companies in the former East Germany were shut, millions lost their jobs. Men and women who were then in their 40s now are not even on the unemployment register anymore. Instead, they live off state handouts, becoming invisible statistically, analysts say.

The former Communist Party nomenklatura who were part of the party apparatus, including the Stasi, also lost out. Many have the wall in their heads partly because they still believe that East Germany was the better state, and partly because the vast majority of them no longer have power or careers in the reunited Germany.

This perpetuation of the wall in the mind serves the interests of the Left party, successor to the Socialist Unity Party of East Germany. Ever since reunification, the Party of Democratic Socialism, renamed the Left party, has been winning about a quarter of all the votes in the Eastern states, allowing it to have a strong voice in the federal Parliament, or Bundestag.

The most troubling aspect of this anniversary is the imprint the wall has left on the younger generation, analysts say.

Once the wall fell, talent moved to the West. This led to a radical transformation of the population, said Steffen Kröhnert, demographer at the Berlin Institute for Population and Development. Between 1989 and 2005, more than 1.6 million Eastern Germans left for Western Germany. “The impact on the region has been immense,” Dr. Kröhnert added.

The people who left were young, motivated and educated. More than 60 percent were under the age of 30, with women making up a disproportionately high percentage, according to a recent study published by Dr. Kröhnert.

“The women saw what had happened to their mothers,” he noted. “They saw the dim prospects of getting good jobs. They studied and then migrated. And they delayed having children.”

Statistics show that few returned. So in Eastern Germany, the younger population has plummeted. In 1989, 25.5 percent were under the age of 20. In 2008, as a result of the declining birthrate and emigration, this rate fell to 15.5 percent. The Western German level was 19.9 percent.

The impact of this brain drain is obvious. Villages and towns are desolate, especially in the northeastern states of Mecklenburg-Western Pomerania and Brandenburg. Those who remain are retirees, or permanently unemployed. There are few opportunities for the young.

Particularly worrying for sociologists are the ranks of the unemployed among single young men who often are attracted to the far-right parties, especially when it comes to accusing neighboring East Europeans of taking away jobs.

“It’s a kind of wall in the mind,” Dr. Holtmann said. These young people rarely leave their communities or seek retraining opportunities, according to the Federal Agency for Labor, reinforcing the residue of unskilled labor in some of the Eastern states.

And so history repeats itself, a tragedy both times. It was precisely this kind of brain drain that 50 years ago motivated the East German leadership to build the wall, turning the country into a giant prison. At least today, not even the most radical members of the Left party suggest that rebuilding it would help matters. But as a party, it has yet to close this chapter of German history.

# Londres : la presse divisée sur les raisons des émeutes

Le Figaro par [Constance Jamet](#) 9/8/2011

**REVUE DE PRESSE- Alors que les violences s'étendent dans le pays, les journaux britanniques peinent à en expliquer les causes.**

La **presse britannique** est aussi sonnée que les Londoniens par l'ampleur des émeutes et leurs dégâts. «La bataille de Londres» barre la Une du *Guardian*. *Skynews* dépeint des «zones de guerre» dans la capitale. «Règne des gangs» titre *The Daily Telegraph*. «Les brutes dominant», lui fait écho le tabloïd *Daily Mirror*. *The Daily Star* déplore «l'anarchie en Grande-Bretagne». *The Sun* fait encore plus lapidaire en imprimant juste le mot «Anarchie», **son site propose lui** «descente aux enfers». Le *Times* évoque «un été de non-droit» tandis que le *Daily Express* fustige les «crétins incendiaires».

En revanche, les médias sont beaucoup moins catégoriques quand il s'agit de discerner les raisons d'une telle révolte. La presse se montre réticente à incriminer, comme l'ont fait des députés travaillistes, la politique de rigueur de David Cameron. «Ce positionnement est cynique et tactique. Ces violences sont des actes criminels purs et simples», **tance le tabloïd conservateur** *Daily Mail*. Même le *Guardian*, quotidien de gauche, se veut prudent. «Blâmer ces exactions sur la méchanceté d'individus, des complots ou les coupes budgétaires du gouvernement est désinvolte même si ces facteurs ont sûrement joué». «Le culte de la violence et des armes à feu et la rage d'être exclu de l'accomplissement consumériste font aussi partie de cette sombre histoire», **conclut son éditorial**.

## Des «émeutes-shopping» pour The Independent

**Dans les colonnes** du *Guardian*, des experts pointent plus explicitement le rôle de la société de consommation. «Beaucoup d'émeutiers viennent probablement de familles défavorisées et marquées par le chômage. Ces jeunes ont pillé les magasins car ils en avaient l'opportunité et n'avaient rien à perdre», analyse le Pr. John Pitts. «Cette génération, bombardée de pubs et élevée dans le culte d'une consommation excessive, s'est déchaînée». «Aujourd'hui nous ne sommes plus définis par ce que nous faisons mais par ce que nous achetons», déplore le criminologue. **Même analyse dans** *The Independent*, aussi à gauche. «Nous faisons face à des émeutes-shopping. Les violences ont été caractérisées par un pillage opportuniste sur une échelle qui sied à notre époque de consumérisme aveugle. On a vu les pillards essayer des chaussures pour vérifier la pointure. Ils attaquent des magasins pour y retrouver leurs marques favorites. Ce n'est pas tant le désespoir d'un ghetto que la décadence (d'une époque)».

C'est étrangement *The Daily Telegraph* qui est le plus sévère avec le monde politique. «Ce n'est pas une coïncidence si ces troubles éclatent alors que l'économie globale est au bord de la chute libre», note l'éditorialiste du quotidien conservateur Mary Riddell, **qui décrit «une rébellion du sous- prolétariat»**. «Nos gouvernements successifs ont tous leurs responsabilités dans le développement de la pauvreté, des inégalités, de l'inhumanité, désormais exacerbés par la tourmente financière». «Les émeutes de Londres ne sont pas les troubles tupperware (sic) de la Grèce ou l'Espagne, où les classes moyennes se rebellent (contre les conséquences de leurs train de vie, ndr). Une partie de nos jeunes a basculé de l'autre versant de notre nation en ruine», écrit la journaliste. «Nous avons peut-être besoin de cette génération perdue pour reconstruire notre société et être de nouveau prospères. Les krachs financiers comme les catastrophes humaines sont cycliques».

Quelques éditorialistes braquent aussi les projecteurs sur le culte de la violence. **Damian Thompson, qui collabore également** au *Daily Telegraph*, rabroue les partisans du «multiculturalisme» qui ont fermé les yeux sur la «culture des gangs». «Ce n'est qu'un des facteurs de ces débordements mais cette culture est largement tolérée par les membres de la communauté noire qui a perdu le contrôle de ses jeunes». Le journaliste de *Skynews* Colin Brazier refuse lui de pointer la communauté noire mais voit dans cette flambée une conséquence de la **disparition de la famille traditionnelle**. Pour lui, nombre des émeutiers pâtissent de l'absence de leur père et d'une influence masculine dans leur foyer.

## Debt Crises and Market Turmoil

### ***Is The World Going Bankrupt?***

By SPIEGEL Staff

**Europe and the US are hopelessly over-indebted. The crisis that started in the US real estate sector in 2007 has devastated state finances on both sides of the Atlantic and is threatening to wreck the euro and trigger a second global downturn. The world lacks the political leadership needed to end the turmoil.**

The fear is back, in the stock exchanges and in the capitals of the industrial nations. There are [growing signs](#) everywhere of a new financial crisis, and the political leaders of the West are looking helpless and out of their depth. The United States is struggling with an enormous budget deficit. And the euro zone's central bankers and government leaders can't find a strategy to end the permanent malaise of their single currency. The White House has achieved little more than to buy some time with a new debt compromise reached after theatrical political squabbling between Democrats and Republicans. Last Friday night, rating agency Standard & Poor's lowered its rating for the US from AAA to AA+.

Muddling through, postponing, playing down -- the motto of the crisis managers on both sides of the Atlantic has sent alarm bells ringing in stock markets. Britain's *Economist* magazine is warning of a double-dip recession in the US, a second downturn just three years after the last one. Many economists have been pointing out that last week's panic resembled the fear that swept financial markets after the collapse of US investment bank Lehman Brothers in September 2008.

Then as now, banks stopped lending each money. Then as now, banks' cash deposits at the central bank doubled within days. The European Central Bank reacted by assuring banks of unlimited liquidity in the coming months. It was an emergency measure that led to short-term relief but sparked anxious questions among bankers and stock market players. How long can the central bank keep up its market-soothing liquidity operations before it finally loses its credibility, the most important asset of a central bank? Is the financial crisis about to escalate? And will the world then be bankrupt?

It was less than three years ago that the global economy inched towards the abyss after the US real estate bubble burst. In order to save their over-indebted banks and insurance companies, Western governments borrowed huge sums of money themselves. They nationalized banks and implemented vast stimulus programs, while central banks flooded the economy with cheap money.

As former German Finance Minister Peer Steinbrück put it, "fire was fought with fire."

That helped to prevent a global economic crisis of the kind that brought the world to a standstill in the 1930s. But it also set ablaze the headquarters of the world's economic fire-fighters. Who will save the saviors? That question was already being asked back in 2008, and it has gained urgency now that government debt mountains are higher than ever.

#### **Crisis Management Obstructed by Politics**

The scale of new borrowing is less of a problem than the inability of governments to find a credible strategy for reducing their debts. In the US, the government and opposition have been locked in a dispute over whether the deficit should be removed through tax hikes or cuts in social spending. In Europe, the solvent governments of the northern countries are refusing to underwrite the debt of the struggling Mediterranean countries.

The West faces a dual crisis that has engulfed its most important political leaders. President Barack Obama has failed to mend a gaping rift in US society and to outmaneuver the conservative Tea Party rebels. In Europe, it has become more evident with each European Union summit that German Chancellor Angela Merkel, rather than being in control of the crisis, is being driven along by it.

The West hasn't been this weak since World War II, and never before has a crisis paralyzed Europe, America and Japan at the same time. The problems of the leading industrial nations aren't just sapping the political influence of the so-called Free World, they are also threatening the global economy.

There are growing fears in the US that the debt woes could drive up inflation to new record levels. In Europe, the future of the single currency is at risk.

Merkel can't avoid the key decision much longer: either the euro zone will be converted into a close fiscal union with [financial transfers](#) and commonly issued Eurobonds, or Europe's most indebted nations will have to leave the currency union -- with unforeseeable consequences for the remaining members.

The longer the Western debt crises smolder on, the darker the outlook for the global economy. Because the US economy is collapsing, American consumers are buying fewer goods from China and India. And because investors are piling out of euro and dollar investments, supposed islands of stability are starting to look shaky as well. In recent weeks, the Swiss franc and the Brazilian real have appreciated so strongly that exporters in those countries have been virtually unable to sell their products abroad.

### **Global Downtrend Feared**

And so the world is at risk of sliding into a downward spiral. The debt crises are weakening economic growth, and the declining momentum in turn is making it even harder to escape the debt crisis.

Italian bank UniCredit has predicted a "synchronous downturn in the US, Latin America, Asia and Europe." A downturn that would also engulf the economy that has so far been getting through the crisis better than most others: Germany.

If the vicious cycle is to be broken, the governments in Europe and the US must take action now, united and coordinated. No less than the world's economic stability is at stake. But so far, that particular risk doesn't seem to feature prominently in the concerns of the world's crisis managers.

Jean-Claude Juncker, Luxembourg's prime minister and president of the euro group of euro-zone finance ministers, is a veteran of EU policymaking. After the July 21 special EU summit in Brussels, he declared that the euro crisis had been sorted out, and that the second Greek bailout agreed to that day was "the last package." The triumph lasted barely 14 days. The crisis started worsening again last week. Financial markets have set their sights on Spain and [Italy](#), two economies that are too big to be dismissed as peripheral problems like Greece, Ireland or Portugal.

The risk premiums on the government debt of the two countries rose to risky levels last week. Italian and Spanish bond yields were four percentage points above comparable German debt, seen as the benchmark of stability.

That makes borrowing more expensive, and governments simply can't afford such rates in times like these. When Ireland's interest rates reached similar levels last autumn, its neighbours urged the country to seek a bailout from the €440 billion (\$625 billion) EU emergency rescue fund, the European Financial Stability Facility (EFSF).

### **Pledges Don't Calm Markets for Long**

But Italy and Spain are too big. It has once again become clear that the euro was launched as a fair-weather currency. And that the euro zone's rescue mechanisms, despite all the [additions and improvements](#), remain little more than inadequate, stopgap measures.

Once again, government leaders are falling behind the financial markets and economic realities in a race that will determine the fate of the euro. It is particularly worrying that their announcements and pledges appear to have an ever decreasing shelf-life.

Last year, when they rushed to the aid of Greece and set up a rescue fund for the high-debt nations on the edge of the currency bloc, they managed to calm markets for a few months. But since then, the breathing space following EU announcements has been whittled down to weeks, even days.

Europe's rescue efforts are not just behind the curve. The measures they end up taking turn out to be insufficient. "Too late and too little," said former EU Commissioner Günter Verheugen, referring to the failure of EU leaders to secure a long-term solution for their ailing currency.

Merkel opposes increasing the volume of the rescue fund. "Every increase would only be an invitation to speculators to go on finding out how much more the euro zone is ready to give," said one German government expert.



## **Berlin Officials Say EU Fund Can't Save Italy -- Even if It's Trebled**

Officials in Berlin say the fund could cope with a bailout of Spain but wouldn't be able to handle Italy even if its resources were trebled. Worse, that assessment also applies to the permanent European Stability Mechanism (ESM) that is due to replace the EFSF in 2013. This admission is unlikely to strengthen confidence in the euro.

"You can't bail out an economy like Italy," said one high-ranking government official. The financial requirement would be too huge. Italy's EU partners couldn't even provide a guarantee for the country's government debt, currently totalling €1.8 trillion, as some economists have proposed.

The alternative is simple: Eurobonds. But at present, German officials are only mentioning that possibility in whispers. The common issuance of government debt is still a taboo in top government circles -- for the time being.

The German government fears that such bonds would entail major disadvantages for Europe's largest economy. The yield on them would be higher than on current German sovereign bonds, because the euro zone as a whole wouldn't be as creditworthy as Germany is on its own. If the interest rates on Eurobonds were just one percentage point higher than German government bonds, it would cost the German government an additional €20 billion per year in the medium term.

That is why Merkel and Finance Minister Wolfgang Schäuble are insisting that Italy find its own way out of the crisis by cutting government spending and enacting reform. But Berlin is under pressure, not just from the other EU member states, but from Washington. The US is pushing Germany to agree to Eurobonds. Obama is calculating that if Europe gets to grips with its crisis, his own fight to cut US debts will become easier.

## **US At Risk of Double-Dip Recession**

The wrangling over raising the US debt ceiling led the country to the edge of a financial disaster, and the [deal reached](#) seems like a band-aid on a torn jugular. A total of \$2.4 trillion is to be saved over a period of 10 years, but that's not much given the debt today already amounts to a barely imaginable \$15 trillion and will probably have reached \$20 trillion in a decade.

The US has been living above its means for years. The wars in Afghanistan and elsewhere, the world's most expensive healthcare system, costly stimulus programs -- the US kept on paying for it all with borrowed money. It worked as long as the economy kept on growing and flooded the state coffers with tax revenues. But now those coffers are empty, and the planned spending cuts couldn't come at a worse time.

"The deal's spending cuts increase the odds of a double-dip recession," said Robert Reich, a US economist and former labor secretary during the Clinton administration.

Experts at the International Monetary Fund recently published a study of 170 fiscal policy measures undertaken since 1930 and concluded that state spending cuts dampen economic growth, with every cut amounting to 1 percent of gross domestic product leading to a 0.62 point reduction in growth in the subsequent two years.

The current debt plan envisages cuts amounting to 16 percent of US GDP over the next decade. If the IMF's calculations are correct, the US would inevitably slip into a new recession.

It is imperative that the fiscal problems be addressed. But just like in Europe, the crisis stems largely from a lack of government action and leadership. The political climate in Washington is poisoned, the system isn't working properly and needs to be reformed.

## **US Heading for 'Banana-Republic Status'**

"Our nation isn't facing just a debt crisis; it's facing a democracy crisis," wrote the *New York Times*.

Nobel Prize-winning economist Paul Krugman wrote the debt deal "will take America a long way down the road to banana-republic status."

America was founded on the principle of the separation of powers and that decisions are reached through consensus. But the new [Tea Party radicals](#) in Washington just want power rather than results. For them, compromise has become a dirty word.

In almost half of all US electoral districts, either Republicans or Democrats have clear majorities. That means there's no dialogue between the two fronts. In the primaries, politicians only have to fear internal party critics from the hard left or hard right. And those critics can be very loud.

The result is that ideology overrides pragmatism, even if it means the nation sinks under its fiscal burden and pulls the rest of the world with it.

Given the gridlock in Washington, the Federal Reserve is seen by many as the last savior because it is politically independent and can't be blackmailed by Washington. There are growing calls for the Fed to do what it did three years ago: print money.

Since 2008, the central bank under Ben Bernanke has pumped out 2.5 trillion fresh dollars. That stimulated the economy and could now provide an alternative, albeit crude, way out of the debt crisis. The billions of dollars flushed into the global economy lead to price increases. It is tempting to pay down the debts with the help of inflation. But the strategy has two dark sides: inflation amounts to a creeping expropriation of ordinary citizens, whose assets gradually lose value. And there is a risk that the US will export inflation to other parts of the world -- to China, for example.

### **China Faces Slowing Growth and Mounting Inflation**

Life is getting more expensive in the country often referred to as the world's factory -- not just for producers, but also for consumers. Chinese consumer prices rose 6.4 percent in June year-on-year, the highest rate in three years. Pork, the most popular food in China, is becoming a luxury -- its price has risen by more than half since June of last year. The inflation is making people angry. Early last week, around 1,000 taxi drivers went on strike in the eastern city of Hang Zhou to protest against rising fuel prices and traffic congestion.

The unease is being compounded by a deteriorating economic outlook in China's most important export markets -- Europe and the US.

The Chinese probably lost their last illusions about America's economic might when the US raised its debt ceiling yet again to avert insolvency. China has more than a third of its \$3.2 trillion foreign currency reserves invested in dollars. Chinese central bank governor Zhou Xiaochuan urged Washington last week to act responsibly to deal with its debt. The state Xinhua News Agency said the political wrangling in Washington had been a "madcap farce" and it described US debt as a "ticking bomb."

The Chinese economy, the world's second largest, is already at risk of overheating, with dramatic consequences for the world, because it has been the driving force behind global growth. China has been growing at double-digit rates for years -- by 10.3 percent last year alone.

German firms in particular have been benefiting from the huge Chinese market, which is starting to slow. An important sentiment indicator measuring the mood of corporate purchasing managers fell in July. The Shanghai Stock Exchange has been stagnating. And real estate prices fell 13 percent year-on-year in the first half.

The expected slowdown could be interpreted as a sign that China's economic planners are managing to engineer a "soft landing" for the economy. The central bank has raised interest rates five times since October 2010 and ordered banks to boost their loan loss provisions in a bid to stem price pressures. But a weakening construction sector -- a key industry in China -- is likely to pull other sectors like cement manufacturers and steel makers down with it. China is like a junkie being forced into a rehabilitation program. But the government of Prime Minister Wen Jiabao only has itself to blame. When demand from the US and Europe collapsed during the last financial crisis, his government pumped around 4 trillion yuan (about €450 billion) into the economy, the biggest stimulus package in history, to boost the sale of PCs, television sets and cars. New motorways, airports and train lines were planned. China turned into a gigantic building site.

Local authorities ran up massive debts to stimulate the boom. That has lessened the central government's scope to cool the economy down. If interest rates are raised too sharply, the provinces won't be able to service their debts. New York economist Nouriel Roubini, who predicted the 2008 financial crisis, fears that China could offload its surplus cement, steel and aluminium on world markets at dumping prices.

### **German Economic Miracle at Risk**

Germany has been enjoying what many have described as a new economic miracle, with 3.6 percent growth in 2010. In the first quarter of 2011, growth even reached 5 percent year-on-year. But with the world economy facing a slowdown, Germany's enormous dependence on exports, the driving force behind its impressive recovery in the last

two years, could now spell doom. The US and Italy are among Germany's top five trading partners -- and neither country is likely to provide much impetus for German industry in the foreseeable future.

There is a further danger: the Swiss and Japanese central banks are intervening in markets to stop the appreciation of their currencies which has been putting their exports at risk. If the Americans follow suit, a global race to depreciate national currencies could ensue -- a disastrous form of protectionism.

In its latest "Global Trade Alert," the London-based Center for Economic Policy Research warns that protectionism is on the rise among industrial nations.

The world is closer to an economic crash than at any time since the outbreak of the financial crisis, even though governments are in many respects in a better position than they were in 2008. True, many Western states have amassed gigantic piles of debt. But unlike three years ago, there has been no disorderly insolvency so far that threatens to tear banks into the abyss. On the contrary: Western governments have the means to get to grips with their debt crises.

However, the usual crisis diplomacy with telephone conferences and pledges of "decisive action" won't suffice to calm markets. Effective decisions are needed now, on both sides of the Atlantic.

In the US, the government and opposition must agree on a sustainable plan to reduce the debt -- spending cuts will be as necessary as higher taxes, and politicians must make sure that the measures don't choke off economic growth. That isn't easy but it's not impossible either, as former President Bill Clinton showed in the 1990s. Similar plans are available today. The question is whether the divided political establishment can find the strength to implement them.

#### **A Choice for Euro Zone -- Break Apart or Integrate Much More**

And in Europe, governments need to realize that they can't keep on sitting out the euro crisis. The currency bloc will either break apart or its members will move much closer together on fiscal policy. The latter move offers the chance to move ahead with European integration. Here too, the necessary plans are all there -- they just require a plethora of unpopular decisions.

If the euro is to survive, the donor countries will have to shoulder even greater financial risks than they have already. And the debtor nations will have to surrender their sovereignty in budget matters to Brussels bureaucrats for years to come.

The lesson from the latest crisis can be phrased in three words: solid state finances.

It has become evident that debt-to-GDP ratios of 80, 90 or 100 percent will sooner or later cast doubt on a country's creditworthiness. Even supposed paragons of fiscal virtue such as Germany must be careful. The German debt ratio of 83 percent is too high, given the ageing population. Who is supposed to pay down that debt in the future?

Scaling down debt isn't easy, as can be seen in Britain. The government of Prime Minister David Cameron has imposed more rigorous spending cuts than any other traditional industrial nation. The austerity program is coming at a high price. The cuts are hitting domestic demand and have all but wiped out economic growth. Every country that embarks on fiscal cuts faces a similar fate, and it takes years for the measures to bear fruit. States that have restored their budgets to health tend to grow faster than profligate ones.

So the economic prosperity of the West hinges on whether governments are capable of thinking in new dimensions of time. They finally need to start thinking further ahead than the next election.

REPORTED BY ALEXANDER JUNG, CHRISTOPH PAULY, CHRISTIAN REIERMANN, MICHAEL SAUGA, GREGOR PETER SCHMITZ, THOMAS SCHULZ AND WIELAND WAGNER

- <http://www.spiegel.de/international/world/0,1518,779008,00.html>

## Un institut allemand craint un abaissement de la note française

LEMONDE.FR avec AFP | 08.08.11 | 19h10

Le "triple A" de la France, qui lui permet de se financer à des taux avantageux sur les marchés financiers, a été confirmé ces derniers mois par les trois grandes agences de notation : S&P, Moody's et Fitch.

Si de nombreux analystes affirment ne pas s'attendre à la disparition d'un autre "triple A" dans le monde, notamment celui de Paris, des observateurs soulignent pourtant régulièrement que la France est le "triple A" de la zone euro affichant **les moins bons ratios budgétaires**, un des éléments pris en compte par ces agences pour déterminer les notes données aux dettes des pays.

L'un des principaux instituts de conjoncture allemand, le DIW, met lui aussi en garde contre un abaissement de la note de la dette française, qui pourrait, selon lui, provoquer une désintégration de la zone euro.

### **DOUTES SUR LA PÉRENNITÉ DE LA ZONE EURO**

Une éventuelle dégradation de la note de la dette française aurait en effet des conséquences sur le Fonds de secours européen (FESF) mis en place par les dirigeants de la zone euro pour répondre à la crise de la dette, explique Ansgar Belke, directeur de recherches de macroéconomie internationale au DIW.

*"Si la note de la France devait être dégradée à AA (contre AAA actuellement), soit elle ne quitte pas le FESF par crainte de voir sa réputation entachée. Mais alors les conditions de crédit de ce Fonds vont se dégrader dans l'ensemble".* Soit elle sort du FESF et les autres pays vont devoir contribuer plus massivement à ce fonds dont le volume global va baisser, a-t-il affirmé au quotidien *Handelsblatt* à paraître mardi 9 août. *"Les deux hypothèses vont faire douter les marchés de la pérennité de la zone euro"*, selon M. Belke.

L'Institut allemand de recherche en économie (DIW) est l'un des six principaux instituts de conjoncture du pays qui publient deux fois par an un très attendu rapport sur l'état de l'économie allemande.

# L'avenir de la France dans le club des "AAA" en pointillés

LEMONDE.FR avec Reuters | 06.08.11 | 18h52 • Mis à jour le 08.08.11 | 13h59

Le club très fermé des pays notés "triple A" se réduit après la dégradation, vendredi 5 août, de la note souveraine des Etats-Unis par l'agence de notation Standard & Poor's.

Le "triple A" de la France, qui lui permet de se financer à des taux avantageux sur les marchés financiers, a été confirmé ces derniers mois par les trois grandes agences de notation : S&P, Moody's et Fitch. Ces deux dernières maintiennent d'ailleurs le "AAA" américain – la note la plus élevée de l'échelle des agences de notation.

Ciaran O'Hagan, stratégeste taux à la Société Générale, expliquait samedi à Reuters ne pas s'attendre à la disparition d'un autre "triple A" dans le monde, notamment celui de Paris. Des observateurs soulignent pourtant régulièrement que la France est le "triple A" de la zone euro affichant les moins bons ratios budgétaires, un des éléments pris en compte par ces agences pour déterminer les notes données aux dettes des pays.

Le déficit public s'est ainsi élevé à 7,1 % du produit intérieur brut l'an dernier en France, un niveau supérieur à ceux des autres "triple A" de la zone euro – Allemagne, Pays-Bas, Autriche, Finlande et Luxembourg. Pour 2011, la Commission européenne prévoit que cet écart subsistera, le déficit français s'élevant à 5,8 % contre -3,7 % pour les Pays-Bas et l'Autriche, -2 % pour l'Allemagne et -1 % pour la Finlande et le Luxembourg.

## **BAISSER LE RATIO DETTE-PIB**

Surtout, la France est le seul de ces pays à afficher un déficit primaire important. Ce solde, qui correspond au déficit hors coût de la dette, devrait être de -3,1 % du PIB en France en 2011, selon la Commission, contre -1,6 % aux Pays-Bas, -0,9 % en Autriche et -0,5 % au Luxembourg. L'Allemagne et la Finlande devraient afficher un excédent primaire de 0,4 % et 0,2 % respectivement, l'arme la plus efficace pour réduire le ratio d'endettement.

Le gouvernement français assure qu'il prendra toutes les mesures nécessaires pour tenir ses objectifs de réduction du déficit, qui permettront selon lui de baisser le ratio dette-PIB dans les prochaines années. Il a ainsi déjà annoncé qu'il réduirait au besoin les niches fiscales qui amputent les recettes publiques dans une proportion supérieure aux 3 milliards d'euros prévus pour l'instant pour 2012.

*"Le 'triple A' a été confirmé par les trois agences et on a une ligne rouge à ne pas franchir sur la réduction des déficits, a dit samedi une source proche du ministre des finances, François Baroin. Ça se traduira par des mesures dans le projet de loi de finances et le projet de loi de financement de la sécurité sociale présentés en conseil des ministres en septembre".* Le gouvernement prévoit de réduire le déficit public à 5,7 % du produit intérieur brut fin 2011, 4,6 % fin 2012, 3 % fin 2013 et 2 % fin 2014. Cette trajectoire devrait selon lui permettre d'inverser la progression du ratio de dette-PIB à partir de 2013 pour le mettre sur une trajectoire décroissante. Le gouvernement estime pour l'instant que ce ratio de dette continuera d'augmenter cette année et l'an prochain à 85,4 % du PIB fin 2011 et 86,9 % fin 2012 puis baissera à 86,4 % fin 2013 et 84,8 % fin 2014.

## **"REGLE D'OR"**

Les responsables français mettent aussi en avant la qualité de la main d'œuvre dans le pays, la vigueur de sa démographie, la solidité de son système bancaire et un endettement privé qui reste sous contrôle. Les agences elles-mêmes soulignent ces derniers points et ont accueilli favorablement la réforme des retraites menée par Nicolas Sarkozy et François Fillon, dans laquelle elles ont vu un signe de la capacité du pays à se réformer pour faire face à la perspective d'une explosion des comptes de retraite et de santé avec l'accroissement de la durée de la vie.

Au registre des mauvais points, en revanche : la dégradation des comptes extérieurs de la France, le déséquilibre de ses comptes courants, unique parmi les "triple A" de la zone euro, et le déficit croissant du commerce extérieur qui signale une perte de compétitivité menaçant la solidité économique du pays.

Majorité et opposition se disputent en parallèle sur la "règle d'or" de contrôle des déficits que Nicolas Sarkozy souhaite inscrire dans la Constitution. Le gouvernement français considère que l'adoption de cette règle pourrait conforter les observateurs.

08/08/2011 08:01 AM

**US Economist Kenneth Rogoff**

## **'Some European Countries Are Fundamentally Bankrupt'**

**Fears of a double-dip recession are growing following turmoil on the stock markets and Standard & Poor's downgrade of the US. In a SPIEGEL interview, Harvard economist Kenneth Rogoff criticizes President Obama for giving in to the Tea Party in the debt-ceiling negotiations and argues that the euro zone has to become a transfer union.**

**SPIEGEL:** With the [turmoil](#) on the global stock markets, is the world staring into a new financial abyss?

**Rogoff:** Mainly, the markets are simply adjusting to the reality of a continuing slow and halting recovery. They realize there will be no boom anytime soon. Wall Street forecasters, and many central banks, had been starting to think that there was going to be a sharp uptick in the recovery. But they have got this wrong again and again because they keep wanting to use normal postwar recessions as a frame of reference. But this is a post-financial-crisis recovery, a rarer and very different animal.

**SPIEGEL:** What effect has that perception had?

**Rogoff:** The mentality that this is just a big recession, "the Great Recession," has led to wrong policy decisions, such as the premature end of quantitative easing by the US, and the belief in Europe that there is a brisk recovery around the corner that will save the day and enable policymakers to avoid tough decisions on periphery country debt. In reality, this was a different kind of downturn, which would have been better termed the "Second Great Contraction," because it involved a prolonged shrinking of overextended global balance sheets and a tightening of the credit system. Right now, the recovery from this needs more monetary stimulus, especially in the US.

**SPIEGEL:** Is that likely? The current debate in the US is focusing on cutting back government expenses and reducing debt. Would higher inflation be a way out?

**Rogoff:** If you happen to be on the board of a central bank, you have to be willing and able to stand up to popular opinion. Many people even consider moderate inflation heresy. But we are in a perfect storm here. I am not saying we should have hyperinflation or double-digit inflation, but I believe that central banks should accept somewhat elevated core inflation for several years, higher than the normal 2 percent. Whereas I believe monetary stimulus is coming, I am worried that it will not be forceful enough to have any material effect on balance sheets.

**SPIEGEL:** Does the US also need another stimulus program? Larry Summers, a former top adviser to President Barack Obama, says that cutting back on government spending in the middle of a downturn will kill economic growth and employment.

**Rogoff:** People asking for a fiscal stimulus are looking at the wrong model. They think this is just a big, but typical, recession. But it is not. Policymakers need to focus on relieving overextended private balance sheets in the short run, and stabilizing public debt in the long run. A fiscal stimulus cannot be the main solution. It may provide temporary relief, but there will be no traction without some normalization of private debt levels. In Europe, of course, government debt itself needs to be sharply written down in some countries. The US will eventually come to the realization that something similar has to happen to some mortgages. Homeowners who accept this relief will have to make some significant concession, perhaps giving away some future appreciation if home prices go up.

**SPIEGEL:** Why would a selective default for some European countries be less harmful than say, a US government default?

**Rogoff:** Greece, Portugal and Ireland are tiny. Greece and Portugal in particular are at the early stages of being advanced economies; they are still closer to emerging markets. And emerging markets default all the time without bringing down the global economy. If the United States or Germany were to default, it would be an entirely different matter. I don't mean the kind of technical default the US faced if Congress had not [raised the debt ceiling](#). Had that blunder occurred, it would have been quickly corrected, albeit there would have been some lasting damage. Most

likely, the US would have had to pay slightly higher interest rates for decades after. But the US situation is very different from Europe where some countries are fundamentally bankrupt.

**SPIEGEL:** If you look at the hysterical reaction of the financial markets, do politicians even still have a chance to rein in the power of speculators?

**Rogoff:** The stock markets had built in pretty rapid growth. Now they see they were too optimistic. Wall Street, the Federal Reserve and others had all bet on pretty brisk growth and that was plain wrong.

**SPIEGEL:** What have politicians done wrong on both sides of the Atlantic during the latest financial crisis?

**Rogoff:** I just cannot understand how President Obama made so many concessions in the latest negotiations over the debt ceiling. He was holding all the cards and he was still stared down by the Tea Party. He should have said: "I do not negotiate with terrorists. If you want to bring down financial markets, it will be on your head. I am going to behave normally and responsibly." Instead, he got gamed into making giant concessions, and this has weakened the presidency. Perhaps the damage will not be lasting, but then next time the president may have to prove him or herself willing to accept a short technical default rather than give in.

**SPIEGEL:** And the Europeans? Chancellor Angela Merkel was very reluctant to agree to a bailout for Greece.

**Rogoff:** It is not easy for a politician to do what needs to be done if it is unpopular. Greece needs a massive restructuring plan, Portugal as well, probably Ireland, too. Ultimately, Germany has to guarantee all the central government debt in Spain and Italy, and that will be very painful. If Italy and Spain are to be kept in the euro area, then unfortunately the Germans will have to acknowledge that Europe is going to be a transfer union for some time to come.

**SPIEGEL:** Is there an alternative?

**Rogoff:** Clearly it was a mistake to accept some of the southern countries prematurely into the euro zone, but there is now no other way to pay for their debt than through transfers. I would like to say it is only a one-time payment, but I do not think anyone in Germany still believes that and they should not. This is a long-term problem. Of course, Germany should extract major political concessions on the way, like the installment of a powerful European president or a European finance minister.

**SPIEGEL:** Growth is currently slowing in China as well. Where will global growth come from in the near future?

**Rogoff:** Emerging markets are slowing only mildly for now. But policymakers have to get the idea out of their heads that there is going to be big rebound every time we see an uptick. That will not happen as long as debt levels are so high. We may see moderate growth averaging only 1 or 2 percent in many advanced countries for much of the next three to five years. That is not the end of the world.

*Interview conducted by Gregor Peter Schmitz and Thomas Schulz*



## **Three articles that look at political Islam in the Arab world, the Turkish model and the philosophical puzzle caused by Islam and democracy seeking to coexist**

Aug 6th 2011 | *CAIRO AND TUNIS* | from the print edition

“OF COURSE they say nice things these days,” says a Lebanese woman, a sophisticated Sunni Muslim in her 50s, gliding between English, French and Arabic. “They know who they’re talking to. But you cannot trust them—absolutely not.” Again and again, in secular and liberal circles in Beirut, Cairo, Rabat, Tunis and even Ramallah, the seat of the Palestinian Authority, you hear almost identical dark warnings against the Islamist movements that are gaining ground across the Arab world as dictators are toppled, tackled or forced into concessions.

Islamist spokesmen and leaders of the revived Islamist mainstream, in particular the Muslim Brotherhood and groups akin to it, are bending over backwards to give reassurances that they will promote a peaceful, pluralistic and tolerant version of Islam. The rights of women and religious and ethnic minorities will be respected, they say, and the people’s democratic verdict will be accepted if they lose elections.

Whatever their doubts, most democrats in the Arab world reckon that Islamists who say they will abide peacefully by the rules of the game must be allowed—indeed encouraged—to participate in mainstream politics: far better than forcing them into a violent, conspiratorial underground. All the same, the well of mistrust on both sides runs deep.

Many liberals still think the Islamists, however mild they sound today, are bent on taking over in the long run, would abandon democracy once they got into power and would use every sort of chicanery and violence to achieve their goal. Liberals who hate the dictatorship of Bashar Assad in Syria fear that Islamists will emerge as the chief opposition to him. And quite a few liberals still question the sincerity of the Turkish government, widely cited by Arab Islamists as a fine example of pious politicians who play by the rules of a modern democracy.

For their part the Islamists across the region, who have suffered decades of torture, prison and oppression under various secular-minded tyrants, are wary lest they be blocked from power, as they have been before, sometimes violently, especially if they become too popular too fast. Many of them remember the first round of a general election in Algeria in 1991 when their friends in the Islamic Salvation Front won hands down—and were then prevented by the army from taking power, prompting a bloody, decade-long civil war.



So what or whom should one believe? Amid the turmoil of the past six months, five things have become plain. First, the revolutions that have ousted dictators in Tunisia and Egypt and threaten to do the same in Libya and Syria have owed virtually nothing to political Islam and everything to the simple secular democratic demand of frustrated peoples that they be free to choose their own leaders.

Second, the extreme wing of political Islam, epitomised by al-Qaeda, has completely failed to benefit, except perhaps in the ungovernable badlands of Yemen. Third, however small Islam's role in the revolutions, the political forces under its banner, especially the Muslim Brotherhood in Egypt and the like-minded Nahda in Tunisia, are now set to emerge as the biggest parties after general elections due before the end of the year. Fourth, the Islamists will not on their own win outright majorities in the new parliaments. And therefore, fifth, the emerging mainstream Islamist groups all say they will seek to govern in coalitions with secular and other parties during the fragile transition from dictatorship to democracy.

"We won't try to get a majority," says Khairat el-Shater, a burly engineer who spent 12 years behind bars and is widely regarded as the organisational brains behind the Muslim Brothers in Egypt today. The Brotherhood has recently created a new party called Freedom and Justice to run for parliament. Mr Shater says it will contest no more than half of the seats for parliament and does not expect it to end up with more than a quarter of them. Likewise, Nahda in Tunisia says it hopes to get a similar score. A recent opinion poll, necessarily rough and ready after decades when it was rash to air political preferences openly, put Nahda at 14%. But most Tunisians have apparently yet to make up their minds. No one really has a clue what the Islamists are likely to get in either country in their first completely free elections. Few people think they will exceed 25%. That, however, could be twice as much as any of the secular parties.

Both Nahda and Egypt's Muslim Brothers, conscious of the fears they inspire, insist that they would not want to rule alone even if they did win majorities. They both also say that they will not present a candidate for the presidential contests.

The Muslim Brotherhood in Egypt, founded by Hassan al-Banna in 1928, is by far the beefiest and most influential of the Arab world's modern mainstream Islamist movements. In the minds of liberals the Brotherhood has long been tainted with violence, even if it has not always been of its own making. In 1948 one of its members assassinated Egypt's prime minister. Banna was himself shot dead in 1949. Sayyid Qutb, the Brothers' most influential thinker, who was in prison from 1954 to 1964, drove the movement in a revolutionary direction, until he was hanged in 1966. Some of Qutb's disciples went on to become still more radical—and violent. His brother, Muhammad, was an early mentor of Osama bin Laden, whose longtime deputy, now al-Qaeda's leader, Ayman Zawahiri, an Egyptian doctor, was a Brother.

But for the past three decades the Brothers and like-minded Islamists have generally adopted more peaceful methods, despite the battering they took under Hosni Mubarak (Egypt's president from 1981 until February this year) and Tunisia's long-serving leader, Zine el-Abidine Ben Ali (1987 until January 2011). According to the Islamists, each of those leaders put 30,000 of their members in prison at one time or another. Many were tortured.

Nowadays they insist they do not thirst for revenge. On nearly all the key issues that so worry secular liberals, most of them now express mild views. Women should have full rights. Wearing the veil must be a voluntary matter. Alcohol should not be banned. Western

tourists may wear bikinis on beaches set aside for them. Though Islam must be a main source of law and custom, the sharia should not be imposed, except in civil matters such as marriage and inheritance, where it already prevails. In Egypt the Brothers stress a need for equality for the Copts, the country's Christian minority, variously estimated at between 7% and 10% of the population.

Even on Israel they tend to echo the latest policy of the more emollient of the leaders of Hamas, the Palestinian Islamist group that is a branch of the Muslim Brothers. The Egyptian Brothers say they will "respect the treaties" between Israel, Egypt and Jordan, where a party close to the Brothers coexists uneasily with the royal Hashemite rulers.

But still the fears among liberals continue. They note anxiously the advance across the region of a Salafist movement of puritanical zealots who supposedly want to imitate the ways of the *salaf*, the "predecessors" who accompanied the Prophet himself. In Egypt they have been responsible for burning churches and hounding Copts, and espouse an intolerant version of Islam that is often described as close to that of the Wahhabist Saudis. Leading Brothers do not condemn the Salafists, generally reckoned to account for 5% of potential voters, out of hand but say they believe that they can be drawn into the peaceful mainstream. The Islamists are playing a cautious, long-term game. The economies of all the Arab countries affected by the awakening have been clobbered. All elected governments will have to take nasty decisions, almost certainly incurring unpopularity. The Islamists do not want to take power, alone; better to share the blame. Hence, also, the Egyptian Brothers' recent unlikely alliance with the army, which oppressed them for so long. Mr Shater says he now trusts the generals, acknowledging, apparently with no qualms, that they are likely to retain political influence in the years ahead.

The doubts persist. "It is an 80-year project," says a grandee of the liberal Wafd party, referring to the Brotherhood's origins. "In the long run they want an Islamic state, a caliphate."

But the Islamists cover a wide spectrum and no one can say for sure where Egypt's Brothers or Nahda in Tunisia will end up on it. The head of a Tunisian think-tank, Fares Mabrouk, argues that Islamists must be allowed to take their place in the new democracies, despite the risk. "The problem of the Arab world is that we don't yet know what democracy looks like."

## ***Islam and the Arab spring***

Bring the Islamists in

### **They did not cause the uprisings yet they must be drawn into the hoped-for new democracies**

Aug 6th 2011 | from the print edition



FOR years the strongmen of north Africa and the Middle East told their Western supporters that they were all that stood between the Arab world and an Islamist takeover. In fact Islam did not inspire the Arab spring—not even in Egypt, where the Muslim Brothers had long been the main opposition to the autocracy of Hosni Mubarak. But were the autocrats right all along? In the wake of revolution, Islamist movements have been gaining ground. Political parties under the banner of Islam may well emerge after genuine elections later this year as the biggest in rejuvenated Tunisian and Egyptian parliaments. This makes many secular liberals across the Arab world nervous lest the Islamists hijack the revolutions, turning them into vehicles for repressive and intolerant regimes.

Such fears are understandable (see [article](#)), but they should not get in the way of democracy. Provided Islamists say they accept the rules of the peaceful democratic game, as the mainstream ones now do, they must be given their chance to take up the reins of power, if that is what people say they want at the ballot box. The Arab world has tried suppression (and the West shamefully connived in it), and it did not work.

To give Islamists their head is indeed a risk. In the past few days Salafists, who preach a version of Islam that harks back to the puritanical zealotry of the early days, have assaulted liberal protesters in Tahrir Square. Last month in Tunis Salafists smashed a cinema that was showing a mildly provocative film falsely said to defame Islam. Some secular democrats fear that if the tyrants hanging on in Libya and Syria are toppled they will be replaced by the nastier type of Islamist.

But these fears should not be overblown. The term Islamist covers a wide spectrum. The Salafists are a small minority. The new Islamist mainstream, which includes Egypt's Muslim Brotherhood and Tunisia's Nahda party, has evolved over the years, and now realises that the dominant new generation of young Arabs using Facebook and YouTube will never kowtow to the anachronistic sort of imam who once seemed to hold sway in the

Islamist camp. Mainstream Islamists, the modernising majority, now insist that they would uphold women's rights, that they would not force women to wear the veil, that they would not ban alcohol, that they would respect ethnic and religious minorities (especially Egypt's millions of edgy Copts) and that they would not universally impose *sharia* law. These more pragmatic sorts argue that they deserve the chance to prove that they are sincere in espousing pluralistic politics. Encouraging secular parties to gang up against them or having them banned altogether, as courts in Turkey once used to do in order to defend the secular order, is more likely to push Islamists underground, to unite factions that would otherwise work against each other and even to foment violence.

Many sceptical secular Arabs will say that they have heard such assurances before. The Islamists are fooling you. They are playing a long game. They are bound to sound ever-so-moderate to begin with, to ensure that the still powerful military establishments in such places as Egypt give them their head, as now seems likely. The Islamists with their honeyed words still intend, say the doubters, to undertake a long march through the institutions of state, as communists once tried to do in Europe. After winning a slice of power, even if they at first agree to share a coalition government, they will gradually accrue all of it, establishing the Iranian-style supremacy of Islam in government. And, if people turn against them at the polls, they will never let go.

### **Only one path to tread**

The behaviour of Turkey's Islamists, to whom the Arab ones now look for inspiration, suggests this is too pessimistic. Despite worrying recent signs of authoritarianism, the Turks have in general shown religious moderation and constitutional rectitude, and have successfully tamed a coup-prone army (see [article](#)). Their democratic credentials will be proven only when they give up power after an election defeat, but after nine years in office they seem wedded to the ballot box, bolstering the notion that Islam and democracy can coexist. In Egypt and Tunisia the best protection against a creeping Islamist takeover—and an early test—will be new constitutions that separate mosque and state and enshrine minority rights.

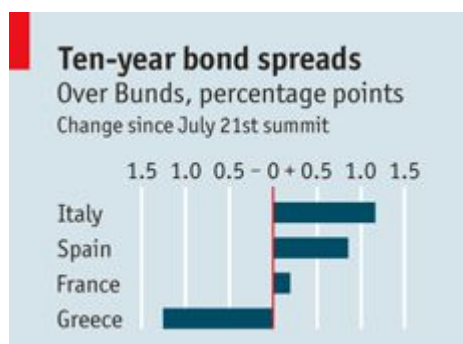
People will continue to wrangle over relations between the state and religion in the Arab world, just as they did for centuries in Europe. But after 30 years of stagnation it is clear that neither religious sentiment nor popular political aspirations can be suppressed. These two great forces, Islam and democracy, must find some accommodation; and how they do so will shape the future of the Middle East.

## The euro crisis, part 394

Rearranging the deckchairs

### The markets once again are calling euro-zone leaders' bluff. Time to get ahead of things

Aug 6th 2011 | from the print edition



WHATEVER plans European leaders had made for their holidays are being disrupted by an adversary that never takes a break: the bond markets. A fortnight after yet another summit in Brussels to resolve the euro zone's debt saga, the pressure on Greece, Ireland and Portugal—the three minnows to have been bailed out by Europe and the IMF so far—has eased. But the strains on far-bigger Spain and Italy are rapidly worsening. The extra interest that both countries pay to borrow for ten years compared with Germany rose to euro-era records this week. Shares in Italian banks, stuffed with domestic government bonds, are being pounded on a daily basis.

Markets are nervous in part because of national politics. José Luis Rodríguez Zapatero, Spain's prime minister, has announced early elections for November, which could mean months of distraction from the job of deficit-cutting (see [article](#)). Italy's politicians pulled together well last month in passing an austerity budget, but many of the measures are backloaded and the country's leaders—not just Silvio Berlusconi but now also his finance minister, Giulio Tremonti—are mired in scandal (see [article](#)).

#### In this section

Both countries can plausibly argue that their debt loads are sustainable. Spain's public-debt level is lower than the euro-zone average; Italy's is very high, at 120% of GDP, but it runs a primary surplus (ie, excluding interest payments). Yet the low growth and uncertain politics in both countries create enough doubt to spook investors, and there is far too little reassurance from the rest of the euro zone to settle them down.

At every stage of this crisis Europe's leaders have reacted late and inadequately. The summit of July 21st continued the pattern. In particular, it failed to increase further the lending capacity of the European Financial Stability Facility (EFSF), the single currency's rescue fund. The EFSF's firepower is due to rise from its current €250 billion (\$357 billion) to €440 billion in the autumn. If you assume that the IMF kept stumping up its share of rescue funds, the pot would be just enough to see Spain through the next three years without having to go to the markets: but it is nowhere near enough to cover Italy too. The safety-net beneath the euro zone's third- and fourth-biggest economies is flimsy, and investors know it.

## **Heads from the sand**

What to do now? The first thing is to get off the beach. Mr Zapatero has postponed his holidays; too many other leaders are off sunning themselves. The second task is to give some immediate shade to the exposed Italian and Spanish bonds. The July summit did agree to expand the EFSF's remit so that it can buy government debt in secondary markets. But Europe's institutional machinery grinds along at a pace that would shame snails. The summit's conclusions have to be signed and ratified by all 17 euro-zone governments before the EFSF can get busy. That could take weeks. In the meantime the European Central Bank should dust off its bond-buying programme.

The third thing for Europe's leaders to do is properly ringfence Italy and Spain.

Dramatically expanding the size of the EFSF, to at least €1 trillion, is one (politically fraught) option. But the EFSF is backed by guarantees from euro-zone members, so the burden on France and Germany, the two big funders, would rise sharply. French bond spreads are already creeping up: there is a risk that France could get sucked into the morass, too. The alternative to a bigger EFSF would be the issuance of Eurobonds that are jointly and severally underwritten by euro-zone members. That is a huge step towards fiscal union, one that Europe is ill-prepared to take. But increasingly, this looks like the least bad option.

NYT August 5, 2011

# A Search for Cultural Identity in Western Europe

By [ALAN COWELL](#)

ROSCOFF, FRANCE — It is some 1,550 years, the guidebooks say, since Celts from England crossed the channel and colonized this part of northwestern France.

These days, though, there is a different kind of European colonization going on, one that can be espied in bars and on sidewalks from London to Berlin and southwards to Rome. Part of it is fueled by alcohol, part by nicotine, and part by what a previous generation might see as a dread uniformity eroding cultural distinctions across Western Europe.

This view, or perhaps theory, is based more on anecdote than on science, and I would welcome rebuttals from anyone who wants to argue that Europe is still a bright patchwork of exceptions, even caricatures — wurst-fed Germans, Gauloise-smoking French, pasta-gobbling Italians. (As a Briton, I declare an interest in modesty, diffidence, deference — qualities that exist only in the rose glow of the English memory.)

But the reality is that, while Europe's lifestyle distinctions endured wars and cataclysms for centuries since the Celts landed in Brittany, the last few years have eroded them at a remarkable pace. I base this conclusion on strolls and halts, apéritifs and provisioning in three neighborhoods: Charlottenburg in Berlin, the 15th Arrondissement of Paris and Highgate, in north London.

First off, it might be best to define the basic requirements of any modern neighborhood: a dry cleaner and a hairdresser, a coffee shop and a post office, places to eat at a reasonable price and places to buy basics like bread and newspapers. I am talking, clearly, of relatively prosperous but not unduly rich 'hoods of capital cities. (The provinces are different: small-town France and Germany have been better served by Continental notions of social justice than provincial Britain has drawn benefit from Anglo-Saxon competition.)

But consider, in turn, what has happened to my three neighborhoods.

In the space of a decade, my Highgate retreat has lost its dry cleaner and its post office. The number of real estate agents has doubled while the tally of cafes with sidewalk tables has quintupled, just down the road from the grave in Highgate Cemetery of Karl Marx, who posited that capital becomes concentrated in a few corporate hands, which is true of the neighborhood: the news agent, the wine store, the florist, are all challenged by an outpost of Tesco, a huge supermarket chain.

In Berlin, the cafes and bars have adapted sidewalk living to meet the exigencies of the northern climate, routinely offering blankets on the wicker chairs for customers to wrap themselves when the chill winds blow in from the steppe. Cyclists hurtle by on the flagstones as if in training for the [Tour de France](#) — another cross-cultural reference.

So what has happened in Paris? As in London and Berlin, cafes have proliferated. There is even a Starbucks where once a store sold musical instruments — surely a display of the very American cultural hegemony that France so long resisted. The hairdresser, though, has moved on, displaced by a shop selling lottery tickets and cigarettes.

The French exception survives in the crêperie, the twice-weekly farmers' market, the brothers from Normandy who, in season, sell oysters on the corner of the boulevard. But, Starbucks apart, there has been another Anglo-Saxon invasion — happy hour.

Three bars, two of which did not exist three years ago, offer relatively low-priced booze between the hours of “cinq à sept,” which previous generations of French people reserved, by reputation at least, for extramarital dalliance.

These days, you might as well be in London, quaffing warm ale on a damp sidewalk.

I observed happy hour in Berlin, too, defying all notions of Weltschmerz and Angst.

But now the caricatures are history. France no longer smells of acrid Gauloise and Gitane cigarettes drooping from haughty lips. French people in smart business clothes use their company meal coupons to buy lunchtime sandwiches, not three-course meals, just like Londoners flocking to Pret a Manger, itself a hybrid: French name, British B.L.T., a borrowing from America.

The conclusions are clear enough. Globalization spreads brands as easily as Germans once spread Schmalz on their Brötchen. Big chains displace small traders — in the 15th, the local vintner struggles valiantly with discounts and occasional offerings of pâté to compete with the Nicolas outlet just up the block. Across the continent, Gap and Zara and H&M stake their claim on Europe's pocketbooks.

But there are simpler pressures on "la différence." People travel. They see different ways. Britons know the sidewalk is chic because Paris has made the pavement its hallmark.

Meanwhile, French folks, particularly young ones, seem infected by the British urge to binge drink, as chronicled in recent British newspaper articles noting with some pride that this most vulgar of excesses has found an unlikely export market in Paris.

Despite the financial crisis, people are better off than they were: in Highgate, couples have disposable income to take their bacon and eggs and Sunday newspapers at an outdoor cafe. Even in the 15th, three of the cafes offer a choice of French and English petit déjeuner (just add eggs and a surcharge of several euros for the British variant).

A simpler explanation for the shift to outdoor living is that many countries in Europe now ban indoor smoking, so people cluster outside to get the nicotine fix. Sidewalks double as social venue and ashtray, hence the sudden upsurge in al fresco fraternization.

Sometimes, at Europe's new happy hour, you might observe people strolling by with a baguette under their arm — though they might just as well have bought it in Tesco as at my local boulangerie in Paris.

Vive la différence! If you can still find it.



NYT August 6, 2011

# Paying for News? It's Nothing New

By JEREMY W. PETERS

*Jeremy W. Peters is a media reporter for The New York Times.*

IN April 1912, the surviving operator of the Titanic's wireless communications system was paid a handsome sum for his [account](#) of narrowly escaping death aboard the sinking ship.

It will probably surprise some journalistic purists to learn that the news outlet that forked over \$1,000 for Harold Bride's harrowing tale — multiple times his annual salary — was not some sensationalist purveyor of yellow journalism, but The New York Times.

Evolving standards or no, checkbook journalism has been a persistent and problematic feature of news coverage at even the most powerful and reputable news organizations, long predating the hyper-competitive 24-hour cable news cycle and the celebrity gossip boom.

And the issue is not likely to disappear anytime soon, even with ABC News's contrite [acknowledgment](#) last month that to protect its reputation, it would have to cut back on the kinds of payments that have helped the network score a string of major exclusives in recent years. In Britain, public tolerance seems to have reached its limit with revelations that journalists working for Rupert Murdoch's recently closed News of the World routinely paid the police for information as well as hacked the phones of crime victims.

Far from existing at the periphery of journalism and society, the payments have reached the highest levels of politics. Newsmakers who have been cut large checks over the years include not just players in courtroom melodramas like the Casey Anthony and O. J. Simpson trials, but former presidents.

When the British journalist David Frost secured his interview with Richard M. Nixon in 1976, it was because he outbid his American competitors, offering the former president a staggering sum of \$600,000. But Mr. Nixon wasn't the only ex-president paid to appear on camera. Dwight D. Eisenhower and Lyndon B. Johnson both received sums from CBS News for sitting for interviews after they left office.

Networks have long employed the use of high-dollar consulting contracts, which allow them to effectively place prominent political figures on retainer. Gerald R. Ford and former Secretary of State Henry A. Kissinger signed exclusive arrangements, each reported to be in the \$1 million range, as NBC News consultants. Exclusive consulting arrangements exist today most visibly on Fox News, with its hiring of Sarah Palin, Karl Rove and other prominent Republicans as contributors.

Every so often, instances of checkbook journalism produce enough of an outcry that the media business does some soul-searching, as it is doing now. ABC News in particular is under scrutiny for a flurry of payments in pursuit of sought-after news subjects like Ms. Anthony, the mother tried and acquitted in the death of her young daughter; Jaycee Lee Dugard, a kidnapping victim held in captivity for almost a decade; and Meagan Broussard, the 26-year-old who received lewd photos from Anthony D. Weiner, the congressman who later resigned.

After each revelation that money has changed hands in pursuit of a major scoop, a familiar cycle of denial followed by a carefully parsed explanation tends to emerge. News outlets twist themselves into logical knots insisting that they do not pay for interviews. The payment is always for something else, tangible or intangible, like one's time or the rights to memorabilia. It is a rare but sometimes necessary evil, they say.

The jargon may be different now, but the debate has been the same for decades. Before there were licensing fees — the arrangement popular with news outlets today, in which they pay an interview subject to broadcast personal photos or video — there were "memoir" fees paid to newsmakers for recounting their stories at length. Esquire, for instance, paid \$20,000 in 1970 to William L. Calley Jr., the Army lieutenant at the center of the My Lai massacre in Vietnam, for his "confessions," which the magazine used as the basis for a series of articles.

One of the biggest controversies over such payments erupted in 1975 after CBS News coughed up a reported \$100,000 for an extended interview with the former Nixon chief of staff H. R. Haldeman, who spent 18 months in prison for his role in the Watergate scandal.

At the time, Robert Chandler, a CBS vice president, justified the payment as “a memoir of his five years at the White House. That’s different from paying for a breaking news story.”

The CBS rationalization — after all, its payment was little different from a hefty book advance to a controversial figure — shows that the issue of paying for news is rarely black and white.

More than 30 years later, the gray areas are as opaque as ever. ABC News is correct when it says a \$200,000 payment for videos of Ms. Anthony’s dead daughter didn’t violate network policy. It didn’t pay for an interview, after all. But it did indirectly subsidize Ms. Anthony’s lawyers, who used the money for her legal defense.

It wasn’t the first time a news outlet had subsidized the defense of prominent criminal suspect. During the Lindbergh kidnapping trial in 1935, Hearst Newspapers paid for a high-profile attorney to defend the man accused, Bruno Hauptmann, in an arrangement that guaranteed them exclusive access.

Experts said the practice of paying for news might not keep embarrassing news organizations if they weren’t so murky about their standards.

“It has been handled in a fairly dishonest way by news organizations that view it as a disreputable practice,” said Lorna Veraldi, an associate professor of journalism and mass communications at Florida International University, who has studied and written about the issue. “They pretend not to engage in it by paying for memoirs or for photographs, but that has made it a subject of more outrage.”

Just how much outrage is focused on the issue is difficult to gauge. Indeed, part of the reason checkbook journalism endures could be that most Americans don’t see it as a major offense.

“I’ll be honest with you,” said Kevin Z. Smith, chairman of the ethics committee of the Society of Professional Journalists, “there’s no groundswell from citizens’ groups’ saying, stop paying for stories because you’re tainting the truth.”

For now, though, ABC News has acknowledged that paying for exclusives harms its reputation, and a criminal inquiry is unfolding in Britain.

But experts said don’t be surprised if checkbook journalism resurfaces, perhaps under another guise.

“These news organizations will have to feign shock and horror and figure out another way to do it surreptitiously,” said Robert Boynton, director of the long-form journalism program at the Arthur L. Carter Journalism Institute at New York University.

“It goes on because money is the literal coin of the realm. It is going to continue no matter what.”

# Le triple A de la France n'est pas menacé

Par [Marine Rabreau](#) Publié le 07/08/2011 à 11:05 Réactions (32)



Crédits photo : JOEL SAGET/AFP

- **Après la dégradation de la note américaine, Jean-Michel Six, chef économiste Europe chez S&P, a réaffirmé ce dimanche sur *France Inter* que le triple A de la France restait assorti d'une perspective «stable».**

**En dégradant vendredi soir la note de la dette de long terme des États-Unis**, l'agence de notation Standard and Poor's (S&P) a pris une décision historique qui a mis une **grosse pression sur les autres pays notés «AAA»**, comme **la France**. Ainsi, invité sur les ondes de *France Inter* ce dimanche matin, **Jean-Michel Six, l'économiste en chef de l'agence Standard & Poor's pour l'Europe**, a réaffirmé que la dette souveraine française resterait notée «AAA», puisque la perspective assortie à cette meilleure note demeure «stable».

Ces derniers mois, les trois plus grandes agences de notation (**S&P, Moody's et Fitch**) ont confirmé la stabilité de la note de la France. Cela signifie que le risque de défaut de paiement de l'État français reste très faible malgré une croissance faible et des finances publiques dégradées. Pour Fitch, la France est «**soutenue par son économie saine et diversifiée**, ses institutions sociales, civiles et politiques efficaces et sa souplesse financière qui témoignent de son statut de grand émetteur souverain de benchmarks dans la zone euro».

## Risque politique à venir

Malgré tout, pour Nicolas Forest, responsable taux chez Dexia Asset Management, «la France est le pays noté AAA le plus vulnérable». Si l'on regarde en effet dans les détails de **la note publiée par S&P vendredi dernier sur les États-Unis**, l'agence souligne que la France est le pays qui a les projections de dettes les plus élevés d'ici à 2015, comparés à d'autres pays qui ont le «AAA» comme la Canada, l'Allemagne et le Royaume-Uni.

Outre les caractéristiques économiques, la leçon américaine doit être tirée : S&P explique principalement sa décision par le **manque de consensus politique outre-Atlantique**, alors que **républicains et démocrates se sont tirés les cheveux jusqu'à la dernière minute** sur la question de la gestion des finances publiques à venir, avant d'**accoucher d'un accord a minima**. Pour s'assurer le maintien du «AAA», les pays doivent donc faire preuve de discipline budgétaire mais aussi d'unité politique. Or, il n'est pas sans rappeler que la France s'approche d'une élection présidentielle, en mai 2012. Et, à mesure que l'échéance se rapproche, la marge de manoeuvre du pays sera plus étroite en matière de rigueur.

Dans le club des pays notés AAA par les trois agences de notation (S&P, Fitch Ratings et Moody's) figurent, outre la France : l'Allemagne, Pays-Bas, Finlande, Autriche et Luxembourg dans la zone euro; Norvège, Suède, Danemark, Suisse et Royaume-Uni dans le reste de l'Europe; Canada et Singapour ailleurs dans le monde.

# Entre Syrie et Libye, limites du «droit d'ingérence»

Par [Renaud Girard](#) Mis à jour le 05/08/2011 à 08:58 | publié le 04/08/2011 à 21:39 Réactions (39)

**Présents dans le ciel libyen, les Occidentaux se refusent à envisager une intervention militaire contre Damas.**

Dans le monde arabe, vaut-il mieux être aujourd'hui un citoyen de Hama en Syrie ou de Benghazi en Libye? Pour celui-ci, l'Otan mobilise ses chasseurs-bombardiers depuis cinq mois; à celui-là, l'Occident a fait l'aumône, mercredi soir, d'une «déclaration présidentielle» du Conseil de sécurité de l'ONU. À l'évidence, le «droit d'ingérence» -concept inventé par les Occidentaux au début des années 1990 à la faveur de la fin de la guerre froide-, souffre d'un léger problème de «deux poids, deux mesures», de «double standard» comme on dit en anglais.

Pourtant, les similarités entre le sort des Syriens et celui des Libyens ne manquent pas. Depuis quarante ans, ces deux peuples arabes vivent sous la férule d'une dictature familiale issue d'un coup d'État militaire. À Damas, celui du général Hafez el-Assad (père de l'actuel président Bachar) date de 1970. À Tripoli, celui du colonel Kadhafi remonte à 1969. Après les révolutions réussies de Tunis et du Caire, les Libyens et les Syriens sont à leur tour sortis dans la rue, à partir du mois de février, pour demander des changements politiques. Ils ont été accueillis à coups de matraque, puis de fusil, puis de canon. Comme toujours dans l'histoire, l'exagération dans la répression a nourri une insurrection populaire.

## Bombardement

Comparer la réaction de l'Occident aux deux situations libyenne et syrienne permet d'affiner les règles de fonctionnement auxquelles obéit le concept de «droit d'ingérence». Les années 1990 nous avaient déjà appris qu'il s'agissait exclusivement de l'ingérence des grands pays dans les affaires des petits. On y avait vu un premier ministre britannique encourager, au printemps 1999, le bombardement par l'Otan des ponts de Novi Sad (ville danubienne au nord de la Serbie), afin d'inciter ce pays à abandonner le contrôle de sa province méridionale indépendantiste du Kosovo, puis, quelques mois plus tard, le même Tony Blair se précipiter à Moscou pour être le premier leader occidental à y baiser la babouche du nouveau tsar Poutine, lequel venait tout juste de procéder à la destruction quasi totale de la province russe indépendantiste de Tchétchénie, au mépris d'un accord de paix que son prédécesseur Eltsine avait signé en 1996. Au regard de la puissance de frappe de l'Otan, la Libye et la Syrie sont deux pays militairement insignifiants. Pourquoi est-on intervenu dans la première et non dans la seconde? C'est là qu'il convient d'ajouter le concept de facilité. Le «droit d'ingérence» ne s'applique plus aujourd'hui qu'aux terrains réputés militairement faciles, où les interventions paraissent pouvoir se faire à bas coût humain -pour les Occidentaux, cela va sans dire. La Libye présente l'avantage d'être un pays désertique au ciel clair, où rien n'est plus facile que de détruire par des bombes guidées au laser une colonne de chars s'avançant sur la ville insurgée de Benghazi. De surcroît ce pays recèle d'immenses richesses énergétiques. Des esprits malveillants ont souligné que si cette terre de Bédouins n'avait pas eu de pétrole, personne ne se serait intéressé à elle.

La Syrie, c'est autre chose. Elle n'a pas de pétrole, mais elle jouit du soutien ancien d'un grand pays, qui est la Russie. Mercredi soir, Moscou s'est opposé à ce que le Conseil de sécurité aille jusqu'au stade de la «résolution», pour ne garder que le principe d'une «déclaration», module de second rang par lequel l'ONU a l'habitude de proférer une liste de vœux pieux ayant fait consensus. Le deuxième atout de la Syrie s'appelle le Liban. C'est l'instrument de chantage dont dispose Damas face à l'Occident. À tout moment, la Syrie a les moyens de déstabiliser ce petit pays démocratique, le plus occidentalisé des États membres de la Ligue arabe. C'est pourquoi le Liban est le seul des quinze membres du Conseil de sécurité à s'être abstenu lors du vote de mercredi soir. Comme l'exemple de la Corée du Nord nous l'a enseigné depuis longtemps, le droit d'ingérence s'arrête là où commencent les moyens de chantage à l'égard de l'Occident.

**Alain Juppé** avait parfaitement conscience de tout cela lorsqu'il s'adressa hier à la presse, à l'occasion d'une cérémonie de remise d'un don de l'État à la Croix-Rouge, afin de secourir les réfugiés de Somalie frappés par une famine d'exceptionnelle ampleur.

## Réfugiés de Somalie

L'acheminement des secours n'est pas chose facile dans une zone où il n'y a pas d'État depuis un quart de siècle, et qui est en grande partie contrôlée par des bandes de «chebab» islamistes. Le ministre des Affaires étrangères a rappelé l'échec de l'intervention militaire «humanitaire» occidentale de 1992 en Somalie. Le terrain s'y révéla beaucoup plus compliqué que prévu et, à leurs premiers morts, les Occidentaux s'enfermèrent dans leurs bases, avant de déguerpir du pays.

Il n'est donc pas surprenant que, sur la Syrie, M. Juppé ait souligné que «jamais personne n'y avait envisagé d'intervention militaire». Ayant en tête la Somalie -mais aussi sans doute l'Irak et l'Afghanistan-, le ministre a dit: «l'Occident ne sait pas faire de miracles!» Réaliste, il n'en attend pas non plus du régime de Damas. Appelé à commenter le décret publié hier par le président Bachar, qui institue le «multipartisme», M. Juppé a vu dans ce geste «un peu d'ironie, voire de provocation». «Il ne s'agit pas d'avoir des décrets, mais des actes! C'est d'un changement total de politique dont on a besoin en Syrie!», a conclu l'heureux successeur, au Quai d'Orsay, du docteur Bernard Kouchner...

# Eventually, French Spreads Fail (E.F.S.F.)

Posted by **Joseph Cotterill** on Aug 03 11:40.

Or — when markets really do go straight to the [senior tranche](#).

Everyone seems to be waking up to the record spread between French bonds and Bunds at the moment. Having risen in July, it's reached another record eurozone high on Wednesday of 81bps. French yields are low but clearly the debt is under-performing.

Is 100bps too far off?

No — actually the more Italy and Spain worsen and therefore the guarantees they [provide](#) to the EFSF look dodgier (especially if it gets used to prop them up and they [step out](#)), the more France is sucked in. Divyang Shah of IFR Markets puts it really well:

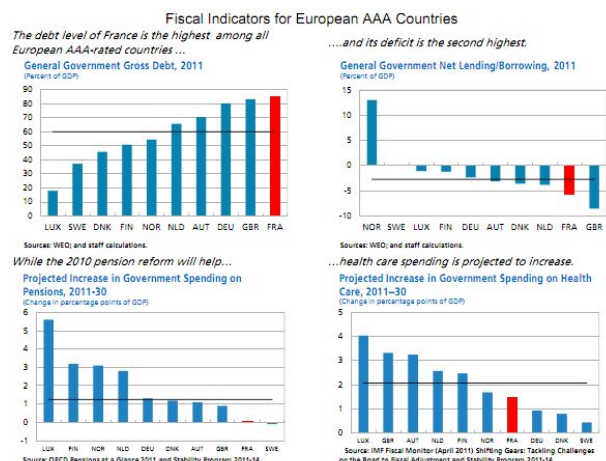
*Italy and Spain have seen their contribution to the EFSF go up from 18% and 12% to 19% and 13%, respectively, without Greece, Ireland and Portugal. For Germany and France the increases have been from 27% and 20.5% to 29% and 22% respectively. But the market pressure on Italy and Spain has seen both enter the spotlight and if they decide they cannot contribute, then the funding required from Germany and France would go up to 43% and 32% respectively. **Given the total of 75%, it would be hard to argue that we don't already have a transfer union for the Eurozone.***

*The 10-year spread on France/Germany has widened out beyond its July peak to its widest level since mid-1990. The 10-year spread on Belgium/Germany has broken through 200bps and currently at 203bps is close to breaking its record wide level just under 215bps from early 1999. Both are significant, but especially so the moves seen in France. It suggests that investors no longer regard it as part of the core and have been for the last few weeks trimming exposure.*

When a country steps out of its guarantee, the shortfall is shared between all the other guarantors — not just France and Germany. The point is though that their shares are huge already. We hate to resurrect the cliché... but this is another [single point of failure](#) like Italy itself. Any system that has multiple [SPOFs](#) is in trouble.

And it basically goes back to this thing when you consider that France's AAA rating might also be a point of failure...

For instance, the IMF's recent [Article IV staff report](#) on France forecast that debt to GDP would reach 85-95 per cent by 2013, depending on fiscal reforms, interest rates and growth, but not counting contingent liabilities from the EFSF. If France's EFSF guarantee did rise to 32 per cent of total guarantees (to around €250bn) it seems to work out around 10 per cent of GDP. Not entirely reassuring. Some IMF AAA charts to close:



## A Frenchman and his money are not soon parted...

02/08/2011 | Mise à jour : 10:49 Réactions (5)

Sélectionné par la rédaction

Par [Eve Zuckerman](#) pour le cercle :



credits: PHILIPPE WOJAZER/AFP

**The French have difficult relations with money, theirs and that of others. Jealousy explains this general neurosis.**

### **Money is "dirty"**

The French have one conviction: great fortunes arise only from the dark corners of power. Suspicion comes from a confused relation between the state and the citizen it is supposed to protect and instead exploits: in France money is "dirty". It's dubious.

Just like capitalism, the market is hell. When he was in Paris, Benjamin Franklin bemoaned this attitude. "On this side of the water, one really doesn't understand anything," he wrote to one of his friends in America. To each their own neurosis, their own taboos: for Americans, it's sex. Ours is money.

Of course we no longer live in the 19th century and today's France has more Fortune 500 firms than Germany. And yet we hide success and profits are criticized. This is stunning since, in the rest of the world – except maybe in China – material success is admired, billionaires are flattered, bosses are considered remarkable men and self-made men are heroes. You won't find anything of the sort in France.

Is there any country other than France where a great writer such as Honoré de Balzac can build his whole work on conflicts over money? He throws money in a character's face and then marvellously describes the sound it makes. France wallows in money scandals, like the Bettencourt affair, the same way America does with the DSK sex scandal.

### **It tortures our minds**

The Bettencourt affair, which involves main L'Oréal shareholder Liliane Bettencourt, France's richest woman, reveals our unwholesome fascination for the lure of profit. Money permeates our character, our traditions, our literature and our culture. It tortures our minds. The less we speak of it, the more we obsess over it.

Look at our movies and novels: the "nouveau-riche" is always ridiculed and presented as a pathetic figure because he showcases this money which always generates irrational reactions. In France, we exist not for what we are or what we offer but for what we possess. Good morals restrain us from putting wealth on display because it would excite the base instincts of others, the rancour of those less talented or less lucky.

"Money! Ah, to speak of it all day! Bubbles, traders: it makes me lose my appetite. For a person to have some, fine! But to think only of that is awful." Charles, 82, lives in Versailles and his indignation is not simply a matter of age or social background.

## **"I do not like the rich"**

The financial crisis, the abuses and salaries of traders have sent France back to its usual patterns of thought. And politicians follow. Six years before his election, Nicolas Sarkozy wrote in his book *Libre* that success "is not felt nor accepted as a positive value. Instead of galvanizing our society through those of its members who have succeeded, we prefer to excite it against those who have more than others, implying that they took, stole or snatched from others." Yet after the financial crisis, he declared liberal capitalism to be "finished." François Hollande, a socialist presidential favorite treads along the same line. "I do not like the rich," he declared on television. For him, rich means 4,000 euros of monthly revenue. Reconciling the French with the success and freedom that money procures seems impossible.

## **Government assistance accounts for 40 percent of GDP, a world record**

When Sarkozy tried to make the relation between work and money less fraught, more natural (« work more to earn more » was his slogan) and promote a meritocracy in which « everything becomes possible, » especially material success like in the U.S.; when he befriended those who « lifted themselves up by their bootstraps » to break away from the hypocrisy of money and power, he ran into an invisible wall.

In Paris, the hatred of money which brought together gaullists and communists in the post-war period still burns, fanned by the press. Anger at conspicuous wealth flared up with the president's showy dinner at the Fouquet's, the famous (and expensive) Parisian restaurant, where the powerful have their place at the table.

In the rest of the country, Sarkozy's ideas found a warmer welcome. Yet, because they were not followed by concrete measures, meaning an increase in revenues, "work more to earn more" ended up in the trash.

"The French are realists: working a lot doesn't make much of a difference in terms of revenue since the state takes any additional gain," says Georges Desvaux, of McKinsey. "So our fellow countrymen are rational: they prefer less work and more play. They understand that, to escape mediocrity, one has to make considerable sums of money. Those who earn small revenues don't pay taxes, and they have 100 percent support. In France, government assistance accounts for 40 percent of GDP, a world record. The very rich aren't taxed that much either. It's the people in between who have to pay up. The country is badly run by the state. French employees earn 10 percent less than Germans because French employers pay 30% more social taxes than German businesses."

## **"It's the state's fault"**

Certain attitudes border on the indecent. Hélène, an HEC graduate, a famous French business school, works for two years and then stops to enjoy unemployment indemnities. Former national soccer team coach Raymond Domenech claims 2.9 million euros in compensation for having led the team to disaster. "Sometimes we get called by old men who ask us to take their temperature between two halves of a soccer match," says Jacques, a Versailles fireman. "They tell us: "we pay social security, we have a right to this!"

"It's the state's fault" must be France's oldest tune and yet it's not enough to explain everything. Until the 1980s, the separation between public and private sectors was airtight. Management and high public office couldn't be mixed. That's over. Now, one easily jumps from public to private.

The high salaries of CEOs feed suspicion of collusion between central power and money. And for all the great qualities of the French, they also have terrible defects. Pathological jealousy is not the least among them. After reviewing many studies on the subject, economist Jacques Marseille concluded that the unanimous aspiration of our fellow citizens is not only to “earn more” but to “earn more...than their neighbour or step-brother.”


--

» [Read the original article in French by François Hauter](#)



# Un parking géré par une bande à Marseille

Mots clés : [Délinquance](#), [Vinci](#), [MARSEILLE](#)

Par  Judith Duportail | Publié le 03/08/2011 à 21:38 Réactions (324)



Le parking Jules Guesde à Marseille. Crédits photo : capture d'écran laprovence.com

**Las des intimidations, Vinci a abandonné la gestion d'un parking dans un quartier sensible de la cité phocéenne à un groupe d'individus qui facture cinq euros le stationnement. Les autorités se renvoient la responsabilité de cette situation.**

Au parking **Jules Guesde** de la porte d'Aix à Marseille, la barrière monte et descend pour laisser passer les véhicules comme à l'entrée de n'importe quel parking. Le tarif est unique, cinq euros. Ici, pourtant, on ne retire aucun ticket à l'entrée, pour payer en sortant. La transaction se fait de la main à la main. Car ces cinq euros vont directement dans les poches d'une bande qui a pris le contrôle du parking. Des jeunes, selon **La Provence**, qui ne précise pas leur nombre.

Le groupe français de construction et de BTP Vinci gérait le parking Jules Guesde dans le cadre d'une délégation de service public (DSP) signée avec la communauté urbaine. Mais Vinci en a abandonné la gestion. Depuis «plusieurs mois» selon la communauté urbaine. «Depuis le 8 juillet» selon la direction régionale de Vinci Park. Les deux s'accordent toutefois pour dire que les troubles ne datent pas d'hier.

## «15 à 20 plaintes déposées»

Tout commence à la fin de l'année 2010. Un groupe d'individus attend le départ des gardiens de Vinci en fin de journée et continue à faire fonctionner le parc de stationnement en demandant cinq euros par véhicule. Petit à petit, les gardiens se font déborder. Les intimidations et violences se multiplient. La direction régionale de Vinci Park note par exemple que les caisses automatiques sont fréquemment incendiées. Le groupe affirme avoir déposé «15 à 20 plaintes, sans conséquences sur le terrain.» La préfecture assure de son côté en avoir enregistré sept, qui ont été transmises au parquet et ont débouché sur deux interpellations.

La situation était devenue «impossible», reconnaît mercredi dans un communiqué le président PS de Marseille Provence Métropole (MPM), Eugène Caselli. Marseille Provence Métropole se donne jusqu'au premier septembre pour reprendre la main sur le parking. Pour ce faire, Eugène Caselli a annoncé mercredi un renforcement du dispositif de sécurité. Vinci «réfléchit et étudie la question» mais n'a pas encore pris de décision quant à un éventuel retour.

Les différentes autorités concernées se renvoient la responsabilité du problème. «Nous sommes une société d'exploitation de parkings, pas de maintien de l'ordre», explique-t-on à la direction régionale de Vinci Park. Le président de la communauté urbaine estime que la préfecture doit se saisir du problème : «Nous ne parviendrons pas seuls à résoudre durablement ce problème. Pas plus que les nécessaires interventions de la police municipale ne suffiront à rétablir l'ordre public sur ce secteur très sensible de Marseille. Nous attendons en ce sens une réponse rapide de l'Etat». La préfecture, elle, répond «qu'il appartient à Vinci de mettre en place un dispositif de sécurité adapté afin d'assurer la sécurité des personnes et des biens au sein de ses installations. Le coût du stationnement payé par les clients intègre cet aspect.»

Selon les informations **du quotidien régional La Provence**, la communauté urbaine touchait chaque année 100.000 euros grâce à ce parc de stationnement. Vinci Park n'a pas souhaité s'exprimer sur le manque à gagner occasionné par cette situation.

Last updated: July 18, 2011 12:25 am

## How to save the eurozone

FT, by Lawrence Summers



With last week's tumult in Italian markets, the European financial crisis has entered a new and far more dangerous phase. Where the **crisis** had been existential for small economies on the periphery of Europe but not systemically threatening to either the idea of European monetary union or to the functioning of the global financial system, it now threatens both European integration and the global recovery. Last week's **drama** over bond auctions in Europe's third leading economy should convince even the most hardened bureaucrat that the world can no longer let policy responses be shaped by dogma, bureaucratic agenda and expediency. It is to be hoped that European officials can engineer **a decisive change of direction** but if not, the world can no longer afford the deference that the International Monetary Fund and non-European G20 officials have shown European policymakers in the past 15 months.

Three realities must be recognised if there is to be a chance of success. First, the maintenance of systemic confidence is essential in a financial crisis. Teaching investors a lesson is a wish not a policy. US policymakers were applauded for about 12 hours for their willingness to let Lehman go bankrupt. The adverse consequences of the shattering effect that had on confidence are still being felt now. The European Central Bank is right in its concern that punishing creditors for the sake of teaching lessons or building political support is reckless in a system that depends on confidence. Those who let Lehman go believed that because time had passed since the Bear Stearns' bail-out, the market had learnt lessons and so was prepared. In

fact, the main lessons learnt were on how best to find the exits, and so uncontrolled bankruptcies had systemic consequences that far exceeded their expectations. Second, no country can be expected to generate huge primary surpluses for long periods for the benefit of foreign creditors. Meeting debt burdens at rates currently charged by the official sector for credit – let alone the private sector – would involve burdens on Greece, Ireland and Portugal comparable to the reparations' burdens Keynes warned about in *The Economic Consequences of the Peace*.

Third, whether or not a country is solvent depends not just on its debt burdens and its commitment to strong domestic policies, but on the broader economic context. Liquidity problems left unattended become confidence problems. Debtors who are credibly highly solvent at interest rates close to or below their nominal growth rates are likely to become insolvent at higher interest rates, putting further pressure on rates and exacerbating solvency worries in a vicious cycle. This has already happened in [Greece](#), [Portugal](#) and [Ireland](#), and is in danger of happening in Italy and Spain.

In short, the approach of lending more and more from the official sector to countries that cannot access the market at premium rates of interest is unsustainable. The debts incurred will in large part never be repaid, even as their size discourages private capital flows and indeed any growth-creating initiative. Assertions that the most indebted countries can service their debts in full at current interest rates only undermine the credibility of policymakers when they go on to assert that the fundamentals are relatively sound in Spain and Italy. Further lending at premium interest rates only increases the scale of the necessary restructuring. It is reasonable to argue that the recognition of debt unsustainability in Greece has been excessively deferred. It is not reasonable to argue that Greek reprofiling or restructuring alone will address a general crisis of confidence.

More

A fundamental shift of tack is required, towards an approach focused on avoiding systemic risk, restarting growth and restoring arithmetic credibility rather than simply staving off disaster. The twin realities that Greece, Italy and Ireland need debt relief and that the creditors have only limited capacity to take immediate losses, mean that all approaches require increased efforts from the European centre. Fortunately, the likely consequence of doing more upfront is a lower cost in the long run. The details are less relevant than having an appropriate approach overall, aligned with EU political realities. But some elements are crucial to any viable strategy.

European authorities must restate their commitment to solidarity as embodied in a common currency and recognise that the failure of any European economy is unacceptable. If they can find the political will, the technicalities of a policy response are not that difficult. But it should include these further commitments. First, for programme countries, interest rates on debt to the official sector should be reduced to a European borrowing rate, defined as the rate at which common European entities backed with joint and several liability by all the countries of Europe can borrow. A default to the official sector will not be tolerated, so there is no reason to charge a needless risk premium that puts the whole enterprise at risk. Second, countries whose borrowing rate exceeds some threshold – perhaps 200 basis points over the lowest national borrowing rate in the euro system – should be exempted from contributing to bail-out funds. The last thing the marginal need is to be pulled down by the weak.

Third, there must be a clear commitment that, whatever else happens, no big financial institution in any country will be allowed to fail. The most serious financial breakdowns – in Indonesia in 1997, Russia in 1998, and the US in 2008 – came when authorities allowed doubt over the basic functioning of the financial system. This responsibility should rest with the ECB, with the requisite political support. Fourth, countries judged to be pursuing sound policies will be permitted to buy EU guarantees on new debt issuances at a reasonable price, payable on a deferred basis. These measures would do much to contain the storm. They would lower payments for debtor nations, protect states at risk from participation in rescue efforts or from shortfalls in market confidence, and ensure the ECB could continue backstopping the stability of European banks.

This leaves the question of what is to be done with sovereign private debt. Creditors gain nothing from breakdown. Some will want to sell out of their exposures at prices marginally above their current market value. Others, who are still regarding sovereign European debts as worth par, should be given appropriate, reduced interest rate longer maturity options. Debt repurchases are a possibility if the private sector accepts sufficiently large present-value debt reductions. But any approach should be judged on the sustainability of programme country debt repayments.

Much of this will seem unrealistic given the terms of Europe's debate. It seemed highly unrealistic even 10 days ago that Italy's solvency would come into substantial doubt. The alternative to forthright action today is much more expensive action – to

much less benefit – in the not too distant future. The next few weeks may be the most important in the history of the EU.

*The writer is Charles W. Eliot university professor and president emeritus at Harvard University. He was Treasury secretary under President*

## *Charlemagne*

How much closer a union?

### **The euro zone is moving closer towards an uncertain fiscal union**

Jul 30th 2011 | from the print edition

AT THE emergency meeting of euro-zone leaders on July 21st Jean-Claude Trichet, president of the European Central Bank, circulated a set of charts showing how bond spreads had blown out after every summit over the past year. He also handed out a ranking of countries deemed by markets most likely to default: Greece, Portugal and Ireland were at the top, riskier than Venezuela and Pakistan; Spain was less safe than revolutionary Egypt. Mr Trichet's point was clear. The response to the crisis had been inadequate and often made matters worse, with markets seeing Europe as more of a basket-case even than Africa. The leaders were determined to reverse this grim trend. So they agreed to slash interest rates on bail-out loans for the most crippled members, and to double their maturities to 15 years (and, if need be, be ready to double them again, to 30 years). The summit promised to keep up the subsidies until Greece could return to the market. Ireland and Portugal got the same terms. Greece's private creditors were asked to pay, but only a bit.

To limit contagion, the leaders gave enlarged powers to the European Financial Stability Facility (EFSF) to extend short-term loans, recapitalise banks and buy bonds of troubled sovereigns in the markets. To France's delighted president, Nicolas Sarkozy, this was the birth of a European Monetary Fund. The markets were pleasantly surprised, even euphoric for a while. Finally, said some analysts, euro-zone leaders were taking the bold steps required. But those taking off on their summer holidays would be wise not to switch off their mobile telephones. Spain and Italy, in particular, have been wobbling yet again this week.

The rescue of Greece is a necessary first step, but it will not end the crisis. Despite everything, the summit did too little to lighten Greece's debt burden, given the political fury and market turbulence caused by demands for private-sector participation. Leaders say they will do "whatever is needed" to save the euro. But what is needed? The options are hard or costly. More money may be wanted for Ireland and Portugal. Many think the EFSF, to be credible, should be doubled or tripled in size. But at some point throwing in money will raise doubts about the creditors. Can enfeebled Italy and Spain afford to pledge tens of billions of euros more? How long before France's AAA rating is at risk?

For some, the time has come to address the underlying design flaw of the euro: a single currency with many different states. Even the sceptical British say that the "remorseless logic" of monetary union is greater fiscal union. Mr Sarkozy sees an opportunity to achieve his vision of "economic governance", with regular summits of the euro zone's 17 leaders producing a more integrated economic policy and progressively breaking away from the wider EU of 27. "I am a federalist," Mr Sarkozy told his colleagues. In joining the euro, countries had to surrender some sovereignty. That such views should be expressed by a former Gaullist, at a time when the EU is unpopular, was perhaps a surprise.

In truth, Mr Sarkozy is trying to amplify France's voice in a smaller core that excludes pesky liberals like the British, Swedes and Poles, and gives greater weight to France's

Mediterranean allies. Europe at 17, he thinks, really means Europe *à deux*, with Mr Sarkozy as co-regent alongside Angela Merkel. The German chancellor has tried to resist this, but has relented as the crisis has deepened. Her priority has been to push weaker countries to be more Germanic through reforms to improve their competitiveness. To get some of this, she agreed earlier this year to summit meetings of a “euro-plus” group of the 17 euro members with others ready to abide by the same strictures.

Now Mr Sarkozy wants to push this bargain a stage further. He seems to have the backing of Herman Van Rompuy, president of the European Council (representing leaders), who stands to gain at the expense of the European Commission (the EU’s civil service) and the finance ministers, the crown princes of the EU. An idea proposed by Mr Trichet may gain strength: the creation of a “European finance minister” to oversee economic and budgetary policies, supervise the financial sector and represent the euro abroad. Alas, for advocates of the notion, the experiment of an EU “foreign minister” has hardly been a great success.

There will be much blood spilt over institutional changes, especially if they require a treaty amendment that could reopen an argument with Britain over the repatriation of powers from Brussels. In any case, a re-engineered EU will not impress the markets unless they think it will act more effectively. Will the strong then be more likely to stand behind the weak?

### **Closer bonding**

Inexorably, all this leads to talk of a deeper “transfer union” and of issuing joint Eurobonds. Mrs Merkel says this is a matter for future generations: Eurobonds would need both a new EU treaty and a new German constitution. But she may be forced to discuss it quite soon. Spain and Greece, and most Socialist opposition parties, want Eurobonds. The commission will propose them in the autumn. Critics say mutualised debt encourages the profligate to freeride on the virtuous. Might Eurobonds turn to junk bonds? And even if moral hazard can be avoided, will Germany and others not end up paying higher rates on their debt? Much depends on the course of the crisis: if it rages on, more people may come to see Eurobonds as cheaper than more bail-outs.

Euro-zone leaders find themselves buffeted by a crisis they cannot control. How much more fiscal and political integration does the euro need? Nobody knows. Are citizens ready to give up more sovereignty to save the euro? Nobody has asked them. **The more leaders try to fix the euro’s flaws the more they risk exposing a flaw in the European Union itself: a project of European integration that lacks a strong democratic mandate.**

## Deutschland kinderärmstes Land in Europa

In Deutschland wachsen so wenig Kinder und Jugendliche auf, wie in keinem anderen Land Europas. Dies geht aus den neuen Daten des Mikrozensus 2010 hervor. Besonders gravierend ist die Entwicklung im Osten.



03. August 2011

Nur 16,5 Prozent der über 81 Millionen Menschen in der Bundesrepublik sind jünger als 18 Jahre. Dies geht aus einem am Mittwoch in Berlin vorgestellten Bericht des Statistischen Bundesamtes über die Lebenssituation von Kindern in Deutschland hervor.

Zum Vergleich: Im Nachbarland Frankreich liegt der Anteil der Kinder und Jugendlichen an der Gesamtbevölkerung bei über 22 Prozent. Dort wird bereits seit den frühen 80er Jahren versucht, mit gezielter Familienpolitik die Geburtenrate zu steigern. Aber auch Großbritannien, die Niederlande sowie die skandinavischen Länder kommen auf einen Anteil von über 20 Prozent. Die meisten Kinder und Jugendlichen leben in der Türkei. Fast jeder dritte (31,2 Prozent) der über 72 Millionen Türken ist laut der Übersicht jünger als 18 Jahre.

### Gravierender Rückgang in Ostdeutschland

Nach den Ergebnissen des Mikrozensus lebten im Jahr 2010 rund 13,1 Millionen minderjährige Kinder in Deutschlands Haushalten. Vor zehn Jahren - also im Jahr 2000 - war diese Zahl noch um 2,1 Millionen höher: Damals lag sie bei 15,2 Millionen. Der rückläufige Trend wird sich weiter fortsetzen, so die Ergebnisse der 12. koordinierten Bevölkerungsvorausberechnung.

Roderich Egeler, Präsident des Statistischen Bundesamtes (Destatis), sagte, dabei gebe es unterschiedliche Entwicklungen im Westen und Osten Deutschlands. In Westdeutschland sei die Zahl der Kinder zwischen 2000 und 2010 um etwa 10 Prozent auf 11,0 Millionen Kinder gesunken. „Noch gravierender war der Rückgang in Ostdeutschland: Im Jahr 2010 gab es hier knapp 29 Prozent weniger Kinder als zehn Jahre zuvor.“



Auch hinsichtlich der Familienstrukturen unterscheiden sich West- und Ostdeutschland: Während 2010 in Westdeutschland 79 Prozent der minderjährigen Kinder bei ihren verheirateten Eltern lebten, betrug der entsprechende Anteil in Ostdeutschland nur 58 Prozent. Hier war der Anteil der Kinder in Lebensgemeinschaften mit 17 Prozent fast drei Mal so hoch wie im Westen (6 Prozent). 24 Prozent der ostdeutschen Kinder wohnten bei einem alleinerziehenden Elternteil, im früheren Bundesgebiet waren es 15 Prozent.

### Jedes sechste Kind von Armut bedroht

Roderich Egeler ging auf eine Reihe weiterer Themen ein, die die Situation von Kindern in Deutschland aus Sicht der Statistik beschreiben. So ist das Angebot an Betreuungsplätzen für Kinder unter drei Jahren in einer Kindertageseinrichtung oder durch eine Tagesmutter beziehungsweise einen Tagesvater in den letzten Jahren gestiegen. 2006 betrug die Betreuungsquote noch 14 Prozent, am 1. März 2010 bereits 23 Prozent. Um das Ziel der Bundesregierung zu erreichen, bis 2013 insgesamt 750.000 Betreuungsplätze für unter 3-Jährige zur Verfügung zu stellen, müssen bis dahin noch rund 280.000 Plätze zusätzlich geschaffen werden.

Kinder sind in Deutschland nicht stärker armutsgefährdet als der Durchschnitt der Bevölkerung. Nach der Erhebung über Einkommen und Lebensbedingungen (EU-SILC) waren im Jahr 2008 in Deutschland 15,5 Prozent der Bevölkerung armutsgefährdet. Für Kinder unter 18 Jahren lag die Quote bei 15,0 Prozent. Das heißt, jedes sechste Kind in Deutschland ist von Armut bedroht. Das Netto-Einkommen in ihrem Elternhaus liegt unter dem Schwellwert von 11.151 Euro pro Jahr.



Schwerpunkt der vorgestellten Ergebnisse sind die neuen Daten des Mikrozensus 2010, der größten jährlichen Haushaltsbefragung in Deutschland und Europa. Darüber hinaus wurde eine Reihe anderer Quellen ausgewertet, so zum Beispiel Statistiken zu Bildung, Kinderbetreuung und Kinder- und Jugendhilfe, aber auch Ergebnisse der Justiz-, der Gesundheits- und der Verkehrsunfallstatistik sowie der europaweiten Erhebung über Einkommen und Lebensbedingungen wurden präsentiert.

Text: FAZ.NET

Bildmaterial: dapd, dpa, F.A.Z.



The moderator's closing remarks

Aug 3rd 2011 | [Anton La Guardia](#) 

Few will deny that the countries of the euro zone are being lashed by a financial storm of an intensity few had expected. Among the many passionate and pithy contributions from the floor, two comments with a nautical flavour catch my attention: nochance argues that "to survive the hurricane we need a big boat"; but alternatives 101 says the loss of control over monetary policy and exchange rates means government are "trying to paddle a boat upstream with one paddle".

So what is the best way to survive: as a big powerful ship with a German skipper at odds with the multilingual crew, or as lots of small, more agile boats? Readers have just a few more days to post their views and cast their votes.

Guy Verhofstadt has filled out his vision of a more integrated euro zone. No currency union is ever optimal he says; what matters are the political arrangements within it. "We should not have false illusions, a federal union is the only way to ensure that the economies in the euro zone do not diverge as they have over the past ten years," he declares. Breaking up will lead to instability. "And, slowly but surely, Europe would return to being a continent of conflict and confrontation."

Hans-Olaf Henkel argues that, on the contrary, it is the attempt to shove everybody into the vessel that is causing rancour. History, he says, teaches us that "once forced by politicians into the artificial constructions of centralised states, people living in such states start to resist". Diversity is Europe's defining trait, he says. To preserve Europe, the euro must be sacrificed.

But even Mr Henkel does not pretend the breaking up will be easy. He says Mr Verhofstadt is right to highlight the risk of financial chaos. But he thinks this can be minimised by having Germany (and a few other like-minded states) leave the current euro, rather than by kicking Greece and other weak economies out of the single currency.

Even if such an extraction could be engineered, and even if southern Europe survives the shock, Thomas Klau offers us a historical reminder: the days of national currencies were not always rosy. "Unstable exchange rates emerged as a big problem for the management of the EU's first transfer union, the Common Agricultural Policy," he writes. "They were later rightly seen to pose a politically unmanageable threat to free trade within the EU's single market." In other words, it was market unrest that first prompted the creation of the euro. He argues that all other options are worse than more integration.

Not so, in the view of our other guest, José Fernández-Albertos, who thinks that the cost of saving the euro may, in fact, outweigh the cost of holding it together. He brings us the immediacy of the debating halls of Spain's indignados: polite, moderate, of mixed backgrounds and utterly fed up with the European Union as the enemy of the hard-won social rights of Spanish people—this in a country so pro-European that even the communists voted for the Maastricht treaty.

Both Mr Klau and Mr Fernández-Albertos highlight the unintended consequences of the sudden influx of cheap money to southern Europe. For Mr Klau, "light federalism", with a central authority wielding a federal budget able to act as an "automatic stabiliser", would prove less intrusive than the current attempt by a powerless centre to impose tough economic rules on others. Mr Fernández-Albertos retorts that any attempt at further integration is bound to lead to more intra-European acrimony.

From the floor, bCrdSPy8zB feels that European institutions have lost credibility and do not deserve more power. Yoni says that "the sooner we get rid of it [the euro] the better, before it plunges the whole world into an economic crisis".

Against them, Hemchand argues that only with the euro can Europe "meet the challenges coming from the giants like China and India". Adam Tauber is full of foreboding: the demise of the euro will lead, eventually, to the "recreation of conditions that have twice led to continental wars".

After so much debating vigour and diversity a moderator might at this point think of concluding with a hackneyed phrase like: "Time will tell." Instead, I will leave it to the floor to make predictions. Forjustice thinks that, with the rise of Asian powers, "give or take a couple of decades, the dollar, pound and the euro will be as irrelevant as the Moldavian currency". But an American contributor draws a favourable parallel with the history of American political and monetary unification. He tells Europeans: "Patience Europe, patience."



The proposer's closing remarks

Aug 3rd 2011 | [Hans-Olaf Henkel](#) 

First, Guy Verhofstadt stubbornly ignores the problems created by a one-size-fits-all currency in two different economic cultures. I know of no economist who believes that Greece, Portugal and other southern EU countries have a chance of catching up with the northern ones, unless they are given access to some form of devaluation. The single euro is too cheap for Germany and too expensive for Spain. Even if we were to forgo all credits and guarantees to Greece, it would be the first such case where a national default would result in a recovery without devaluation.

Second, he asks us to believe that politicians will from now on adhere to the promises they make. That has no credibility whatsoever. Not only were all the promises of the Maastricht agreement broken; the treaty was also grossly violated by aborting the no-bail-out clause. It has now been replaced by a "euro-pact-plus" with no teeth at all.

Third, to quell any discussion about alternatives, Mr Verhofstadt creates angst. By stating that "monetary obstacles, foreign exchange rates and border controls would be reintroduced", he misleads not only the participants in this debate but the public at large. The common market has guaranteed the free movement of trade and services since 1992, and exchange controls were abolished before the introduction of the euro. Moreover, we have free movement of goods and no exchange controls between the ten countries in the EU that do not use the euro.

While he rightfully points out the risk of banks' failures creating havoc, he continues to ignore the urgently required separation of three discrete problems which led to the euro crisis: the shaky state of many banks in the euro zone as a result of the financial crisis; the deplorable debt situation of some countries; and the problems caused by the euro itself.

The debate and the many interesting comments have shown that there is no easy way out of this dilemma. Mr Verhofstadt is right to be worried about a possibly chaotic situation if individual countries rush back to their old currency. That is why I reject Plan B (the departure of Greece). However, with the well-co-ordinated departure of Germany and a few other countries with similar economic and fiscal cultures (Plan C), this risk can be significantly reduced. As I pointed out in my opening statement, it requires individual solutions to the three different problems described above. It also requires the Germans to pay an expensive exit price to help refinance some of the southern countries.


Of course there are problems, but there are obvious advantages too: with a softer euro, the 13 or so remaining countries would have a better chance of catching up. Some of the countries, such as Sweden, Denmark, the Czech Republic, even Britain one day, may find it attractive to join the new grouping. Or does Mr Verhofstadt really believe that the citizens of these countries, having rejected the euro at the beginning, will suddenly feel like joining Germany in helping Greece, Portugal, Spain, soon Italy and in the not too distant future France and Belgium? In fact, with Plan C we may have fewer currencies in the EU compared with today. Incidentally, part of the proposal is the possibility of changing from one group to another (flexible membership).

We must avoid Plan A, the course of action Mr Verhofstadt and his colleagues want to take, for exactly the political reasons they give for promoting it in the first place. The euro did not result in a more united and peaceful Europe; on the contrary, as everybody can see, it has resulted in significant dissatisfaction, rifts and animosity among its members. It has damaged Europe rather than supported it. The people in the south resent being constantly lectured by northern politicians. Citizens in the north resent more and more the idea of having to financially support those in the south. Does Mr Verhofstadt really think that it was Chancellor Angela Merkel's business when she insisted Belgium should change its wage system to be more in line with Germany's? Did the Spanish applaud when she complained that they take too many vacations? Is it acceptable for the Greeks to be told by Germany's finance minister, Wolfgang Schäuble, to privatise companies of the kind that he does not think of privatising in Germany? While it may be logical for Europe's future main creditor to tell the future small debtors what to do, it will certainly not be conducive to greater understanding and peace within Europe.

In dealing with the euro, Mr Verhofstadt should start to listen to the majority of economists, and he should consult historians too. The latter will tell him that, once forced by politicians into the artificial constructions of centralised states, people living in such states start to resist. We not only have two different financial and economic cultures in Europe. We also have many different languages. We have different fiscal preferences. Some like more government, some less. Some like more social benefits, some more self-determination. In fact, I claim, most European citizens like diversity and dislike uniformity. Most prefer de Gaulle's "Europa der Vaterländer" to Mr Verhofstadt's "Vaterland Europa". At least we should have a vote on it and not have a central European state rammed down our throats as a by-product of various rescue packages for the euro.

Does Mr Verhofstadt really dream of having a European football team? Europe's political class tells us: to save the single euro, we must give up diversity and accept more harmonisation. I maintain: sticking to the single euro will severely damage our continent. Mr Verhofstadt should have told us why even his own country has not yet digested centralisation. As the former Soviet Union, Yugoslavia and Czechoslovakia have shown us: whenever diversity is ignored for some obscure ideology, new centrifugal forces are unleashed. We must stop rescuing the euro and start protecting Europe.



The opposition's closing remarks  
Aug 3rd 2011 | [Guy Verhofstadt](#) 

Critics and sceptics of the euro argue that the single currency cannot work because European economies are too different to accept the same policy measures; that a one-size-fits all monetary policy leads inevitably to big tensions and finally to disaster. Yet no nation-state is an optimum currency area on its own. All have greater or lesser regional differences. Currency areas have always been framed more by political boundaries (linked to territory) than by economic ones.

History has led us in a one-way direction. We evolved from local and regional currencies in the Middle Ages to national monetary systems in the 19th century. And it is clear that the new challenges of the 21st century, not least the rapid growth of free trade of goods, services and capital across the globe, are requiring more global currencies: the dollar, the yen, the yuan and the euro.

The collapse (or deliberate dissolution) of the euro zone, along with the inevitable competitive devaluations of weaker currencies, would result in an enormous setback for Europe. European economies pursuing the path of stability and low inflation would be forced, as in pre-euro times, to shadow the Deutschmark (or whatever currency Germany chooses to use). Other countries would be tempted into more economic nationalism and protectionism. And, slowly but surely, Europe would return to being a continent of conflict and confrontation.

Moreover, the 17 members of the euro zone represent 300m consumers—second only to America. The collapse or dissolution of the euro would jeopardise this advantage when all indicators are pointing to the advantages of economies of scale and collective negotiating power on a global level. Monetary sovereignty is of diminishing benefit in a world of increasing interdependence.

But apart from these geopolitical considerations, the collapse or dissolution of the euro would be a real disaster for businesses and private citizens across Europe. The single currency has eliminated all exchange-rate risks for private companies, enabling them to plan and invest for the longer term with greater certainty. Sudden fluctuations in exchange rates that wipe out the profits of export sales or overseas investments have definitively been eradicated.

Since the introduction of the euro, private citizens no longer have to face constant money exchanges every time a frontier is crossed within the euro area. Before the introduction of the euro, tourists travelling across Europe found their spending money

gradually eroding purely on exchange-rate commissions—even before they had spent anything. Nobody wishes to go back to those days.

Equally, consumers across the euro area can now more easily compare the prices of the same goods obtained in different countries as they are all priced in the same currency. This is all the more apparent in the age of internet shopping, where borders and national jurisdictions have become virtually irrelevant.

However, a single currency—and that is the lesson we must learn from the recent crisis—creates not only great benefits but also serious obligations. A monetary union can survive only if it is founded on strong discipline and solidarity. It is because both have severely failed that the euro has ended up in choppy waters over the past 18 months.

A single currency requires not only a common monetary policy, but also an unambiguous economic and fiscal policy. Moreover, in addition to monetary union, a real economic and fiscal union and even a political union are required. We should not have false illusions; a federal union is the only way to ensure that the economies in the euro zone do not diverge as they have over the past ten years, but rather develop in the same direction, ie, converge.

To increase discipline and solidarity among its members, the euro zone is in urgent need of a Eurobond market, in which part of the public debt of the euro-zone countries would be accommodated. Contrary to what opponents say, this will reinforce discipline, not weaken it. Joining the Eurobond market will for the first time provide responsible politicians in the euro zone with an intelligent weapon to discipline the member states and avoid the situation that we are currently experiencing in Greece.

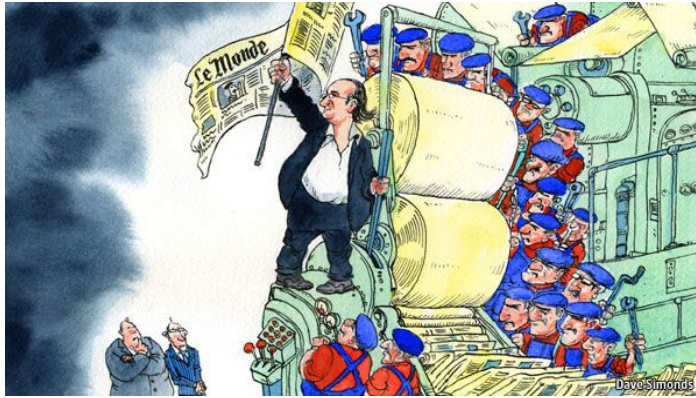
Last but not least, the Stability and Growth Pact needs to be reformed. If the euro-zone countries are serious about their currency, they can only move in one direction: a thorough redesign of the Stability Pact. Automatic measures and sanctions without member states first having to approve them are necessary for those who break the rules. The past has proven that sanctions do not work when they first have to go through a procedure of discretionary assessment by the participating countries. As the European Parliament is pleading, this is a crucial task that should be allocated to independent monetary authorities and democratically controlled European institutions. Whether or not member states agree with this principle will, more than any decision that has been taken over the last 18 months, determine whether or not the euro crisis is over.

## ***French newspapers***

The revolution at Le Monde

### **A battle looms between an iconic paper and a powerful print union**

The Economist Jul 30th 2011 | *PARIS* | from the print edition



WHEN the managers of *Le Monde* introduced computers to the paper's print works in the early 1990s, they hoped for greater efficiency and lower costs. But this was not the priority of the Syndicat Général du Livre et de la Communication Ecrite, a trade union which controls the printing of French national newspapers. It demanded that for each new computer, *Le Monde* should pay for one print worker to type on the keyboard and another simultaneously to watch the screen. It got its way.

French papers are as badly bullied by print unions as British papers were until Rupert Murdoch, a media baron who has recently had other troubles, helped to break their power in the 1980s. France's Syndicat du Livre has controlled the printing and distribution of national daily newspapers since 1947. Like the old British unions, it is a closed shop; only its workers are allowed to print and distribute national titles. When it goes on strike, newspapers don't appear. With circulation and ad revenue halted, they lose money like a man with a vacuum cleaner in his wallet.

*Le Monde* is a highbrow centre-left paper before which mere politicians tremble. (John Elkann, one of its directors, is also a director of *The Economist*.) Last year *Le Monde* faced bankruptcy, until three businessmen, Xavier Niel, an internet billionaire, Matthieu Pigasse, an investment banker, and Pierre Bergé, the former business partner of Yves Saint Laurent, rescued it. Now Mr Niel, the wealthiest of the three and the most closely involved with the business, is tackling the union head on.

"The difficulties of the printing works are a cancer eating away at *Le Monde*," he says. The new owners have cut editorial and business costs (by addressing, for instance, the fact that some journalists write only one story a year). Overall, excluding the print business, the group will make €5m-10m (\$7.2m-14.4m) in 2011, a big improvement after years of losses. The print plant, which loses €3m a year, will wipe out much of the profit. It has some contracts to print papers other than *Le Monde* itself. But these are all leaving, meaning that losses will soon leap to €10m a year.

Mr Niel plans to lay off up to 220 of the 260 workers at the plant. That is nearly a quarter of all the members of the Syndicat du Livre. Because *Le Monde*, an afternoon paper, is obliged to print chiefly at its own plant near Paris, readers in the regions get it a day late. The firm

plans to shut two out of its three Parisian presses and start using regional plants to reach readers on time.

When Mr Murdoch (and a fellow tycoon, Eddie Shah) humbled Britain's print unions by setting up presses that shut them out, they revived the entire British newspaper industry. Papers suddenly found they could cut the cost of production, improve quality and launch new products. Mr Niel, too, could lead France's industry out of bondage.



The Syndicat du Livre has used its power to demand ever higher staffing levels and pay. Louis Dreyfus, chief executive of Le Monde Group, compares staffing levels at *Le Temps*, a Swiss daily, which employs 24 print workers to produce the paper, to 110 print workers for *Le Figaro*, France's leading right-of-centre paper, and 260 workers for *Le Monde*. French papers cost on average 40% more to print than those elsewhere in Europe, says Arnaud de Puyfontaine, who in 2009 took part in an inquiry launched by Nicolas Sarkozy, France's president, into why the country's newspapers are so weak. Titles must charge high cover prices to compensate. That leads to low circulation (see chart). Many rely on subsidies to survive.

The battle has started: in June, alongside strike action, 200 union workers stormed the headquarters of Iliad, the company founded by Mr Niel, demanding to see him. *Le Monde* expects the union to start a long strike in September when ad revenue returns after the summer break, just when the paper has the most to lose.

The stakes are high. The union is finished as a political force if it accepts an 85% job cut. Other newspaper bosses would then demand big layoffs. And *Le Monde* risks destroying its business, even if it wins the fight. Mr Niel is not ready to use tactics as drastic as those employed by Mr Murdoch. Mr Niel and his co-investors will not shut down existing printing plants and open new ones as a way to bypass the print union. The last time a paper tried to fire large numbers of Syndicat du Livre workers was in 1975, when *Le Parisien Libéré*, a morning daily, announced 200 layoffs. During a violent, months-long strike, *Le Parisien* lost half of its circulation and never got it back.

As France's eighth-richest man, Mr Niel should be able to endure months of strikes, even at an estimated cost to the company of at least €200,000 a day. Another weapon is his status as an internet entrepreneur. All of his other journalism investments are online. He has part-funded several influential French news websites such as Mediapart, Electron Libre and Bakchich. *Le Monde*'s new managers intend to integrate the paper's print operation with its website—for now the two are mostly separate. When the Syndicat du Livre goes on strike,



*Le Monde* puts the full print version online. “The union is aware that there’s a risk that a long strike could accelerate the process of going fully digital,” says Mr Dreyfus. On the other hand, Mr Niel may lack one of Mr Murdoch’s key advantages. Margaret Thatcher, Britain’s prime minister, made sure that the police protected “scab” workers at his new plant in Wapping from union violence. Mr Sarkozy, by contrast, is wary of Mr Niel and will not welcome a dust-up with a powerful union in the run-up to an election. But he knows that France’s national newspapers are in even worse shape than titles elsewhere. Making the industry viable again would strike a blow for freedom of expression. For that, a temporary stopping of the presses seems a price worth paying.

# Les musulmans pratiquent plus qu'il y a vingt ans

LA CROIX, 31/7

70 % des musulmans de France respectent le Ramadan.



(AFP PHOTO / SEBASTIEN BOZON)

**Dernière prière du Ramadan avant la fête de l'Aïd dans une mosquée de Mulhouse en septembre 2010. La pratique du ramadan a augmenté chez les musulmans français ces vingt dernières années.**

Une participation en hausse qui marque le dynamisme de la pratique religieuse de cette communauté. Avec cet article

## Le Ramadan au fil des âges

## Pourquoi le Ramadan commence maintenant ?

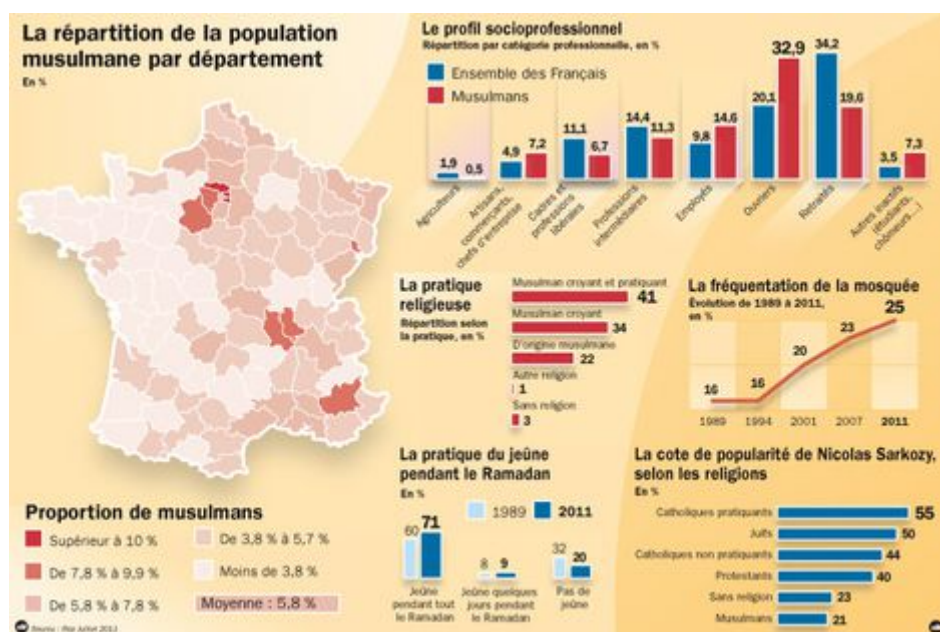
## La guerre bouleverse le Ramadan en Libye et en Tunisie

## Tous les résultats de l'étude Ifop/La Croix sur les musulmans français

Le Ramadan marque le moment où la communauté musulmane se rassemble et se compte : cette année, selon une enquête de l'Ifop pour *La Croix* sur les musulmans en France, près des trois quarts (71 %) des personnes se déclarant de religion musulmane vont jeûner durant tout le mois.

« Le Ramadan est une pratique autant culturelle que religieuse, respectée par l'ensemble de la communauté, même par ceux qui ne croient pas ou ne pratiquent plus », constate Franck Frégosi, spécialiste de l'islam (1), qui fait la comparaison avec ce que représente la fête de Yom Kippour pour les juifs.

D'ailleurs, l'enquête indique que le jeûne est suivi presque de la même manière que l'on soit homme (73 %) ou femme (68 %), jeune ou âgé : les deux catégories les plus assidues sont même les 18-24 ans et les plus de 55 ans, toutes deux avec une participation de 73 %.



## Une majorité de pratiquants

Second enseignement, le suivi du Ramadan a fortement augmenté, 10 points de plus qu'en 1989, date de la première enquête réalisée en France sur le sujet. C'est le signe, plus général, d'un accroissement de la pratique religieuse au sein de la population musulmane française.

En effet, selon cette enquête Ifop, et pour la première fois, la proportion de musulmans qui se considèrent croyants et pratiquants est plus importante que ceux qui se disent uniquement croyants, 41 % contre 34 %. Certes, tout dépend de ce que chacun met derrière ce terme de « pratique », et la mesure est forcément subjective. Reste qu'elle est beaucoup plus forte que pour la population catholique, pratiquante à 16 %. Il est vrai que, traditionnellement, la pratique religieuse est plus accentuée dans les communautés minoritaires, où le besoin d'affirmation identitaire se fait plus sentir.

### ***Vers la fin de « l'islam des caves »***

Tout aussi significative, la croissance de la fréquentation de la mosquée le vendredi, de 16 % en 1989 à 25 % en 2011. Les musulmans de France se rendent plus volontiers aujourd'hui dans un lieu de prière. L'augmentation est surtout sensible depuis 1994. « C'est aussi que "l'offre" de mosquées existe aujourd'hui, permettant aux musulmans d'aller prier », analyse encore Franck Frégosi.

On compte environ 2 000 mosquées et lieux de culte en France, qui assurent un maillage à peu près complet dans les zones où habitent les musulmans, à savoir les centres industriels et urbains à l'est d'une ligne Le Havre-Perpignan. Selon Franck Frégosi, « on est en train d'en finir avec l'islam des caves ». Ainsi, à Strasbourg, l'inauguration pour ce Ramadan de la Grande Mosquée devrait sensiblement influencer sur la pratique.

On note que l'augmentation de la fréquentation est plus importante chez les plus jeunes. En revanche, la mosquée reste l'apanage des hommes : 84 % des femmes disent ne pas aller à la mosquée le vendredi.

### ***Une communauté jeune***

Au total, et au-delà des polémiques récentes sur la laïcité, les 3,5 millions de musulmans qui vivent en France affichent donc désormais une pratique religieuse bien installée, et bien vivante. C'est aussi une communauté ancrée dans le tissu social, et jeune : 62 % ont moins de 35 ans, contre 29 % pour l'ensemble de la population.

La diversité socioprofessionnelle est à l'image de son intégration : certes, la population ouvrière reste surreprésentée, 33 % contre 20 % en moyenne dans la population générale, mais les musulmans sont aussi bien présents dans la catégorie des artisans, commerçants et chefs d'entreprise (7,2 %). En revanche, la proportion des inactifs est le reflet d'un taux de chômage plus important que pour le reste de la population.

### ***Une orientation politique à gauche***

Pour autant, son orientation politique porte la marque des débats récents sur la laïcité, l'identité française ou le port de la burqa. L'Ifop a mis en regard la cote de popularité du président de la République avec la religion. En un mois, octobre 2009, date de lancement du débat sur l'identité nationale par le chef de l'État, la cote de popularité de ce dernier auprès des musulmans est passée de 27 % à 17 %.

« Cette population est traditionnellement plus à gauche que la moyenne, mais le débat récent autour de l'identité française a accentué la tendance, les musulmans ayant eu le sentiment, à tort ou à raison, qu'ils étaient visés à travers ce débat », souligne ainsi Jérôme Fourquet, directeur adjoint du département opinion de l'Ifop.

(1) L'Islam dans la laïcité aux Éd. Pluriel.

**ISABELLE DE GAULMYN**

02. August 2011, 17:34 Uhr

## US-Familienpolitik

# Ein Präsident ohne Kinder? Undenkbar!

Von Katja Ridderbusch, Atlanta

### **Kindergeld und bezahlte Elternzeit gibt es nicht, viele Mütter stehen schon sechs Wochen nach der Geburt wieder am Arbeitsplatz. Dennoch liegt die Geburtenrate in den USA höher als in den meisten europäischen Staaten. Sind Amerikaner einfach mutiger als Europäer?**

Die Geburt von Tochter Janie vor zwei Jahren kam Familie Collins teuer zu stehen. Sechs Wochen Mutterschutz, unbezahlt. "Da wurde es finanziell ziemlich knapp", sagt Mutter Jennifer.

Die Collins sind eine normale Familie in Amerika. Das Ehepaar lebt mit fünf Kindern in der Kleinstadt Dallas im Bundesstaat Georgia, etwa 65 Kilometer nordwestlich von Atlanta. Jennifer, 33, arbeitet als Bürokraft in einer Arztpraxis. Janie war eigentlich nicht geplant. "Aber plötzlich, schwupp, war ich schwanger." Sie hat schon zwei Söhne aus erster Ehe, fünf und acht Jahre alt; ihr Mann Troy brachte ebenfalls zwei Jungs, neun und 14, mit.

Jennifer stammt aus Nashville in Tennessee, dem Mekka der Country-Musik. Sie hat langes hennafarbenes Haar und rauchblau gerahmte Augen. "Kinder sind verdammt teuer", sagt sie. Wie sie das College für alle fünf einmal bezahlen sollen, das wisse Gott, sagt sie und lacht. "Wir versuchen schon jetzt zu sparen." Verzichten möchte sie aber auf keines ihrer Kinder, "never ever".

Nach Erhebungen der Uno liegt die Geburtenziffer in den Vereinigten Staaten bei 2,07 Kindern pro Frau - in Deutschland bei 1,36.

Dabei sind die USA das einzige westliche Industrieland, das keinen bezahlten Mutterschutz per Gesetz garantiert. Der Family and Medical Leave Act aus dem Jahr 1993 verpflichtet größere Arbeitgeber lediglich, zwölf Wochen unbezahlten Mutterschutz zu gewähren. Kinder- und Erziehungsgeld: gibt's nicht. Dafür aber ein breites Angebot an Kinderbetreuung, zum großen Teil privatwirtschaftlich organisiert und teuer.

Kindertagesstätten nehmen Babys ab sechs Wochen auf. Die privaten Krippen kosten mitunter 1500 Dollar pro Monat und mehr. Sie bieten von Fremdsprachen-Früherziehung über Bio-Kinderkost bis zu Baby-Yoga ein Allround-Programm. Öffentliche, meist kommunale Day Care Center sowie kirchliche Kitas kosten rund 400 Dollar im Monat und haben oft Wartelisten. Familien mit geringem Einkommen können Ermäßigung beantragen.

Da bleibt oft nur das Nanny-Sharing, also die Tagesmutter zum Gruppentarif. Oder die Oma wie bei Familie Collins. Jennifers Mutter ist Nanny und Chauffeurin zugleich, betreut Janie und fährt die Söhne zum Kindergarten, zur Schule, zum Fußballtraining. "Ich habe riesiges Glück", sagt Jennifer. Als ihre Mutter einmal mehrere Wochen wegen Krankheit ausfiel, musste Jennifer eine Nanny engagieren - und Troy, der als Elektriker für eine Fast-Food-Kette arbeitet, Überstunden machen, um sie bezahlen zu können.

### **"Amerikaner sind oft unerschrockener"**

Kurz: In den USA bedeuten Kinder häufig große finanzielle Opfer, stärker noch als in Deutschland. Warum werden dort trotzdem mehr Kinder geboren?

Carsten Große Starmann, Demografie-Experte bei der Bertelsmann-Stiftung in Gütersloh, sieht den Grund vor allem in kulturellen Unterschieden. "Die Wertigkeit von Kindern und Familie, aber auch die Bewertung von Sicherheit und Risiko sind in den USA ganz anders als in Deutschland."

In Deutschland, sagt er, gebe es ein starkes Sicherheitsdenken und die Tendenz, persönliche Entscheidungen sehr behutsam abzuwägen. Eine "Kultur des Zweifels", wie der Lüneburger Soziologe Günter Burkart schreibt. Tatsächlich sorgen sich die meisten Amerikaner nicht allzu sehr um die potentiellen Hürden und Herausforderungen des Elternseins. "Ich glaube nicht, dass die meisten Frauen eine Rechnung aufmachen, ob und wann sie sich ein Kind leisten können", sagt Jennifer. "Es passiert einfach." Amerikaner, sagt Große Starmann, seien oft unerschrockener in ihrer Lebensplanung, vertrauten auf die Machbarkeit der Dinge.

Zugleich betrachtet man in den USA, wo das soziale Netz wertkonservativer und oftmals religiöser geprägt ist als in Europa, die Kosten von Kindern nicht primär als Wohlstandsverlust, sondern vielmehr als Investition: in die Gesellschaft, in den Mikrokosmos Familie, aber auch in das eigene Sozialprestige. Denn: Kinder zu haben, kann in Amerika durchaus die Karriere voranbringen. Kinder dienen, vor allem in der Mittelklasse und aufwärts, der sozialen Positionierung. So sind unter den Managerinnen großer US-Konzerne einige prominente Mütter: Indra Nooyi von PepsiCo, Irene Rosenfeld von Kraft Foods, Andrea Jung von Avon oder Carol Bartz von Yahoo. Wäre ein kinderloser Präsident in den USA also überhaupt denkbar? "Spontan würde ich sagen: nein", meint Carsten Große Starmann.

### **"Der Gedanke, zu Hause zu bleiben, ist mir nie gekommen"**

Auch das "Rabenmutter"-Stigma, mit dem in Deutschland noch immer viele arbeitende Mütter zu kämpfen haben, ist in den USA unbekannt. "Hier ist es die Norm, dass Frauen und auch Mütter arbeiten", sagt Brande Stellings von Catalyst, einer Organisation zur Förderung von Frauen in der Berufswelt. Tatsächlich sind in den USA 72 Prozent aller Mütter mit Kindern unter 18 Jahren und 60 Prozent aller Mütter mit Kindern unter drei Jahren berufstätig. "Die meisten Frauen arbeiten, weil sie es aus wirtschaftlichen Gründen müssen", sagt Stellings, selbst Mutter von zwei Kindern. "Aber viele arbeiten auch, weil sie es wollen."

Adina Alazraki zum Beispiel. Sie ist Radiologin in der Kinderklinik der Emory Universität in Atlanta; ihr Mann Dave ist Manager bei Coca-Cola. Tochter Tahlia ist sieben, Sohn Zachary drei Jahre alt. "Der Gedanke, zu Hause zu bleiben, ist mir nie gekommen", sagt Adina, eine drahtige Frau Anfang 40 mit einem strengen Zug um den Mund.

Als Tahlia geboren wurde, war Adina noch in der Ausbildung, kam nach sechs Wochen aus dem Mutterschutz zurück. Mit Zachary blieb sie neun Wochen zu Hause. Anschließend kümmerte sich eine Nanny um die Kinder. Mit jeweils 15 Monaten gingen die beiden in ein private Day Care Center. Zachary ist noch immer dort; Tahlia geht mittlerweile zur Schule.

Vom Rabenmutter-Stigma hat Adina noch nie gehört. Das schlechte Gewissen, sagt sie, "mache ich mir eher selbst". Einige von Tahlia's Freundinnen haben Mütter, die nicht berufstätig sind. Die lesen in der Schule Märchen vor oder helfen bei Aufführungen. "Tahlia fragt mich manchmal: Mama, warum bist du nie dabei? Und ich muss ihr dann sagen: Sorry, Sweetheart, aber ich arbeite." Adina lacht nervös, nippt an ihrem Kaffee. "Das bedrückt mich dann schon ein bisschen."

### **URL:**

- <http://www.spiegel.de/politik/ausland/0,1518,772915,00.html>

## Lenient Courts

# ***German Justice Slammed in Honor Killing Study***

By [Johannes Korge](#)

**What drives families to commit 'honor killings?' Who are the killers and where do they come from? A new study commissioned by the German police has found that the killers are almost always first-generation immigrants from poor backgrounds, that cases aren't increasing and that courts are making mistakes in their handling of them.**

In March 2009, 20-year-old Gülsüm S. was killed by her father and her brother. The men hit her in the face with branches and pieces of wood in an assault so brutal that it was difficult to identify her body. The Kurdish woman had to die because she was no longer a virgin. Because she had had an abortion. Because the family felt dishonored by her actions.

In 2005, [Hatan Sürücü](#) was killed with several shots to the head -- fired by her brother.

Who are the killers? Why do they kill? How does the German justice system punish them?

A study by the Max Planck Institute for Foreign and International Criminal Law, which has been obtained by SPIEGEL ONLINE ahead of its release, provides the most comprehensive overview yet of so-called "honor killings" in Germany. The researchers investigated 78 cases with 109 victims and 122 perpetrators.

Commissioned by the German Criminal Police Office (BKA), criminologists Dietrich Oberwittler and Julia Kassel spent three years researching "honor-related homicides in families and partnerships between 1996 and 2005."

The 250-page document outlines crimes of staggering brutality, such as the 22-year-old Turkish man who killed his younger sister by stabbing her 46 times because she had separated from her husband. Or the Jordanian whose underage daughter had to die because she rejected her boyfriend.

The researchers pored over court documents and BKA files, and combed through newspaper archives. "There has never been such an empirical overview of honor-related killings in Germany," said Oberwittler, the head of the research team.

### **Number of Killings Not Increasing**

The study refutes a widely-held view that the number of honor killings in Germany is increasing. While the numbers vary from year to year -- there were two in 1998 and 12 in 2004 -- the average has remained at between seven and 10 cases per year.

The huge spike in media coverage of such cases has created the false impression that they are on the rise, the researchers say.

Virtually all such homicides are linked to the "lack of female submission to the control of a patriarchal family will," the study says. The woman's choice of partner is supposed to be a matter for the family. If she resists, she is seen as besmirching the "honor" of her parental home.

The researchers distinguish between four types of cases:

- The victim's failure to stay in a "legitimate" partnership by being unfaithful, planning to separate or actually separating. In 43 of the cases examined, this was the motive for the killing.
- An "illegitimate" partnership by the victim such as a premarital sexual affair or pregnancy. Or a partnership with the "wrong" person. This was the motive in 25 of the 78 killings investigated.
- A victim's desire for independence. An excessively "western lifestyle," or a refusal to adhere to family traditions regarding family and marriage. This was the motive cited behind 20 killings.
- Other reasons that don't fit in the above three categories, such as the rape of a woman which is seen as having brought shame on the family. The researchers looked into eight such cases.

In many cases several people, mostly family members, committed the killings together.

At first sight, the large number of male victims is surprising. A total of 43.1 percent of honor killing victims were men. However these were in most cases "additional" victims that were killed alongside the "actual," female victims. That means that the killers were targeting a woman and killed her friend/partner/lover at the same time.

Most of the victims were young. More than half were aged between 18 and 29. Seven percent of victims were underage, the remainder were 30 and over.

### **Problem is 'Serious, But Limited'**

The killers tend to be older, with 32 percent aged 40 and over. Most of them -- 76 of 122 -- were of Turkish descent. People from Arab states and from the former Yugoslavia come a distant second and third.

Fewer than 10 percent of the killers were born in Germany and only 7.6 percent had German citizenship. Honor killings are hardly ever committed by second or third-generation immigrants. This, says Oberwittler, is a sign "that integration is working in Germany. The problem of honor killings is serious, but limited."

More than a third of the killers were unemployed. Most of the remainder were poorly educated and in manual jobs. The study says German courts are in many cases failing to adhere to the ruling by the Federal Court of Justice that honor killings be treated as having "base motives," which tends to lead to more severe sentences. But in fact, base motives were only determined for 28 out of the 87 people convicted.

In around 40 percent of cases, the honor killing aspect wasn't even addressed. In 15 cases, the judge even deemed the "honor" motive as a cause for leniency. "Those are mostly cases in which the family environment exerted a lot of pressure on individuals. Younger perpetrators have been influenced in that way. They are often people who haven't been in Germany long," said Oberwittler.

The research team based its study on strictly empirical research. But Oberwittler is aware that the results could fan prejudice against immigrants in Germany. That is why he stresses: "Such crimes are almost exclusively committed by a small, poorly integrated underclass. The 'honor killing' is in no way typical behavior for the Turkish community in Germany."

### **URL:**

- <http://www.spiegel.de/international/germany/0,1518,777997,00.html>

## DEBT CRISIS

# Facing the spectre of bankruptcy

1 August 2011 MLADÁ FRONTA DNES PRAGUE



Nicolas Vadot

**Right up until the last moment, Democrats and Republicans continued to give free reign to the spectre of American sovereign default. However, a Czech economic analyst argues that the US economy is less vulnerable than the economies of Europe, which are much more heterogeneous.**

This morning you will have woken up from the weekend to read that Apple has more cash in their accounts than the United States has left before it runs up against its debt ceiling. You also awoke whereas, in a euro zone up to its neck in debts, the most expensive soccer player in the world, Cristiano Ronaldo of Real Madrid, [is being offered to Spanish bankers as collateral for emergency loans](#).

Over the weekend in Washington, Democrats and Republicans have hammered out an “interim framework agreement” to raise the public debt ceiling. More negotiations will continue. The euro zone had it pretty tough the previous weekend too, when a new rescue plan for Greece was approved.

### No reason for optimism

Don't start celebrating just yet. We mustn't forget that the greatest debts of developed economies arose over three historical periods: the first followed the Napoleonic wars, the second came after World War II – and the third arrived yesterday, is with us today and will be around tomorrow too. A few states can handle this situation. Certainly, this is merely hypothetical, for anyone can still go bankrupt.

America now has a public debt somewhere around 100 percent of its GDP. Euro zone debt is around 88 percent of GDP. For the sake of comparison, China's public debt is at 17 percent, thanks to the strength of its economy, while in Brazil and India it's at 66 percent, and in Russia at 11 percent.

### Three fundamental differences

There are three crucial differences between the United States and the euro zone:

1. The first is the possibility of debt financing – so-called liquidity. Like the federal government of the US, some individual states can also finance debt more cheaply than members of the euro zone. Like the United States as a whole, indebted California or Illinois can now borrow for five years at around 2-4 percent interest. Germany is in a similar situation. Greece, Ireland and Portugal, however, would be unable to get an interest rate below ten percent. A comparison with the rest of the world works out similarly. Japan's public debt stands at 233 percent of GDP, but it can still issue bonds more cheaply than Italy, which has a debt of “only” 121 percent of GDP.



The UK, with a public debt currently at 83 percent of gross domestic product, can issue bonds at lower interest than Spain, whose debt stands at 68 percent of GDP.

2. Between the U.S. and the EU there are also big differences in policy options. In the United States they certainly do not have the recipe for success, and everything can still go wrong. Nonetheless, unlike Greece & Co., they have it in their own hands. America is threatened more from within: a year before elections, politicians are jockeying for position. Still, the world's investors and speculators remain willing to roll over their debt cheaply. For the Greeks, though, investors and speculators are sizing it all up from the outside – and remain frankly unwilling to finance the Greek debt. And if they do so, they will demand punitive interest rates. If the euro zone is to get the situation under control, it needs to clearly define its vision – either Greece and the other super-indebted states will go back to their own currency, or the euro zone will turn more federalist and we will end up with a common European Ministry of Finance and common bonds.

3. The third big difference is the solvency of the country concerned. In solving each specific debt problem one must distinguish between problems of solvency and problems of liquidity. When someone has a liquidity problem, he needs a quick loan to tide him over – in the case of a country, loans keep the economy running. Greece, however, is insolvent. The problem of insolvency must be solved by having the country begin to generate its own revenues – simply to earn the money to pay those debts. And in this respect, again, the United States have it easier than the euro zone, which is shown clearly by the example of Greece: Greece must have businesses that thrive at selling their products, and especially at selling them abroad – because the domestic economy is in recession (first-quarter GDP has contracted by 5.5 percent year-on-year), unemployment is high (16 percent) and the state is to lay off more employees.

Compared with 2005, unit labour costs in Greek industry are now 34 percent higher. In Germany they went up by only six percent, and in America they have remained as they were in 2005. In Greece, entrepreneurship is at zero and all suffer from dependence on the state. Without a competitive industry, businesses fail to generate revenues from exports, and so nothing comes in to pay back long-term debts.

Only the Chinese will be taking any pleasure from this Monday – because they know that, when they fall into recession and need help themselves, they will be able to make ruthless use of all those bonds and shares they bought in US and eurozone companies.

## The Trail of Evil

### ***Can Europe's Populists Be Blamed for Anders Breivik's Crusade?***

**Norway and the world are still struggling to understand the ghastly deeds of Anders Breivik, who was driven to kill by his hatred of Muslims. His confused worldview, which Breivik describes in a 1,500-word manifesto, was influenced by European right-wing populists. Do politicians and writers share some of the blame for his terrible crimes? By SPIEGEL Staff.**

Geir Lippestad is sitting on a beige chair. He seems calm and collected, but there is also a tense alertness in his sharply defined features. Is there such a thing as pure evil? Can a human being be intrinsically evil? And if not, what induces him to commit evil acts, such as casually killing people and shooting children?

These are the kinds of questions that preoccupy Lippestad, 46, as well as an entire country, and possibly even the world. But the questions are particularly important for Lippestad. He is an attorney -- Anders Behring Breivik's attorney.

He says he received a call, and was told that Breivik had requested him as his defense attorney.

After receiving the call Lippestad, a member of Norway's center-left Labor Party, asked for time to consider the request. He spoke with his family and thought about what it would mean for him and for them. He also thought about what it would mean for Norway, democracy and the rule of law, whose principles guide his actions. "A legal system must also function in exceptional situations," says Lippestad.

Now he is defending a man who defiled those principles, a man who [killed 77 people](#) in half a day. A man who, as Norwegian Prime Minister Jens Stoltenberg put it, was responsible for the worst tragedy to hit Norway since World War II.

#### **A Unique Case**

Lippestad told the Oslo newspaper *Aftenposten* that Breivik had told him he had wanted to kill even more people, and that he had intended to bomb two other buildings. This is supported by the fact that police are still searching for most of the six tons of fertilizer Breivik had ordered over the course of several months, of which he used only a fraction. What happened to the rest?

A category for Breivik's incomprehensible crime doesn't even exist. Is he a terrorist? A madman? A right-wing extremist? Should he be tried for crimes against humanity?

Breivik's case is unique, says Lippestad, as he sits in his office. "Anders Breivik is waging war against our values," he says. "Against our democracy and against our openness." As an attorney, he feels that it is his duty to defend those values by defending a man who seeks to destroy them. At the moment, Lippestad is the person with the closest relationship to Breivik. He visits his client almost every day, sometimes spending as much as two hours with him.

Breivik is now in an isolation cell at Ila Prison west of Oslo. He will spend at least four weeks there, with no access to visitors, books, television or newspapers. Lippestad and the guards are the only people who speak to him. One of the first questions Breivik asked his attorney was whether he could get him a uniform. Breivik also explained to him that this was the beginning of a 60-year war, and that he had to make sacrifices for that war.

Breivik, too, seems to believe that he is performing his duty.

#### **The Worldview of a Killer**

He is a Christian and a mass murderer, a man who hates Islam and invokes the Bible, a 32-year-old Norwegian terrorist who claims to be fighting to save the Western world and kills people to do so. He killed eight people with a 500-kilo (1,100-pound) bomb in Oslo, and the other 69, many of them teenagers, by shooting them to death at a Labor Party youth camp on Utøya island.

Breivik's crime, as unexpected as it was horrific, exposes new truths and raises new, unsettling questions. What have we overlooked? Where does this violence come from? Will we see more of it? Were the killer's actions those of a lone psychopath, or was he inspired by right-wing populist, xenophobic and Islamophobic rhetoric? Did he use violence to put into practice the ideas that people like the late Austrian politician Jörg Haider and the Dutch politician Geert

Wilders promoted with words? Should we really be paying attention to his confused ideas and his self-important 1,500-page manifesto?

Now that Breivik is in prison, the police are investigating the case and Norwegian society is forced to confront the horror that emerged from its midst, it is time to examine the worldview of a killer and the question of where his ideas come from and what the consequences of the attacks should be. An anti-Islamic terrorist is a first for Europe.

Was this an isolated case, or does Breivik represent a movement? Is he even a terrorist?

SPIEGEL examines the most important questions surrounding Breivik and his actions.

### **How Does an Average Citizen Turn into a Mass-Murderer?**

Breivik is a child of the middle class, the son of a diplomat and a nurse. After his parents were divorced, he grew up with his mother and stepfather. He lived with his mother again for a period before the attack in Skoyen, a neighborhood in western Oslo where there are few Muslim immigrants. It's a pleasant neighborhood with flowerboxes and Thuja hedges, not far from the fjord. Breivik had lunch with his mother every other Sunday, say the neighbors. It is in that neighborhood, where he grew up and where his mother lived until she was taken away on the night of the attack, where people are particularly appalled by the events. Before the massacre, locals thought of Breivik simply as "Anders," just another young man from the neighborhood.

An elderly woman with gray curls and pink lipstick is sitting on a chair, leaning against a flowered cushion, in Café Valentin behind Möllhausen Torg, a small shopping center with a supermarket and a flower shop.

The woman, who prefers not to mention her name, says that Breivik's mother is her best friend. She calls it a tragedy, this thing that the son has done to her best friend. The mother, she says, was proud of her son. He was quiet and reserved, and he had never had any problems or been a troublemaker. Perhaps he was a little too shy, the mother had once told her friend in confidence, but she was also quick to point out that it was probably a sign of great intelligence.

"I don't know," says the elderly woman. "He was too quiet. And he was very much alone. Always."

### **Just Shy**

Breivik's mother doesn't even have a computer in her apartment, not even a mobile phone, says the woman. The mother told her that young Anders was a real technology buff, something she had respected and encouraged. "She did everything for her children. There was nothing they didn't have." The woman talked to her friend about Anders' loneliness, his reclusive nature and his visits on Sundays. She said she thought it was odd that he wasn't in a relationship and never brought home friends. But the mother dismissed her friend's concerns, saying that he just happened to be shy and that he would grow out of it.

It was by no means obvious that Breivik saw himself as a chosen one, a "Knight Templar," a member of a Christian conservative avant-garde, named after the medieval order of knights that not only protected pilgrims to Jerusalem, but also used violence to spread the Christian faith in the Holy Land. Breivik claims that in April 2002 he went to London to attend the re-founding of the Knights Templar, an international network dedicated to the fight against a global Muslim conspiracy and its "cultural Marxist" backers.

This sounds odd, and yet a website operated by Paul Ray, a founding member of the anti-Islamic English Defense League, displayed photos of two men posing in Templar T-shirts featuring a red cross on a white background. One of the men in the image is Nick G., a former neo-Nazi from the Bavarian town of Marktredwitz. A film from Malta has also surfaced in which Ray, Nick G. and a third man, seemingly evoking the Knights Templar, pose next to a suit of armor. Ray has told the *Telegraph* newspaper that while he may have been Breivik's inspiration, that was the extent of his involvement. Nick G. confirmed that the "Knights Templar" movement exists, but he refers to the Oslo killer as a "lunatic" who has "brainwashed himself." He characterizes Breivik's alleged "initiation" in London as "pure fantasy." It is one of the few trails that lead from Breivik's confused intellectual world into reality. It remains to be seen how many others exist.

### **Europe's Declining Morals**

Breivik compiled, concocted and wrote some outlandish things. He wrote speeches for Knights Templar to give in court if they happened to be arrested. To describe the deterioration of morals in Europe, he used conversations on

Facebook to compute a quotient for the sexual morality of women in 17 European countries and the United States. Scandinavia was at the bottom of his ranking, while Maltese women were apparently the least licentious.

In general, Breivik writes in his manifesto, women should have three options: "be a nun, be a prostitute, or marry a man and bear children." This, he writes, would lead to an increase in the birth rate.

For those who simply cannot do without it, Breivik envisions a sex enclave, a sort of Las Vegas in the desert, whose residents can be as profligate as they wish -- an idea that sounds more like a swinger club than 1950s patriarchy. None of it sounds rational. Breivik's thought system sounds neither logical nor convincing. This is the question that is on everyone's mind, from the courts to those who seek to interpret and somehow cope with his murderous crime. How normal is Anders Behring Breivik? Some might find it comforting to call him a lunatic, but is he one?

### **Is Breivik a Psychopath?**

Breivik reportedly cheered as he was shooting children on the island. "This is the laughing killer type," says German sociologist Klaus Theweleit, who became known in the late 1970s through his two-volume work "Male Fantasies," a psychological interpretation of fascism. "They are men who enjoy their murderous game, who see themselves as part of a higher power that condones all of this. They laugh as they celebrate the sanctioned crime, their unpunished, godlike actions."

In "Male Fantasies," Theweleit analyzed the writings of the violent Weimar-era paramilitary groups known as the Freikorps and identified considerable similarities in their images of women and the hatred with which they encounter the opposite sex. Theweleit's interpretive patterns now apply to Breivik with astonishing precision. Breivik reminds him of an "SS man, like Max Aue in Jonathan Littell's novel 'The Kindly Ones,'" he says.

For Theweleit, Breivik's detachment suggests a similarity with the fascist murderers. He did not have a girlfriend and, according to his manifesto, he had sex only once during his "mission." He claims to have slept with two girls in Prague. Otherwise, he refers to sex only one other time -- as a planned act: He wanted to hire "two high class model whores," essentially as a last act before committing his murderous deeds. In his view, women are saints or sinners, while feminism, which he sees as a significant precursor to "cultural Marxism," is a massive threat. He yearns for the return of corporal punishment and the patriarchy.

Theweleit, thinking in psychoanalytical terms, believes that Breivik is motivated by a central fear surrounding the body he has devoted so much effort to create. In "this idiotic concept of becoming a man," the objective is to replace the strong mother and give birth to oneself all over again -- and to become big and strong, independently of one's mother. This, says Theweleit, is what the army used to do, through military exercises that took soldiers to the brink of utter exhaustion.

### **Always Blaming Someone Else**

Breivik didn't need the army to create his own perfect body. While building his bombs, he completed a punishing training program and took anabolic steroids. In the end, incapable of forming ties with other people, he resorted to violence as proof of his own strength and superiority.

"Breivik must be a narcissist," says Oslo clinical psychologist Sverre Torgersen. In fact, he believes that the extent of Breivik's narcissism is "unique" and unprecedented in criminal history.

According to Torgersen, the staged photos of Breivik wearing various costumes reveal that he is extremely preoccupied with appearances, a typical feature of narcissism. A narcissist reacts to frustrations by assigning the blame to something in his environment, but never to himself. Pathological narcissists are characterized by a sense of their own magnificence coupled with fragile self-esteem. According to Torgersen, Breivik exhibits the classic profile of a pathological personality: emotional coldness and the inability to enter into relationships.

The efforts to establish a business, which he grandiloquently describes as successes in his manifesto, were in fact miserable failures. He experienced a corporate bankruptcy in 2002, and in 2008 another company, his E-Commerce Group, went into receivership. The first-person author of the manifesto probably perceived these failures as highly mortifying. According to Torgersen, Breivik was also characterized by an extreme form of sadism that finds pleasure in the suffering of others.

Torgersen believes that Breivik is mentally ill, but not so ill that he could not have functioned in everyday life. Two court psychiatrists are now compiling expert opinions and examining his legal culpability. "He has a concept of reality that no other human being shares with him" -- no one, anywhere -- says Breivik's attorney, noting that this is evident in the kinds of questions he asks and the way he talks about certain things.

Is he crazy?

His crime was, says Lippestad.

### **'Waging War against Democracy'**

When Breivik converses with his attorney, he speaks quietly, almost casually. He is well-spoken, and yet he is not educated or even sophisticated, says Lippestad. In one of their first meetings, Breivik told Lippestad that English is his working language, but that he could speak Norwegian with Lippestad if the attorney preferred. Lippestad believes that Breivik is not waging war against the Muslim world but against the West and its supposed depravity. "He is waging war against democracy," says Lippestad.

Breivik does not recognize the court or even the legal system that ordered him arrested. He confesses his crime but insists that he is not guilty. If Breivik is as he describes himself in his manifesto, he ought to relieve the attorney of his duties. In the document, he predicted people would "label me as a nut" and urged his readers not to believe it. He is now being evaluated, and the courts will have to reach their own conclusions. But no matter what degree of culpability is ultimately assigned to him, the fact remains that this 1,500-page manifesto exists. And it was not dictated to Brussels by demons.

### **How Does the Perpetrator Justify His Crimes?**

"2083. A European Declaration of Independence." This is the title of the murderer's manifesto, which he placed on the Internet shortly before his killing spree. The document, 1,518 pages containing about 800,000 words, enables the reader to travel into the mind of a killer in a way that has never been possible before. Although the supposed facts it contains cannot be accepted as truth without verification, the document does reveal how the killer's mind works.

Breivik's convoluted manifesto consists of a section in which he foments violence, practical advice for potential killers, an interview with himself and a diary of sorts that he wrote in the months leading up to the attack.

Breivik avails himself of old conspiracy theories and new right-wing bloggers, and sometimes he quotes people who wrote sentences that appeal to him, be it Benjamin Franklin, Fidel Castro or Mark Twain.

Breivik is obsessed with Islam's supposed aim to subjugate Europe. He claims that a complacent Western elite of "multiculturalists/cultural Marxists" is serving Islam's purposes in the process. He demands that a Christian conservative avant-garde stand up and fight against this threat, and he counts himself as a member of this avant-garde. He imagines these "Knights Templar" committing assassinations and attacks, organizing a resistance movement and eventually taking power and expelling the Muslims from Europe. This goal, according to Breivik, is to be reached by 2083, 400 years after the Turks were defeated outside Vienna.

Breivik writes that what he opposes most of all is the position of "political correctness," which he equates with a "cultural Marxism."

The goal of this "cultural Marxism," in his view, is to deconstruct the old values and norms of Europe, Christianity, male and female roles, and sexual morality. Breivik believes that the most dangerous side of "cultural Marxism" is "multiculturalism," because it opens Europe's doors to Islam.

### **The Main Enemy**

Breivik's manifesto is a strange conglomerate of quotes, plagiarized material and his own words. He provides footnotes and references, but he also quotes the *Economist* and SPIEGEL. He has academic pretensions, and he has a penchant for using numbers, although they are often taken from questionable sources. He distances himself from neo-Nazis, writing that anti-Semitism is nonsense and that Europe's Jews are allies in the fight against Islam. He calls Hitler a mass murderer and insists that the Holocaust is indisputable. But he also fantasizes over what he calls a genocide being committed by Muslims against Christian Europeans, except that it is being hushed up by the "cultural Marxists." Even more than Muslims, he seems to hate those he sees as paving the way for Muslim domination.

Only a few of Breivik's victims were Muslims. Instead of attacking a home for asylum seekers, he struck at what believes to be the main enemy: the future establishment of "cultural Marxists."

For Breivik, that category includes the majority of Europe's politicians, journalists and university professors, and he believes that 90 percent of these opinion-shaping elites are proponents of "cultural Marxism." He has no answer to the question of why these people so complacently allow themselves to be roped in by the Muslims. At times he refers to these elites as ignorant people who simply don't recognize the threat, and at times he reasons that their actions are driven by the dependence on Arab oil and the fear of terrorist attacks.

Breivik even seriously considers the question of whether it would be possible to use nuclear weapons against multiculturalists. He concludes that it would be difficult but should not be ruled out in a later stage of the revolution. For his days of judgment, Breivik envisions the deportation of Muslims and the execution of traitors. He divides his cultural Marxist enemies into "category A to C traitors." Category A includes top opinion leaders like editors-in-chief and politicians, while group B consists of the foot soldiers of the multiculturalists. "They know that they are contributing to a process of indirect cultural and demographical genocide," he writes. Breivik's Category C consists of apolitical followers.

For Breivik, the 69 victims on Utøya Island, most of them youths attending a Social Democratic Party summer camp, are presumably Category B traitors.

### **Where Did Breivik Derive His Ideas From?**

The killer has a political history, which begins with Norway's populist right-wing Progress Party.

On the fifth day after Breivik's terrorist attack, Progress Party leader Siv Jensen, a blonde woman in a black dress with a design featuring two gray hearts nestled together, is standing in the garden outside the official apartment of Prime Minister Jens Stoltenberg, together with the leaders of all parties represented in the parliament.

In this garden, Stoltenberg intends to announce the establishment of a commission that will investigate the possible mistakes made by the state security agencies, police and emergency rescue forces. But he also wants to send a message that Norwegians are not about to go into hiding, and that the political class is more united than ever.

Shortly after the attack, Siv Jensen stated: "All Norwegians are now young Labor Party members." She has been invited to join the other party leaders, as if her party were being treated the same as all the others. Nevertheless, Jensen has a problem, namely that Breivik was an active member of her party for seven years, serving as the deputy chairman of a local youth organization.

Another of Jensen's problems is that one of her party members published a document a year ago titled "The Dream of Disneyland," which accused the Labor Party of treason. "What was so wrong with Norwegian culture that you want to replace it with something you call multicultural?" the author asks. "And why are you stabbing our own culture in the back?"

### **Fears of Foreign Domination**

There is a [new right-wing mainstream all across Europe](#), which, like Breivik, is turning away from anti-Semitism and declaring Islam to be the enemy instead.

Geert Wilders, the blonde Dutch politician who, together with his Party for Freedom, has supported the minority government in Amsterdam since last year, is the vanguard of this movement. He has called for a ban of the Koran and has likened it to Hitler's "Mein Kampf," and he wants women who wear the headscarf to pay a "head-rag tax." Wilders has his imitators, who feed on fears of globalization and modernization and stoke fears of foreign domination. They include the Danish People's Party, which has helped Denmark's center-right minority government stay in power for almost 10 years; Italy's Northern League; the Sweden Democrats, whose leader told that country's parliament that Islam is "the greatest threat to Europe since World War II"; the True Finns; [Marine Le Pen](#) in France; Belgium's Flemish nationalist party Vlaams Belang; and the far-right Freedom Party of Austria (FPÖ). Breivik is particularly enamored of Austria, which he mentions 70 times in his manifesto, even expressing his appreciation to his "brothers and sisters" there.

This may have something to do with the polls showing that the FPÖ, known for its anti-Muslim slogans and its claims that Islamism is the "fascism of the 21st century," is on its way to becoming Austria's strongest party.

Germany's debate over Thilo Sarrazin's controversial book, "Germany Does Itself In," would probably have interested him, but it was too late for Breivik's purposes. When the controversy began in August 2010, Breivik had already completed the research for his manifesto, as he says.

In fact, Breivik is less than satisfied with Germany. He writes that it has no serious anti-Islam party and is "simply unable to build a political defence against Islamisation." Nevertheless, he is interested in the neo-Nazi NPD party.

### **Appealing to Copycats**

What do his attacks mean for the far-right in Germany? "It could serve as a blueprint for copycats," says Alexander Eisvogel, the vice-president of Germany's domestic intelligence agency, the Federal Office for the Protection of the Constitution (BfV). "From the point of view of a terrorist, his planning was meticulous and carefully geared toward not attracting the attention of the authorities. He noted all of this in diary form in his manifesto. It is precisely this combination of the attacks and the preparation, which was so carefully planned and is now accessible to the general public, that is now our greatest concern."

So far, however, reactions in the right-wing community have ranged from reserved to hostile, probably, as Eisvogel speculates, because this combination "of the mystification of the Knights Templar and the explicit rejection of Nazi thought is hard to stomach for German right-wing extremists."

Right-wing populists have been more or less quick to distance themselves from Breivik's crime. The FPÖ, headed by Austrian politician Heinz-Christian Strache, has been careful to characterize any attempt to saddle it with the blame as a "primitive and disgraceful" attempt to make political capital out of the Norwegian tragedy.

The English Defence League, which confirms that some of its members were in contact with Breivik via Facebook, praises his ideology. The EDL agrees that Islam poses "a serious problem," a problem that has "cost many thousands of human lives" around the world in recent years, a spokeswoman said. But, she adds, violence is "not the answer." For the moderate populist right-wing milieu, it would be more convenient for Breivik to be portrayed as a madman, and as a lone, unpredictable killer. But although he found his real, brutal ideological dynamite on the Internet, primarily in the writings of an anonymous right-wing blogger who uses the name "Fjordman," Breivik's roots are in the right-wing populist scene.

### **Who Are the People Who Influenced Breivik Intellectually?**

Far-right politicians are not the only ones to blame. Even mainstream conservatives must ask themselves how they have contributed to a climate in which a self-proclaimed savior of the world could feel encouraged, and even obligated, to commit such a violent attack. The *New York Times* even [accuses](#) British Prime Minister David Cameron, French President Nicolas Sarkozy and German Chancellor Angela Merkel of sowing "doubts about the ability or willingness of Europe to absorb newcomers."

Is Europe under the spell of a murderous right-wing climate of thought? Since July 22, 2011, this question can no longer be answered with a categorical "no." With his manifesto, in which he cites as his sources journalists, thinkers and crackpots of extremely diverse and often incompatible stripes, Breivik has thrown a firebomb into European societies. The debate between the right and the left, between defenders of multiculturalism and the saviors of the West, is what triggered the dangerous spark and the murderous impulse in his head, Breivik claims.

Those who promote his way of thinking now find themselves in the hot seat. According to a message posted on the German-language blog pi-news.net 24 hours after the killings in Oslo and on Utøya, what the killer wrote in his comments on a Norwegian anti-Islam website were "largely things that could also be found in this forum."

### **'A Conservative Catastrophe'**

The letters "p.i." stand for "politically incorrect," which has become a rallying cry for authors of xenophobic writings who seek to distance themselves from the supposed mainstream of politically correct social tolerance and mutual respect.

The blog, founded in 2004 by Stefan Herre, a physical education teacher from Bergisch Gladbach in western Germany, claims to receive 50,000 clicks a day and is seen as the most important anti-Islamic Internet forum in Germany. Prior to the debate over the Danish cartoons of the Prophet Mohammed in 2005, Herre was the blog's only author. But then he was joined by others whose numbers are now as unknown as their identity. Since the end of

2007, the Internet presence of the group, which describes itself as "pro-American" and "pro-Israeli," has been hosted on servers abroad, allegedly because of massive threats to which the fighters "against the Islamicization of Europe" felt they were exposed.

Two days after the mass murder, an author with the supposedly humorous pseudonym Frank Furter described the attacks in Norway as "a conservative catastrophe." He argued that the problems that motivated Breivik to commit the attacks are all too real, namely the "ubiquitous integration problems involving many Muslim immigrants, worries about a gradual Islamicization, the growing attitudinal dictatorship from the political left, the loss of values and identity among European people and their presumed 'elimination.'"

Many of the right-wing populist blogs use the legitimate conflict with the values and religion of Islam as an excuse to incite racist Islamophobia.

The pi-news blog includes many reader comments (often written in poor German, sometimes without any commas) similar to this one from a reader with the pseudonym Warwolf: "All I can hope is that when the killing begins here in Germany and Europe, the leftists will be the first to be beheaded. I pray for war."

It's only a few steps from such comments to the insane world of Anders Breivik.

### **Not Under Surveillance**

Nevertheless, pi-news is not a case for Germany's domestic intelligence agency, which monitors extremist activities in the country. "Although we are keeping an eye on the group, the legal conditions for including it in the domestic intelligence report have not been met," a spokeswoman for the agency said last week. The Federal Office for the Protection of the Constitution also argues that because of its explicit support for Israel, the United States and the German constitution, pi-news cannot be classified as a right-wing extremist organization.

This means that people like "Warwolf" and "Proxima Centauri" can calmly prepare themselves for an event by the German right-wing populist party Die Freiheit (Freedom), whose leader, [René Stadtkewitz](#), is closely aligned with pi-news founder Stefan Herre: the appearance by Dutch right-wing populist Geert Wilders in Berlin on Sept. 3. Oskar Freysinger, a member of the Swiss National Council for the Swiss People's Party (SVP), will also attend the event. Racists and self-appointed saviors of the world, crusaders and protectors of the West have established connections around the world. In Germany, they include such aggressive provocateurs as Nürnberg 2.0, a website named to invoke the Nuremberg trials of Nazi war criminals. It sharply criticizes defenders of Islam -- including Green Party European politician Daniel Cohn-Bendit and SPIEGEL writer [Erich Follath](#) -- and argues that they should be "held accountable publicly."

### **How Do Right-Wing Bloggers Defend Themselves Against Accusations that They Bear Part of the Blame?**

One of the most influential Islam-critical blogs is called Jihadwatch.org. It is run by the American author Robert Spencer and maintains close ties to the David Horowitz Freedom Center, a conservative foundation. In his articles, Spencer warns almost daily against violent Islam, which denies non-Muslims equality, human rights and honor. Spencer, who Breivik quoted 64 times, bristles against the notion that he has laid the groundwork for the actions of evil perpetrators, and he insists that he has never advocated violence. "If I was indeed an inspiration for his work, I feel the way the Beatles must have felt when they learned that Charles Manson had committed murder after being inspired by messages he thought he heard in their song lyrics," he writes.

There is an obvious difference between Spencer and Breivik: The American writer believes that only radical Muslims are dangerous and that Islamic doctrine can be reformed, making peaceful coexistence with other religions possible. Spencer asserts that "Islam is not a monolith," whereas Breivik emphatically draws no distinction between radical and moderate Muslims. For him, all Muslims are dangerous jihadists.

American terrorism experts, like former CIA officer Marc Sageman, feel that the bloggers absolutely bear part of the intellectual blame for Breivik's deed. Just as Salafism helped the Al-Qaida terror network by serving as its "intellectual infrastructure," Sageman argues, Breivik availed himself of the ideas he found on blogs critical of Islam.

### **'I Can Hardly Defend Myself'**

Meanwhile, Europe's agitators are wallowing in self-pity. "I very much regret that this psychopathic killer believed he had to make reference to my beliefs in his 1,500-page manifesto," writes Austrian blogger Elisabeth Sabaditsch-Wolff.



"I can hardly defend myself against such wrongful exploitation," she continues, arguing that "if well-founded criticism is blamed for those attacks, aren't the critics of (former Swedish Prime Minister) Olof Palme to blame for his murder?" More conciliatory language is certainly not to be expected from Sabaditsch-Wolff, a political activist with ties to the FPÖ whose writings are characterized by language like: "Islam is hostile. The Koran is evil. Muslims hate us and are in a permanent war against us." A criminal complaint has been filed against Sabaditsch-Wolff in her native Austria for the "vilification of religious teachings." In addition to being one of the central figures in the world of anti-Islamic bloggers, Sabaditsch-Wolff, like Dutch right-wing populist Wilders, is a key thinker in the world of European right-wing populist parties.

The fear of Islam is merely the vehicle that drives the latter-day crusaders. They want to purge their Christian, Western and free world of all those who oppose their ideas of the right way to live. It is not a crusade against Islam, but against the modern world, a world that is globalized, multicultural and tolerant of non-Christians. This revolution, of which Breivik perceived himself a pioneer, is a conservative revolution. It is not directed against a forward post of Islam, but against those the killer perceived as being friendly to Islam. Breivik's revolution is directed against the enlightened, secular and liberal society of Norway and its politicians.

The German neo-Nazi blog "Störtebeker-Netz" recognized this. On the day after the Oslo killings, its "editorial staff" wrote that although Breivik is a "bad apple," he could be "given credit for an act committed in the heat of passion, which is understandable in light of the social democratic policies in Norway and Europe."

For people who think this way, it is also "understandable" that the despair over the moral decline of pansies, leftists and do-gooders in today's world could lead to a monstrous act of violence. The trail of evil leads to the conservative romantics, with their vision of a nationally organized world characterized by law and order and faith in God -- not unlike the early days of the United States, which the ultra-right US Tea Party movement now seeks to invoke.

### **The Power of Words**

How can deluded people like Breivik be prevented from taking violent action based on yesterday's mindset? The notion that right-wing bloggers can be monitored and tracked, as German domestic policy experts suggested immediately after the Norway killing spree, is like searching for a needle in a haystack.

Officials at the Interior Ministry in Berlin also warn against knee-jerk reactions. "Whether we should take action here in Germany after the horrific events in Oslo is something we can only decide after soberly reviewing the facts," says German Interior Minister Hans-Peter Friedrich, a member of the conservative Christian Social Union (CSU). "Anyone who calls for action such as banning the NPD shortly after the events in Norway is exploiting and even abusing the tragic incident for his own political purposes."

The trail of evil could go on and on. If all the ideas that could possibly end up in Breivik's head were used to compile a blacklist, it would have to include authors and journalists who sometimes employ harsh language to warn against the dangers of Islamist terror.

The taint of intellectual complicity also adheres to journalists and populist politicians. Sigmar Gabriel, the chairman of German's center-left Social Democratic Party (SPD), already seized the opportunity to place fellow party member Thilo Sarrazin, an outspoken critic of Islam, and his readers on the list of agitators. "In a society in which anti-Islamism and discrimination against others is becoming acceptable, one in which the middle class applauds Mr. Sarrazin," Gabriel says, "lunatics" like Breivik feel encouraged to take action and even "legitimized."

Ideas and words will always have consequences. But there is no way to prevent that in an open society -- except with other ideas and words.

### **Is Breivik Different from Other Terrorists Such as Islamists and Anarchists?**

Breivik applies a concept with left-wing origins: "propaganda of the deed," which dates back to 19th century anarchism. The idea here is that individual acts of violence are essential to sparking social transformation -- a notion that was embraced by these anarchists and, later, by Germany's Red Army Faction (RAF) in the 1970s.

But left-wing terrorists killed their victims in operations targeting specific individuals who represented the hated establishment. The RAF took into account that this could entail collateral damage, and that people who were close to

the group's targets, such as drivers and policemen, might die. Indiscriminate mass murder, however, was anathema to Western leftists.

Breivik noted that he liked the 2008 film "The Baader Meinhof Complex," which deals with the early years of the RAF, yet he didn't say what appealed to him, and he wasn't inclined to emulate the tactics of left-wing terrorists, as described in the film.

Instead, he was more of a "lone wolf who has been very intent on staying under the radar of the security services by leading a lawful life," as Janne Kristiansen, the head of Norway's Police Security Service (PST), told *Time* magazine.

### **Lone-Wolf Crusader**

The lone wolf or werewolf is a concept that has been circulating in right-wing circles since the final days of World War II. At the time, diehard Nazis dreamed of guerrilla cells that would instigate the final struggle of the Aryan race.

Breivik also borrowed liberally from the "Unabomber Manifesto," which outlines the confusing anti-industrial world view of American terrorist Ted Kaczynski, who sent parcel bombs to university professors and corporate executives. Yet the Unabomber's campaign of sporadic killings didn't appeal to Breivik.

There have been mass murders in the past committed by right-wing extremists. For instance, there was the bombing of the main railway station in Bologna in 1980, which resulted in 85 deaths, and the Munich Oktoberfest bombing in 1980, which killed 13 people and injured hundreds. There was also a series of attacks in London that resulted in three deaths in 1999. This killing spree was committed by David Copeland, a man who harbored an intense hatred of immigrants and gays.

But there has never been a terrorist inspired by right-wing ideology who sees himself as a "crusader" and murders in the name of "Christendom" and "Western civilization."

### **Mohammed Atta's Mirror Image**

Breivik was a man with a plan. He planned to kill infidels. He prepared for nine long years, endeavored to avoid detection -- and succeeded. He remained inconspicuous until the day of the attacks.

He intended to send a message, in the name of God, to this world, which he sees as degenerate -- and he knew there was also a good possibility that he would die in the process. In his manifesto, which he wrote as a sort of last will and testament, he mentioned several times that he sees himself as a "martyr."

He wants to impose a world of rigid, backward morality in which women are subservient, children can be severely disciplined, and God the Almighty has decreed that men should rule -- a curious Christian reflection of the beliefs of the Muslim extremists that Breivik abhors. The Norwegian has quite a few things in common with Mohammed Atta, the man who crashed the plane into the North Tower of New York's World Trade Center during the attacks of Sept. 11, 2001.

An Atta of the West, one could call him. In a sense, what happened in Norway is a mirror image of the events in New York on Sept. 11, 10 years ago.

True, Atta killed far more people than Breivik, and caused far more destruction. But both attacks were horrific and totally unexpected, and both represented a turning point for the world that experienced them.

### **'Morality Has Lost Its Meaning'**

This was Norway's 9/11 moment, as commentators later wrote, only that this moment was triggered by a blond Norwegian. In an almost absurd way, this man has adopted the methods and rhetoric of the hated Islamists to wage his very own personal war, nearly 10 years after the attacks of 9/11, at a time when many top American analysts believe that the al-Qaida terror network is in decline.

"In many ways, morality has lost its meaning in our struggle," he writes in his manifesto. Breivik also states that those who are unwilling to martyr themselves for the cause are not suited to becoming Knights Templar. He also claims to renounce women and many worldly pleasures to devote himself exclusively to his plan. Just as Atta made his last will and testament, and the other terrorists of Sept. 11 left their legacy for posterity in video recordings, Breivik has worked on the fame that he expected would follow his attacks, playing for the crowd and revealing his insidious world of ideas.

He says that he is at war. It is a war of martyrs who will soon be assembled in the "Kingdom of Heaven," he writes. This sounds very much like the "holy war" of the jihadists -- except that the 72 virgins are missing. It is a clash of civilizations, a struggle against the political establishment -- and it has similarities with Osama bin Laden's 1998 declaration of war on Americans, the struggle against the crusaders of the West who the Islamists saw as such a threat.

"This latest act of religious hatred, carried out in the name of cultural purity," wrote Karen Greenberg, executive director of the Center on Law and Security at New York University, in an article in the American magazine *The New Republic*, "signals the febrile acceptance of Osama bin Laden's invitation to reignite the medieval holy war between Islam and the Christian West."

### **Playing God**

The meticulous planning over the years, mired in a cobbled-together worldview that is immune to criticism, the reference to a higher order in whose name blood supposedly has to flow -- these are all elements that al-Qaida and Breivik unquestionably have in common. If this is madness, then it's madness with a good dose of method behind it. There is also the terrifying determination with which they take leave of normal life, all for the sake of their missions. One learns to fly so he can use a plane as a bomb. The other leases a farm so he can purchase fertilizer, which he then uses to make bombs.

Unlike Atta, Breivik doesn't appear to be surrounded by a crowd of accomplices. Unlike Atta, he had to kill many of his victims individually.

He, the narcissist, did not submit himself to his God, as Atta did. Instead, he calls on God for support. "God will anoint you with his power to go into battle," he writes, as part of his advice for his fellow Knights.

Breivik is intoxicated by the lure of power. He links the bombing, which he only saw from afar, with the cold, deliberate murder that he carried out personally. He creates a combination of the two, mixing the force of the detonating bomb with the cold precision of school shooters who kill individually and deliberately.

Breivik sought to play God, to decide who will live or die. He took aim at some of his victims on the island, yet allowed them to live. Perhaps this gave him even more satisfaction.

He was able to carry out this plan, yet he was actually prepared, at least according to what he wrote, to become a martyr the next day.

He planned to go down in history as a great man -- that was the idea. He had already designed a Knights Templar tombstone with all sorts of right-wing bombast as an inscription. "Born into Marxist slavery on xx.xx.19xx. Died as a martyr," the tombstone was to read. The text also included the significant line: "All free Europeans are in your eternal debt."

### **Why Didn't Anyone Notice What Breivik Was Planning?**

Breivik leased a farm in the small town of Rena, about 170 kilometers (105 miles) from Oslo, to devote himself to building bombs for three months. He had a neighbor, Svein Meldieseht, whom Breivik allowed to mow the grass on the land that he leased. The farmer visited the property on a number of occasions, sometimes even showing up unannounced.

Today, the neighbor says that Breivik looked like a city dweller who wore expensive shirts and knew nothing about farming, and who blacked out his windows. But all of this didn't make the neighbor suspicious enough to report Breivik to the authorities. Meldieseht says that two days before the attacks he saw a light-colored car in Breivik's driveway. It was parked in a way that no one could look inside. On the evening when the bomber was presumably busy packing his lethal cargo, Meldieseht says that he wanted to briefly drop in on Breivik. But then he decided it was too late in the day.

Bilal Güclü, co-proprietor of the Milano Rena Restaurante in the town, said he thought the killer was a nice student. Unlike some of his other customers, Breivik was very friendly toward him, even though he has a Turkish name. Lasse Nordlie, owner of the Cuckoo's Nest bar, said he used to work as a profiler at the airport in Oslo. He says his job was to interpret the body language of passengers and, if anything looked suspicious, to check their travel

documents and search their luggage. But although Breivik occasionally came in for a beer, the profiler says that the man certainly wouldn't have aroused his attention.

Police Security Service chief analyst Jon Fitje issued the "Annual Threat Assessment" for 2011 and came to the following conclusion: "As in previous years, the far-right and far-left extremist communities will not represent a serious threat to Norwegian society in 2011." In his security service headquarters in Oslo, Fitje admits that Breivik's name came up at least once in the agency's computer. He had ordered sodium nitrate online from a Polish company that was under surveillance. But it was only a small amount and, up to the time of the attacks, the name Breivik was only useless data for the investigators.

### **Taken Alive**

On July 22, at 6:25 pm, the police reached the island of Utøya. They discovered Breivik near the shore. One unit ran straight up toward him, the second approached from the side, using several trees for cover. In the command center in Oslo, Anders Snortheimsmoen, who headed the Delta unit that stormed the island, was in radio contact and could follow events as they unfolded. At the time, Breivik still had a number of loaded magazines in his vest and a bullet in the chamber of his semi-automatic rifle, a Ruger Mini-14. He had fired his Glock 17 pistol until it was empty, but he still had it on him. According to Snortheimsmoen, the slide of the pistol was pulled back.

Breivik was no more than 50 meters (165 feet) from the police. The policemen standing in front of Breivik told him to drop his weapons. He laid his rifle on the ground and spread out his arms. He slowly walked toward the unit. He was still carrying his pistol. The police saw a wire protruding from his vest. They were afraid that Breivik had concealed explosives on his body. They had permission to shoot Breivik if he took one more step. The unit behind the trees recognized that the wire led to an earplug. At this point, the decision was made to apprehend the suspect. The bloodbath ended at 6:27 pm.

Snortheimsmoen says that after the arrest the police found an iPod music player on Breivik. Just as he predicted in his manifesto, he had apparently listened to music while shooting his victims.

Breivik remained at the scene of his arrest for at least half an hour, guarded by a single policeman, while law enforcement officials searched the island for additional explosives and other perpetrators. They found plastic bottles filled with gasoline hanging in the trees. These were perhaps incendiary devices, which he intended to ignite later for a final inferno.

Breivik could not see the suffering that he had caused. But he could hear the wailing sirens of police cars, the sounds of motor boats and probably the cries of the children. Afterwards, the police brought him to a house on the island. Eye witnesses said later that he smiled on the way there.

### **Losing Control**

Now, he is in custody near Oslo and has not been allowed to give public speeches in court. His lawyer refuses to procure him a uniform. Indeed, Breivik is not allowed to show himself to anyone at all. He is shrinking back to his normal stature.

His manifesto, this work of self-projection and self-glorification, reveals his thoughts and provides a glimpse of what was going on inside his head. It shows how he wants to be seen -- as a knight and a warrior -- but now he has lost control over how his story will be interpreted.

He describes himself as a dominant man, a fighter, but everyone who remembers him as a youngster -- from his neighbors in the middle-class neighborhood of Skoyen to his old schoolmates -- characterizes him as a nondescript individual who people quickly forgot.

He writes that he earned a great deal of money with various successful companies, but it doesn't look as if this were true. It is possible that he had backers. Investigators are also looking into the possibility that he is connected to a sensational crime. Over €6 million (\$8.6 million) was stolen during a bank robbery in Stavanger in 2004. A large amount of this money has still not been recovered. The mastermind behind the robbery had connections to the man who leased the farm in Rena to Breivik.

The authorities are investigating, Norway is coming to terms with the shock and, if Prime Minister Jens Stoltenberg gets his way, Breivik will have lost. The politician would like to see Norway become "an even more open, more tolerant democracy" in the future.

### **'The Struggle Is Over'**

In his office in the heart of Oslo sits Geir Lippestad, the lawyer who, following much trepidation, finally agreed to defend Breivik. About one hundred meters away lies the spot where Breivik detonated his bomb. And only a few hundred meters away is the cathedral, where a sea of flowers has been laid out on the pavement, where memorial candles for the dead are still lit and mourners continue to pray. Every day, Lippestad passes by the banners on the church square that are held down by flowers and candles. The banners call for the maximum sentence of 21 years to be increased for Breivik. Many want to adapt justice to the injustices that he has committed.

"Probably he will eventually understand that the struggle is over for him now," says Lippestad.

The trial is not scheduled to begin for another six months. There are still many open questions. Breivik will be charged with 77 counts of murder, one for each individual who died by his hands.

Does Breivik regret what he did?

Lippestad speaks slowly: "He is sad, yes." But he apparently does not regret anything. "He sees his actions as a sort of necessary evil," the lawyer says. As far as Breivik is concerned, he engaged in a war that had to be started. He views it as a necessity.

"When I see him," says Lippestad, slowly enunciating his words, "then I see a person who is far removed from everything -- far from any reality, any socialization, far from any community."

Is he asking for anyone? For his mother, his family?

"No," says Lippestad.

REPORTED BY SVEN BECKER, RAFAELA VON BREDOW, THOMAS DARNSTÄDT, MANFRED ERTEL, JULIA AMALIA HEYER, HANS HOYNG, GUNTHER LATSCH, WALTER MAYR, JAN PUHL, SVEN RÖBEL, MATHIEU VON ROHR, BRITTA SANDBERG, HOLGER STARK, DANIEL STEINVORTH, BARBARA SUPP, CHRISTOPH SYDOW AND GERALD TRAUFFETTER

*Translated from the German by Christopher Sultan and Paul Cohen*

### **URL:**

- <http://www.spiegel.de/international/europe/0,1518,777710,00.html>

08/01/2011 06:20 PM

**For Richer, For Poorer**

## ***Europe on the Verge of Becoming a Transfer Union***

*By Christian Reiermann*

**The euro zone looks set to evolve into a transfer union as it struggles to overcome the debt crisis. There are a number of options for the institutionalized shift of resources from richer to poorer member states -- and Germany would end up as the biggest net contributor in every scenario.**

As a practicing Catholic, Philipp Rösler knows that remaining true to your beliefs sometimes requires you to resist reality. The head of Germany's business-friendly Free Democratic Party (FDP) and the country's economics minister provided a hint of his unshakable conviction two weeks ago when the heads of state and government of euro-zone countries met in Brussels for an emergency summit to hammer out [a second bailout package for Greece](#). "The summit showed that we are not headed toward becoming a transfer union," Rösler claimed.

In reality, the summit actually did push the European Union a good bit closer to becoming a transfer union -- with the forceful assistance of Rösler's boss, German Chancellor Angela Merkel.

Already decades ago, the European Union started providing financial assistance for building roads, setting up telecommunications systems and assisting underdeveloped regions. In 2009, Germany transferred €6.4 billion (\$9.22 billion) more to Brussels than it received from it. France and Italy are net contributors as well, as opposed to Poland, Portugal and Hungary (see graphic). But whereas these sums are limited and earmarked for specific purposes, the measures tied to the euro bailout involve unprecedented payments -- especially after the meeting in Brussels.

### **If It Walks Like a Duck...**

Merkel and her colleagues have now pushed the doors wide open for a European community based on shared liability. As a result of their decisions, euro-zone member countries will have to provide much greater guarantees for the solvency of countries that have run into financial trouble. In other words, there will now be an even greater redistribution of wealth between the richer and the poorer states.

Past assurances have been forgotten. Just last March, Merkel promised, "I won't allow there to be a transfer union," and stressed that each country had to be able to pay its own debts. But, when it comes to the most recent bailout package, Merkel is only opposed to a transfer union that functions as an "automatic financial equalization scheme in Europe."

Experts see things differently. They refer to a transfer union as one in which collateral or loans can be transferred from one country to another whenever necessary.

One of these experts is Jens Weidmann, the former economic adviser to Merkel who has now become the president of the Bundesbank, Germany's central bank. Weidmann sharply criticizes his former boss, but he couches his words in economic jargon, saying: "By shifting extensive additional risks onto the countries providing help and their taxpayers, the euro area has taken a major step toward a pooling of risk."

But others pronounce their judgment much more clearly. As Clemens Fuest, an economist at the University of Oxford, puts it: "Brussels was a considerable leap in the direction of a transfer union."

### **Winners and Losers**

The heads of government decided that Greece, Portugal and Ireland would only have to pay approximately 3.5 percent rather than 4.5 percent interest on their emergency loans. At the same time, countries like Italy, Cyprus and Belgium will have to pay much higher interest rates on the money they have borrowed to help bail out these countries. "Taking out expensive loans and extending cheap ones -- that's a clear sign of a transfer union," Fuest says.

But that isn't the only feature. As part of the euro-zone bailout package, member states are putting their own good reputation and creditworthiness on the line in order to raise the money needed to help countries with teetering

economies. In this case, there hasn't been any direct transfer of funds yet because the countries contributing them have so far only extended guarantees. But, in doing so, they have been freeing their cash-strapped partner countries from a major part of the risk.

The way that funds will be redistributed between donor and recipient countries will be similar if the Luxembourg-based European Financial Stability Fund (EFSF) extends bridging loans to Italy or Spain or if it takes the sovereign bonds of crisis-hit countries off the market by replacing them with its own. Doing so would bring relief to troubled states. But it would also make all of the other euro-zone countries accountable to investors for the debts of these troubled states.

### **Estimating the Costs**

The measures that the European Central Bank (ECB) has been using to assist the euro bailout work according to the same principle. The bank also buys up the sovereign bonds of debt-stricken states or accepts them as collateral for fresh loans. This has meant that several billion euros are now idling away on the ECB's balance sheets as risks that might cost member countries several more billion euros.

Admittedly, that would only happen if there were an emergency, such as if Greece, Portugal, Ireland or another member country announced it could no longer fully repay its debts. For this reason, the earmarked loans and guarantees have thus far represented only *potential* transfers.

Nevertheless, it is still possible to put a number on the figures involved. Deutsche Bank Research calculates that Germany bears a share of €144 billion for the bailout plans already decided upon, and that Germany could also be liable for an additional €110 billion as part of help provided by the ECB. Added to that are the at least €20 billion making up Germany's share of the second bailout package for Greece.

Skeptics are expecting even higher figures. They calculate that the EFSF bailout fund needs to be bolstered because it has taken on additional functions. Indeed, Fuest, the Oxford economist, assumes that it will have to be double or tripled -- or possibly even more. "If Italy gets into a crisis of confidence, even that won't be enough," he says. In that case, he believes that other euro-zone countries would have no other choice but to guarantee all of Italy's €1.8 trillion in debt.

Granted, since none of these countries would become completely insolvent, no one seriously believes that these amounts will actually become due. But many of them are still asking whether donor countries might be better served if all of the euro-zone countries shared a common economic government that paid attention to how they financed their national budgets. This move could come in two possible forms.

### **The Euro Bond Option**

According to the first, countries in the currency union could set up common bonds known as "euro bonds." In this case, participating countries would come under scrutiny on the financial markets collectively rather than individually. What's more, using this common financial vehicle would lower the risk of having a member state slide into national bankruptcy.

Unlike today, all of the participating countries would be required to pay the same interest rate. This would mean a significant reduction in financing costs for troubled states because creditors would know that all of the countries in this group were obliged to pay back the debts of any one of its members.

Backers of the euro bond option are also betting that there would be an increase in global demand for this new financial product. As they see it, it would be more attractive than the fragmented range of sovereign bonds currently on offer in the euro zone. Their attractiveness would then hopefully trigger a run on the common bonds that would increase their market value and thereby lower their interest rate.

Still, euro bonds would also have certain drawbacks, particularly for countries enjoying the top AAA rating of the rating agencies, such as Germany, France and Austria. The reason for this is that the common bonds would have a lower creditworthiness because they would also involve countries with lower ratings. In real terms, having their ratings lowered would force the more exemplary countries to pay higher interest rates than they have been.

Ansgar Belke, an economics professor at the University of Duisburg-Essen and a research director at the Berlin-based German Institute for Economic Research (DIW), estimates that it would burden Germany with up to €15 billion in additional costs each year. Other experts have put this figure at up to €25 billion.

Calculated over a 10-year period, these new bonds would probably cost the Germans much more than what they might have to pitch in for the bailout packages. Likewise, this also completely leaves aside the possibility of additional risks and knock-on effects. "Euro bonds could bring short-term relief to some countries," Belke says "But, over the long term, they would lead to disaster because they open the door to even more indebtedness." That is especially true for countries that are already heavily indebted: They could afford to borrow more money because their interest payments on the euro bonds would be lower.

### **The Equalization Option**

The second option would involve organizing a financial equalization scheme in the euro zone -- similar to the one used between German states -- that would see money flow steadily from stronger into weaker countries. Studies on this issue show that hundreds of billions of euros would have to be redistributed among the euro zone's poorer and richer countries in order to balance out the varying strengths of their economies.

For example, a study by the Freiburg-based Center for European Policy (CEP) assumes that prosperous countries would have to transfer €108 billion to their poorer partner countries in order to restore their creditworthiness. Deutsche Bank Research uses different levels of government income per capita as its basis, and says Germany would need to pay in €12 billion per year to balance out the differences.

Kai Konrad, the managing director of the Max Planck Institute for Tax Law and Public Finance, and Holger Zschäpitz, a senior writer at the conservative daily *Die Welt*, arrive at a much larger figure. According to their calculations, the figure would reach the horrendous *annual* amount of roughly €74 billion. This kind of transfer union, they write, would be "neither economically nor politically feasible, nor a desirable prospect."

### **Known Unknowns**

No matter which of these options were employed to level the playing field via a financial equalization scheme, two things are already certain: It would be expensive, and Germany would be one of the major financial contributors. Of course, this is already the case with the bailout mechanisms currently in place. But there would be one critical difference: Under the current schemes, there is still a chance that the bailouts would finally end and that Germany would at least get part of its money back. But, under a permanent financial equalization scheme, neither of these would be possible.

*Translated from the German by Josh Ward*

### **URL:**

- <http://www.spiegel.de/international/spiegel/0,1518,777671,00.html>



## Ist Deutschland Hauptprofiteur des Euro?

In der Währungsunion sind Wechselkurse fixiert. Dabei könnte Deutschland von einer Aufwertung profitieren. Importe würden günstiger. Exportüberschüsse können dagegen verschenkt sein.

Von Matthias Kullas



31. Juli 2011

Die Schuldenkrise hat sich in Europa ausgebreitet. Mit immer größeren Bürgschaften wird versucht, die Märkte zu beruhigen. Gegenwärtig bürgt Deutschland mit bis zu 76 Prozent der jährlichen Steuereinnahmen des Bundes für die Schulden anderer Euro-Staaten. Diese enormen Summen werden oft damit begründet, dass Deutschland stark vom Euro profitiere. Zum einen, so die Begründung, habe der Wegfall des Wechselkursrisikos den Handel mit unseren Haupthandelspartnern deutlich intensiviert. Zum anderen hätte die D-Mark in den vergangenen Jahren stark aufgewertet, wodurch unsere Exporte abgenommen hätten. Deutschland insgesamt profitiere daher stark vom Euro. Nachdem aber der Euro für den deutschen Steuerzahler immer teurer wird, ist es an der Zeit, die These kritisch zu überprüfen.

Seit 1999 ist das Wechselkursrisiko für deutsche Exporte in die Eurozone entfallen. In den folgenden Jahren gab es zahlreiche Studien über die Handelseffekte der Euro-Einführung. Die Ergebnisse der Schätzungen liegen weit auseinander. Sie reichen von keinem oder nur einem geringen Handelszuwachs (Berger und Nitsch, CesIfo Working Paper 1435, 2005 sowie Bun und Klaassen im Oxford Bulletin of Economics and Statistics, 2007) über einen mittleren Handelszuwachs von etwa 18 Prozent (Faruqee, IWF Working Paper 154, 2004 und der Sachverständigenrat 2005) bis hin zu einer stattlichen Steigerung des Handels um 49 Prozent (Rose und Stanley im Journal of Economic Surveys, 2005). Die detaillierteste Untersuchung kommt von Richard Baldwin (EZB Working Paper 594, 2006). Er schätzt den handelssteigernden Effekt für Deutschland auf rund 17 Prozent.



Tatsächlich hat der deutsche Außenhandel mit den anderen Euro-Staaten seit der Wechselkursfixierung jährlich um 5 Prozent zugenommen. Betrachtet man jedoch das Wachstum der Exporte in die restliche Welt, zeigt sich, dass diese mit 6,5 Prozent deutlich stärker zugelegt haben.

Der Anteil der deutschen Exporte in den Euroraum hat also in den vergangenen Jahren abgenommen (von etwa 46 Prozent auf knapp 40 Prozent). Das Gewicht der Drittländer ist um gut 5 Prozentpunkte auf über 60 Prozent gestiegen.

Das liegt daran, dass der deutsche Export insbesondere vom Wirtschaftswachstum der jeweiligen Importländer abhängt. Hier hat sich der Euroraum im Vergleich zu anderen Teilen der Welt nur schwach entwickelt. Zudem sollten die Kosten des Wechselkursrisikos nicht überschätzt werden, zumal sich Unternehmen dagegen versichern können. Lediglich langfristige Investitionsentscheidungen stark exportorientierter Unternehmen können nicht ausreichend gegen Wechselkursschwankungen abgesichert werden.

### **Eine Aufwertung würde importierte Vorleistungen verbilligen**

Implizit wird in der Diskussion stets unterstellt, zunehmende Exportüberschüsse seien uneingeschränkt ein ökonomischer Gewinn. Noch deutlicher tritt diese Annahme beim zweiten Argument zu Tage. Es besagt, Deutschland profitiere davon, dass der Euro in den vergangenen Jahren nicht so stark aufgewertet habe, wie es die D-Mark getan hätte. Dies führe dazu, dass deutsche Unternehmen ihre Güter auf den Weltmärkten billiger anbieten könnten. Die Wettbewerbsfähigkeit deutscher Unternehmen würde also durch den Euro geschützt. Diese Ansicht ist so weit verbreitet, dass es vermessen scheint, sie kritisieren zu wollen.

Es gibt jedoch drei wichtige Aspekte, die meist vernachlässigt werden. So wird erstens oft unterschlagen, dass eine Aufwertung importierte Vorleistungen verbilligen würde. Dieser Effekt wird weithin unterschätzt. Immerhin bestehen deutsche Exporte zu rund 40 Prozent aus solchen Vorleistungen. Die Bundesbank zeigt zudem in einer Studie, dass sich Wechselkursänderungen gar nur zu einem Viertel in den Endpreisen widerspiegeln. Und selbst wenn die Aufwertung einer deutschen Währung zu deutlich höheren Exportpreisen für deutsche Güter geführt hätte, bedeutet dies nicht, dass die hiesigen Exporte in gleicher Weise eingebrochen wären. So hat Renate Ohr von der Universität Göttingen in ihrer neuesten Veröffentlichung gezeigt, dass die Nachfrage nach Deutschlands Exportgütern weniger preiselastisch, sondern in erster Linie konjunkturabhängig ist.

### **Vorteile für Konsumenten durch billigere Importe**

Zweitens wird unterschlagen, dass eine Aufwertung Vorteile für die hiesigen Konsumenten mit sich brächte. Sie würden davon profitieren, dass importierte Konsumgüter oder Dienstleistungen (zum Beispiel Urlaubsreisen) günstiger würden. Vorteile für Konsumenten durch billigere Importe und eine größere Produktvielfalt sind übrigens die Begründung aller volkswirtschaftlichen Theorien für die Vorteilhaftigkeit internationalen Handels. Exporte sind lediglich ein notwendiges Übel zur Finanzierung der Importe. Ähnlich einem Maschinenbauer, der seine Maschinen nur deshalb ins Ausland verkauft, weil er eine Urlaubsreise machen oder einen Fernseher importieren möchte.

Konsumenten profitieren zudem noch durch einen indirekten Effekt von günstigeren Importen, da diese auch den Wettbewerbsdruck für hiesige Unternehmen erhöhen. Auch sie müssen ihre Güter nun zu einem besseren Preis-Leistungs-Verhältnis anbieten. Somit sinken sowohl die Preise für importierte als auch für heimische Konsumgüter. Der wohlfahrtssteigernde Effekt durch Importkonkurrenz wird oft stark unterschätzt. Ein drastisches Beispiel ist der DDR-Trabant: Aufgrund fehlender internationaler Konkurrenz konnte er über Jahrzehnte nahezu unverändert gebaut werden. Mangelnde Konkurrenz führt zur Selbstzufriedenheit, die Produkte haben ein schlechtes Preis-Leistungs-Verhältnis.

### **Finanzkrisen können Teil des Auslandsvermögens vernichten**

Drittens wird oft vergessen, dass sich Exportüberschüsse durchaus als zweiseitig erweisen können. Wenn eine Volkswirtschaft mehr exportiert als importiert, legt sie Ersparnis im Ausland an. Im umgekehrten Fall verschuldet sie sich im Ausland. Volkswirtschaften mit Export- und Importüberschüssen stehen sich somit wie Gläubiger und Schuldner gegenüber. Dies zeigt sehr schnell die Probleme, die durch Exportüberschüsse entstehen können. Zwar ist es richtig, dass eine alternde Gesellschaft auch im Ausland Ersparnisse anhäuft, die sie für die steigende Zahl von Rentnern braucht. Es kommt aber zu einer Krise, wenn die Volkswirtschaft, in der die Ersparnisse angelegt sind, diese nicht mehr zurückzahlen kann. Dann verliert Deutschland einen Teil seiner Ersparnis. Der Export wurde – rückblickend – verschenkt. In den großen Finanzkrisen 2000 und 2008/2009 wurde jeweils ein erheblicher Teil des Auslandsvermögens vernichtet.

Zudem kann der Aufbau von Auslandsersparnissen dazu führen, dass Kapital im Inland fehlt. Anstatt die Ersparnis hiesigen Unternehmen für Investitionen zur Verfügung zu stellen, fließt es an ausländische Regierungen, Konsumenten oder Betriebe. Die deutschen Exportüberschüsse führten also dazu, dass weniger Kapital für Investitionen in Deutschland zur Verfügung steht. Die empirischen Daten bestätigen diese Überlegung: Deutschland weist seit Einführung des Euro die geringste Investitionsquote aller Euro-Staaten auf. So beliefen sich die Bruttoanlageinvestitionen durchschnittlich nur auf 3,9 Prozent des BIP. Dagegen hatten die wegen der niedrigen Zinsen boomenden, heute krisengeplagten Staaten wie Irland und Spanien zweistellige Investitionsquoten. Griechenland und Portugal erreichten rund 7 Prozent. Erst mit der Euro-Krise änderte sich dieses Bild; jetzt wird wieder mehr in Deutschland investiert.

Während der zwölf Jahre seit Beginn der Währungsunion hatte Deutschland das zweitniedrigste Wachstum im Euroraum (siehe Grafik). Die These, Deutschland sei der Hauptprofiteur des Euro gewesen, erscheint fragwürdig. Und es scheint auch mehr als zweifelhaft, dass die enormen Kosten der Rettungspakte damit gerechtfertigt werden können.

**Matthias Kullas** ist Forschungsreferent am **Centrum für Europäische Politik (CEP) in Freiburg**.

Text: F.A.Z.

## Wachstumsgefälle in Euroraum

Wachstum des realen Bruttoinlandsprodukts (in %)  
 Jahresdurchschnitt von 1999–2010    1990–1998



Quelle: Eurostat

F.A.Z.-Grafik fbr./swa.



The moderator's rebuttal remarks

Jul 29th 2011 | [Anton La Guardia](#) 

Is the euro, as chasfr puts it from the floor, "a brave experiment in the process of failing"? On one point, at least, Hans-Olaf Henkel and Guy Verhofstadt seem to agree: monetary union can no longer work without more political and economic integration. Mr Verhofstadt calls this a fiscal union; Mr Henkel terms it a transfer union. One wants it, one does not. Mr Verhofstadt wants to move closer to a European state to fit the European currency; Mr Henkel wants to break up the euro better to fit the existing states.

Even so, we do not yet have an entirely clear solution from either side. Mr Henkel does not quite want a return to 17 national currencies; he proposes instead a northern and a southern euro. Mr Verhofstadt does not quite say we should abolish the European nation-state in favour of a federal European super-state.

Perhaps this ambiguity reflects the hybrid nature of the European Union that is part United States and part United Nations. From the floor, Diego G. sums up his dilemma thus: As an Italian entrepreneur, I want Euro to buy things around the world and old Italian Lira currency to sell my goods around the world."

By proposing a division into two currency zones, Mr Henkel plainly sees advantages to a currency union of some sort. But his scheme seems to me to retain many of the disadvantages he identifies in the euro: within each zone you would still have a one-size-fits-all currency, the risks of divergence and annoying meddling in each other's economic policy. Mr Verhofstadt has a point when he says we should not assume a break-up would stop at two currency areas.

All countries go into recession; even northern states have had financial crises. So the problems may return to either the northern or the southern euro. If and when trouble hits northern Europe, will Germany be any more willing to consider fiscal transfers if the country in need were, say, the Netherlands? Or would Mr Henkel see a need for each zone to integrate further by, say, issuing a joint northern Eurobond?

That said, Mr Verhofstadt's argument does not entirely convince me either. He predicts that breaking up the single currency would destroy the single market and, ultimately, break up the European Union itself. From the opposite end of the spectrum, as a critic of the EU, Kartikay from the floor agrees with Mr Verhofstadt, saying: "If the single currency goes, Brussels goes." But the EU, the single market and the euro are three separate things. We have had a European club without a single market, and we have had a single market without the euro. If the euro breaks up, would things not just revert to one of these earlier states? Even today Britain, Sweden, Poland and others are outside the euro area, but nobody is arguing that the single market is in mortal danger from the pound, the krona and the zloty. I agree that breaking up the euro could be harder than creating it. And Mr Verhofstadt's warnings of banking chaos should be considered. But I am not convinced that the EU is doomed if the euro disappears.

Moreover, it is not clear from Mr Verhofstadt's statements how far down the road to integration the euro zone needs to travel. What form should greater economic and fiscal union take? What does a "bold" stability pact consist of?

Both of our debaters raise the question of democratic legitimacy. Mr Henkel bemoans the lack of democracy in the process of European integration; Mr Verhofstadt envisages the tools of a deeper economic and fiscal union being "controlled by institutions and decision-making bodies with representatives who are elected and accountable". Such bodies would have to be invented because none of the EU's institutions, not even the European parliament where Mr Verhofstadt sits, is fully accountable to Europe's citizens.

The democratic deficit is a conundrum for both debaters. Citizens are not being asked whether they want more integration. But neither are they being asked whether they want disintegration. From the floor, Benjamin B sums up the situation thus: "The reason why the monetary union is not supported by an economic and political union is that the people of each of the euro-zone's members do not really want be part of the union, they merely want the extract the benefits, such as stability and security."

*I notice that several contributors make the assumption that, by hosting this debate, The Economist is advocating the demise of the euro. In fact this newspaper has argued in its leaders that the single currency should be preserved. See "The future of the euro: Don't do it", December 2nd 2010. The title of the motion is meant to be provocative and punchy—and to stimulate debate.*



The proposer's rebuttal remarks

Jul 29th 2011 | [Hans-Olaf Henkel](#) 

We should be grateful to Guy Verhofstadt for unmasking the true objective of sticking to the euro in its present form. By proclaiming that "only further European integration can save the euro", he admits that Europe is not his priority, the euro is. Instead of warranting further European integration on its own merits, he justifies it as a precondition for the euro itself. Rather than adjusting the policy of a "one-size-fits-none" euro to the reality of the prevailing economic differences, he wants to change the reality. Instead of designing a currency that fits Europe, Mr Verhofstadt wants to have a Europe that fits the euro.

Mr Verhofstadt makes some economic arguments in favour of the euro. "Inflation was low," he claims. True, it was not higher than before the euro, but countries with an independent central bank such as Switzerland, the Czech Republic and Sweden enjoyed a lower one. Germany's inflation would surely have been lower with its own, higher valued currency. "Borrowing costs were low," he says. In fact, they were too high for Germany, resulting in ten years of lower growth there. They were too low for Spain, resulting in a catastrophic real estate bubble. "The euro increased intra-EU trade," he says. In reality, the dependency among the euro-zone countries has shrunk since the introduction of the euro. Mr Verhofstadt claims that the euro brought stability during the financial crisis and paints a catastrophic scenario by which the "internal trade within Europe would have come to a standstill". This is absurd. The storm of the financial crisis was weathered by national rescue efforts across the world and in Europe, within and outside the euro zone. Most important: the internal trade within the EU is a result of the

common market, not the euro. It is obvious that Mr Verhofstadt is keen to tell us that there is no alternative to an integrated, centralised Europe.

One of many prerequisites for Mr Verhofstadt's integration strategy is future budgetary discipline in the euro zone as well as future competitiveness of the southern countries. As he himself points out, that has not worked with the so-called "Lisbon Strategy" in the past. Considering the fact that politicians broke almost all rules of the once legally binding Maastricht agreement, why should it now work with a much less binding "euro-plus-pact"? Even with a complete "haircut", Greece as well as other countries will not be able to regain competitiveness in a monetary union together with Germany and the Netherlands. I know of no case where a defaulting country has regained growth, employment and the ability to obtain fiscal stability without devaluation of its currency.

Mr Verhofstadt rightly points out that the United States has a common currency. May I remind him that despite its being one nation for over 200 years, no one there believes that California should be bailed out by any of the other 49 states.

The euro was introduced under the assumption of a "Europa der Vaterlaender". Suddenly, the citizens of the euro-zone countries are pushed into a "Vaterland Europa" without being asked. Even those citizens who are in favour of more European integration should be appalled by the inadequacy of the current democratic process. The pros and cons of more integration are not publicly discussed; instead the depth and speed of integration are determined by finance ministers and central bankers, not by parliaments, let alone voters. Worse, laws are broken. As the then French finance minister, Christine Lagarde, admitted, the violation of the "no-bail-out" rule was a clear breach of the Maastricht agreement. Now, Mr Verhofstadt and his euromantic colleagues see an opportunity to make another giant leap towards a centralised Europe as a by-product of "euro rescue packages".

No wonder public support of the current euro policy is at an all-time low. In Germany, 80% of the population voice doubts about the euro's stability, and 60% oppose further European rescue funds for the euro. Worse, the euro continues to drag down Germans' enthusiasm for Europe to an all-time low. The same is true for almost all people in the euro-zone countries. This is a logical consequence of too much integration, too fast. The German chancellor, Angela Merkel, representing the biggest creditor within the euro zone, feels obliged to lecture the Spanish on their vacation habits, to demand budgetary discipline from Portugal and to ask for speedier privatisation of public companies in Greece. The other day, she suggested that Mr Verhofstadt's Belgium should change its wage system. Everybody meddling in the affairs of everybody else is the logical consequence of integrating Europe, changing the monetary union to a transfer union where debts are socialised and responsibilities blurred.

No, Mr Verhofstadt, it is not the euro that needs to be saved by more European integration; Europe needs to be saved by an alternative euro policy.

Thoughts?

**Vote now or add your view**



The opposition's rebuttal remarks

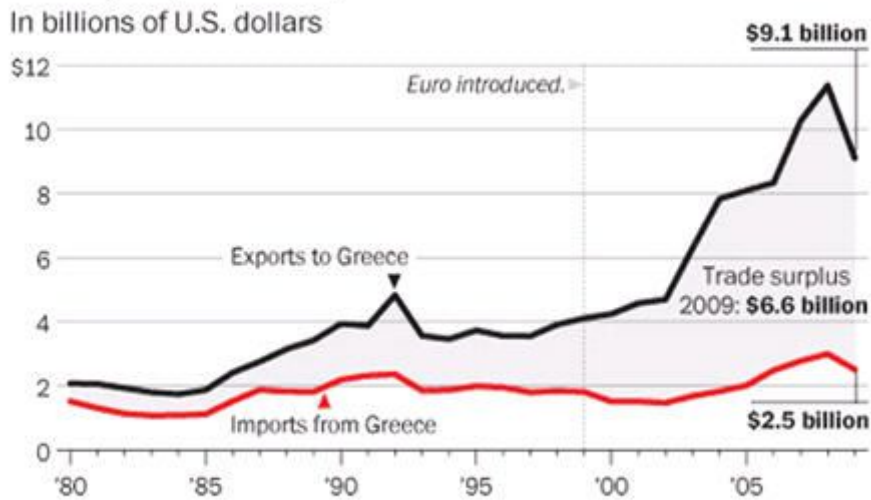
Jul 29th 2011 | [Guy Verhofstadt](#) 

Hans-Olaf Henkel claims that the biggest mistake he has ever made in his professional career was defending the introduction of the euro. But by arguing for its abolition he is making an even bigger mistake. His proposal to create two monetary zones could never be contained or sustained in reality and would do nothing to resolve the vital governance issues at the heart of the current debate. France and countries like Belgium and Luxembourg would probably introduce their own version of the single currency, while in the Mediterranean, each country would probably reintroduce its former national currency (the peseta, the lira, the drachma). This would mean that monetary obstacles, foreign exchange rates and border controls would be reintroduced, as they are inextricably linked to the reintroduction of national currencies. In short, within a fairly short period we would return to the situation before the introduction of the euro a little over a decade ago and the dismantling of the internal market as we know it.

Such a plan would be a catastrophe, not least for German industry. German industries and Dutch logistics companies would be the greatest losers as a result of this fantasy. By creating a monetary zone, which would essentially be confined to Germany (together with the Netherlands and Austria), German industry would be cut off, or at least have difficulty accessing and trading with the rest of the current euro-zone members—a market which today represents more than 200m consumers, 28% of German exports and 9% of German GDP.

More importantly, the plan would mean a significant decline in the greatly increasing economic interdependence between Germany and France, and also between Germany and the rich northern part of Italy and thousands of small and medium-sized Belgian companies. A starker example of German industry's reliance on the euro to support its export market is shown in the graph below. Since the introduction of the euro, German exports to Greece have almost tripled and Germany's trade surplus has risen even faster, from €1.4 billion to almost €5 billion.

### Germany's imports and exports to Greece



Source: *Washington Post* website

German and Dutch companies would not be the only ones to foot the bill. The European banking sector would be heavily affected by these measures. Residents of southern EU countries would probably try to deposit their savings in banks in the northern countries. This would not only lead to a second banking crisis in southern Europe, but would also inevitably force southern member states to impose limits on the retrieval of bank deposits and other forms of control on capital and foreign currencies. This would be the final blow to free trade and the free movement of capital, goods and services in Europe. But the banks in the north would not be spared either. They would be confronted with billions of euros of losses on the southern European countries' bonds that they hold in their portfolios. German taxpayers, too, should be reminded that they are likely to end up paying more to rescue their own banks from exposure to Greek debt than their contribution to the Greek rescue package.

In short, Mr Henkel's proposal would not resolve the euro crisis. It would exacerbate it and sow the seeds for the disintegration of the European Union itself. True, mistakes were made when the euro was introduced. With hindsight, a monetary union needs an economic and even political union to survive and prosper. And the rules of the Stability and Growth Pact were not sufficiently respected. Mr Henkel might have mentioned that the first country that did not respect the rules was Germany itself in 2003.

Even so, there is no reason to blame the euro for all the economic and financial accidents that have occurred in recent years. It is nonsense to blame the euro for the real estate crisis in Spain just because interest rates were kept low. There was a systemic failure of checks and oversight in the banking sector that has now, hopefully, been remedied. Both Britain and America (neither of which are members of the euro zone) were hard hit by a housing bubble. In Britain, the government even had to take ownership of several high-street banks. Yet Britons and Americans, together with Greeks and Italians, are now among the most indebted citizens in the world.

Despite all the challenges we are currently facing there is still insufficient reason to ditch the single currency. We do not need a plan "A", "B" or "C". We do not need an alternative to the euro. We should instead ensure that the euro is finally provided with solid foundations: an economic union, a fiscal union, a bold stability pact and a liquid Eurobond market. And all these instruments should be controlled by institutions and decision-making bodies with representatives



who are elected and accountable. On one point Mr Henkel is right: despite struggling to find a politically sellable exit from the current crisis, our national leaders are to a great extent responsible for creating it through past errors of judgment and a lack of courage to take bold decisions. Their credibility to act in the common interest has been undermined and it should therefore not fall solely to them to guarantee the future stability of the euro.

# Le fédéralisme économique est une question de survie pour l'Europe

Point de vue | LEMONDE.FR | 20.07.11 | 14h53 • Mis à jour le 20.07.11 | 14h53

par Thomas Guénolé, doctorant en science politique (Cevipof), maître de conférences en mathématiques financières à Sciences Po

Les dettes publiques de la Grèce et de l'Italie ont atteint en 2010 respectivement 143 % et 118 % du PIB. Stigmatisant tour à tour la falsification par l'une de ses comptes publics, la surestimation par l'autre de son PIB, et plus largement le laxisme de leurs politiques budgétaires, nombre d'analyses ont qualifié ces pays de "*passagers clandestins*" du navire européen.

Cette approche tient lieu de justification morale punitive à des plans d'austérité extrêmement durs, qui tiennent pourtant plus de la saignée que du remède efficient. Elle oublie en outre que le véritable passager clandestin, en l'occurrence, est l'Allemagne.

A l'intérieur du marché européen, la réussite de l'Allemagne repose sur la compétitivité-coût. Elle l'a obtenue d'une part grâce à la compression des salaires, d'autre part grâce à la réduction des charges sociales au prix d'une augmentation de la TVA, ce qui revient à **faire cofinancer** sa protection sociale par des importateurs principalement européens. A l'extérieur du marché unique, sa réussite repose sur la compétitivité-qualité. Elle l'a accrue encore en inspirant la politique de taux élevés de la Banque centrale européenne, qui favorise les économies basées d'abord sur l'export, dont l'archétype est l'Allemagne, et défavorise les économies basées d'abord sur la consommation intérieure, dont l'archétype est la France. En d'autres termes, l'Allemagne pratique envers ses rivaux européens un dumping à la fois économique, social et monétaire, ce qui fait d'elle un passager clandestin autrement plus problématique que la Grèce.

Le commerce entre les pays émergents s'apprête à **prendre** durablement la première place mondiale en volume, tandis que leurs chefs de file deviennent des "*pays émergés*" aptes à bientôt **surclasser** les pays européens pris isolément. Dans ce contexte, **passer** au plein fédéralisme économique est pour l'Europe une question de survie. Cela implique notamment un budget commun d'au moins 15 % du PIB (soit la moitié du niveau américain) au lieu de l'actuel 1 %, une fiscalité commune pour **empêcher** le dumping irlandais ou allemand, des obligations d'Etat européennes plutôt que nationales, une politique monétaire pensée pour l'ensemble plutôt que pour la seule Allemagne, une monnaie commune à tous pour **empêcher** le dumping britannique, une R&D pilotée et budgétisée au niveau fédéral, un Etat fédéral bicaméral au président élu sur le modèle américain, et la naissance de l'administration fédérale afférente. Ce saut qualitatif ne pourrait **être** dans un premier temps que le fait de quelques pays pionniers, en comptant sur l'effet d'entraînement d'une dynamique politico-économique aussi ambitieuse que, par parenthèse, les marchés plébisciteraient.

## L'ALTERNATIVE D'UNE UNION MÉDITERRANÉENNE

Si l'Allemagne s'avère réticente, la question de l'intérêt pour la France d'**approfondir** l'aventure européenne sur les bases actuelles devra **être** posée. Dans ce cas, l'alternative d'une Union méditerranéenne plus étroite peut **être** à la fois un levier de négociation efficace et une piste féconde en elle-même. La complémentarité économique de cet ensemble est de fait réelle : la rive Sud a les jeunes actifs, le potentiel élevé de croissance et la compétitivité-

coût nécessaires au Nord ; la rive Nord a les capacités de formation, les grands groupes intégrés et la compétitivité-qualité nécessaires au Sud. Ne lui manque qu'une union politique plus approfondie, à laquelle les récentes révolutions arabes offrent une fenêtre d'opportunité historique.

Cette démarche ferait d'ailleurs sens historiquement et culturellement, puisqu'elle retrouverait l'espace géopolitique de l'Empire romain et laisserait l'Allemagne **renouer** avec la *Mitteleuropa* bismarckienne. En outre, l'identité commune méditerranéenne est tout aussi légitime, voire davantage, que l'identité commune européenne, la France ayant par exemple davantage en commun avec le Liban qu'avec l'Estonie.

Proposer le plein fédéralisme européen, ou **acter** l'impasse et **miser** sur l'Union méditerranéenne : comme initiateur de l'embryonnaire Union pour la méditerranée et du fait du bilan flatteur de sa présidence européenne au plus fort de la crise, Nicolas Sarkozy est dans les deux cas légitime pour **prendre** une grande initiative politique. Au reste, quelle que soit sa direction, elle est préférable aux rustines politico-économiques qui prévalent depuis des mois.

## The euro and Europe

*Motion: "This house believes the euro, as a single currency, is dividing Europe and should be abolished."*



The moderator's opening remarks

Jul 26th 2011 | [Anton La Guardia](#) 

When *The Economist* held a debate on the euro last year, a majority in the audience voted against the motion: "This House believes the euro will fragment over the next ten years." That was soon after the first Greek bail-out, and the decision by the euro area to arm itself with its big bazooka, known as the European Financial Stability Facility (EFSF).

Much has happened since then. It is not unreasonable to assume that, were the same vote taken today, the result would be reversed. The bazooka did not scare anyone for long. Ireland, and then Portugal, succumbed to the assault on the markets, and Greece has had to seek a second bail-out. Market contagion started to spread to Spain and Italy.

The "indignados" have taken to the streets of Spain and, sometimes more violently, of central Athens. Voters in northern creditor states are also indignant about having to prop up "peripheral" economies that they see as profligate, unreformed or incompetent—or a combination of all these sins.

Relations among leaders of the euro zone have become more embittered as they have struggled to contain the crisis and argued over who should take the losses: the crippled debtor states such as Greece, through greater austerity; the creditor states like Germany, through fiscal transfers of one form or another; or the financiers, through debt rescheduling, or even outright haircuts on bondholders.

The Greek prime minister has complained that confusion and cacophony are worsening his country's plight. And according to a French satirical weekly, *Le Canard enchaîné*, President Nicolas Sarkozy of France has privately expressed frustration with both Angela Merkel, the German chancellor, who has insisted that private creditors take a hit on Greece, and Jean-Claude Trichet, the president of the European Central Bank, who argued that this would worsen the crisis. In Mr Sarkozy's view, the Germans were displaying "criminal" egotism, while Mr Trichet was playing "Belgian roulette": unlike Russian roulette, which has one bullet in the cylinder, "in Belgian roulette the whole cylinder is loaded with bullets," said Mr Sarkozy.

An emergency summit of the euro zone on July 21st finally agreed a second Greek rescue plan roughly as big as the first one, now with a lower interest rate and longer maturities. This would be backed by a modest contribution from private creditors. The EFSF, moreover, would be made more versatile: it would be allowed to extend short-term credit lines and, subject to unanimous approval, buy the bonds of vulnerable states in the secondary market.

Bond spreads for Greece and other vulnerable states narrowed at first, but then started rising as markets took stock of the hazy details and the remaining weaknesses. Nobody thinks the crisis is over; the question is whether the euro zone can limp on through August.

So is the whole experiment of a monetary union without a fiscal and political union a terrible mistake? Instead of wondering, as we did last year, whether the euro will survive, we ask our debaters to consider whether it would not be better to kill it off.

Both of our debaters agree that the euro has not promoted economic convergence, as many had hoped. On the contrary, one of the causes of the crisis is the economic divergence that has taken place, barely noticed, during the good years. They differ, however, over how to respond.

Hans-Olaf Henkel regrets ever having supported the creation of the euro. Though painful, he says, it would be better to arrange an orderly divorce. Rather than evict weaker states from the shared home, he thinks credit-worthy northerners should leave of their own accord. Guy Verhofstadt, by contrast, says communal living has helped protect the economies of its members from even greater turbulence. He thinks it is time to turn the cohabitation into a real marriage.

There will be many valuable, interesting and pithy contributions from the floor. For now, I hope the debaters will expand on their arguments. To Mr Henkel: most currency areas encompass diverse economic zones, not least Germany itself, with its federal structure and its enduring east-west divide. Why can the euro zone not be made to work with greater integration?

Mr Verhofstadt draws a comparison between the euro area and another federal state, America, arguing for more Europe. But how far does the EU need to travel down the road to a "United States of Europe" to save the euro, and is this a price voters are willing to pay?

Indeed, to both our contributors, is anybody asking Europe's citizens what they want?



The proposer's opening remarks

Jul 26th 2011 | [Hans-Olaf Henkel](#) 

Having been an early supporter of the euro, I now consider my engagement to be the biggest professional mistake I ever made. Here are the reasons:

First, politicians broke all promises made in the Maastricht agreement. Not only was Greece let into the European Union for purely political reasons, but the fundamental rule, "no member to exceed its yearly budget deficit by the equivalent of 3% of GNP", was broken over a hundred times. Mandatory punitive charges, provided for such cases, were never applied. To top it all, the no-bail-out clause was wiped out in the wake of the first Greek rescue package.

Second, the "one-size-fits-all" euro turned out to be a "one-size-fits-none" currency. The euro itself caused some of the problems politicians are now trying to solve. With access to interest rates at much lower German levels, Greek politicians were able to pile up huge debts. The Bank of Spain helplessly watched the build-up of a real-estate bubble without being able to raise interest rates. Deprived of the ability to devalue their currency, countries in the south lost their competitiveness.

Third, instead of uniting Europe, the euro increases friction. Students in Athens, the unemployed in Lisbon and protesters in Madrid not only complain about national austerity measures, they also protest against Angela Merkel. Moreover, the euro widens the rift between countries with the euro and those without. Bulgaria and Romania would surely love to join and enjoy German guarantees, but does anybody believe Britain or Sweden will ever find it attractive to join a transfer union?

Instead of addressing the true causes of its illness, politicians prescribe painkillers for the euro patient every time another Greece, Portugal and Ireland pops up. It suffers from three discrete diseases:

1. As a result of the financial crisis, many banks are still unstable.
2. The negative effects an overvalued euro has on the competitiveness of the southern states, including Belgium and France.
3. The huge level of debt of some euro-zone countries.

Treating a patient who suffers from three diseases simultaneously is indeed difficult, and it would be misleading to proclaim that there is an easy way out. But it is irresponsible to maintain there is no alternative. There is.

Plan A: "Defend the euro at all costs", as pronounced by José Manuel Barroso, president of the European Commission. He could have added "to the Germans, the Dutch, the Finns". The end result will, however, be detrimental to all. Various rescue packages have led the euro zone on the slippery path towards the organised irresponsibility of a transfer union. If everybody is responsible for everybody's debts, no one is. Competition between politicians in the euro zone will focus on who gets most at the expense of the

others. Harmonisation will replace diversity. The result is clear: more debts, higher inflation, lower standards of living, but—and that will please a lot of politicians—whatever is left of will be more evenly distributed. The competitiveness of the euro zone is bound to fall behind that of other regions of the world and, by the way, will over time also fall behind those European countries which refuse to be part of it.

George Soros's Plan B: a Greek default or its departure from the euro zone. This implies risks too high to take. First in Athens, then in Lisbon, Madrid and perhaps Rome, people will storm the banks as soon as word gets out. A "haircut" would not improve the country's competitiveness either. Soon, the Greeks will have to go the barber again.

Plan C: Austria, Finland, Germany and the Netherlands get out of the euro zone and create a new currency leaving the euro where it is. If planned and executed carefully, this could do the trick: a lower-valued euro would improve the competitiveness of the remaining countries and encourage their growth. In contrast, exports from the northern states would be affected but they would enjoy less inflation and be spared having to look after the southern states forever. Some non-euro countries would be likely to join this second monetary union. Depending on actual performance, a flexible membership between the two should be possible

The implementation of Plan C requires that each of the three underlying problems be addressed separately:

1. We must rescue banks, not countries. Stabilisation of banks on a national level should replace current European umbrellas. In many cases, this requires temporary nationalisation of banks.
2. Germany and its partners in a new currency must forgo a significant portion of their guarantees to help refinance Greece, Portugal and others. As much is already lost anyway, this is an acceptable price for an "exit ticket".
3. The creation of a new central bank based on the Bundesbank, preferably not led by a German. The name of the new currency should not be D-mark.
4. The mechanics would be similar to those used in joining the euro. If it was possible to form one currency out of 17, it should also be possible to form two out of one.

This will not be an easy task, politically and mechanically. It requires conviction, persuasion, and first and foremost the courage of Chancellor Merkel. Paradoxically, help could come from the south, where voters are getting tired of being lectured by her on what to do. For both north and south, an end with difficulties seems much better than difficulties without an end.



The opposition's opening remarks

Jul 26th 2011 | [Guy Verhofstadt](#) 

Is the euro facing problems? Of course! Should the solution be to abolish the euro and put it outside with the rest of the garbage? No. On the contrary, abolishing the single currency now would be a crucial mistake. It would once again introduce monetary limits combined with variations in exchange rates and risks. It would seriously hamper trade and economic activity within the European Union and could potentially give it a fatal blow. In short, it would mean the end of the successful internal market that we currently have in Europe.

The euro has certainly increased intra-EU trade. Thanks to the euro, consumers have a wider choice allowing them to buy goods and services at lower prices. The success of the ECB in keeping inflation low has been a source of stability and has made it possible to keeping borrowing costs low for both the private and the public sectors, thereby contributing to more economic growth and employment. The euro is also attractive to foreign governments as a reserve currency. This is of benefit to the whole euro-zone economy because widespread holdings and a high demand for euros encourages third countries to price their exports in the single currency—thus reducing costs to euro-zone members as there are no exchange-rate costs.

Even after the start of the financial crisis in 2008 the euro brought stability and security. I seriously doubt that Europe, without the common currency, would have been able to weather the economic storm that followed the collapse of Lehman Brothers. A European Union without a single currency would have had to deal with an avalanche of currency devaluations and even depreciations. This would have led to a situation in which internal trade within Europe would have come to a standstill. A European Union without the euro could have fallen back to a situation in which protectionism gained the upper hand, as happened after the first world war. This would have plunged Europe into a long period of economic stagnation.

Does this mean that the euro is not in a problematic situation? Not at all! But it is crucial to recognise these problems and design structural solutions to solve them. Instead of throwing out the baby with the bath water by abolishing the single currency, we should do exactly the opposite. We should strengthen the foundations of the euro zone that are currently lacking.

The real reason for the euro crisis is the fact that the euro zone is a monetary union that is not supported by an economic and political union. This is a unique situation. Nowhere in the world will you find a common currency system that is based on 17 independent governments, 17 different economic policies and 17 bond markets. The result is that, despite the existence of a stability pact (which is too weak in its current form), the divergence between the euro countries (their competitiveness and their effectiveness) increases, rather than decreases. This has led to a decrease in the cohesion of the euro zone and hence to the current euro crisis (mainly in the form of increasing "spreads"). For almost a decade, decision-makers have claimed that "peer pressure" and "best



practices" (the so-called Lisbon Strategy) would strengthen the cohesion of the euro. They claimed that member states would not have to give away any of their decision-making power or sovereignty. They were wrong and the crisis has revealed that this idea is an illusion. In reality the contrary has happened: the cohesion within the euro zone, for example the distance between the German and the Greek economies, has diminished not increased. We are now dealing with the consequences of this development.

The difference with America and the dollar is telling. California is almost bankrupt. It is not even capable of paying its civil servants. But despite the fact that California is one of America's major economies, its difficult situation is not causing significant unrest in the country or significantly affecting the dollar. By contrast, Greece represents barely 2.5% of European Union GDP, but despite its insignificant size it is shaking the foundations of the euro zone. What is the difference? Behind America and the dollar stand a government, a substantial budget, a central bank and a common bond, which are all supporting the system. These institutions do not find themselves in a healthy condition—far from it. But for the financial markets it is the consistency of the system that counts. The solidarity between the different parts of the system is deeply rooted. It has a common bond market and a federal government that is far from being a "lame duck". All these conditions are lacking in the European Union and in the euro zone *mutatis mutandis*.

The question is not whether our single currency should be abolished or not. The question is whether our leaders dare to take bold measures or not. If they continue to come up with half-hearted measures as they have done over the past 18 months, it will lead to the end of the euro. That is obvious. However, if they show courage and transfer additional powers to Europe, like Helmut Kohl and François Mitterrand did in their time, a viable European economy and a euro that can take over the dominant role of the dollar are within reach.

NYT July 26, 2011

# Liberté, Égalité, Fertilité

By **KATRIN BENNHOLD**

PARIS — Could there be any worse time to leave Paris?

The City of Light is more luminous than ever, after the sunniest spring and summer I've experienced during my decade here (a recent wet spell notwithstanding).

Line 1 on the Métro, my fast track to work, is being automated and could thus soon be shielded from the ritual strikes.

And, as austerity bites in several parts of Europe, the French are collectively boarding their ever-expanding fleets of high-speed trains to head for the annual August break — a painful reminder of the long paid vacations that few employees can hope to get anywhere else.

Worse, I'm six months pregnant, the point at which all maternity-related health care here becomes 100 percent state-covered, while my daughter is almost eligible for the free full-time child care offered by the *maternelle* — state preschools available to toddlers from the age of 3.

On the long list of things to miss about [France](#), the climate, public transport and generous amounts of vacation do of course feature prominently.

But, for this woman at least, none of that can beat a combination of free preschools, family allowances, tax deductions for each child, a paid, four-month maternity leave and to top it all off, an extended course of gymnastics, complete with personal trainer and electric stimulation devices, to get you and your birth canal muscles back into shape, courtesy of the taxpayer. (I still remember my physiotherapist cheerfully promising me a “six-pack” in time for the bikini season after I gave birth the last time.)

For my French girlfriends, having children is just another thing you do in life. You fit them in — one, two and often three of them — with your career, your relationship, your other projects.

In my native Germany, it's your life that has to fit in with the child. Having a baby (it's rarely more than one these days) is still a profoundly disruptive event for women, one that tends to curtail career ambition and earning potential in keeping with a stubbornly traditional vision of motherhood.

Even in my generation of thirty-somethings, the stigma weighing on working mothers remains heavy. One result: Germany's birthrate is one of the lowest in Europe, and our rate of female part-time work among the highest.

In Anglo-Saxon countries like the United States, and Britain, where I'll be posted next, the situation is different again. Working moms don't face the stigma there — but at the same time have much less of the government aid that French women enjoy.

Perhaps my biggest shock in transferring to London was to discover that as a working mother of two I would be paying about €2,000, or \$2,900, more in income tax per year. Only for single people, or married couples without children, does the widely held assumption hold true that you pay a lot less tax in Britain than in France.

Child care in London is also more expensive, and those costs don't necessarily cease at school age: A large variance in quality between state schools means that parents more often turn to private schooling. The debate about school districts does of course exist on both sides of the Channel. But if private schools in France are often Catholic schools with fees that are counted in hundreds, not thousands, of euros, in London you're sometimes talking about tens of thousands of pounds in education fees before your child even applies to college — or find yourself paying a premium on real estate in the immediate vicinity of decently ranked state schools.

I have another list, a much shorter one, of all the things I won't miss about France: the overrated coffee, the smell of *andouillettes*, the “do not walk on the grass” signs in public parks and all the unnecessary traffic congestion due to cars piling into the intersection just as the light turns yellow. There are also the early-morning ticket controls in the Métro that in my experience seem to focus mostly on black and Arab-looking commuters.

But the No. 1 spot on this list is also occupied by something related to being a woman: A deep-seated machismo in everyday interaction that grated with me long before the Dominique Strauss-Kahn case made headlines.

Many French women appear to worry more about being feminine than feminist, and French men often display a form of gallantry predating the 1789 revolution. “Charming,” I thought, when I first arrived 10 years ago and an official in the Foreign Ministry scrambled to open every one of four doors in a very long, narrow corridor. But I soon tired of the unsolicited attention that young men sometimes heap upon women who are walking down the Champs-Élysées in a skirt.

France ranks 46th in the World Economic Forum’s 2010 gender equality report, lagging behind the United States, most of Europe, but also Kazakhstan and Jamaica. Women in France earn on average 26 percent less than men but do two-thirds of the housework.

As the historian Michelle Perrot put it to me a few months ago, “France may be Scandinavian in its employment statistics, but it remains profoundly Latin in attitude.”

And still, this is the only European country where I’ve routinely met successful businesswomen with three children and an enviable figure. At a time of aging populations and ballooning debt levels across the Western world, other countries can at least learn this from France’s 200-year-old natalist obsession: Investing in a public infrastructure that supports working mothers pays off three times. It raises employment rates, bolsters tax revenue and in the process grooms the workforce and taxpayers of tomorrow.

Liberté, égalité, fraternité remain important benchmarks for a successful society. Fertilité could turn out to be one of the most important ways to get there as the 21st century unfolds.

# L'union monétaire, une bombe à retardement

22 juillet 2011 THE GUARDIAN LONDRES



Horsch

**La France et l'Allemagne ont encore une fois réussi à éviter un effondrement la zone euro. Mais l'union monétaire qui enserre les pays dans une politique économique homogénéisée mène au désastre, estime un chroniqueur britannique.**

Simon Jenkins

Enfin une crise, une vraie. L'opération franco-allemande de sauvetage de la zone euro était inévitable pour la simple raison que l'Apocalypse n'a jamais lieu. Nicolas Sarkozy et Angela Merkel ont concocté ensemble un renflouement "temporaire" de plus pour les Grecs, et ils le feront aussi pour les Portugais et les Irlandais si besoin est. Les contribuables allemands vont payer les factures des Grecs et vont aider les banques d'Europe qui, elles, vont continuer à profiter de leurs 20 % d'intérêts sur les prêts souverains. C'est toujours le pouvoir qui l'emporte, tant qu'il trouve quelqu'un pour déboursier.

La Grande-Bretagne est quant à elle le théâtre d'une crise plus curieuse. George Osborne, le chancelier de l'Echiquier, a fait montre d'un cynisme impressionnant et a cessé de s'opposer à une Europe "à deux vitesses", pour réclamer la mise en place rapide d'une union fiscale dans la zone euro — dont la Grande-Bretagne serait solidement exclue. Seule une union de ce genre, a-t-il dit, permettrait de discipliner les nations endettées et d'éviter que l'anarchie bancaire ne finisse par contaminer l'économie britannique. Londres ne prendrait part à aucun plan de renflouement, mais tient à ce que la zone poursuive sur la voie d'une intégration toujours plus étroite.

Osborne est peut-être cynique, mais son analyse historique est juste. Le dernier renflouement grec en date marque l'instant où l'Europe continentale se voit contrainte de se métamorphoser, et de passer du statut de fédération souple à celui d'Etat unitaire friable. Si la politique européenne commence à imposer et à revenir à la xénophobie, à des frontières armées, des nettoyages ethniques et des boycotts commerciaux, ce sera à partir d'aujourd'hui. Nous nous trouvons véritablement à un tournant.

Dès les premiers jours de la cohésion européenne, dans le sillage de la Seconde Guerre mondiale, cette évolution a toujours représenté le plus grand danger. Tant que les devises nationales pouvaient fluctuer avec flexibilité dans un environnement de libre-échange, l'économie politique de l'Europe, d'une formidable diversité, pouvait profiter de sa "géométrie variable". La soupape de sûreté de la dévaluation permettait aux membres de s'adapter avec le temps. Leurs autonomies et leurs cultures politiques distinctes pouvaient survivre.

## Une risque de contre-réaction

Cette soupape de sûreté est actuellement en train de s'obturer. Les pays à haute performance déversent d'énormes subventions sur les économies à la peine au sein de la zone euro pour pouvoir payer les factures des Etats, soutenir les projets et financer les dettes souveraines. Ces subventions sont synonymes d'ingérence bureaucratique et de discipline fiscale, et par conséquent d'une harmonisation des impôts, de leur mise en œuvre, de la réglementation et du

gouvernement, le tout ne rendant que vaguement des comptes aux électeurs. Une fois l'union monétaire en vigueur, en 1999, le reste ne pouvait que suivre. Mais chaque avancée vers une "union toujours plus étroite" a augmenté le risque de contre-réaction.

Cette fois, le test ira jusqu'au bout, jusqu'à la destruction s'il le faut. Quelque chose doit être fait pour que les Grecs paient leurs impôts, ou les Allemands refuseront de payer leurs subventions. Comme le dit Osborne, il faudrait des euro-obligations qui contraignent l'Allemagne à soutenir la dette des Etats du Sud, mais cela implique de la part des Etats du Sud qu'ils acceptent une "politique économique de fabrication allemande".

Bruxelles doit définir des objectifs en matière de fiscalité et de dépenses publiques pour les Etats les moins solides de la zone euro, ou les faillites des banques anéantiront l'équilibre économique déjà précaire de l'Europe. Pourtant, déjà, les tentatives faites par Bruxelles pour imposer une fiscalité uniforme des entreprises chancellent. Comment faire tenir une véritable union fiscale ?

Nous l'avons vu, les exigences de l'axe franco-allemand et du Fonds monétaire international suscitent une violente indignation dans les pays en difficulté. Les Grecs se révoltent contre leur humiliation, les Allemands se révoltent contre leur générosité. Dans toute l'Europe, le bon vieux consensus pro-UE part en fumée. Les Slovaques, qui ont refusé de participer au sauvetage de l'euro, sont accusés par la Commission européenne de "manquement à la solidarité", des mots qui rappellent l'ancienne Union soviétique.

Le dernier Eurobaromètre de l'opinion publique montre pour la première fois qu'une majorité d'Européens ne fait pas confiance à l'UE, en particulier en Grande-Bretagne, en Allemagne et en France. Selon les enquêtes, de moins en moins de pays voient leur adhésion à l'Union comme une bonne chose, et l'opposition se fait plus forte à mesure que l'on s'éloigne vers le nord du continent. Fait des plus inquiétants, l'euroscpticisme s'enflamme le long de vieux clivages historiques.

### **L'union budgétaire entraînera sa chute**

Quand l'UE était une solide union commerciale, elle avait le soutien de l'Europe du Nord protestante. A mesure qu'elle a glissé vers l'orthodoxie institutionnelle et la mise en place d'importants transferts de ressources transfrontaliers, elle a davantage séduit le Sud de la contre-réforme. La langue ampoulée utilisée par Valéry Giscard d'Estaing dans le premier projet de Constitution européenne [qui devait aboutir au traité de Lisbonne] était au fond celle d'une encyclique pontificale.

Comme avant la Réforme, taxer le Nord de l'Europe pour payer les subventions et les dettes du Saint-Siège a duré un temps mais cela ne pouvait durer éternellement. Les contribuables allemands peuvent bien sauver les Grecs parce que la moitié de la dette grecque a été contractée auprès de banques étrangères. Mais ces contribuables ne peuvent pas non plus renflouer les Portugais, les Espagnols et les Italiens. Toute tentative de ressusciter le Saint Empire romain germanique est voué à l'échec. Les thèses de Luther seront bientôt placardées non sur les portes de Wittenberg mais sur celles de Berlaymont à Bruxelles.

Ce fantasme d'"une union toujours plus étroite" a toujours été des plus dangereux, une sorte d'impérialisme au sommet né dans les esprits malades des cardinaux de cette religion paneuropéenne. Ils croyaient pouvoir faire fi de la réalité politique. Et cet orgueil démesuré prenait racine dans le dogme qui voulait que par l'opération du Saint Esprit, l'union monétaire laisserait indemne l'identité nationale et qu'un parlement corrompu offrirait suffisamment de gages démocratiques. Cet âge d'or est désormais révolu et ces gages démocratiques ne peuvent justifier les terribles restrictions qui doivent être imposées aux pays en faillite.

La tentative d'imposer à toute l'Europe une union budgétaire entraînera sa chute. Mais là où Osborne et les eurosceptiques ont tort, c'est quand ils souhaitent cette chute. Quand l'union monétaire s'effondrera et débouchera sur une orgie de xénophobie, le Royaume-Uni ne sortira pas indemne du chaos. Les Napoléons en culottes courtes embarqués dans cette aventure risquent fort de connaître leur Waterloo. Mais l'économie britannique risque de ne pas échapper au carnage. L'union monétaire, qui a toujours été irréalisable, a déclenché un désastre européen.

## Monetary union, always unworkable, has set in train a European disaster

The eurozone is edging closer to doomed fiscal union. But sceptics shouldn't celebrate, as the chaos will reach Britain too



Simon Jenkins The Guardian 21/7/11

At last, a real crisis. The [Franco-German salvage operation for the eurozone](#) was inevitable for the simple reason that Armageddon never happens. Nicolas Sarkozy and Angela Merkel patched together yet another "temporary" bail-out for the Greeks, and will do so for the Portuguese and Irish if need be. German taxpayers will pay the Greeks' bills and aid Europe's banks as they continue to profit from 20% interest on their sovereign loans. Power always wins, so long as it can get someone else to pay.

A more intriguing crisis erupts in Britain. The chancellor, George Osborne, showed impressive cynicism in [abandoning his opposition to a "two-speed" Europe](#) and demanding that the eurozone move swiftly to fiscal union – with Britain firmly outside. Only such a union, he said, would discipline the debtor nations and thus avoid bank anarchy that would spill over into the British economy. Britain would have no part in any rescue, but it relied on the eurozone to continue on its path to ever closer union.

Cynical Osborne may be, but he is right in his historical analysis. The latest Greek bailout is the moment when continental Europe finds itself forced to transmogrify from a loose federation into a brittle unitary state. If European politics starts to implode and return to xenophobia, manned borders, ethnic cleansings and trade boycotts, that start is now. This is a true turning point.

From the earliest days of European union after the second world war, such a point was the greatest danger. As long as national currencies could move flexibly in a climate of free trade, Europe's extraordinarily diverse political economy could enjoy a "variable geometry". The safety valve of devaluation allowed countries to adjust over time. Their distinctive autonomies and political cultures could survive.

That safety valve is now turning off. Huge subsidies must flow from high-performing to low-performing countries within the eurozone to pay government bills, support projects and finance sovereign debts. In their wake come bureaucratic intervention and fiscal discipline. This means harmonised taxes, harmonised enforcement, harmonised regulation and harmonised government, only distantly accountable to electorates. Once monetary union was introduced, back in 1999, the rest had to follow.

Gordon Brown's greatest gift to the British nation was to [face down Tony Blair in 2001-02 and stop him joining the euro](#). Blair regarded anything anti-European as "hopelessly, absurdly out of date and unrealistic ... a kind of post-empire delusion". The euro was to be the culmination of his plan for European supremacy. Brown stopped it. The epitaph on this particular spat is Blair's brief and dismissive reference to the euro in his memoir, as if he was never really in favour. It is a bizarre rewriting of history.

Only a fool could want Europe to return to the divisive feuds and nationalist horrors of the 19th and early-20th centuries. Any student of the Balkans knows that such horrors are never

far below the surface. But a monetary union that denies nations the freedom to breathe and adjust their economies in their own way over time runs just this risk of regressive reaction. Each step towards "ever-closer union" has brought reaction nearer. The [Single European Act of 1986](#) was necessary to police free trade, but the Maastricht and Lisbon treaties put in place the architecture of a federal state that has become ever more rigid and ever more unpopular. The single currency bound the politics of Europe with hoops of steel. Osborne wants those hoops to tighten further, to trap the 17 eurozone countries in a realm of unaccountable federalism, a fiscal rigidity that he must know will eventually snap. The test will be to destruction. Something must be done to get the Greeks to pay their taxes or the Germans will refuse to pay their subsidies. As Osborne says, eurobonds are needed that would require Germany to stand behind southern states' debts, but this will mean southern states accepting a "German-designed economic policy". Brussels must fix taxation and public spending targets on weaker euro states or bank defaults will wreck Europe's shaky economic equilibrium. Yet already attempts in Brussels to impose uniform corporation tax are tottering. How can a true fiscal union hold?

We have already seen the demands of the Franco-German axis and the IMF furiously resented by ailing countries. The Greeks are rebelling in their humiliation, and the Germans are rebelling in their generosity. Across Europe the old pro-EU consensus is evaporating. The Slovaks have declined to join the euro bailout, accused by the EU commission of a "breach of solidarity", words reminiscent of the old Soviet Union.

The latest Euro-barometer of public opinion shows for the first time that overall distrust of the EU outstrips trust, predominantly so in Britain, Germany and France. Polls show ever fewer countries regarding membership as a good thing, with opposition strongest the farther north we go. It is ominous that the politics of euroscepticism is fusing along old historical lines. When the EU was a sound trading union it was backed in Protestant northern Europe. As it slid into institutional orthodoxy and heavy cross-border transfers, its appeal shifted to the Counter-Reformation south. The high-flown language of Valéry Giscard d'Estaing's first draft of the Lisbon treaty was that of a papal encyclical.

As before the Reformation, the taxing of northern Europe to sustain the subsidies and debts of mother church lasted awhile, but it could not last for ever. German taxpayers may bail out the Greeks, because half the Greeks' debts are to foreign banks. But these taxpayers will not also bail out the Portuguese, the Spaniards and the Italians. The attempted revival of the Holy Roman Empire is doomed. Luther's theses will soon be nailed to the doors not of Wittenberg but of the Berlaymont palace in Brussels.

"Ever closer union" was always a dangerous fantasy, a top-down imperialism forged in the over-fed minds of the cardinals of a pan-European faith. It thought it could deny political reality. Its hubris lay in a belief that somehow monetary union could leave national identity untouched, that a corrupt European parliament could offer democratic accountability enough. Now the good times are over, that accountability cannot validate the awful disciplines that must be imposed on debtor nations.

Vigorous domestic democracy is the one strength of Europe's postwar states. Distant discipline will not wash. Ever closer union falls squarely into the historian Barbara Tuchman's definition of a grand historical folly, "a policy demonstrably unworkable" and widely known as such at the time. It was a policy pursued by Europe's leaders, like so many follies before, as "a love-child of power".

The attempt to impose fiscal union on all Europe will bring its demise. But where Osborne and his brand of scepticism are wrong is in so obviously willing this demise. When monetary union reaches breaking point and unravels in an orgy of xenophobia, Britain will not be immune from the chaos. The pocket Napoleons who embarked on this venture may meet their Waterloo. But Britain's economy is unlikely to escape the carnage.



# Währungsunion, die europäische Zeitbombe

22. Juli 2011 THE GUARDIAN LONDON



**Die Eurozone rückt immer näher an die von vorneherein zum Scheitern verurteilte Finanzunion heran. Doch Skeptiker sollten sich nicht freuen, denn das Chaos wird auch Großbritannien berühren.**

**Simon Jenkins**

Endlich eine echte Krise. Die deutsch-französische Rettungsaktion für die Eurozone war unvermeidbar, aus dem einfachen Grund, dass das Armageddon ja doch niemals eintritt. Nicolas Sarkozy und Angela Merkel haben wieder einen neuen „vorläufigen“ Rettungsplan für die Griechen zusammengeschustert und werden das falls nötig auch für die Portugiesen und die Iren tun. Die deutschen Steuerzahler werden die Rechnungen der Griechen zahlen und die europäischen Banken unterstützen, während diese nach wie vor von 20-prozentigen Zinssätzen für ihre Staatsanleihen profitieren. Macht gewinnt immer, solange sie nur jemand anderen zum Zahlen bewegen kann.

Dafür bricht in Großbritannien eine faszinierendere Krise aus. Finanzminister George Osborne erwies sich als eindrucksvoller Zyniker, indem er seinen Widerstand gegen ein „Zwei-Geschwindigkeiten-Europa“ aufgab und verlangte, die Eurozone solle doch schnell zu einer Finanzunion übergehen – und Großbritannien dabei unbedingt außen vor lassen. Nur eine derartige Union, so sagte er, könne die Schuldnerstaaten zur Disziplin bringen und somit eine Anarchie der Banken vermeiden, die auf die britische Wirtschaft überlaufen würde. Großbritannien werde keinen Part in irgendeiner Rettungsaktion übernehmen, doch man baue darauf, dass die Eurozone ihren Weg zu einer noch engeren Union fortsetze.

Zynisch mag Osborne ja sein, aber mit seiner historischen Analyse hat er Recht. Diese neueste Rettung Griechenlands ist der Punkt, an dem sich das kontinentale Europa dazu gezwungen sieht, vom lockeren Staatenbund zu einem leicht zerbrechlichen Einheitsstaat überzugehen. Wenn die europäische Politik zu implodieren beginnt und die Fremdenfeindlichkeit, die bemannten Grenzen, die ethnischen Säuberungen und die Handelsboykotte zurückkehren, dann ist das jetzt der Anfang dafür. Ein echter Wendepunkt.

## **Eigene Währungen sicherten Autonomie und politische Kultur**

Schon von den frühesten Tagen der Europäischen Union an, nach dem Zweiten Weltkrieg, war so ein Punkt die größte Gefahr. So lange sich die Landeswährungen in einem Klima des freien Handels flexibel bewegen konnten, genoss Europas außerordentlich verschiedenartige Wirtschaftspolitik eine „variable Geometrie“. Durch die als Sicherheitsventil fungierende Abwertung konnten sich die Länder im Laufe der Zeit anpassen. Ihre eigenständige Autonomie und ihre jeweilige politische Kultur konnten überleben.

Dieses Sicherheitsventil dreht sich nun zu. Enorme Fördermittel müssen innerhalb der Eurozone von den leistungsstarken an die leistungsschwachen Länder fließen, um für Regierungsvorlagen zu zahlen, Projekte zu unterstützen und Staatsanleihen zu finanzieren. Die Folge davon sind bürokratische Interventionen und

finanzielle Disziplinierung. Das bedeutet harmonisierte Steuern und harmonisierte Vollstreckungen, harmonisierte Vorschriften und harmonisierte Regierungen, die nur entfernt den Wählern Rechenschaft stehen. Als die Währungsunion 1999 einmal eingeführt war, musste der Rest folgen.

Jeder Schritt in Richtung einer „immer engeren Union“ brachte die Reaktion näher.

Es wird bis zur Zerreißprobe gehen. Etwas muss getan werden, damit die Griechen ihre Steuern zahlen, oder die Deutschen werden sich weigern, ihre Zuschüsse zu leisten. Wie Osborne sagt, es sind Euroanleihen erforderlich, bei denen Deutschland hinter den Schulden der südlichen Länder zu stehen hat, doch das bedeutet wiederum, dass die Staaten im Süden eine „von Deutschland konzipierte Wirtschaftspolitik“ akzeptieren müssen. Brüssel muss die zu erreichenden Ziele hinsichtlich Besteuerung und Staatsausgaben für die schwächeren Euro-Staaten festsetzen oder der Zahlungsverzug der Banken wird Europas wackliges wirtschaftliches Gleichgewicht demolieren. Und doch geraten in Brüssel bereits Versuche ins Wanken, eine einförmige Körperschaftssteuer durchzusetzen. Wie kann denn da eine echte Finanzunion halten?

### **Der Drift in die institutionelle Orthodoxie**

Wir haben bereits erlebt, wie sehr die notleidenden Länder dem IWF und der deutsch-französischen Achse ihre Forderungen übel nehmen. Die Griechen rebellieren in ihrer Schmach und die Deutschen rebellieren in ihrer Großzügigkeit. Europaweit verflüchtigt sich der alte pro-europäische Konsens. Die Slowaken haben abgelehnt, sich an der Rettung des Euro zu beteiligen, was von der EU-Kommission als „Solidaritätsdelikt“ beurteilt wurde – Worte, die an die alte Sowjetunion erinnern.

Das neueste Eurobarometer der öffentlichen Meinung zeigt zum ersten Mal ein allgemeines Misstrauen gegenüber der EU, das über dem Vertrauen überwiegt, und dies vorwiegend in Großbritannien, Deutschland und Frankreich. Umfragen zeigen, dass immer weniger Länder die Mitgliedschaft als positiv betrachten, wobei die Opposition immer stärker wird, je mehr man nach Norden geht. Es ist verhängnisvoll, dass die Politik der Euroskepsis entlang alter historischer Linien verläuft. Als die EU eine gesunde Handelsunion war, wurde sie im protestantischen Nordeuropa unterstützt. Als sie in eine institutionelle Orthodoxie und umfangreiche, grenzüberschreitende Transaktionen abglitt, verlagerte sich ihr Anziehungspotential auf den Süden der Gegenreformation. Die hochfliegende Sprache von Valéry Giscard d'Estaings erstem Entwurf des Vertrags von Lissabon war die einer päpstlichen Enzyklika.

Wie damals vor der Reformation wurde Nordeuropa eine ganze Weile besteuert, um die Zuschüsse an Mutter Kirche zur Begleichung ihrer Schulden aufrechtzuerhalten, doch das konnte ja nicht immer so weitergehen. Die deutschen Steuerzahler mögen den Griechen aus der Klemme helfen, weil die Hälfte der griechischen Schulden von ausländischen Banken getragen werden. Doch diese Steuerzahler werden nicht auch noch die Portugiesen, die Spanier und die Italiener retten. Die versuchte Wiederbelebung des Heiligen Römischen Reichs ist dem Untergang geweiht. Luthers Thesen werden bald an die Tür genagelt, und dies nicht etwa in Wittenberg, sondern am Berlaymont-Gebäude in Brüssel.

### **Luthers Thesen in Brüssel**

Eine „immer engere Union“ war schon immer eine gefährliche Fantasterei, ein Imperialismus von oben nach unten, der in den überfütterten Geistern der Kardinäle eines paneuropäischen Glaubens zustande kam. Man dachte, man könne die politische Realität verleugnen. Die Anmaßung lag in dem Glauben, dass die monetäre Union die nationale Identität irgendwie unangetastet lassen könnte, dass ein korruptes europäisches Parlament genug demokratische Rechenschaft abgeben könnte. Jetzt sind die guten Zeiten vorbei und diese Rechenschaft kann die schrecklichen Disziplinarmaßnahmen, die den Schuldnerstaaten auferlegt werden müssen, nicht validieren.

Eine energische Inlandsdemokratie ist die einzige Stärke der europäischen Nachkriegsstaaten. Disziplin aus der Ferne ist unannehmbar.

Der Versuch, ganz Europa eine Finanzunion aufzuzwingen, wird zu seinem Untergang führen. Doch worin Osborne mit seiner Art der Skepsis falsch liegt, ist, diesen Untergang so offensichtlich herbeizuwünschen. Wenn die Währungsunion ihre Belastungsgrenze erreicht und sich in einer Orgie der Fremdenfeindlichkeit aufröseln wird, wird Großbritannien gegen das Chaos nicht gefeit sein. Die Klein-Napoleons, die sich auf das Wagnis eingelassen haben, stoßen hier vielleicht auf ihr Waterloo. Doch die britische Wirtschaft wird das Gemetzel wahrscheinlich nicht unbeschadet überstehen.

July 24, 2011

# Making Newspapers, Not Plastic Buckets

By [ERIC PFANNER](#)

PARIS — The letter writer begins by expressing “a deep sense of distress over the unsavory happenings in the company that we and generations before us have nurtured with great care and dedication.”

“It is shocking that some of the board members should want to run a media institution like a company producing plastic buckets, with purely commercial considerations and unethical practices overwhelming editorial interests and values, thereby damaging the credibility of the newspaper,” the letter continues. Those conditions, the writer declares, have “made my continuance as editor untenable.”

Another departure from [News Corp.](#), following revelations of phone hacking by one of the company’s newspapers?

No. The letter was written last spring by N. Ravi, former editor of The Hindu newspaper of India, to announce his resignation. As the News Corp. scandal unfolds, his florid prose has been circulating on the Internet, his concerns seemingly of broader relevance to a troubled newspaper industry, even if the proximate cause — a boardroom feud — is different.

The unethical practices at the News Corp. tabloid, The News of the World, are an extreme example of what can happen when newspapers go the way of plastic buckets.

Glenn Mulcaire, the private investigator who intercepted voice mail messages for The News of the World, has said he was under “relentless pressure” from the paper to deliver headline-worthy information. There are also growing suggestions — though no hard evidence, yet — that The News of the World was not the only British paper to hire phone hackers like Mr. Mulcaire.

Journalistic competition is mostly a good thing. But in Britain, newspapers may be suffering from too much of a good thing.

Few Fleet Street papers make any money, and times are especially tough on the high-quality end of the market. The Times of London, which is also owned by News Corp., loses tens of millions of pounds a year. The Guardian, which has led the way in uncovering the [phone-hacking scandal](#), reported an operating loss of £33 million, or \$53.8 million, for its most recent financial year.

The Guardian survives because it is owned by a well-endowed charitable foundation. The Times survives largely because [Rupert Murdoch](#), chief executive of News Corp., loves newspapers.

In a publicly traded company like News Corp., these kinds of losses have to be balanced out with earnings from other operations. So The News of the World was expected to deliver sizable profits — and did. The Sun, a News Corp. tabloid, is also a big moneymaker.

With a sudden void of more than 2.6 million newspapers — the circulation of The News of the World — in the British market, it is not surprising that no one seems to be talking about filling it with unprofitable broadsheets.

Instead, all expectations are that, once the dust settles, News Corp. will move toward seven-day publishing of The Sun. Associated Newspapers, which produces The Daily Mail and The Mail on Sunday — “middle-market” tabloids with no Page 3 girls but lots of scare stories about immigrants — may introduce a lower-end tabloid to try to mop up leftover News of the World readers.

In the short term, the biggest beneficiary of the scandal was The Sunday Mirror, another tabloid, which reportedly added more than 700,000 sales on the first Sunday without a News of the World. The demise of The News of the World has also given a lift to The Mail on Sunday, as well as two papers whose journalistic contributions are especially meager: The Sunday Express and The Daily Star Sunday.

In other words, if anyone was expecting the demise of The News of the World to result in a new commitment to editorial quality over commercial considerations, forget it.

In the longer term, if British tabloids are no longer able to engage in phone hacking and other unsavory practices to generate scoops, the tabloids might fall out of favor. For now, the plastic buckets could come in handy.

NYT July 22, 2011

# The Shifting Nature of News

By [ALAN COWELL](#)

LONDON — What is news? News, they used to say at reporters' training courses in Britain, was the kind of snippet you might relay to a housebound relative, an interesting quirk that amused or informed or both. Dog bites man was not news. Man bites dog was.

But in recent times, the news seems to have shifted into ever more improbable terrain, even by the lights of a generation that grew up in the shadow of momentous change.

Consider the events of recent weeks in Britain: a newspaper, *The News of the World*, sold and read in the nation for 168 years, has been summarily closed by its owner, [Rupert Murdoch](#), who subsequently was splattered by a shaving-cream pie as he testified before a panel of lawmakers about a sordid phone-hacking scandal within his media empire that threatens to rewrite the rules and codes of power built up over decades.

“Over the past two weeks, a torrent of revelations and allegations has engulfed some of this country's most important institutions,” Prime Minister David Cameron told Parliament. “It has shaken people's trust in the media and the legality of what they do, in the police and their ability to investigate media malpractice, and, yes, in politics and in politicians' ability to get to grips with these issues.”

But the intertwined issues of trust and seismic shocks to the system spread much wider in a world where the certainties assumed by earlier generations have crumbled.

Since the financial crisis of 2008, the underpinnings of the Western world have fallen into disrepute while China's economic power looms on an ever-closer horizon. Bankers, once accorded a measure of public confidence, now occupy much the same place in public perceptions among the bottom-feeders of a new era as journalists and politicians.

With the fall of the [Berlin Wall](#) in 1989, we knew that — or assumed that — the alternative to Communism was democracy. A few years later in South Africa we knew that the alternative to apartheid was freedom. The world was in balance between past and future. Leaders like Helmut Kohl in Germany and [George H.W. Bush](#) in the United States believed they could manage the transition to a new world order. But who foresaw a shift that has left Western strategists uneasily eyeing Beijing's century?

In the early 1990s, the Gulf War had clear aims to expel [Saddam Hussein's](#) forces from [Kuwait](#) and a clear end when they had been routed. A decade later, the attacks of Sept. 11, 2001, turned the kaleidoscope again, propelling Western armies into far murkier commitments in Iraq and Afghanistan.

The Arab Spring, once unthinkable in a regime of iron control by insouciant elites, has turned into the Arab Summer and soon-to-be Fall without a clear vision of where revolutions are going in Egypt and Tunisia, or where bloody uprisings will lead those still fighting stubborn dictatorships in Syria and Libya.

And what alternatives offer themselves at this time, in this specific week? Despite a last-minute bailout of Greece, the longer-term survival of the euro currency, barely more than a decade old, is still a matter of fevered debate. The national stereotypes assembled in the great European project — profligate southerners, industrious northerners — have reasserted themselves over the notion of a common destiny that has driven and expanded Western Europe since the 1950s.

Europe's uncertainty is rooted in runaway debt. The dominoes of potential default stretch from Greece and Ireland to major economies like Italy and Spain. But debt is something that raises an even bigger question in the United States: will America default on its multitrillion-dollar borrowings — a nightmare scenario without coordinates for a way forward? If U.S. [Treasury bills](#) can no longer be trusted, what can?

And that perhaps is what makes the news so different now — we know where we came from; but events offer no clear signposts to the future. Previous assumptions are inoperative.

Another adage from journalism school was that all news is local — and so it still is.

Yet, few things remain local in a new and unfiltered world of tweets and social networking, bloggers and broadband. Potentially, all news is global, or at least viral. So the consumer must beware of its provenance — caveat emptor. Nothing, it sometimes seems, can be taken at face value.

The so-called mainstream media have lost their cherished claim to act as the sole filter of raw information. Their exclusive lock on the dissemination of news has dissolved. If events themselves are opaque, then the plethora of versions brings no special clarity.

So what *is* news?

It is, still, the moment of disclosure when hidden facts are revealed: whatever else has changed, the notion of a scoop has not. Indeed, that raw hunger for exclusives was a contributing factor in Britain's phone-hacking scandal, made all the more visceral as traditional newspapers fight for survival against digital upstarts.

News is still the grist of our understanding of the world around us, beyond the narrow perspective of our own backyard. It is the incremental step propelling our comprehension of events.

Once, purveyors of news claimed that their product signaled the destination, too. "Read all about it," the news vendors cried with a degree of chutzpah, as if the stories on those inky front pages contained all the answers.

These days, the call might need some rephrasing — less catchy but more modest — to say: "Read what we know so far."

NYT July 23, 2011

# Norway Attacks Put Spotlight on Rise of Right-Wing Sentiment in Europe

By **NICHOLAS KULISH**

BERLIN — The attacks in Oslo on Friday have riveted new attention on right-wing extremists not just in [Norway](#) but across Europe, where opposition to Muslim immigrants, globalization, the power of the European Union and the drive toward multiculturalism has proven a potent political force and, in a few cases, a spur to violence.

The success of populist parties appealing to a sense of lost national identity has brought criticism of minorities, immigrants and in particular Muslims out of the beer halls and Internet chat rooms and into mainstream politics. While the parties themselves generally do not condone violence, some experts say a climate of hatred in the political discourse has encouraged violent individuals.

“I’m not surprised when things like the bombing in Norway happen, because you will always find people who feel more radical means are necessary,” said Joerg Forbrig, an analyst at the German Marshall Fund in Berlin who has studied far-right issues in Europe. “It literally is something that can happen in a number of places and there are broader problems behind it.”

Last November a Swedish man was arrested in the southern city of Malmö in connection with more than a dozen unsolved shootings of immigrants, including one fatality. The shootings, nine of which took place between June and October 2010, appeared to be the work of an isolated individual. More broadly in Sweden, though, the far-right Sweden Democrats experienced new success at the polls. The party entered Parliament for the first time after winning 5.7 percent of the vote in the general election last September.

The bombing and shootings in Oslo also have served as a wake-up call for security services in Europe and the United States that in recent years have become so focused on Islamic terrorists that they may have underestimated the threat of domestic radicals, including those upset by what they see as the influence of Islam.

In the United States the deadly attacks have reawakened memories of the Oklahoma City bombing in 1995, where a right-wing extremist, Timothy J. McVeigh, used a fertilizer bomb to blow up a federal government building, killing 168 people. That deadly act had long since been overshadowed by the events of Sept. 11, 2001.

According to Mr. Forbrig, isolated right-wing groups in Europe would rise up and then quickly disappear from the '60s into the '90s. But in recent years far-right statements have appeared to lose much of their post-World War II taboo even among some prominent political parties.

A combination of increased migration from abroad and largely unrestricted movement of people within an enlarged European Union, such as the persecuted Roma minority, helped lay the groundwork for a nationalist, at times starkly chauvinist, revival.

Groups are gaining traction from Hungary to Italy, but it is particularly apparent in northern European countries that long have had liberal [immigration](#) policies. The rapid arrival of refugees, asylum seekers and economic migrants, many of them Muslims, led to a significant backlash in places like Denmark, where the Danish People’s Party has 25 out of 179 seats in Parliament, and the Netherlands, where Geert Wilders’s Party for Freedom won 15.5 percent of the vote in the 2010 general election.

Mr. Wilders famously compared the Koran, the holy book of Islam, to Adolf Hitler’s “Mein Kampf.” Both the Danish and Dutch right-wing parties are backing precarious minority governments while not directly participating by having ministers, and inching toward mainstream acceptance in the process.

Friday’s attacks were swiftly condemned by leaders from across the political spectrum in Europe. Germany’s Chancellor Angela Merkel was particularly sharp in speaking out against what she called an “appalling crime.” The sort of hatred that could fuel such an action, she said, went against “freedom, respect and the belief in peaceful coexistence.”

Yet some of the primary motivations cited by the suspect in Norway, [Anders Behring Breivik](#), are now mainstream issues. Mrs. Merkel, President Nicolas Sarkozy of France and Prime Minister David Cameron in Britain all recently declared an end to multiculturalism.

Multiculturalism “has failed, utterly failed,” Mrs. Merkel told fellow Christian Democrats last October, though stressing that immigrants were welcome in Germany.

Perhaps the most surprising about-turn came in Britain, a country that has long considered itself among the most immigrant-friendly in Europe until a series of coordinated bomb attacks in London six years ago. In one of his most noticed speeches, Mr. Cameron told the Munich security conference in February that the country’s decades-old policy of multiculturalism had encouraged “segregated communities” where Islamic extremism can thrive.

France, a fiercely secularist state where all religion is banned from the public sphere, was long isolated and berated for its staunch opposition to the laissez-faire of multiculturalism. Girls who show up in public schools there with the Muslim headscarf are suspended, as are teachers or any other employees in the public sector.

If Mr. Sarkozy appeared to soften his understanding of official secularism, or “laïcité” earlier in his political career, even toying with the idea of affirmative action, he has recently scrambled to backtrack. He held a nationwide debate on “national identity” last year and earlier this year banned Muslim full-face veils like [niqab](#), as well as the burqa.

That hasn’t stopped the far-right National Front, now led by Marine Le Pen, the daughter of its founder, to surge in opinion polls, with some surveys predicting that she might make it into next year’s presidential runoff. She compared Muslims praying in the streets outside overcrowded mosques to the Nazi occupation, and decries the European Union and the euro.

Earlier this month the daily newspaper Berliner Zeitung reported that neo-Nazis were attacking the offices of the far-left Left Party with increasing frequency. In the former East German state of Mecklenburg-Vorpommern, statistics showed that there were 30 such attacks in the first half of 2011 compared to 44 attacks in all of 2010.

Due to its Nazi past, Germany keeps a watchful eye on right-wing extremists, and the parties of the far right have a hard time gaining traction, with no representatives in Parliament. In Finland, the True Finns, a populist nationalist party founded in 1995, [became the third largest party](#) represented in the Finnish Parliament after winning 19 percent of the vote in April. And Norway’s Progress Party, a right-wing populist party, is the second largest in the country, winning 23 percent of the vote in the last parliamentary election in September 2009.

“The Norwegian right-wing groups have always been disorganized, haven’t had charismatic leaders or the kind of well-organized groups with financial support that you see in Sweden,” said Kari Helene Partapuoli, director of the Norwegian Center against Racism. “But in the last two or three years our organization and other antifascist networks have warned of an increased temperature of debate and that violent groups had been established.”

But neither does Norway exist in a vacuum. Its right-wing scene is connected to the rest of Europe through the Internet forums where hate speech proliferates and through right-wing demonstrations that draw an international mix of participants.

“This may be the act of a lone, mad, paranoid individual,” said Hajo Funke, a political scientist at the Free University in Berlin who studies rightist extremism, referring to the right-wing fundamentalist Christian charged in connection with the killings, “but the far-right milieu creates an atmosphere that can lead such people down that path of violence.”

*Reporting was contributed by Steven Erlanger from Oslo, Katrin Bennhold from Paris, Stefan Pauly from Berlin, and Scott Shane from Washington.*

NYT July 22, 2011

# In Greek Pact, Compromises and Intrigues

By [NICHOLAS KULISH](#) and [STEVEN ERLANGER](#)

BERLIN — The latest bailout in the Greek rescue has all the elements of what is fast becoming almost commonplace European intrigue.

The French president arranges a private summit meeting with the German chancellor. Europe's top central banker resists calls to allow [Greece](#) to write off some debt, fearing it could undermine [the euro](#). The Greeks cry out that their sovereignty is infringed.

And only when markets teeter toward panic is a deal finally reached in Brussels to stave off more attacks on the euro zone's vulnerable southern countries and prevent, for the moment at least, a broader run on financial markets.

The dramatic elements in the latest round of messy European compromise are not in themselves new. The question is whether the deal reached Thursday for another Greek bailout, this time valued at \$157 billion, and relief for Portugal and Ireland is a decisive step to calm Europe's financial storm or simply postpones another reckoning for the weakest southern European economies and the euro itself.

The consensus emerging is that European leaders went farther than ever before, crossing even their own red lines to shelter their decade-old currency. But many also worry that the intensive bargaining necessary to make an agreement possible resulted in a weak accord, saving face for all the key parties.

Jean Pisani-Ferry, director of Bruegel, an economic research institution in Brussels, said Thursday's meeting "clarifies the horizon and pushes it forward." But relief was not the same as solutions, Mr. Pisani-Ferry said, adding that he thought the private sector had not made enough concessions for the long run. Greece is almost sure to need further debt restructuring, he said.

The deal involved delicate compromises from all parties, especially Chancellor Angela Merkel of Germany and the [European Central Bank](#). Each gave something and could claim a prize as well. The Europeans eased the burden on Greece, gave a modest bill to the private financial institutions and empowered a European-wide fund to act more broadly to buy up bad debt. The moves seemed to appease the markets, for now.

Babis Papadimitriou, an analyst for the Kathimerini newspaper in Greece, warned that its government had not shown great skill at putting into effect measures it had approved, including the opening up of closed professions and the privatization of over \$70 billion in state assets.

The issues are political as much as economic. European democracy is fraught with the complications of 27 member nations, 17 of which use the euro, plus European institutions with shifting responsibilities. It was all on display in this crisis — internal German politics, the qualms of the European Central Bank, the plight of the Greeks and market anxieties over Italy and Spain, which are too big to bail out.

The biggest sticking point in reaching a broader accord to relieve Greece of some of its crippling burden of debt is Germany, where Mrs. Merkel has steadfastly resisted using European resources — meaning the wealth of Germany and other relatively prosperous members of the union — to write down Greek debt. Past bailouts provided new loans to Greece to help it pay off old ones, but ultimately just added to the country's overall debt load.

But as markets swooned again this past week, pressure mounted in Germany. Even members of her own party attacked her with a ferocity unseen during the slowly unfolding crisis, saying she was jeopardizing European unity. President Obama called Mrs. Merkel on Tuesday to remind her how fragile the world financial system had become and of Germany's responsibility.

Jean-Claude Trichet, president of the European Central Bank, was also pressed to consider steps he had previously insisted were impossible. On Wednesday, he called the bank's 23-member governing council together in the bank's high-rise headquarters in Frankfurt to discuss allowing the first default by a country that uses the euro.

Though staunchly opposed to compelling private banks to share the costs on Greece, which would mean at least a partial default in the eyes of bond rating agencies, the members of the bank council recognized that Germany was determined that any new bailout involve some pain for the private sector. But the council would insist on several conditions. European countries must guarantee Greek bonds so



they will remain eligible as collateral for central bank lending. The bloc must support Greek banks and step up assistance for Greece's economy.

And if private investors took losses on their holdings of Greek debt, that step must not be seen as a precedent that might be extended to other nations like Ireland or Portugal. "It should be unique," said a bank official.

President Nicolas Sarkozy of [France](#) was described as worried that Mrs. Merkel might not even attend the meeting Thursday. They had spoken by phone in what he described as a "sterile" conversation. He decided to fly to Berlin Wednesday afternoon.

"I need to deploy my energy," Mr. Sarkozy told his cabinet before leaving, "but at the same time I need to not hurt anyone's feelings."

After negotiating all afternoon and into the night, they were joined around 10 p.m. by Mr. Trichet, who had come from Frankfurt, and a call was placed to Herman Van Rompuy, president of the European Council. The meeting ended past midnight.

A possible deal had been reached, but Mr. Trichet left looking unhappy, as the French daily newspaper *Le Monde* reported. He had been cajoled into accepting the possibility of a selective default, meaning an organized write-down of some debt.

Everyone had to give something up. Mr. Sarkozy let go of his plan to tax banks to pay for bailout funds. Mrs. Merkel accepted a reinforcement and expansion of the region's rescue fund, called the European Financial Stability Facility. The fund would be allowed to buy sovereign debt on the secondary market and from the European Central Bank.

The fund would also stand ready to inject new capital into troubled European banks. It would be instructed to tender its loans at a wholesale price, with none of the punitive extra interest Mrs. Merkel once favored.

The fund would begin to look like a European monetary fund, making all euro zone taxpayers responsible for guaranteeing most of the debts of countries like Greece, Portugal and Ireland. German officials and voters were cool to the idea. But not as wary as the austerity-beaten Greeks to further deep spending cuts.

The 20-member Greek delegation arrived the day before the meeting with significant apprehension. Until Thursday evening they were not sure they would get a deal. Evangelos Venizelos, the finance minister, met with Josef Ackermann, chief of Deutsche Bank and chairman of the International Institute of Finance, the international bank group.

Mr. Ackermann acted as an intermediary between politicians and bankers, knowing it was impossible "to bring this package through Parliament without private sector participation," as he told German television.

Mr. Ackermann's involvement helped clear the way for big private banks to accept a modest write-down on the value of their Greek bonds. And a meeting over Gummi bears, cookies and a thermos of coffee between Mrs. Merkel, Mr. Sarkozy and George A. Papandreou, prime minister of Greece, opened the door to a broader agreement that other European nations might accept.

After opening statements at the Thursday summit, José Manuel Barroso, president of the European Commission, said the crisis had not been handled correctly. "We should have solved some of these issues before," he said, according to a senior European Commission official.

But a diplomat said the financial stakes seemed higher this time. Mrs. Merkel and Mr. Sarkozy "were speaking with one voice," the diplomat said.

The Dutch and Finnish delegations inserted language demanding that the Greeks secure loans with buildings, land and companies slated for privatization. "We are a sovereign country, not a company," said one member of the Greek delegation. "It was very insulting." Mr. Papandreou made it clear that would create a political crisis at home, possibly prompting the government's fall.

In the end, no one emerged with all demands met, but no one emerged an obvious loser, either.

Mrs. Merkel won contributions from private banks she desperately wanted, but let the euro zone slide closer to the sort of economic government that German taxpayers abhor. Her shift reflected growing panic at home that her dithering had endangered the European integration project central to German policy since the end of World War II.

While the European Central Bank conceded on private sector participation and the prospect of a selective default on Greek debt, the bank achieved its goal of tightening euro area fiscal discipline and shifting responsibility for supporting Greece to European countries. The pact also allows the European stability fund to buy European government debt in open markets, relieving the central bank of that task.

Mr. Sarkozy, for his part, hailed the new powers for the stability fund as “the initiation of a European monetary fund,” a longstanding French goal.

As she faced reporters in Berlin Friday, Mrs. Merkel seemed confident. “All of Europe has undertaken reforms that a year and a half ago would not have been conceivable,” she said, pointing to the higher retirement age in Spain, the sale of state-owned assets in Greece, savings packages in Ireland and Italy and even a new commitment in France to bring down its budget deficits.

“You have to tackle the problem at the root,” she said.

*Contributing reporting were Landon Thomas Jr. in London, Jack Ewing in Frankfurt, Stephen Castle in Brussels, Rachel Donadio in Rome, Judy Dempsey in Berlin and Niki Kitsantonis in Athens.*

07/22/2011 10:49 AM

## Saving the Euro

**Sarkozy Gets His European Monetary Fund**By [Carsten Volkery](#) in Brussels

**European leaders on Thursday pushed through a second bailout package for debt-stricken Greece, one which includes a surprisingly high level of private participation. In addition, the euro-zone backstop fund has been given new powers, making it look suspiciously like a European IMF.**

In the end, there were important resolutions to announce after all. Euro-zone heads of state and government agreed on Thursday evening to a second emergency aid package for Greece "and some other things," said German Chancellor Angela Merkel following the special summit of the 17 euro-zone member states in Brussels. She exuded satisfaction and said it had been an "important day."

In the weeks prior to the summit, Merkel had repeatedly insisted that there was no need for the special summit and she made it clear that she was [not enthusiastic about participating](#). As recently as Tuesday, she warned that one should not expect any "spectacular" moves. And the Thursday agreement does indeed fall [short of being spectacular](#), but it provides the clarity that was so badly needed.

The new package provides for €109 billion worth of credit for Athens. The majority of the fund comes from the euro backstop fund known as the European Financial Stability Facility (EFSF) and from the International Monetary Fund (IMF). Private creditors are to contribute an additional €50 billion by 2014 via a combination of debt buybacks and swaps. The level of private involvement in the plan is much higher than had been expected and reflects the position that Germany had been insisting on for months. It can be seen as a personal success for Merkel.

At the same time, the EFSF is to be granted additional, pre-emptive competencies to prevent the euro crisis from spreading to additional countries. Among other measures, the EFSF will have the ability to buy state bonds on secondary markets -- from banks and insurance companies for example -- in order to support debt-ridden euro-zone countries. It is a further step in the direction of the kind of transfer union that Germany has long insisted must be avoided.

**A European Monetary Fund**

Euro-zone leaders were eager to avoid such bond purchases becoming business-as-usual. Prior to taking such a step, the European Central Bank must identify a country's debt predicament as being extreme and all euro-zone member states must grant their approval. Each national government would hold veto rights. But the new EFSF powers meant that French President Nicolas Sarkozy also had something to celebrate. "We have agreed to create the beginnings of a European Monetary Fund," Sarkozy crowed.

The moves do indeed mean that the EFSF increasingly resembles the Washington-based IMF. It will now be allowed to grant pre-emptive lines of credit to countries under pressure on the financial markets. It will also be allowed to assist in the recapitalization of stricken banks. Even Merkel, who had long been opposed to the idea of a European Monetary Fund, allowed that "one could draw such a comparison" to the IMF.

Reaction to the deal on the financial markets was one of relief that Europe, after months of disagreement, had finally thrown Greece a second lifeline. It became increasingly apparent throughout July that postponing the decision until after the summer holiday period -- as had initially been the plan -- was impossible. [Risk premiums on Italian](#) and Spanish state bonds have risen in recent weeks, raising the prospect that the crisis could infect those two major economies. The very public debate regarding potential state insolvencies and debt restructuring had made investors uneasy.

"For the first time since the beginning of this crisis, we can say that the politics and the markets are coming together," said European Commission President Jose Manuel Barroso on Thursday evening.

### **Strongly Against the Move**

The plan presented in Brussels on Thursday evening is a classic French-German compromise. Sarkozy relented on the question of private involvement -- prior to his Wednesday meeting with Merkel in Berlin, he had been strictly opposed. Merkel, for her part, relented in her opposition to broadening the powers of the EFSF. Her coalition partners in Berlin, the business-friendly Free Democrats (FDP), had been strongly against such a move.

Indeed, the breakthrough for Thursday evening's agreement came during the Merkel-Sarkozy meeting in Berlin, a seven-hour marathon of discussions -- parts of which were attended by ECB head Jean-Claude Trichet -- that ended just after midnight. European Council President Herman Van Rompuy also joined the talks by phone.

Merkel's vice chancellor, Philipp Rösler, who is head of the FDP, did his part from the shores of the Baltic Sea, where he is currently vacationing. Merkel asked Rösler to keep Dutch Prime Minister Mark Rutte informed of the German government's position. Rutte then passed on that information to the smaller euro-zone member countries. By keeping them informed, Merkel wanted to avoid the impression that France and Germany were moving ahead on their own -- as happened after Merkel and Sarkozy met in Deauville in 2010. During those talks, the two leaders had agreed on stricter rules for those who violate European Union budget deficit regulations.

The strategy would seem to have worked -- the 17 euro-zone countries quickly agreed to the German-French proposal. Still, the leaders shied away from taking the dramatic step of slashing Greek debt via a so-called "debt haircut." Many experts, however, feel that such a step will ultimately become necessary as part of a lasting solution to the Greek debt crisis.

### **Temporarily Insolvent**

But euro-zone leaders did seem to be leaning in that direction. The involvement of private creditors in the new aid package means that the level of Greek debt, which currently stands at 160 percent of annual economic output, will fall by 12 percentage points. The interest rate which Greece must pay on its loans from the EFSF was also reduced to 3.5 percent, a move which will lower its debt load by an additional 12 percentage points.

Decisive for the success of the summit was the approval of the European Central Bank. The ECB had long been strictly opposed to any involvement of private creditors because they didn't want to take the risk that rating agencies would see such a move as a Greek default. Now, however, the ECB has allowed Greek debt swaps under certain conditions. Owners of Greek bonds are to be given the opportunity this autumn to exchange those bonds for new paper guaranteed by the EFSF. The exchange is to take place within a predetermined window of time, likely to be just a few days. The new bonds are to have periods from between 15 and 30 years with an interest rate of 3.5 percent. That, euro-zone leaders hope, will give Greece enough time to get back on its feet.

The plan will likely lead rating agencies to downgrade Greece to default status for several days this autumn. But government leaders consider the risk to be manageable. Once the new bonds, guaranteed by the EFSF, are issued, Greece will be upgraded again -- according to the plan, at least. How exactly the markets will react, however, remains to be seen.

### **URL:**

- <http://www.spiegel.de/international/europe/0,1518,775892,00.html>

- Euro rescue

## Cross-border Keynesianism lacks a constituency

The Economist Jul 22nd 2011, 0:02 by M.S.

THE draft euro-zone rescue package [leaked earlier today](#), and was promptly slammed by [Paul Krugman](#), [Wolfgang Munchau](#) and [Tyler Cowen](#). The general concern is: where is the demand supposed to come from that will buoy a prospective recovery? Mr Krugman bemoans the commitment by all states to bring their budget deficits below 3%:

OK, so we're going to demand harsh austerity in the debt-crisis countries; and meanwhile, we're also going to have austerity in the non-debt-crisis countries.

Plus, the ECB is raising rates.

So demand will be depressed in both crisis and non-crisis economies; this will lead to a vigorous recovery through ... what?

The Serious People are determined to destroy all the advanced economies in the name of prudence.

This certainly seems like the logical criticism of the euro-zone's approach to its crisis if you're coming from a general critique of austerity measures. But I think it's worth pointing out the extremely high political hurdles to getting people to accept Keynesian thinking when it's extended across national lines. As hard as it may be to get Americans to accept the concept that the solution to a recession brought on by American private debt can be for the American government to borrow more money, it's vastly harder to get Dutch people to accept the concept that the solution to a monetary crisis brought on by Greek public debt could be for the Greeks to borrow more money from the Dutch. Or for the Dutch to borrow and spend more money, some of which will end up in Greece. There is no way for a political party to run on a platform of putting the home country further into debt and worsening the balance of trade with a macroeconomically irresponsible neighbour so as to improve the neighbour's growth numbers and credit rating in bond markets, and forestall the need for a bail-out.

This morning, the Dutch parliament's finance committee held [an emergency meeting with Jan Kees de Jager](#), the finance minister, to discuss the Dutch stance at the Brussels negotiations. No party on either the left or the right argued for more demand stimulus by wealthy, low-debt northern European countries in order to improve the prospect of recovery for southern European countries. On both the right and the left, in the governing right-wing coalition and in the opposition, everyone was united on the need for a rescue package for Greece to be tied to strong conditionality ("they need to get their house in order"). The range of opinion, across the spectrum from the governing Liberals and Christian Democrats to the opposition Labour and GreenLeft, was extremely narrow; it concerned advocacy for stronger centralised European fiscal policy. (The right is against it, the left is for it, the Liberals are somewhere in the middle.)

There were only two voices dissenting from the consensus "Serious People" view. The first was the Socialist Party, which believes Greece should be allowed to default for its own good and go back on the drachma. The second was the far-right Party for Freedom (PVV) of Geert Wilders, which believes that the Greeks should be kicked out of the euro, that

"throwing money over the dykes" to Greece is sucking the Netherlands down into a bottomless pit, and that having their own currency would be better for the Greeks and everyone else. Both of these parties are viewed as having removed themselves from serious discussion on the issue, and neither of them is making their case primarily on the basis of the absence of a theory of demand from euro-zone solutions. Though the Socialists come closer. But the overwhelming direction of political sentiment in the Netherlands is punitive: the Greeks, and the private-sector financial institutions that financed their debt at inappropriately low rates, must be made to pay in order to avoid perverse incentives. And in an environment where countries with high debts are being attacked by bond vigilantes, one after the other, Dutch taxpayers are hardly about to vote to increase their own national debt. It's hard to see how to get around that political dynamic.

# The news industry

This house believes that the internet is making journalism better, not worse.



The moderator's closing remarks

Jul 20th 2011 | [Tom Standage](#) 

Having sharpened their arguments over the two previous rounds, our two speakers close the debate by making much more pointed statements for and against the motion. Jay Rosen regards the notion that the internet has improved journalism as "screamingly obvious" once you think about it, but it has become taken for granted. Online news updates throughout the day, live blogs, video—perhaps there are fewer journalists than there were at the industry's peak, but the service they now provide, Mr Rosen contends, is "dramatically better" because of the internet.


Nicholas Carr dismisses his opponent's arguments as "sunny platitudes and questionable generalisations" that are unsupported by hard evidence. Because Mr Rosen inhabits a cyber-elitist "hothouse" of constantly updated information, Mr Carr suggests, he makes the mistake of assuming that ordinary people do the same, when in fact they may find that their local paper has shut down and local television newscasts are fixated by traffic jams and crime stories. Maybe the internet has improved things for news junkies, he says, but for most people it has made things worse.

Perhaps it should not come as a surprise, given that this is an online debate, that the voting tally has been consistently in favour of the motion throughout, and by a large margin (roughly 70% in favour, 30% against). The kinds of people who participate in a debate of this nature are, by definition, likely to think that it is a worthwhile endeavour, and since this debate is a form of internet-enabled journalism, they are therefore likely to support the motion. People who are sceptical of the internet's impact on journalism might be assumed to be less likely to take part. Yet oddly enough the comments are more finely balanced; by my rough count, commenters are more or less equally distributed between pros, cons and don't knows.

That suggests that the validity of the motion seems obvious to its supporters, who feel less of a need to argue in its favour in the comments, whereas opponents of the motion and the undecided feel more of a need to explain their reasoning. So Mr Rosen may be right to suggest that the internet's beneficial impact on journalism seems obvious, at least to some people; but Mr Carr may also be right to suggest that only news junkies, of the kind who attend online debates, see things that way. As you consider casting your own vote, if you have not done so already, you may want to ask yourself: are you a news junkie? And if so, do you think the internet has improved journalism for everyone—or just for you and other news junkies?



The proposer's closing remarks

Jul 20th 2011 | [Jay Rosen](#) 

Nicholas Carr and I agree that the internet has undermined the business model for serious journalism. Looking at what it has been, he sees journalism getting worse. Looking at what it could be, I think its prospects are better than ever. Of course it takes a while for the possible to become the actual.

One place it is already happening is science journalism. For a description of how things used to work at the newspapers and magazines that had science writers, listen to [John Rennie](#), former editor in chief of *Scientific American*: "We need to fix what has bugged me for years as one of the biggest failings of traditional science journalism, which is that 95 percent or more of what passes for science news is driven by the 'big paper of the week' model. It's the one in which the prestigious science journal issues its embargoed press release, which goes out to everybody, which everybody jumps on, which everybody then writes up and it all comes out at the same time. It's pack journalism. We have to get those stories out right away, all at the same time, because you don't want to be scooped by all the other guys who are writing that exact same story—because that would make you look stupid."

But the internet is undermining this pattern, which is good. Let the big journals publish their own press releases and link to the original studies. Science writers who know enough can add the context and scepticism that the publisher would probably leave out. By linking, others can alert users to new work without treating each week's big paper as "news", which was more of an artefact of the [embargo system](#). The true import of new research will not be known for years and will not come in the form of a press release. Freed from the "paper of the week" model, science journalists have a better chance of reporting what is slowly coming into view as genuine discovery. [Scientists with a gift for explanation](#) can also get into the game.

Now that is a better system, and it is emerging. [Discover magazine](#), [Scientific American](#), [Wired](#), the [Guardian](#), and the [Public Library of Science](#) work this way, with scientists and reputable [science bloggers](#) writing alongside and on an equal footing with professional science writers and editors. But Mr Carr is focused on the fact that newspapers have fewer reporters to devote to the science beat.

That the internet is making journalism better is something I experience every day, as a reader of the *New York Times*, my home-town paper and the one I rely on the most, along with the *Guardian*. The *Times* staff is slightly smaller than it was at its peak, but the service it provides is dramatically better. We all know this. We know it so well, it has drifted into the background of this debate. Let me fix that.

When news happens, I go to [nytimes.com](#) or [guardian.co.uk](#) and read about it right now rather than waiting until the next morning for the paper to land. Better. When there is something big that I am following closely, they [live blog](#) it. Better. When I want to know what the mood was



like at a tense news conference that I just read about at nytimes.com, I click and [watch the video](#). Better. When I want to understand the devastation that a tsunami causes, I [move the slider on these paired images](#) and it hits me: oh my god. Much better.

Why am I rehearsing such screamingly obvious facts? Because Mr Carr must have forgotten them along the way to his conclusion that things are getting worse in journalism. Or he hopes you did.

To finish this debate, I want to offer my riskiest argument for why the internet is making journalism better. Riskiest, because the chance of being misunderstood is the highest. The net will make journalism better because it has to become better to survive. For instance, do you want to charge for news and information on the internet? Don't even try unless you are adding a lot more value than the average daily newspaper ever did. But people will try, and what they offer will be better.

Journalism will survive and improve because there is public demand for it, and because there are people who desperately want to be journalists, who cannot imagine doing anything else, who will fight for a professional life in journalism. (Read this [speech by Robert Krulwich](#) addressed to those people.) And they will win that life by finding a way to sustain themselves. Because they are in love with that particular job: the pace of news, the satisfaction of discovery, the chance to explain things, the "ohmygodwhatastory" thrill of it.

They are not going to let a professional contrarian like Mr Carr tell them they cannot have a life in journalism because the internet wrecked it.



The opposition's closing remarks

Jul 20th 2011 | [Nicholas Carr](#) 

Like many who celebrate the net's informational bounties, my opponent in this debate is a member of the online elite. He is a fixture on Twitter, having written, at last count, 16,963 tweets and garnered 61,765 followers. He is a prolific and popular blogger. He broadcasts his thoughts to the world through a FriendFeed account, a Facebook account, a Posterous account, a Tumblr account, a Storify account, a YouTube account and a Google+ account. And he has a weekly podcast. Jay Rosen is very much of the net.

I do not intend that as a criticism. Mr Rosen is plying his trade, and he is doing a fine job of it. On the internet, hyperactivity is no sin. But even though he has devoted so much time and energy to the online world, he has not been able to back up his defence of the net's effects on journalism with facts. Instead, he continues to give us sunny platitudes and questionable generalisations. In his latest statement, he declares that "more people are consuming more [good journalism] than ever before". That is a remarkably sweeping claim. What evidence does he supply to back it up? None.

I sense that Mr Rosen's opinions about the state of journalism reflect the internet hothouse in which he spends his days. He sees a smattering of experiments in online reporting, few of which reach the masses, and he senses a renaissance in journalism. He sees a few dozen comments appended to an article, and he declares we are in the midst of a populist media revolution. He sees some nascent attempts to figure out how to pay for long-form journalism, and he senses an imminent widening of the national attention span. He calls journalism a "democratic beast", but his "democracy" seems awfully narrow and awfully privileged.

Outside the new-media hothouse, people do not have the luxury of spending their waking hours tweeting, blogging, commenting, or cobbling together a Daily Me from a welter of sites and feeds. They are holding down jobs (or trying to find jobs). They have kids to raise, parents to care for, friends to keep up with, homes to clean. When they have spare time to catch up on the news, they often confront a wasteland. Their local paper has closed or atrophied. The newscasts on their local TV stations seem mainly concerned with murders, traffic jams and thunderstorms. Cable news shows present endless processions of blowhards. America's once-mighty news magazines are out of business or spectres of their former selves.

In this light, Mr Rosen's suggestion that "journalism, to be useful, needs not only to reach us with information, but to engage us in public argument" seems facile. Most people today would be happy with the information. And has the "public argument" really improved since the web's arrival? It was loud and polarised before, and now it is louder and more polarised. The web rewards, with links and traffic, fervid expressions of ideological purity. We can see the result in Washington, where politicians preach, and tweet, to the converted, and the spirit of compromise, of appreciating an opponent's point of view, is all but gone. We have no shortage of argument today. What we have is a shortage of good, unbiased reporting.

The drift towards our current state of affairs began long ago. But the web has accelerated the trend by making it much more difficult to keep a robust, even-handed news organisation in operation. Mr Rosen may be loath to admit it, but professional reporters are and will remain the main source of news. "In any community, journalists are the primary intermediaries for news," [wrote the Knight Commission on the Information Needs of Communities in a Democracy](#). "They ask tough questions. They chase obscure leads and confidential sources. They translate technical matters into clear prose. Where professionals are on the job, the public watchdog is well fed. Part-time, episodic or unco-ordinated public vigilance is not the same." It is fine to talk about "news as a conversation", but in the end what matters is how well journalism keeps the broad public informed and maintains a watchful eye on the powerful. By weakening those roles, the net has done great damage.

I understand how a member of the plugged-in elite would assume the internet has improved journalism. If you spend hours a day consuming news and producing opinions, the net provides you with endless choices, diversions and opportunities for self-expression. For the news junkie, the net is a crack house that dispenses its wares for free. But if you look beyond the elite, you see a citizenry starved of hard, objective reporting. For the typical person, the net's disruptions have meant not a widening of options but a narrowing of them.

Mr Rosen is a skilled advocate for the net's benefits. But praise of the gains needs to be tempered by an understanding of how the net has eroded journalism's foundations. The damage is not over yet. Just last month, the Gannett chain announced the firing of 700 more employees at 80 community newspapers. If we are going to secure a better future for journalism, online

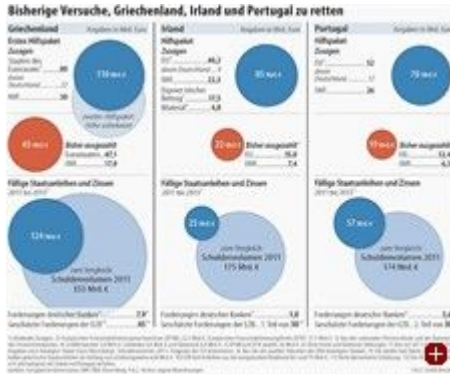
and off, we need to be honest with ourselves about its present condition. We can begin by rejecting the motion before us.

## Die fünf Phasen des Schlamassels

# Eine kurze Geschichte der Euro-Krise

Am Donnerstag kommen die Staats- und Regierungschefs des Euroraums nach Brüssel, um „den Euro zu retten“. Es ist nicht das erste Treffen, von dem es vor Beginn heißt, es sei das „entscheidende“. Was ist in den vergangenen eineinhalb Jahren passiert?

Von Werner Mussler, Brüssel

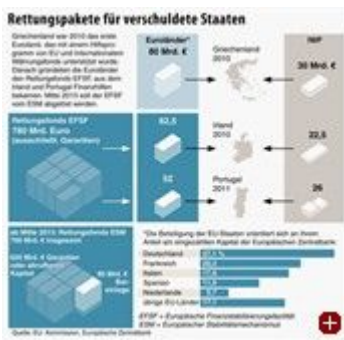


20. Juli 2011

Wann und womit hat diese Krise begonnen? Lässt sie sich genau charakterisieren? Als Schulden-, Euro-, Europakrise? War der Zusammenbruch von Lehman Brothers im September 2008 der Ausgangspunkt? Der willentliche Bruch des EU-Stabilitätspakts durch Deutschland und Frankreich im November 2003? Die Aufnahme Griechenlands in den Euroraum 2001? Oder gar der Maastrichter Beschluss, eine Währungsunion einzuführen? Sicher ist, dass die Euro-Krise schon jetzt Generationen von Wirtschaftshistorikern Arbeit verschafft hat. Sicher ist auch, dass der Begriff „Euro-Krise“ zutrifft – auch wenn viele europäische Politiker den Begriff mit der Begründung ablehnen, der Außenwert der Gemeinschaftswährung habe sich seit deren Einführung erhöht, von 1,18 Dollar am 4. Januar 1999 auf 1,42 Dollar am Mittwoch.

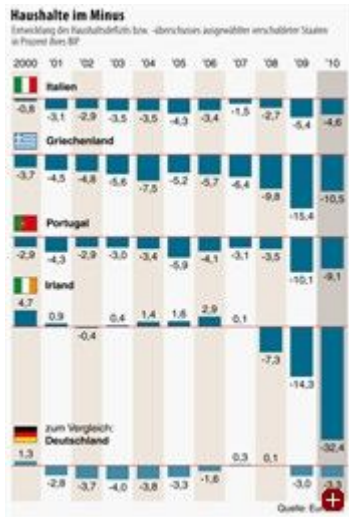
Mindestens aus drei Gründen handelt es sich um eine Euro-Krise: Ohne die Währungsunion hätten sich die jetzt auf Hilfe angewiesenen Länder nicht so stark verschuldet. Und ohne die Währungsunion hätte die griechische Überschuldung keine solche Angst vor Ansteckung ausgelöst. Und die institutionelle Basis des Euro – vergemeinschaftete Geld-, aber unverändert nationale Finanzpolitik, ergänzt durch den Stabilitätspakt – hat sich nicht bewährt.

## Fünf Phasen einer Krise



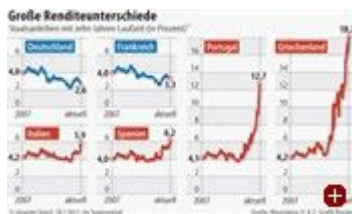
Im engeren Sinne hat die Krise vor knapp zwei Jahren begonnen. Nach dem Treffen der Eurogruppe am 19. Oktober 2009 in Luxemburg teilte deren Chef, Luxemburgs Premierminister Jean-Claude Juncker, eher beiläufig mit, das griechische Staatsdefizit werde im laufenden Jahr mehr als doppelt so hoch ausfallen wie erwartet – und bei 12 bis 13 Prozent des Bruttoinlandsprodukts liegen (Die F.A.Z. berichtete damals [Ärger in Brüssel: Griechenlands Defizit plötzlich verdoppelt](#)).

Die Ratingagenturen, die bis dato dem haushaltspolitischen Gebaren einzelner Euro-Staaten wenig Beachtung geschenkt hatten, stuften Griechenland danach rasch herunter, mit der Folge, dass die Risikoaufschläge für griechische Staatsanleihen genauso schnell stiegen. Schon im Februar 2010 galt Griechenland praktisch als zahlungsunfähig – und die Euro-Staaten versicherten erstmals, Athen im Notfall beizustehen.



Die seitherige Reaktion der Euro-Staaten auf die Krise lässt sich in mehrere Phasen aufteilen: Die **erste Phase** endete mit dem Krisengipfel der „Chefs“ des Euroraums im Mai 2010. Damals wurde das erste Griechenland-Hilfspaket endgültig beschlossen und zugleich die **zweite Phase** eingeleitet: Das gemeinschaftliche „Herauspauken“ eines in Not geratenen Euro-Staats wurde zur Regel erklärt und durch die Gründung des Hilfsfonds EFSF institutionalisiert.

Die **dritte Phase** war von der Diskussion über institutionelle Reformen der Währungsunion geprägt. Ihr Ziel war einerseits, künftigen Krisen vorzubeugen, etwa durch die Schärfung des Stabilitätspakts und die engere wirtschaftspolitische Kooperation der Euro-Staaten, andererseits sollten die Kriseninstrumente wie die EFSF verstetigt und eventuell durch neue ergänzt werden. Diese Diskussion schleppte sich durch das gesamte zweite Halbjahr 2010 und sollte mit möglichst endgültigen Beschlüssen der Staats- und Regierungschefs im März abgeschlossen werden. Einiges wie der von Bundeskanzlerin Angela Merkel (CDU) angeregte „Euro-Plus-Pakt“ ist tatsächlich unter Dach und Fach, wenn auch mit absehbar geringer Wirkung. Andere Pläne, etwa die Verschärfung des Pakts, sind in Verzug geraten, weil sich Europaparlament und Ministerrat darüber bislang nicht einig geworden sind.



Die **vierte Phase** (welche die dritte überlagerte) war geprägt von der Verschärfung der Schuldenkrise in zwei weiteren Euro-Staaten. Irland musste im November 2010 Hilfe der EFSF (sowie eines weiteren europäischen Hilfsfonds und des Internationalen Währungsfonds IWF) in Anspruch nehmen, Portugal folgte im Mai 2011. Die **fünfte Phase** ist die „Griechenland II“-Phase. Seit drei Monaten ist endgültig klar, dass die Prämissen des ersten Griechenland-Hilfspakets unrealistisch waren, dass das Land nicht wie geplant 2013 an die Kapitalmärkte zurückkehren kann und deshalb ein neues Hilfspaket für Athen zu schnüren ist. Wie es auszusehen hat und wie vor allem die privaten Gläubiger Griechenlands – in erster Linie Banken und Versicherungen – an diesem Programm zu beteiligen sind, darüber schwelt eine Diskussion, die sich seit Junckers Ankündigung einer „sanften Umschuldung“ im Mai im Kreis zu drehen scheint. Der an diesem Donnerstag stattfindende Sondergipfel der Staats- und Regierungschefs der Euro-Staaten ist nicht das erste Treffen, von dem es im Vorfeld heißt, es werde diesen Streit „endlich“ lösen.

Ob schon eine **sechste Phase** begonnen hat, lässt sich derzeit schwer einschätzen. Die in den vergangenen zwei Wochen gestiegenen Risikoaufschläge auf italienische Staatsanleihen haben die Sorge wachsen lassen, dass mit Italien der erste große Euro-Staat von der Krise angesteckt werde. Deshalb ist seither auch die Diskussion über zusätzliche Kriseninstrumente wieder entbrannt.

**So viele Gipfel gab es selten**



Es steht also wieder einmal ein „entscheidendes“ Treffen bevor. Doch wie oft war davon in den vergangenen anderthalb Jahren vor einem der vielen EU- und Euro-Krisengipfel die Rede? Und wie oft hieß es, der Gipfel müsse eine Entscheidung hervorbringen, die „endlich wieder Ruhe“ herstelle – auf den Märkten, zwischen den Euro-Staaten, unter den immer zerstrittener wirkenden Partnern des Euroraums? Gelungen ist das nie wirklich. Manchmal hinterließen die Gipfel noch mehr Konfusion, manchmal war ein paar Wochen oder Monate Ruhe. Aber weder die „Rettungsaktionen“ für überschuldete Staaten – die in Wirklichkeit keine Rettung darstellten, sondern den betreffenden Ländern mit dem Geld der Steuerzahler Zeit kaufen sollten –, noch die geplanten institutionellen Reformen brachten dem Euroraum innere Stabilität. Dennoch hegten alle die unausgesprochene Hoffnung, irgendwann und irgendwie werde der Spuk schon vorbeigehen.

Als EU-Ratspräsident Herman Van Rompuy am vergangenen Freitag zum abermaligen Sondergipfel einlud, brach sich die Erwartung Bahn, eine „Lösung“ der Griechenland-Krise sei jetzt gefunden, die seit Monaten andauernden Diskussionen könnten nun beendet werden. Die Erwartung beruhte auf einer einfachen Überlegung: Ein Sondergipfel ergäbe nur Sinn, wenn er irgendeine Art von Ergebnis brächte. Im umgekehrten Fall würde die Zerrissenheit des Euroraums endgültig manifest. Doch die Bundeskanzlerin hat die Erwartung auf eine „spektakuläre Einzelentscheidung“ bereits wieder gedämpft (siehe [Merkel dämpft Erwartungen an Euro-Gipfel](#)). Auch EU-Beamte rechnen nicht damit, dass das Gipfeltreffen viel lösen wird – und erwarten schon das nächste Sondertreffen der Euro-Finanzminister, an die die Streitfragen wieder zurückverwiesen werden könnten.

### Die Eckpunkte des neuen Griechenland-Pakets werden wohl bald beschlossen

Mindestens eine Erwartung muss sich indes nun, da das Treffen nun einmal stattfindet, erfüllen: Die Eckpunkte des neuen Griechenland-Pakets müssen beschlossen werden. Konkret bedeutet das: Es muss klar werden, wie viel Geld Athen braucht – die Rede ist in der Regel von 120 Milliarden Euro – und wer zu diesem Paket wie viel beiträgt. Vorher müssen sich die Staats- und Regierungschefs aus einer Falle befreien, die sie sich vor vier Wochen selbst gestellt haben. Auf dem letzten Gipfeltreffen im Juni beschlossen sie den Formelkompromiss, die privaten Gläubiger müssten sich am neuen Griechenland-Paket freiwillig und substantiell beteiligen und es dürfe zudem nicht zu einem griechischen Zahlungsausfall kommen. Damit waren zwar alle Wünsche der unterschiedlichen Euro-Staaten formuliert: Länder wie Deutschland und die Niederlande, seit einiger Zeit aber auch Frankreich fordern eine Beteiligung der Banken wegen deren Verantwortung für die Finanzkrise und um dem Steuerzahler nicht die komplette Last an einer abermaligen „Rettung“ Griechenlands aufzubürden. Vor allem die Südländer wollen um jeden Preis einen griechischen Zahlungsausfall – de facto einen Staatsbankrott – vermeiden, weil sie für diesen Fall eine unmittelbare Ansteckung befürchten. Und die Europäische Zentralbank (EZB) verweigert sich einem Zahlungsausfall mit dem Argument, sie könne dann keine griechischen Staatsanleihen mehr als Sicherheiten akzeptieren – was wiederum die griechischen Banken in die Pleite triebe.

Freilich ist es schon aus logischen Gründen fast unmöglich, die drei Ziele gleichzeitig zu erreichen. Denn die Ratingagenturen haben signalisiert, dass sie jede mit einem Zwangselement versehene Beteiligung der privaten Gläubiger als teilweisen Zahlungsausfall einstufen werden. „Freiwillig“ und „substantiell“, das passt nicht zusammen. Deshalb wird nun erwogen, eine Sondersteuer für Banken und Versicherungen zu erheben und die Erträge für das griechische Hilfspaket zu verwenden (siehe [Griechenland: Bankensteuer Option für neues Hilfspaket](#)). Damit würden die privaten Gläubiger beteiligt, ohne dass sich das direkt auf den Status der griechischen Staatsanleihen auswirke, die sie halten. Somit bliebe auch das Rating unberührt. Allerdings würden alle Institute unabhängig von ihrem Engagement in Griechenland beteiligt.

### Der Fonds kann manchem nicht groß genug sein

Wie vor gut einem Jahr fällt die Diskussion über die Griechenland-Hilfe mit der Frage zusammen, ob das bestehende Instrumentarium zur Krisenbewältigung erweitert werden soll. Da ist seit Mai 2010 schon einiges beschlossen worden, wegen der ausstehenden Ratifizierung in allen Euro-Staaten aber noch nicht unter Dach und Fach. Die EFSF, die zunächst wegen notwendiger Übersicherungen nur ein Kreditvolumen von etwas mehr als 250 Milliarden Euro zur Verfügung hatte, soll nun 440 Milliarden Euro ausleihen können. Zudem wird der zunächst nur auf drei Jahre befristete Euro-Hilfsfonds zur Dauereinrichtung. Von 2013 wird der dann ESM genannte Fonds 500 Milliarden Euro verleihen können. Abgesichert wird er dann nicht nur wie bisher durch Garantien sein, sondern auch durch – die nationalen Haushalte direkt belastende – Bareinzahlungen der Euro-Staaten. Die Bundesregierung hat für die Einrichtung des ESM eine Änderung der europäischen Verträge durchgesetzt, die sicherstellen soll, dass der Fonds nur als „ultima ratio“, nur bei unmittelbarer Gefahr für die Finanzstabilität des Euroraums eingesetzt wird. Der irische und der portugiesische Fall haben freilich gezeigt, dass man einen Einsatz des Fonds fast immer begründen kann.

Trotz der schon getroffenen Beschlüsse stehen weitergehende Schritte zur Diskussion. Mehrere EZB-Vertreter haben eine Ausweitung des EFSF- und später ESM-Kreditvolumens gefordert – bis hin zur Verdopplung. Ihr Argument lautet letztlich, dass der Fonds nicht groß genug sein könne – nicht um ihn komplett auszuschöpfen, sondern um potentielle Spekulanten abzuschrecken. Derzeit erscheint eine solche Erhöhung freilich unwahrscheinlich, zu groß sind die Widerstände dagegen.

### **Die alte Forderung nach Euroanleihen**

Diskutiert werden dürften dagegen neue Instrumente für die EFSF. Darauf dringt vor allem Frankreich. Speziell im Gespräch ist die Möglichkeit, bedrohten Ländern – derzeit etwa Italien – schon beizuspringen, bevor sie dauerhaft Hilfe brauchen. Diskutiert werden eine flexible EFSF-Kreditlinie, wie sie auch der IWF anbietet. Zudem könnte die EFSF Anleihen garantieren, damit ein „bedrohtes“ Land keine so hohen Zinsen zahlen muss. Diese Option ist nicht weit weg von der alten Forderung nach Euroanleihen. Diese liefe darauf hinaus, dass der Euroraum als Ganzes Staatsanleihen auflegen sollte, die einheitlich verzinst wären. Die unterschiedlichen Zinsen, sprich Risikoaufschläge, mit denen die Märkte bislang die Haushaltspolitik der einzelnen Staaten bewerten, entfielen so. Die überschuldeten Länder kämen so einfacher an neues Geld. Dagegen müsste der Bundesfinanzminister deutlich höhere Beträge für den Schuldendienst in seinen Haushalt einplanen. Fast noch mehr als diese zusätzlichen Kosten für Deutschland fiel freilich ins Gewicht, dass die Risiken einer verantwortungslosen nationalen Finanzpolitik endgültig vergemeinschaftet würden. Deshalb blieb die Bundesregierung bislang auch in dieser Frage hart.

Dennoch orakeln immer mehr Beteiligte, der Sondergipfel werde weitere Schritte in Richtung Transferunion zur Folge haben. Generell trifft das wohl auf jeden Fall zu. Es ist eher die Frage, wie weit die „Chefs“ schon dieses Mal gehen werden. Egal was sie beschließen werden: Die Krise dauert an. Der nächste Sondergipfel kommt bestimmt. Und unverändert herrscht das Prinzip Hoffnung.

Text: F.A.Z.

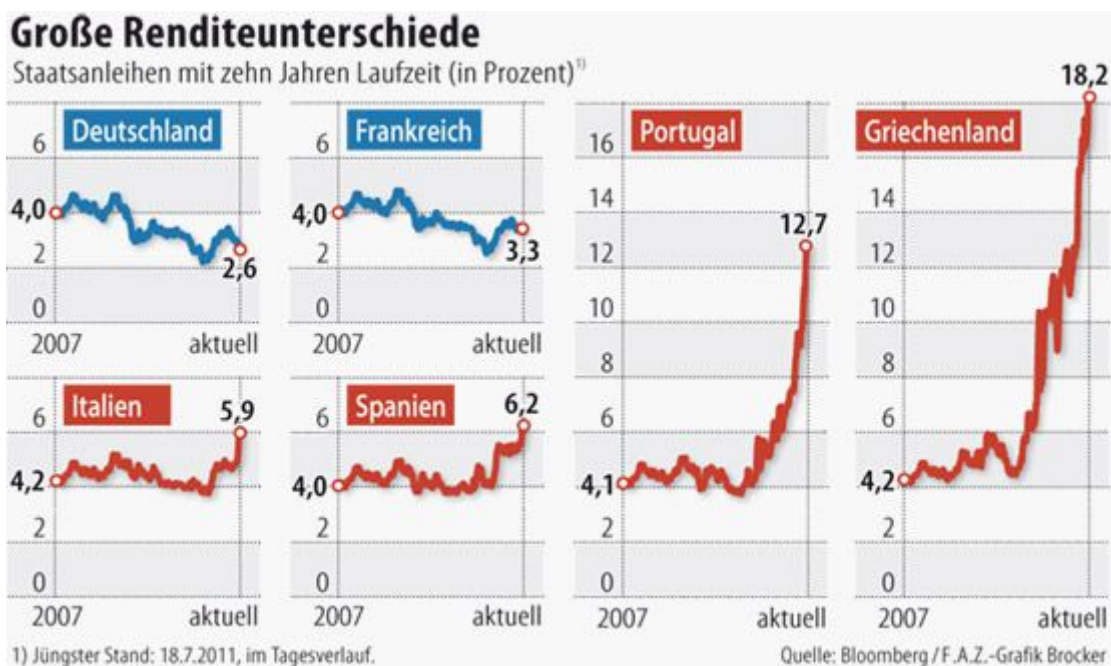
## Eurobonds erhöhen Zinslast um Milliarden

**Eine Vergemeinschaftung der europäischen Schulden durch „Eurobonds“ würde die deutschen Steuerzahler mit höheren Zinsen belasten: Es drohen bis zu 25 Milliarden Euro Mehrkosten im Jahr.**

Von Philip Plickert  
19. Juli 2011

Die Opposition wie auch der Wirtschaftsweiser Peter Bofinger halten Eurobonds für einen eleganten Ausweg aus der europäischen Schuldenkrise. Gemeinschaftliche Anleihen („Eurobonds“) brächten niedrigere Finanzierungskosten für die hart geplagten Schuldenländer der Euro-Peripherie, da die Eurobonds ein besseres Rating erhielten. Allerdings brächten sie auch stark steigende Zinskosten für Deutschland, das seine gute Bonität aufs Spiel setzte, wenn es zu einer Vergemeinschaftung der Schulden und zu einheitlichen Zinsen kommt. „Es ergäben sich hohe Zusatzkosten für den Staatshaushalt, die daraus herrühren, dass Deutschland höhere Marktzinsen für die Eurobonds zahlen müsste“, sagt Kai Carstensen, Leiter der Konjunkturforschung am Münchner Ifo-Institut. Die 10-jährige Bundesanleihe hatte vergangenen Monat eine Rendite von gut 3 Prozent; zuletzt ist sie sogar auf 2,6 Prozent gefallen. Der gewichtete Durchschnittszins der Staatsanleihen der Eurozone beträgt aber fast 4,4 Prozent, weil einige Länder mit steigenden Zinskosten kämpfen.

Seit Jahresbeginn betrug die Differenz zwischen der deutschen Rendite und der eines hypothetischen Eurobonds nach Carstensen's Berechnung 1,22 Prozentpunkte. Unter der Annahme, dass Deutschland langfristig seinen Schuldenstand bei 60 Prozent des Bruttoinlandsprodukts stabilisieren könne, ergäbe sich eine zusätzliche Zinsbelastung von rund 18 Milliarden Euro bei vollständiger Finanzierung über Eurobonds, rechnet Carstensen.



© F.A.Z.

Bei einer Schuldenquote von mehr als 80 Prozent wie derzeit würden die zusätzlichen Zinskosten durch Eurobonds auf 25 Milliarden steigen. Zusätzlich würden bei einem Anstieg der Staatsrenditen auch die Finanzierungskosten für Unternehmen steigen. Investoren dürften höhere finanzielle Risiken durch die Gemeinschaftshaftung einpreisen, zudem würden die Standortbedingungen durch steigende Steuern belastet.

### „Da geht es um die finanzielle Existenz“

„Dazu kämen eine Reihe von Unwägbarkeiten, die alles noch viel teurer machen dürften“, warnt der Ifo-Ökonom. Mit Eurobonds, die eine Entlastung von Zinskosten für die hochverschuldeten Länder bringen, sinke der Konsolidierungsdruck für diese. „Das dürfte dazu führen, dass mit Eurobonds mehr Schulden gemacht werden als ohne“, sagt Carstensen. „Dies erhöht den Marktzins und das Risiko einer Eurolandpleite, die dann auch Deutschland voll treffen würde, wenn wir gemeinschaftlich haften.“ Dieses Risiko sei bedrohlicher als die errechneten Mehrkosten in Milliardenhöhe. „Da geht es um die finanzielle Existenz.“

Jens Boysen-Hogrefe vom Kieler Institut für Weltwirtschaft schätzt einen geringeren Renditeunterschied für Eurobonds gegenüber deutschen Bundesanleihen. Ein gemeinsamer Euro-Schuldenraum stünde besser da als seine Einzelteile. Mit einer durchschnittlichen Schuldenquote von



85 Prozent und einem Budgetdefizit von knapp über 5 Prozent des BIP ähnele er Frankreich. „Der Euroraum insgesamt dürfte also zumindest die Bonität Frankreichs haben.“ Der Kieler Ökonom schätzt daher einen Renditeaufschlag für Eurobonds von 0,5 bis 0,6 Prozentpunkten gegenüber Bundesanleihen. „Das wäre dann etwa 10 Milliarden Steuergeld“, schätzt er die Mehrkosten für den deutschen Fiskus.

Obwohl sich der Euroraum insgesamt wohl günstiger finanzieren könnte als die Einzelstaaten, lehnt Boysen-Hogrefe die Schaffung von Eurobonds ab, „denn die Loslösung von Finanzpolitik und Haftung ist ausgesprochen problematisch“. Ähnlich argumentiert Michael Schröder, Leiter des Bereichs Internationale Finanzmärkte am Zentrum für europäische Wirtschaftsforschung (ZEW). „Eurobonds können zwar kurzfristig einigen Ländern Entlastung schaffen, doch längerfristig sind sie der Weg ins Desaster, weil sie das Tor zu noch mehr Verschuldung öffnen.“ Wer das verhindern wolle, der müsse zum Eurobond auch eine Art „EU-Finanzpolizei“ schaffen. Das aber sei mit dem Demokratieprinzip kaum vereinbar.

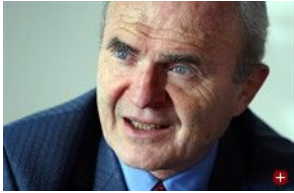
Text: F.A.Z.

# „Eine Umschuldung im Euro wäre der GAU“

Für den ehemaligen EZB-Chefvolkswirt Otmar Issing gibt es keine Alternative zu einem harten Schuldenschnitt Griechenlands. Eine weitere Mitgliedschaft in der Währungsunion würde deren Ende bedeuten, sagt er im F.A.Z.-Gespräch.

19. Juli 2011

**Herr Issing, was unterscheidet den nächsten Euro-Krisengipfel von allen vorangegangenen?**



Der ehemalige EZB-Chefvolkswirt Otmar Issing sieht einen Schuldenschnitt als einzige Lösung in der Griechenland-Krise

Nun setzt sich die Wirklichkeit unerbittlich durch: Griechenland wird seine Schulden nicht bedienen können. Simulationen, die etwas anderes zeigen, beruhen auf unrealistischen Annahmen. Ein massiver Schuldenschnitt ist also unvermeidlich.

**Ist eine Umschuldung im Euroraum eine Lösung?**

Nein. Bleibt Griechenland danach Mitglied in der Währungsunion und kann auf weitere Hilfen sowie Refinanzierung bei der EZB vertrauen, ist das Ende der Währungsunion eingeläutet.

**Warum?**

In Griechenland würden so gut wie alle Reformbemühungen eingestellt. Das Land erhielte faktisch einen Freibrief, mit der verhängnisvollen Politik der Vergangenheit fortzufahren. Der Zugang zum Finanzmarkt wäre weiter versperrt, die Notwendigkeit eines weiteren Schuldenschnitts nach einigen Jahren wäre programmiert.

**Was wären die Folgen für die Währungsunion?**

Die unvermeidliche Ausbreitung auf andere Mitgliedsstaaten wäre der wirkliche GAU. Kann man sich vorstellen, dass ein Land wie Irland dann seinen Kurs fortsetzt? Einen Kurs, der das Land auf einem guten Weg sieht. Wie soll die Regierung ihren Bürgern erklären, dass weitere harte Einschnitte notwendig sind, wenn es denn so viel leichter geht, indem man sich über die drastische Reduzierung der Schulden der Probleme entledigen kann.

**Trotzdem könnten die Staats- und Regierungschefs am Donnerstag das beschließen, wie man hört.**

**Zum Thema**

- Otmar Issing: „Der Euro wird mich lange überleben“

Dann wird eine Lawine losgetreten. Die Dynamik wird sich nicht mehr aufhalten lassen. Die Einladung, sich von einem großen Teil der Schulden zu befreien, wird sich für Länder mit hoher Staatsschuld als unwiderstehlich erweisen. Das gilt umso mehr, als die Finanzmärkte in der Erwartung dieses Verhaltens den Prozess mit steigenden Zinsen beschleunigen werden.

**Neben einem harten Schuldenschnitt wird eine weichere Form der Umschuldung diskutiert, der Ankauf von griechischen Staatsanleihen durch den Euro-Krisenfonds EFSF oder sogar die gemeinsame Haftung für Staatsschulden durch Einführung von Eurobonds.**

Vorschläge, den Schuldenschnitt in mehr oder weniger verdeckter Form über den EFSF durchzuführen, ändern nichts an der Grundproblematik. Mit der Ausgabe von Eurobonds ginge die Finanzhoheit ohne jegliche demokratische Legitimierung verloren. Muss man erst daran erinnern, dass in der parlamentarischen Kontrolle über Steuer und öffentliche Ausgaben die westliche Demokratie ihren Anfang nahm?

**Aber es gehe um die Rettung Europas, behaupten die Euro-Rettungspolitiker.**

Politiker, die mit solchen Maßnahmen die Währungsunion retten wollen, werden sich als Totengräber eines stabilen Euro erweisen. Deutschland wird finanzpolitisch an den Folgen dieser Politik ersticken. Kann man sich vorstellen, dass die deutsche Politik dazu die Hand reicht?

Die Fragen stellte Holger Steltzner.

Text: F.A.Z.