

Success and Advice Cast a Giant as a Villain, Not a Model, in Europe

By [NICHOLAS KULISH](#)

BERLIN — Throughout the crisis in the euro zone, as governments have fallen, debt burdens have mounted and economies have stagnated or shrunk, [Germany](#) has floated above the fray. While its economy has hummed along nicely, its leaders have steadfastly insisted that the path to redemption for the debtors lies in austerity and suffering.

When Chancellor [Angela Merkel](#) on Monday described the [debt crisis](#) as Europe's "most difficult hours since World War II," she was describing something most Germans had only read about in newspapers or watched on television. The German economy once again surprised experts on Tuesday, [growing an unexpectedly healthy 0.5 percent](#) in the third quarter and 2.5 percent higher than the year before.

While there were ominous signs that Europe's slowdown would also strike Germany, its biggest economy — particularly worrisome was a sharp drop in industrial production in September — the pain that euro zone partners have been feeling has yet to arrive here.

With German consumers spending freely, unemployment has reached the lowest level since German reunification more than two decades ago, and it continued falling in October. Tax receipts consistently beat government projections, to the point that Mrs. Merkel's coalition even has plans to cut taxes by more than \$8 billion.

And in a widely noted twist on the accounting surprises that helped cover up Greek debts, Germany recently found its own mistake in the spreadsheets: its obligations were \$76 billion lower than previously thought.

Germany's continued prosperity has helped fuel growing anger in countries like [Greece](#) and [Spain](#) against what is increasingly viewed as harsh German domination. More and more, Germany is cast in the role of the villain, whether by protesters in the streets of Athens or by exasperated politicians in the halls at the recent Group of 20 meeting in Cannes, France.

"The Germans often don't sufficiently appreciate how wrenching the economic changes are that they're prescribing," said Philip Whyte, a senior research fellow at the Center for European Reform in London.

Germany, Mr. Whyte said, was trying to remake all of Europe after its competitive, export-driven economic model, without understanding the connection between its success and foreign indebtedness in countries like Greece, which for years used borrowed funds to purchase German goods.

"Not everyone can be like Germany," Mr. Whyte said. "The world as a whole doesn't trade with the moon."

European partners have taken notice of the yawning divide between their struggles and Germany's strength, and of the way German leaders have resisted aggressive measures by the [European Central Bank](#) that may have provided some relief, but may also invite what for Germans is the deep dread of inflation.

Greeks in particular have been outraged at demands for change dictated by Berlin that impinge on their sovereignty. Some Greek protesters have even carried blue [European Union](#) flags with yellow swastikas in the middle and compare the debt deals to the occupation of Greece during World War II.

The European crisis has often been likened to a morality play — sinful southerners, virtuous northerners — but at times in Germany it has taken the shape of Wagnerian opera, with Germany cast as the dragon guarding its hoard of gold.

Last week, Germany was awash with reports of a proposal floated at the Group of 20 meeting that might have allowed the International Monetary Fund to draw on German gold reserves to bolster Europe's rescue fund.

The condemnation was swift and disproportionately harsh for a suggestion that was basically doomed from the start. "The German gold reserves must remain untouchable," said Philipp Rösler, the economy minister and vice chancellor.

A cartoon in the newspaper *Süddeutsche Zeitung* showed three men trying to crack a bank safe marked "Bundesbank gold and foreign currency reserves," a reference to the German central bank.

The masked man attacking the safe with a drill had the German abbreviation for the European Central Bank on his back, while the one placing the dynamite bore the letters for the International Monetary Fund. Holding a flashlight was the president of the European Council, [Herman Van Rompuy](#).

Leading politicians here defended the independence of the Bundesbank but also took the opportunity to call for [Italy](#) to sell off its own gold reserves, the fourth largest in the world after the United States, Germany and the International Monetary Fund.

“I am of the opinion that a country should do everything in its power to help itself,” said Gunther Krichbaum, chairman of the committee on European affairs in the German Parliament, who spoke in favor of Italy’s selling gold to help with its \$2.6 trillion debt, “and in this regard Italy is far from exhausting its options.”

As the overall health of Germany’s economy and its fiscal position widen the rift with Europe’s poorer periphery, Germans have a ready response. They say that they already made the structural changes in work-force rules and pension reforms that they are now recommending for the slow-growth countries, and that, by the way, they actually pay their taxes. So if the laggards want Germany’s money, they have to play by German rules.

“We believe this success is because we have certain criteria around which we organize our economic policies, and these are the criteria we want other countries to comply with if they ask for our money,” said Tanja A. Börzel, a professor of European Union politics at the Free University in Berlin. “When you put national taxpayer money on the line, the people have a say, and that is if we have to eventually pay for the economic sins of others that they at least change their policies if we bail them out.”

Guntram B. Wolff, deputy director at [Bruegel](#), a research group based in Brussels, said that as the focus in the debt crisis had shifted from the relatively small Greece to the much larger Italy, the need for domestic action versus international bailouts had risen. Mr. Wolff, who formerly worked at both the European Commission and the German Bundesbank, said that Berlin had played a more assertive role in the European crisis in part because the European Commission had not played as active a role as it could have, particularly over Italian indebtedness.

“The shift of power is clear,” Mr. Wolff said, “and you see that it is Berlin that has been gaining power.”

Stefan Pauly contributed reporting.

The euro zone crisis

A cunning plan?

Nov 15th 2011, 13:14 by Buttonwood

OVER the last 24 hours, a couple of contacts have posed an intriguing question. Has the latest stage of the euro zone debt crisis been part of a cunning plan? Both Greece and Italy are forming technocratic governments and Berlusconi has finally gone. By the end of this week, indeed, the governments of all five countries in the PIIGS grouping (Portugal, Ireland, Italy, Greece and Spain) will have changed since the start of the crisis if, as expected, the ruling Socialists lose power in Spain. The prospects for economic reform in the peripheral European countries look a lot stronger than before.

Who is behind this plan? One could point the finger at Angela Merkel or at the European Central Bank; by not giving the peripheral nations a blank cheque from the German voters, or unlimited money creation, they have forced those nations to make hard choices.

If it is a plan, then, to quote Blackadder, it has been "more cunning than a fox who's been appointed Professor of Cunning at Oxford University". Until this autumn, the apparent aim of all the EU's rescue packages was to stop the crisis spreading to Italy and Spain; it has spread to both. Indeed, the borrowing costs of supposedly core countries like France and the Netherlands have been rising relative to those of Germany. Although it grew in Q3, the euro zone may now be in recession; that can hardly have been part of the plan.

If the EU leaders haven't had a coherent strategy, perhaps they have shown tactical nous. They outbluffed Papandreou on the referendum.* The ECB might have been willing to make more substantial Italian bond purchases in recent weeks if Silvio had gone already; now they may press the accelerator. We may never know the answer as they seem unlikely to admit a strategy of playing favourites.

The individual EU leaders are playing a kind of 3-D chess in which they are having to deal with at least three variables; market reaction; domestic political reaction, and the likely actions of other players, including the ECB. It is easy for David Cameron (and indeed journalists) to slag them off from the sidelines since we are not faced with the actual responsibility of making the key decisions. Perhaps it is not surprising that their actions look more like desperate expedients than a cunning plan.

* Or perhaps Papandreou was being super cunning in finding a way to create a coalition government.

Greece's Mission Impossible?

Nikos Konstandaras is managing editor of the Greek daily Kathimerini.

No comic book superhero was ever given a tougher mission than the one just undertaken by Lucas Papademos, the gray-suited, gray-haired economist with the shy smile who has been appointed head of an emergency government in Greece.

He has to keep Greece's credit lifeline open and the country tethered to the euro zone. He must implement reforms where everyone else has failed and change the world's perception of Greeks and the Greeks' perception of themselves.

If Greece stays on its feet and remains in the euro zone, this will be the strongest signal to the world that the Europeans are serious about saving their currency; this will help save the euro and, as Chancellor Angela Merkel of Germany has said, saving the euro will save the European Union.

Mission impossible?

No superhero has had so many odds stacked against him. The politicians who appointed Papademos to head a fractious three-party coalition have made clear they want him out of the way soon; after two years of mostly pointless austerity and missed targets, the citizens of Greece are suspicious of change; many of Greece's E.U. partners make no secret of their haste to cut Greece off from the euro zone and the European Union. To undo the damage of decades, Papademos has three months.

No superhero has fought for higher stakes. A nation held hostage by the failings of its political class and burdened by many years of irrational spending has invested its hopes in a former vice president of the European Central Bank and longtime governor of Greece's central bank.

Even before his first policy statement, 55 percent of respondents in a Greek poll said they trusted him. Perhaps this was so mainly because they needed to put their faith in someone different from their politicians. Today's troubles are nothing compared to what will happen if Greece is forced to abandon the euro.

Not only will approximately €180 billion in bank deposits be vaporized by instant devaluation, but, free of E.U. and I.M.F. constraints, the political class will go back to the free-spending, unreformed ways that destroyed the economy in the first place.

Papademos's fight is for the honest citizens — those who see half their salaries going to taxes and social security dues and who get poor public services in return. These are the millions of hard-working citizens and immigrants who have nothing to hide, who have paid taxes upon taxes and put their savings in the country's banks rather than spiriting them abroad (like tax dodgers). These are the people who kept Greece functioning when others cheated, when politicians lavished benefits on their favorites. It is they who will pay the bill and pull Greece toward recovery.

To keep Greece in the euro zone, Papademos's immediate tasks are to secure the next €8 billion loan instalment that will keep Greece solvent; to ratify a new €130 billion bailout from the E.U., the European Central Bank and the I.M.F.; and to negotiate a 50 percent debt writedown with private sector creditors. To achieve this, he must get the parties supporting his government to sign a commitment that they will abide by the agreement with our creditors.

The main opposition party, New Democracy, has stated that it would sign no such agreement and that it expects Papademos to make way for elections on Feb. 19. The party has obviously not learned the lesson from the failure of the Socialist Pasok government, which was forced to resign and hand over to a coalition that includes members of Pasok, New Democracy and the far-right LAOS party. Even with a majority in Parliament, Pasok could not implement reforms. It is highly unlikely that any other single-party government will.

But politicians are not the only problem. Unions and small opposition parties, which talk of toppling what they call the "bourgeois system," have been merciless in resisting every reform. These include reduced benefits, public-sector layoffs and the opening of closed-shop professions.

Protests have often turned violent, with antiestablishment militants taking the opportunity to attack the police and other demonstrators, creating the impression that all protests are violent and Greece ungovernable.

If Papademos can gain the trust — or at least the tolerance — of such groups long enough to start implementing reforms, he will succeed where others either failed or did not dare to go. And he will achieve this only if he is seen to introduce the spirit of justice in Greece, with everyone paying taxes, with laws that are enforced without fear or favor, where hard work is rewarded.

Reform is the key to Greece's future — and the most difficult task. Even the burgeoning number of economists who declare that Greece should leave the euro in order to save itself agree on the need to make the economy and society more rational.

And yet, leaving the euro would be a death sentence. No only would it strip Greeks of the benefit of having a strong currency for the first time in their volatile history, but it would reward all those who have repeatedly cheated the rest of us and have hidden their euros abroad, waiting for an opportunity — such as a return to the drachma — to wipe their debts clean and then buy up an impoverished Greece on the cheap with their euros.

If Papademos manages to hold together his coalition, if he wins citizens' trust and manages to sideline or disarm unions and opposition groups, if he is supported by our E.U. partners, Greece may gradually begin to change. And this will turn the tide of public opinion in Europe.

Greek and foreign media, Greek and foreign politicians, have repeatedly exaggerated the benefits, early pensions and other lunacies in Greece's economy. This has obscured the greater problem: the gross inefficiency of a society based on the age-old patronage system of votes-for-benefits.

Papademos, the outsider, could change all this — providing a new vehicle for reform-minded members of the old parties while also attracting other talented outsiders to try help their country. The people of Greece are ready for this. They know that the charismatic populists of the past brought nothing but ruin. Perhaps they hope that with Papademos at their helm, this is the time for every man and woman to join the effort to rescue their country from bankruptcy, poverty and isolation. United, we can win.

DEBT CRISIS

The ECB has only to say the word

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LE MONDE

PARIS



Arcadio

There is a simple way to resolve the Eurozone crisis: the European Central Bank just has to state that it will be the lender of last resort for European states. But this solution, which has the support of many economists, is rejected by the ECB — a doctrinaire position, which a Le Monde columnist deplores.

Alain Frachon

According to many economists, a single sentence announced by the European Central Bank would be enough to quell the Eurozone crisis. The ECB simply has to make it clear that it will act as a lender of last resort for the most indebted members of the monetary union. If it did, the euro would be off the ropes.

Not only that but the markets would be obliged to show some respect, and – oh, supreme joy! – we could stop worrying about the ratings agencies. We would be able to relax the vice-like grip of fiscal restraint and relax spending cuts to promote a resurgence of growth that would facilitate the clearing of debt.

And, without indulging in empty promises, we would be able to break out of the vicious circle that has turned the eurozone into a bowling alley where governments fall like skittles: first Athens, then Dublin, Lisbon, Madrid, Rome – en attendant Paris...

When an issuing institution mints coins – which is one of its functions – by definition, it benefits from unlimited resources. If the ECB said it would be the insurer of last resort, it would deter speculation, and the markets would be pacified to the point where they would no longer demand extraordinary interest rates to invest in loans to the most indebted states.

Hampered by a doctrine

Embattled governments would no longer have to contend with the snowballing costs required to service their debt, and thus would have an opportunity to exit the vicious circle whose various stages are now well known: having been excluded from sovereign bond markets where they are obliged to offer exorbitant rates of interest, ignoble indebted states are forced to hold out a begging bowl to external creditors who make their insistence conditional on draconian austerity conditions that suck the blood out ailing economies.

But if the European Central Bank were to announce in advance that it intended to invest in loans to a state that has difficulty settling its debts, the outcome would be radically different: with purchases by the issuing institution forcing down interest rates to a reasonable level in the event that the announcement of its intention to pursue such a policy was not sufficient in itself.

This is what happens outside the eurozone in such countries as the United States, Britain and Japan. For diverse reasons, these countries do not score better than the average state in the eurozone. But it is clear to everyone concerned that the Federal Reserve, the Bank of England and the Bank of Japan would not hesitate in such circumstances.

Why then has the ECB not taken the initiative? Because it is hampered by a doctrine that advocates the separation of powers. The bank is there to regulate monetary policy, while budgetary policy is left to governments. It is the bank's role to ensure currency stability (no inflation), while it is up to governments to manage their debts. In other words, the issuing institution should not fly to the rescue of an embattled treasury, because that is not its mandate.

Memory of spiralling devaluation

"It's ideology," exclaims Jean-Paul Fitoussi, research director at the French Economic Observatory (OFCE). "Having ruled out the possibility of calling on a lender of last resort, in the event of financial difficulties we are left with the following choice: bankruptcy or assistance, but assistance that is conditional on stringent austerity that will not prevent bankruptcy."

Fitoussi's incomprehension is shared by many of his American colleagues, including Jeffrey Sachs, Kenneth Rogoff and Nobel Prize laureate Paul Krugman who points out: "If the European Central Bank were to similarly stand behind European debts, the crisis would ease dramatically." (Paul Krugman, New York Times, 23 October).

But what about the obvious risk of inflation? Proponents of the separation of powers insist that the direct purchase of sovereign debt by a central bank is equivalent to cranking up the printing press to produce more money.

The very thought of this process sets alarm bells ringing in Germany where collective consciousness continues to be marked by the memory of the spiralling devaluation in the 1920s which ushered in Hitler. And this is why Germany's condition for giving up its very solid Deutschmark for the euro was that only one task should be assigned to the ECB: combating inflation.

And that is not the only reason, there is also the credibility of the issuing institution, which we are told, should be protected, and that means keeping its books free of dodgy loans.

The rigidities of the gold standard

This may not square with the ECB's discreet purchase of large quantities of weak EU member state debt on the secondary market, but as the partisans of the "separation of powers" will tell you, if it announced in advance that it was prepared to guarantee the debts of irresponsible member states, the ECB would be encouraging poor budgetary management.

In response, Jean-Paul Fitoussi and Paul Krugman argue that money creation does not lead to inflation in depressed economies like ours. They also point out that a softening of the ECB's monetary doctrine would not act as an invitation to succumb to the temptation of taking on more debt, if it was accompanied by initiatives to ensure strict budgetary discipline. In short, it is a fair exchange: doctrinal flexibility in exchange for budgetary rigour.

In concluding his New York Times [article](#), Paul Krugman writes: "Out of the ruins of war, Europeans built a system of peace and democracy, constructing along the way societies that, while imperfect – what society isn't? – are arguably the most decent in human history.

"Yet that achievement is under threat because the European elite, in its arrogance, locked the Continent into a monetary system that recreated the rigidities of the gold standard, and – like the gold standard in the 1930s – has turned into a deadly trap."

Translated from the French by Mark McGovern

NATO's Mission Creep

GEOFFREY WHEATCROFT OP-ED Contributor

“These are confusing times for supporters of NATO,” Paddy Ashdown said the other day. The former leader of the British Liberal Democrats and then a proconsul in Bosnia is right about that, though he might have thought twice before adding that “the alliance has completed its mission in Libya without a single casualty.” That presumably means British and French airmen, not counting Libyans.

“Confusing” is a good word more broadly for Western policy throughout the Middle East. Our dealings there have been a welter of confusion, contradiction and dishonesty, from Egypt and Libya to Syria and Iran. And whatever else is said of the late Muammar el-Qaddafi, Saddam Hussein and Osama bin Laden, their shades are entitled to complain about Western hypocrisy.

When the claims about W.M.D. collapsed, the invasion of Iraq was retrospectively justified as having at least got rid of Saddam, which raised the obvious suspicion that such regime change had been the real objective all along. Now Libya is bombed, initially if improbably as a “humanitarian mission.” In no time at all London, Paris and Washington openly admitted that we were taking sides in a civil war and helping insurgents destroy Qaddafi.

Once again “liberation” is proclaimed, but after the event. “Sentence first — verdict afterwards,” says the Queen of Hearts to Alice. In our own political Wonderland, the military intervention comes first, the justification afterward.

We were repeatedly told after Saddam’s fall that he had been a brutal tyrant. But there is another logical problem there. Human rights organizations observed that his regime was much less bloody in its last phase, before the invasion, than it had been after the first Gulf War when he butchered Marsh Arabs and Shiites, or earlier.

A stronger case for “liberal intervention” in Iraq might have been made decades before he was toppled, when he was slaughtering Kurds. Unfortunately that was also the time when Washington leaned toward Saddam in his appalling war with Iran, the British government eagerly sold him arms and Donald Rumsfeld was an honored guest in Baghdad.

Now the pattern of contradiction is followed in Libya. On the day Qaddafi was killed, David Cameron spoke from Downing Street. With London papers gloating — “Don’t shoot, don’t shoot,” “Gunned down in a sewer” — over the lynching of a man who had first been savagely beaten and sodomized with a metal object, Cameron tried to strike a restrained note. But he emphasized Qaddafi’s crimes, from arming the I.R.A. to blowing up airliners.

What Cameron says is quite true: the blame for the destruction of the Pan Am flight in 1988 lay with Qaddafi, just as he undoubtedly also provided the I.R.A. with guns and Semtex explosive. But he only supplied the Semtex. It was used to kill many innocents by the I.R.A., whose “chief of staff” used to be Martin McGuinness. He is now deputy first minister in Northern Ireland, has just run for the presidency of the Irish Republic and is a welcome guest in America.

That has not gone unnoticed in the Middle East. In a CNN interview in 1997, Bin Laden spoke of American double standards verging on racism: “At the same time that they condemn any Muslim who calls for his rights, they receive the top official of the Irish Republican Army at the White House as a political leader.” He had a point.

One man who knew all about Qaddafi’s connection with Lockerbie and the I.R.A., was Tony Blair, just as he knew about the Abu Salim prison massacre in 1996 and other atrocities Qaddafi committed inside his own country. In 2004, Blair nevertheless went to Libya, where he was pictured grinning as he shook Qaddafi’s hand. With this “deal in the desert,” Qaddafi renounced terrorism and his alleged program of nonconventional weaponry, on a promise that he would be rehabilitated and brought back into the comity of nations.

So what happened to him afterward, and what are the implications? There is now renewed concern about the Iranian nuclear program which, unlike Saddam’s or Qaddafi’s, actually exists, and the British government is reportedly making contingency plans to assist an American preemptive attack on Iran. That is a most unhappy prospect, which Western governments would prefer to avoid if inducements to Tehran might work instead.

But then look at Qaddafi’s fate. It’s hard to think of anything less likely to persuade the Iranians to negotiate.

Now Syria produces yet another contradiction. Bashar al-Assad clings to power and warns the West to leave him alone. Syria is the fault line, he says, and an intervention “would burn the whole region.”

But the NATO powers evidently feel they have done enough intervening for now. Syria will be left alone, although the killing of insurgents in Homs strongly resembles the killings in Benghazi which supposedly provoked the NATO bombing.

This is only one more case of the confusion and illogic which Western responses to the Arab risings have shown this year.

Geoffrey Wheatcroft, a journalist and writer, is the author of *"The Controversy of Zion," "The Strange Death of Tory England"* and *"Yo, Blair!"*

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SPIEGEL ONLINE

Bond Yields Soar

Speculators Bet Against Spain, Belgium and France

With the situation already critical in Italy, investor doubts about France and Belgium are also increasing. Yields for new borrowing from the countries rose to record-high levels on Tuesday, with a sharp uptick on interest rates for Spanish government bonds too. Deutsche Bank is calling for the European Central Bank to take radical steps to reduce dangerously high bond yields.

The situation on the European bond market worsened on Tuesday, with yields on 10-year French and Belgian government bonds rising to record levels. Risk premiums for Spanish and Italian securities also rose. The countries must now pay higher interest in order to refinance old debts.

The reason behind the rise is growing mistrust on the part of investors who appear only to be willing to lend money to the countries in exchange for higher interest rates. Market observers believe the problems are related to the recent turmoil surrounding Italy. Although markets initially expressed relief that respected banker Mario Monti has been appointed as Italy's prime minister, pessimism grew midweek over whether his new government, which is currently being formed, would be able to regain control of the debt crisis in the country. An auction of Spanish government bonds on Tuesday also contributed to a worsening market mood. Yields on Spanish bonds rose sharply to 6.31 percent Tuesday.

France, which is the euro zone's second-largest economy after Germany, is also being [pulled deeper into the crisis](#). The country was forced on Tuesday to pay yields of around 3.6 percent on 10-year government bonds, the highest amount Paris has had to pay since the introduction of the common currency. Investor interest in Belgian government bonds is also diminishing, with yields on 10-year securities rising to around 4.8 percent -- also a record high for the Benelux country.

The situation also remains critical in Italy. Yields on 10-year bonds were quoted at 7.03 percent, slightly above the critical level at which Greece, Portugal and Ireland were forced to apply for bailouts with the European Union and the International Monetary Fund (IMF).

Deutsche Bank Says ECB Must Set Cap on Yields

Italy currently poses an existential problem for the euro zone. If the third-largest economy within the bloc is no longer able to service its debts, then the euro backstop fund, the European Financial Stability Facility (EFSF), will be pushed to its limits. Speculation is already buzzing that the European Central Bank may soon take steps to [intervene](#) and purchase Italian bonds in order to drive down interest rates on the bonds.

Thomas Mayer, chief economist at German banking giant Deutsche Bank, told the *Financial Times Deutschland* newspaper he believed a ceiling needed to be publicly stated indicating at which point the ECB would intervene through bond buying.

"In order to impress the markets, the ECB needs to send out the message that it is ready to intervene in an unlimited manner," he told the paper.

As an example, he cited the recent actions by the Swiss National Bank (SNB) to define a fixed upper ceiling for the exchange rate of the Swiss franc. In September, the Swiss central bank announced it would set a firm maximum

value of 1.20 francs per euro and that it would resolve to do everything in its power in order to [defend that limit](#). In order to maintain the policy, the SNB purchases foreign currencies until the limit is reached. So far, the strategy has been successful -- since September, the exchange rate has consistently been above 1.20 francs to the euro, with the current level at 1.24.

Deutsche Bank economist Mayer maintains that Italy can only be drawn out of the crisis with that kind of strong message. He also holds that Italy must introduce a reform program that is similarly ambitious to Germany's Agenda 2010, a series of reforms brought in by the government of Social Democratic former Chancellor Gerhard Schröder in 2003 and 2004 that made the labor market significantly more flexible and also trimmed the social welfare system. But reforms, alone, he warned, would not be enough.

"The ECB needs to accompany the reform process with efforts to drive interest rates down to a tolerable level," he told the *Financial Times Deutschland*.

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- <http://www.spiegel.de/international/europe/0,1518,798007,00.html>

La hausse des taux menace l'unité de la zone euro

Par [Roland Laskine](#) Mis à jour le 15/11/2011 à 12:53 | publié le 15/11/2011 à 12:23 [Réactions](#) (37)



La rigueur passe de plus en plus mal en Europe avec une multiplication des manifestations. Crédits photo : JOEL SAGET/AFP

Le creusement des écarts de taux entre les différents pays de la zone montre que les investisseurs n'excluent aucun scénario, y compris un éclatement de la monnaie unique. La France est à la croisée des chemins.

Les marchés financiers intègrent désormais dans leurs prévisions des scénarios de « risques extrêmes » en Europe. Parmi ceux-ci figurent un éclatement de la monnaie unique, une sortie de la Grèce de l'euro, mais aussi de pays plus importants, comme **l'Italie** ou l'Espagne. Le creusement des écarts de taux entre les différents pays de la zone euro fait apparaître une fracture très nette entre le Nord et le Sud. **La France** est au milieu, mais elle penche de plus en plus dangereusement du côté des pays vulnérables.

Les évolutions politiques en cours dans les principaux pays du Sud ne semblent pas rassurer les marchés. Le départ de **Silvio Berlusconi** et son remplacement à la tête du gouvernement par Mario Monti n'a pas calmé les marchés qui doutent de la capacité du nouveau chef de l'exécutif italien d'imposer le programme de réduction des déficits souhaité par la Commission européenne. Les taux d'intérêt sur les emprunts d'État à 10 ans italiens sont **repassés au-dessus des 7 %**.

Les emprunts allemands sont considérés comme une valeur refuge

En Espagne, en dépit des promesses de rigueur des deux principaux protagonistes aux élections législatives qui se tiendront ce dimanche, notamment le Parti Populaire, principal parti de droite et grand favori des élections, les marchés font monter la pression avec des taux d'intérêt qui dépassent désormais les 6,2 %. Des niveaux jamais atteints y compris au plus fort de la crise du mois d'août.

A titre de comparaison, les taux d'intérêt sur la dette allemande à 10 ans sont tombés à un nouveau plus bas de 1,74 %. Les experts considèrent que les pays qui se voient infliger un écart de taux de plus 500 points de base par rapport aux taux allemands sont dans une situation intenable. Or c'est déjà la cas pour l'Italie et l'Espagne, sans parler de la Grèce ou du Portugal.

Vives inquiétudes sur la situation de la France

Les conditions de financement qui sont imposées à l'Italie et à l'Espagne signifient que les marchés considèrent qu'ils pourraient ne plus avoir leur place dans une redéfinition resserrée de l'euro excluant les pays ne respectant pas les règles en vigueur du Pacte de stabilité européen. En effet, les sanctions automatiques auxquelles songent l'Allemagne en cas de non respect du Pacte sont telles qu'elles conduisent à une exclusion inévitable des pays situés hors des clous. Avec des taux d'intérêt de plus de 25 % la Grèce est déjà considérée comme ne faisant plus partie de la zone euro.

La France est désormais dans le collimateur avec un taux de 3,499 % pour les emprunts d'État à 10 ans, qui représente plus de double de la rémunération demandée sur les emprunts allemands de même durée. Un glissement de la France vers les pays les plus faibles aurait de lourdes conséquences sur le coût de financement des entreprises et des ménages, donc sur la croissance dont dépend aussi notre capacité à rétablir l'équilibre de nos comptes publics. La faiblesse persistante du **CAC 40** traduit toutes ces inquiétudes.

The road to self-deception

A new EU plan to shoot the messenger

The Economist Nov 12th 2011 | from the print edition



BEWARE Italian government debt. Rising yields increase the country's financing costs and make it harder for the administration to balance its—*We interrupt this column for a message from the European Commission. With Italy being advised by the International Monetary Fund, negative opinions about its bonds are not helpful. The publication of this article is not permitted.*

Thankfully, the EU has not decided to censor *The Economist*. But a European Commission draft paper on credit-rating agencies does propose that, in some circumstances, they should be barred from changing their sovereign ratings.

Let us be clear what that means. A credit rating is an opinion about the likelihood that a borrower will repay its debts. The issuers of these opinions are largely based in America, a land where free speech is constitutionally guaranteed. (Fitch has dual headquarters in New York and London, although its majority-owner is a French investor.)

Even if the EU could get away with this censorship, what purpose would it really serve? At a crucial moment the agencies would have to declare that they were unable to provide a rating of the country, as clear a signal to the markets as a downgrade itself. The authorities are worried that a ratings downgrade might cause a downward spiral, making it more difficult to rescue an embattled sovereign. But there are other trigger points. To take one example, on November 9th a surge in Italian bond yields prompted demands from clearing-houses for more collateral from those using this debt as security.

The attitude of the commission also suggests a certain paranoia that European sovereign issuers are being treated unfairly by ratings agencies. The reverse is the case. French ten-year bonds trade on a yield more than a percentage point higher than their German equivalents, even though both share a AAA rating. An analysis by Exotix, a research group, found that peripheral European nations have ratings six notches higher than emerging economies with similar financial conditions.

The commission's paper is part of an ignoble tradition of "shooting the messenger". Other examples include curbs on short-selling and a determination to crack down on credit-default swaps, a form of insurance against default.

The ratings agencies have their flaws. They failed badly in the subprime boom and the big three outfits—Moody's, Standard & Poor's and Fitch—have a dominant market position. But where the draft paper tries to deal with competition, it goes about it in a cack-handed manner. Take the proposal to force the rotation of ratings agencies, which could lead to big debt issuers changing their provider every year. Since many issuers are rated by more than one agency, this would lead to phenomenal turnover. The principle of "Buggins's turn" would mean agencies would not really be competing at all. The Association of Corporate Treasurers, which represents borrowers, worries that forced rotation of agencies would lower the quality of the analysis.

Then there is the crazy idea that agencies cannot rate securities in which their leading shareholders have an interest. That would mean, presumably, that Moody's could not rate any of the bonds owned by the companies in the Berkshire Hathaway group, its leading shareholder. Every time Warren Buffett made a buy or sell decision, Moody's would have to withdraw a rating. Furthermore, if competition is the aim, why do the guidelines suggest that agencies should have their methodologies "preapproved" by the European

Securities and Markets Authority (ESMA), their new regulator? That sounds like a way of imposing uniformity rather than allowing competing views to flourish.

If all these rules were pushed through, there would be a serious breakdown in the business of rating European debt, not a helpful development when the continent is already too dependent on its banking system for finance. The suspicion is that these proposals are designed to make room for a new European ratings agency which would be more sympathetic to the continent's needs.

This agency—let's dub it Pangloss—would follow European "cultural norms". When it comes to French debt ratios, say, it will add two and two and make three. Perhaps Europe will stumble down this road of self-deception and force its domestic investors to follow suit. But it won't fool the international investors it needs to buy its bonds. The draft paper should get a D rating for desperation and disingenuousness.

Possibilité de suspendre la notation dans certaines circonstances, davantage de concurrence, plus de transparence... : le commissaire européen aux services financiers, Michel Barnier, devait dévoiler, mardi 15 novembre, de nouvelles mesures pour réguler les agences de notation, ces sociétés chargées d'évaluer la solidité d'un emprunteur - entreprises ou États - sur les marchés. Un troisième texte en ce sens, après deux moutures, en 2009 et en mai 2011.

Cette présentation intervient quelques jours à peine après que l'agence Standard & Poor's (S & P), eut envoyé par mégarde à des clients un courrier électronique pouvant laisser croire que la France avait été dégradée.

Une bévue qui a relancé les critiques contre les agences : abus de pouvoir, partialité, oligopole, évaluation pousse-au-crime... *"Il ne s'agit pas d'en faire des boucs émissaires, leur utilité est reconnue, indique-t-on à Bruxelles. Mais l'incident grave chez S & P démontre un peu plus encore le besoin d'une réglementation stricte."*

A l'avenir, l'ESMA, le régulateur européen des marchés, pourra ainsi suspendre de manière temporaire la notation d'un Etat dans certaines circonstances *"exceptionnelles"*. Un moyen d'éviter de rééditer deux précédents qui avaient particulièrement agacé les autorités européennes : les dégradations, par l'agence Moody's, au rang de *junk bonds* (obligations pourries) des dettes grecque, en juin 2010, et portugaise, en juillet 2011, juste après que ces pays aient négocié un programme européen d'assistance.

"Ce dispositif restera très rare, note-t-on à Bruxelles, seulement quand il y aura une menace immédiate sur la stabilité financière européenne : en pleine négociation d'un plan d'assistance, avant le vote de réformes structurelles..."

"Retirer une notation peut clairement donner aux marchés le signal que les régulateurs (...) leur cachent des informations", déplore Michel Madelain, le patron de Moody's Investors Service, dans une lettre adressée à la présidence polonaise de l'Union. *Et plutôt que de les calmer, une telle mesure pourrait avoir l'effet totalement inverse et créer un mouvement de panique et de ventes massives."*

Bruxelles veut aussi accroître la concurrence dans un secteur souvent accusé d'oligopole, car quasi contrôlé par les *Big Three* : S & P, Moody's et Fitch. A elle trois, elles possèdent 90 % du marché, relève l'économiste Nicolas Véron, dans une note publiée par l'institut Bruegel. Bruxelles estime que l'émergence de nouveaux acteurs réduira l'influence de chacune d'entre elles : une dégradation aurait moins d'impact si les marchés ne suivaient pas trois agences, mais, par exemple, six ou sept...

Une concurrence accrue qui ne passera finalement pas par la création d'une agence spécifiquement européenne : *"Nous avons étudié la création d'une agence européenne mais avons conclu qu'elle poserait des problèmes de conflits d'intérêts et serait pour l'heure peu crédible sur les marchés"*, note-t-on à Bruxelles.

Pour faire émerger de nouveaux acteurs, la Commission préfère poser un principe de rotation : à l'avenir, un émetteur ne pourra plus toujours recourir à la même agence pour faire noter ses emprunts et au bout d'une période donnée, inférieure à cinq ans, il devra faire appel à une autre.

Ce principe de rotation ne pourra pas s'appliquer aux dettes souveraines car, dans la majorité des cas, les notations des Etats sont, selon le terme consacré, "*non sollicitées*". En clair, ces emprunteurs publics ne rémunèrent pas les agences, qui décident unilatéralement de les évaluer pour des questions d'image ou pour les besoins de leurs clients...

Contre-pouvoirs

Pour les entreprises, en revanche, cette nouvelle règle devrait également permettre de réduire les éventuels conflits d'intérêts nés du modèle économique du secteur, où c'est l'emprunteur qui rémunère l'agence chargée de l'évaluer : celui qui lève de l'argent sur les marchés peut avoir tendance à porter son choix sur une agence bienveillante, et cette dernière peut être plus laxiste pour ne pas obérer de futurs contrats...

Pour favoriser la concurrence, l'ESMA, le régulateur européen des marchés, dressera aussi un index recensant toutes les agences, affichera leurs tarifs et listera les différentes notes pour un seul produit. Avec leurs filiales, rappellent les *Big Three*, elles représentent plus de la moitié des 27 agences enregistrées au 31 octobre auprès de l'ESMA, les autres étant souvent spécialisées dans un secteur ou une zone géographique.

Bruxelles souhaite également améliorer les contre-pouvoirs. D'abord, en obligeant les agences à prévenir les Etats ou les entreprises d'une dégradation non plus douze heures avant sa publication mais vingt-quatre heures. Ce qui leur laissera plus de temps pour préparer leurs réponses.

Ensuite, en créant un cadre européen de responsabilité civile en cas de faute lourde. Les agences devront aussi rendre publics davantage d'éléments les ayant amenées à revoir une note et leurs méthodologies devront préalablement être approuvées par l'ESMA.

Des mesures qui suscitent l'agacement des grandes agences : "*Pour ouvrir davantage le marché de la notation, il serait plus judicieux de mettre fin à l'obligation de s'y référer dans des réglementations financières plutôt que d'introduire de nouvelles contraintes portant atteinte à sa qualité et à sa crédibilité*", explique-t-on chez S & P.

A Bruxelles, on reconnaît d'ailleurs qu'un rôle "*quasi institutionnel*" a été conféré aux agences au fil du temps dans les réglementations, créant une "*surdépendance*". Et de noter que les références aux notes sont désormais à chaque fois éliminées dans les nouvelles réglementations, afin qu'elles ne deviennent plus qu'"*une opinion parmi d'autres*".

Clément Lacombe

Article paru dans l'édition du 15.11.11

Let's All Feel Superior

By [DAVID BROOKS](#)

First came the atrocity, then came the vanity. The atrocity is what Jerry Sandusky has been accused of doing at Penn State. The vanity is the outraged reaction of a zillion commentators over the past week, whose indignation is based on the assumption that if they had been in Joe Paterno's shoes, or assistant coach Mike McQueary's shoes, they would have behaved better. They would have taken action and stopped any sexual assaults.

Unfortunately, none of us can safely make that assumption. Over the course of history — during the Holocaust, the Rwandan genocide or the street beatings that happen in American neighborhoods — the same pattern has emerged. Many people do not intervene. Very often they see but they don't see.

Some people simply can't process the horror in front of them. Some people suffer from what the psychologists call Normalcy Bias. When they find themselves in some unsettling circumstance, they shut down and pretend everything is normal.

Some people suffer from Motivated Blindness; they don't see what is not in their interest to see. Some people don't look at the things that make them uncomfortable. In one experiment, people were shown pictures, some of which contained sexual imagery. Machines tracked their eye movements. The people who were uncomfortable with sex never let their eyes dart over to the uncomfortable parts of the pictures.

As Daniel Goleman wrote in his book "Vital Lies, Simple Truths," "In order to avoid looking, some element of the mind must have known first what the picture contained, so that it knew what to avoid. The mind somehow grasps what is going on and rushes a protective filter into place, thus steering awareness away from what threatens."

Even in cases where people consciously register some offense, they still often don't intervene. In research done at Penn State and published in 1999, students were asked if they would make a stink if someone made a sexist remark in their presence. Half said yes. When researchers arranged for that to happen, only 16 percent protested.

In another experiment at a different school, 68 percent of students insisted they would refuse to answer if they were asked offensive questions during a job interview. But none actually objected when asked questions like, "Do you think it is appropriate for women to wear bras to work?"

So many people do nothing while witnessing ongoing crimes, psychologists have a name for it: the Bystander Effect. The more people are around to witness the crime, the less likely they are to intervene.

Online you can find videos of savage beatings, with dozens of people watching blandly. The Kitty Genovese case from the '60s is mostly apocryphal, but hundreds of other cases are not. A woman was recently murdered at a yoga clothing store in Maryland while employees at the Apple Store next door heard the disturbing noises but did not investigate. Ilan Halimi, a French Jew, was tortured for 24 days by 20 Moroccan kidnapers, with the full knowledge of neighbors. Nobody did anything, and Halimi eventually was murdered.

People are really good at self-deception. We attend to the facts we like and suppress the ones we don't. We inflate our own virtues and predict we will behave more nobly than we actually do. As Max H. Bazerman and Ann E. Tenbrunsel write in their book, "Blind Spots," "When it comes time to make a decision, our thoughts are dominated by thoughts of how we *want* to behave; thoughts of how we *should* behave disappear."

In centuries past, people built moral systems that acknowledged this weakness. These systems emphasized our sinfulness. They reminded people of the evil within themselves. Life was seen as an inner struggle against the selfish forces inside. These vocabularies made people aware of how their weaknesses manifested themselves and how to exercise discipline over them. These systems gave people categories with which to process savagery and scripts to follow when they confronted it. They helped people make moral judgments and hold people responsible amidst our frailties.

But we're not Puritans anymore. We live in a society oriented around our inner wonderfulness. So when something atrocious happens, people look for some artificial, outside force that must have caused it — like the culture of college football, or some other favorite bogey. People look for laws that can be changed so it never happens again.

Commentators ruthlessly vilify all involved from the island of their own innocence. Everyone gets to proudly ask: “How could *they* have let this happen?”

The proper question is: How can we ourselves overcome our natural tendency to evade and self-deceive. That was the proper question after Abu Ghraib, Madoff, the Wall Street follies and a thousand other scandals. But it's a question this society has a hard time asking because the most seductive evasion is the one that leads us to deny the underside of our own nature.

Merkel Urges More Unified Continent to Save Euro

By [NICHOLAS KULISH](#)

LEIPZIG, Germany — Chancellor [Angela Merkel](#) of Germany warned reluctant members of her conservative party in no uncertain terms on Monday that deeper political integration was necessary if Europe's common currency was to be saved.

At the Christian Democratic Union's annual congress here, Mrs. Merkel told her party that "not less Europe but more" was the answer to the [sovereign debt crisis](#) facing the euro currency union. Mrs. Merkel, a scientist turned politician, drove home her point with unusual oratorical urgency, saying Europe had likely entered "the most difficult hours since World War II."

"It is now the task of our generation to complete the economic and currency union in Europe and create, step by step, a political union," she said.

But the kinds of changes to the [European Union](#)'s treaties Mrs. Merkel is proposing would likely take years to enact, requiring approval by all 27 nations of the European Union, by each Parliament or through referendums. Treaty amendments cannot help resolve the acute crisis affecting the continent's heavily indebted countries and undercapitalized banks right now.

But Mrs. Merkel reiterated her opposition to euro bonds or other methods of collectivizing the debts of the 17 European Union countries in the currency bloc.

The push for deeper cooperation within the euro zone also awakens fears among the 10 members of the European Union that do not use the euro that Europe will break into two blocs — usually referred to as two-speed Europe — divided by different rules for those in the currency union and those outside of it.

And many countries already using the euro are concerned about how rigorous the fiscal controls could be under German leadership. For all the high-flown oratory, Mrs. Merkel called in her speech for automatic sanctions against countries that violate budgetary rules, and even for the ability to take offending countries before the European Court of Justice.

There has been no small amount of discontent in the German conservative ranks. Many members grumble that the Christian Democrats have tacked too far to the center under Mrs. Merkel, giving up on mainstay positions like support for atomic energy and military conscription, and most recently moving toward a compromise on establishing minimum wages in sectors where there are no collective labor agreements.

In particular, the bailouts for Greece, Portugal and Ireland have been extremely unpopular among German voters. In her address on Monday, Mrs. Merkel stressed that Germany is inextricably linked with the other members of the European Union and draws economic strength from the common currency.

In a reminder of the hard feelings toward the nations requiring bailouts, in particular Greece, there were calls from within the party before the congress began for a mechanism to throw countries out of the euro zone. Those calls were rejected, but delegates approved a measure on Monday that would allow nations to voluntarily leave the currency bloc if they chose to.

Although the Christian Democrats are just one of three parties in the governing coalition, the event was an important opportunity for Mrs. Merkel to address her political base, elected officials and party rank-and-file from across the country.

Mrs. Merkel did not strike a conciliatory line in her hourlong speech, but instead sounded at points like a sharp taskmaster. "We do not despair, we do not complain, we do not whine; instead, we know that we have a task," she said.

Markus Lewe, the mayor of the city of Münster, said the chancellor "sent a clear signal that we are in the midst of a change of paradigm" with regard to European policy.

"She stressed that this is epochal and historic," he said.

Angelika Gemkow, a retired member of the state Parliament in North Rhine-Westphalia, said, "More than anything we need a stable currency, no matter what it's called."

Technocrats take charge

Debt and democracy

The Economist Nov 11th 2011, 11:47 by Buttonwood

IT HAS been a very turbulent week for the markets but also a very important week for democracy. The solutions to the European debt crisis seem to sidestep democratic government. The Greeks have appointed a former banker, Lucas Papademos, as prime minister and the Italians seem to be heading for Mario Monti, an academic and former EU commissioner. The idea, presumably, is that these candidates – who stand above the political fray – will be able to take the unpopular decisions that other politicians shrink from.

But using the term “unpopular” for policies implies that most voters don’t agree with them. Perhaps this is an inevitable problem with democracy. Politicians secure support from voters by offering them goodies – benefits, jobs in the public sector, tax breaks for particular activities (like home ownership) and so on. Once granted, these goodies are regarded as rights, and the recipients become a powerful constituency against change.

It is hard to form a constituency for reform. Taxpayers are not a uniform group; many will also be recipients of public largesse. This is true of the corporate sector, as well, which benefits from tax-deductibility of interest payments, defense spending, infrastructure spending and so on. So taxpayers may be in favor of deficit-cutting in aggregate but against specific proposals for cuts.

In the US, deficit-cutting has been punted to a super-committee to get round this problem, with the threat of across-the-board cuts if they fail to agree. This is at least democratic, in the sense that Congress voted for it. But rules that one Congress agreed to, another can set aside.

In Europe, it is striking that everybody now has pinned their hopes on the European Central Bank, a body without a democratic mandate, to act when politicians fail. Almost everyone (not yet the German government) seems to agree that the ECB must create the money (or make a commitment to do so) needed to finance Italy.

This is a classic way of getting round the problem. Politicians do not want to make an explicit commitment to bail out Italian taxpayers. Having the ECB buy the bonds is a form of implicit backing since taxpayers would have to bail out the ECB if it lost money in the process. Creating money to buy the bonds would also be also a way of spreading the commitment; money is a claim on real wealth, so creating more claims is a way of diluting the wealth of existing asset-holders. Think of it as a kind of “rights issue” by a country in trouble. This is a disguised tax on savers.

Many people have a mentor and I recently received a letter from the person who taught me most about financial journalism. His last paragraph was about Britain but applies more generally.

A desperate government, fearful of a meltdown in the housing market, is engineering a vast transfer from prudent savers to reckless borrowers (including, of course, itself). In a democracy in economic trouble, it is easy to enter a whirlwind of moral hazard. Indeed, the bills have to be picked up by those who have money because the rest don't have any. This is a point that needs to be made very forcefully. Out goes justice, in comes expediency. The really rich send their money overseas.

As European Nations Teeter, Only Lenders Get Central Bank's Help

By [JACK EWING](#)

FRANKFURT — Is it time for the [European Central Bank](#) to be as generous to countries as it is to banks?

Since the beginning of the financial crisis, the E.C.B. has been lending euro area banks as much money as they want, trying to maintain the liquidity — or continual flow of money — that is the lifeblood of the global financial system.

But because the bank has refused to offer the same easy lending service to countries like [Italy](#) and Spain, it is not confronting [the euro](#) area's most fundamental problem. And so, the governments saddled with debt are having to pay high prices to borrow money on the open market.

Investors pushed up interest rates on Italy's debt to record-high levels last week during the political crisis there. And even Monday, after the supposedly calming effect of a new, technocratic prime minister in Rome, lenders were demanding that Italy pay interest rates at levels high enough to eventually bankrupt the country.

In an auction of five-year bonds, Italy had to pay a rate of 6.29 percent, compared with 5.32 percent at a similar auction a month ago.

And Italy's 10-year bonds, which crested well above 7 percent last week in the secondary market, were still dangerously high Monday, at 6.77 percent — more than three times what Germany must pay on comparable bonds. In a further sign of investor anxiety about the weaker links in the euro chain, Spanish 10-year bond yields rose above 6 percent for the first time since August.

It is an atmosphere of mistrust reminiscent of the aftermath of the Lehman Brothers collapse in 2008. European banks are demanding higher interest rates for the overnight lending to one another that is essential to keep money circulating.

Some, fearing other banks' vulnerability to the debt of Italy, Spain and other beleaguered countries, are refusing to make such loans at all. That is why the E.C.B. has been willing to lend to the banks as needed.

But the biggest fear — the one implicit in all the talk of “contagion” and a potential “Lehman moment” — is not that any one bank will succumb to a liquidity crisis. It is that an entire country might do so, if it can no longer obtain the credit it requires to stay in business.

And at least so far, the E.C.B. has not done the one thing that could help calm that fear: declare that it stands ready to be the de facto lender of last resort to national governments.

If the fear that sent Italy's borrowing costs to record highs last week becomes a chronic condition, Italy could lose the liquidity it needs to keep paying the holders of its €1.9 trillion, or \$2.6 trillion, debt. That would be the Italy Moment — the point at which Rome's liquidity problem would quickly become everyone else's.

“We are approaching the point where the E.C.B. has to show its hand and accept its role as a lender of last resort,” analysts at Credit Suisse said in a note to clients Friday. “The question is how much further turmoil is required for it to do so.”

Mario Draghi, the new president of the E.C.B., has insisted that European countries must help themselves, by cutting spending and taking steps to make their economies more competitive.

Jens Weidmann, president of the German Bundesbank and an influential member of the E.C.B.'s governing council, went further Monday, saying it would be illegal to use the central bank to solve government budget problems.

“The increasing demand being placed on monetary policy is dangerous,” Mr. Weidmann told an audience of bankers in Frankfurt. “Monetary policy cannot and may not solve the solvency problems of governments and banks.”

In any case, Italy is strong enough to solve its own problems, Mr. Weidmann said: “What's needed is the political will.”

What the markets want to hear, though, is not only prescriptions for long-term overhauls but also assurances that the E.C.B. will do whatever it takes to prevent a near-term panic.

Italy, unlike Greece, is solvent, in that it has the economic resources to manage its debts. That is why many economists say it makes sense to protect Italy from a temporary inability to meet its cash-flow obligations. And with marketplace trust being a top component of getting access to money, the reassurance that the E.C.B. stood ready to step in as a lender to governments might be enough to keep the central bank from having to actually take that action.

But as long as worry continues that Italy may not be able to service its debt, Italian bonds are losing value as interbank currency — a big disadvantage for banks in Italy or France that own tens of billions in Italian debt. Last Tuesday, LCH Clearnet, a company that acts as an intermediary in bond and other trading, said it would impose a steeper discount on Italian bonds used as collateral.

As a central bank, the E.C.B. could theoretically use its ability to print money to buy huge amounts of debt from Italy and other countries. That would drive down their borrowing costs and ensure that they could continue to service their debts — that they would remain liquid, in other words.

The E.C.B.'s charter does not allow it to buy bonds directly from national treasuries, as the Federal Reserve has done in the United States as part of its so-called [quantitative easing](#) program to ensure liquidity in the lending markets. And yet, the E.C.B. can and does do essentially the same thing, by buying government bonds on the open market.

Since last year, the bank has spent €187 billion intervening in bond markets. But the relatively modest sums, less than 10 percent of the E.C.B.'s total balance sheet, have not been enough to prevent yields on Italian bonds from rising. And last week, even as Italian yields reached alarming levels, the E.C.B. reduced its purchases, spending about €4.5 billion, or less than half what it spent a week earlier.

If the interest rates that Italy must pay to borrow remain at their current levels, the government could eventually go bankrupt.

“Italy may be beyond the point of no return,” analysts at Barclays Capital wrote in a note to clients Friday.

The only limit to the E.C.B.'s ability to create money is a psychological one — the fear of setting off too much inflation. Mainstream economists, though, do not see any risk of significant inflation under current circumstances. The euro area is headed for [recession](#), unemployment is rising and factories are not producing as much as they could. That is why economists tend to encourage the E.C.B. to put more money into circulation.

Mr. Draghi seems to be in agreement on at least the point that inflation is not a big threat right now, which is why his first act as E.C.B. president was to announce a cut in short-term interest rates.

But if the central bank were to step up its bond buying, it would continue to encounter the shrill opposition of Germany, which has a fear of inflation steeped in history. And Berlin's voice on such matters is hard for Mr. Draghi to ignore, as German financial support is essential to the survival of the euro area.

Mr. Weidmann of the Bundesbank, expressing a widely held view in Germany, warned Monday that if the E.C.B. were used to bail out nations, “nothing less is at stake than the credibility of monetary policy.”

For many economists, though, the bigger worry is how credible any monetary policy would be if it failed to stave off an Italy Moment.

New Austerity Incites a Bitterness the Postwar Generation Did Without

By [ALAN COWELL](#)

LONDON — Before he died of Lou Gehrig's disease in 2010, [the historian Tony Judt](#) recalled childhood days just after World War II in a debilitated Britain that was slowly ceding its empire and its pre-eminence.

“Clothes were rationed until 1949, cheap and simple ‘utility furniture’ until 1952, food until 1954,” he wrote in a memoir, concluding that austerity in “that bare-bones age” was “not just an economic condition: it aspired to a public ethic.”

It was not just in Britain.

A continent was reeling, its cities and industries ruined. As Soviet Communism threatened to encroach and the cold war loomed, Western Europe awaited the salvation of America's Marshall Plan. Cars were few and small, vacations modest, belts tight.

As it confronts its massive debt problem, though, and a new austerity threatens to become its default setting, Europe seems to have lost sight of the fact that it has been there before; that the baby boom generation found its roots in postwar hardship; that, as Mr. Judt suggested, the huge affluence of more recent years could barely have been imagined as people struggled to shake off the gloom of war.

The difference now is that the taste for wealth, the aspiration to automatic betterment and the assumption of ever-expanding horizons have become universal, cemented by the growth of the [European Union](#) and the adoption of a single currency, [the euro](#), that has spread a leavening of prosperity among the 17 countries in the union that use it.

In Mr. Judt's early days, after the grinding deprivation of a world war, austerity trumped global conflict. Now, the point of departure is prosperity, a fool's paradise in which Europeans came to see affluence as a state of being, a birthright.

As politicians slowly and reluctantly confront the reality that the bounty days are over, what makes the challenge so explosive is not simply a question of economics; it is one of expectations and cultural divides.

In the lands of southern Europe, used to getting by with wile and guile, the prospect of hardship seems all the more bitter, illuminating, as it does, what outsiders cast as an all-too-predictable national failure to live up to the membership rules of the euro club that were devised and watched over by hard-nosed Germany in particular.

Modern austerity could never be described as an ethic; for southern European nations squirming under pressure from the Continent's wealthier northern lands, it is an affront to come to grips with the legacies of economic ill-discipline. And in the north, it is a high price to pay to rescue the profligate south.

Austerity is a time bomb ticking ever louder.

“Now the dominoes will move west,” Costas Douzinas, a professor of law in London, [wrote in The Guardian newspaper](#) after [the fall of Prime Minister George A. Papandreou](#) in Greece, depicting the implosion of the Athens government as a result of popular anger that the elites “are unable to comprehend or contain.”

“The elite's fear of ‘contagion’ should not be just about the euro,” he said. “They should also fear Greek resistance spreading across Europe.”

In a way, that may already be happening

By Tuesday, Prime Minister [Silvio Berlusconi](#) of Italy had also promised to go. [He did so on Saturday.](#)

In London, where demonstrators have taken up residence in an [encampment outside St. Paul's Cathedral](#), emulating the occupations that have spread in New York and other American cities, students took to the streets on Wednesday to protest increased college tuition fees; disgruntled electricians and disconsolate cab drivers staged demonstrations of their own.

As the riots in London and elsewhere in August seemed to show, the profound gulf between haves and have-nots has been magnified by the inequalities and envies of a society that has built its newest altars to consumption and greed.

If there is discontent now at the prospect of a modern austerity far less onerous than the hardships evoked by Mr. Judt, then there is also a sense of uneven payback for years of prosperity when, in Britain, well-being exploded on levels of credit and consumption that now seem inconceivable.

Just last week, as the St. Paul's protesters railed against capitalism, the Royal Bank of Scotland — majority-owned by British taxpayers, who bailed it out after the meltdown of 2008 — was reported to be planning to set aside \$800 million in bonuses for bankers seen by many as authors of the nation's malaise.

Yet the lesson for Europe's elites is not so much that they are threatened by popular dissent. Mr. Papandreou and Mr. Berlusconi both survived anger and denunciation on the cobblestones of their capitals. What brought them down was a global debt market that pushed the cost of borrowing beyond affordable levels: markets made the bad habit of living beyond one's means simply too expensive.

In Greece and Italy, as in Ireland and Portugal before them, unelected bond traders defined the destiny of elected leaders. By week's end, the market jitters had spread to Spain and France.

"If the leaders of the euro zone want to save their currency, then they, together with the institutions of the euro zone, must act now," said Prime Minister David Cameron of Britain, which does not use the common currency of its major trading partners but shares their fears of protracted decline. "The longer the delay, the greater the danger."

In Mr. Judt's day, austerity guaranteed a minimum level of access to basic supplies, the harbinger of better days; now, austerity is about the removal or diminution of jobs, pensions, comforts and benefits that have accrued since then — the herald, thus, of much darker times.

La notation de pays pourrait être gelée

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La Commission européenne va proposer la suspension de la notation de pays européens, si ceux-ci sont aidés au niveau international ou bien si leur notation accentue l'instabilité des marchés, a affirmé aujourd'hui le Commissaire européen aux Marchés financiers, Michel Barnier.

Les agences de notation financières qui sont sous l'autorité de l'Esma, l'Autorité européenne de surveillance des marchés financiers, "n'auront pas le droit, si l'Esma le décide, de faire une notation de certains pays, pendant un temps limité, qui sont sous programme de soutien international ou du FMI (Fonds monétaire international) ou de l'Union européenne", a déclaré M. Barnier sur la radio BFM.

En outre, l'Esma aura "la possibilité de suspendre temporairement pendant deux mois, à un moment qu'elle jugera opportun, la notation, si cette notation doit accentuer ou accélérer l'instabilité et l'irrationalité sur les marchés", a ajouté le Commissaire. M. Barnier doit présenter demain ses propositions pour durcir les règles de fonctionnement des agences de notations, dont les plus grandes sont Standard & Poor's, Moody's et Fitch, avec notamment la possibilité de poursuites civiles. Ces agences, dont les évaluations des Etats, des produits financiers et des entreprises font la pluie et le beau temps sur les marchés, sont depuis longtemps critiquées.

Nur noch 4,5 Milliarden Euro EZB halbiert die Käufe von Staatsanleihen

Bundesbankpräsident Weidmann fordert ein Ende der Anleihenkäufe und wehrt sich gegen politischen Druck. Italien kann seine Anleihen nur mit Mühe plazieren.

Von [Markus Frühauf](#), [Stefan Ruhkamp](#)

FAZ 14.11.2011 2011-11-14T17:13:00+0100



© dpa Protest in Rom

Die Europäische Zentralbank hat in der vergangenen Woche ihre Anleihenkäufe zugunsten finanzschwacher Eurostaaten unerwartet gesenkt. An den fünf Handelstagen von Donnerstag bis Mittwoch kauften die Notenbanken des Eurosystems Schuldtitel für knapp 4,5 Milliarden Euro. In der Vorwoche hatten sie für diesen Zweck noch rund 9,5 Milliarden Euro ausgegeben. Viele Marktbeobachter hatten damit gerechnet, dass der jüngste Wochenwert wegen der Zuspitzung der italienischen Schuldenkrise deutlich höher sein würde. Seit Beginn der Anleihenkäufe im Mai 2010 haben die Euro-Notenbanken nun für mehr als 190 Milliarden Euro auf dem Anleihemarkt interveniert.

Welche Titel gekauft wurden, teilte die EZB nicht mit, von Händlern war jedoch zu hören, dass in den vergangenen Tagen wie schon in den Vorwochen vor allem spanische und italienische Anleihen erworben wurden. An den beiden letzten Tagen der Vorwoche, die in dem Wochenwert nicht enthalten sind, und am Montag sei die EZB weniger aktiv gewesen, hieß es im Handel. Allerdings sind solche Einschätzungen mit einiger Unsicherheit behaftet, weil die Händler immer nur einen kleinen Teil des Marktes überblicken und manche Investoren auch direkt an die Zentralbank verkaufen.



Ein Ende der Staatsanleihenkäufe durch die Europäische Zentralbank (EZB) hat Bundesbankpräsident Jens Weidmann gefordert. In seiner Rede auf der Bankenkonferenz Euro Finance Week in Frankfurt sagte er: „Die Geldpolitik kann und darf Solvenzprobleme von Staaten und Banken nicht lösen.“ Mit jedem Rückschlag im Bemühen der Politik um eine Lösung der europäischen Staatsschuldenkrise steige der Druck auf die Geldpolitik. Wenn diese aber ihr Mandat, Preisstabilität zu gewährleisten, immer weiter dehne oder sogar gegen das Verbot der monetären Staatsfinanzierung verstoße, stehe deren Glaubwürdigkeit auf dem Spiel.

Nach Ansicht von Weidmann muss die Vereinnahmung der Geldpolitik für finanzpolitische Zwecke auch deshalb beendet werden, weil hierdurch letztlich der Druck auf die Politik nachlasse, die notwendigen Maßnahmen zu ergreifen. Eine Finanzierung des Rettungsfonds EFSF durch die Zentralbank lehnte Weidmann in seiner Rede abermals ab. Die Grenzen zwischen Fiskal- und Geldpolitik drohten dann zu verschwinden. Allerdings äußerte er sich in einem am Montag veröffentlichten Interview mit der „Financial Times“ erstmals verhalten positiv über eine Hebelung des Fondsvolumens durch staatliche Garantien. „Ich will nicht sagen, dass die Hebelung nicht nützlich ist“, sagte Weidmann. Allerdings würden auch die im Schadenfall zu erwartenden Verluste dadurch gesteigert.

„Schuldenbremse ein erfolgreiches Exportmodell“

Der Bundesbankpräsident lehnt weitere Hilfen für Italien ab. Während Griechenland Hilfen benötige, um die notwendigen strukturellen Reformen durchzusetzen, könne Italien seine Schwierigkeiten aus eigener Kraft meistern, sagte er. Trotz des bedenklich hohen Schuldenbergs des Staates verfüge das Land über leistungsfähige Unternehmen und über vergleichsweise gering verschuldete Privathaushalte. „Worauf es ankommt, ist der politische Wille“, sagte er.

Den Haushalt zu konsolidieren, müsse jeder Staat grundsätzlich selbst leisten, sagte Finanzstaatssekretär Jörg Asmussen, der zum Jahreswechsel neuer Chefvolkswirt der EZB wird. Wenn die Länder dazu nicht in der Lage seien, werde ihnen wie im Fall von Portugal und Irland geholfen. Griechenland bezeichnete Asmussen als Sonderfall, da die bisherigen Hilfen nicht ausgereicht hätten. Laut Asmussen hat Deutschland mit der Schuldenbremse frühzeitig auf die steigende Schuldenlast reagiert und dies sei in Europa größtenteils verstanden worden: „Die Schuldenbremse wird ein erfolgreiches Exportmodell.“

Der italienische Staat wird sich jedoch allenfalls langfristig mit einer Schuldenbremse beschäftigen können. Derzeit muss er weiter Schulden machen und hat große Schwierigkeiten, genügend Gläubiger zu finden. Am Montag gelang zwar die Aufstockung einer fünfjährigen Anleihe um 3 Milliarden Euro. Doch dafür musste Italien einen Zins bieten, der in dieser Laufzeit noch nie so hoch war seit Einführung des Euro. Sofern Italien stets pünktlich zahlt, können die Investoren, die bei der Emission zugriffen, eine jährliche Rendite von 6,29 Prozent erwarten. Bei dieser Rendite überstiegen die Kaufofferten der Anleger die von Italien angebotenen Anleihen um rund 40 Prozent. Doch schon wenige Stunden später werden viele der Anleger ihre Risikofreude bedauern haben. Händler berichteten, dass die Anleihen, die in der Auktion für 93,73 Prozent des Nennwerts verkauft wurden, nur noch 93,0 Prozent wert waren. Für den Anleihemarkt ist das ein ungewöhnlich hoher Kursverlust, der die Nachfrage bei künftigen Anleiheauktionen belasten könnte.

Quelle: F.A.Z.

France Keeps a Watchful Eye on Turmoil in Italy

By NELSON D. SCHWARTZ and [LIZ ALDERMAN](#)

First it was Athens. Then Rome. Could Paris be next?

While Italy has replaced Greece as the focus of anxiety amid Europe's worsening [debt crisis](#), investors are increasingly concerned about the outlook for France, whose banks are among the world's biggest and are closely linked with their counterparts in the United States.

One crucial gauge of investor sentiment, the difference between what France pays to borrow versus what Germany pays, has doubled since the beginning of October, and last week reached its widest point since the formation of [the euro](#) currency zone in 1999. Meanwhile, speculation that France could soon lose the sterling triple-A rating on its sovereign debt intensified after Standard & Poor's mistakenly told clients on Thursday that it was downgrading France's debt.

The jump in Italian bond yields to more than 7 percent last week, on concern about Rome's ability to borrow, reminded investors just how much Italian debt French banks hold.

But French banks also hold a lot of French government bonds, whose yields have risen in tandem with concerns that Paris's finances may be strained as it foots a larger bill to help prevent the crisis from engulfing Italy.

"Once you are dealing with Italy, you are dealing with France as well," said Hans Mikkelsen, senior credit strategist at Bank of America Merrill Lynch. "This is cutting into the core."

French banks are also more dependent on short-term financing than their rivals elsewhere, leaving them vulnerable if Italy's problems create a Lehman-like freeze in credit markets.

For the moment, [the ascent of a new interim government in Rome](#) and the appointment of Mario Monti, a former European commissioner, as prime minister, have calmed those fears. French politicians, regulators and bankers insist that Italy's problems are contained, and will not affect French banks, which have slashed their holdings of Italian sovereign debt in the last few months.

But French banks, and others on the Continent, have traditionally turned to American money-market funds to finance the gap between what they possess in deposits and what they owe, and though French banks have cut this borrowing substantially in recent months, it is still huge. At the end of October, money-market funds in the United States owned \$84 billion worth of French debt.

Estimates for [total American bank exposure](#) to France vary widely. Direct holdings of French sovereign debt are small but total exposure runs into the hundreds of billions, according to the Bank for International Settlements. A recent Congressional Research Service report estimated that American bank exposure to German and French banks totaled more than \$1.2 trillion

The roots of France's exposure to Italy lie in the decision by French banks to expand aggressively over the last decade by acquiring banks there and operating big branch networks. BNP Paribas, which bought Banca Nazionale del Lavoro of Italy five years ago, holds 12.2 billion euros in Italian sovereign debt, despite reducing its Italian bond holdings by 40 percent since the summer and whittling its exposure to Italy to 1 percent of its total commitments.

"We are in a much better position to face any problems than we were three to four months ago," said Antoine Sire, the head of communications at BNP Paribas in Paris. A recent stress test by the European Banking Authority showed that BNP did not need to raise more to guard against a worsening of the crisis.

Crédit Agricole, another French financial giant, holds 8.7 billion euros worth of Italian bonds. Société Générale, whose shares have been pounded in recent months on fears of a Greek default, holds 1.5 billion euros in Italian bonds after it also slashed its holdings.

Indeed, among banks on the Continent, *French institutions have been the most exposed to Italy, according to a recent report by Keefe, Bruyette & Woods, holding more than \$100 billion worth of sovereign Italian bonds and on the line for an additional \$300 billion in loans to private borrowers like Italian companies and consumers*, though these figures have been dropping in recent weeks.

As a result, imposing a write-down in the value of Italy's debt, a so-called haircut, would have a much more devastating effect on bank capital levels than the 50 percent reduction in the face value of Greek debt agreed to by European leaders last month.

What is more, the amount of money owed by Italy — just under 2 trillion euros — dwarfs the 350 billion euro debt load of Greece.

While nobody expects Italy, a much wealthier economy than Greece, to force losses on banks the way Greece did, "Italy is too big to fail and too big to bail," Mr. Mikkelsen said. "We don't have enough of a cushion in the European banking system to take a meaningful haircut on Italian debt."

Jean-Pierre Lambert, a senior bank analyst with Keefe, Bruyette & Woods in London, added that "if Italy deteriorates dramatically, some French banks would be engulfed in the contagion and that would require capital support from the state."

To be sure, anxieties about Italy eased Friday, with yields on its debt falling below 7 percent, and the prospect of a new government there has raised hopes its budget problems will finally be brought under control. On Saturday, [Parliament approved austerity measures](#) sought by the European Union, followed by the resignation of Prime Minister Silvio Berlusconi.

And when it comes to France itself, its economy is much healthier than that of Italy. Unlike Italy, where debt equals 120 percent of gross domestic product, the debt-to-G.D.P. ratio of France stands at a much more manageable 85 percent. The French economy has also grown at about twice the rate of Italy's over the last decade.

French authorities have been keeping a close eye on the rapidly unfolding developments in Italy. But they maintain that French banks have adequate capital to weather the storm, and expect efforts by European leaders, as well as a new Italian government committed to fiscal reform, to help keep the crisis from becoming more severe.

Indeed, French officials maintain that Italy will never default.

Despite paltry growth and one of the highest debt loads in the world, Italy is still a much wealthier economy than Greece, Portugal or Ireland, and the government is pushing through austerity measures to accelerate an improvement of its finances.

That does not mean that French officials are not concerned. Behind closed doors, they acknowledge that French banks hold far more in Italian debt than they ever held in Greek government bonds. Christian Noyer, the governor of France's central bank, summed up the thinking of the French establishment, [declaring recently](#) that concerns about Italy would "dissipate once the country has the political means to implement its structural reforms."

French officials have tried to influence such an outcome. As Italian bonds climbed further last week, President Nicolas Sarkozy and Chancellor Angela Merkel of Germany privately urged Italy's president, Giorgio Napolitano, to pick the technocrat, Mr. Monti, said a former top-ranking Italian government official who spoke on the condition of anonymity.

With Mr. Berlusconi out of the limelight, the Italian Senate on Friday approved a package of austerity measures that Mr. Monti's government is expected to enforce, a move that [stoked a rally in financial markets](#) and helped push Italy's bond yields below the 7 percent threshold that had led Greece, Ireland and Portugal to seek financial bailouts.

France considers its big banks sound because they have been forced to hold significant amounts of Tier 1 capital, which protects against losses, and have less leverage than before.

Yet the French government recognizes that the risk of contagion "is always there," and is ready to backstop any of its large banks in the event that conditions deteriorate, said a French regulator who is directly involved in monitoring the national banking system.

"The French government would never let any major banks fail, so of course we have money available" to backstop them, the regulator said.

Alternate-Side Parking Brings Peace

By ALAN DRAPER

Canton, N.Y.

EUROPE can't seem to cope with diversity. Controversies over head scarves in France, police brutality in Britain, minarets in Switzerland, and the success of xenophobic right-wing parties in Austria, the Netherlands and Belgium, reveal the depths of the challenge.

As European countries try to integrate immigrants from Africa, South Asia and the Middle East, they have found the transition from a homogeneous society to a multicultural one painful. The economic fallout from the euro zone debt crisis is likely to make assimilation even harder.

In its search for solutions, Europe would do well to look to the streets — of New York City. Seriously.

The city's [alternate-side parking calendar](#), which sets out the holidays when street-cleaning rules are suspended (so drivers don't have to move their cars), is actually a model for managing the challenges of diversity.

Over decades, the calendar has grown to include numerous holidays that are sacred to various religions. And we're not just talking Passover and Good Friday, Yom Kippur and Christmas. There's Id al-Fitr and Id al-Adha for Muslims; the Solemnity of the Ascension, the Feast of the Assumption and the Immaculate Conception for Roman Catholics; and a raft of Jewish holidays from Shavuot and Succoth to Shemini Atzeret and Simhat Torah. The parking rules are also suspended on certain cultural holidays, like the Asian Lunar New Year, Rosh Hashana and Diwali, the South Asian festival of lights.

Observing these holidays — even if only for the purpose of street cleaning — is not just a symbolic way of acknowledging religious and cultural pluralism. Their existence on the alternate-side calendar alongside civic and legal holidays, like Martin Luther King Jr. Day, Presidents' Day, Labor Day and Thanksgiving, when schools and government buildings are closed, helps to normalize the idea of diversity.

Europe should follow this example. It needs to recognize and celebrate the distinctive identities of its citizens at the same time that it reflects and promotes what unites them. Negotiating the tension between what divides and binds a community together is never easy; even little steps help.

Holidays are particularly fraught because they reflect a kind of state recognition. That is why a multilevel approach to the public sphere — in which some holidays are celebrated by, say, the suspension of street cleaning and parking regulations, while others that recognize more communal anniversaries are observed in more meaningful ways — is so attractive. It acknowledges both diversity and unity.

As New Yorkers are aware, even holidays celebrated by one group can have salutary, binding effects for society. Groups who might be adversaries elsewhere — Palestinians and Israelis, Indians and Pakistanis — can unite in their appreciation of each other's holidays because it saves them all from the drudgery of having to move their cars.

In fact, if residents had their way, countless holidays observed by immigrant New Yorkers and their families would be added to the calendar. If every group seeking recognition in this fashion succeeded, the streets would get awfully dirty. But everyone would believe that the streets belonged to them.

Alan Draper is a political scientist at St. Lawrence University.

Eurokrise: Und vergib uns unsere Schulden

Jeder Umsturz, jede Revolution beginnt mit Schulden, welche die Gesellschaft nicht mehr bezahlen kann. David Graebers großes Buch „Debt“ zeigt uns, wo wir heute stehen. Eine Befreiung.

Von [Frank Schirrmacher](#)

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© JENNIFER S ALTMAN/The New York T David Graeber in New York

Dies ist ein herrliches und hilfreiches Buch. Der amerikanische, in England lebende Anthropologe David Graeber hat soeben eine fast fünfhundertseitige Studie veröffentlicht, die den lakonischen Titel „Debt“ (Schuld) und den unbescheidenen Untertitel „Die letzten 5000 Jahre“ trägt. Es ist eine Anthropologie der Schuld und der Schulden und eine Rückeroberung: Endlich kommt einer und entwindet der technologischen Intelligenz der Ökonomie, die immer noch behauptet, die Dinge zu verstehen, einen existentiellen Begriff menschlichen Daseins.

Graeber, einer der führenden Köpfe seines Faches, nennt sich selber einen Anarchisten, was eher darauf zielt, dass er sich keiner Richtung und keiner Partei zuordnen lässt. Er ist, so jedenfalls vermutet die „Business Week“, derjenige, der die amerikanische Occupy-Bewegung gerade zu einer intellektuell anspruchsvollen politischen Bewegung transformiert. Aber ehe Missverständnisse entstehen: Das ist kein sektiererisches und kein agitierendes Buch. Es öffnet dem Leser die Augen für das, was gerade vor sich geht - und was nicht zu verstehen ist, wenn man glaubt, es seien die Zinsen für Staatsanleihen, die über das Schicksal Europas entscheiden, Rechtsbrüche und Demokratiebedrohungen möglich machen.

Was geschieht, ist größer als das, was wir davon lesen. Und auch wenn ein Teil der ökonomischen Kommentatoren versucht, die gegenwärtige Krise von der Finanzkrise des letzten Jahrzehnts abzukoppeln, so wird eine spätere Geschichtsschreibung den Zusammenhang ohne weiteres erkennen. Graebers Text ist eine Offenbarung, weil er es schafft, dass man endlich nicht mehr gezwungen ist, im System der scheinbar ökonomischen Rationalität auf das System selber zu reagieren. Diese Tautologie hat in den letzten Monaten im Zentrum eines funktionsunfähigen Systems dazu geführt, dass praktisch alle Experten einander widersprechen und jeder dem anderen vorwirft, die Krise nicht zu verstehen. Diese enorme Entmündigung hat nichts mehr mit Rationalität, sondern mehr mit Intuition, nichts mehr mit Wissenschaft, sondern mit Theologie zu tun.

David Graebers Geschichte, übrigens die erste ihrer Art aus der Hand eines Anthropologen, zeigt den historischen Ort, an dem wir stehen. Schon die Erzählung zeigt, dass es nicht gut ist, die Erörterung der Schuldenkrise einem Kreis streitsüchtiger Ökonomen zu überlassen. Praktisch alle Aufstände, Umstürze und

sozialen Revolutionen der europäischen Geschichte, schreibt Graeber, entstanden aus einer Situation der Überschuldung. Die scheint eine der größten Kräfte in der Entfesselung von Unruhe und Revolte zu sein und eine der über Generationen zyklisch wiederkehrenden Lebensbedrohungen - sowohl für den Einzelnen wie für die etablierte Macht.

Europa droht zu zerfallen

„Lösch alle Schulden, und verteilt das Land neu!“ - das, so hat der große Althistoriker Moses Finley geschrieben, sei über Jahrhunderte das einzige und immer wiederkehrende revolutionäre Programm der Antike gewesen.

Zweitausend Jahre später ist es die Selbsttötung eines jungen, hochverschuldeten tunesischen Gemüsehändlers namens Mohamed Bouazizi, die entscheidend die tunesische Revolution und den arabischen Frühling auslöst. In den Vereinigten Staaten demonstrieren in der Occupy-Bewegung keine Berufsrevolutionäre, sondern Menschen, die selbst verschuldet sind: Studenten, die ihre Studentenkredite niemals werden zurückzahlen können, ebenso wie Veteranen, deren Pension verloren ist. Europa droht zu zerfallen, weil seine Staaten überschuldet sind, und es ist mehr als eine besorgte Frage, was geschieht, wenn auch hier immer mehr individuelle Schuldner die Aussichtslosigkeit ihrer Lage erkennen müssen.

Käme Plato mit einer Zeitmaschine zu uns, so schreibt Graeber, er würde sich nicht wundern, Menschen zu sehen, die arbeiten müssen, nicht, um ihr Leben zu leben, sondern um eine Schuld zu bezahlen, für die ihr Leben gar nicht ausreicht. Zu seiner Zeit nannte man sie Sklaven.

Schulden sind ein moralisches Prinzip

Ökonomische Schuldentheorien sind das eine. Aber Schulden sind viel mehr als Ökonomie. Weil wir das nicht mehr wissen, haben wir der Ökonomisierung aller sozialen Beziehungen Vorschub geleistet. Es sei nur Ökonomie, sagen die Vertreter der technischen Intelligenz, eine ganz einfache Rechnung zwischen Soll und Haben. Aber das stimmt nicht. Warum konnte man Papandreou „illoyal“ nennen, warum sein Volk disqualifizieren, warum sind Rechtsbrüche möglich, und all das auch noch mit gutem Gewissen? Hat Griechenland Europa den Krieg erklärt? Hat es sich aus der Gemeinschaft zivilisierter Staaten verabschiedet? Die Antwort lautet: Schulden sind im Kern ein moralisches Prinzip und eine moralische Waffe - vielleicht, nach der Travestie von Menschenrechtspolitik, die letzte, die unhinterfragt zu existieren scheint.

Aber diese Moral ist machtgebunden. Graeber zeigt, wie seit den Zeiten Mesopotamiens die Schuld ein Versprechen war, dessen Einhaltung mit Gewalt durchgesetzt werden konnte. Darin unterschied sie sich von allen anderen Versprechen dieser Art. Dass der Mensch schuldig geboren werde und diese Schuld abzutragen habe, dieses religiöse Motiv liegt allen Schuldverschreibungen zugrunde.

Die Geschichte der Ökonomie beginnt mit Krediten

Die Anthropologie weiß längst, dass die auf Adam Smith zurückgehende Geschichte ökonomischen Handelns eine Fiktion ist. Noch heute glauben wir, es habe erst den Tauschhandel gegeben, der dann, aus Gründen der Bequemlichkeit, von Geld abgelöst worden ist. Dafür, so Graeber, gibt es keine einzige Quelle. Er unterscheidet recht wirkungsvoll zwischen „kommerziellen Ökonomien“ und „menschlichen Ökonomien“. Tatsächlich beginnt die Geschichte der menschlichen Ökonomie mit Krediten und ohne Geld. Jemand verspricht die Ware,

die er erwirbt, später auf irgendeine Weise zu begleichen. Schon das englische Wort „Thank you“ lässt sich auf die etymologische Wurzel zurückführen: „Ich werde mich daran erinnern, was du für mich getan hast.“ Geld ist dann nicht eine „Sache“ mit einem immanenten Wert, sondern es beschreibt nur das Verhältnis zwischen Dingen von Wert. Erst als Geld zur Sache wurde und schließlich zu einer creatio ex nihilo, die den Wert aus sich selber schafft, begann es, massiv soziale Beziehungen zu korrumpieren.

Graeber zeigt, wie sich Verschuldung erst als neue soziale Norm etablierte, um sich dann, als moralisches und juristisches Argument, gegen die zu wenden, die drauf reinfielen. Die Unter- und die Mittelschicht Amerikas haben sich verschuldet, um sich Häuser, Stereoanlagen und Autos zu kaufen. Die Griechen offenbar auch. Nur, fragt Graeber: „Offenbar haben sich diese Leute gesagt: Wenn heute schon jeder ein Miniatur-Kapitalist werden soll, warum sollen wir dann nicht auch Geld aus nichts schaffen dürfen?“ Jetzt erkennen sie, dass der AIG erlaubt ist, was ihnen verwehrt ist - ein Blick auf Mesopotamien, das antike Griechenland und Rom zeigt, dass das die Inkubation sozialer Umstürzbewegungen ist. Das Schuldensystem, das auf einer „Schöpfung aus nichts“ aufgebaut ist, hat deshalb in den Augen des Anthropologen nichts mehr mit Märkten und auch nichts mit Wissenschaft zu tun (die Formeln bei AIG mussten von Astrophysikern geschrieben werden, weil sie so schwierig waren), sondern mit Theologie. Wir leben in einer Welt der doppelten Theologie, „eine für die Geldgeber und eine für die Schuldner“.

Beschreibung der ökonomischen Rolle Chinas in der frühen Neuzeit

Diese spannenden historischen Teile (etwa die ökonomische Rolle Chinas in der frühen Neuzeit, das ökonomische Selbstverständnis des Islam mit seinem Verbot des Geldverleihs gegen Zinsen) dienen einem Zweck: Graeber, und darin wohl erkennt man ihn als Anarchisten, will den Blick öffnen dafür, dass es alternative marktwirtschaftliche Gesellschaften geben kann, die funktionsfähig sein können, ohne klassenkämpferisch zu sein.

Man kann die Vielzahl der Nachweise und Beispiele hier nicht annähernd aufzählen. Das ist auch gar nicht nötig. Denn was Graeber im Kern zeigt, ist ganz einfach und sollte allen Technokraten der Krise für ein paar Augenblicke den Atem nehmen: Hohe Verschuldung ist dann eine moralische Existenzbedrohung für Gesellschaften, wenn es möglich wird, dass die, die Geld verleihen, dieses über Schulden finanzieren und dann ihre eigenen Schulden nicht bezahlen. Man kann seinem historischen Befund nicht widersprechen. Was früher Ausnahme in Kriegs- und Krisenzeiten war, ist allmählich zum systemischen Prinzip geworden. Es zerbricht regelmäßig, und das ist offenbar der historische Zeitpunkt, an dem wir uns im Augenblick befinden. Aber warum zerbricht es immer wieder? Weil, so Graebers Befund, man nicht in einem System dauerhaft verschuldet sein kann, das ewig dauert. Dann gilt: „Man muss sich verschulden, um ein Leben zu leben, das mehr ist als bloßes Überleben.“

Sätze von Martin Luther King

Dieser Satz ist vielleicht der dramatischste dieses faszinierenden Werks. Insofern war die Systembedrohung durch den Kommunismus tatsächlich ein Grund für die Selbstdisziplinierung des Finanzkapitalismus.

Die Kodifizierung von Schulden im globalen Ausmaß - man lese nach, wie Graeber das mittelalterliche China beschreibt, das sich durch materielle Zuwendungen über lange Zeiträume ganze Vasallenimperien kaufte - führt zu einer Veränderung von Zivilisationen, die ihren kooperativen Geist immer mehr verlieren. Was hier

manchem zu humanistisch klingen mag, kann Graeber auch anders formulieren. In dem Maße, in dem der Staat seine nationalen Schulden über Zentralbanken monetarisiert, wird das Gefühl immer stärker, dass der Staat selbst ein moralischer Gläubiger ist, ein Gläubiger von Freiheit, „ein Wert, der buchstäblich von jedem Einzelnen einer Gesellschaft besessen wird“. Dass dies keine Hypothese ist, zeigt die aktuelle Lage. Die Rede, dass eine ganze Gesellschaft über ihre Verhältnisse lebt, und die fast ausschließlich den angeblich wachsenden Sozialstaat meint, ist die Anwendung des ökonomischen Schuldenprinzips auf die Ebene des moralischen. Nur weil man verschuldet und also ein moralisches Versprechen eingegangen ist, kann man umgekehrt riskieren, als moralischer Gläubiger gegenüber seinem eigenen Volk aufzutreten.

Lichtjahre her sind dann Sätze wie diese von Martin Luther King, die Graeber zitiert: „Wir sind in die Hauptstadt gekommen, um einen Scheck einzulösen. Als die Architekten unserer Verfassung ihre großartige Präambel schrieben, haben sie einen Wechsel ausgestellt, dessen Erben wir sind. Diese Worte waren ein Versprechen . . . Statt diese Verpflichtung einzuhalten, hat Amerika den Schwarzen einen faulen Scheck gegeben, einen, der zurückkommt mit der Bemerkung: ‚ungedeckt.‘“ Man muss ein Anthropologe dieses Ranges sein, um einen solchen Grad an Plausibilität zu erreichen: Wer fordert seinen Scheck von einem Staat, dessen Schuldner man ist?

Bricht die Occupy-Bewegung erst 2012 richtig aus?

Der amerikanische Ökonom Michael Hudson, dessen Studien Graeber viel zu verdanken hat, hält die Occupy-Bewegung in den Vereinigten Staaten für prärevolutionär. Ihren wirklichen Ausbruch erwartet er für das Frühjahr 2012. Kein Mensch weiß, ob er recht hat. Aber da wir in einer Welt leben, in der die Erwartungen wichtiger sind als die Ereignisse, ist entscheidend, dass er es glaubt. Denn Michael Hudson lag schon oft richtig. Seine im Mai 2006 unter dem Titel „Der neue Weg in die Leibeigenschaft“ erschienene Voraussage über den Zusammenbruch der Immobilienblase in den Vereinigten Staaten gilt immer noch als prognostisches Meisterwerk.

Graebers Werk zeigt, dass Schulden, so sehr sie uns auch an Ratenzahlungen und den Otto-Versand erinnern mögen oder an die Abstraktion von Billionen Euro aus Brüssel, der revolutionäre Kern unaufhaltsamer gesellschaftlicher Veränderung sind. Es geht um viel mehr als überzogene Dispokredite. Das erste Wort für Freiheit in menschlicher Sprache überhaupt, zeigt Graeber, ist das sumerische „amargi“, ein Wort für Schuldenfreiheit. Unsere Vorgänger, so Graeber, die Könige und Kaiser der alten Zeit, die Fürsten und Gouverneure, hatten am Ende nur drei Auswege. Sie taten nichts, dann ging es ihnen meistens an den Kragen. Sie entschuldeten sich und die Banken, dann entstand eine revolutionäre Lage, manchmal über Generationen hinweg. Oder sie entschuldeten alle.

Die Schöpfung aus dem Nichts

Man lese diese letzten Seiten in Graebers Buch. Sie sind, werden die Ökonomen sagen, die reine Utopie. Die Schöpfung aus dem Nichts. Aber sie tun etwas mit dem Gehirn und dem Bewusstsein: Sie machen klar, dass wir es selber sind, die über unsere Symbole und deren Macht entscheiden. Alles, so sagt Graeber, wurde in den Vereinigten Staaten in den letzten Jahren in Frage gestellt, angepasst, reformiert, alle Glaubenssätze durchgespielt, ein Markt der Ideen, die am Ende keinem weh taten, außer einer: dass man seine Schulden bezahlen müsse. Das gilt für den Studenten, der er einmal war, und es gilt für den Hausbesitzer. Und weil es

immer gilt und immer galt, darum ist diese Gegenwart so dramatisch: „Jetzt wissen wir, dass dies eine Lüge war. Wie wir jetzt sehen, müssen eben nicht ‚alle‘ ihre Schulden bezahlen. Nur einige von uns müssen. Nichts wäre wichtiger, als den Tisch aufzuräumen für jeden, unsere eingeübte Moralität in Frage zu stellen und neu zu beginnen.“

Man sollte sich nicht damit beruhigen, dass die amerikanischen Verhältnisse andere sind. Das sind sie. Aber längst ist jeder Bundesbürger verschuldet. Längst hat diese Schuld zu einem autoritären Zuwachs des Staates geführt, der jetzt zunehmend unkontrolliert Opfer verordnen kann und vor allem wird. Noch haben die meisten Deutschen offenbar das Gefühl, dass sie die Schulden abbezahlen können. Ändert sich dies, ändert sich alles.

David Graeber: „Debt. The First 5000 Years“. Melville House, 554 Seiten „Löscht alle Schulden, und verteilt das Land neu!“

Quelle: F.A.S.

The future of the EU

Two-speed Europe, or two Europes?

The Economist Nov 10th 2011, 2:23 by Charlemagne | BRUSSELS

NICOLAS Sarkozy is causing a big stir after calling on November 8th for a two-speed Europe: a "federal" core of the 17 members of the euro zone, with a looser "confederal" outer band of the ten non-euro members. He made the comments during a debate with students at the University of Strasbourg. The key passage is below (video [here](#), starting near the 63-minute mark)

You cannot make a single currency without economic convergence and economic integration. It's impossible. But on the contrary, one cannot plead for federalism and at the same time for the enlargement of Europe. It's impossible. There's a contradiction. We are 27. We will obviously have to open up to the Balkans. We will be 32, 33 or 34. I imagine that nobody thinks that federalism—total integration—is possible at 33, 34, 35 countries.

So what one we do? To begin with, frankly, the single currency is a wonderful idea, but it was strange to create it without asking oneself the question of its governance, and without asking oneself about economic convergence. Honestly, it's nice to have a vision, but there are details that are missing: we made a currency, but we kept fiscal systems and economic systems that not only were not converging, but were diverging. And not only did we make a single currency without convergence, but we tried to undo the rules of the pact. It cannot work.

There will not be a single currency without greater economic integration and convergence. That is certain. And that is where we are going. Must one have the same rules for the 27? No. Absolutely not [...] In the end, clearly, there will be two European gears: one gear towards more integration in the euro zone and a gear that is more confederal in the European Union.

At first blush this is statement of the blindingly obvious. The euro zone must integrate to save itself; even the British say so. And among the ten non-euro states of the EU there are countries such as Britain and Denmark that have no intention of joining the single currency.

The European Union is, in a sense, made up not of two but of multiple speeds. Think only of the 25 members of the Schengen passport-free travel zone (excluding Britain but including some non-EU members), or of the 25 states seeking to create a common patent (including Britain, but excluding Italy and Spain).

But Mr Sarkozy's comments are more worrying because, one suspects, he wants to create an exclusivist, protectionist euro zone that seeks to detach itself from the rest of the European Union. Elsewhere in the debate in Strasbourg, for instance, Mr Sarkozy seems to suggest that Europe's troubles—debt and high unemployment—are all the fault of social, environmental and monetary "dumping" by developing countries that pursue "aggressive" trade policies.

For another insight into Mr Sarkozy's thinking about Europe, one should listen to an interview he gave a few days earlier, at the end of the marathon-summitry in Brussels at the end of October (video [here](#), starting at about 54:30):

I don't think there is enough economic integration in the euro zone, the 17, and too much integration in the European Union at 27.

In other words, France, or Mr Sarkozy at any rate, does not appear to have got over its resentment of the EU's enlargement. At 27 nations-strong, the European Union is too big for France to lord it over the rest and is too liberal in economic terms for France's protectionist leanings. Hence Mr Sarkozy's yearning for a smaller, cosier, "federalist" euro zone.

This chimes with the idea of a *Kerneuropa* ("core Europe") promoted in 1994 by Karl Lamers and Wolfgang Schäuble, who happens to be Germany's current finance minister. Intriguingly, it is the first time that Mr Sarkozy, once something of a sceptic of European integration, has spoken publicly about "federalism", although he had made a similar comment in private to European leaders in March (see my [column](#)). It echoes the views of Mr Sarkozy's Socialist predecessor, François Mitterrand.

Such ideas appeared to have been killed off by the large eastward enlargement of the EU in 2004, and by the French voters' rejection of the EU's new constitution in 2005. But the euro zone's debt crisis is reviving these old dreams.

But what sort of federalism? Mr Sarkozy probably wants to create a euro zone in France's image, with power (and much discretion) concentrated in the hands of leaders, where the "Merkozy" duo (Angela Merkel and Nicolas Sarkozy) will dominate. Germany will no doubt want a replica of its own federal

system, with strong rules and powerful independent institutions to constrain politicians. *Le Monde* carries [a series of articles](#) (in French) on what a two-speed Europe may mean.

If the euro zone survives the crisis—and the meltdown of Italy's bonds in the markets suggests that is becoming ever more difficult—it will plainly require deep reform of the EU's treaties. Done properly, by keeping the euro open to countries that want to join (like Poland) and deepening the single market for those that do not (like Britain), the creation of a more flexible EU of variable geometry could ease many of the existing tensions. Further enlargement need no longer be so neuralgic; further integration need no longer be imposed on those who do not want it.

But done wrongly, as one fears Mr Sarkozy would have it, this will be a recipe for breaking up Europe. Not two-speed Europe but two separate Europes.

The first steps toward integration, the idea of holding regular summits of leaders of the 17 euro-zone countries, has already caused early friction with Britain (see my earlier post here). This week there were further cracks when, during a meeting of the euro zone's finance ministers in Brussels, their colleagues from the ten non-euro states held their own separate dinner in a hotel nearby.

All this is alarming the European Commission, the EU's civil service and the guardian of its treaties. Speaking in Berlin on November 9th, its president, José Manuel Barroso, delivered what amounted to a direct rebuke to Mr Sarkozy.

The Commission welcomes, and urges—in fact we have been asking for a long time—a deeper integration of policies and governance within the euro area. Such integration and convergence is the only way to enhance discipline and stability and to secure the future sustainability of the euro. In other words, we have to finish the unfinished business of Maastricht—to complete the monetary union with a truly economic union.

But stability and discipline must also go together with growth. And the single market is our greatest asset to foster growth.

Let me be clear—a split union will not work. This is true for a union with different parts engaged in contradictory objectives; a union with an integrated core but a disengaged periphery; a union dominated by an unhealthy balance of power or indeed any kind of directorium. All these are unsustainable and will not work in the long term because they will put in question a fundamental, I would say a sacred, principle—the principle of justice, the principle of the respect of equality, the principle of the respect of the rule of law. And we are a union based on the respect of the rule of law and not on any power or forces.

It would be absurd if the very core of our project—and economic and monetary union as embodied in the euro area is the core of our project—so I say it would be absurd if this core were treated as a kind of "opt out" from the European Union as a whole.

Mr Sarkozy's words seem to have caught the attention of Joschka Fischer, elder statesman of Germany's Green party and a former foreign minister, who said that the EU at 27 had become too unwieldy. "Let's just forget about the EU with 27 members—unfortunately," he [told](#) *Die Zeit*, a German weekly newspaper. "I just don't see how these 27 states will ever come up with any meaningful reforms." Indeed, some [think](#) the euro zone itself might be smaller than the 17 members (Greece may soon default and leave the euro).

The speech that everybody is waiting for now is Mrs Merkel's. The chancellor wants to change the treaties, and on November 9th she called for "a breakthrough to a new Europe". But what sort of Europe that should be was left mostly unsaid.

Understanding the euro crisis

It's not about Berlusconi

The Economist Free Exchange Nov 11th 2011, 16:51 by G.I. | WASHINGTON

ASK any pundit why Italy is in crisis and they will mention some combination of Silvio Berlusconi, a towering national debt, and a moribund economy. The explanation resonates since all three have undeniably been enormous negatives for Italy. Today's market action seems to vindicate the reasoning: with the prospect of a new government under Mario Monti and speedy implementation of a new budget, Italian bond yields have plummeted below 7%, and stocks around the world have rallied.

But these factors are not the root cause of the crisis and as long as Europeans behave as if they are, a resolution will elude them.

Italy has been burdened by Mr Berlusconi, a large national debt and a moribund economy for most of the past decade. As Daniel Gros [points out](#), some of Italy's key fundamentals—investment, R&D, educational attainment—have actually improved relative to Germany in that time. Yes, its debt remains a problem but, unlike Greece, it did not suddenly spiral out of control and was not, as far as we know, systematically underreported. As recently as 2009 Italy's debt was 97% of GDP (it's 100% now) and its deficit was 5% (compared to 4% this year, according to the IMF). Yet that year Italy could borrow at 4%, not much more than Germany, whereas now it must borrow at 6-7%, triple what Germany pays.

What changed is not Italy's political or economic fundamentals but how investors perceive Italian debt. For most of the euro era, investors considered euro-zone sovereign bonds to be risk free. Prices and yields would fluctuate but anyone who held an Italian bond to maturity assumed they would get back 100 cents on the dollar (or euro), as they would for a US Treasury or British gilt. This was always something of an illusion. Risk-free can only apply to the debt of country that controls the currency in which it borrows. A holder of its bond knows he can always sell it to someone else, in the last resort the central bank. As Chris Sims of Princeton [points out](#), such bonds may have inflation risk but not counterparty risk.

That has never been true of a euro-zone member country, but investors happily ignored the fact, thanks in part to the European Central Bank which treated all sovereign bonds equally in its refinancing operations. (See our [analysis](#) here.) It no longer can. Investors who once classified their sovereign bonds as risk free must now treat them the way they might a bond issued by a railway company or an electric utility (i.e. as "credit") and have concluded they own too much.

A staggering amount of debt must now migrate from the portfolios of investors who want only risk-free debt to those of investors comfortable treating it as credit. That is why yields on Greek, Portuguese and now Italian bonds have shown only fleeting responses to multiple bail-outs, austerity programmes and rounds of buying by the European Central Bank. Investors have treated the dip in yields that follow each announcement as an opportunity to lighten up.

In the case of Greece, the volume of debt is small enough to find a new home on the balance-sheets of the official sector (the ECB and eventually the European Financial Stability Facility). Italy is an entirely different matter. People often comfort themselves by saying Italy owes most of its debt to Italians. But according to [Bank of Italy statistics](#) (thanks to Fabrizio Goria for the pointer), non-residents held 43% of the country's €1.9 trillion of debt as of June. That's a staggering €820 trillion of securities, or \$1.1 trillion, and it is being sold.

Reuters [reports](#) this morning:

European banks are planning to dump more of the 300 billion euros they own in Italian government debt, as they seek to pre-empt a worsening of the region's debt crisis and avoid crippling write downs...Still reeling from heavy losses on money they lent to Greece, lenders are keen not to make the same mistake twice. Then, under the pressure of governments and a hope that credit default swaps would protect them against heavy losses, they held on until it was too late to sell. With the ECB providing a bid for Italian bonds that might not otherwise exist, board members at some of Europe's largest bank say now is the time to accelerate disposals.

Mohamed El-Erian of Pimco recently [noted](#):

It has become fashionable not only to sell Italian bonds but also to tell the world about it, as loudly as you can. In the last few days several banks have rushed to announce that they have been actively reducing their holdings of Italian debt—as a means of reducing market concerns about their own well-being. This phenomenon is similar to the 1980s phase of "macho provisioning" that saw banks trying to outdo each other in telling the world that they were fully protected against their past loans to Latin America. The result today is to encourage and push other Italian creditors to also sell, adding to the market pressures. In too many cases, the damage to the demand for Italian bonds is much more than transitory.

It is hard to know what Italy can do to change this dynamic. Mr Berlusconi's exit will help, but the focus on him as the cause of the crisis is misplaced: he mattered only insofar as the rest of Europe makes the structural reforms and austerity that he had failed to carry out a condition for bail-out. His departure does not guarantee that a bail-out, if needed, will be forthcoming, much less that it would work. True, Italy's new borrowing needs are small, given its modest deficit. But its refinancing needs are massive. According to [Bloomberg](#), it must "refinance about 200 billion euros of maturing bonds next year and more than 100 billion euros of bills," a sum that would virtually exhaust the EFSF.

That leaves the European Central Bank. Conceivably it could reward a serious budget plan by Italy's new government with a commitment to keeping Italy solvent via far more aggressive bond purchases. ([My colleague describes](#) how the ECB could use Spain to show the way.) But it has so far signaled no interest in doing so, and in any case it may be too late. Whereas the Bank of England can be compelled, if need be, by Parliament to be lender of last resort, the ECB does so only by choice. If it did so now, it could easily change its mind later, if for example Italy falters in implementing its reforms. This denies investors the comfort of once again being able to treat Italian debt as risk free. They may take stepped-up ECB buying as an opportunity to sell rather than buy.

Italian bonds do not have to be restored to risk-free status—they only need their yields dragged low enough for Italy to remain solvent. Whether outside investors have the appetite to absorb all that paper at sufficiently low yields is unknown. In the meantime politicians repeatedly undermine the market confidence necessary for that to happen. As [Barry Eichengreen notes](#), France and Germany broke a taboo when they threatened Greece with expulsion from the euro if its bail-out were rejected in a referendum. It had the desired effect of forcing George Papandreou, then the Greek prime minister, to abandon the referendum, but investors must now incorporate not just the risk of default into their decisions but of forced conversion to a different currency.

The worry, then, is that as each new turn of the austerity screws fails to produce the hoped-for relief in the markets, more austerity will be prescribed, until the Italian political system rebels, making default and exit from the euro unavoidable. Is there an alternative? Our [leader](#) this week concludes:

For the euro to survive, Italy must succeed. For Italy to succeed, its squabbling politicians must find unaccustomed reserves of unity and courage. That depends on ordinary Italians being willing to make sacrifices, the ECB backing Italy, and France and Germany standing resolutely behind the euro. It is a dauntingly long list of things to go right.

Even as Governments Act, Time Runs Short for Euro

By [NICHOLAS KULISH](#) and [STEVEN ERLANGER](#)

BERLIN — The window of opportunity to save the euro is rapidly closing, as the [sovereign debt crisis](#) erodes the solvency of Europe's banks and drives up borrowing rates for even once rock-solid countries like France.

On Saturday, the crisis swept away another leader, when Prime Minister Silvio Berlusconi resigned after 17 years of dominance in Italian politics to the jeers and cheers of crowds in Rome.

Both there and in Greece, jumbled parliaments came together with urgency to install [more technocratic governments](#) that are committed to delivering the difficult reforms and austerity measures demanded by the [European Union](#), the [European Central Bank](#) and the International Monetary Fund.

Despite those drastic and tangible steps, though, there is a host of problems that could quickly overwhelm Europe's progress.

Looming over all the discussions of reform and financing mechanisms is the slowdown in the Continent's already anemic growth rate, to 0.5 percent in 2012, and even the threat of a double-dip recession, the European Commission said in a forecast for the euro zone last week.

That calls into doubt the adequacy of the euro zone's latest attempt to placate the markets, the lagging effort to bolster the \$605 billion European Financial Stability Facility to \$1.4 trillion or to find other funding. The task will become that much harder in a recessionary environment, especially as France's credibility with investors begins to decline.

"I think we're in very dangerous territory, and the euro zone has to act soon," said Simon Tilford, chief economist for the [Center for European Reform](#) in London. "There isn't really a muddle-through option right now. And those who argue that it's possible for the south and Italy to default or deflate into competitiveness are fanciful and flying in the face of evidence."

The damage that can result, he said, is potentially severe "to their economies, debt burdens, social and political stability, democratic accountability, and their belief in their European allies and in the European Union itself."

At the center of it all sits Germany, leading the bloc of Northern European countries, which also includes the Netherlands and Finland, steadfastly maintaining that austerity and fiscal rectitude on the part of the debtors, no matter how painful, represent the only path to resolving the crisis. Any proposals to share the burden with the heavily indebted countries by collectivizing European debt — even though they may have contributed to the prosperity of the northern countries by consuming their exports — are rejected out of hand, largely for fear of a political backlash.

When Germany's council of independent economic advisers proposed to Chancellor Angela Merkel last week a way to share European debt to protect Italy and Spain, she dismissed the idea as impossible without changes to European Union treaties. She has also opposed any expansion in the European Central Bank's role in buying up the bonds of the indebted countries, which could hold down interest rates on their debts, let alone allowing the bank to guarantee Italian debt.

But critics say there is no time for the treaty changes Mrs. Merkel is talking about; those could take years to put in place.

"The crisis must be solved right now, and it simply will not wait for these instruments to fix it," said Bernhard Rapkay, chairman of Germany's Social Democrats in the European Parliament.

The vulnerability of Italy — the third-largest economy in the euro zone and the fourth-largest debtor nation in the world — brought the crisis into the core of the euro zone. For all the speculation over weaker countries eventually choosing to leave the euro, there is really no euro without Italy, certainly not a euro that can be considered a common European currency.

And if borrowing becomes so expensive for Italy that it is priced out of the markets, which seemed a real possibility last week, there is no so-called [wall of money](#) big enough to bail it out or to guarantee its \$2.6 trillion debt.

“We’ve entered a make-or-break scenario,” said Thomas Klau, a German who heads the Paris office of the [European Council on Foreign Relations](#). “The present situation with Italy now is sustainable for days, perhaps weeks, but not months. This new chapter either writes the endgame of the euro zone, or it precedes a much bigger leap into political and economic integration than all those made so far.”

With each bout of uncertainty, speculative attacks come closer to the core of the European Union. Greece teeters, Italy wobbles and France begins to tremble. The precariousness of the situation was on full view Thursday when a leading ratings agency, Standard & Poor’s, mistakenly suggested on its Web site that it had downgraded France’s prized AAA rating, prompting a sell-off in French government bonds.

The mistake was quickly corrected and the French, enraged, opened a formal investigation. The episode showed how little margin for error remained even for France, which is already suffering from a drop in industrial production and has watched the gap between its bonds’ rates and those of Germany widen to record levels, an ominous development in this environment.

And it may get worse, with a recession looming. Unless, of course, the crisis has concentrated minds sufficiently, especially in Berlin. One of the first and most effective ways to combat the crisis and the potential downturn, experts say, would be to enable the European Central Bank, or E.C.B., to act as a lender of last resort, or to at least let it print some more money, to try a little inflation as a recipe for growth and debt reduction.

“I understand the German fetish with inflation, but that’s increasingly wearing thin,” said Jan Techau, a German who is the director of Carnegie Europe in Brussels. “The reluctance to use the E.C.B. as the lender of last resort when Italy is solvent is something I don’t understand.”

In part, it is a result of the German economy’s unusual strength throughout the crisis. In the last few years, it has grown stronger — with higher exports, rising employment, an unexpected burst of tax revenue, even a windfall from an accounting error — while others in Europe have struggled.

German trade groups have pressed Mrs. Merkel to do what it takes to save the euro, which has been a boon for exporters, allowing them to sell products in a currency depressed by the troubles of its weaker members. “The German people don’t understand really what’s going on and are really skeptical the measures will be helpful,” said Anton Börner, president of the Federation of German Wholesale, Foreign Trade and Services.

Germany has drawn lines in the sand before over the euro — about the impossibility of a Greek default or the use of the European Central Bank to buy sovereign bonds — and has backtracked when faced with disaster. The impending slowdown is expected to cool German growth as well.

The outlook is not entirely bleak. Upon taking the reins at the European Central Bank this month, Mario Draghi cut interest rates by a quarter percentage point, which may help growth rates. And Germans have lately seemed open to expanding debt guarantees in exchange for the promise of stability.

“The conviction of the seriousness of the crisis has reached a new level, and that is positive,” said Janis A. Emmanouilidis, senior policy analyst at the European Policy Center. “Whenever you hit the wall, you come up with something.”

Either the European Central Bank will have to play a more active role in propping up the most indebted euro-zone nations, or countries will have to commit to a more federal system, with something like a Treasury Department and a real central bank. If not, a breakup of the euro zone, with some countries dropping the currency or being forced to do so, may be inevitable.

These discussions are causing anxiety inside the European Union, especially among the 10 member countries that do not use the euro, who fear a two-speed Europe — the European Union divided into different blocs with different rules — that hurts their interests. Some countries inside the euro zone fear such changes, too, because they will require more rigor and discipline.

The options are politically difficult, said Mr. Klau of the European Council on Foreign Relations. “But the alternative is potentially so devastating that the cost of action, however large, is much smaller than the cost of inaction, because inaction can trigger a chain of events that European leaders will no longer be able to control.”

Welche Rolle spielt die EZB?

Über die Rolle der Europäischen Zentralbank und ihre Aufgaben in der Schuldenkrise herrscht Uneinigkeit. Wirtschafts-Nobelpreisträger Paul Krugman rät den Europäern, für die Euro-Rettung die Notenpresse der Europäischen Zentralbank anzuwerfen und so viele Italien-Anleihen wie nötig zu kaufen. „Am Ende wird die EZB in den Abgrund blicken und sagen: Vergessen wir alle Regeln, wir müssen die Anleihen kaufen“, sagt Krugman. Der Preis eines Auseinanderbrechens des Euros sei zu hoch. Einen möglichen Bruch der Maastricht-Regeln durch eine Aufkaufpolitik sieht er als vertretbar an: „In Extremlagen bricht man eben die Regeln.“ Die Bundesregierung hat sich zuletzt gegen eine Ausweitung der Aufgaben und Funktionen der EZB und ein stärkeres Engagement der EZB zur Bewältigung der Schuldenkrise in der Eurozone ausgesprochen. „An den Grundüberzeugungen der Bundesregierung und an ihren Erwartungen gegenüber der EZB hat sich nichts geändert“, sagte Regierungssprecher Steffen Seibert am Freitag in Berlin. „Die bestehenden Regeln für die EZB gelten, das ist die Überzeugung der Bundesregierung“, sagte er.

Muss der Rettungsfonds eingreifen?

Der Rettungsfonds EFSF werde noch im Dezember neue, kurzfristig laufende Anleihen verkaufen, um für Notfälle gerüstet zu sein, sagt EFSF-Chef Klaus Regling. Zudem sei der EFSF bereit, Italien zu helfen. „Wenn ein Land kommt und sagt, es braucht sofort Hilfe, dann sind wir bereit“, sagte er weiter. Der EFSF könne derzeit noch 250 bis 300 Milliarden Euro an Krediten vergeben. Doch die geplante Stärkung des Euro-Rettungsfonds EFSF wird nach Reglings Worten durch die Marktturbulenzen beeinträchtigt. „Zumindest vorübergehend könnte die Hebelung geringer ausfallen, als wir vor drei Wochen gehofft hatten“.

Kurszettel gegen Stimmzettel: Warum Habermas nichts von der Krise versteht

11. November 2011

Von [Rainer Hank](#) in: *Fazit: Das Wirtschaftsblog der FAZ*

Nachdem es am vergangenen Dienstag erste Gerüchte über Berlusconis Rücktritt gab, stiegen an der Börse die Kurse. Als Berlusconi dementierte brachen sie ein. Und die Rendite der italienischen Staatsanleihen schoss mit 6,6 Prozent auf den höchsten Stand seit vierzehn Jahren. Obwohl Berlusconi schließlich kapitulierte, gingen die Renditen tags darauf abermals nach oben und lagen deutlich über sieben Prozent. Warum? Weil Berlusconi, der Schelm, nur sagt, dass er geht, aber nicht sagt, wann er geht. Wer einmal lügt, dem glaubt zumindest kein Anleger nicht. Italien muss für seine Schulden einen exorbitant hohen Preis bezahlen. Der Gläubiger sitzt dem Schuldner im Nacken.

Was die versammelten europäischen „Italienkritiker“ in den linken (und anderen) Lagern Deutschlands, Österreichs, Frankreichs etc in zehn Jahren nicht hinbekommen haben, schaffen die Märkte in ein paar Monaten. Sie fegen den Machthaber aus dem Amt, ohne freilich dafür von den Berlusconifeinden gepriesen zu werden. Die Waffen der Märkte sind nicht die Stimmzettel, sondern die Kurszettel: Wer nicht spurt, dem schrauben sie den Zins nach oben. Italien ist, wenn wir nichts vergessen haben, mindestens die sechste Regierung Europas, die innerhalb eines guten Jahres vor den Finanzmärkten in die Knie geht und abdankt. In alphabetischer Reichenfolge sind das: Griechenland, Irland, Italien, Portugal, Slowenien, Spanien.



Und was macht die intellektuelle Elite? Sie ruft Zeter und Mordio. Die politische Klasse werde „von den Märkten kujotiniert“, behauptet [Jürgen Habermas](#) (Foto: Helmut Fricke) metaphorisch und sieht ein „postdemokratisches“ Zeitalter am Himmel heraufziehen. Dabei hat der langjährige Hausphilosoph des deutschen Linksbürgertums noch nicht einmal so unrecht. Weil er aber nicht genau hinschaut, bleibt ihm am Ende auch die Einsicht in den Sachverhalt verstellt.

Tatsächlich stehen Regierungen Europas derzeit unter doppelter Aufsicht. Neben der Abwahldrohung durch ihre Völker (der Umgang damit gehört zum Brot- und Buttergeschäft von Demokraten) gibt es jetzt die Zinsschraube der Gläubiger. Das ist neu; lange Zeit haben die Märkte geschlafen und das Risiko übersehen. Inzwischen steigt der Preis in dem Maße wie die Rückzahlungswilligkeit der Staaten fraglich wird. Staaten nämlich sind nie zahlungsunfähig. Stets können sie sich, auch wenn sie über keine eigene Notenpresse verfügen, Geld besorgen: indem sie Ausgaben kürzen, Einnahmen (Steuern, Gebühren) erhöhen oder Eigentum verhökern. Staatsbankrott bedeutet nicht die Zahlungsunfähigkeit, sondern die Zahlungsunwilligkeit. Stellen Regierungen den Schuldendienst ein, hat der Gläubiger (anders als bei Privatinsolvenzen) keine Sicherheiten. Es sei denn, er würde einmarschieren und Vermögenswerte verpfänden.

Drohung des Volkes und Drohung der Märkte sind meist gegenläufig. Die Griechen verweigern jegliches Austeritätsregime, würden am liebsten weiter Wohlfahrtsparty feiern und die Rechnung nach Europa (oder gleich nach Deutschland) schicken: andernfalls drohen Unruhen, Wahlniederlagen und, schlimmstenfalls, Anarchie. Die Gläubiger dagegen wollen Austerität, verlangen, dass die Staaten ihre Ausgaben den Einnahmen anpassen; andernfalls droht die Stangulierung durch den Zinsspread - oder die Demissionierung der Regierung.

Der Konflikt, um den es geht - und den Habermas spürt, ohne ihn zu verstehen - heißt nicht Diktatur des Volkes versus Diktatur der Finanzmärkte, sondern Mehrheitsdemokratie versus Rechtsstaatlichkeit. Demokratien sind, nach einem berühmten Wort des schwedischen Finanzwissenschaftlers Knut Wicksell (1851 bis 1926), nichts anderes als die „Diktatur der zufälligen Mehrheit“. „Wenn einmal die unteren Klassen definitiv in Besitz der gesetzgebenden und steuerbewilligenden Gewalt gelangt sind“, schreibt Wicksel, herrsche die Gefahr, „dass sie ebenso wenig uneigennützig verfahren werden, wie die Klassen, welche bisher die Macht in den Händen hatten, dass sie m.a.W. die Hauptmasse der Steuern den besitzenden Klassen auflagen und dabei vielleicht mit der Bewilligung der Ausgaben, zu deren Bestreitung sie selbst nunmehr nur wenig beitragen, so sorglos und verschwenderisch verfahren, dass das bewegliche Kapital des Landes bald nutzlos vergeudet und damit die Hebel des Fortschritts zerbrochen sein werden.“ Können demokratische Mehrheiten ihren Ausgabenhunger mit Steuern nicht mehr befriedigen, weil sie womöglich die Auswanderung der Besitzbürger fürchten, greifen sie in zunehmendem Maße zur Staatsverschuldung. Weil alle demokratischen Wohlfahrtsstaaten so handeln, sind (fast) alle inzwischen überschuldet (gemessen am 60 Prozent Kriterium von Maastricht).

Als Schuldner aber treffen die Staaten nicht auf „anonyme Märkte“, sondern auf konkrete Vertragspartner, hinter denen stets reale Menschen stecken: Wenn sie sich verschulden, ist das nichts anderes als ein privatrechtlicher Vertrag zwischen Schuldnern (Staaten) und Gläubigern (Banken, Privatleuten), bei dem der Preis (Zins) und Rückzahlungsmodalitäten (Tilgung) vereinbart werden. Verträge sind einzuhalten, so lautet ein Grundsatz der Rechtsstaatlichkeit. Auch demokratische Mehrheiten legitimieren den Vertragsbruch nicht. Wenn Staaten ihre Schulden nicht tilgen oder die Zinszahlungen ab einer bestimmten Höhe verweigern, ist das ein Verstoß gegen einen Grundsatz der Rechtsstaatlichkeit, der auch durch Mehrheitsbeschluss nicht besser wird.

Mit anderen Worten: Es geht in Europa derzeit auch um einen Konflikt zwischen Mehrheitsdemokratie und Rechtsstaatlichkeit. Die liberale Tradition Europas - von Locke über Hume bis Lord Acton - hat stets die Demokratie der Rechtsstaatlichkeit nachgeordnet. Doch das Bestrafungspotential der Massen wirkt für Regierungen gefährlicher als die Sanktionsdrohung des Vertragsbruchs. Wo kein Kläger, da kein Richter. Es sind die Märkte, die heute für die Einhaltung der Rechtsstaatlichkeit eintreten und diese mit der Zinsschraube (dem Preismechanismus) erzwingen. Dass die Märkte (viel zu spät) wach geworden sind, ist die gute Botschaft und kein Grund, Zeter und Mordio zu rufen. Sie sind das kritische Korrektiv einer hemmungslosen Mehrheitsdemokratie. Genau das ist der Grund, warum die Rettungseuropäer sie in der Krise außer Kraft setzen wollen. Doch darüber nachzudenken, wäre einen neuen Blogbeitrag wert.

Kommentar: Inflationsunion

Angela Merkel hat ihre Garantie für deutsche Spareinlagen wiederholt. Sie will den Leuten die Angst nehmen, dass der Euro ihr Vermögen bedroht. Dazu gibt es allen Grund.

Von [Holger Steltzner](#)

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© dapd „Das Wesen der Garantie ist, dass die Garantie gilt“: Angela Merkel

Bundeskanzlerin Angela Merkel hat ihre Garantie für deutsche Spareinlagen wiederholt. Warum? Im Land gibt es keinen Grund zur Sorge. Die Steuereinnahmen sprudeln, das deutsche Defizit dürfte im nächsten Jahr weniger als ein Prozent der Wirtschaftsleistung betragen, die Wirtschaft wird weiter wachsen, deutsche Banken sind wieder in stabiler Verfassung, Unternehmen vermelden Rekordgewinne, der Arbeitsmarkt brummt, die Zahl der Beschäftigten ist höher als jemals zuvor, der Zins so niedrig wie noch nie.

Merkel zielt auf etwas anderes. Die Kanzlerin will den Leuten die Angst nehmen, dass der Euro ihr Vermögen bedroht. Dazu gibt es allen Grund. Nachdem die Krise mit Wucht Italien erfasst hat, wächst für Sparbücher, Lebensversicherungen, Renten, Pensionen - für fast alle heimischen Vermögenswerte die Gefahr, in einen gigantischen Strudel aus Entwertung durch Inflation oder Teilenteignung durch Zwangsabgaben gezogen zu werden. Angelsächsische Banken wollen jetzt die Europäische Zentralbank zum „lender of last resort“ machen.

Sie wollen die Notenpresse der Notenbank nutzen, um ihre Kreditrisiken bei der EZB abzuladen.

Bemerkenswert viele hiesige Ökonomen und Kommentatoren gehen ihnen auf den Leim. Wer die Finanzierung von Staaten durch die Zentralbank fordert, ruft öffentlich zum Rechtsbruch auf und stellt die „Rettung“ des Euro über das Gesetz. Darüber hinaus nimmt er eine dramatische Geldentwertung in Kauf. Die Kanzlerin kann den Leuten diese Sorge ums Geld nehmen, indem sie ihrer Gipfellinie von Brüssel und Cannes treu bleibt, weiter hinter der Bundesbank steht und klarstellt, dass Deutschland für eine Inflationsunion nicht zu haben ist.

Das bisherige Rettungskonzept ist gescheitert. Je mehr Länder auf den Euro-Krisenfonds angewiesen sind, desto weniger zahlen ein. Nach dem Ausfall Italiens reichen die Mittel vorn und hinten nicht. Müsste Deutschland die Verschuldung der Euroländer allein schultern, stiege die Staatsverschuldung von jetzt 82 auf 314 Prozent des Bruttoinlandsprodukts, warnt Axel Weber, der frühere Bundesbankpräsident. Europa sollte nicht länger dem Rettungsmotto folgen: „Wie kann ich das Geld der anderen verwenden, um mir selbst zu helfen?“ Italien hat ein Nettovermögen von 180 Prozent und Staatsschulden von 120 Prozent des BIP. Das Vermögen müsse Rom zuerst zur Lösung der Probleme heranziehen, meint Weber. Das ist doch mal ein guter neuer Vorschlag für den nächsten Krisengipfel.

Quelle: F.A.Z.

Europe's Banks Lose Refuge of Sovereign Debt in Crisis

By [LIZ ALDERMAN](#) and [SUSANNE CRAIG](#)

PARIS — As the bets that European banks made on United States mortgage investments went bust a few years ago, bankers piled into what they saw as a safe refuge: bonds issued by countries in Europe's seemingly ironclad monetary union.

Now, the political and financial crisis engulfing the Continent has turned much of that European sovereign debt into the latest distressed asset, sending tremors through global financial markets not seen since the demise of the investment bank Lehman Brothers more than three years ago.

This week, shortly after European leaders formally conceded that Greece could not pay its debts and forced banks to accept losses, the shock waves reached Italy, the third-largest economy in the euro zone after France and Germany. And despite frantic efforts by politicians to contain the damage, market analysts said that France, one of the strongest countries in the euro zone, may soon feel the impact.

“When people started buying more European sovereign debt, there was not a cloud in the sky,” said Yannis Stournaras, director of the Foundation for Economic and Industrial Research, based in Athens. Now, he said, “This crisis is going to last because the perceptions of risk have changed dramatically.”

European banks face tens and possibly hundreds of billions of dollars in losses on loans to nations that use the euro. Worried about even greater losses if the crisis worsens, the banks have been scrambling to reduce their holdings of an investment that, like triple-A-rated subprime mortgage bonds, was once thought to be bulletproof.

The French bank [Société Générale](#), for instance, this week marked down 333 million euros of its Greek sovereign debt holdings and in October slashed its exposure to that country to 575 million euros, from 2.4 billion euros at the beginning of 2011. Another French bank, [BNP Paribas](#), has cut its holdings of Italian government debt 40 percent since July, to 12.2 billion euros.

How European sovereign debt became the new subprime is a story with many culprits, including governments that borrowed beyond their means, regulators who permitted banks to treat the bonds as risk-free and investors who for too long did not make much of a distinction between the bonds of troubled economies like Greece and Italy and those issued by the rock-solid Germany.

Banks had further incentive to overlook the perils of individual euro zone countries because of the fees they earned for underwriting sovereign debt sold to other investors. Since 2005, several dozen banks in Europe and the United States have earned \$1.1 billion in fees from selling bonds for European governments, according to Thomson Reuters and Freeman Consulting Services.

Like other investors, banks clung for a long time to the seemingly inviolable belief that all the countries using the euro would make good on their debts. For years, Greek and Italian bonds did not pay much more than German ones, but banks were always hungry to chase even a fraction of additional profit. For much of the last decade, they bought the higher-yield bonds, ignoring the growing political and fiscal problems of those countries as well as other peripheral euro zone nations like Ireland, Spain and Portugal.

Regulators bear much of the responsibility. Before 1999, when Europe forged its monetary union, regulators permitted banks to treat as risk-free the debt of any country that belonged to the Organization for Economic Cooperation and Development, a club of developed nations that includes the United States and most of Europe.

“There was encouragement from European authorities for banks to load up on more debt, because it was seen as safe,” said Nicolas Véron, a senior fellow at Bruegel, a research firm in Brussels. “In hindsight, it was unwise risk management.”

Some regulators realized that allowing banks to set aside no capital for sovereign defaults could be a problem and moved to address it in a 2006 accord known as Basel 2. They mandated that big, complex banks use their own models to determine if individual countries were at risk and hold some capital against them. But the [European Union](#) never enforced the stiffer regime. And amid the [subprime mortgage crisis](#), Europe's regulators added to the problem by demanding that banks hold more safe assets, much of it sovereign debt.

As a result, banks were not discouraged from placing their most liquid assets “into the worst possible government debt,” Achim Kassow, a former Commerzbank board member, wrote in a study published by the European Parliament.

Now, Société Générale, Commerzbank and other banks cannot get rid of the shaky debt fast enough. In the last several months, they have booked billions of euros in losses from unloading it, although their exposure remains substantial. Including the effect of hedges, European banks had a net exposure of about \$120 billion to Greek government borrowings and private debt at the end of June, according to the Bank for International Settlements. Even more worrisome, analysts say, is the banks' exposure of \$643 billion to Spain and \$837 billion to Italy.

Banks in the United States are also caught in the crossfire. For Italy alone, they had \$47 billion in net exposure to government borrowings and private debt at the end of June, the B.I.S. data show.

Goldman Sachs has \$700 million in exposure to Italy, according to a regulatory filing released this week, and could feel the fallout if the bonds were marked down.

The loss from a write-down similar to that on the Greek debt — 50 cents on the dollar — would erase 10 percent of the \$3.43 billion in profit Goldman earned in the first nine months of the year.

Regulators are requiring European banks to raise 106 billion euros in new capital by next summer to protect themselves against further losses.

Banks insist the risks are manageable. But the big fear is that they do not have enough capital to cover potential losses from the euro zone. That kind of crisis of confidence drove MF Global, the large New York brokerage firm, into bankruptcy last week after its \$6.3 billion bet on European debt alarmed investors.

While the markets are now being brutally efficient in telegraphing the differing debt risks among European countries, they failed in that function for a long time, just as they failed to reflect the risks of subprime mortgage loans as a real estate bubble formed in the United States.

For most of the last decade, bond yields among Germany, Greece, Portugal, Ireland, Italy and Spain traveled in a tight pack. That meant investors buying and selling those bonds acted as if the countries were almost equally safe simply because they were members of the euro zone, despite shaky finances in Greece, real estate bubbles in Ireland and Spain and high debt in Italy.

The phenomenon rang alarm bells as far back as 2005, when banks, national treasuries and the European Commission held intense internal debates on why the spreads between Germany and other countries did not seem to reflect the differing risks, said a senior Brussels official involved with bank regulation.

When the subprime crisis started to buffet Wall Street in 2007, banks sought shelter by turning even more to European sovereign debt, especially countries with the best returns. The B.I.S. data show that bank lending to the governments of Portugal, Ireland, Italy, Greece and Spain, largely through bond purchases, rose faster than usual, by 24.2 percent, to \$827 billion, between the second quarter of 2007 and the third quarter of 2009, when the crisis in Greece first started to taint European sovereign debt.

Banks across the world joined in this lending binge as they chased higher yields. Emblematic of those that took the plunge was Komerční Bank, a large bank in the Czech Republic that is majority-owned by Société Générale.

As the subprime crisis in America began mounting, Komerční veered into the seemingly safe Greek government bonds. The bank's entire board, more than half of whom were long-time veterans of Société Générale, signed off on Greek debt purchases from 2006 through 2008. Now the bank is expected to write down an additional 2 billion koruna, or \$111 million, on its Greek debt this year, after taking a 1.66 billion koruna hit in the second quarter. That is a manageable amount, but the bank would have been barely affected if it had bought the safer German bonds.

A spokesman for Société Générale refused requests for interviews with officials and declined to comment.

As the subprime crisis peaked on Wall Street, banks sharply increased their underwriting of European sovereign debt. In 2007, the world's big banks made \$113.9 million in underwriting fees; by 2009, that number had more than doubled to \$273 million.

Société Générale went from issuing no Greek debt in 2005 to being the world's eighth-largest underwriter just a year later. The bank has made \$61.5 million in fees from underwriting debt for euro zone countries since 2005, according to Thomson Reuters. Deutsche Bank, the top underwriter of euro zone debt in that period, took in \$87 million in fees.

Banks in the United States also profited. Since 2005, Goldman Sachs has earned \$44.5 million in fees underwriting euro zone debt, and Morgan Stanley has earned \$47.4 million, according to Thomson Reuters.

Their special relationship with governments sometimes also presented a unique dilemma: it gave banks little incentive to publicize red flags even if they were suspicious about sovereign debt.

In 2005, Marc Flandreau was a senior adviser in Paris at Lehman Brothers, one of several banks selling sovereign bonds for the French government. He suddenly wondered whether France's finances were solid enough to merit the low interest rates at which it and the other members of the euro zone were selling their bonds. He wrote a memo to the French Treasury expressing his concerns.

"They went totally ballistic," Mr. Flandreau recalled. "They said, 'You guys should shut up, you're selling our stuff.' "

Benoît Coeuré, an official at France's debt-issuing agency at the time, insisted that the policy was not to discourage the banks from analysis. But "if it had a negative tone on French policies," he said bluntly, "my role was to object to it."

Today, with Europe's [sovereign debt crisis](#) seemingly spinning out of control, regulators are pressing governments and banks to divulge as much risk as they can and are asking banks to set aside billions of euros to protect against possible losses.

"Sovereign debt has lost its apparent risk-free status," Hervé Hannoun, deputy director general of the Bank for International Settlements, said in a recent speech in which he called for an end to "the fiction."

To restore confidence, he concluded, the world needs to move "from denial to recognition."

Liz Alderman reported from Paris and Susanne Craig from New York.

Now, Italy

There was nothing unpredictable about the financial crisis now threatening to engulf Italy and perhaps bring down the euro. Economists and analysts have been writing about it for months, but Italian politicians, starting with Prime Minister Silvio Berlusconi, did almost nothing to head it off. And European leaders like Chancellor Angela Merkel of Germany and President Nicolas Sarkozy of France did far too little to prepare for it.

This week, the long predicted storm broke, [sending Italian interest costs above 7 percent](#) and triggering stock market sell-offs around the world, Wall Street included. Italy, the euro-zone's third-biggest economy, after Germany and France, is too big to be rescued by the European bailout fund and too big to fail without, most likely, taking down the euro itself. Italy's essential problem is not high deficits, or even high debt, but years of dismally slow growth, which makes the debt harder to pay off and investors more skeptical about its continued ability to repay. That's why interest rates are rising, compounding the repayment problem.

The only European institution still potentially capable of halting this cascading crisis is [the European Central Bank](#). Only the central bank can print euros in unlimited quantities and use them to buy enough Italian bonds to bring the interest rates down from more than 7 percent to more sustainable levels. Essentially, the bank must become the lender of last resort, printing as much money and buying enough Italian debt to stabilize the situation to allow time for longer-term remedies. While such a move cannot guarantee an end to the panic selling of Italian bonds, it is perhaps the only option left.

Until now, the bank has hesitated to play this role because it has no clear authority under European Union rules, but there are no clear prohibitions against action. Chancellor Merkel and President Sarkozy, having failed so miserably to prevent this crisis, should be publicly urging the central bank's new president, Mario Draghi, to take these necessary steps. Yet they are still making electoral calculations that will be beside the point should Italy succumb to the debt crisis and the European Union slide into deep recession. Their refusal to think and act responsibly is having a damaging effect on world markets.

Even as European leaders preach hard-line austerity, it has failed miserably. The only way debtors will be able to repay their obligations is through faster growth. For Italy, that means quickly passing next year's budget and [installing a government](#) able to enact reforms that encourage growth, like liberalizing labor markets, reducing bureaucracy and making public companies more efficient.

Mr. Berlusconi's most likely successor, Mario Monti, a well-regarded economist and former European commissioner, will have to sell these reforms to Italians, who have lost trust in the Berlusconi government to do anything.

In this emergency, the European Union needs leaders capable of learning from past mistakes and changing course before it is too late to save the euro and the European Union itself. A disastrous outcome is not inevitable, but is not beyond imagination, either.

Legends of the Fail

By [PAUL KRUGMAN](#)

This is the way the euro ends — not with a bang but with bunga bunga. Not long ago, European leaders were insisting that Greece could and should stay on the euro while paying its debts in full. Now, with Italy falling off a cliff, it's hard to see how the euro can survive at all.

But what's the meaning of the eurodebacle? As always happens when disaster strikes, there's a rush by ideologues to claim that the disaster vindicates their views. So it's time to start debunking.

First things first: The attempt to create a common European currency was one of those ideas that cut across the usual ideological lines. It was cheered on by American right-wingers, who saw it as the next best thing to a revived gold standard, and by Britain's left, which saw it as a big step toward a social-democratic Europe. But it was opposed by British conservatives, who also saw it as a step toward a social-democratic Europe. And it was questioned by American liberals, who worried — rightly, I'd say (but then I would, wouldn't I?) — about what would happen if countries couldn't use monetary and fiscal policy to fight recessions.

So now that the euro project is on the rocks, what lessons should we draw?

I've been hearing two claims, both false: that Europe's woes reflect the failure of welfare states in general, and that Europe's crisis makes the case for immediate fiscal austerity in the United States.

The assertion that Europe's crisis proves that the welfare state doesn't work comes from many Republicans. For example, Mitt Romney has accused President Obama of taking his inspiration from European "socialist democrats" and asserted that "Europe isn't working in Europe." The idea, presumably, is that the crisis countries are in trouble because they're groaning under the burden of high government spending. But the facts say otherwise.

It's true that all European countries have more generous social benefits — including universal health care — and higher government spending than America does. But the nations now in crisis don't have bigger welfare states than the nations doing well — if anything, the correlation runs the other way. Sweden, with its famously high benefits, is a star performer, one of the few countries whose G.D.P. is now higher than it was before the crisis. Meanwhile, before the crisis, "social expenditure" — spending on welfare-state programs — was lower, as a percentage of national income, in all of the nations now in trouble than in Germany, let alone Sweden.

Oh, and Canada, which has universal health care and much more generous aid to the poor than the United States, has weathered the crisis better than we have.

The euro crisis, then, says nothing about the sustainability of the welfare state. But does it make the case for belt-tightening in a depressed economy?

You hear that claim all the time. America, we're told, had better slash spending right away or we'll end up like Greece or Italy. Again, however, the facts tell a different story.

First, if you look around the world you see that the big determining factor for interest rates isn't the level of government debt but whether a government borrows in its own currency. Japan is much more deeply in debt than Italy, but the interest rate on long-term Japanese bonds is only about 1 percent to Italy's 7 percent. Britain's fiscal prospects look worse than Spain's, but Britain can borrow at just a bit over 2 percent, while Spain is paying almost 6 percent.

What has happened, it turns out, is that by going on the euro, Spain and Italy in effect reduced themselves to the status of third-world countries that have to borrow in someone else's currency, with all the loss of flexibility that implies. In particular, since euro-area countries can't print money even in an emergency, they're subject to funding disruptions in a way that nations that kept their own currencies aren't — and the result is what you see right now. America, which borrows in dollars, doesn't have that problem.

The other thing you need to know is that in the face of the current crisis, austerity has been a failure everywhere it has been tried: no country with significant debts has managed to slash its way back into the good graces of the financial markets. For example, Ireland is

the good boy of Europe, having responded to its debt problems with savage austerity that has driven its unemployment rate to 14 percent. Yet the interest rate on Irish bonds is still above 8 percent — worse than Italy.

The moral of the story, then, is to beware of ideologues who are trying to hijack the European crisis on behalf of their agendas. If we listen to those ideologues, all we'll end up doing is making our own problems — which are different from Europe's, but arguably just as severe — even worse.

L'euro, victime des pièges de l'idéologie ?

Le Monde | 10.11.11 | 13h18 • Mis à jour le 10.11.11 | 18h56

Il suffirait d'une phrase pour endiguer la crise de l'euro, affirment nombre d'économistes. Une petite phrase que devrait prononcer la Banque centrale européenne. La BCE devrait dire haut et fort qu'elle jouera le rôle de prêteur de dernier recours pour les membres les plus endettés de l'union monétaire. Et l'euro se porterait mieux.

Et les marchés seraient tenus en respect. Et, ô ! Joie suprême, on se ficherait pas mal de ce que racontent les agences de notation. Et on pourrait desserrer quelque peu l'étau de l'austérité budgétaire, assouplir les conditions de la rigueur. Et cela favoriserait un début de reprise de l'activité, qui faciliterait l'apurement de la dette. Et, sans promettre de raser gratis, on sortirait de ce cycle sinistre qui voit se défaire la zone euro, comme dans une méchante partie de bowling quand la grosse boule noire vient faucher les quilles les unes après les autres : d'abord Athènes, puis Dublin, Lisbonne, Madrid, Rome - en attendant Paris...

L'institut d'émission battant monnaie - c'est l'une de ses fonctions -, ses ressources sont, par définition, illimitées. Si la BCE dit qu'elle sera l'assureur de dernier ressort, elle dissuade la spéculation. Les marchés seront rassérénés. Ils n'exigeront plus des taux de rémunération faramineux pour souscrire aux emprunts des Etats les plus endettés.

Ceux-là échapperont à l'emballement des coûts de leur dette. Ils sortiront d'une infernale spirale dont on connaît parfaitement les étapes. L'Etat ignoblement endetté est d'abord condamné à ne plus pouvoir se financer sur le marché en émettant des bons du trésor : il devrait verser des taux d'intérêt prohibitifs. Il est amené à tendre la sébile. Il sollicite une aide auprès de créanciers extérieurs. Mais ces derniers n'accordent leur assistance qu'à des conditions d'austérité draconiennes qui épuisent le malade. Voir, bientôt, l'Italie...

Dans l'hypothèse où la Banque centrale dit à l'avance qu'elle souscrira aux emprunts d'un Etat qui a du mal à payer ses dettes, le schéma est tout différent. Les achats de l'institut d'émission vont rabaisser les taux à des niveaux praticables, si la seule déclaration d'intention de la banque centrale n'a pas suffi à le faire.

C'est ce qui se passe hors zone euro, aux Etats-Unis, en Grande-Bretagne, au Japon, par exemple. A des titres divers, ces trois pays n'alignent pas un carnet de notes plus brillant que la moyenne dans l'union monétaire européenne. Mais il est clair pour tout le monde que la Réserve fédérale, la Banque d'Angleterre ou celle du Japon n'hésiteront pas.

En cas de difficulté de financement de l'Etat, elles achèteront ses bons du Trésor, directement. Les marchés ne s'y frottent pas ou guère ; ils savent que les ressources d'un institut d'émission sont illimitées. Inutile de faire grimper les taux.

Pourquoi la BCE n'agit-elle pas de même ? Parce qu'elle est liée par une doctrine qui prône la séparation des pouvoirs. A la banque de s'occuper du monétaire, au gouvernement du budgétaire ; à la banque de garantir la stabilité de la monnaie (pas d'inflation), au gouvernement de gérer sa dette. Autrement dit, ce n'est pas à l'institut d'émission à venir au secours du Trésor - chacun son mandat. Celui de la BCE lui intime expressément de ne s'occuper que de la stabilité des prix, pas de combler les trous budgétaires des paniers percés de la zone.

"C'est de l'idéologie, tonne Jean-Paul Fitoussi, directeur de recherche à l'OFCE. On se refuse à monétariser une partie de la dette, on se condamne à l'impuissance, on se lie les mains avec une doctrine qui ne tient pas la route, mais qu'on a gravée dans nos textes." "En s'interdisant de disposer d'un prêteur de derniers recours, on s'expose, en cas de difficultés financières, au choix suivant : soit la faillite, soit une aide mais conditionnée à une telle austérité qu'elle n'empêchera d'ailleurs pas la faillite", dit-il.

Son incompréhension est partagée par nombre de ses confrères américains qui, du Prix Nobel Paul Krugman à Jeffrey Sachs, en passant par Kenneth Rogoff, disent tous la même chose : *"Si la BCE prenait en charge les dettes européennes, la crise s'allégerait considérablement"* (Paul Krugman, *New York Times*, le 23 octobre).

Les risques ? A l'évidence, l'inflation. Les tenants de la séparation des pouvoirs font valoir que le rachat direct de la dette d'un Etat par sa banque centrale équivaut à faire marcher la planche à billets. A plein régime. C'est de la création monétaire pure et simple. Et cette crainte de l'inflation, celle d'une monnaie qui entre dans la spirale d'une dévaluation continue, le souvenir de cette tragédie qu'elle vécut dans les années 1920 et qui conduisit à Hitler, voilà ce qui hante la mémoire collective de l'Allemagne ; voilà qui explique qu'elle n'accepta d'abandonner son très solide deutschemark pour l'euro qu'à la condition qu'on n'assigne qu'une seule tâche à la BCE : la lutte contre l'inflation.

Les tenants de la doctrine évoquent d'autres raisons. Il faut préserver la crédibilité de l'institut d'émission, et donc ne pas grever son bilan de créances douteuses - mais la BCE achète en sous main, sur le marché secondaire, pas directement, des quantités importantes de dette souveraine des Etats les plus faibles de la zone euro... Autre argument des partisans de la "séparation des pouvoirs" : ne pas encourager le laxisme budgétaire en disant à l'avance qu'on garantira les dettes des irresponsables.

A quoi Jean-Paul Fitoussi et Paul Krugman répondent que la création de monnaie ne crée pas d'inflation dans des économies déprimées comme les nôtres. Et pour empêcher qu'un assouplissement de la doctrine monétaire de la BCE ne soit une incitation au vice de la dette, il faut l'accompagner d'une stricte discipline budgétaire. Relâchement doctrinal contre sévérité budgétaire : donnant-donnant.

Paul Krugman conclut ainsi son article : *"Sur les ruines de la guerre, les Européens ont créé des sociétés qui, sans être parfaites (...) sont sans doute les plus décentes de l'histoire de l'humanité. Et cela est menacé parce que l'élite européenne (...) arrime le continent à un système monétaire qui recrée des rigidités (...) aux allures de piège mortel."*

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Alain Frachon (Chronique "International")

Article paru dans l'édition du 11.11.11

La France contaminée par la crise italienne

Par [Cyrille Lachèvre](#) Mis à jour le 10/11/2011 à 20:58 | publié le 10/11/2011 à 20:23 [Réactions](#) (11)



Les taux français se sont envolés, jeudi, à 3,46% pour l'OAT à dix ans, soit presque le double des taux allemands. S&P a annoncé «par erreur» une dégradation de la note de la République française.

«Alerte pays souverains - République française - Dégradée - Notation non sollicitée.» C'est le message lapidaire qui s'est affiché, jeudi, à 15h57 sur les écrans des traders clients de l'agence de notation **Standard & Poor's**. Le groupe américain a mis quelques minutes avant de rectifier le tir, invoquant **«une erreur technique»** ayant conduit à la diffusion de ce message. Et S&P de s'empresse de rappeler que «la note de la République française est inchangée, à **“AAA”** assortie d'une perspective stable: cet incident n'est pas lié à une quelconque activité de surveillance de la note», conclut-elle. Il n'empêche. Dans le climat actuel d'extrêmes tensions sur les marchés de dette européen, cet «incident» a fait l'effet d'une bombe. En fin de journée, le rendement de l'OAT à dix ans s'affichait à 3,46%, en hausse de 26 points de base sur la séance. Des mouvements d'une telle amplitude sont très rares sur les marchés obligataires.

L'erreur de S&P n'explique pas tout. Depuis plusieurs jours, la dette française est indirectement touchée par la contagion de la crise de la dette à l'Italie. Son écart de taux avec l'Allemagne ne cesse de s'élargir: alors qu'il était de 60 points de base à la mi-juillet, l'écart (spread) a atteint un nouveau record depuis la création de la zone euro, à 160 points. Désormais, la France emprunte presque deux fois plus cher que l'Allemagne!

Cinquième économie du globe

Cette situation doit être relativisée. À 3,46 %, les taux français restent encore historiquement bas. Et Paris emprunte toujours deux fois moins cher que Rome. Néanmoins, l'élargissement de l'écart montre que, non contents de s'inquiéter des 1 900 milliards d'euros de dette de la septième économie mondiale, l'Italie, les investisseurs s'interrogent de plus en plus sur les 1 700 milliards de la cinquième économie du globe, la France. Quatre jours après l'annonce par le gouvernement français d'un nouveau plan de réduction des déficits en 2012, cette défiance des marchés montre l'ampleur du chemin qu'il reste à parcourir pour les rassurer.

Au-delà du cas français, l'urgence reste toujours de sauver l'Italie. «Trop gros pour s'effondrer, trop gros pour être sauvé» («Too big to fail, too big to save»). Cette phrase était sur toutes les lèvres, jeudi, dans les salles de marché. Telle une grande banque systémique, la dette italienne est si élevée qu'il faut éviter un défaut, qui provoquerait un cataclysme mondial. Mais, à la différence d'une banque, l'Italie est trop grosse pour être sauvée, car les montants en jeu sont colossaux.

«Si l'**Italie** ne peut plus faire appel à u marché pendant trois ans, il faudra lui prêter environ 650 milliards d'euros, voire davantage en intégrant une éventuelle recapitalisation des banques», estime John Higgins, économiste chez Capital Economics. Une somme deux fois supérieure à celle mise sur la table pour sauver la **Grèce**, l'Irlande ou le Portugal. Personne ne possède de tels moyens. Le Fonds européen de stabilité financière (FESF), créé pour aider les pays de l'euro en difficulté, dispose en théorie de 250 milliards d'euros. Mais ce chiffre fond comme peau de chagrin à mesure que la BCE intervient sur les marchés pour racheter de la dette espagnole et italienne. La BCE a en effet déjà indiqué qu'elle transférerait toute cette dette achetée au FESF.

«Il n'y a plus qu'un moyen de stabiliser la crise: la BCE doit élargir son bilan, devenir le prêteur en dernier ressort et, si nécessaire, imprimer de la monnaie», explique Stephen King, chef économiste chez HSBC. Cette éventualité, évoquée par les Français à la veille du sommet européen du 26 octobre, mais tuée dans l'œuf par les Allemands, refait surface. Car si la France est touchée à son tour, l'Europe n'aura plus le choix.

Making do

Instead of going all out for the serious reforms it needs, Europe is likely to settle for the minimum

The Economist Nov 12th 2011 | from the print edition

IN THE HEART of the EU's administrative district in Brussels, a little way inside the council building where EU ministers hammer out legislation, stands a big bronze bust of Justus Lipsius. A 16th-century humanist who sought to reconcile Christianity and Stoicism, Lipsius betokens learning and integrity.

On closer inspection, though, the bust turns out to be made of painted plaster. If you rap it with your knuckle you hear the thwack of gypsum rather than the ring of cold metal. Low down on the great scholar's mantle is a small white patch where the paint has chipped away. Far from adding dignity to the business of the council, the mock-bronze inadvertently honours the Brussels tradition of making do. It is this spirit of grubby compromise, not lofty idealism, that will determine the future of the euro.

That is because, as Joseph Schumpeter argued, a monetary system cannot be separated from the society that underlies it. Saving the euro is about much more than the optimal design of a currency area. Even as the euro zone fights to steady its banks and its sovereign borrowers, it must grapple with the profound choices that this special report has set out.

Four choices

The most important of these is Europe's attitude to globalisation. The more the euro zone embraces growth-enhancing reform, the lower the chance that its members will, after years of grinding austerity, succumb to the political fatigue that could lead to the euro's collapse. However, the economic imperative for austerity and restructuring is already putting the governments of the euro zone's troubled periphery under severe strain.

A second choice is about what it means to be "European". Among the euro zone's creditors, populist parties are increasingly rallying against the EU. Battered by austerity, the citizens of debtor countries could easily go the same way. Elites all across Europe have lost their authority. The European Commission and the parliament tend to be resented by national governments. All this limits the scope for fixing the euro by transferring sovereignty to Brussels.

A third is about the leadership of Germany and France. The crisis has given the leading role in Europe to Germany. It must decide what price it is willing to pay for leadership and how to use its new power. Will it come round to the idea that the European Central Bank (ECB) must put its balance-sheet behind the euro zone's governments? Meanwhile, France, greedy to redesign Europe according to its own tastes, must decide whether it is prepared to take the difficult steps needed to keep up with Germany.

The fourth is about Europe's divisions. Eastern Europe is anxiously watching the confusion and disarray to its west. It must choose whether its destiny should eventually be inside the euro. Britain, too, must work out what it wants from the EU. In the past it has yanked the continent towards open markets and economic liberalism. Today Britain is striding away from Europe in a very British fit of absent-mindedness.



Doug Pearson | The sun sets

These questions are complicating the rescue of the euro. In the crystalline world of political and economic theory the immediate task is to stop the run on Europe's banks and sovereign borrowers. This requires a controlled default of insolvent governments—which, so far, means Greece—and the protection of solvent governments by a pledge to buy as many of their bonds as it takes to ward off market panic. At the same time Europe's banks must be protected with fresh capital. The euro zone showed at last month's summit

that it is coming around to this design—though the package they came up with was still too puny. But the two other components of any complete euro rescue are still embryonic.

One is reform of the euro's governance. The euro zone needs a fund that can help member states cope with shocks. More ambitiously, the credit rating of the entire area might be used to issue Eurobonds, which would be less vulnerable to speculation. The euro zone must ensure that delinquent borrowers do not exploit these facilities to run up bills for everyone else to pay. And, to block the vicious circle in which failing banks amplify the weakness of sovereign borrowers, it must establish a European mechanism for insulating banks from their sovereigns.

In theory all this is possible. In practice, however, it would involve a large transfer of sovereignty to give the central euro-zone authorities the scope to raise money, regulate banks and prevent errant fiscal policy. Few countries are ready for that. The prospect of a United States of Europe is about as real as the bronze of Justus Lipsius's bust.



For a start, Germany and France will not allow the European Commission to gain much extra power. In recent years Germany has become suspicious of the institution. Neither Ms Merkel nor Mr Sarkozy is fond of José Manuel Barroso, its president. The money for the euro-zone rescue pot, the European Financial Stability Facility, has come from the member states, mostly from France and Germany. They are not about to hand control over hundreds of billions of euros to the commission.

One alternative might be to fix everything among governments, in the Eurogroup, as France would wish. But smaller countries have seen, in the treatment of Greece and Italy, how France and Germany get to call the tune: "intergovernmentalism" leaves them vulnerable. And Germany's federal constitutional court in Karlsruhe ruled after the 2007 Lisbon treaty, the EU's most recent piece of constitutional re-engineering, that the German government could never again transfer sovereignty away from the German parliament to Brussels without also ensuring that German citizens have more say at the European level. Deals among a roomful of governments do not meet that test.

Few countries are ready for a large transfer of sovereignty. The prospect of a United States of Europe is about as real as the bronze of Justus Lipsius's bust. What about the German idea to give more power to the European Parliament? Many national governments would object. How would Nicolas Sarkozy, emperor of the Fifth Republic, feel if the European Parliament had more sway over him than his own tame Assemblée Nationale?

In short, there is no consensus in the euro zone for an ambitious transfer of sovereignty to Brussels. Instead, in the spirit of shoddy compromise, it will do as little as it can. As the summit in October hinted, the emphasis will be on binding countries by the norms of prudent economic management—a supercharged version of the set of rules the commission presented a year ago, including warnings about imbalances and fiscal sustainability.

Perhaps such rules could be enshrined at national level. Just as euro-zone members are required to have an independent central bank, they could be obliged to set up independent offices of statistics and budget sustainability and to enact constitutional guarantees of good behaviour. That would provide euro-zone reassurance without euro-zone sovereignty. Perhaps, too, banks could be regulated at the EU level and be prevented from ever becoming as dependent on their sovereigns as they are today.

All this will need to be backed up by strong discipline—and that will lead to yet more trouble. France would prefer the stick to be wielded at the discretion of governments. Germany, however, wants binding rules and strong punishments. Germany is likely to carry the day, but only if it can find a way to force through a new treaty.

That will be harder than it sounds. A full treaty requires a convention, an intergovernmental conference and then ratification by national parliaments and a referendum in Ireland and quite possibly in other

countries, too. Old Brussels hands think that all this would take three to four years. Moreover, the mood in Ireland just now is so bad that you could not get the ten commandments approved in a referendum.

Scarred by the difficulties of trying to write and ratify a constitution for the EU, the euro-zone countries may therefore try to dress up a treaty as merely a "technical" adjustment. They may try to sign a treaty among themselves, outside the EU. That would stop Britain from causing trouble, and negotiations among 17 countries may be speedier than among 27. However, existing EU law requires the new agreement to mesh with all other EU treaties, which may be awkward.

From an economic point of view such minimal new rules for governing the euro would be second-best. Despite what is often said, no economic law dictates that a common currency must have a common fiscal policy. But fiscal co-ordination does make life a lot easier.

The price of a cobbled-together rescue is that some day the euro zone will probably have to endure yet another existential crisis. It is all very well to talk of discipline and oversight right now, when disaster is still an imminent possibility; but wariness is bound to fade with time. Bubbles inflate precisely because people fail to recognise that they are living with dangerous imbalances. One French official remembers being told by commission economists during the boom to copy Ireland and Spain. Now the same people are telling him to copy Germany.

Postwar postscript

The third component of a textbook euro rescue would rebalance Europe's dangerously lopsided economies. In the troubled countries of the euro zone this requires a programme of thoroughgoing structural reforms, along with a plan to reduce government budget deficits over the medium term. The euro zone's creditor states would match this with a fiscal stimulus designed to boost demand in their economies. That would help drag the ailing members out of recession.

Again, reality will fall far short of this ideal. The citizens of uncompetitive economies are already exhausted by austerity, and Germany and the other creditor nations are reluctant to run deficits. The danger is that people will refuse to accept the unemployment and austerity being imposed on them. If so, that will hugely raise the economic damage wreaked by crisis, as yet more output is lost and more jobs are destroyed.

This is the greatest single threat to the survival of the euro. Governments will topple and the programmes underpinning international aid will fall apart. An angry, populist Greece might well storm out of Europe as a harmful act of protest. At that moment the risk of contagion would be at its greatest. Would the single market survive? Would the ECB and Germany, staring into the abyss, at last commit themselves to ring-fencing solvent governments?

Sometimes the worst really does happen. However, even if Greece goes, a general fragmentation of the euro zone remains unlikely. Collapse would not benefit any of its members. Even if joining was a mistake, quitting would be a bigger one. Moreover, all the arguments over rescue funds and bank bail-outs are in the end about who will pay, not whether the system is worth saving.

The brinkmanship could go on for months and there might be more half-rescues like the one in October. But were a bank or a solvent economy suddenly to fall prey to a market panic, then governments and the ECB would surely step in. It would make no sense for the ECB to put its own reputation for orthodoxy before the ravages of deflation. And if the euro zone ceased to exist, the ECB would have nothing to be orthodox about.

Remember, though, that even this action would only buy time for Europe's troubled economies to resume the relentless slog of regaining competitiveness and working off their debts. Sometimes you read that such an enforced workout is a hopeless cause. Ageing, comfortable Europeans have no stomach for hard work or invigorating globalisation. Many governments will want to protect their companies, not subject them to competition. The temptation to use the euro zone to defend unaffordable privileges will be strong. The political culture in a country like France has long seen globalisation as a threat to be managed. That view may be hard to shift.

Yet this argument is too fatalistic. Europe has a choice, just as America had a choice after the miserable decade of the 1970s, when it decided to beat inflation and re-establish the dollar. Europe has much to offer: creativity and imagination, skills in design and manufacturing, expertise in science and engineering. And it has something to prove to an interconnected world. Confronted by global finance and business, no political system seems able to cope alone. If collaboration cannot be made to work among the states of Europe, bound by history and culture, can it work anywhere?

This newspaper's fervent hope would be that Europeans embrace globalisation by at last getting serious about reforming their rigid economies and their welfare states. Indeed, the present crisis has presented them with a unique chance to break apart the political interests that have held them back.

The failure of the euro would not benefit any of its members. Even if joining was a mistake, quitting would be a bigger one

Crises have a way of speeding up history. In his magisterial account of Europe after 1945, Tony Judt writes: "Postwar in Europe lasted a very long time, but it is finally coming to a close." The near-failure of the euro has made Judt's world seem more remote than ever. The post-Nazi taboo on populist parties is falling away. Without the Soviet Union's occupying armies, Germany is once again the power that leads Europe but is unable to dominate it. The bloodless politics of Brussels, once a bulwark against extremism, has now become an obstacle. The welfare state, built on postwar prosperity, has become too expensive for these straitened times.

It is often said that in the face of the euro crisis the EU must either integrate or disintegrate. Either is possible. More likely, though, it will muddle through, integrating as little as it can get away with, disintegrating as Britain becomes ever more detached, and reforming just enough to get by. When the fuss is over, the chances are that Europe will breathe a sigh of relief and continue rather faster down the path of genteel decline.

Europe's big two

The Nico and Angela show

Is Europe run by France and Germany, or by Germany alone?

The Economist Nov 12th 2011 | from the print edition



AP Keep up now, Nicolas

WHEN DE GAULLE'S foreign minister asked him which officials France should dispatch to Brussels to staff the new European Commission, the general replied: "Send the most stupid." Although these days France installs some of its best people in Brussels to watch what the EU gets up to, that condescending attitude has never entirely disappeared. If it had a choice, France would keep the commission firmly in its place and run the show with Germany as a sort of European G2, but enlargement of the EU to 27 countries got in the way. The euro crisis presents France with the best chance in decades to drag the EU back on track.

At the same time, though, the crisis has established a new German dominance in Europe. As the continent's biggest economy, Germany has set the terms of the various euro-zone rescues. Having largely absorbed east Germany since unification in 1990, it is looking for markets in the emerging economies. And, bit by bit, it is carving out a more assertive and independent role.

When Nicolas Sarkozy, France's president, meets Angela Merkel, Germany's chancellor, the atmosphere can be chilly. Ms Merkel has said she thinks she is "the most boring person Mr Sarkozy has ever met". But what matters more is the unresolved combination of France's designs and Germany's power. Their difficult partnership weaves yet another strand into the drama of the euro, adding to the uncertain future of the EU itself.

The blues in Berlin

During the euro crisis Ms Merkel has often seemed torn, refusing such things as a concessionary interest rate for Greece, only to change her mind later. That partly reflects her temperament: cautious, tactical and naturally inclined towards the middle path between standing firm and coming to the rescue. But, to be fair to Ms Merkel, it is also because Germany itself is torn.

On the one hand, Germans know that their fate is still bound up with European integration, as it has been for the past 60 years. The country's pro-European finance minister, Wolfgang Schäuble, says that although Germans might be sceptical of the euro, they are not Eurosceptics. Opposition parties have criticised Ms Merkel for being too reluctant to save the euro zone. They have put forward bold plans, such as Eurobonds issued jointly by the entire euro zone, combined with a leap in fiscal integration. The opposition has been rewarded with a strong performance in regional elections. By contrast, Ms Merkel's party has suffered at the polls and her coalition partner, the more Eurosceptic Free Democratic Party, is on its knees.

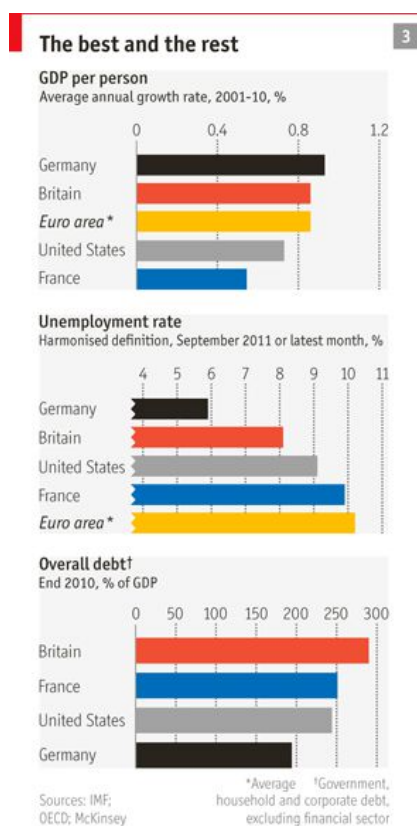
Moreover, the German economy is intricately tied into the European economies around it: they are a source of parts and supplies for German industry, a place where German banks and insurers have invested their savings, and a market for German goods. A collapse of the euro or a chaotic default by a European government or bank that spread through the EU economy would be a terrible outcome for Germany.

On the other hand Germans also feel indignant. They think that at the time of monetary union they were conned with the false promise that the euro and the European Central Bank would be worthy of the mighty D-mark and its guardian, the Bundesbank. These were potent symbols of German nationhood. As Helmut Kohl, chancellor at the time, told the then French president, François Mitterrand: "The D-mark is our flag. It is the foundation of our post-war reconstruction. It is the essential part of our national pride; we don't have much else."

The euro is no D-mark. Day after day German television and newspapers portray Europe as a threat to German prosperity. The “no bail-out” clause, designed to ensure that governments will not be held liable for other countries’ debts, has been trampled underfoot. As the crisis has grown, the share of Germans who think the euro will be a long-term success has fallen from 78% in 2008 to 55% earlier this year. Ordinary Germans are asking if they should ship their savings to Switzerland.

And, in German eyes, the ECB is no Bundesbank. When the bank proposed to buy bonds of troubled governments in the open market, two Bundesbank vigilantes objected, arguing that the policy took the ECB across the threshold from monetary to fiscal policy. Having lost the argument, they resigned. At the end of last month the Bundestag passed a non-binding resolution against the ECB’s financing the euro-zone rescue fund or continuing to buy bonds once the rescue fund can do so instead. Jörg Rocholl, dean of the ESMT business school in Berlin, talks of a “common feeling of betrayal” over the ECB.

When Germans look at Europe’s periphery they see economies that partied when they should have been sobering up. After unification Germany put itself through economic boot camp. The unions agreed to lower pay rises. The government cut benefits, raised charges and made it harder for workers to claim disability allowances. Between 1994 and 2009 the country’s unit labour costs fell by about 20% against the rest of the EU. But the adjustment was a hard slog. Jobs went abroad, where labour was cheaper, and unemployment rose to a peak of 12.1% in 2005. That same year the Social Democrat-led government of Gerhard Schröder paid the price at the polls, bringing Ms Merkel to power.



Yet, thanks to these efforts, Germans have enjoyed world-class economic performance over the past decade (see chart 3). No wonder, then, that they resent seeing the fruits of their own self-denial being used to pay for everyone else’s self-indulgence. In any case, Germans have never quite got over the anxiety that they developed in those years of austerity. Whereas the rest of Europe looks at Germany and sees an economic powerhouse, many younger Germans doubt that they will live as well as their parents do, and fret that the social safety net will not be there when they need it.

There was a time when Germany bore its financial contributions to the EU with stoicism. Uwe Kitzinger, a British academic and former official in Brussels, called them “a form of delayed war reparations”. But now the country is making its anger felt.

“As the pivotal state in monetary union,” writes David Marsh, “Germany is becoming more self-centred but less sure-footed, more hectoring but more vulnerable.” Mr Schröder put down a marker back in 2000. At a summit in Nice he demanded that in ministerial votes on EU legislation Germany’s large population should have a bigger say than other countries. Last year the Bruegel think-tank in Brussels published an essay entitled “Why Germany Fell out of Love with Europe”. And Jean-Claude Juncker, the prime minister of Luxembourg and head of the Eurogroup, in which the euro-zone’s finance ministers meet, complained that the “Germans are losing sight of the European common good.”

Moreover, the world is changing. German trade has been shifting away from the euro zone. In 1999 German exports to Portugal, Ireland, Spain and Greece totalled €30 billion, a multiple of those to China, just €6 billion. By last year exports to China, worth €53 billion, exceeded those to the four peripheral economies. Goldman Sachs, a bank, reckons that China is poised to match France as Germany's biggest trading partner.

And Germany, too, is changing. Its controversial decision not to join France and Britain in the NATO campaign against Libya's Muammar Qaddafi represented what Constanze Stelzenmüller, of the German Marshall Fund, calls "a loosening of the ties". NATO, she says, is no longer bound by the "unifying energy of the Russian threat".

Reflecting on Germany's strife over the euro and its refusal to fight in Libya, Hans Kundnani, editorial director of the European Council on Foreign Relations, recently argued in the *Washington Quarterly* that "Germany's economy is too big for any of its neighbours, such as France, to challenge...but not big enough for Germany to exercise hegemony." This, he concluded, is an economic statement of the "German question" that tormented Europe for 75 years after German unification in 1871.

The most likely answer to that question today is compromise. Germany is not about to walk away from Europe, nor to let the euro fail. But Germany's price will be a rescue in which it will be explicitly seeking to put its own interests above all others. What does that mean for France?

The pressure in Paris



Thanks above all to De Gaulle, France has been fabulously successful in Europe. Having been defeated and occupied by Germany, France was humiliated and neglected by America and Britain. In 1954 Eisenhower called the French "a helpless, hopeless mass of protoplasm". But armed with the general's brilliant combination of cunning and self-belief, France made itself indispensable to the construction of Europe. It then used that status to tame the German threat, to project French power in the world and to get the EU to pay for its own expensive farm subsidies.

But that policy has run its course. A senior French politician says that today's Franco-German coalition "is fragile and public opinion is hostile". In French eyes today's EU suffers from three flaws. First, the commission and the ECB have too much scope to act independently of governments. Second, the British-backed policy of enlargement has gradually changed the character of the union, making it harder for French views to prevail and over-emphasising open markets. And third, taking Mr Kundnani's German question, France needs to renew its deal with Germany.

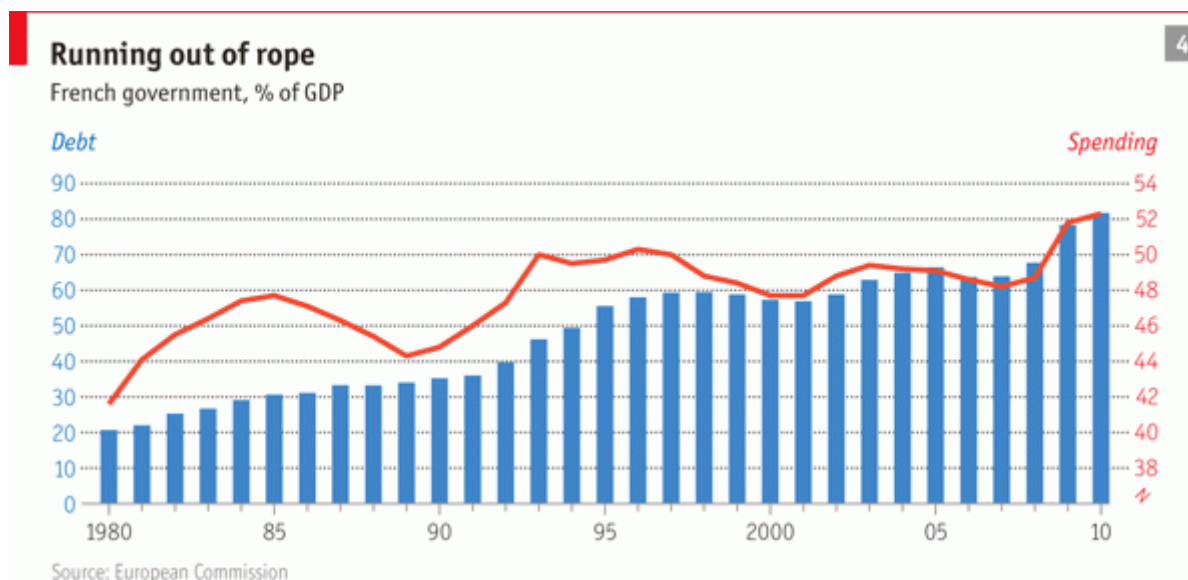
The euro crisis offers a tantalising chance to do so. Because the euro will need more and better governance, France has an opportunity to sideline the commission by creating new institutions controlled by governments. If decisions can be taken by the 17 members of the euro zone, rather than the 27 of the EU, then the restored Franco-German duo might take charge.

France has already made progress. Throughout the euro crisis Mr Sarkozy has appeared alongside Ms Merkel at Franco-German summits to set policy for the entire euro zone. His reward was that the euro zone will have two summits a year and its own secretariat. Germany has seemed willing to fall in with the French preference for an intergovernmental "Europe des patries".

Germany still needs France to get things done in Europe. If Paris and Berlin can agree on a policy then most of the other countries will rally round

Yet even if the other 25 countries in the EU are ready to go along with this, France faces a huge obstacle. To be an equal partner, it has to be a plausible match for German power. "Ideas can come from France only if it is economically strong," says André Sapir, of the Bruegel think-tank. France's military force helps, but the economy lets it down. Moody's and Standard & Poor's have both warned that they might cut their rating of French government debt, alarming the government in Paris.

The economy's problems run deep. French industrial exports have fallen from 55% of Germany's in 2000 to around 40% now. Fewer than a third of France's industrial companies spend money on R&D, compared with almost half in Germany. And although France's government finances are fairly healthy compared with those of many other rich countries, the markets doubt the country's long-run capacity to pay its way.



Demography is on France's side: its population is growing, whereas Germany has one of the EU's lowest fertility rates. Yet the trajectory of government borrowing raises concerns, given that in 1980 France's debt was only 20% of GDP (see chart 4). The public sector's share of the economy is already greater than Sweden's, which limits the scope for tax increases. Mr Sarkozy's government reformed pensions last year, the first increase in working time in France since the second world war. However, the change put the minimum retirement age back by only two years, to 62, and it met with huge resistance. The Socialists are promising to reverse it if they win the presidential election next year.

Jean Pisani-Ferry, a director at the Bruegel think-tank, points out that the French are ambivalent. Although they are creditors, the media have covered the Greek crisis very differently from the German ones, emphasising the suffering of ordinary people. "The French see a magnified version of their own failings," he says.

Germany still needs France to get things done in Europe. If Paris and Berlin can agree on a policy then most of the other countries will rally round. But in the recent summit talks over a euro rescue, France gave way to German demands—notably that the ECB should not lend to the rescue fund. The risk for France is of becoming a foil for Germany rather than a genuine partner.

In the 1990s France qualified for monetary union by clinging doggedly on to the strong franc, even as others devalued. Some of those who run France readily acknowledge that they need a similar act of will today. "Politicians have not told the French people the truth," says Bruno Le Maire, the French agriculture minister. "We said there was no need to change. It's false...France has to accept the world as it is...We have to give Germany the idea that we can succeed with the market, not with a protected Europe."

Beyond the fringe

The rise of populists is a threat both to the euro and to the EU as a whole

The Economist Nov 12th 2011 | from the print edition

EUROPE HAS A dissonant new voice. Anti-Muslim, anti-elite, anti-globalisation and increasingly anti-Brussels, populists now count for something in the Nordic countries, among the Dutch and Flemish, in France, Italy and Austria, and in parts of eastern Europe. They come in many varieties, but all claim to represent what Pierre Poujade, France's original post-war populist, called "the ripped-off, lied-to little people".

These movements are sometimes described as neo-fascist. Some of them indeed are, and all of them embrace odious and intolerant views of one sort or another. But to dismiss them as fascist, and thereby safely rule them out of European political life, offers the liberal mainstream false comfort. Over the past few years populists have found ways to set themselves apart from a neo-Nazi ideology. Many support gay and women's rights (all the better, they think, to bash the Muslims), and many are fervently pro-Israel. They are here to stay.

Europe's populists are not likely to form governments; they lack the votes and are completely unequipped for office. However, mainstream politicians do not know how to see them off. So their obsessions and their resentments have seeped into the debate, even among those who would never vote for them.

This matters just now for three reasons. First, because the euro and its independent central bank are elite projects *par excellence*. The high priests of Europe's political class handed down the edict that Europe needed its own currency. They forced their economies to converge during the 1990s and masterminded the extravagantly complex job of issuing new notes and coins. Now that the technocrats have been shown up as bunglers, the anti-technocrats stand to gain. Second, populists are nationalists and protectionists and reject both the idea of paying to save Europe's troubled periphery and the sort of structural reforms that Europe needs for growth. And third, populists feed the widespread mistrust of Brussels and all its works, which will constrain the options available to fix the euro.

To understand how populism has taken root, look at what has happened in the Netherlands, once the very model of a tolerant, pro-integration member of the EU. In his study of the murder of Theo van Gogh, a film director, by a radical Dutch Muslim in 2004, Ian Buruma borrows the term *regenten* to describe the modern Dutch elite. Like the self-confident 17th-century ruling class of merchants smugly gazing from the portraits of Frans Hals, the 21st-century *regenten* looked out for themselves and neglected the things that bothered ordinary people.

In the Netherlands the beef was with the immigration that created "dish cities" of Turkish and Moroccan households tuned to satellite television from abroad. The *regenten* were all in favour of multiculturalism and in no hurry to press immigrants to assimilate. In the early 2000s a flamboyant gay university lecturer called Pim Fortuyn made a political career out of condemning what he saw as Muslim intolerance and *regenten* neglect.

What did this have to do with Europe? At first, nothing at all. But after Fortuyn, too, was murdered in 2002 (by an animal-rights activist, not a Muslim), another Dutch politician, Geert Wilders, took up his cause and increasingly exploited popular resentment against the *regenten* project of European integration.

As the EU has grown from six to 27 countries, the Dutch, who were among the founder-members, have felt their influence drain away. They have gone from being beneficiaries of European funds to net contributors. They feel they have had to take in migrant workers from eastern Europe who threaten their jobs. Sometimes the EU has imposed unpopular decisions, as when it ruled that the distinctive, often religion-based Dutch housing associations were discriminatory, or that Turks were exempt from a mandatory exam for immigrants because Turkey is an official candidate for EU entry.

The extent of anti-European sentiment became clear back in 2005, when the Dutch voted in a referendum to reject a proposed new constitution for the EU by a crushing 62% to 38%. It was the first time the Dutch elite had condescended to ask ordinary people about Europe and, says André Krouwel, a political scientist at Amsterdam Free University, even people who had nothing against Europe found something in the constitution to dislike.

With Mr Wilders's Freedom Party on one side and the anti-globalisation Socialist Party on the other, the pro-European, pro-globalisation middle is being squeezed out of Dutch politics. The centre parties used to win 80-90% of the vote. In the most recent election they got only 54%. Meanwhile, the tweets of Mr

Wilders, whose party has just 16% of the seats in the Dutch parliament, manage to grab 40% of the media coverage of politics, reckons Mr Krouwel. "He has destroyed Dutch consensus democracy," he adds.

A similar story is emerging across Europe, though the details differ. The True Finns are more Eurosceptic than anti-Muslim; the Danish People's Party and the Sweden Democrats are obsessed by immigration; Italy's Northern League is consumed by contempt for Naples and the feckless South, as well as immigrants and the EU; Belgium's Vlaams Belang stands for Flemish independence; France's National Front is being dragged away from its fascist, anti-Semitic past by Marine Le Pen; Hungary's Jobbik has not even begun to change out of its jackboots.

But the punchline is the same. Heather Grabbe of the Open Society Institute in Brussels calls it "the politics of resentment against elites". This sentiment makes office a dangerous place for populists. After Jörg Haider's Freedom Party won 27% of the vote in an Austrian election in 1999 it joined a coalition government, but in the 2004 elections to the European Parliament it got only 6.3%. Out of power, the Austrian populists (now split into two parties) saw their overall strength recover to almost 30% of the vote within just four years.

These days populists prefer to stand half-in and half-out of government, where they can claim credit for policies on, say, immigration even as they disown the difficult decisions that ministers often have to take. That was the strategy of Pia Kjaersgaard's People's Party, which put its stamp on immigration policy in Denmark until the election of the Danish left in the summer. These parties talk tactics with each other, says Sarah de Lange of the University of Amsterdam. And so the Danes have been copied by Mr Wilders, pictured above, who supports a Dutch minority government but is not part of it.

The Dutch finance minister, Jan Kees de Jager, says that this leaves the Dutch approach to Europe unscathed. The government can pass legislation on the EU by calling on the support of the opposition centrist parties, depriving Mr Wilders of influence. That line is supported by surveys showing that the level of Dutch backing for "Europe" in the vaguest, most generalised sense has not dramatically fallen over recent years.

But this argument is not wholly convincing. Dutch attitudes to sovereignty have hardened. Politicians come back from Brussels to The Hague complaining that they could not get the deal they wanted. The idea of spending Dutch money to rescue the Greek economy was unpopular. If fixing the euro required another referendum, the government would struggle to win.

Don't look for gratitude

Moreover, that Dutch vote against the European constitution was part of a Europe-wide popular backlash against the EU. The constitution was supposed to renovate the EU's creaking legislative machinery as well as bringing Brussels closer to the people. But the people either did not understand it or were not interested. Having been rejected in France as well as the Netherlands, the constitution was reworked as the Lisbon treaty and was at first rejected again, this time by a referendum in Ireland. The treaty-cum-constitution limped into law in 2009, eight difficult years after work on it had begun. The instrument intended to fortify the EU with popular legitimacy won just three out of six referendums. Ten governments had backed away from promises of popular votes.

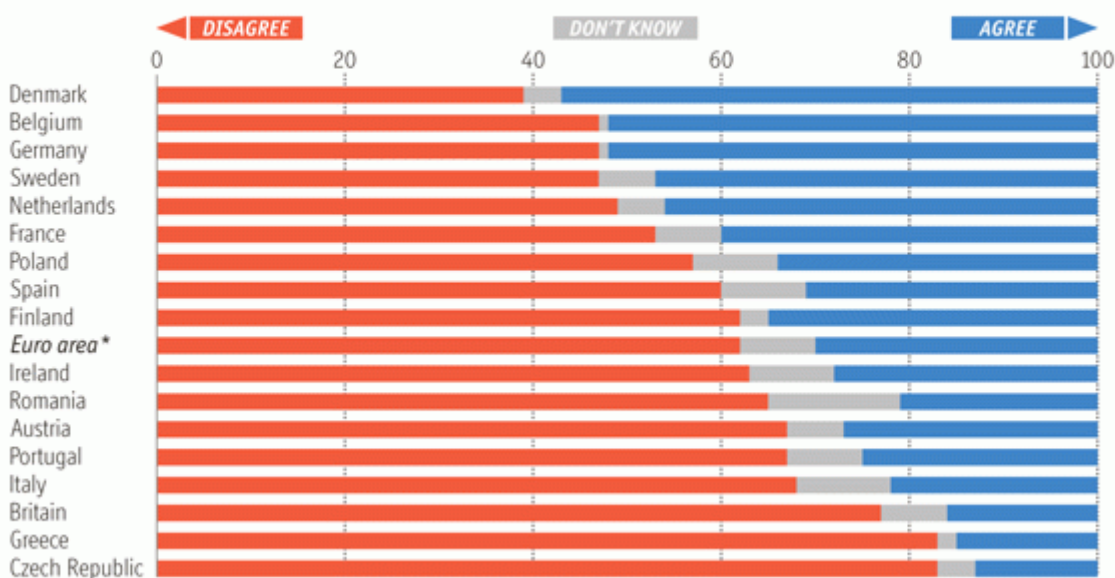
With Mr Wilders's Freedom Party on one side and the Socialist Party on the other, the pro-European middle is being squeezed out of Dutch politics

The message is clear. However unpleasant some of the populists' views are, they are on to something with the EU. Ordinary Europeans see Brussels as remote and elitist (see chart 2). As it happens, the European project was like that from the very beginning—and for the best possible reasons.

Europinions

2

"My voice counts in the EU", % of respondents who:



Source: Eurobarometer, spring 2011

*Average

Look back to the founding of the European Economic Community, the EU's forerunner, in 1957. What from the vantage point of 2011 might seem like an undemocratic fix was actually inspired statecraft. After the second world war many Europeans feared that the ghastly cycle of economic depression, instability and war was going to begin all over again. They were caught between the horror of German revanchism and the nightmare of a communist takeover. Europe was the antidote to the madness that had almost destroyed Western civilisation in two world wars, and it was to be administered by the *regenten* of the day. The architects of the EEC did not seek to harness popular enthusiasm, because it was such enthusiasm that had led to Fascism and Bolshevism.

No wonder that EU business has always been more about the horse-trading of the committee room than about the rhetoric of the debating chamber. David Marquand, a former British MP and a commentator on Europe, writes: "At the heart of the European project lay an unacknowledged but pervasive ambivalence about politics. In transcending the nation state, the founding fathers were also seeking to transcend—or rather to escape from—the messy, vulgar, clamorous irrationality of political life."

Inspired by the quest for peace, Europe's designers expected their creation to be justified by what the Brussels officials still call "output legitimacy"—that Europeans would accept the EU because it worked. But that is not what has happened. Today's Europeans take peace for granted. They are more inclined to measure the EU by the prosperity it has brought. However, it does not get the full credit for that either because national politicians, instead of explaining how much the EU has contributed to Europeans' wealth, take the credit for themselves. And many of them like to blame Brussels for everything that is bad.

The EU has not helped its own cause. Terms like "the community method", "Coreper" or "co-decision" seem almost designed to scare people off. Its processes are comically obscure. Paul Magnette, a Belgian politician, reckons that there are 22 different legislative procedures and 30 legal instruments for decision-making in the EU—and that is only counting what is known as the "first pillar" of EU competencies (don't ask).

All this has led critics to complain about the EU's "democratic deficit". But that line of attack is off-beam. The commission (which is unelected, but must be approved wholesale by the parliament) can only propose legislation and help to enforce it. New laws need the backing of ministers from national governments and the elected European Parliament. Compared with national capitals, Brussels is admirably free with information and briefings once you penetrate the jargon and the procedure.

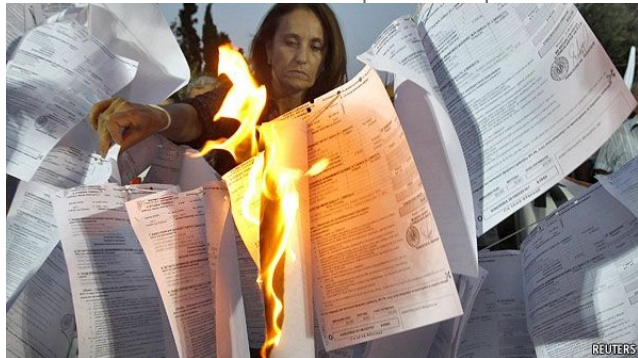
What the EU lacks is not democracy but popular engagement. It always has and it always will. There is a small industry churning out suggestions for how to remedy this. How about directly electing the commission's president? Or sending national MPs to sit part-time in the European Parliament? Or staging Europe-wide referendums, so that a single country cannot hold the other 26 to ransom? None of them would change the fact that the EU is remote, impenetrable and elitist. However hard it tries, the EU will not be loved by European citizens—even those who are broadly pro-European. In the words of Anand Menon, a British academic, it is "structurally condemned to inspire apathy".

“Public opinion is a new actor in the EU,” says Charles Grant, director of the Centre for European Reform. “It limits what technocrats can do.” Beset by populist anti-elitism on one side and impenetrable technocracy on the other, the fate of the euro therefore lies squarely in the hands of national governments. And none more so than the duo that have long made the running in Europe, France and Germany.

Staring into the abyss

The euro crisis might wake Europe up. But more likely, argues Edward Carr, it will lead to compromise and decline

The Economist Nov 12th 2011 | from the print edition



WHEN BRITAIN ABANDONED the gold standard in 1931, it was not only forsaking a system for managing the currency but also acknowledging that it could no longer bear the mantle of empire. When America broke the dollar's peg with gold in 1971, it ushered in a decline that continued until Paul Volcker re-established confidence in the currency in the early 1980s. As Joseph Schumpeter, the great Austrian economist, once wrote: "The monetary system of a people reflects everything that the nation wants, does, suffers, is."

In the same way, the crisis that has engulfed the European Union (EU) is about much more than the euro. As government bonds, share prices and banks swoon and global recession knocks on the door, the first fear is of financial and economic collapse. But to understand what is happening to the currency you also need to look at what is happening to Europe.

The euro will not be safe until Europe answers some fundamental questions that it has run away from for many years. At their root is how its nations should respond to a world that is rapidly changing around them. What will it do as globalisation strips the West of the monopoly over the technologies that have made it rich, and an ageing Europe starts to look increasingly like the western peninsula of a resurgent Asia?

Some Europeans would like to put up carefully designed fences around the EU's still vast and wealthy market. Others, including a growing number of populist politicians, want to turn their nations inward and shut out not just the world but also the elites' project of European integration. And a few—from among those same elites, mostly—argue that the only means of paying for Europe's distinctive way of life is not to evade globalisation but to embrace it wholeheartedly.

This is not some abstract philosophical choice. It is a fierce struggle for Europe's future, being waged in Athens as George Papandreou loses power to a temporary government of national unity, in derelict factories in France and Belgium and in the wasted lives of millions of unemployed young Spaniards. This struggle will set the limits on Europe's welfare state. It will determine how the unbalanced partnership between Germany and France, and an increasingly detached Britain, will shape the EU. It will define the high politics of Brussels and the low politics of European populism. And it will decide the fate of the device that Schumpeter would see as the embodiment of all this: the euro.

Just now the euro zone is caught in a dismal downward spiral. Fears about whether the governments in Greece, Portugal, Ireland, Spain and, most alarmingly, Italy will honour their €3 trillion (\$4.2 trillion) or so of borrowing are wrecking European banks, which own their debt. Struggling banks undermine confidence and credit. Coming on top of fiscal austerity, this is bringing on recession, deepening fears that governments will be unable to pay back their debts, which further weakens the banks. And so the vice turns, down towards disaster.

The euro zone still has the capacity to stop this run on its banks and governments. As a block, it is less indebted than America and its public-sector deficit is lower. It has the money to fortify its banks against the default of Greece—and Portugal and Ireland, if need be. And it is minded by the European Central Bank (ECB), which can in principle stand behind those vulnerable governments by buying their debt in unlimited quantities on the secondary market. But the EU has repeatedly failed to put forward a convincing euro rescue. Its latest and bravest attempt, at the end of last month, fell short of the mark—just like all the others. That is because the Europeans are deeply at odds over what the crisis is really

about, and riven by disagreement over what each country must contribute towards solving it (see [article](#)). So long as the euro zone's members cannot settle these arguments, or at least agree that their differences matter less than finding a solution, the collective action needed to defend the euro will remain impossible.

Many roads to disaster

While the world waits for Europe to make up its mind, catastrophe is in the air. It could take many forms. A country might storm out of the euro—which the treaty forbids, but who could stop a determined government? European banks might suffer a fatal loss of confidence. Italy or Spain might become unable to borrow on decent terms. Or a government trying to impose austerity might be replaced by one that rejects it. Any of these could cause contagion and plunge the world economy into depression.

Some people speculate that Germany might lead a breakaway core of euro-zone countries. But as the Teutonic euro soared in value, banks and companies would lose huge sums on their assets abroad and its exporters would find themselves at a disadvantage. Besides, for Germany to flout an EU treaty so brazenly would damage all EU law, which argues strongly against it.

Greece is more likely to buckle under austerity and quit after a succession of governments like the new one. But it would be a desperate act. Banks would collapse and capital flee, and many of Greece's companies, unable to pay their euro-denominated bills, would go bankrupt. Already shut out of debt markets, Greece would probably lose all financial aid from the EU.

Amid recession and the contagion of a debt default, bank collapse or Greek departure from the euro, Europe's single market would be in danger. At an EU summit in 2008, when the financial crisis was raging, Nicolas Sarkozy chastised the commission for being too zealous in upholding competition. A senior official reckons that, if the French president had at that moment asked for a vote, the heads of government would have suspended the rules. The crisis today is at least as grave as it was then.

Since it is possible to avoid such a catastrophe, you might think that the worst will not happen. And indeed it is unlikely—but not impossible. Precisely because of the dire consequences, everyone is counting on the next person to see reason. The new Greek government might reckon that Europe would never let Greece collapse. At the same time the ECB and Germany might refuse to step in, because they do not want countries to evade reform. Or perhaps austerity might eventually lead to populists that turn away from the euro—to hell with the consequences.

A euro-zone central banker confesses that he has lately been thinking about historical catastrophes such as the first world war and wondering how the world blundered into them. "From the middle of a crisis", he says ominously, "you can see how easy it is to make mistakes."

Economic and Monetary Union (EMU) was supposed to banish the competitive devaluations that threatened the single market in the early 1990s. It promised to bind a unified Germany into the EU and pave the way for some sort of political union in Europe. Today that dream has not vanished altogether, but the single market is under threat once more. Europe's nations are at loggerheads, Germany is in a state of outrage, and the link between the euro and the nation state is more fraught than ever. EMU truly is, writes David Marsh, author of a history of the euro, "Europe's Melancholy Union".

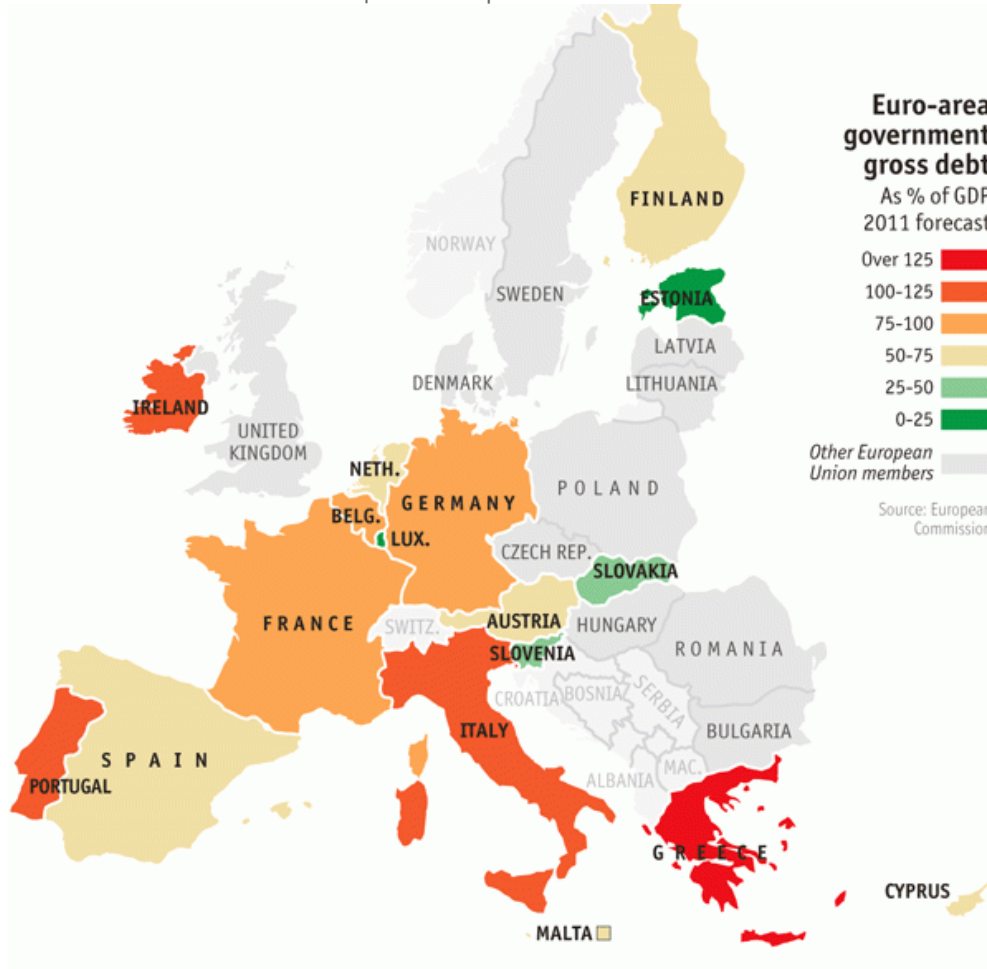
"The 2008 crisis shows that the dominant economies were not as dominant as they thought," says Dominique Strauss-Kahn, the French former head of the IMF. "If Europe fails, it will suffer from low growth, economic domination and cultural domination." Can Europe turn back from the abyss? Only if the core countries will support the rest as they submit themselves to radical political, social and economic reform. Nobody should be under any illusions about how difficult that will be.

The causes

A very short history of the crisis

To understand the politics of the euro, it is necessary to look at its causes

The Economist Nov 12th 2011 | from the print edition



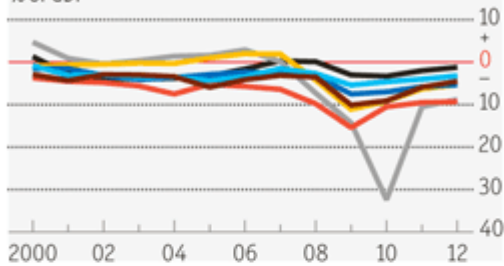
There is no disputing Greek dissipation, nor the fact that the euro zone's troubled members, which also include Portugal, Ireland, Spain and Italy, must now pay a heavy price. But those other troubled countries were not exactly profligate. Before the crisis the governments of both Ireland and Spain ran budget surpluses. Both meticulously kept within the limits for deficits and debts set down by the stability and growth pact—unlike Germany, which flouted the rules for four years from 2003 (and avoided punishment). Nor did Italy lurch into extravagance.

Who are the champions?

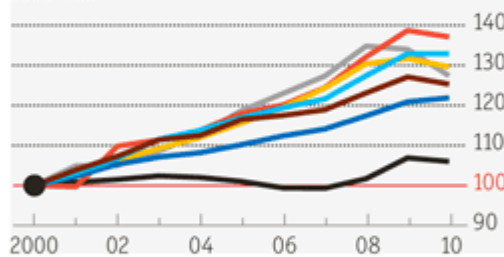
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Ireland Spain Italy France
Portugal Greece Germany

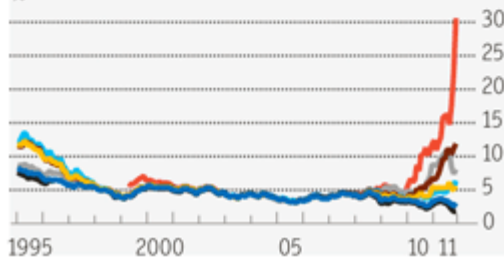
Budget balance
% of GDP



Nominal unit labour costs
2000=100



Ten-year government-bond yields
%



Sources: Bloomberg; European Commission; IMF; Thomson Reuters

Debt in these countries has become a burden not because of government profligacy but because each enjoyed a decade of low interest rates and was then hit by the financial crisis. Easy credit fuelled debt in households and the financial sector. The European Central Bank oversaw a binge of cross-border lending. In the crisis unemployment and hardship have deepened, increasing the bill for welfare. Some countries, such as Ireland and Spain, have needed to find money to prop up their banks. These new expenses fell on the state just when tax receipts collapsed—catastrophically in countries that had seen a property boom.

At the same time interest rates surged. Before the crisis investors assumed no euro-zone government would default on its debt. However, as Peter Boone and Simon Johnson of the Peterson Institute in Washington, DC, explain, Germany then signalled that defaults could happen and that investors would have to bear a share of the losses—a reasonable demand, but a hard one to introduce in the middle of a crisis. Some investors asked to be rewarded for the extra risk and others, unwilling to start paying for credit research, just walked away. This set off a spiral of falling bond prices, weakening banks and slowing growth.

Even where troubled euro-zone countries had not been profligate, they have been running unsustainable current-account deficits. Low interest rates fuelled domestic spending and spurred inflation in wages and goods, which in turn made their exports more expensive and left imports relatively cheaper. But it was also because Germany was recycling the surpluses produced by its export machine, financing their consumption.

Germany's economy is remarkable in many ways, but it was as unbalanced as the euro zone's peripheral economies. In their determination to save, Germans seemed to forget that in the long run the point of exports is to pay for imports. They must now regret having invested their savings abroad in American subprime mortgages and Greek government debt.

Your debt, your fault

To end the crisis, the euro zone members agreed last month to write down half of the Greek debt owned by the private sector, recapitalise Europe's banks and boost the fund created as a firewall to protect solvent euro-zone governments. It is an ambitious plan, but Greece may need even more help and the firewall does not look strong enough to withstand a bout of contagion.

And even when the crisis has abated, restoring Europe to health will take many years. That is because the troubled countries need to control their government deficits and to re-establish sound current accounts by improving their competitiveness. Germans feel that the responsibility for this lengthy adjustment lies exclusively with borrowers, which must urgently restore budget discipline. Significantly, the German word for debt, *Schulden*, is the plural of *Schuld*, meaning guilt or fault.

However, this strategy risks being self-defeating. By pushing for immediate austerity the euro zone is deepening recession in the troubled economies, which will only make their debt harder to service. Germany's approach suffers from a fallacy of composition. It is not possible for everyone to save their way to prosperity. As Keynes argued after the Depression, someone, somewhere must be consuming. In Europe that should be countries such as Germany and the Netherlands that were running vast current-account surpluses during the boom. But the creditors are loth to accept that they are part of the problem.

Creditor governments, most of all Germany, face a dilemma. They need to save troubled governments in order to prevent contagion. On the other hand they also want to keep up market pressure for reforms and to establish the principle that governments are on their own—so that German taxpayers will not be landed with the bill every time some EU country goes on a spending spree. So far Germany is trying to have it both ways, and succeeding only in getting everyone deeper into the mire.

The belt-tightener-in-chief

Meet Nicolas Sarkozy, austerity-lover

The Economist Nov 12th 2011 | PARIS | from the print edition

SHORTLY after he was elected president in 2007, Nicolas Sarkozy marched uninvited into a meeting of European Union finance ministers in Brussels to declare that France was postponing by two years its commitment to balance its budget. Even as the financial crisis set in a year later, he banned the term "austerity", a word that was said to scare the faint-hearted French. But now, with France's AAA credit rating still on the line, Mr Sarkozy is reinventing himself as a champion of fiscal prudence.

On November 7th the government unveiled its second austerity plan in three months. This one promises savings worth an extra €7 billion (\$9.5 billion) in 2012, on top of the €11 billion announced at an emergency budget meeting in August. The new measures do not alter the timing of France's plan for the public finances: the deficit should still fall to 4.5% of GDP next year, and 3% in 2013. But the faltering economy means France needs an extra effort in order to meet these targets. In an interview last month, Mr Sarkozy conceded that GDP growth in 2012 would reach only 1%, down from a previous forecast of 1.75%.

By current European standards the new French plan, which Mr Sarkozy left to his prime minister, François Fillon, to announce, is modest. Three-quarters of the measures taking effect next year are tax increases, not spending cuts. The rate of VAT on restaurant bills, for instance, will rise from 5.5% to 7%. Big companies face an extra five percentage points in corporate tax. The better-off will be particularly squeezed: income-tax and wealth-tax thresholds will be frozen, and investment income taxed more heavily. On the spending side, immediate cuts are limited, though more meaningful reductions will take effect in years to come. Raising the retirement age to 62 years, for example, will be brought forward by a year, to 2017.

Action was certainly needed. France is the weakest of the six AAA euro-zone countries, and its banks are badly exposed to the likes of Greece and Italy. Last month Moody's put its credit rating under surveillance. As a share of GDP, public spending is higher in France even than in Sweden. Borrowing costs are rising. Mr Fillon's stern tone this week—"bankruptcy' is no longer an abstract word", he said—and the government's rapid response to the worsening outlook should help calm markets. France's plan proves a "clear willingness" to defend its credit rating, according to Guillaume Menuet at Citigroup.

How long it will hold things together is a different matter. Natixis, a French investment bank, reckons that growth in 2012 will fall to 0.5%, half the government's forecast. It says extra savings worth up to €5 billion may be needed to meet next year's deficit target. Citigroup thinks growth will be just 0.1%, and identifies a potential need for another €9 billion of savings.

The trouble is that France holds a presidential election next spring. This means that, should yet more emergency measures be needed early next year, Mr Sarkozy will be even less likely to make spending cuts, which the French dislike, instead of tax increases, which they tolerate. As it is, Mr Fillon's tone is bolder than the measures he has announced. With European leaders around him tottering, Mr Sarkozy is not about to embark on unpopular structural reform of the welfare state. Indeed, he says he is proud of having "sheltered" the French from the sort of painful cuts other leaders have had to make.

It is not clear that voters will thank him for his trouble, though they may appreciate his energetic efforts to solve the euro-zone crisis. Last week, Mr Sarkozy managed to get Barack Obama to appear next to him for a gushing television interview after the G20 meeting in Cannes, in which the American president hailed the "impressive leadership" of his French counterpart. Although the G20 was wrecked by Greek drama, Mr Sarkozy was nonetheless portrayed in France as a tireless and authoritative leader. He may still be trailing his Socialist rival for president, François Hollande, in the polls. But the gap is narrowing. One poll carried out after the G20 gave him an eight-point jump—taking him to his highest level since February 2010.

A case of the sniffles

Unlike some of its neighbours, Germany is slowing rather than melting down

The Economist Nov 12th 2011 | BERLIN | from the print edition



MUCH of Europe has pneumonia. How is that affecting Germany, the continent's biggest economy? Exports are surprisingly buoyant considering the European pandemonium; they rose by 0.9% in September. But industrial production dropped by 2.7% in September and new orders, a harbinger of future output, fell by 4.3%, the third monthly decline in a row.

Business is bracing for harder times. Expectations have been falling since February, according to the Ifo Business Survey. The biggest problem is the euro crisis, which is playing havoc with Germany's trading partners. Industrial orders from the euro zone plunged by 12.1% in September. Demand will also wane from Asia and eastern Europe, which have been Germany's fastest-growing markets. Exports make up around half of the country's GDP, so a slowdown is inevitable. On November 9th the government's advisory council of economic "wise men" predicted that growth would shrink from 3% this year to 0.9% in 2012. They expect near-stagnation until the middle of 2012. Some pundits think the economy will shrink.

This may look like poetic justice to peripheral euro-zone countries, which are suffering partly because Germany demands austerity in return for aid. But there are no grounds for *Schadenfreude*. First, German strength has helped them; they will fare worse if Germany falters. Second, Germany is still in pretty good shape.

Germany's economy is often more volatile than that of neighbours like France. Its specialisation in investment goods, cars and other expensive consumer products makes the upswings higher but downturns sharper. That pattern may now be broken. As Europe slides, Germany is likely to sink less than the others. But this rests on a hope: that European leaders—the German chancellor, Angela Merkel, in particular—will stop mismanaging the euro crisis.

Germany's trump card is its labour market. Unemployment barely rose during the 2008-09 recession. With the recovery, it has dropped to a 20-year low. After years of sacrifice, wage-earners are starting to profit. Gross wages are expected to rise by nearly 5% this year and by about 3% in 2012. Disposable income, adjusted for consumer inflation, should increase by about 1% next year. Consumption is now contributing to growth, alongside exports. "German growth is much more balanced," says Holger Schmieding of Berenberg Bank.

Employment should remain resilient during the downturn. Earlier labour-market reforms continue to put pressure on the unemployed to find work, notes Eckart Tuchtfield of Commerzbank. As before the last recession, employers remain "extremely reluctant to let go of skilled staff", he says, in part because the labour force is shrinking. "Working time accounts" make it easier to avoid redundancies. These are credited when employees work extra hours and can be drawn down when activity is slack. During the last two busy years they have been replenished. The wise men expect the unemployment rate to drop from 7.1% in 2011 to 6.9% next year.

Luckily, Mrs Merkel does not plan for Germany the austerity she recommends for other countries. Mr Tuchtfield calculates that fiscal policy will be neutral or even slightly expansionary in 2012. On November 6th the coalition sought to patch up disputes among its three quarrelsome members with a little extra spending. Starting in 2013 families that do not put their children in crèches will get €100 (\$136) a month, a sop to the Christian Social Union, the Bavarian sibling of Mrs Merkel's Christian Democratic Union. Roads will get a bit of extra cash. To placate the Free Democratic Party taxes will be cut. Tight credit is not an immediate threat: German companies have plenty of cash.

The hope is that Germany's downturn will be short and shallow. But that depends on Europe's leaders getting to grips with the euro crisis. Unchecked, it will shatter the confidence of consumers as well as businesses. Germany's recession would then be as painful as anyone else's, says Mr Schmieding. "We have more of a buffer than most, but that doesn't protect us from everything."

Rising unemployment would jeopardise Mrs Merkel's chances for re-election in September 2013. Perhaps for that reason, most economists are betting that Germany will eventually do whatever is necessary to end the crisis. The surest way is for the European Central Bank to buy the debt of wobbly countries like Italy, a notion that terrifies Germans, still seared by their grandparents' memories of hyperinflation. If that is what Mario Draghi, the bank's (Italian) new president, decides to do, Mrs Merkel may not stand in the way.

Europe against the people?

Efforts to save the euro cannot run against the will of the voters indefinitely

The Economist Nov 12th 2011 | from the print edition



EUROPE has claimed the scalps of two leaders in almost as many days. First George Papandreou, the Greek prime minister, promised to resign, and then Italy's Silvio Berlusconi did the same. Both leaders have been in trouble for some time, but the immediate cause of their downfall is plain: the ultimatum they received from euro-zone leaders at the G20 summit in Cannes to reform their economies—or else.

Mr Papandreou was instructed to approve the last European bail-out deal or risk losing his loans and being ejected from the euro. He scrapped his call for a referendum, and agreed on November 6th to make way for a government of national unity. With Italy's bond yields reaching danger levels, Mr Berlusconi was told he lacked credibility and was made to "invite" the IMF to supervise his reforms. On November 8th, though, Mr Berlusconi lost his majority in parliament, and agreed to step down once the reforms are passed.

Two taboos were broken in Cannes. It was the first time euro-zone leaders accepted that a member could default and leave the euro. (And once the unthinkable is possible, why stop at Greece?) It was also the first time leaders intruded so deliberately into the internal politics of other countries.

True, the European Union has long influenced national politics. Think of how Conservative divisions over Europe contributed to the resignation of Britain's Margaret Thatcher in 1990, or how new members have transformed themselves to join the EU, or how Italy reformed its public finances to qualify for the euro in 1999. In the past year the crisis has brought down the prime ministers of Ireland and Portugal after they needed to be bailed out.

Yet something has changed. Europeans see themselves as a family; they have rows, but nobody questions a member's right to be part of the clan. But at Cannes euro-zone leaders made plain that family members could be forsaken, even disinherited. Some see this as an assault on national democracies by the European elite, be it unelected or self-appointed (as in the case of the German-French duo of "Merkozy", Angela Merkel and Nicolas Sarkozy). Much has been written about the subjugation of Greece, the cradle of democracy, under a second German occupation.

And much of it is nonsense. Italy and Greece chose freely to join the euro, and every club has norms of behaviour. In a monetary union, irresponsibility by one member endangers the well-being of others. If Italy and Greece had not been so over-indebted and sclerotic, they would not be in such trouble today. Countries that extend financial help have a right to impose conditions to ensure that their loans are repaid. The alternative to euro-zone diktat is being abandoned to the market. And if a response is needed, it will inevitably be led by Germany and France.

Yet there is something to the critics' charges. For many countries, such as Spain, the EU has been an anchor of democracy. But as the crisis persists, austerity drags on and the euro zone integrates to save itself, the legitimacy of the enterprise will suffer. The pain would be more acceptable if the creditors acted as if they believed they faced an existential threat. But rather than commit their full resources to the crisis, they are seeking to limit their liability. This raises a sense of double standards: one kind of democracy for creditors, another for debtors. Everybody must understand the constraints on Mrs Merkel. But Mr Papandreou commits a "breach of trust" if he calls a referendum.

The debtors, moreover, bear the cost of the creditors' mistakes. In Greece the IMF (rightly) wanted the adjustment programme to focus more on growth-promoting structural reforms; the Europeans prioritised deficit-reduction. A deeper-than-forecast recession means Greece must chase ever-receding fiscal targets with ever more austerity. Its first bail-out gave it three-year loans at punitive interest rates, with no debt reduction. The latest rescue offers Greece cheap rates for up to 30 years, with a 50% haircut on private bondholders. At least one of these options was wrong, and neither may be enough to save Greece. Germany belatedly accepted the need for the rescue fund to be larger and more flexible. Had all this been done sooner, the crisis might have been contained more easily, and at lower cost.

First fight the fire

Right now the emphasis needs to be on firefighting. Italy is burning, and the rest of the euro area could be consumed with it. Decisions cannot be hostage to the vicissitudes of 17 national parliaments. And Germany restraining the European Central Bank is like insisting that water buckets are used instead of fire engines.

In the longer term, though, the euro zone will need a new fire code. The EU's treaties are likely to be reopened, again. Euro members will have to abide by stricter fiscal rules and accept intrusive inspection by outsiders. The loss of sovereignty would be more acceptable to debtors if the creditors were to accept the need, eventually, to issue joint Eurobonds.

Independent institutions are needed to make the system work. Most would prefer the unelected European Commission over an intergovernmental body dominated by Sarkozy. The commission, moreover, would act as a vital link between the 17 euro "ins" and the ten non-euro "outs", preventing the sort of two-speed Europe now openly advocated by France. More Europe should not mean more Sarkozy and less single market.

Saving the euro requires more pain for some, more generosity from others and fundamental change for all. Is it worth it? Sooner or later, citizens must be asked. Without their support, no reform can last. And a real choice must include the option of leaving the euro. Now that this taboo has been breached, the euro zone should start thinking about how best to arrange the departure of those that cannot, or will not, live by Germanic rules.

That sinking feeling

Italy may look like Greece writ large, but the truth is more complex

The Economist Nov 12th 2011 | from the print edition



EVER since the euro zone's sovereign-debt crisis began in earnest two years ago, the common fear has been that the sheer bulk of Italy meant it was too big for other countries to bail out, should it sink.

A quieter hope was that Italy's size might also save it. If investors rushed out of Italian bonds, went the whispered argument, there were few big markets where they could then park their euros and still get a decent return (the smaller German bond market could not accommodate everyone without yields falling sharply). Scared investors often rush into the big and liquid market for US Treasuries, despite anxieties about America's public finances. That safety-in-numbers logic ought to keep Italy from trouble, too.

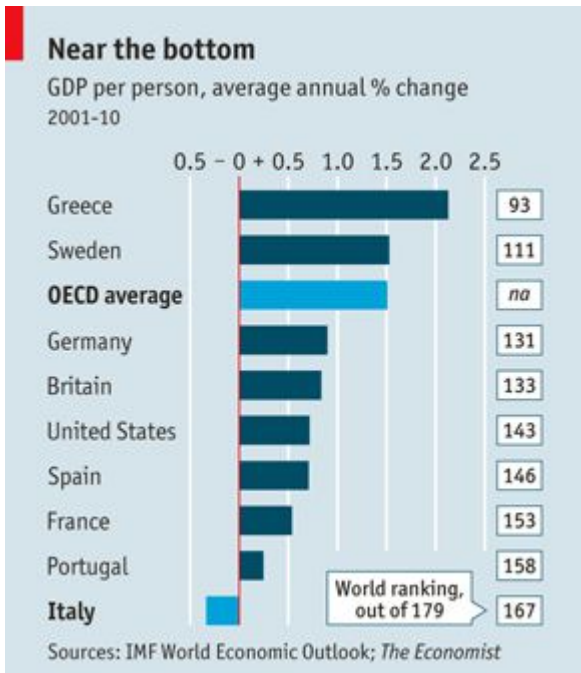
Some hope: Italian bonds are now a badge of shame for banks who are rushing to dispose of them (see [article](#)). Their ten-year yields have jumped beyond 7% and, once euro-zone yields reach these levels, they tend to spiral out of control.

For some this proves that Italy is an oversize Greece: a country with a debt burden that is too heavy for it to bear and, unlike Greece, for others to help shoulder. There are uncomfortable parallels. Both countries' public debts have long been bigger than their annual GDP. Both suffer crippling rigidities in their economies. But there are enough differences in Italy's finances, and enough potential in its economy, to mean it could stay solvent if its borrowing costs could be capped at, say, 6%.

Start with the finances. One reason why markets eventually shunned Greece, Portugal and Ireland was the uncertainty about how far their debts might rise. All three had huge budget deficits (so were adding to their debts at an alarming rate) and were struggling to keep their economies on track, while at the same time cutting spending and raising taxes. Greece's public debt was forecast to rise towards 190% of GDP, before some of its private-sector creditors agreed to a bigger write-off of what they are owed. Italy's public debt, by contrast, is set to stabilise at around 120% of GDP in 2012. Its government will run a small surplus on its "primary" budget (ie, excluding interest costs) this year, and an overall deficit of less than 4% of GDP, below the euro-area average.

Italy has fewer foreign debts than the other troubled euro-zone countries, as it ran only modest current-account deficits in the boom years. Its net international debt (what Italy's businesses, householders and government owe to foreigners, less the foreign assets they own) was 24% of GDP in 2010, not much above that of Britain or America, and well below the position in Greece (96%), Portugal (107%) or Spain (90%). Indeed Italy's overall private-sector debts are modest by rich-country standards. This matters for the nation's solvency. If less wealth goes outside Italy to service foreign debts, more is left to tax.

The healthy rate of Italian household saving underpinning this could be tapped by the government as an alternative to bond-market funding, which looks a lost cause. Because Italy's deficit is fairly small and the average maturity of the bonds it has already issued is quite long (around seven years), it would take a while for higher borrowing costs to make a huge difference to its interest payments. Next year, Italy has €306 billion of bonds and bills coming due, around a fifth of its stock of capital-market debt, in addition to the budget deficit it has to finance. Assuming all new debt is priced at 7.5%, Italy's overall interest costs would rise by around 1% of GDP next year—steep but not yet crippling for the sovereign (though Italy's banks would struggle).



Italy's debt could be capped, but could it ever be reduced to a more comfortable level? Bold privatisation would go some way, but in the long run what is needed is faster GDP growth. The average Italian was worse off in 2010 than in 2000: GDP per head fell over the decade (see chart). Outsiders point to the lost option of devaluation to explain Italy's funk. But the root cause of Italy's lost export competitiveness is its dismal productivity growth.

The deeper causes of weak productivity are a two-tier jobs market, which protects the jobs of older workers in dying industries but traps youngsters in temporary work; the industry-wide wage bargains that mean businesses cannot match wages to productivity; the closed-shop professions and trades that are a barrier to innovation and efficiency; and so on.

Italy still has some world-class firms and brands, and an exporting prowess that could be built on. Yet it does not have enough firms of sufficient scale. The ubiquity of micro family businesses is related to Italy's rigid regulations, as are its tax-collecting problems. Small firms fall below the regulatory thresholds and are less often attached to the formal economy. If Italy is to carry its outsize public debts, it urgently needs to promote an environment where big businesses can flourish.

Rushing for the exits

A scramble is under way to reverse the run on Italian bonds

The Economist Nov 12th 2011 | from the print edition

THE moment when a throng of peacefully moving people turns into a panicked herd is difficult to predict. Yet, once triggered, it is almost impossible to calm the hysteria. In financial markets too, it is better to avert panic than to try to pacify it.

On Italy's bond market, the world's third-largest, where yields had been rising for weeks, fear turned to panic early on November 9th. Risk officers at LCH.Clearnet, which stands between banks trading in bonds, said that its members would have to post much higher margins against their holdings of Italian government bonds.

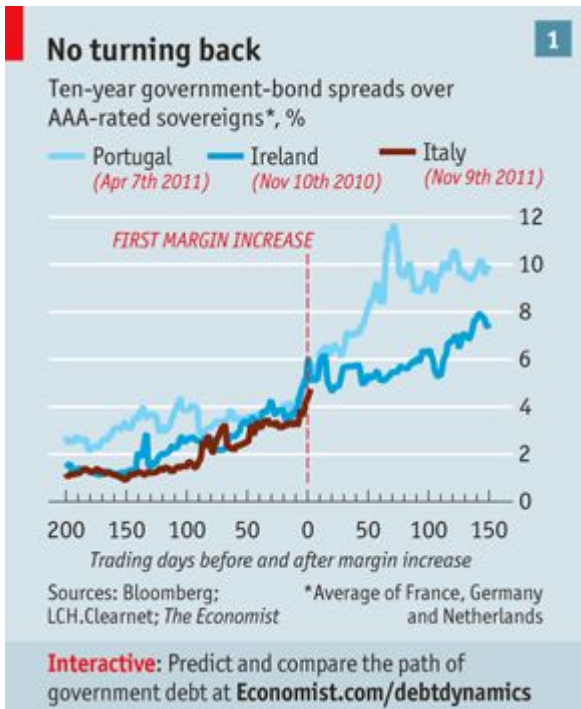
This was intended to protect the clearing house by reducing the risks posed by banks trading Italian government bonds, given the wild swings in their prices over the past few months. Yet this technical change to a part of the financial system that most people have never heard of had the same effect as shouting "Fire!" in a crowded theatre. Almost at a stroke banks trading Italian government bonds, or using them as collateral for other transactions, would have either had to come up with billions of euros in extra cash or would have quickly had to sell some of their holdings.

Within minutes of the market opening there was a fully fledged run on Italian government bonds. Buyers were hard to find, and in thin markets yields on the bonds jumped past 7% before stabilising just below 7.5% on what traders assumed was buying by the European Central Bank. "The clearing platforms have no option but to protect their members and in doing so, they will inevitably turn the screw on Italian government bond markets and push yields closer to levels which could potentially trigger a death spiral," wrote Don Smith of ICAP, which helps dealers trade.

The margin increase was not entirely unexpected. Over the past year the clearing house asked for more margin on Portuguese and Irish bonds after their prices fell sharply. Yet the increase on Italian debt came sooner than expected, as it was triggered before Italian bonds crossed a threshold that the clearing house was thought to use (4.5 percentage points above the average interest rate of AAA-rated government bonds in the euro zone). And the margin increase is unlikely to be reversed, even if ECB buying drives yields back.

The triggering of margin calls has changed investors' perceptions of Italian government bonds and will worsen the government's funding position. The immediate risk is that banks which might have held Italian bonds as part of their liquidity reserves or the building blocks of other financial products are dumping them for safer bets, such as German Bunds. "There is a reason why Bund yields are approaching 200-year lows," says Hans Lorenzen of Citigroup, a bank. "Everyone is trying to crowd into the same trade."

Among the large European banks that are dumping Italian bonds are BNP Paribas and Commerzbank. "It is what the market is asking us to do," says one banker. At the top of many bankers' minds are the woes of MF Global, a mid-sized investment bank that went bust at the end of October after loading up on Italian and other peripheral European government bonds. So toxic is their taint that shares in Jefferies, another mid-sized American investment bank, were pummelled over the firm's trades in European bonds, despite the fact that it had "shorted" them and stood to benefit if they fell in price. It too has been forced to cut back both its holdings and bets that they might fall.



Now that a run on bond markets has started, it may well keep feeding on itself. After clearing houses raised margin requirements on Portuguese and Irish bonds, their prices fell sharply (pushing yields up), prompting clearing houses to increase margins yet again (see chart 1). Euro-zone bail-outs followed shortly afterwards.

Rising bond yields can themselves stoke worries about a country's ability to service its debt. Italy's national debt is high, but affordable at the yields it was paying earlier this year. If its borrowing costs were to climb for a sustained period its debt would begin to look unaffordable, prompting further selling and further increases in bond yields.

Borrowing costs paid by Italian banks and companies are also likely to rise. Banks are generally unable to issue long-term bonds at interest rates lower than those paid by their governments, because they would be hardest-hit by a default. Higher borrowing costs for banks will force them to rely more on the ECB to keep credit flowing; and it will mean scarcer and costlier loans for Italian companies, which in turn may slow economic growth and hamper debt repayment. Italy's strongest companies can sell bonds directly, but the rates they pay are also correlated to the yields on government bonds.

The very visible signs of runs in government and corporate bond markets seem to be mirrored in more opaque corners of finance. Greek banks have been bleeding deposits for months, yet panic may be setting in. Reuters reports that over the past week as much as €5 billion was withdrawn by savers. "My father sent me money as a 'gift', to get it out," says one London-based but Greek-born banker. In Italy corporate deposits have also been moving out of the country to other members of the euro zone, or to the subsidiaries of foreign-owned banks in Italy, according to bankers.



Another sign of strain may be found in demand for €500 bills. These are too large for everyday transactions and are mainly used for mattress-stuffing or money laundering, say bankers. Demand for them surged after the collapse of Lehman Brothers in 2008, and it has ticked up again in recent months (see chart 2).

Worrying, too, are signs that companies across Europe are preparing for the possibility of a break-up of the euro zone. One London lawyer says he has been inundated by requests from clients asking about the validity of contracts. "There is a contractual obligation to make payment in euros," he says. "People are asking what happens if there isn't a euro."

That's all, folks

For the euro to survive, Italy must not fail. That will require leadership and courage

The Economist Leader Nov 12th 2011 | from the print edition



ALTHOUGH it came after scandal, scheming and a truly dismal record as prime minister, Silvio Berlusconi's resignation pledge was no more cathartic than any other of the remedies that the euro zone has so far concocted. The gesture was too little because Mr Berlusconi is so distrusted, after a total of eight and a half disastrous years in charge, that even now some fear he will find a way to hang on to office or stand again. It was too late because, by the time he promised to resign, Italy's bonds were consumed by panic. At one point yields gapped up towards 7.5%—a level that would eventually pitch Italy into insolvency and long before that triggers a run on its banks.

When the world's third-largest bond market begins to buckle, catastrophe looms. At stake is not just the Italian economy but Spain, Portugal, Ireland, the euro, the European Union's single market, the global banking system, the world economy, and pretty much anything else you can think of. Greece is important because it sets precedents for the euro—over such things as debt write-downs and rescues (see [article](#)). Italy matters much more because it is so vast.

It is clear now that Italy will be the crucible which tests the euro to destruction—or survival. Only a few weeks ago, that test still seemed avoidable. Now it is at hand. If the euro zone wants its currency to survive, it must stem the panic and make Italy's vaudeville politics credible. Both acts are still within Europe's compass. But with each lurch of the euro zone towards contagion, with each bungled change of government, and with each reluctant intervention in the financial markets, the task becomes harder and more costly. As the grim scene unfolds, you can almost feel the euro's chances draining away.

Presto panico

The urgent task is to stanch the financial panic—if only to give politicians a chance to show that, now they understand the stakes, they can do better. This panic took hold on November 9th when, against the background of rising Italian bond yields, LCH Clearnet, a clearing house, raised its margin calls—meaning that anyone dealing in Italian bonds now needs to set more capital aside against possible defaults. That extra capital raised the cost of dealing in Italian government debt, causing a wave of selling as investors quit the market (see [article](#)).

Nothing can now prevent a debt crisis in Italy. Borrowing costs are set to remain well above their levels before the crisis. The finance industry will not soon reverse its extra margin call and even if it did, investors are not about to treat Italian debt as "risk free". Ratings agencies will surely downgrade the country. If its debt is left to spiral down, Italy will be shut out of the bond markets. Its banks will become vulnerable, as their depositors and lenders conclude that they and the Italian state are likely to become insolvent. Contagion will spread across the euro zone. The end will come soon enough.

But Italy is not yet insolvent. Although the rescue plan set out by the euro zone last month is in tatters, the European Central Bank could still gain time by pledging to buy Italy's debt in unlimited quantities and to protect European banks, as *The Economist* has argued. The signs this week were that the ECB had stepped in to ease Italian yields. But it has not yet made that vital public pledge to do whatever it takes, without limit, to create a proper firewall and stop the panic.



Use the **interactive "carousel"** to browse *The Economist's* Silvio Berlusconi cover stories

The truth is that the risks of the euro splintering really have mounted. Angela Merkel, the German chancellor, and Nicolas Sarkozy, the French president, acknowledged at the recent G20 summit for the first time that they might abandon Greece to its fate—a devastating shift from leaders who had always insisted that the euro would survive intact at any price. There is chatter that they are contemplating a new club of core euro countries that can live within the rules, and jettisoning the rest.

Such talk will make it harder for the ECB to convince markets that the euro is here to stay. But it may just put the fear of God into Europe's politicians—indeed, that may be the idea. Ultimately, politicians are the only people who can put this right. If the ECB creates a breathing space, then politicians must use it to convince the world that the euro zone's democracies have the capacity to deal with their debts and reform their economies—as set out in this issue's special report on the future of Europe (printed early this week, before Mr Berlusconi's news). If the politicians fail, so eventually will the euro.

The man who screwed an entire currency

While the fate of the euro was resting on Mr Berlusconi's follically enhanced head, the chances of success were slim. He liked to portray himself as a pro-business liberal reformer but under him Italy has utterly failed to abandon a model that used lira devaluations to offset inflation and stagnant or falling productivity. Between 2001 and 2010 Italy's unit-wage costs soared and its economy grew by less than any other country in the world, except Haiti and Zimbabwe. *The Economist* has long argued that Mr Berlusconi was unfit to govern, but even we have been shocked by how, as the euro crisis drew closer to Italy, he partied and politicked, brushing off the need for reform.

Without Mr Berlusconi, Italy stands a chance. Its stock of debt, though high, is stable. It suffered no housing boom or associated banking bust. Italians are good savers and government tax receipts not too dependent on finance or property. Before interest payments, Italy is even running a fiscal surplus.

Much of the talk in Rome is now of finding a technocrat to run a new government committed to reform—Mario Monti, say, who was a respected European commissioner. Such a caretaker government will have a part to play over the coming months. But reform needs to be sustained for years, and that requires democratic legitimacy more than anything else. So any technocratic caretaker should prepare for urgent elections that could produce a government for reform.

For the euro to survive, Italy must succeed. For Italy to succeed, its squabbling politicians must find unaccustomed reserves of unity and courage. That depends on ordinary Italians being willing to make sacrifices, the ECB backing Italy, and France and Germany standing resolutely behind the euro. It is a dauntingly long list of things to go right.

Breaking up the euro

How it could happen; why it would be horrible

The Economist Free Exchange Nov 10th 2011, 13:33 by J.O. | LONDON

THE bond-market run on Italy has increased the chances of an eventual break-up of the euro, even if no one can be sure what the precise odds now are. If Italy is unable to finance itself at reasonable rates, and the resources of the rest of the euro zone cannot (in the case of the EFSF, the bloc's rescue fund) or will not (in the case of the ECB) stretch to a bail-out of such a big, indebted sovereign, then one of the attractions of euro membership (ie, low interest rates) is gone. That weakens the argument for staying in. If default is forced upon Italy, goes the argument, why would it not go the whole hog and create a new domestic currency?

That way, at least, Italy could write down its wages, prices and private debts at the same time as its public debts. All such contracts could be redenominated in a new lira, at a one-for-one exchange rate with the euro. The currency would then "float" (ie, sink) to a discount to the departed euro on foreign-exchange markets. The size of that effective devaluation would measure the magnitude of Italy's default against its euro creditors. And the deeper cause of Italy's economic malaise, its chronic lack of cost competitiveness, would also then be addressed. A cheap new lira might even make Italian industry vibrant again.

Creating a new currency is not that difficult. A determined country could simply pass a law saying that all financial dealings should henceforth be conducted in the new lira (or drachma, or escudo, or whatever). Colleagues who have covered Argentina tell of how, in August 2001, the province of Buenos Aires issued \$90m of IOUs to employees as part of their pay packets. These bills, known as patacones, were soon widely accepted in exchange for goods and services. McDonalds even offered a special "Patacombo" menu in exchange for a \$5 denomination IOU. Argentina broke its "irrevocable" currency peg to the US dollar a few months later.

The technical challenges are not great. What is vastly under-estimated by advocates of euro exit is the financial and social chaos that would ensue both in the departed country and in the rest of the world. A euro break-up would not, as some seem to believe, be a slightly messier version of the ERM crisis of 1992-93. It would be a gigantic financial shockwave. Once departure by Italy were a serious prospect, there would be runs on its banks as depositors scrambled to move savings to Germany, Luxembourg or Britain, in order to avoid a forced conversion into the new weaker currency. The anticipated write-down of private and public debts, much of which is held outside Italy, would threaten bankruptcy of Europe's integrated banking system.

There would be runs on other countries that might even consider leaving. A taboo would be broken. Credit would collapse. There would be a dash for cash (those €500 euro notes would come in handy). Businesses short of it would go under. Capital controls and restrictions on travel would be needed to contain the chaos. Once the recriminations start, the survival of the European Union and its single market would be under question. It's all a frightening prospect. But that doesn't mean it won't happen.

Italy Bond Market As Euro Proxy

By [LONDON THOMAS Jr.](#)

LONDON — A day after panicky investors drove Italian bond rates well above 7 percent, reviving fears that the euro zone was heading toward a break-up, the market calmed somewhat on Thursday after [Italy](#) managed to attract strong buying interest for a shorter-term bond offering. Also helping buoy the market were rumors that the European Central Bank had stepped up its purchase of Italian bonds.

But a calmer market should not be confused with an optimistic one. Investors are still deeply worried about Italy's mounting political and debt-financing woes.

Even the seeming rallying point on Thursday — Italy's ability to sell out a 5 billion-euro offering of one-year bonds — had a dark side. The interest rate was 6 percent, up from 3.5 percent only a month ago.

In fact, investors and analysts say, the very depth and sophistication of Italy's 1.9 trillion euro, or \$2.6 trillion, bond market, the third largest in the world after the United States and Japan, has made it a proxy of sorts for the euro zone's deeper problems. Those include Greece's possible exit from [the euro](#) and Germany's resistance to assuming a larger financial burden in rescuing weaker economies.

Not only have investors been dumping Italian bonds that they own, they have been ramping up their negative bets by selling Italian bond futures, too.

The Italian bond market is the only large market in the euro zone outside of Germany to offer investors the ability to buy or sell futures contracts. That has allowed many investors to use Italian futures not only to place bearish bets on Italy, but as a proxy for the broader euro zone itself.

"The futures market for Italian bonds has become the main conduit now for all investor angst with regard to the euro zone," said Yra Harris, a trader at Praxis Trading on the Chicago Mercantile Exchange.

In what has become a highly volatile trading environment, investor fears can shift drastically, turning sellers into buyers, especially if becomes clear that the E.C.B. has started buying bonds. That is why, after Wednesday's rout when Italian 10-year yields touched a dangerously high level — 7.4 percent — word that the E.C.B. had started buying the bonds sent yields down as low as 6.7 percent on Thursday.

Indications that Italy was moving closer to appointing a new government with a revamped legislative initiative, making it more likely that the E.C.B. would follow through with additional Italian bond purchases, also helped calm market jitters, along with the resolution of the Greek political drama with the appointment of Lucas Papademos, the former vice president of the E.C.B., as the country's new prime minister.

Still, European officials are keeping the pressure on Italy. At a news conference Thursday, Olli Rehn, the commissioner of European Union economic, insisted that Italy's meeting its fiscal targets and implementing structural reforms was a "sine qua non for restoring confidence in the Italian economy."

At the root of this confidence drain is the substantial size of debt that Italy must raise from local and foreign investors next year alone: about 350 billion euros. That is about the size of Greece's total debt.

Over the years, Italy has become a very efficient debt-raising machine, with more than 50 percent of its financing needs met by local banks and investors.

But that still leaves a substantial amount that must come from foreign investors, which in the past have largely been major European banks. Now, though, these banks are selling their positions to avoid the prospect of having to book losses from their reduced value. And if they are continuing to participate in new bond auctions, as with Thursday's one-year offering, they are demanding much higher interest rates than before.

Meanwhile, the negative betting continues apace. According to officials at Eurex, Europe's main derivatives exchange, the market for Italian bond futures — which did not exist two years ago — has increased substantially of late, to as much as 1 billion euros a day. That is more or less the same size as the market for buying and selling Italian bonds directly.

Many people who are entering into these futures trades are doing it for hedging purposes or to protect their portfolios if Italy goes under.

But as broader worries about Greece are added to the very real concern that Italy may no longer be able to finance its debt burden, traders have started to directly sell Italian bond futures — more or less a bet that the euro zone itself might crack up and that Italian bonds will continue to lose value.

Despite all the bad news, those negative bets remain a very risky undertaking. Analysts point to the fact that the E.C.B. still has considerable firepower and can move markets sharply by buying Italian bonds, as it did Thursday.

But the purchases have been in sizes that are small compared with the total debt outstanding and some believe the bank should publicly commit to buying far more, or even back Italy's entire debt.

There is disagreement, however, whether the E.C.B. would be allowed to drastically step up its bond purchases. The central bank is required under its charter to focus on price stability in Europe, not an individual sovereign market's stability.

Some argue that the central bank should not be diverting its view from its main purpose, but others say the purchases are clearly allowed. There is a provision of the Treaty of the European Union that allows the central bank to purchase or sell market instruments if it furthers the central bank's primary mission of maintaining price stability.

James Savage, a fellow at the United States Institute for Peace and author of a book about the creation of the euro zone, said that there is no cap on how far the central bank can go under that provision, and he said he could see it allowing the bank to back Italy's bond market, if needed.

"There's no prohibition, there's no level, there's no constraint," Mr. Savage said. "If price stability is your goal, it's really a matter of how you can argue that your policies are leading to that outcome."

As it purchases government bonds, the central bank has been taking steps to try to remove any possibility of causing inflation through that buying. The bank has taken in greater deposits from banks alongside its bond purchases, though it's not clear the bank needs to do that to justify further purchases.

If European officials concluded that the central bank could not drastically increase its role in Italy without a change in its mission, that would require approval from each member of the European Union, undoubtedly a slow and possibly politically unfeasible process.

Moreover, economists also emphasize that excluding the amount of interest Italy pays on its debt, the country is running not a deficit but a surplus, one that in 2012 is expected to be 2.5 percent of gross domestic product, the highest of any major developed economy.

But the positive spin can roll only so far.

In the view of Peter Bofinger, a German economist who advises the finance ministry in Berlin, the longer Germany insists on segregating the debts and deficits of individual euro area countries, as opposed to adding them all together across the euro zone, the sooner such distinctions will become meaningless.

"When Italian interest rates go above 7 percent, that turns a liquidity crisis into a solvency crisis," he said. In other words, if rates continue to increase, Italy might have to exit the debt markets as Greece and Ireland did and resort to a bailout.

"Europe either stands united and survives," he said, "or stays divided and falls."

Louise Story contributed reporting from New York.

Support for Euro Risks Splitting European Union

By [STEPHEN CASTLE](#)

BRUSSELS — Behind the urgent battle to save Italy and Greece from bankruptcy, another struggle is simmering: over power and influence in a [European Union](#) that risks separating into two, one an inner core that sets economic policy for the continent, and another that is forced to follow.

On Wednesday, Nick Clegg, the deputy prime minister of [Britain](#), which is a prominent member of the European Union but remains outside the euro, urged the 17 nations that use the currency not to create “a club within a club” as they integrate to save their currency.

His comments came just two days after the 10 noneuro nations of the European Union convened discreetly over dinner in a Brussels hotel while, down the road, euro zone finance ministers were grappling with the crisis in Greece.

The gathering of the “outs” was a warning that those outside the currency intend to fight for their interests as Europe deals with the fallout from the [debt crisis](#).

The E.U. used to be based on the principle that its members would integrate, though that began to fragment with the advent of the euro and the bloc’s passport-free Schengen travel area, when some nations opted out of one or both. But the urgent need for euro zone nations to give up more control of their finances to save their currency could pose the biggest challenge yet.

Britain worries that, within an integrated euro zone, France’s more statist economic vision will gain ground because nations more oriented to free markets — like Britain, Sweden, Denmark and Poland — will be excluded.

Worse, the 17 euro nations might stitch up deals among themselves before the 27 E.U. members have even discussed issues that affect all members.

President Nicolas Sarkozy of France fueled anxiety Tuesday when he said that the “two-speed” model for Europe was the only way forward, given the prospect of more countries’ joining the European Union.

“There are 27 of us,” he told French students in Strasbourg, Reuters reported. “Clearly, down the line we will have to include the Balkans. There will be 32, 33, 34 of us. No one thinks that federalism, total integration, will be possible with 33, 34 or 35 states,”

The president of the European Commission, José Manuel Barroso, pleaded for unity.

“A split Union will not work,” he said in remarks prepared for delivery Wednesday. “That is true for a Union with different parts engaged in contradictory objectives; a Union with an integrated core but a disengaged periphery; a Union dominated by an unhealthy balance of power.”

But the “outs” are anxious. Jacek Rostowski, finance minister of Poland, which is outside the euro, praised deeper integration within the euro zone Tuesday but also welcomed “any additional actions that ensure that this deeper integration will not translate into opening a gap between the 17 and the 10.”

Mr. Clegg, in his speech in Brussels, seconded the point.

“As the euro zone restructures,” he said, “we may need to consider safeguards. And decisions that affect the 27 must always be taken by the 27.”

Britain frets that an economic policy more clearly influenced by France could tilt the regulatory burden against Britain’s large financial sector.

Mr. Clegg highlighted his opposition to plans, supported by Germany and France, for a financial transaction tax in Europe, arguing this would “have a massively disproportionate impact on the City of London,” its financial district.

Britain is particularly concerned about threats to the E.U.’s single market, which seeks a level playing field for trade within the bloc.

Yet the dinner meeting of the 10 “outs” on Monday — the second of its type — suggests that the countries outside the euro zone are at least as divided as those on the inside. With the exception of Britain and Denmark, which have opt-outs, all are obliged to join the single currency eventually.

Although many have suspended that idea for now, several still hope to join and are wary of identifying themselves with Britain, which has ruled out euro membership for the foreseeable future.

Nor is there automatic agreement on policy, for example, on the financial transaction tax, where supporters and opponents are drawn from both euro and non-euro nations.

Poland holds the rotating presidency of the European Union, and Mr. Rostowski was included in one euro zone teleconference this year only to be barred from later gatherings after objections from France, said one diplomat speaking on condition of anonymity.

Poland is nevertheless pressing for observer status for non-euro members at euro zone meetings. History suggests it is unlikely to succeed. When Gordon Brown was chancellor of the British Exchequer, he fought for that right and lost as long ago as 1998.

The French finance minister at the time, Dominique Strauss-Kahn, dismissed Mr. Brown’s plea, observing that, in a marriage, one did not invite strangers into the bedroom.

La pression monte sur les emprunts d'État français

Par [Roland Laskine](#) Mis à jour le 10/11/2011 à 17:12 | publié le 10/11/2011 à 11:05 [Réactions](#) (228)

EXPERTISE BOURSE - L'écart de taux d'intérêt entre les emprunts français et allemands à dix ans a atteint un record. Les agences de notation pourraient trouver là un argument pour remettre en question la note «AAA» de la dette française.

Rien à voir avec ce qui se passe en **Italie**, mais les inquiétudes des opérateurs sur les marchés financiers se déplacent de plus en plus vers la France. Le taux des emprunts d'État français à dix ans dépasse désormais les 3,40%, ce qui porte l'écart par rapport aux emprunts allemands de même durée à 1,6 point de pourcentage (160 points de base). Un record qui n'a jamais été atteint depuis la mise en place de l'euro.

Les tensions sur les taux français s'expliquent bien sûr par la dégradation des finances publiques françaises par rapport à l'Allemagne et par une défiance croissante à l'égard des pays les plus endettés de la zone euro, dont nous faisons partie. Les **mesures d'économies annoncées par le gouvernement de François Fillon** la semaine dernière vont dans le bon sens, mais elles ne produiront leurs premiers effets que dans le courant de 2012, avec un impact maximum attendu en 2013 et 2014. Elles reposent surtout sur des hypothèses de croissance déjà dépassées puisque la Commission européenne vient de **réviser à la baisse à 0,6% sa prévision de croissance** pour la France en 2012.

Les mauvais résultats des banques pèsent

En attendant, les marchés craignent une dégradation des déficits pour 2011 et 2012 en raison du ralentissement de la croissance, voire même d'une possible période de récession dans notre pays. Cette faible croissance va conduire à une baisse des recettes fiscales, notamment du produit de l'impôt prélevé sur les entreprises. A ce titre, la dégradation des résultats des banques dès cette année constitue un important sujet d'inquiétude, car le secteur financier représente à lui seul un quart des recettes de l'IS (impôts sur les sociétés).

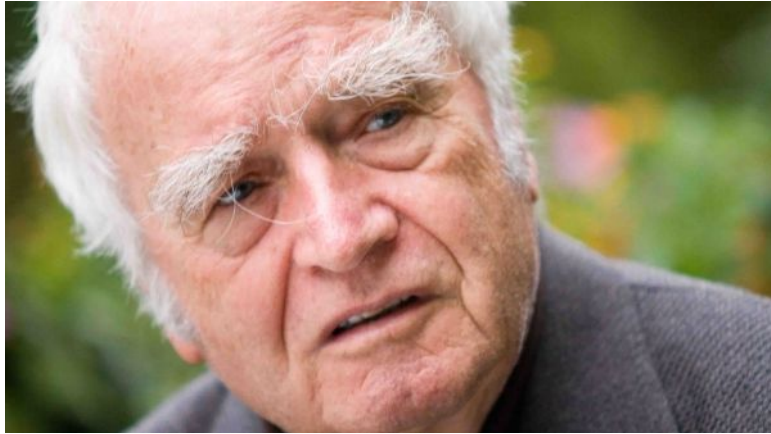
Il ne fait aucun doute que l'existence d'un écart de taux de 1,5 point de pourcentage avec l'Allemagne constitue un élément d'appréciation très négatif de la note de la France par les **agences de notation**. Si cet écart se creuse, ou persiste à ce niveau, les agences de notation ne manqueront pas de s'emparer de ce prétexte pour décider de retirer à la France son «Triple A». Cette décision sera d'autant plus facile à prendre que les marchés financiers n'ont eux-même plus la même appréciation du risque entre les deux pays fort de la zone euro. L'agence Moody's qui a placé le mois dernier la note française sous observation pourrait en effet s'appuyer sur cet écart pour «dégainer» la première!

Martin Walser Über Rechtfertigung, eine Versuchung

Die Universität Harvard hat Martin Walser eingeladen, eine Rede zum 9. November zu halten. Die Ansprache des Schriftstellers zielt ins Zentrum seines Selbstverständnisses.

Von Martin Walser

F.A.Z. 10.11.2011 2011



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1.

Gerechtfertigt zu sein, das war einmal das Wichtigste. Staaten legitimieren sich durch Gesetze. Regierungen durch Wahlen. Aber der Einzelne?

Das durchdringendste Beispiel einer Suche nach Rechtfertigung hat Kafka geliefert im „Prozess“-Roman. Josef K. wird eines Morgens verhaftet, ohne dass er etwas Übles getan hätte. Zur Verhandlung gegen ihn muss er in die Vorstadt, wo die Ärmeren wohnen. Alle Angeklagten, die dort vernommen werden, stammen, heißt es, aus den „höheren Schichten“.

Als Josef K. zum ersten Mal am Sonntag in einem dieser schlechtbeleuchteten Säle die Masse von Menschen bemerkt, die offenbar seine Vernehmung erleben wollen, hat er den Eindruck, es „handle sich um eine politische Versammlung“; in der ersten Fassung stand da, es handle sich um eine „sozialistische Versammlung“.

Es ist nur eine gelinde Trivialisierung zu sagen, der „Prozess“ sei der Roman einer Gewissenserforschung, ein Roman auf der Suche nach Rechtfertigung. Und der, dem diese Rechtfertigung so fehlt, dass er den Prozess förmlich auf sich zieht, das ist „der Prokurist einer großen Bank“. Josef K. sucht dann Hilfe überall, auch in der Kunst, schließlich in der Religion. Alles umsonst. Er kann, wie er ist und lebt, nicht leben.

Die Schande, die er als Parasit ist

Kafka hat den Werktag, die politische Spur, nicht ganz und gar getilgt. Trivialisiert könnte man sagen, Josef K. habe ein schlechtes Gewissen den Ärmeren gegenüber. Josef K. erwacht und wird verhaftet, Gregor Samsa erwacht und findet „sich in seinem Bett zu einem ungeheuren Ungeziefer verwandelt“. Man hat sich angewöhnt und das auch in Illustrationen ausgedrückt, Samsa als Käfer zu sehen. Aber ein „ungeheures Ungeziefer“ ist

doch noch einmal etwas anderes als so ein Käfer. Da steht nicht: Er war in ein ungeheures Ungeziefer verwandelt, sondern: er „fand sich eines Morgens in ein ungeheures Ungeziefer verwandelt.“

Wie es dazu kommt, dass der Tuchreisende Samsa sich als Ungeziefer erlebt, das wird sorgfältig erzählt. Er, der Handlungsreisende, wacht auf, sieht, dass er seinen Zug versäumt hat, gerät in Panik, er wird das Geld nicht verdienen, also ist er ein Parasit, also ein „ungeheures Ungeziefer“. Und die Umwelt tut das Ihre, ihn darin zu bestätigen. Bis auch er bereit ist, „freiwillig“ zu sterben, weil er nur so die Familie von der Schande befreien kann, die er als Parasit ist.

Fünzig Jahre vorher lässt Dostojewski im Roman „Aus dem Dunkel der Großstadt“ einen Kanzleisekretär sagen: „Ich versichere Ihnen feierlichst, schon mehrere Male wollte ich ein Insekt werden, doch selbst dazu langte es nicht.“ Und fast einhundert Jahre davor schreibt Jean Paul in seinem Roman „Hesperus“: „. . . ihm fiel in jede große Freude der Zweifel wie ein bitterer Magentropfen hinein, ob er sie verdiene“ und fährt fort, dass Kindern aus besseren Häusern dieser alles verbitternde Zweifel von Anfang an wegezogen wird.

Und wie recht er da hatte, hat wiederum gute hundert Jahre später Thomas Mann seinen Tonio Kröger sagen lassen: „Es ist gerade genug, dass ich bin, wie ich bin und mich nicht ändern will und kann . . .“ Er sieht sich mit allem, was er fühlt und denkt, gerechtfertigt.

Weitere Artikel

- [Rezension: Martin Walsers „Muttersohn“](#)
- [„Die schöne Magelone“ nach Martin Walser: Der Lebenslauf der Liebe](#)
- [Martin Walsers Tagebücher: Die Geburtstage](#)

Und fast zur gleichen Zeit, also am Anfang des zwanzigsten Jahrhunderts, sagt Jakob, die Romanfigur Robert Walsers: „Wie glücklich bin ich, dass ich in mir nichts Achtens- und Sehenswertes zu erblicken vermag! Klein sein und bleiben. Und höbe und trüge mich eine Hand, ein Umstand, eine Welle hinauf, wo Macht und Glück gebieten, ich würde die Verhältnisse, die mich bevorzugten, zerschlagen und mich selber würde ich hinabwerfen ins niedrige, nichtssagende Dunkel. Ich kann nur in den unteren Regionen atmen.“ Das ist die radikale Absage an die Lebensmöglichkeit. So weit war aber im Jahr 1794 auch schon Jean Paul in seinem „Hesperus“: „Dann spei ich aufs Ganze, wenn ich das Opfer bin, und verachte mich, wenn ich das Ganze bin.“

Entzug der Lebenserlaubnis

Sie sind alle gleich radikal, Jean Paul, Dostojewski, Kafka, Robert Walser. Radikal in der Selbstverneinung. Radikal im Erlebnis, dass es für sie keine Rechtfertigung mehr gibt. Radikal in der Absage an Geschichte überhaupt. Jede gesellschaftliche Veränderung zu ihren Gunsten wird verneint, man könnte sagen: absolut verneint. Was für ein Mangel muss erlebt worden sein, dass Jean Paul, Dostojewski, Kafka und Robert Walser zu solchen Selbstverneinungsorgien hingerissen werden? Den Figuren, in denen sie sich ausdrücken, ist auf dieser Welt, unter den herrschenden Umständen nicht zu helfen. Ja, ihnen ist sogar unter keinen Umständen zu helfen.

Nun hat ja immer noch die Arbeit getaugt zur Rechtfertigung dieser und jener Art von Leben. Thomas Mann denkt für Hans Castorp auch darüber nach, ob Arbeit für ihn eine Rechtfertigung erbringen könnte, und schließt diese Überlegung mit „der Vermutung“, „dass die Arbeit in seinem Leben einfach dem Genuss von Maria

Mancini etwas im Wege war“. Dieses die Arbeit Verhindernde ist wahrscheinlich eine Zigarrenmarke. Und überhaupt: „Hans Castorp legt dann lieber Debussy-Platten auf: Hier gab es kein ‚Rechtfertige dich‘!, keine Verantwortung . . .“

Auf Debussy-Platten ist Kafka nicht gekommen. „K. lebte doch in einem Rechtsstaat“, heißt es bei ihm, und er mobilisiert alles, alle Mittel, von denen er sich Rechtfertigung erhofft. Ihm ist doch an seinem dreißigsten Geburtstag vom Gericht aufgetragen worden, eine Eingabe zu machen, in der er alle wesentlichen Momente seines Lebens aufzählen und bewerten, also rechtfertigen sollte. Und je mehr er jetzt zu seiner Rechtfertigung tun will, desto ungerechtfertigter kommt er sich vor. Das führt zum Entzug der Lebenserlaubnis, das führt zu der von ihm selbst veranstalteten Selbst-Hinrichtung. Fazit: Wer nur gerechtfertigt leben kann, kann nicht leben.

Diese Schreibweise Kafkas lässt gelten, was gilt, als gelte es. So hat es Hegel formuliert, als er Wesen und Praxis der Ironie formulieren wollte. Ich habe hinzugefügt: Es ist das Ja zum Nein der Welt. So radikale Seinsweisen kommen in der Literatur kaum noch vor. Seit langem gilt Gesellschaftskritik. Und damit die Frage: Wer hat Recht. Verglichen mit der Frage nach der Rechtfertigung ist das ein bescheidener Anspruch.

2.

Es ist kein Vergnügen, sich als neiderfüllt zu erleben. Ich beneide den und jenen, weil er sich gerechtfertigt fühlt. Das muss er nicht aussprechen, das strahlt er aus, das ist seine Wirkung. Nehmen wir als weltbekanntes Beispiel Jean Ziegler.

In der Zeitung steht: „In Fragen des Welthungers ist Ziegler ein weltweit renommierter Experte.“ Also lädt ihn die Landeshauptfrau, die Ministerpräsidentin, im Frühjahr 2011 ein, am 27. Juli in Salzburg mit einer Rede die Festspiele zu eröffnen. Sie gibt ihm sogar einen Titel für seine Rede: Aufstand des Gewissens. Sie ist Ziegler politisch nahe, hat ihn schon einmal ausgezeichnet. Aber jetzt im Lauf des Frühjahrs entscheidet sie sich, „nach zwei ziemlich schlaflosen Nächten“, die Einladung zurückzuziehen. Für Ziegler und alle ihm näher Stehenden ist klar: Das sind die Sponsoren, Schweizer Großbanken und Nestlé, Audi usw.

Die Landeshauptfrau und die Konzerne legen unabhängig von einander dar, dass es keine solchen Einflüsse gab. Ziegler dazu: „Das ist Blödsinn.“ Für ihn ist klar: Die Konzerne, die er, der Globalisierungsgegner, unermüdlich angreift und verantwortlich macht für die Hungerkatastrophe in Afrika und sonst wo, die haben seinen Auftritt verhindert. Und so wollte er anfangen: „Sehr verehrte Damen und Herren, alle fünf Sekunden verhungert ein Kind unter zehn Jahren. 37.000 Menschen verhungern jeden Tag und fast eine Milliarde sind permanent schwerstens unterernährt.“ Und zitiert den World-Food-Report, dass die Weltlandwirtschaft problemlos das Doppelte der Weltbevölkerung normal ernähren könnte. Also: „Ein Kind, das an Hunger stirbt, wird ermordet.“

Wie man als Gerechtfertigter wirkt

Das ist sein Ton, sein Stil, seine Wucht. Dann heißt es: „Viele der Schönen und der Reichen, der Großbankiers und der Konzern-Mogule dieser Welt kommen in Salzburg zusammen. Sie sind die Verursacher und die Herren dieser kannibalischen Weltordnung.“ Diese Prägung, dass unsere Weltordnung eine kannibalische sei, kommt bei Jean Ziegler regelmäßig vor.

Die Landeshauptfrau, eine Sozialdemokratin wie Ziegler selbst, hat glaubhaft dargelegt, dass sie ihn aus ganz anderen Gründen eingeladen hat. Das fand ja statt im März und im April, und die Landeshauptfrau wollte verhindern, dass Ziegler in Salzburg angegriffen werden könnte wegen seiner langjährigen Kontakte zu Gaddafi. Es waren ja die Monate, in der die Welt zu einem Urteil über Gaddafi kommen musste. Und kam. Sie, sagte die Landeshauptfrau, „wollte Ziegler schützen“. So kam es dort nicht zum „Aufstand des Gewissens“, sondern zur Festrede, die von Joachim Gauck gehalten wurde.

Wie kommt uns das heute vor, der „Prokurist einer großen Bank“ kann sich nicht mehr um seine Arbeit kümmern, weil er in seiner Arbeit keine Rechtfertigung mehr findet. Für Jean Ziegler sind „Großbankiers“ und „Konzern-Mogule“ Agenten der Unmenschlichkeit. Jeden Versuch, denen halbwegs erträgliche Motive zu unterstellen, nennt er „Blödsinn“.

Dann also hält Joachim Gauck die „Festrede“. Und er spricht so: „In der Kunst wie in der Religion begegnen wir dem Absoluten, das wir weder in der Politik noch in der Ökonomie je antreffen werden.“ Das ist auch eher eine sonntägliche Flaggenhissung als etwas am Werktag Brauchbares. Es war eine „Festrede des deutschen Bürgerrechtlers“. Er will, dass wir „neu daran glauben, wichtig und wertvoll zu sein“. Dann lässt er lebhaft entstehen, was die Menschen in den kommunistischen Diktaturen mitgemacht haben und kommt doch wieder zurück auf die Kunst: „Und damit unsere dürstenden Seelen in den unwirtlichen Ebenen überleben können, haben wir die Kunst.“

Beide, Ziegler und Gauck, wirken auf mich als ganz und gar Gerechtfertigte. Natürlich kritisiert es dann in mir herum: Genau während die Absage an Ziegler das Medien-Thema war, hat die deutsche Regierung ihre Ostafrikahilfe ständig gesteigert: von dreißig bis auf neunzig und zuletzt auf 118 Millionen Euro. Vor allem: Darüber hinaus haben Bürger und Unternehmen in Deutschland in wenigen Wochen 91 Millionen Euro gespendet. Globalisierung hin oder her, diese Spenden-Millionen brauchte ich, um den Neid auf Zieglers Gerechtigkeits-Furor klein zu halten. Und Joachim Gauck schließt mit „der Freude an der Freiheit. An der Freiheit der Erwachsenen zumal, die wir bei ihrem Namen nennen: Verantwortung.“

Das ist die Gebärde, die Formel, das edle Tremolo, das jeder kennt, der diese Rede schon einmal halten musste. Da der Aufstand des Gewissens, dort die Freiheit als Verantwortung. Ob der heftige Ziegler oder der edel räsonierende Gauck, in beiden spüre ich unsere Armut, meine Armut, die Armut dessen, der sich gerechtfertigt fühlen muss und deshalb verhungernde Kinder vorführt oder aus der Kunst ein zitierbares Allheilmittel macht. Beide sind so erfolgreich, dass mein Bedauern sich nicht auf ihre persönliche Lage beziehen muss, sondern auf das, was uns, die Intellektuellen verbindet: der Mangel an Rechtfertigung, der uns zu solchen Auftritten zwingt.

3.

In meinem Tagebuch steht unterm Datum vom 14. Juni 2000: Da er öfter bemerkte, dass er etwas dagegen hat, dass es ungerecht zugeht in der Welt, sah er, als er sich umsah nach einer Bezeichnung für seine ungerechtigkeitsabweisende Empfindlichkeit, schließlich ein, dass er links war. Da er Menschen beobachtete, die auf Ungerechtigkeit nicht so reagierten wie er, musste er einsehen, dass er besser war als andere. Das führte dazu, dass er erkannte: der Linke ist der bessere Mensch.

Offenbar durfte ich mich, als ich das notierte, schon nicht mehr links fühlen, also ließ ich es zu, dass eine polemische Stimmung entstand gegen den, der sich, weil er links war, als der bessere Mensch vorkam. Ich musste vor mir selber rechtfertigen, dass ich nicht mehr als Linker gelten konnte.

Am liebsten würde ich in dieser Tonart heute noch fortfahren: Der bessere Mensch weiß nicht, dass er der bessere Mensch ist. Das darf für alle Zugehörigkeiten gelten, die ihren Mitgliedern Rechtfertigungen gewähren. Lebenslänglich SPD, das stell ich mir vor wie eine Allwetterkleidung fürs Bewusstsein. Mir ist keine derartige Zugehörigkeit gelungen.

Das Katastrophenprodukt der deutschen Teilung

Dreimal hat mich der Zeitgeist scharf zurechtgewiesen. In den Sechzigerjahren war ich dagegen, dass die Bundesrepublik dem amerikanischen Krieg in Vietnam Zustimmung liefert, dass unsere Höchsten, Bundespräsident und Bundeskanzler, Glückwunschtelegramme nach Washington senden, weil die Vereinigten Staaten einen Krieg führen „als Vorkämpfer der Freiheit gegen die Mächte der Unterdrückung in Ostasien“. Nur aus Franco-Spanien, Portugal und Südafrika wurden solche Telegramme nach Washington geschickt. Und schon im April 1967 sagte Martin Luther King: „Bis jetzt haben wir eine Million dieser Menschen umgebracht - meistens Kinder.“

Obwohl ich für meine Aktivitäten nie östliche Informationen nutzte, sondern nur amerikanische und französische, war ich dann, so hieß das, „nicht mehr auf dem Boden des Grundgesetzes“, also ein Kommunist. Aber ein Kommunist konnte ich als auch gelernter Historiker nicht sein, weil ich die Geschichte nicht als Klassenkampf begreifen konnte.

In den siebziger Jahren, erst in den siebzigerer Jahren (!), fing ich an, dem offiziellen Gerede über die deutsche Teilung zu misstrauen. Ich arbeitete mich ein und nannte dann die Teilung Deutschlands ein „Katastrophenprodukt“ und wollte es für unerträglich halten, dass die deutsche Geschichte - so schlimm sie zuletzt verlief -, so ende. Die meisten Intellektuellen sahen in der Teilung eine Strafe für unsere Verbrechen in Auschwitz. Ich sagte: Die Teilung ist keine Strafe für Auschwitz, sondern eine Folge des Kalten Krieges.

Der Zeitgeist, vertreten durch prominente Linke, machte mich dann zum Nationalisten. Aber ein Nationalist konnte ich nicht sein, weil ich von Anfang an ein Leser war, weil mir nichts so wichtig war wie das, was in den Büchern stand. Und meine Bücher waren von Robinson Crusoe an Bücher aus aller Welt. Was Politik und Gesellschaft jetzt mühevoll lernen, war für den Leser von Anfang an Realität. Ich lernte Frankreich kennen durch Flaubert und Marcel Proust, England durch Dickens, Spanien durch Cervantes, Russland durch Dostojewski, Amerika durch Melville und Faulkner, Skandinavien durch Strindberg und Ibsen.

Und als ich 1998 eine Rede in der Paulskirche hielt, in der ich uns von dem befreien wollte, was Salomon Korn den „Jargon der Betroffenheit“ genannt hatte, als ich den Umgang mit unserer Vergangenheit nicht mehr der Lippengebetsroutine offizieller Gedenktagsreden überlassen wollte, sondern dafür eine Sprache suchte, die aus dem persönlichen Gewissen eines jeden Einzelnen stammte, da wurde ich Antisemit genannt.

Ich war 1964 im Auschwitz-Prozess in Frankfurt und habe, wahrscheinlich als erster, über diesen Prozess geschrieben, und das unter der Überschrift: „Unser Auschwitz“. Und 1979 habe ich eine Ausstellung mit Zeichnungen von KZ-Häftlingen eröffnet und gesprochen unter dem Titel: „Auschwitz und kein Ende“. Das ist

eine Variation dessen, was der junge Goethe seinen Freunden vortrug unter dem Titel: „Shakespeare und kein Ende“. Das war, als Goethe Götze von Berlichingen schrieb und sich ganz und gar dem Einfluss Shakespeares verschrieb. Da hätten die Zeitgenossen merken können, dass es eine Zeit gab, in der ein Shakespeare den Ton für eine Epoche angab („Sturm und Drang“ nannte man das dann) und dass jetzt eine Zeit ist, in der Auschwitz bestimmt, was unser Ton sein kann. Meine Rede damals fing so an: „Seit Auschwitz ist noch kein Tag vergangen. Es gibt eine Zeitrechnung, in der man nicht diskutieren muss, ob Verbrechen verjähren oder nicht. Das ist die Zeitrechnung, die man Geschichte nennt.“

Vergangenheit ist mein Element

Nach 1998 wurde mir dann vorgeworfen, ich wolle einen „Schlussstrich“ ziehen, wolle die „Auseinandersetzung mit dem Holocaust“ beenden. Ein Wort wie „Schlussstrich“ ist bei mir nie vorgekommen, kann bei mir nicht vorkommen, ich bin Erzähler, also ist Vergangenheit mein Element. Ein Beispiel für die Art dieser Skandalisierung: Mir wurde vorgeworfen, dass ich, statt von „unserer Schuld“ immer von „unserer Schande“ gesprochen habe. Und weil von diesen unterstellungsfreudigen Zeitgenossen die Sprache nur noch nach Signaltönen abgeklopft wird, soll ich „Schuld“ sagen, wo ich „Schande“ sage.

Dazu, sozusagen als verspätetes Nachhilfe-Angebot: In meinem Sprachverständnis denkt man bei „Schuld“ immer an etwas, was bewiesen werden kann. „Schande“ ist eine Folge der Schuld, unabwaschbar, durch kein Argument zu schwächen oder gar löschar. Und: „Schuld“ wendet sich an den erzogenen Kopf. „Schande“ überzieht dich ganz und gar. Und für immer. Unter Schande leide ich deutlicher als unter Schuld.

Ein Antisemit konnte ich nicht sein, weil während der wichtigsten fünf Jahre meiner Lehrzeit Kafka mein Vorbild war. Ich glaube, ich war der erste, der über ihn eine Dissertation schrieb. Dann lernte ich noch zwei Jahre bei Proust („Leseerfahrungen mit Marcel Proust“), und schrieb über Heine („Heines Tränen“ und „Heines Größe“). Ein bisschen übertreibend kann ich sagen: Ich war von Anfang an Schriftsteller. Ein Schriftsteller, wenn er halbwegs bei Trost ist, kann nichts anderes sein als ein Schriftsteller. Seine Rechtfertigung holt er sich nicht im Kommunismus oder Nationalismus oder Antisemitismus.

Kafka hat mich, sobald ich ihn zu lesen bekam, so angezogen und dann ganz und gar eingenommen, weil er alles formuliert hatte, was ich brauchte: „Alles, was nicht Literatur ist, langweilt mich . . .“ Oder: „Da ich nichts anderes bin als Literatur und nichts anderes sein kann und will . . .“ Solchen Sätzen war ich ausgeliefert und blieb ich ausgeliefert.

4.

Ich habe mein Leben als Schriftsteller auch im Reizklima des Rechthabensmüssens verbracht. Und habe erlebt, dass die ablenkungsstärkste Art des Rechthabens die moralische ist. Den Eindruck erwecken müssen, man sei der bessere Mensch. Wer diesen Eindruck einmal hat von sich, dessen Gewissen ist domestiziert. In unseren heutigen Literaturen kommen Fälle von gravierendem Rechtfertigungsmangel nicht mehr vor. Rechthaben genügt zur Rechtfertigung. Dass das geschieht, ohne dass es bemerkt, erwähnt, kommentiert oder auch nur beklagt wird, heißt, im Jargon gesprochen, die U-Literatur hat sich durchgesetzt. Vor allem in der E-Literatur.

Es gibt aber einen, einen Religiösen, dem es tatsächlich gelingt, aus diesem Wettbewerb des Rechthabermüssens auszusteigen, weil er die uralte Not, Rechtfertigung zu suchen, nicht betäuben konnte. Karl Barth.

Zur Ehre der Religion sei gesagt, dass sie von Paulus über Augustinus bis zu Calvin, Luther und Karl Barth die Frage, wie ein Mensch Rechtfertigung erreiche, nie hat aussterben lassen. Seit zweitausend Jahren wird gefragt, ob wir zu rechtfertigen seien durch das, was wir tun oder durch das, was wir glauben. Die Religion ist anspruchsvoller als jede andere Denk- und Ausdrucksbemühung.

Karl Barth schreibt in seinem Buch zum „Römerbrief“: „Wer sich einmal rühmen, wer einmal als Mensch vor Menschen und vor Gott rechthaben will, der wird sich auch der tiefsten Versenkung ins Nicht-Ich und Nicht-Sein immer noch rühmen (womöglich seiner Unsicherheit und Gebrochenheit) und - als Mensch (nur als Mensch) Recht habend dastehen. Nein, der Boden des ‚Gesetzes der Werke‘ muss uns unter den Füßen zusammengebrochen sein. Kein ‚Werk‘, auch nicht das feinste und geistigste, auch nicht ein negatives Werk kann mehr in Betracht kommen. . . unsere Religion besteht in der Aufhebung unserer Religion, unser Gesetz ist die grundsätzliche Außerkraftsetzung alles menschlichen Erfahrens, Wissens, Habens und Tuns. Nichts Menschliches bleibt übrig, was mehr sein wollte als Hohlraum, Entbehren, Möglichkeit und Hinweis, als unscheinbarste unter den Erscheinungen dieser Welt, als Staub und Asche vor Gott, wie alles, was in der Welt ist. Der Glaube bleibt nur als Glaube übrig, ohne Selbstwert (auch ohne den Selbstwert der Selbstverleugnung!“

Das wurde geschrieben, zeitlich gesehen, zwischen dem „Prozess“ und dem „Schloss“.

Karl Barths eminenter Einfluss

Der Schweizer Pfarrer, der das von 1919 bis 1922 im Aargau schrieb, wurde sofort Honorarprofessor in Göttingen und dann zum einflussreichsten Theologen der Epoche. Und das durch die Auslegung des Paulusbriefes an die Römer. Dass weder in der Philosophie noch in der sogenannten schönen Literatur von diesem Erdbeben auch nur das Geringste gespürt wurde, eigentlich bis auf den heutigen Tag, das zeigt, wie anspruchslos diese Ausdrucksarten geworden und geblieben sind. Karl Barths Buch ist die praktizierte Zerstörung der Kulturkulisse, die uns vergessen macht, dass Rechtfertigung einmal unser Bedürfnis war. Übrig geblieben ist also das Rechthabermüssen. Rechtzuhaben ist der akzeptierte Ersatz für Rechtfertigung. Eine Art Bewusstseinsimperialismus auch. Oft genug verbunden mit Macht und Machtgefühl. Zeitgeistopportunität. Was ist denn *political correctness* anderes als eine Domestizierung des Gewissens, eine Passe-partout-Rechtfertigung?

5.

Ich meine, Religion sei eine Ausdrucksart wie andere, wie Literatur, Musik, Malerei. Ich lese Religion als Literatur. Dass Texte, die für uns „nur“ noch zur Religion gehören, Dichtung sind, um es im Betriebsdeutsch zu sagen: große Dichtung, das kann man doch noch sagen. Die Psalmen. Das Buch Hiob. Das Weihnachtsevangelium, usw. usw. Andere lassen mich wissen: Religion, das war einmal. Es ist eine eher unglückliche Entwicklung, dass Religion etwas geworden ist, was nicht mehr ohne Kirchliches gedacht wird. Wer sich heute fast instinktiv erhaben fühlt über alles Religiöse, weiß vielleicht nicht, was er verloren hat. Polemisch gesagt: Rechtfertigung ohne Religion wird zur Rechthaberei. Sachlich gesagt: Verarmt zum Rechthaben.

Neulich im Fernsehen, das gewöhnliche Hin und Her zwischen Gegnern und Befürwortern. Der wortführende Gegner war verzeichnet als Publizist und als Atheist. Die Regie holte ihn oft ins Bild, wenn einer der Befürworter sprach. Er bot ein ausdauerndes Schmunzeln. Ein unangreifbares, ein allem überlegenes Schmunzeln. Es war deutlich, der Befürworter hatte keine Chance. Und die Regie und der Moderator waren ganz auf der Seite dieses unantastbaren Schmunzeln. Selbstzufriedenheit strahlte der Publizist aus. Wie kann man bloß noch an Gott glauben! Das strahlte der Publizist und Atheist aus. Und das darumherumsitzende Publikum zeigte durch Beifall, dass es auch dieser Meinung war. Der Moderator machte, wenn er zum Befürworter sprach, ein parodistisches Toleranzgesicht.

Ein Atheist ohne Ahnung

Mir fiel dazu ein: Die Medien sind der Stammtisch der Nation. Zu dem Atheisten fiel mir ein: Er hat keine Ahnung. Wer sagt, es gebe Gott nicht und nicht dazusagen kann, dass Gott fehlt und wie er fehlt, der hat keine Ahnung. Führen wir uns ein Motiv der Religion vor von der Genesis bis ins zwanzigste Jahrhundert. Ein Motiv, das wissen will, ob Gott gerecht sei. Gründe so zu fragen, gab es in der Geschichte Europas genug.

Angefangen hat es damit: Isaaks Frau Rebecca war mit Zwillingen schwanger, da sprach der Herr zu ihr, so steht es bei Luther: „...zweierley Leute werden sich scheiden aus deinem Leibe / Und der Grösser wird dem Kleinen dienen“. Esau, der Größere, der Erstgeborene, muss Jakob, dem Kleineren, Zweitgeborenen dienen. Von da an kann man, was mit diesem Motiv passiert, lesen wie einen Roman. Paulus will mit einem provozierenden Beispiel seinen Römern glaubhaft machen, dass Gott gerecht sei. Darum sagt er von den Zwillingen, sie „waren noch nicht geboren und hatten weder Gutes noch Böses getan“, aber „Gottes freie Wahl und Vorherbestimmung“ will, dass Rechtfertigung nicht erlangt werde durch Werke, sondern nur durch ihn, der beruft oder nicht beruft. Paulus zitiert: „. . . es steht in der Schrift; Jakob habe ich geliebt, Esau aber gehasst“. In der Genesis steht das zwar nicht so, aber im Text des Propheten Maleachi, also zirka 500 Jahre vor Paulus. Da spricht der Herr: „Ist nicht Esau Jakobs Bruder? . . . und doch liebe ich Jakob, Esau aber hasse ich“.

Daher hat es also Paulus, und er ist damit bei seinem, bei unserem Thema: Heißt das nun, dass Gott ungerecht handelt? Wenn hier jemand abschaltet, weil es Gott für ihn nicht gibt, dass also die Frage, ob Gott gerecht sei, für ihn ein Nullproblem ist, zu dem sage ich vorläufig: Lesen wir's als Roman. Madame Bovary und Iwan Karamasow gibt es auch nicht, und trotzdem wiegen und wägen wir in unserem Inneren, was sie tun und sagen und warum sie es tun und sagen.

Wichtig für unser Motiv ist schon einmal, wie unwichtig, wie klein Paulus den Menschen macht. Er sieht Gott als Töpfer, den Menschen als Ton. Gott macht „Gefäße des Zorns, die zur Vernichtung bestimmt sind“ und „Gefäße des Erbarmens, die er zur Herrlichkeit vorher bestimmt hat“.

Willkommene Radikalisierung

Wieder ein paar hundert Jahre später hat sich Augustin, der Bischof von Hippo, das 9. Kapitel des Paulus-Briefs vorgenommen. Er hat die paulinische Aussage ungeheuer radikalisiert. So hat Gott das gewollt: Durch „die Bestrafung der einen zeigt er, was er den anderen erlässt“. Und Augustin kann nicht oft genug wiederholen: Das findet nicht statt „auf Grund von Werken, sonst ist Gnade nicht mehr Gnade“. Wenn ich ihn sehe als den Autor, der den Esau-Jakob-Roman fortsetzt, sind mir seine Radikalisierungen sehr willkommen.

Viele sind berufen, wenige aber auserwählt. Und die Nichterwählten, sagt Augustin, dienen durch ihr schweres Schicksal dazu, bei allen Menschen „eine nützliche Furcht hervorzurufen“. In diesem Roman weiß nämlich kein Mensch, ob er zu den Erwählten gehört, zu den Geretteten oder zu den Bestraften. Nur die Gnade entscheidet, wie es dir geht. Und Gnade ist nur, was unverdient ist. Als Roman gelesen heißt das: Was müssen diese Autoren erfahren haben, dass sie Gott so groß und den Menschen so klein erlebt und dargestellt haben?

Aus dieser Erfahrung der vollkommenen Rechtlosigkeit und Ausgeliefertheit schreiben sie an einem Roman mit, in dem ein Gott zuständig ist für ihre Rechtlosigkeit. Es geht ihnen so schlecht, sie haben so gar keine Möglichkeit ihr Schicksal selber zu bestimmen, dass es nicht die unsinnigste Antwort ist, alles von einem Gott bestimmen zu lassen, dem gegenüber man so wenig zu bestellen hat wie in der Wirklichkeit. Er kann mit uns machen, was er will, es ist gut.

Man hat im Lauf der Geschichte alle möglichen Ermäßigungen dieses Unverhältnisses probiert. Zuerst die Rechtfertigung durch Werke, dann durch den Glauben, oder eben durch eine Gnade, die man verdienen konnte.

So geht es zu in der Welt

Augustin und die anderen, die einen Gott rechtfertigten, der Esau vorgeburtlich hasst und Jakob ebenso vorgeburtlich liebt, die haben damit ihre Welterfahrung ausgedrückt. Sie haben einen realistischen Roman geschrieben. Genau so geht es zu in dieser Welt. Und dass sie ihren Romanhelden Gott freisprechen, heißt nur: auch Gott ist nicht schuld daran, dass es so zugeht in der Welt. Es geht so zu, ohne dass jemand schuld ist. Auch Gott ist nur eine Ausdrucksfunktion des Weltgeschehens. Darin wird mehr ahnbar als sichtbar der Funke der Verbesserungswürdigkeit der Welt. Also der Funke, der Geschichte heißt oder Zukunft oder Utopie. Einfach weil wir, was ist und wie es ist, nicht bewegungslos ertragen.

Heute: Wir führen, wenn es uns gut geht, unser Wohlergehen auf uns selbst zurück. Also auf unsere Werke. Die, die ihre Gelungenheit noch als Gnade erleben, dürften seltener vorkommen. Schon lieber nennen wir's Glück. Oder Zufall. Oder, um uns größer vorzukommen, Gerechtigkeit.

Worüber wir hinaus sind: Rechtfertigung überhaupt von, sagen wir, oben zu erwarten. Heute genügt es, dass es einem gut geht, dann ist sein Rechtfertigungsbedarf schon gedeckt.

Jeder kann heute selber beurteilen, ob ihm (in seinem Leben) Recht oder Unrecht geschehe. Egal, ob einem Recht oder Unrecht geschieht, er fühlt sich im Recht. Dass er sagen kann, ihm geschehe Unrecht, zeigt ja, dass er sich im Recht fühlt. Je mehr dir Unrecht geschieht, desto mehr fühlst du dich im Recht. Du erlebst dein Im-Recht-Sein so deutlich, weil dir Unrecht geschieht. Das Beispiel Kohlhaas. Gibt es darüber hinaus noch einen Mangel?

Was mit der Gnaden- und Prädestinationslehre Augustins dann 1500 Jahre lang passiert, drückt zumindest aus, was diesen Zeiten die Rechtfertigung wert war. Soviel Schreckliches wie Schönes. Und weil es sich jetzt um uns unmittelbar nahekommende Geschichte handelt, lassen sich die Handlungen nicht mehr als Roman lesen, sondern eben als Geschichte. Zum Roman gehört eine Portion Weltfremdheit, gehört eine außerordentliche Zumutung, gehört also mindestens, dass Gott gerecht ist, obwohl er Gnade ausschüttet, über wen er will, und dass dazu der Mensch nichts, absolut nichts tun kann. In diesem Verhältnis ist eben ausgedrückt, wie ungerecht es zugeht in dieser Welt. Wenn, wie durch Luther geschehen, der Mensch schon durch Glauben und Buße und

so weiter ein bisschen Anspruch auf Rechtfertigung erwerben kann, ist das kein Roman mehr, sondern eben Kirchengeschichte.

Die Arbeit gegen Maria Mancini

Max Weber beschreibt in seiner Schrift „Protestantische Ethik und der Geist des Kapitalismus“, wie die Gnadenwahl zwischen uns in Europa gelandet ist. Bin ich erwählt oder gehöre ich zum Rest? Es wird, schreibt Max Weber, eine „Pflicht im täglichen Kampf sich die subjektive Gewissheit der eigenen Erwähltheit und Rechtfertigung zu erringen . . .“ Gnade kann da kaum noch vorkommen. Nämlich, „um jene Selbstgewissheit zu erlangen, wurde als hervorragendstes Mittel die rastlose Berufsarbeit eingeschärft.“ Offenbar hat die protestantische Ethik in England deutlich länger, man darf sagen, geherrscht, als auf dem Kontinent.

Im „Zauberberg“ steht immerhin noch: „Wie hätte Hans Castorp die Arbeit nicht achten sollen? Es wäre unnatürlich gewesen. Wie alles lag, musste sie ihm als das unbedingt Achtungswerteste gelten, es gab im Grunde nichts Achtenswertes außer ihr, sie war das Prinzip, vor dem man bestand oder nicht bestand, das Absolutum der Zeit, sie beantwortete sozusagen sich selbst. Seine Achtung vor ihr war also religiöser und soviel er wusste, unzweifelhafter Natur. Aber eine andere Frage war, ob er sie liebte, denn das konnte er nicht, so sehr er sie achtete, und zwar aus dem einfachen Grunde, weil sie ihm nicht bekam.“ Das führt dann eben dazu, dass Arbeit dem Genuss der Maria Mancini im Weg stand. Das ist angewandter Max Weber. Und Hegel („Phänomenologie des Geistes“) hat Hans Castorp natürlich nicht gelesen: „Arbeit hingegen ist gehemmte Begierde, aufgehaltenes Verschwinden oder sie bildet.“

An Letzterem hätte der Entwicklungsroman interessiert sein können. Jakob von Gunthen (1908) schreibt in seinem Lebenslauf, er sehne sich danach, „Hochmut und Überhebung, die ihn vielleicht zum Teil noch beseelen, am unerbittlichen Felsen harter Arbeit zerschmettern zu dürfen. Die Zufriedenheit desjenigen, der ihn engagiert, wird sein Himmel, und das traurige Gegenteil seine vernichtende Hölle sein, aber er ist überzeugt, dass man mit ihm und dem, was er leistet, zufrieden sein wird. Dieser feste Glaube gibt ihm den Mut, der zu sein, der er ist.“

Da steht das Wort, das jetzt jede Rechtfertigung prüft: „was er leistet“. Bei Max Weber hieß das noch, es sei eine „Pflicht im täglichen Kampf sich die subjektive Gewissheit der eigenen Erwähltheit und Rechtfertigung zu erringen . . .“ Obwohl Max Weber sich selber so gut wie nie in seine Durchschauheiten hineinziehen lässt, da passiert es doch einmal: „Der Puritaner wollte der Berufsmensch sein - wir müssen es sein.“ Vielleicht schafft man ohne Puritanismus kein Imperium. Und wenn man's dann hat, legt man Debussy-Platten auf, weil da kein „rechtfertige dich“ hörbar ist.

So konnte man schreiben, nachdem ein ganzes Jahrhundert alle Fakultäten aufgeboten hat, um die Rechtfertigung nicht mehr der Religion zu überlassen. Philosophie, Schöne Literatur im Wettbewerb mit der Theologie. Um 1795 erschienen zwei Romane, die nur dieser Tendenz dienten: Selbstbewusstsein, Selbstrechtfertigung ohne Religion, sozusagen ganz auf eigene Rechnung. Jean Paul: „Hesperus“, Goethe: „Wilhelm Meister“. In seiner „Vorschule der Ästhetik“ sagt Jean Paul: Wir dringen jetzt „mit mehr Selbstbewusstsein auf mehr Selbstbewusstsein“.

Goethes Bürgersohn Wilhelm will Schauspieler werden, weil nur auf der Bühne auch ein Bürgersohn in einem Glanz erscheinen kann „wie in den oberen Klassen“. Und Jean Pauls Held emigriert ins eigene Innere, weil ihm nichts übrig bleibt „als die Zukunft oder Phantasie, das heißt, der Roman“. Aber Goethe endet nicht in der Kunst. „Der Bürger soll leisten und schaffen, er soll einzelne Fähigkeiten ausbilden, um brauchbar zu werden, und es wird schon vorausgesetzt, dass in seinem Wesen keine Harmonie sei, noch sein dürfe, weil er, um sich auf eine Weise brauchbar zu machen, alles übrige vernachlässigen muss.“

Also da schon: „Der Bürger soll leisten . . .“ Das 120 Jahre vor Max Webers Entdeckung, dass die protestantische Ethik den Kapitalismus fundiere. Und Goethe hat sich eben nicht mit einem Künstlerroman zufrieden gegeben. Sein Wilhelm wird Investment-Makler bei einer allerdings adeligen Firma. Und eben so früh und weit gehend - Fichte. 1797: „Wenn man anfangen wird, den Menschen für seinen eigenen Gebrauch und als Instrument für seinen eigenen Willen, nicht aber als seelenloses Instrument für andere auszubilden, dann wird die ‚Wissenschaftslehre‘ allgemein verständlich sein.“ In dieser seiner Lehre hatte er vorgemacht, wie Selbstbewusstsein per Wissenschaft produziert wird, „more geometrico“ hat er es genannt. Und: „Solange Erziehung nur auf Brauchbarkeit durch andere hinarbeite, sei nichts zu hoffen.“

So nah waren sie einander in ihren Sprachen, und trotzdem musste Goethe den in Jena lehrenden Professor Fichte entlassen: wegen Atheismus. Das heißt: Fichte hat die Kulturkulisse offenbar nicht schonen können. Hegel liefert diesem erklärten Mangel, nämlich dem an Selbstbewusstsein, in seiner „Phänomenologie des Geistes“ (1807) die Analyse. Das Selbstbewusstsein durch Anerkanntsein. Das Selbstbewusstsein des Herrn existiert „nur als ein Anerkanntes“. Erst der Knecht macht den Herrn zum Herrn. Was der Knecht tut, „ist eigenes Tun des Herrn“.

Ohne Mangel ist man ärmer

Die Theologie wirkte auf ihre Art mit an der Säkularisierung der Rechtfertigung. Sie machte Gott erreichbar. Und ausgerechnet Nietzsche hat den Wandel vom ganz der Gnade ausgelieferten Calvinisten zum selber rechtfertigungsfähigen Menschen des neunzehnten Jahrhunderts am schönsten, wenn auch nietzschehaft eingreifend, beschrieben. Der durch „einige Irrtümer in das Gefühl der Selbstverachtung“ geratene Christ, habe erlebt, „wie jener Zustand der Verachtung, der Gewissensbisse, der Unlust überhaupt nicht anhält . . . der Mensch liebt sich wieder . . . aber gerade diese Liebe, diese neue Selbstschätzung kommt ihm unglaublich vor, er kann in ihr allein das gänzlich unverdiente Herabströmen eines Gnadenglanzes von oben sehen. Wenn er früher in allen Begebnissen Warnungen, Drohungen, Strafen und jede Art von Anzeichen des göttlichen Zornes zu erblicken glaubte, so deutet er jetzt in seine Erfahrungen die göttliche Güte hinein: dieses Ereignis kommt ihm liebevoll . . . seine ganze freudige Stimmung als Beweis vor, dass Gott gnädig sei . . . die Liebe, mit der er sich im Grunde selbst liebt, erscheint als göttliche Liebe . . .“ Und jetzt die Nietzsche-Pointe: Das, was Gnade und Vorspiel der Erlösung heißt, „ist in Wahrheit Selbstbegnadigung, Selbsterlösung“. (in „Menschliches Allzumenschliches“)

So hätte man Paulus, Augustin und Calvin „interpretieren“ können: alles macht doch der Mensch selber und macht es mit sich und für sich. Aber dann hätte man vor lauter Anwendbarkeit alles religiös Geleistete verloren.

So wie einmal der Ablasshandel in Luther den Zorn gegen die verkommene Kirche zur Reformation motivierte, so reizte Karl Barth der bürgerliche Zustand seiner Kirche. Dem Ablasshandel vergleichbar war auf

seriöserem Niveau im neunzehnten Jahrhundert ein Rechtfertigungshandel entstanden. Max Weber hat das ohne Eifer wissenschaftlich beschrieben. Aber so nüchtern, so sachlich konnte der Pfarrersohn Karl Barth die Entwicklung seiner Kirche nicht sehen. 1920 erschien Max Webers Schrift, in der dargestellt wurde, was der Kapitalismus der protestantischen Ethik verdankt. 1919 erschien Karl Barths Kommentar zum Römer-Brief in der 1. Auflage, 1922 in der 2. Auflage. Darin steht: „Der Mensch Gott gegenüber, wie sollte er je und irgendwie etwas Anderes sein als der Angeklagte?“

Und Karl Barth kommt Augustin näher als alle, die inzwischen Augustin kommentiert hatten. Er ermäßigt Augustins Radikalität kein bisschen. Es ist fast ein Wunder, dass er ihn übertrifft, überholt, überbietet. Alles, was hundert Jahre lang in evangelischer historisch-kritischer, liberaler Theologie zu religiöser Gemütlichkeit geworden war, all das sprengt Karl Barth geradezu in die Luft, wenn er in diese bürgerlich-religiöse Szene hineinsagt, als wäre Augustin selber noch da: „Wieder ist es die ‚Wahl der Gnade‘, die alle Menschen angeht und auf die Keiner ein Recht hat.“

Und das ist sein jetzt revolutionärer Anspruch: „Fehlt deinem Leben Rechtfertigung, die nur Gott ihm geben kann, dann fehlt ihm jede Rechtfertigung.“ Und da hatte gerade Max Weber begreiflich gemacht, wie die Menschen Pflicht und Arbeit in Rechtfertigung verwandelt hatten. Das Äußerste an Aussicht für uns heißt aber bei Karl Barth, dass der Mensch, der die Offenbarung Gottes empfängt nur „gerettet ist als der Verlorene, gerechtfertigt als der nicht zu Rechtfertigende.“

Also, wo sind wir jetzt, wenn wir angesichts der Bedürftigkeits-Größe Karl Barths zugeben müssen: In uns ist dieser Mangel eingeschlafen? Karl Barth kann in einem ein Bedürfnis produzieren, diesen Mangel zu wecken. Ich komme mir ohne diesen Mangel ärmer vor. Auch wenn ich zugeben muss, dass ich einen Karl Barth brauche, um ihn in mir zu wecken. Wenn es Karl Barth nicht gäbe, wäre dieses Bedürfnis in mir mutlos und stumm geblieben. So aber, weil er eine solche Sprache hat, muss ich zugeben, dass ich mich seinem unanschaulichen Gott und seiner hoffnungslosen Hoffnung lieber aussetze als anderen Sprachen.

Noch zur Machart der Barthschen Schreib-Leidenschaft. Im „Vorwort zur dritten Auflage“ des Römer-Brief-Buches stehen die Sätze, die erklären können, warum Karl Barth im zwanzigsten Jahrhundert zum Kirchenvater wurde, warum, was er und wie er schrieb, so bewegend geworden ist. Der Kommentator, schreibt er, wird „nicht über Paulus, sondern gewiss oft nicht ohne Seufzen und Kopfschütteln, so gut es geht, bis aufs letzte Wort mit Paulus schreiben“. Dann noch einmal: „Reden über jemanden scheint mir hoffnungslos dazu verurteilt, an ihm vorbei zu reden und sein Grab dichter zu schließen.“ Das möchte man sich gerne gesagt sein lassen.

6.

Wenn ich von einem Atheisten, und sei es von einem „bekennenden“, höre, dass es Gott nicht gebe, fällt mir ein: Aber er fehlt. Mir. Wenn ich gefragt werde, wie das bei mir sei mit dem Schreiben, sage ich meistens: Mir fällt ein, was mir fehlt. Oder ich sage: Meine Muse ist der Mangel. Allerdings sage ich gern dazu: Nichts ist ohne sein Gegenteil wahr. Dieser Satz ruht sich, wenn er gesagt ist, aus. Zu sehr. Es fehlt, dass auch nichts ohne das Gegenteil des Gegenteils wahr ist. Bei Karl Barth produziert jedes Ja ein Nein und jedes Nein ein Ja. Eigentlich müsste man sagen: Produziert jedes Ja sein Nein und jedes Nein sein Ja. Was auch immer der

Mangel sei, man schreibt und spricht nicht, um ihn zu bestätigen oder ihm recht zu geben, sondern weil man ihn sich nicht gefallen lassen kann.

Ich muss daran interessiert sein, die Genauigkeitsfähigkeit der Sprache begreiflich zu machen. Dafür habe ich ein Beispiel, das mir zeigt, wie verlässlich Sprache sein kann.

Drei Zitate

Hölderlin: „Meine Seele ist wie ein Fisch aus ihrem Elemente auf den Ufersand geworfen und windet sich und wirft sich umher, bis sie vertrocknet in der Hitze des Tages.“

Robert Walser: „Was soll ich mit den Gefühlen anfangen, als sie wie Fische im Sand der Sprache zappeln und sterben zu lassen.“

Franz Kafka: „Gestern und heute ein wenig geschrieben ... Es ist trotz aller Wahrheit böse pedantisch, mechanisch, auf einer Sandbank ein noch knapp atmender Fisch.“

Und keiner hat vom anderen gewusst.

Der Mangel ist schwerer erfassbar als die Anwesenheit.

Wenn Nietzsche in seinem „Ecce homo“ sagt „Atheismus versteht sich bei mir aus Instinkt“, dann ahne ich doch, was das für ein Gott ist, der ihn in diesen -ismus trieb.

In „Ecce homo“ gibt er auch Auskunft, wie der „Zarathustra“ entstand: „Der Begriff Offenbarung, in dem Sinn, dass plötzlich, mit unsäglichlicher Sicherheit und Feinheit etwas sichtbar, hörbar wird, etwas, das einen im Tiefsten erschüttert und umwirft, beschreibt einfach den Tatbestand.“ Und er scheut nicht das Wort „Offenbarung“! In der Vorrede zu „Ecce homo“ nennt er sich einen „Jünger des Philosophen Dionysos“. Wieder so ein Wort: „Jünger“! Also ganz am Schluss dieses Bekenntnis zu Dionysos, der auch den Anfang bestimmte: „Die Geburt der Tragödie aus dem Geiste der Musik.“ Jetzt, am Schluss, gibt er richtig Auskunft über das Dionysische. Es sei das „Jasagen zum Gegensatz . . . Das Werden mit radikaler Ablehnung auch selbst des Begriffs ‚Sein‘.“ Und dass Dionysos, das Dionysische im Unterschied zum Apollinischen überhaupt nicht darstellbar sei, erreicht mich, seit ich Barth gelesen habe, deutlicher als früher.

Der Ursprung der Tragödie ist Dionysos, nicht Apollo, ist der Chor, nicht die Szene des Dramas. Die „dionysische Kunst“ ist nicht „in den Erscheinungen, sondern hinter den Erscheinungen“ zu suchen. Seinen Zarathustra nennt er später „einen dionysischen Unhold“. Es sei, sagt Nietzsche, „eine unanfechtbare Überlieferung, dass die griechische Tragödie in ihrer ältesten Gestalt nur die Leiden des Dionysos zum Gegenstand hatte . . .“ Nachdem ich Karl Barth gelesen hatte, souffliert mir Nietzsches Paar: Apollo und Dionysos dürfen mich erinnern an Karl Barths Paar Esau und Jakob. Die jederzeit vorstellbare Kirche Esaus - „Jerusalem, Rom, Wittenberg, Genf“ - wie die problemlose Präsenz Apollos.

Unvorstellbar und weitreichend aber die Kirche Jakobs und der Mythos des Dionysos. Barths Hauptwort für Gott ist Unanschaulichkeit. Der jüngere Karl Barth hat sich nicht vom jungen Nietzsche einnehmen lassen, der in seinem wilden Buch geschrieben hatte: „ . . . denn nur als ästhetisches Phänomen ist das Dasein und die Welt ewig gerechtfertigt.“

Ich habe mich von diesem Satz einnehmen lassen. Wenn auch nicht in der Castorpschen Version, dass Debussy-Musik die Rechtfertigungsfrage zum Schweigen bringe. Wir können dieses Zitat von der Rechtfertigung der Welt als ästhetisches Phänomen einreihen in die Unmenge von Zitaten, die den durch Gottes Abwesenheit entstandenen Mangel ausdrücken. Das neunzehnte Jahrhundert flirrt von Angeboten, die diesem Mangel sinnstiftend und rechtfertigungsbereit zu Hilfe kommen.

Und die Musik hat eine Rolle gespielt, die im Castorp-Zitat nicht vorkommt. Und wieder ist es Nietzsche, der hilft. „ . . . wie überhaupt die Musik, neben die Welt hingestellt, allein einen Begriff davon geben kann, was unter der Rechtfertigung der Welt als eines ästhetischen Phänomens zu verstehen ist.“

Er spricht da von der Dissonanz in der Musik. Und von der „lustvollen Empfindung der Dissonanz in der Musik“ und schließt: „Das Dionysische, mit seiner selbst am Schmerz perzipierten Urlust, ist der gemeinsame Geburtsschoß der Musik und des tragischen Mythos“. Dass wir die Dissonanz genießen können, das drücke unsere Fähigkeit aus, in der Tragödie mehr zu sehen als uns gezeigt wird. Da möchte man sagen: Und so weiter. Aber nicht ohne den Satz, mit dem Aischylos seine Prometheus-Tragödie und Nietzsche sein wildes Buch schließt: „wie viel musste dies Volk leiden, um so schön werden zu können!“

Die Maßlosigkeit der Kampfansage

Das ist es eben: Etwas muss schön sein, und schön wird es nur durch Schmerz, durch bestandenen Schmerz. Im Schmerz, den Prometheus bei Aischylos erleidet, erreicht er einen Grad der Einsamkeit, der in keinem heutigen Kunstwerk auch nur ahnbar ist. Aber wir verstehen diesen Extremisten der Wut und des Gekränktheits Wort für Wort. Es ist historischer Verlauf in mythischem Material. Es ist die extremste Kampfansage gegen Machtausübung, hier die Macht des Machthabers Zeus. Die Maßlosigkeit dieser Kampfansage in aller Qual und Einsamkeit schafft die dionysische Frequenz, das heißt: wir genießen das schlechthin Unzumutbare, die reine Verneinung unseres Fassungsvermögens. Bis zum letzten Prometheus-Satz: „Seht, welch Unrecht ich erdulde!“

Wem es heute nicht einleuchtet, dass durch diese Tragödie das Dasein der Welt gerechtfertigt sei, dem darf gesagt sein, dass diese Tragödie das Geschichtliche überhaupt zeigt. Der Prometheus-Text erhebt sich kein bisschen über die Situation der misslingenden Geschichte hinaus. Aber misslungen müsste die andauernd misslingende Geschichte erst genannt werden, wenn kein Prometheus mehr schrie. Dann hätte Zeus gesiegt: Aber das ist schon herausgepresste Interpretation, das ist der Verrat des unfassbar Dionysischen an das brauchbar Apollinische. Die absolute Dissonanz gibt keine Anweisung. Sie wirkt. Verstörend. Aber eine Wirkung ist eben: Die absolute Dissonanz tut gut. Macht und Machthaber und Machtausübung, eine einzige Hässlichkeit. Und selbst der, der durch die Macht zerstört wird, wird dadurch nicht schön. Shakespeares Richard II. kann, so lange er Macht ausübt, nur höhnen und quatschen. Nach dem Machtverlust wird er schön und weise, eine Art Dichter.

Wenn man diese Tonart vergleicht mit den herrisch-hygienischen Tiraden gegen das Christentum, ahnt man, was alles in einem einzigen Menschen vor sich gehen kann. Ab 1. Januar 1889 unterschreibt er, was er als Brief schreibt, nur noch mit „Der Gekreuzigte“ oder mit „Dionysos“.

Ich muss mir das durch keinen „Zusammenbruch“ erklären. Das wilde erste Buch verschreibt er ganz dem Dionysos. Ist dann die Schluss-Landung bei Dionysos nicht ganz von selbst sinnvoll? Und dass „Der

Gekreuzigte“ ihm jetzt noch die Hand führt, muss man sich das damit erklären, dass der Autor da nicht mehr „normal“ gewesen sei? O ihr Gelehrten! Es geht um das Geständnis, dass die Dissonanz gut tut.

Unwillkürlich empfinde ich eine Art Dankbarkeit diesem unendlich empfindlichen Nietzsche gegenüber. Er hat in diesem aufs Beweisbare, Machbare versessenen neunzehnten Jahrhundert den Mangel nicht betäubt. Dass bei ihm die Rechtfertigung ein Bedürfnis blieb, darf man, wenn man sieht, was alles sonst er mit hellem Hohn zerrissen hat, bestaunen.

Nietzsches schönstes Gedicht

Was haben wir noch von denen, die vor uns diesen Mangel erlebten?

„O komm zurück, mein unbekannter Gott! Mein Schmerz!“

Diese Dithyramben sind Nietzsches schönstes Gedicht. In der fast gleichzeitigen „Ecce homo“-Prosa wütet er noch maßlos gegen Paulus. Da kommt er mir vor wie der „Gefesselte Prometheus“, zu dem der Zeus-Knecht Hermes sagt: „Du wärst unerträglich, wenn du glücklich wärst.“ Dann die dithyrambische Selbsterlösung. Wenn diese Dithyramben nicht so schön wären, wären sie nicht so erlösend. Ich reihe ihn ein unter die Gottesmänner von Augustin bis Karl Barth. Sie alle sind Anwohner, wie Karl Barth es ausgedrückt hat, des „leeren Offenbarungskanals“. Und was für eine Bewegungsenergie entwickeln sie genau dadurch, dass ihnen Gott fehlt.

Jetzt fehlt er offenbar nicht mehr. Darum fehlt die Bewegungsenergie um der Rechtfertigung willen.

7.

Nach mehr als einem Gerücht, ist Kafka der Autor, der in der ganzen Welt am meisten gelesen wird. Er ist aber auch der Autor, der waghalsigere Sprachexpeditionen in die Sphäre der Rechtfertigung geleistet hat als jeder andere Autor. Der „Prozess“: Die rücksichtsloseste Gewissenserforschung, die es gibt. Man sollte es eine Sportart nennen, um es vor landläufigen Missverständnissen zu schützen. Am besten als Hochsprung. Am allerbesten als Stabhochsprung. Kafka macht uns den Gewissens-Stabhochsprung vor. Dir macht er ihn vor.

Dass dir Unrecht geschehen ist, genügt nicht, dich im Recht zu sehen.

Weiter! Im Verachtetsein liegt die allergrößte Freiheits-Chance.

Weiter! Du bist nicht der, der du bist. Du wärst gern der, der du nicht bist.

Weiter! Sei einverstanden, ein Anfänger zu sein.

Weiter! Nichts ist so schwer zu fassen wie Lebensfreude.

Weiter! Die Sprache entspricht nichts als sich selbst.

Weiter! Ich gestehe also, dass ich mich nicht mehr berühren lasse von dem, was der Welt gerade am meisten wehtut.

Weiter! Das Lästige am Intellektuellendasein: man müsste andauernd an der eigenen Verurteilbarkeit mitarbeiten.

Dass wir etwas schön finden können, halte ich für unsere zukunftsreichste Fähigkeit.

Es geht um das Geständnis, dass die Dissonanz gut tut.

Das hat noch nichts mit Kunst zu tun. Prometheus: „Kunst ist so viel machtloser als Notwendigkeit.“

Weiter! Die Lage des Prometheus wäre trostlos, wenn es das Stück von Aischylos nicht gäbe.

Weiter! Dir war beigebracht worden, nach einem unverwechselbaren Gesicht zu streben. Es ist dir nicht gelungen, unverwechselbar zu werden. Eine Zeit lang wolltest du dich gar nicht mehr rühren vor Enttäuschung. Jeden Morgen hast du dein Gesicht gehasst. Im Spiegel. Was du dich dazu sagen hörtest, war dir widerlich. Es ekelte dich an, von dir immer wieder diese nach Unverwechselbarkeit trachtenden Sätze zu hören. Während du gesprochen hast, spürtest du, dass du es nicht ausgehalten hättest, das, was du sagen wolltest, einfach zu sagen. Ohne dass du etwas dagegen tun konntest, verunstaltete ein übermächtiger Wille alles, was du sagen wolltest, in einer ganz bestimmten Weise: kosmetisch. Immer würgte das interessante Wort das richtige ab.

Weiter! Du hast geglaubt, in deiner Vorliebe für das Gegenteil wirke auch eine Vorliebe für das Unterlegene. Peinlich blieb, dass du die Gegenmeinungen, die sich in dir bildeten, sowohl unterdrücken als auch verschweigen konntest. Zuerst hast du gedacht, durch dich werde ein neuer Ton entstehen, eine Sprache, in der, was bis jetzt nicht gesagt werden konnte, endlich ausgesprochen werde. Du hast dich nicht getraut. Es ist durch dich nichts möglich geworden.

Weiter! Wohin sich wenden, wenn man weg muss von sich?

Weiter! In deinem Zögern in deiner lächerlichen Unfähigkeit dich zu entscheiden, kommt deine ganze Illegitimität zum Ausdruck.

Weiter! Du reagierst wie ein auf Moral programmierter Computer. Kein besonders teures Modell. Du weißt, was gut ist. Du willst gut sein. Du schaffst es nicht. Du tust immer so, als würdest du es später einmal schaffen, deshalb verbirgst du, dass du es im Augenblick nicht schaffst. Du lügst den Unterschied zwischen dem, was du denkst und dem, was du sagst, weg. Tun tust du sowieso nichts. Du wirst immer reagieren, wie es sich gehört. Und du wirst nie, solange du lebst, mit deinen Reaktionen übereinstimmen. Ist das so?

Das ist so.

Was willst du dagegen tun?

Nichts.

Du willst nichts gegen dich tun.

Nein.

Dann bist du kein Ironiker.

Sondern?

Ein Heuchler. Der Heuchler, das hat schon Hegel gesagt, ist dem Ironiker ziemlich ähnlich. Der Unterschied ist nur, dass der Heuchler verbergen will, dass er heuchelt, während der Ironiker darauf hinweist, dass er heuchelt.

Ja, meint denn der Ironiker diesen Hinweis auf seine Heuchelei ernst?

Er weist darauf hin, so gut er kann. Den Grad seines Ernstes müssen die bestimmen, vor denen er es tut. Jeder wird in dem Geständnis des Ironikers, dass er ein Heuchler sei, so viel Ernst entdecken, wie er selber aufbringen würde, wenn er sich als Heuchler bezeichnen müsste. Wenn einer sagt: Des Ironikers Geständnis, er sei ein Heuchler, sei reine Ironie, also mehr Scherz als Ernst, aber als Ironie sei es so und so schön, dann sagt er dadurch nur, dass er, sollte er zu seiner eigenen Heuchelei Stellung nehmen, das immer nur im Scherz tun würde.

Er weiß, das lässt sich so machen, dass die Leute, auf die es ankommt, immer noch sagen: Was für eine reizende Ironie! Es ist eingeführt, das für eine Frage des Könnens zu halten beziehungsweise der Begabung. Es gibt da Genies. Und wenn es Genies der Ironie geben kann, dann heißt das, dass die genial sind in der Art, sich selber Vorwürfe zu machen. Was aber, möchte man da fragen, hätten sich solche noch vorzuwerfen?

Weiter! Erwachend kaum

und zugedeckt vom frommen Schnee

sinken wir zurück zur Frühe.

Dem Kristall der schönen Not

Entkommt nur Licht.

Ich möchte nichts wissen,

was die Kerze nicht weiß.

Die Welt gehört unter die Haube.

Quelle: F.A.Z.

Les économistes de gauche poussent François Hollande à se démarquer de la politique d'austérité

LEMONDE.FR | 08.11.11 | 19h03 • Mis à jour le 09.11.11 | 13h36



François Hollande du France 2, lundi 7 novembreAFP/-

François Hollande serait-il trop attentiste en matière de politique économique ? L'angle d'attaque prudent du candidat socialiste, en cette période de crise, commence à mettre mal à l'aise les économistes de gauche.

Pour les membres du [collectif des Economistes atterrés](#), parmi lesquels Henri Sterdyniak et Cédric Durand, M. Hollande ne cesse depuis plusieurs jours de mettre en cause les gouvernements ou le duo Merkel-Sarkozy sur la gestion de la crise de la dette grecque, mais sans jamais faire de contre-proposition ni remettre en cause les dogmes de la règle européenne. D'autres comme Daniel Cohen ou Thomas Piketty, bien que proches du PS et moins radicaux, n'en font pas moins entendre eux aussi des critiques.

Le député de Corrèze a annoncé qu'il présenterait son scénario de sortie de crise *"dans quelques jours"*. Il doit réunir "ses" économistes mercredi 9 novembre pour le mettre au point. En attendant, il campe sur une posture d'opposant mais donne l'impression que la gauche tâtonne.

Il n'a pas manqué de dénoncer le plan de rigueur annoncé par François Fillon en le jugeant *"incohérent, injuste et inconséquent"*. Il a renchéri, lundi 7 novembre sur France 2 en estimant que ce plan était *"un constat d'échec que le premier ministre, au nom du président de la République, a dressé"*. Mais pas un mot sur un éventuel plan alternatif.

Cette hésitation commence à se voir. *"Le PS est embarrassé"* remarque Henri Sterdyniak, économiste à l'Observatoire français des conjonctures économiques (OFCE). Aux yeux du chercheur, François Hollande *"a du mal à se différencier car il a peur qu'on l'accuse d'être irresponsable et de mettre en péril le triple A de la France"*.

Le candidat PS, qui n'a cessé de mettre en avant son sérieux budgétaire durant la primaire, ne veut pas apparaître laxiste. *"François Hollande n'ose pas promouvoir sa politique de relance par l'investissement productif, les nouvelles technologies et plus de solidarité"*, continue le cofondateur du collectif des Economistes atterrés.

"ON A BESOIN DE PLUS D'AUDACE"

Daniel Cohen, professeur d'économie à l'École normale supérieure et conseiller de la banque d'affaires Lazard (ainsi que membre du conseil de surveillance du *Monde*), a lui aussi du mal à cacher sa gêne. Selon lui, le candidat socialiste a tous les outils pour montrer sa différence.

"Le programme du PS est rempli de dispositions qui visent à amortir la crise", souligne celui qui conseilla Martine Aubry durant la primaire. *"La gauche est capable de revenir à des paramètres budgétaires plus sains et de se créer des marges de manœuvre",* insiste-t-il. La frustration est partagée par Thomas Piketty, professeur à l'École d'économie de Paris (EEP). *"La gauche pourrait être plus explicite et aller plus loin dans la formulation d'une alternative",* assure-t-il. *"On a besoin de plus d'audace et de propositions alternatives de la part du PS",* insiste ce spécialiste de la fiscalité, co-auteur de *Pour une révolution fiscale* (Le Seuil).

"Le silence de la gauche est assourdissant", constate de son côté Cédric Durand, maître de conférences à l'université Paris 13. Cet autre signataire du [Manifeste des Economistes atterrés](#) met l'attentisme du candidat Hollande sur le compte du "consensus" droite-gauche sur la construction européenne. *"Ils sont d'accord sur une gestion libérale, souligne-t-il. Or la politique de rigueur appliquée par l'Union européenne est injuste, dangereuse et antidémocratique."*

La gauche est pourtant attendue, disent, avec leurs nuances, ces économistes. Il lui faut faire des propositions et montrer ses différences avec la politique de la droite. D'autant que les résultats des plans de rigueur appliqués dans l'UE vont être dramatiques, estiment ces spécialistes. *"C'est désolant de voir l'Europe converger vers une purge budgétaire qui va se traduire par une dette majeure et une croissance très faible",* assure M. Cohen. *"La gestion de la crise par Angela Merkel et Nicolas Sarkozy est lamentable. François Hollande serait de toutes façons meilleur",* affirme M. Piketty.

ARRÊTER LA SPIRALE DE LA RIGUEUR

Tous pensent qu'il faut arrêter la spirale de la rigueur. La gauche doit assumer sa relance par la croissance sans complexe, en remettant en cause les "tabous" de la construction européenne comme le pacte de stabilité et l'indépendance de la BCE, disent-ils. *"Il faut que le PS et le SPD fassent des propositions communes plus concrètes",* avertit Thomas Piketty. Cette autre politique passe par *"un saut dans le fédéralisme européen"* via l'instauration d'eurobonds et la création d'une Agence de la dette européenne, défend le professeur de l'EEP.

Même insistance du côté de Daniel Cohen pour qui *"la gauche doit tenir un discours de croissance au niveau européen"*. Mais elle doit aussi s'inscrire dans le débat présidentiel français. L'économiste de l'ENS estime que François Hollande doit montrer que l'austérité n'est *"pas inéluctable"* en proposant des mesures comme l'arrêt du soutien aux heures supplémentaires, la suppression des niches fiscales ou la fixation des prix des loyers. *"Il faut relancer l'économie par une vraie politique industrielle, l'investissement sur les nouvelles technologies et impulser une politique de solidarité par l'harmonisation fiscale",* propose de son côté Henri Sterdyniak.

"On aimerait savoir ce que pense le PS du poids des marchés et de leur chantage sur les déficits publics", se demande Cédric Durand pour qui il faut *"poser la question de l'annulation de la dette vu son coût social"*. *"La question des nationalisations demeure une question centrale sur laquelle François reste silencieux",* note ce proche du NPA.

Même si les pistes divergent, l'attente est forte. Un mot d'ordre semble réunir tous ces chercheurs : ne pas faire comme les socialistes espagnols ou grecs. *"La gauche française n'a pas comme*

Les investisseurs craignent beaucoup plus de prêter à la France qu'à l'Allemagne

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Les marchés et les investisseurs jugent que l'achat de dette allemande est moins risqué que l'achat de dette française.AFP/JOHN MACDOUGALL

Alors que l'Italie et la Grèce concentrent toutes les inquiétudes, l'écart entre l'obligation française, l'OAT (obligation assimilable du Trésor) et son équivalent allemand, le *Bundesanleihe* (Bund), a atteint, mercredi 9 novembre, un niveau record, dans le cadre d'un mouvement de méfiance généralisé des investisseurs vis-à-vis de la zone euro. Il s'est inscrit à 147 points de base, soit 1,47 % : un "*spread*" jamais vu depuis 1997. A titre de comparaison, l'écart était de 45 points de base, il y a un an.

Concrètement, cela signifie qu'aujourd'hui les investisseurs craignent beaucoup plus de prêter à la France qu'à l'Allemagne et exigent une rémunération plus importante pour compenser ce risque.

Bien que Paris et Berlin disposent tous les deux de la meilleure note possible attribuée par les agences financières – un "triple A" – la perception des deux pays par les investisseurs est donc bien différente.

La situation de la France ressemble de plus en plus à [celle de l'Italie](#), qui a vu ses taux atteindre des niveaux records.

LE CERCLE VICIEUX DE L'ENDETTEMENT

Dans le milieu financier, les observateurs estiment que la méfiance des marchés financiers devrait encore s'accroître à l'approche des élections présidentielles, période de promesses et donc de potentielle explosion des dépenses publiques.

L'écart grandissant entre les taux allemands et ceux des autres pays européens n'est pas nouveau, mais il touche particulièrement la France. Il s'est par ailleurs accéléré avec la crise italienne et les craintes que ce pays n'ait besoin comme la Grèce, le Portugal et l'Irlande de faire appel à une aide internationale pour payer les échéances de sa dette colossale, de 1 900 milliards d'euros.

Ce sont les banques françaises qui alimentent les suspicions des marchés. Elles sont considérées comme très exposées aux dettes souveraines italienne, grecque et espagnole. Si elles devaient faire défaut, les marchés craignent que l'Etat ne les recapitalise à partir de fonds publics et par conséquent s'endette encore un peu plus. Le serpent se mordrait la queue.

Paris craint que la BCE ne suffise plus à calmer les marchés

Nicolas Sarkozy ne sait plus que faire pour endiguer la crise de l'euro. Les taux italiens ont atteint des records, signifiant la défiance des marchés financiers, tout comme l'écart de taux entre la France et l'Allemagne. Les Français essaient de se rassurer, en disant que ce n'est pas la France qui est en cause : dans le sauve-qui-peut général, les investisseurs achètent la dette la plus sûre, celle de l'Allemagne qui ne sera pas dépréciée en cas d'éclatement de la zone euro. Il n'empêche, l'heure ne serait plus aux solutions techniques, mais aux engagements politiques majeurs et enfin jugés crédibles par les marchés. Le simple fait que des rumeurs d'éclatement de la zone courent sur les marchés accrédite l'idée d'un doute sur la détermination de l'Allemagne, en particulier de la Bundesbank, de défendre la monnaie unique. Au sud, ni l'Italie ni la Grèce n'ont de gouvernement, ce qui ne peut qu'accentuer la défiance et le libre cours à toutes les rumeurs. De plus, faute d'exécutif, l'Italie est en peine de solliciter l'aide du fonds européen de stabilité financière (FESF).

On s'inquiète à Paris de la capacité de la BCE à contrer les marchés, qui ne cesse de s'émousser. Ses interventions deviendraient insuffisantes en raison des incertitudes politiques. L'idée à l'origine était que le fonds européen de stabilité financière prenne le relais de la BCE en rachetant de la dette des pays en difficultés. Paris a cru comprendre de son nouveau président Mario Draghi qu'il était déterminé à poursuivre cette politique sans restriction. Est-ce que cela sera suffisant ? Le doute s'installe, alors que Nicolas Sarkozy ne peut peser ni sur l'Allemagne, ni sur l'Italie, ni sur la BCE. La réponse exigée serait avant tout politique, de Rome et de l'Allemagne.

Euro Fears Spread to Italy as the Debt Crisis Deepens

By [STEVEN ERLANGER](#)

PARIS — Since the start of the euro crisis two years ago, the big fear has been contagion, that market unease about the high debt and slow growth in Europe's southern rim would infect the core. On Wednesday, contagion arrived with brute force.

[Italy](#), a central member of the euro zone and its third-largest economy, struggled to find a new government as anxious investors drove Italian bond rates well above 7 percent and the markets tumbled worldwide. And although critics have warned of just such an escalation for months, European leaders again were caught without a convincing response.

Unappeased by the imminent resignation of Prime Minister [Silvio Berlusconi](#), investors appeared to have focused on the political gridlock in Italy that seemed likely to follow his departure from office, and the unenviable task awaiting a successor: restoring growth in a country that has seen almost none in a decade, and financing \$2.57 trillion in debt. Italy, unlike Greece, is seen as too big to default and too big for Europe to bail out.

Only days after the Group of 20 meeting in Cannes, France, where President Obama and other world leaders urged European officials to take bolder action, they appeared frozen in past positions. The German chancellor, [Angela Merkel](#), met with her kitchen cabinet of economic "wise ones." They proposed the creation of a \$3.1 trillion debt repayment fund that would pool and jointly finance debts of all 17 members of the euro zone in return for some conditions like legal debt limits and collateral.

But Mrs. Merkel effectively dismissed the idea, saying that it could be studied and would in any case require major treaty changes, which would take time. She instead emphasized that deep economic changes were required in some member states and that Europe needed to restore fiscal discipline.

"It is time for a breakthrough to a new Europe," Mrs. Merkel said. "A community that says, regardless of what happens in the rest of the world, that it can never again change its ground rules, that community simply can't survive."

But the German prescription of austerity is not popular. It is Berlin, citing the very treaties that it now wants to adjust, that has resisted the boldest answer to the euro crisis — using the European Central Bank as the euro zone's lender of last resort. Berlin does not even want to sanction American-style [quantitative easing](#) to promote economic growth, one recipe to stoking growth and reducing the debt burden.

"Contagion is alive and well," said Rebecca Patterson, chief market strategist at J.P. Morgan Asset Management. Unlike Greece, she said, Italy could pose "systemic" risks to the global economy, accounting for 20 percent of the gross domestic product of the euro zone. "People are wondering if we've moved to a new level of the crisis."

Europe has set up a special bailout fund, the European Financial Stability Facility, but it has taken months to work out the details of how it would be financed and what its role would be, and at any rate it is far too small to cover the debts of a major country like Italy.

European promises to leverage the fund even up to \$1.4 trillion have not been fulfilled. Efforts to get other nations to invest in it or in a proposed parallel fund were flatly rejected in Cannes. At most, surplus nations like China and Russia said that they would prefer to deal with an enlarged International Monetary Fund, where at least the rules are clear and there are firmer guarantees that money would be deployed effectively.

The European Central Bank itself appeared flat-footed on Wednesday. It has been buying Italian and Spanish bonds in a special and supposedly temporary program to try to keep down rates to sustainable levels while the bailout fund was allowed to enlarge.

On Tuesday, there was a suggestion that the new head of the bank, Mario Draghi, an Italian, had restricted its purchases of Italian bonds to try to put more pressure on Mr. Berlusconi to quit and on Rome to pass the deep economic reforms he had promised earlier in the summer. If so, the pressure worked. But if the bank was buying a lot of Italian bonds on Wednesday, as some reports suggested, it was overwhelmed by investors who are clearly beginning to wonder if the euro itself is failing.

Markets also seemed panicked by rumors out of Brussels that France and [Germany](#) were even discussing the expulsion of some countries from the euro zone, a suggestion quickly denied by French government spokesmen. France and Germany are discussing

possible treaty changes that would create more coordinated “economic governance” for countries that use the euro, including more central surveillance of national budgets and their financial estimates, clearer rules and sanctions for those countries that violate them.

Britain and some of the other nine members of the [European Union](#) that do not use the euro are opposed to any treaty change, which should be approved by all 27 members. But Germany has suggested that countries using the common currency could adopt new political and fiscal treaties, accepting new rules that could potentially force some weaker countries to choose the difficult and equally uncharted path of leaving the euro.

Even if the euro stabilizes, that kind of treaty move would institutionalize a “two-speed Europe” — of the euro zone and the others — with different rules and conditions, which many members oppose. On Wednesday, Nick Clegg, the pro-European deputy prime minister of Britain, warned the euro zone nations not to create “a club within a club” as they integrate further to try to save the currency. That followed a quiet dinner of the 10 non-euro zone finance ministers in a Brussels hotel, a kind of warning to the others that the non-euro-using members intended to fight jointly for their interests.

It was another example of the way that the euro, which was meant to unite the Continent after the Soviet collapse and promote more federalism, is now pulling the European Union apart, both within the euro zone and between the euro zone and the others.

President Nicolas Sarkozy of France fueled anxiety on Tuesday when he said that the two-speed model for Europe was the only way forward given the prospect of an even larger European Union. “There are 27 of us,” Mr. Sarkozy told French students in Strasbourg. “Clearly, down the line, we will have to include the Balkans. There will be 32, 33, 34 of us. No one thinks that federalism, total integration, will be possible with 33, 34 or 35 states,” he said.

But in a speech delivered Wednesday night in Berlin, the president of the European Commission, José Manuel Barroso, pleaded for unity and called on all member states to join the euro. “A split union will not work,” a written draft said. “That is true for a union with different parts engaged in contradictory objectives; a union with an integrated core but a disengaged periphery; a union dominated by an unhealthy balance of power.”

But the crisis has sidelined Mr. Barroso, and plans for more integration seem almost utopian. In any case, they would take far longer to execute than most market investors want to contemplate.

The confusing Greek government drama — the country has yet to select a new interim prime minister — has already become a sideshow, given the small size of Greece. Investors, perhaps spooked by the 50 percent write-down in the face value of privately held Greek debt, want to hear that Italy is being fully backed and supported by its colleagues and partners. So far, that is a message that Germany, let alone France, is unwilling or unable to deliver.

And of course the fear in Paris is that France will be next. Mr. Sarkozy’s government just announced another set of budget cuts and tax increases in the face of lower growth, to keep to its promises to cut its own budget deficit.

But on Wednesday, the spread of 10-year French government bonds over their German equivalent rose to a euro area high of around 140 basis points. “Contagion” is not just a movie.

Reporting was contributed by Nicholas Kulish from Berlin, Rachel Donadio from Rome, Stephen Castle from Brussels, and Graham Bowley from New York.

How to Leave the Euro

By STERGIOS SKAPERDAS

Irvine, Calif.

HAVING been led down an ever-worsening spiral by the euro zone and its own government, Greece now faces two options, both of them painful: stay the course, or default and exit the monetary union.

Each presents difficulties and uncertainties, but in the long run there is no question that default, and a return to the drachma, offer the better chance of economic growth and employment.

Staying the course — which, despite the impending change of government, is still Greece's plan — means continuing austerity and unemployment for the foreseeable future. The young and skilled will go abroad, leaving behind an older, less productive and needier population to endure a crushing debt. In the meantime, all important economic decisions will be made in Paris, Berlin and Brussels.

Default at Greece's initiative, by contrast, would allow Greece to influence its destiny. The process would be largely governed by Greek law, instead of its being a matter of private discussions between the German chancellor and the French president, and would thus lead to a more sustainable debt burden.

Because of problems with financing Greek banks and pension funds, default would be likely to mean leaving the euro. But that's a good thing, as it would give Greece control of its own monetary policy. This is especially important now, with Greek credit and liquidity severely restricted, most critically in its vital small-business sector. Moreover, since the "new drachma," as the post-euro currency might be called, would depreciate, both tourism and exports would rise, and imports decrease, all of which would make Greece more competitive.

So why have Greek leaders stuck with the euro at all? In part, it's because the thought of defaulting and leaving the euro after nearly a decade is so intimidating. But while not without costs, it would in fact be relatively straightforward, especially if preparation is underway behind the scenes.

To minimize the number of days banks would need to be closed, the decision to move to the new drachma should be made on a Friday. Bank deposits and domestic debt would be immediately converted to new drachmas at the initial exchange rate. It would fall to the Greek courts to determine whether pre-2010 public debt would follow suit, but there is no reason to think they would treat it any differently from domestic debt.

Loans from the European Union and the International Monetary Fund, though, would probably be kept in euros. That's a problem, because once Greece leaves, the euro itself would substantially increase in value — and thus the loans' price in drachmas would increase. But since incomes would also drop if the country stayed in the euro zone, the real, productive resources the country would need to service that debt wouldn't be much different.

Apart from these steps, the transition would take time. It could take perhaps months to print enough new drachmas to support domestic transactions, and during that time euros would stay in circulation. Banks would also need time to adjust their accounting, computers and clearing routines. Still, a few distinctive details of the euro aside, managing the transition from one currency to another is well understood: the change of currencies that followed the breakup of Czechoslovakia, for example, took several weeks and by all accounts went well.

True, such a move would close off access to international bond markets, making bilateral borrowing from another country Greece's only option abroad. But this is less a concern than some think, because Greece is soon expected to achieve a primary budget surplus (the government budget surplus, excluding interest on debt) which would make domestic borrowing sufficient.

Initially, foreign exchange would be scarce, making it harder to import essential goods. In the short term, then, Greece would need to limit the outflow of foreign capital, an aggressive but not uncommon practice. The private, euro-denominated external debt of banks and other companies would also need support through government guarantees.

Some of these steps may seem daunting, but they are not much different from what Greece faced before its adoption of the euro. In any case, the policies followed so far have demonstrably failed. Greece must contemplate, and then undertake, an exit from the euro zone. The sooner a transition occurs, the better for everyone.

Stergios Skaperdas is a professor of economics at the University of California, Irvine.

Schuldenkrise Italienische Aufgaben

Die Kurse italienischer Staatsanleihen brechen ein. Aber das Land muss die Krise allein bewältigen - Hilfe wäre fatal. Das Land hat industrielle Substanz.

Von [Michael Psotta](#)

FAZ 09.11.2011 2011-11-09T16:44:00+0100

Das sind Alarmzeichen: Die Rendite der italienischen Staatsanleihen haben inzwischen eine Höhe erreicht, wie sie zuletzt in Zeiten der Lira üblich war. In diesen Risikoaufrufen zeigt sich das zunehmende Misstrauen der Anleger gegenüber der italienischen Politik, ihre hausgemachten wirtschaftlichen Schwierigkeiten in den Griff zu bekommen. Auch nach der Rücktrittsankündigung des Ministerpräsidenten Silvio Berlusconi sind die Risikoaufrufe noch einmal kräftig gestiegen. Vertrauen auf eine tragfähige Regierungsalternative sieht anders aus. Kann sich Italien dieser Bedrängnis auf den Finanzmärkten noch allein entziehen, oder müssen die übrigen Länder des Euroraums helfen, weil das Land in eine Lage schlittert, in der es seine Verschuldung nicht mehr allein tragen kann?

Derartige Hilfe wäre fatal. Erstens träte der befürchtete Fall ein, dass erstmals eines der Schwergewichte des Euroraums gestützt würde - mit kaum abschätzbaren Folgen für die Haushalte der Partnerländer. Zweitens würde ein deutliches, völlig falsches Signal gesendet, etwa an Spanien, den zweiten Stützkandidaten unter den großen Euroländern. Im Gegensatz zu Italien bereitet sich Spanien gerade auf einen geordneten politischen Stabwechsel an die Opposition vor. Die gegenwärtige Regierung Zapatero hat, nach zu langem Zögern, doch noch ein Reformpaket auf den Weg gebracht, das das spanische Haushaltsdefizit zurückführen dürfte. Dass die Risikoaufrufe für spanische Staatsschulden nicht noch deutlicher unter den italienischen Renditen liegen, hängt damit zusammen, dass Spaniens Wirtschaft mangels industrieller Substanz nur schwerlich auf einen soliden Wachstumspfad zurückfinden dürfte.

Italien dagegen hat diese industrielle Substanz, und zwar reichlich. An was es Italien fehlt, ist politische Gestaltung. Über die Konsolidierung des italienischen Haushalts hinaus muss das Land seine wesentlichen Strukturreformen endlich anpacken, auf dem Arbeitsmarkt und in der Altersversorgung, bei der Straffung der Justiz und in der Korruptionsbekämpfung. Der Einwand, all dies helfe Italien allenfalls langfristig, trifft nicht. Vielmehr wird sich das Vertrauen der Investoren nur dann zurückgewinnen lassen, wenn das Land glaubwürdig vermittelt, dass es seine wichtigsten Aufgaben auch wirklich abarbeitet. Gerade wegen seiner wirtschaftlichen Substanz spricht viel dafür, dass Italien dann wieder in den Kreis der solideren Europartner zurückkehren kann. Finanzhilfen dagegen würden den notwendigen Druck der Märkte lindern, endlich zu handeln.

Quelle: F.A.Z.

The euro crisis

Finito?

The Economist Free Exchange Nov 9th 2011, 15:09 by R.A. | WASHINGTON

SILVIO BERLUSCONI'S promise to resign has done nothing to calm European bond markets. Italian bond yields are soaring today; both the two-year and the ten-year are above 7%. There are rumours that the ECB is in the market and buying heavily. If so, it's not having the desired effect. The ECB can't hope to keep yields reasonable through brute force. It will need to make an expectations-changing announcement. Will it? Italy's yields aren't the only ones rising. Markets are ditching Irish, Spanish, Belgian, and French debt too. The ten-year Treasury is back below 2%.

Yesterday, I [wondered](#) why equities weren't falling. Today, they are. But I think Tim Duy is [on to something](#) here:

All I can say is that we have been here before. Recall 2007...

By the middle of 2007 the TED spread was exploding, signaling enormous financial turmoil. Yet equities kept heading upward, fueled by data that was just not that bad coupled with ongoing expectations that a solution was just around the corner. And now we find ourselves in almost the exact same position...the news out of Europe is abysmal...There is no solution, no magic summit at hand. At this point, it is a choice between severe recession and depression. There is no happy ending to this story.

I have been examining and re-examining the situation, trying to find the potential happy ending. It isn't there. The euro zone is in a death spiral. Markets are abandoning the periphery, including Italy, which is the world's eighth largest economy and third largest bond market. This is triggering margin calls and leading banks to pull credit from the European market. This, in turn, is damaging the European economy, which is already being squeezed by the austerity programmes adopted in every large euro-zone economy. A weakening economy will damage revenues, undermining efforts at fiscal consolidation, further driving away investors and potentially triggering more austerity. The cycle will continue until something breaks. Eventually, one economy or another will face a true bank run and severe capital flight and will be forced to adopt capital controls. At that point, it will effectively be out of the euro area. What happens next isn't clear, but it's unlikely to be pretty.

Can this cycle be interrupted? I think so. I think that an ECB guarantee to backstop sovereign debt, coupled with massive purchases to establish credibility and a substantial easing in monetary policy, could change the dynamic, particularly if quickly followed up with a major fiscal commitment from core economies to support bail-out efforts and invest in peripheral economies while peripheral economies focus on substantial labour market, public-sector, and tax reforms. How likely does all of that sound? Could the ECB even commit to the above bold actions without facing debilitating criticism, and perhaps intervention, from national governments?

I hate to get this pessimistic about the situation. It feels panicky and overwrought. I can't believe that Europe would allow so damaging an outcome as a financial collapse and break-up to occur. And I still don't understand why, if this is all as obvious as it seems to me, equities aren't down 20% now, rather than 2% or 3%. But the window within which something could be done to prevent it is closing, and fast. I hope to be proven astoundingly wrong in my assessment, but I'm struggling to see alternative outcomes.

L'Europe finira-t-elle comme l'Union soviétique ?

Le Monde | 09.11.11 | 13h44 • Mis à jour le 09.11.11 | 14h22

Ceux qui ont eu à analyser pendant les années 1980 le déclin puis la chute de l'empire soviétique ne peuvent qu'être frappés par certaines analogies avec la situation qui prévaut dans l'Union européenne. L'affirmation pourra surprendre, d'autant que la fin de l'empire soviétique fut vécue comme une libération, à l'inverse des sentiments qui accompagneraient la dissolution de notre Union.

Cependant, les processus de la déliquescence sont comparables. Dans les deux cas, nous assistons à la perte de vitalité économique, avec la même érosion de la croissance, malgré les différences entre les systèmes économiques en cause. Surtout, nous constatons la difficulté de la gestion des contradictions inhérentes aux projets idéologiques et politiques en présence. Dans le cas de l'UE, l'idéologie fondatrice du "plus jamais ça", héritée des deux guerres mondiales, mobilisera de moins en moins les générations montantes : à terme, comment fonder un "vivre-ensemble" sur la crainte non des autres mais de soi ?

Au plan politique, l'UE n'a toujours pas trouvé son *demos*, et ses institutions sont perçues au mieux avec indifférence, au pire suscitent le rejet. En termes stratégiques, l'Europe a perdu son adversaire mais elle a aussi perdu ses limites : le rideau de fer bornait notre projet, désormais savons-nous jusqu'où il est censé s'étendre et pourquoi ? Enfin, et telle est la cause de la crise existentielle dans laquelle est entrée l'UE, nous avons prétendu bâtir une monnaie commune sans nous donner les instruments de gouvernance fédérale et les mécanismes de transfert fiscaux sans lesquels il ne peut y avoir d'avenir pour l'euro.

Au plan économique et social, le Portugal et la Finlande, par exemple, sont, et resteront, différents, tout comme le sont l'Alabama et l'Alaska, le Nordeste brésilien et l'Etat de Sao Paulo. Contrairement à nous, l'Inde, le Brésil ou les Etats-Unis gèrent avec succès des divergences régionales comparables aux nôtres, grâce à leurs institutions fédérales. Et tout comme à l'époque de l'URSS de Gorbatchev (1986-1991), chaque initiative européenne pour dénouer les contradictions du système arrive trop tard : comme la glasnost et la perestroïka, les plans de sauvetage "décisifs" succèdent les uns aux autres.

L'échec de ces initiatives ne tient pas seulement à l'incompétence ou à l'incurie des responsables européens et des Etats membres, mais surtout à la nature de la contradiction à laquelle nos pays sont confrontés : au constat qu'il ne peut y avoir de salut pour l'euro sans institutions fédérales s'oppose le rejet de solutions fédérales par nos peuples et nos dirigeants.

La possibilité d'une fin de l'UE est renforcée par un paradoxe. D'une part, l'Union est menacée dans son être si l'euro disparaît : cette affirmation, lancée dès l'automne 2010 par M. Van Rompuy et M^{me} Merkel et reprise depuis lors par M. Sarkozy, est exacte. En l'absence de l'euro et en présence de dévaluations compétitives, le marché unique ne tiendrait pas longtemps, pas plus que la liberté de mouvement et d'établissement.

La somme d'égoïsmes ayant précipité la fin de l'euro ne cesserait pas de se manifester lorsqu'il s'agirait de bâtir sur ses décombres. D'autre part, l'euro ne peut être sauvé que par un traité fédéral entre les Etats membres de la zone euro. Mais les pouvoirs et les institutions politiques d'une eurozone levant un impôt fédéral et gérant un budget substantiel ne seraient par définition pas ceux des Vingt-Sept.

Dans ces conditions, quel sens auraient les acquis communautaires, tant serait infranchissable le différentiel institutionnel et politique entre le noyau fédéral et les pays refusant par principe l'appartenance à l'euro ? L'UE pourrait-elle conserver un rôle substantiel face à une telle transformation - dont la probabilité reste subordonnée à une acceptation d'institutions fédérales par les opinions publiques des pays de la zone euro, perspective qui est loin d'être acquise.

Que l'euro meure et l'Union mourra. Et si l'euro revit et prospère, l'Union n'est pas assurée de survivre. Les conséquences stratégiques de chacun de ces scénarios seraient contrastées mais de grande ampleur. Contrairement aux craintes exprimées par le président Sarkozy lors de son discours aux ambassadeurs en août, la fin de l'euro et de l'Union ne signifierait pas le retour aux guerres du passé. Celles-ci découlaient des prétentions hégémoniques portées par des puissances européennes dynamiques et non de la faiblesse d'Etats sur le déclin. Si l'horreur devait être au rendez-vous, ce serait plutôt celle des Balkans des années 1990.

Nos peuples, instruits par les expériences désastreuses du XX^e siècle, ne se livreraient pas à ce type de tragédie. Leur sort serait plutôt celui du déclin et de la dépendance. La sécurité et la prospérité de nos pays seraient subordonnées aux exigences des grandes puissances, anciennes ou émergentes.

Le sauvetage de l'euro par la création d'une eurozone fédérale poserait d'autres défis stratégiques. Comment concevoir une politique de sécurité et de défense européenne alors que le Royaume-Uni serait hors jeu et que les vues de la plupart de nos autres partenaires européens sont moins ambitieuses que celles de notre pays ? Comment éviter que les pays d'Europe centrale ne se trouvent à nouveau condamnés à leur sort historique de glaciais entre l'Europe occidentale et la Russie ? En sauvant l'euro, nous aurons une chance de bâtir une nouvelle Union.

Il reste à voir si nous ferons mieux que la Russie, qui a su au moins renaître des décombres de l'empire soviétique, mais dans des conditions économiques et politiques qu'il vaudrait mieux éviter.

La Fondation pour la recherche stratégique (FRS) est une institution française de type think tank fondée par Pierre Joxe en 1992-1993.

François Heisbourg, conseiller spécial à la Fondation pour la recherche stratégique

Article paru dans l'édition du 10.11.11

Fear of Contagion Rocks Markets

By [CHRISTINE HAUSER](#)

Stocks plummeted and European bond yields rose to worrying levels on Wednesday, highlighting the prospect that the [sovereign debt crisis](#) was becoming more widespread in the euro zone.

It was a day when there seemed to be no good news anywhere. Equities indexes in the United States sank throughout the day, falling 3 percent or more. European shares fared little better, and [the euro](#) tumbled. Bond yields in Italy, one of Europe's largest economies, surpassed 7 percent, approaching the level that had sent other euro zone nations to seek bailouts. Spanish and French bond yields also rose, amid fears that the contagion could spread further.

"Wednesday's surge in Italian government bond yields has catapulted the euro-zone crisis into a dangerous new phase," said John Higgins, a senior markets economist with Capital Economics, in a market commentary.

There had been hope that Italy would move aggressively before its own finances came under the kind of pressure that has led Greece, Ireland and Portugal to seek bailouts.

But investors have yet to see any signs of the policies that they say are needed to restore confidence. With pressure on his government growing, Silvio Berlusconi, the Italian prime minister, agreed late Tuesday to step down, but only after Parliament approves an austerity plan, prospects for which are currently unclear.

That has proved enough to make investors think that the problems of Italy and the euro will not be solved by his departure, especially as bickering political parties in Greece worked for a third day to form a new government able and ready to implement the painful measures needed to win funding from the European Union and International Monetary Fund.

"Despite the potential for change in some of the indebted euro zone countries, the underlying problems are still there," Henk Potts, a fund manager at Barclays Stockbrokers in London, said. "At the moment there is just no credible plan for restoring market confidence."

As a result, he said, "volatility remains the name of the game."

The Italian developments sent stocks in the United States down from the opening bell, with losses deepening in the afternoon. Less than an hour before the end of the trading session, the Dow Jones industrial average was down more than 360 points, or 3 percent. The Standard & Poor's 500 index was off 3.3 percent, and the Nasdaq composite index fell 3.5 percent.

Bank stocks were hit the hardest. Morgan Stanley was down nearly 8 percent. Bank of America was down more than 4 percent, Citigroup was 7 percent lower and JPMorgan Chase declined more than 6 percent.

The euro, meanwhile, slid to \$1.3541, its lowest level for more than a month, from \$1.3834 late Tuesday.

But distress in the financial markets was most apparent in bonds. With the yield on its 10-year bonds above 7 percent, Italy — faced with an aging population, slow growth and a large debt burden — will find it very difficult to repair its finances.

"The worry now is that Italy's borrowing costs in the market will rise at a more alarming rate," said Mr. Higgins.

He said that the rise in yields may have also been precipitated by the announcement of an increase in margin requirements for Italian government debt. He was referring to the move by LCH.Clearnet, the big European clearing house that trades in bonds, which raised to 11.65 percent the charge for trading Italian bonds due in seven to 10 years.

Traders said the European Central Bank was intervening in the bond market, buying Italian debt securities to hold yields down. But there is uncertainty about how much that can achieve.

Capital Economics estimates that the E.C.B. has already bought less than 5 percent of Italian government debt and needed to buy "hundreds of billions" more to make a difference, Mr. Higgins said. "We are skeptical it will be willing to do so."

In addition to the exposure of banks to the turmoil in Europe, stocks were “caught in a tug of war” between slowing growth in China and decent corporate and economic data in the United States, said John Canally, an investment strategist and economist for LPL Financial.

“This uncertainty in Italy is just going to add to the volatility that we have already seen a lot of this year,” he said.

In Europe, the Euro Stoxx 50 index, a barometer of euro zone blue chips, closed down 2.3 percent, while the FTSE 100 index in London fell 1.9 percent. The Milan bourse led major indexes lower, dropping about 3.8 percent. Indexes in Germany and Paris were about 2 percent lower.

Investors fleeing euro-zone risk poured into the perceived safety of United States and German government bonds, driving their prices up and their yields down. The yield on the German 10-year bond fell 8 basis points to 1.7 percent, while the equivalent United States Treasury fell 11 basis points to 1.96 percent. A basis point is one-hundredth of a percent.

Mr. Potts said that even if economic growth was weak over all, corporate profits remained strong, and there was still hope for a market turnaround if European leaders could move aggressively to implementing the measures they have agreed on for rescuing the most-troubled euro members.

But there are market fears that such policies will not come quickly enough. Charles Reinhard, deputy chief investment officer at Morgan Stanley Smith Barney, said parts of Europe were already in a [recession](#), while others were on the “cusp.”

“This will have knock-on effects for the United States economy,” he said at a news briefing.

David Jolly contributed reporting from Paris.

Ce que veulent vraiment les marchés

Par [Olivier Auberger](#) Mis à jour le 09/11/2011 à 17:54 | publié le 09/11/2011 à 17:52 [Réactions](#) (10)



Les investisseurs internationaux attendent une garantie des dettes publiques par la BCE et une plus grande cohérence politique en Europe. Sinon l'incendie boursier risque de se prolonger.

Rien ne semble en mesure de satisfaire les marchés. Les investisseurs souhaitent le départ de **Silvio Berlusconi**. Ils l'ont eu. Ils voulaient qu'**Angela Merkel** et **Nicolas Sarkozy** s'entendent pour résoudre la crise de la zone euro. Ils se sont mis d'accord. A chaque fois, le marché a commencé par se réjouir des avancées obtenues puis il a replongé. La question mérite d'être posée : que veulent les marchés ? Quelles mesures pourraient être prises pour sortir de la spirale destructrice dans laquelle nous sommes ?

Pour Xavier Gandrille, président de la société de gestion **Amplégest**, il faut apporter deux réponses. « Il faut d'abord s'occuper du passé et déterminer qui prend en charge les pertes. Il faudrait que la BCE se porte garant de toutes les dettes publiques en Europe. Peut-être qu'elle n'aurait même pas à exercer cette garantie mais elle aurait un effet stabilisateur ». Il faut aussi que l'avenir soit assuré. « Le marché a besoin d'être rassuré sur la zone euro. Une règle d'or budgétaire doit être appliquée dans tous les pays. De ce point de vue des eurobonds sont une bonne solution. Dans tous les cas, un transfert fiscal des pays les mieux lotis vers ceux qui vont moins bien est attendu ».

Les marchés réclament de la visibilité

Du côté de Xavier de Villepion, vendeur actions de **Global Equities**, les attentes portent sur plus de clarté et de rapidité. « Les marchés veulent une cohérence politique et une orthodoxie budgétaire. Mais cela paraît vraiment long et inachevé. Les investisseurs perdent patience ».

En attendant que des mesures politiques soient prises, les professionnels constatent les dégâts. Depuis le début de l'année, le CAC 40 perd près de 20 %. Les volumes de transactions sont faibles et les intermédiaires souffrent. « Quelle destruction de valeur ! L'an passé, le CAC 40 est resté stable alors que les profits avaient monté de 40 %. Cette année, il a chuté alors que les résultats des entreprises grimpent » explique Xavier de Villepion.

Dans ces conditions, le vendeur ne se risque pas à conseiller des actions hasardeuses et privilégie la sécurité avec Essilor, Air Liquide, Danone et LVMH. Hors du CAC 40, il étend sa liste à Eutelsat Communication et Bureau Veritas.

Électricité : l'hiver préoccupe le gouvernement

Par [Frédéric De Monicault](#)

L'arrêt de plusieurs réacteurs nucléaires allemands impacte sensiblement la capacité d'importation vers la France. Le risque d'un black-out est «modéré», selon EDF.

La France manquera-t-elle d'électricité cet hiver? Neuf mois après la décision de l'**Allemagne de sortir progressivement du nucléaire** huit réacteurs sur dix-sept seront arrêtés avant la fin de l'année-, la question de l'alimentation de l'Hexagone préoccupe le gouvernement. Hier, à l'occasion de la remise du rapport de **Réseau de transport d'électricité** (RTE) sur le passage de l'hiver, le ministre de l'Industrie, **Éric Besson**, a fait part de sa «vigilance».

Les pouvoirs publics s'appuient sur les calculs de la filiale d'**EDF** en charge des réseaux haute et très haute tension. Sur les neuf premiers mois de l'année, les exportations françaises d'**électricité** vers l'Allemagne ont augmenté de 11% par rapport à 2010, tandis que les importations ont chuté de 50%. «Notre solde est exportateur de plus de 3000 gigawattheures (GWh) alors qu'il était importateur l'an dernier d'autant», souligne **Éric Besson**.

Dans ces conditions, en cas de climat rigoureux, la France sera exposée à une perte de capacité d'importation depuis l'Allemagne, pouvant atteindre jusqu'à 2000 mégawatts (MW). Comme le rappelle RTE, une vague de froid persistante, illustrée par des températures comprises entre 6°C et 8°C en dessous des normales saisonnières, induirait une augmentation importante de la consommation.

Pour l'hiver 2011-2012, les experts estiment qu'un repli de 1°C de la température moyenne entraînerait une augmentation de la consommation d'électricité de l'ordre de 2300 MW à la pointe de cette consommation, en début de soirée. À titre indicatif, le 15 décembre 2010, un pic a été enregistré à près de 96.700 MW.

La Belgique contribuera à sécuriser le déficit français

«Dans un scénario de froid persistant, l'analyse montre que les niveaux d'importations nécessaires pourraient atteindre 7000 MW», précise le réseau de transport. Techniquement, le réseau est capable d'accueillir cette puissance. Par ailleurs, RTE collabore étroitement avec les autres pays européens pour compenser le recul des importations allemandes. La Belgique, notamment, contribuera à sécuriser le déficit français. Avec tous ces éléments, RTE évoque un risque de rupture d'approvisionnement «modéré».

S'agissant de la disponibilité du parc de production français, elle s'avère contrastée: plus importante pour la période de janvier, moins en revanche pour les mois de novembre et décembre, en raison du planning de révision des installations.

Mercredi, **Éric Besson** s'est félicité que RTE puisse tableur sur 1400 MW supplémentaires en moyenne: outre l'essor de l'éolien, de nouvelles centrales à cycle combiné gaz sont venues étoffer le portefeuille des moyens de production.

Reste le gros point noir de la Bretagne, connu depuis longtemps. La région, qui ne produit que 8% de l'électricité qu'elle consomme, est particulièrement fragile. Certes, des projets de renforcement des infrastructures existent, mais ils tardent à être concrétisés. Dès lors, une fois de plus, RTE devrait lancer dans cette zone des appels à la réduction de la consommation.

Europa in der Krise Zurück zur Nation

Die Europäische Union war das Beste, was dem Kontinent passieren konnte. Im Laufe der Jahre ist sie zum Dämon geworden, unkontrollierbar, unabwählbar. Es gibt nur einen Weg, den Kollaps zu vermeiden.

Von [Dirk Schümer](#)

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Der stärkste Wirtschaftsraum der Erde: Die Flaggen der EU-Mitgliedsstaaten vor dem Europäischen Parlament in Straßburg

Die Europäische Union ist das Beste, was dem Kontinent seit dem Untergang des Römischen Reiches passieren konnte. Damit die so kreativen und expansiven Staaten des Abendlandes nicht mehr übereinander herfallen konnten, bedurfte es erst der Totalkatastrophe. Spätestens 1945 konnte kein vernünftiger Mensch mehr sein Heil im Nationalismus suchen. Die Europäische Idee war simpel: durch eine allmähliche Verflechtung der Volkswirtschaften würde bald jedes Motiv, ja jede logistische Möglichkeit zwischenstaatlicher Gewalt verunmöglicht. Wer schießt schon auf sich selbst? Würden alle Europäer erst einmal dieselben Produkte mit derselben Münze bezahlen, brähe unweigerlich der „Ewige Friede“ an, von dem bereits Kant geträumt hatte und den man mit etwas politischer Intelligenz auch schon 1913 hätte erlangen können.

Nun ist der Traum von einem friedlich geeinten Europa wahr geworden. Der Kontinent ist administrativ und juristisch der stärkste Wirtschaftsraum der Erde. Ohne Binnenkonflikte, ohne Massenarmut, ohne Diktatur. Und dazu mit unerschöpflicher historischer Kultur und Kreativität. Und jetzt? Jetzt ist Europa am Ende. Die gemeinsame Währung kracht und wird von einem Häuflein verzweifelter Banker und Wirtschaftspolitiker mit Notkrediten zu monetärem Altpapier aufgepumpt. Die Zuwanderung lässt die EU von verzweifelten Massen als Todesroulette auf maroden Schaluppen im Mittelmeer erledigen. Bei der Befriedung von Nahost, führt jedes Land seinen eigenen Kolonialkrieg. Oder schaut dezent weg.

Weitere Artikel

- [Überlasst Europa nicht den Technokraten!](#)
- [Handbuch der Überrumpelung: Spanien ist fasziniert von seinen Demonstranten](#)
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Alles Böse kommt aus dem Ausland

Heute lernen italienische Gemüsebauern drastisch, was ein gemeinsamer Markt ist: Wenn sie wegen gefährlicher Keime in Hamburg keine Ware mehr nach Russland verkaufen können. Und das Tohuwabohu geht weiter: Frankreich setzt auf Kernkraft direkt an der deutschen Grenze, während die Deutschen lieber Windräder schmieden wollen. Die Dänen bauen in der Schengenzone Container für frisches Grenzpersonal auf, weil alles Böse nun mal aus dem Ausland kommt. Und wer möchte einer finnischen Hausfrau oder einem slowakischen Fabrikarbeiter erklären, dass ihre Ersparnisse und ihre Renten jetzt leider futsch sind, weil diese bilanzbetrügerischen Griechen sich weiter mit dreiundfünfzig in der Sonne aalen wollen? Es geht noch simpler: Man versuche einmal, als Deutscher seinen Führerschein verlängern zu lassen, wenn man irgendwo draußen in Schengenland lebt. Unmöglich, solche Tollkühnheit ist im tonnenschweren Verordnungswesen von Brüssel gar nicht vorgesehen.



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Wirkliche Demokratie jetzt! In Belgien formiert sich Widerstand gegen den Umstand, dass das Land ohne Regierung ist

Ist es da ein Wunder, dass rabiate Politik gegen die EU derzeit mit rund zwanzig Prozent der Stimmen belohnt wird? Wohl eher ist es rätselhaft, dass die Schluss-jetzt-Fraktion einstweilen so klein bleibt. Dass Europa überhaupt noch Zustimmung erfährt, hat einzig mit der Vergangenheit zu tun. Seit fünfzig Jahren lief es doch prächtig. Die EU mit ihrem netzartig wachsenden Verordnungswesen, das alle Mitgliedsstaaten unmerklich verwob, ist durch die Hintertür eingeführt worden. Anfangs ging es nur um Stahl und Kriegsschrott und um die Eindämmung der gefährlichen Nazideutschen. Dann um eine Abstimmung der Kohleförderung. Dann der Stromproduktion. Dann um Verkehrsadern. Dann um Landwirtschaft. Dann um Zölle. Dann um die Justiz. Dann um Grenzkontrollen. Dann um die Währung. Und nun um alles.

Ist das nicht das Paradies?

Kein Bürger wurde je gefragt. Hätte man 1960 die Franzosen abstimmen lassen, ob sie einem gemeinsamen Rechtsraum mit den verhassten „Boches“ zustimmen, oder hätte man den Holländern die Abschaffung der Grenzkontrollen bei Venlo vorgeschlagen, hätte man den Luxemburgern eine Sondersteuer für italienische Bauern abverlangt - die Ablehnungsquote hätte sicher bei mehr als neunzig Prozent gelegen. Heute ist das alles ganz normal. Und nicht nur das: Heute können Rumänen und Bulgaren ohne sonderliche Komplikationen in Großbritannien arbeiten, Deutsche in Portugal Grund erwerben wie Einheimische, belgische Firmen mit irisch angelegtem Geld in Polen investieren und hinterher ihre Produkte in Slowenien verkaufen. Heute brauchen wir keinen Pass und kein Visum mehr, um auf die Kanaren oder nach Lappland zu fahren. Und jeder fleißige Mittelständler in Schwaben hat einen Absatzmarkt vor der Tür, der größer und kaufkräftiger ist als ganz Nordamerika.

Ist das nicht genau das Paradies, von dem die genialen Schöpfer Europas - der französische Technokrat Jean Monnet oder der musische Mainzer Ökonom Walter Hallstein - einst in den Trümmern Europas geträumt hatten? Von den Erfahrungen der Vernichtung war die Politikergeneration Helmut Kohls geprägt. Allerorten Deportation, Hass, Explosionen, Mord. Kohl, dessen Bruder im Krieg fiel, wird nie müde, von seinen Jugenderinnerungen zu erzählen: Für den Gang über die Rheinbrücke zwischen Ludwigshafen und Mannheim brauchte er ein Visum.

Was ist da bloß falsch gelaufen?

Heute rollt man den Europäer Kohl ans Mikrofon, und er flüstert mühsam Durchhalteparolen: Man müsse den Griechen beistehen in ihrer Not, man müsse Europa ausbauen, man dürfe bloß nicht zum engstirnigen Nationaldenken zurückkehren. Und es klingt, als beschwöre der Architekt die Standfestigkeit seines Hauses, das gerade vom Tsunami überrollt wurde. Nicht anders als die verzweifelte Orwell-Vision einer europäischen Wirtschaftsregierung nach französischem Muster, die der Zentralbankpräsident Trichet diese Woche lancierte: Alle Macht den Technokraten. Was ist da bloß falsch gelaufen? Hat uns denn Jugoslawien nicht gezeigt, wie schnell die Rückfahrkarte vom Vielvölkerfrieden zum Massaker gelöst ist?

Der untrügliche Seismograph unserer Zustände, Hans Magnus Enzensberger, hat nicht zufällig Europa - das „sanfte Monster Brüssel“ - zu seinem aktuellen Feindbild erkoren. Enzensberger ist fern davon, die zivilisatorischen Errungenschaften der EU zu beklagen. Er hat stattdessen die bürokratische Zentrale der Union in Brüssel als Übeltäter ausgemacht, die mit ihrem Zentralisierungs- und Verordnungswahn aus dem Kontinent eine „Besserungsanstalt“ zu machen droht. Und schlimmer noch: Bürger werden von willkürlich erstellten Regeln kujoniert, während sich die Machthaber über ihre eigenen Gesetzesklauseln hinwegsetzen. So etwa beim Euro, dessen strenge Zutrittskriterien außer Luxemburg nie ein Land erfüllt hat.

Die Menschen haben Angst

Enzensberger bricht lustvoll ein Tabu, wenn er als Nutznießer der Friedensgeneration die EU frontal angreift. Heute sieht er ihre Blüte eben nicht mehr mit dem Gemeinwohl identisch. Wird er damit auf seine alten Tage zum Alliierten von Wilders, Kaczynski, Le Pen e tutti quanti? Natürlich nicht. Der in den Medien allzeit wie ein Krebsgeschwür besprochene „Rechtspopulismus“ ist im Kern nichts anderes als eine verquaste, fremdenfeindliche Ideologie, die nur einen einzigen soliden Wachstumskern besitzt: den Nationalismus. Instinktiv kommen Massen europäischer Wähler derzeit auf die alte Ordnung zurück, weil die neue miserabel funktioniert. Kein Referendum über eine zentralisierte und erweiterte EU hat in den letzten Jahren eine Mehrheit errungen. Denn die Menschen haben Angst.

Hier steckt der Kern des Problems. Europa ist, wie Enzensberger es nennt, ein Phänomen der „Post-Demokratie“. In Deutschland, wie auch in den meisten Mitgliedsländern, war das Projekt derart alternativlos, dass niemals über EWG, Schengen oder den Euro abgestimmt wurde. Stattdessen gab es eine große Koalition, gemäß derer die anonyme und emsige Super-Behörde in Brüssel schon für unser Bestes sorgen werde. Der Wohlstand dank Marktöffnung und Strukturhilfe traf derart automatisch ein, dass selbst stolze Nationen wie Ungarn und Polen ihre soeben erworbene Souveränität klaglos an Brüssel delegierten. In Abwandlung eines alten Sponti-Spruchs: Alle Gewalt geht von den Nationen aus nach Brüssel - und kehrt niemals wieder zurück.

Von der Klodeckel-Norm bis zum Münzrecht

Europa ist auf diesem Verordnungswege zu einem historisch ungekannten Dämon geworden: kein Bundesstaat, kein Staatenbund, keine repräsentative Demokratie und keine Diktatur. Sondern eine Behördenherrschaft, die niemand durchschaut, niemand kontrolliert und niemand abwählen kann. Es ist kein Zufall, dass die einzige konsequente Demokratie auf Erden, die Schweiz, als winzige Insel im riesigen Meer Eurolands schwimmt. Die Schweiz und die EU sind nicht kompatibel. Welcher Kantonsbürger, der sein Steuerrecht gegen Bern verteidigt hat, wäre so blöd, diese Unabhängigkeit an Brüssel zu verschleudern?

Für die vielen Millionen weniger privilegierten EU-Bürger rächt sich nun die List der historischen Vernunft: dass diese Europäische Union heimlich immer mehr Kompetenzen an sich gezogen hat - von der Klodeckel-Norm bis zum Münzrecht. Ohne dass je darüber gestritten, abgestimmt oder eine falsche Maßnahme zurückgenommen werden konnte. Selbst bei gutem Willen der politischen Klasse hätte dies alles nie funktioniert, denn es fehlt Entscheidendes: Europa hat keine gemeinsame Öffentlichkeit. Die EU beweist, dass Demokratie nie ohne einen gemeinsamen Diskurs gelingen kann. Das Europäische Parlament, das eh kaum etwas zu sagen hat, wird in nationalen Wahlkämpfen bestimmt. Rein national sind die Nachrichten, die politischen Köpfe, die Streitkulturen, die Traditionen geblieben. Weil das so ist, stimmen regelmäßig linke und rechte Mehrheiten gegen alle etablierten Parteien, sobald es um Europa geht. Hier folgt die Mehrheit der polyglotten und international vernetzten Elite schlicht nicht mehr.

Wachsender Binnenhass

Europa muss daher auf das begrenzt werden, was die Europäer überhaupt noch einigermaßen verstehen und dann mit dem Stimmzettel bewerten können. Das ist nicht die Brüsseler Lobby- und Kompromissfabrik, in deren Maschinenraum heute achtzig Prozent unserer Gesetze zusammengebastelt werden. Sondern das wäre einzig und allein ein Europa der demokratischen Nationen.

Es ist zweifelhaft, ob es aus dem Euro, aus dem Schengenraum tatsächlich noch einen Ausweg ohne Kollaps gibt. Ein ruinöses Europa mit neuen zwischenstaatlichen Konflikten, mit wachsendem Binnenhass, mit wilden Verteilungskämpfen, abgebautem Sozialstaat und mit einer Massenflucht in die ökonomische Kernzone - ein solches Europa, in dem dann auch wieder politische Irre und ihre Heilslehren eine Chance hätten, ist keine Horrorvision, sondern das reale Ergebnis einer gescheiterten, weil unkontrollierten und ungeliebten EU.

In Belgien ist die Demokratie sanft verdunstet

Darum dürfen die Europäer ihr Schicksal nicht dem Dämon in Brüssel überlassen. Europa ist heute nur gedient, wenn das Rumpeln der überkomplexen Maschinerie gestoppt wird. Alle Entscheidungsprozesse müssen wieder demokratisch und dann eben national oder regional oder lokal werden. Alle Ausweitungen gehören gestoppt. Und der Euro wird sowieso kippen.

Es gibt übrigens einen Staat, der seine nationale Phase bereits abgeschlossen und sich komplett der EU überantwortet hat. Es handelt sich nicht zufällig um das europäischste aller Länder: Belgien. Dort ist die Demokratie im Gekungel regionaler Interessen sanft verdunstet. Es wird zwar noch gewählt, aber es gibt keine Regierung mehr. Beamte führen an der Leine der EU ohne größere Störung die Geschäfte. Volkssouveränität,

Politik im eigentlichen Sinn sind perdu. Wenn das nicht unser aller Schicksal sein soll, gibt es für Europa nur einen Weg: Zurück zur Nation, zurück zur Demokratie.

Quelle: F.A.S.

November 9, 2011

Crisis in Italy Deepens, as Bond Yields Hit Record Highs

By [RACHEL DONADIO](#) and [ELISABETTA POVOLEDO](#)

ROME — [Italy](#)'s financial crisis deepened on Wednesday despite a pledge by Prime Minister [Silvio Berlusconi](#) to resign once Parliament passes austerity measures demanded by the European Union.

The move failed to convince investors, propelling Italy's borrowing costs through a key financial and psychological barrier of 7 percent, close to levels that have required other euro zone countries to seek bailouts.

Mr. Berlusconi, cornered by world markets and humiliated by a parliamentary setback, appeared to have become the most prominent victim of the broader [European debt crisis](#). But his decision did not remove wide uncertainty about Italy's ability to tackle the crisis, and some analysts said the prospect of a protracted period of political wrangling could exert further pressure for a quicker exit from the impasse.

Immediately after Mr. Berlusconi's announcement on Tuesday, stocks rallied in New York on hopes that political change would help pave the way for an easing of the continent's [debt crisis](#). But, within hours, Europe's stock markets fell on Wednesday for the third straight day in morning trading.

At the same time, yields on 10-year Italian government bonds — the price demanded by investors to lend money to Italy — surged on Wednesday to 7.4 percent, the highest level since the adoption of the euro more than 10 years ago.

In Europe's months of crisis, yields in excess of 7 percent have triggered calls for bailouts and the subsequent demise of governments in Ireland, Greece and Portugal, but Italy's debt is much higher than in those countries. The 7 percent barrier is seen partly as a symbolic threshold, but it also reflects hard financial facts: borrowing costs at that level make it difficult for Italy to raise new funds to pay off what it owes. The figure is widely seen by bond market analysts as unsustainable.

In the end, thus, it was not the sex scandals, the corruption trials against him or even a loss of popular consensus that appeared to end Mr. Berlusconi's 17 years as a dominant figure in Italian political life. It was, instead, the pressure of the markets and the European Union, which could not risk his dragging down the euro and with it the world economy.

Although Mr. Berlusconi's exit was not immediate — weeks of political wrangling over the austerity measures probably lie ahead — political commentators said they could see no escape this time for the prime minister, whose Houdini-like ability to wriggle free from scandals is legendary.

"A season is over," said Mario Calabresi, the editor in chief of the Turin daily newspaper La Stampa, who said Mr. Berlusconi told him that he was not only stepping down, but also would not run for office again.

With fears that the [debt crisis](#) would spread from Greece to Italy, whose economy is too big to bail out, pressure had been building on Mr. Berlusconi to resign for weeks, including recently from members of his center-right coalition. Even the Roman Catholic Church, whose support is crucial for any Italian government, began harshly criticizing him.

European leaders, who have long questioned Mr. Berlusconi's commitment to fundamental economic changes, had become especially concerned that he no longer had enough control of his coalition to deliver on promises of crucial reforms and that in a crisis built partly on perception, Italy's reputation was too closely linked to his own.

In a sign of the seriousness of the fears, a delegation from the European Commission was due in Rome on Wednesday to check on the country's reform program, days after the International Monetary Fund said it would monitor Italy's progress, a rare intrusion for an economy the size of Italy's.

Mr. Berlusconi's announcement came just days after Greece's leader, Prime Minister [George A. Papandreou](#), also overcome by financial troubles, agreed to resign in favor of a unity government.

The immediate trigger for Mr. Berlusconi's decision was a procedural vote in Parliament that made it clear that he had lost his majority after defections from his coalition. Umberto Bossi, a crucial ally and the leader of the Northern League, a coalition member, said he had told the prime minister to step aside for the good of the country.

After the parliamentary vote, a photographer's zoom lens caught Mr. Berlusconi writing "8 traitors" on a piece of paper on which he had also written "resignation."

Hours later, he met with the president of Italy, Giorgio Napolitano, and said he would resign.

A statement issued by the president's office after the meeting said that the prime minister had acknowledged "the implications of the result of the day's vote in the lower house," but at the same time had expressed "concerns" about the need to pass the urgent reforms requested by Italy's "European partners."

In a phone call to the state broadcaster RAI, Mr. Berlusconi said, "Today's vote reinforced my concerns about the moment that we are experiencing, a situation where the markets do not believe that we really want to introduce the liberalizing measures that Europe insistently asked us to carry out."

By linking his fortunes to the austerity package — whose contents have not yet been made final — Mr. Berlusconi effectively blocked the opposition and dissidents within his own party from bringing him down in a humiliating confidence vote over the measures.

His announcement, in the meeting with Mr. Napolitano, made the event seem almost anticlimactic, allowing Mr. Berlusconi to exit somewhat gracefully.

"It was the last act of the government and the only act where the government will have the support of the opposition," said Massimo Franco, a commentator for the newspaper *Corriere della Sera*. "It's a compromise that allows Berlusconi to buy some time before exiting the stage immediately and for the opposition to say that Berlusconi is falling."

Indeed, after Mr. Berlusconi's announcement, the center-left opposition leader Pier Luigi Bersani called the prime minister's decision a "turning point that we welcome with great satisfaction."

To some, Mr. Berlusconi had quietly, if belatedly, followed the example of Prime Minister José Luis Rodríguez Zapatero of Spain, who stepped aside to allow for early elections, causing market pressure on Spain to ease. "We are doing what Spain did months ago," Mr. Calabresi of *La Stampa* said. "If we'd done it sooner we would have avoided more trouble."

While the fundamentals of Italy's economy are much stronger than those of Greece, the country has a public debt of 120 percent of its gross domestic product, the highest in the euro zone after Greece, and structural problems that have led to low growth.

"The problem in Italy is not primarily the real data," Germany's finance minister, Wolfgang Schäuble, said in Brussels on Tuesday. "The debt is high, the deficit is not — economic data are not that bad. The problem is a lack of trust from the financial markets."

For all the relief on Tuesday, it is unclear that Mr. Berlusconi's exit would solve Italy's problems in the long run since any government that follows will be left to carry out tough austerity measures in a system built on political patronage.

"The real problem is that in reality, the austerity bill is an empty box into which they have to put things that will be very unpopular," said Mario Deaglio, a professor of economics at the University of Turin.

Mr. Berlusconi's future is also unclear because of the court cases against him. The day he stops being prime minister, he risks losing legal immunity.

Mr. Berlusconi, who is 75, served his first brief term as prime minister in 1994, returned for several years starting in 2001 and began his latest term in 2008.

Alan Cowell contributed reporting from London, and Stephen Castle from Brussels.

This article has been revised to reflect the following correction:

Correction: November 9, 2011

A earlier version of the headline for this article referred incorrectly to new highs in the bond market. It was bond yields — not prices — that surged to 7.4 percent.

11/09/2011 12:42 PM

SPIEGEL ONLINE

The World from Berlin

'Berlusconi Is a Joke, Behind Him Is a Void'

Italian Prime Minister Silvio Berlusconi's promise to resign has failed to calm financial markets, with Italy's borrowing costs hitting a record 7 percent on Wednesday. Still, German commentators are glad to see the back of Il Cavaliere.

Silvio Berlusconi's demise had been forecast many times, but each time the wily Italian prime minister, nicknamed Il Cavaliere, managed to wiggle his way out of trouble. But now the end of the 17-year Berlusconi era appears to finally be in sight, after his [pledge on Tuesday](#) that he would step down once the Italian parliament pushes through a package of measures demanded by European Union leaders aimed at reducing Italy's vast debt and restoring investor confidence in the country. The move came just hours after a humiliating budget vote in parliament during which it became clear that the prime minister no longer had a majority.

On Wednesday, Berlusconi, 75, announced that he would not run if early elections are held and said that he expected elections to be held in February. He told *La Stampa* newspaper that former Justice Minister Angelino Alfano, 41, would be the candidate of his party, People of Freedom. The opposition, however, prefers a national unity government to early elections.

Hopes that Berlusconi's resignation promise would ease the pressure on the country proved unfounded on Wednesday, however, with the yield on 10-year Italian bonds hitting a record high of 7.36 percent despite the prime minister's statement. Most analysts consider 7 percent to be the level at which borrowing becomes unsustainable. Greece, Ireland and Portugal have all been forced to seek emergency EU funding when their borrowing costs hit the 7 percent mark. Interest rates on Italian sovereign bonds had climbed to well over 6 percent earlier this week, reaching 6.74 percent on Tuesday, the previous record level.

Relief on European stock markets also proved short lived. On Wednesday morning the FTSEurofirst 300 index of top European shares fell by 1.4 percent, reversing a 0.9 percent gain on Tuesday. Italy's benchmark FTSE MIB index was also down by 3 percent, while Italian banks Mediobanca and Unicredit saw their shares fall by 4.6 percent and 5.4 percent respectively. "There is no guarantee (Berlusconi's) successor will be able to do a better job," fund manager Christian Jimenez told the news agency Reuters.

Increasing Pressure

Berlusconi had come under increasing pressure in recent weeks and months as a result of the euro zone's worsening debt crisis. There are concerns that Italy could become the next candidate for a European Union bailout, but there are worries that the country is too big to rescue on the model of Ireland or Portugal. Italian debt stands at 120 percent of the country's annual economic output.

Berlusconi has been a dominant fixture in Italian politics for 17 years and provided a degree of stability that the country had not enjoyed in the several decades between the end of World War II and Berlusconi's first election to the premiership in 1994. Recent years have been overshadowed by numerous scandals, including accusations that he had paid for sex with an underage prostitute. Many have accused the media mogul of seeking to change laws to avoid prosecution.

Berlusconi fought hard to remain in power, saying that he wanted to look at the "traitors" in parliament "in the face." His position became untenable on Tuesday when his closest parliamentary ally, Northern League head Umberto Bossi, urged the prime minister to step aside.

On Wednesday, German newspapers take a look at the implications of Berlusconi's announcement.

In a Wednesday morning editorial published on its web page, the **Financial Times Deutschland** writes:

"The skepticism of the markets is appropriate: Following Berlusconi's announcement, it isn't at all clear what the future looks like for Rome. All options are on the table ... even Berlusconi's return isn't out of the question."

"It has become apparent what everyone actually always knew: There is a lack of alternatives to Berlusconi in Italy. The left has spent years criticizing the prime minister, making fun of his dyed hair and of his philandering -- but they forgot to present a political program of their own. The Berlusconi phenomenon, which has caused mystification outside of Italy, is the result of this weakness. Berlusconi is a joke. But behind him is a void."

The center-left **Süddeutsche Zeitung** writes:

"Berlusconi promised Italian President Giorgio Napolitano on Tuesday that he will step down when the promised austerity package is pushed through parliament. But because we are in Italy, some observers believe that even this is not Berlusconi's last act. He might, they believe, try to use some trick to hang onto power in the end."

"As such, it isn't quite time yet to analyze what the long-term effects of the 17 Berlusconi years might be for this grandiose, crazy country -- such as the shocking lack of gravitas, the egoism and the superficiality he introduced into Italian politics. At the moment, the fact that he allowed the country's economy to erode stands in the foreground. Interest rates for Italian sovereign bonds climbed to a record high of 6.74 percent on Tuesday. If the European Central Bank doesn't buy massive quantities of Italian bonds, then Rome will approach the territory which triggered bailout packages for Portugal and Ireland."

"That, though, won't be successful for long, given that in the next year, Italy must pay back a €300 billion tranche of its €1.9 trillion in debt. At the same time, Rome is losing €400 billion annually through tax evasion, corruption and the underground economy. A turn toward the utmost seriousness would be appropriate. It is clear what must be done and where reforms need to be made. Among the priorities should be injecting flexibility into the moribund labor market."

"It is by no means certain that investors will cease betting against the country without Berlusconi at the helm. What is sure, however, is that they would have continued had Berlusconi remained. Il Cavaliere is not to be blamed for everything, but he was a heavy liability for Italy. He had to go. For once at least, at the very end, it seems that he thought about what is best for his country."

The business daily **Handelsblatt** writes:

"European partners are shaking their heads, and in Italy, too, no one can understand the pigheadedness of the prime minister, who remains glued to his chair. ... Berlusconi's predecessors, like Giulio Andreotti, immediately stepped down after such defeats in parliament. But Berlusconi remains stubborn, because he does not have to step down as long as he does not lose a confidence vote."

"In addition to the political motivations, there are other reasons why Berlusconi has done nothing more than merely announce that he will step down in the future. Italian newspapers are widely reporting that Berlusconi wants to remain in office at all costs, even without a majority, so that he does not lose his immunity. His trials may have been

eclipsed because of the current political turbulence, but four cases are still pending. Among them is the Milan court case in which he has been charged with abuse of power and prostitution involving a minor."

"A date has not yet been set for presenting the stability proposal to parliament, but the timeframe of mid-November is being discussed. That is good for Berlusconi, but bad for Italy and the markets."

The left-leaning **Berliner Zeitung** writes:

"Silvio Berlusconi had presented himself as a savior for an Italy that was sinking into chaos. He said he had succeeded in making his company into one of the largest in Italy, and that he would likewise turn beautiful Italy into a thriving company."

"None of it was true, and none of his promises have come true. Italy is now worse off than it was before Berlusconi. For years, he attacked that country's democratic institutions using his parliamentary majority. For years, he was supported by the Vatican, which only distanced itself from him when the Holy See became aware of Berlusconi's sex parties -- or rather, when the sex parties became public knowledge. In the meantime, Berlusconi's business model for Italy has fallen into such disrepute on the stock markets that his departure is greeted with shrieks of delight. ... His business model for Italy has failed miserably, as could easily be predicted. The state is not a company."

-- *SPIEGEL Staff*

Europäische Union: Krisenopfer

Wer den Euro haben will, muss sich einem strengen Regime unterwerfen. Was ist daran so neu?

Von [Klaus-Dieter Frankenberger](#)

FAZ 09.11.2011 2011-11-09T11:02:00+0100



An der europäischen Staatsschuldenkrise sind einige Regierungen schon gescheitert. Welche ist die nächste?

Pigs - das wenig schmeichelhafte Akronym, zu Beginn der Staatsschuldenkrise kreiert, steht für Portugal, Irland, Griechenland und Spanien, für die Sorgenkinder der Eurozone. Wird Italien mitgezählt, kommt es auch in der Doppel-i-Variante vor - Piigs. Dieser Klub hochverschuldeter Euro-Länder lässt Politiker verzweifeln, die sich darum bemühen, die Länder vor dem Bankrott, den Euro vor schwerem Schaden und die EU vor noch größerem Vertrauensverlust zu bewahren. Die Bürger wiederum sind in Rage oder haben die Nase voll.

Denn knapp zwei Jahre dauert der große Rettungsversuch nun schon - ein erfolgreiches Ende ist nicht abzusehen. Im Gegenteil, Fachleute sagen zum Beispiel Griechenland ein Jahrzehnt der Austerität voraus, der schmerzhaften Reformen an des Staates Haupt und der Wirtschaft Glieder. Wer würde da nicht missmutig? Zorn und Missfallen haben die Wähler hier und da schon ausgelebt, andernorts werden sie das bald tun. Und so steht Piigs für Staatsschuldenkrise, Instabilität und scheiternde Regierungen.

In Irland und Portugal kam es nach Wahlen zum Machtwechsel, in Griechenland wird der Regierungschef in Verhandlungen ausgetauscht. Spanien geht einem Machtwechsel entgegen, und wenn Berlusconi nicht das lebende Dementi aller politischen Gesetze ist, sollte auch Italien alsbald unter neuer Leitung stehen. (Dass die slowakische Regierung ein europäischer Kollateralschaden ist, sei der Vollständigkeit halber erwähnt.)

Die Krise, die immer größer werdenden Lasten der Refinanzierung des Staates, hat Ansehensverlust und Verfall von Regierungen beschleunigt, unabhängig davon, ob sie die Karre in den Dreck gefahren haben oder ihre Vorgänger. Aber so ist der Alltag der Demokratie: Wenn sie Gelegenheit dazu haben, strafen die Wähler die Regierenden ab, mit deren Bilanz sie unzufrieden sind.

Wie belastbar sind europäische Demokratien?

Die neuen Regierungen machen sich ihrerseits schnell unbeliebt, weil sie Schweiß und Tränen versprechen, Haushaltsdisziplin wahren und auch sonst das Gemeinwesen sozialpolitisch auf Entzug stellen müssen. Die Wohlfahrtsstaaten im Westen Europas kennen ein solches Gürtel-enger-Schnallen nur noch aus Geschichtsbüchern. Sind sie reif genug und einsichtsfähig, die Unvermeidbarkeit dieses Vorgangs

anzuerkennen und den Protest nicht auf die Spitze zu treiben? Nicht in jedem Fall würde man dafür die Hand ins Feuer legen.

Wie belastbar die europäischen Demokratien sind, wie resistent gegenüber Radikalisierungsfaktoren, darüber entscheiden historische Erfahrungen, Mentalität und soziale Ordnung sowie Glaubwürdigkeit und Überzeugungskraft des politischen Personals. Aber was haben die Bürger von Lissabon bis Athen überhaupt noch zu sagen?

Eines ist ihnen jedenfalls weitgehend genommen: Die volle Haushaltssouveränität besitzen sie nicht mehr, diese Souveränität ist faktisch suspendiert. Das ist die zwingende Logik eines Handels. Hilfe und Kredite werden gewährt gegen die Verpflichtung, bestimmte politische Auflagen zu erfüllen, zum Beispiel die, künftig eisern zu sparen und bürokratische Wucherungen zu entfernen.

„Souveränität endet da, wo die Solvenz endet“

Das faktische Außerkraftsetzen von Teilen der Souveränität eines Euro-Landes ist das Ergebnis ökonomischer und politischer Macht - und der Ruinierung der Staatsfinanzen der unter Aufsicht gestellten Länder. Souveränität endet da, wo die Solvenz endet, hat der Ökonom Enderlein festgestellt. Wer das als Erpressung denunziert, stellt die Sache auf den Kopf: Es war Griechenland, dessen Staatsversagen nicht einmal die Griechen selbst bestreiten, das die Währungsunion und die EU als Ganzes in Gefahr gebracht hat.

Die Verpflichtung zu solider Fiskalpolitik ist übrigens schon im Maastrichter Vertrag angelegt - von freigewählten Parlamenten und, in einigen Fällen, direkt von Wählern gebilligt. Warum müssten wir uns sonst um die Bedeutung und die Verbindlichkeit von Defizitgrenzen die Köpfe heiß reden? Wer sich derlei Beschneidung budgetpolitischer Autonomie nicht unterwerfen will, der hat ein Problem mit der Währungsunion.

Wer bei dieser Union mitmacht, unterwirft sich fortan einem strengen Regime. Das ist die Lehre, die schon vorher galt, die uns die große Krise aber noch einmal dringend ans Herz legt. Was ein Land tut oder unterlässt, wirkt sich unmittelbar auf andere aus - mittelbar sogar auf Partner, die nicht der Euro-Zone angehören. Eine Form von Betroffensein gibt es als Gefahr der Ansteckung: erst Griechenland, jetzt Italien? Es war diese Ansteckungsgefahr mit den unkalkulierbaren Konsequenzen für andere, welche die führenden Europapolitiker bis vor kurzem davon abhielt, über Austritt oder Ausschluss Athens aus der Eurozone auch nur nachzudenken.

Das bisher erreichte Maß an Verflechtung und wechselseitiger Durchdringung bürdet nationalen Entscheidungen enorme Verantwortung auf. Von denen sind potentiell viel mehr EU-Bürger betroffen als jene, in deren Namen sie ergehen oder die selbst entscheiden. Hätten die Griechen über den Euro oder die Sparpakete abgestimmt, wäre es nicht nur um Griechenland gegangen; die Tragweite des Votums hätte seine Grenzen weit überragt. Was wäre dann mit dem Teilhaberecht anderer gewesen? Leicht haben es die Demokratien in Europa nicht.

Quelle: F.A.Z.

Euro Crisis's Enabler: The Central Bank

By JOHN QUIGGIN

THE escalating debt crisis in Europe has claimed the political career of one prime minister, George A. Papandreou of Greece, and threatened that of another, Silvio Berlusconi of Italy. Despite popular resistance, governments are racing to stay ahead of the bond markets by slashing their budgets. The drama of meetings, proposals, counterproposals and popular unrest seems destined to end in tragedy.

But the theatrical atmosphere of these negotiations within the European Union has overshadowed an event that may prove to be far more significant in the long run than the Greek referendum. It has also sustained a narrative about the sovereign debt crisis that is deeply misleading.

According to this narrative, the crisis shows the impossibility of managing a common macroeconomic policy in a system where decisions require the agreement of 27 member states, including the 17 that share the common currency, and a vastly diverse Continent with different countries that face different growth and consumption patterns and have different business cycles.

These are real problems. But they are not the reason for the systemic failure of the European financial system. Overwhelmingly, this failure has been caused by the policy choices of one of the few European institutions that has the capacity to act unilaterally and decisively: the European Central Bank.

Far from struggling to manage a “one size fits all” monetary policy, the bank has pursued a “one size fits nobody” policy of monetary contraction, at a time when no European economy is growing strongly. With great reluctance, the bank has agreed to support the markets for European sovereign debt through purchases of government bonds. But, unlike the policy of quantitative easing pursued by the Federal Reserve — in which the United States’ central bank amassed Treasury securities to push down long-term interest rates — the European Central Bank has insisted on “sterilizing,” or neutralizing, its purchases of government bonds by selling the securities to private-sector banks. Such a policy cannot be sustained on a scale sufficient to stabilize financial markets.

This is part of a broader problem: the European Central Bank’s conception of its own role. The bank was established in 1998, at a time when memories of the inflationary surge of the 1970s and 1980s were still fresh. It was therefore given a mandate that focused primarily on inflation, and has interpreted that mandate very narrowly.

Unlike any previous central bank in history, the bank has disclaimed any responsibility for the European financial system it effectively controls, or even for the viability of the euro as a currency. Instead, it has focused almost entirely on the formal objective of keeping inflation rates to a 2 percent target.

And this brings us to the most crucial recent event: not the drama in Greece but the departure of Jean-Claude Trichet as the central bank’s president on Nov. 1. More than any other single person, Mr. Trichet has embodied the systemic failure of European financial institutions.

Having failed to predict or resolve the crisis, Mr. Trichet has compounded his errors by denying them. Rather, he pronounced his own performance as “impeccable,” because inflation rates had been kept at or below the target level. Any change of course in European policy would require him to admit his mistakes, and that is clearly impossible.

In a desperate attempt to pretend that pre-crisis normality had returned, Mr. Trichet even raised interest rates in two steps, in response to marginal deviations from the central bank’s target inflation rate. This was the worst possible response to a debt crisis.

Mr. Trichet’s replacement, Mario Draghi, has shown no particular signs of independent or creative thinking. Nevertheless, he has one great asset: he is not Mr. Trichet. Free from the need to defend the past policies of the European Central Bank, Mr. Draghi has the opportunity to wipe the slate clean.

Indeed, he has already shown some signs of fresh thinking, with his decision last Thursday to cut the euro zone’s benchmark interest rate by a quarter of a percentage point, to 1.25 percent.

But Mr. Draghi needs to do even more if he is to avoid becoming the first central banker in recent history to preside over the collapse of the currency he was appointed to manage.

The crucial step is to announce that the central bank will stand behind the sovereign debt of euro zone members, if necessary at the expense of the 2 percent inflation target. This would give governments the financial resources they needed to recapitalize banks. Since the crisis is largely one of confidence, it is likely that bond markets would stabilize without the need for large-scale bond purchases, once there was a credible commitment to intervene where necessary.

In his first news conference as the central bank's president, Mr. Draghi gave mixed signals. Rhetorically, he emphasized consistency with the failed policies of the past. But in practical terms, he announced a cut in interest rates, effectively admitting that the last increase, only five months ago, was a mistake.

The opportunity for him to take a new path will not last long. If current policies are pursued, the European Central Bank will end up by destroying the euro in order to save it from (largely hypothetical) inflation.

John Quiggin, a visiting professor of economics at Johns Hopkins University, is the author of "Zombie Economics: How Dead Ideas Still Walk Among Us."

Italian politics

Now what?

The Economist Newsbook Nov 8th 2011, 18:11 by J.P.P.

DI LAMPEDUSA, of "The Leopard" fame, worried that Italians had been numbed to reality by their fondness for opera. Nothing seems very dramatic compared with a tenor standing at the front of the stage warbling about love or treachery, while an orchestra swoops and soars at his feet. Today Italy's parliament tested that theory by putting on a show of its own, complete with dialogue lifted from the kind of films that feature hard men with implausible nicknames. "[I want to be able to see the faces of the people who betray me](#)," said Silvio Berlusconi, Italy's prime minister, before the vote. He got his wish.

Mr Berlusconi won his vote but was betrayed anyway. The opposition, not keen to look opportunistic at a time when bond markets reckon Italy, a member of the G20, is a bigger credit risk than several FTSE companies, abstained. 308 deputies voted for the bill, eight short of an absolute majority. Under Italy's parliamentary system a government that cannot form a reliable majority must be replaced with one that can, or new elections must be called. Mr Berlusconi has retreated for further talks in the hope of securing that majority.

The most crucial of these conversations may be with Giorgio Napolitano, Italy's respected president. Mr Napolitano may call on Mr Berlusconi to step down, but he cannot force him to do so. Mr Berlusconi may prefer to soldier on to a confidence vote later this week, in the hope of making those deputies in his party who refused to back him today an offer they cannot refuse.

The working assumption of most analysts is that Mr Berlusconi is done for, especially after Umberto Bossi, leader of Mr Berlusconi's most important coalition partner, the Northern League, [appeared to desert him](#). That assumption might be wrong, though. The opposition's tactics in today's vote allowed Mr Berlusconi's disgruntled allies a free hit at him, perhaps with a view to extracting concessions in exchange for their support in a confidence vote. Opponents have been transformed into supporters before key votes in the past. And the prime minister says he will not resign. Mr Berlusconi, switching to operatic mode, has said that [if he has to die, he will die in parliament](#).

Polls suggest he would not win an election, but he would certainly fight hard. Mr Berlusconi is the most formidable campaigner post-war Italy has seen and has a war chest that makes Mitt Romney, Meg Whitman and Carly Fiorina look like village-hall amateurs (though the laws on election spending differ in America and Italy). Part of the problem is that Mr Berlusconi has no pleasant escape route. The fortunes of his business empire are bound up with his political life. He would be pursued relentlessly by magistrates on leaving office. And his personal life now appears dull and lonely, albeit punctuated with occasional tributes to bacchus. Keeping power is all that is left.

For the moment, then, Italy is in crisis, with a government that cannot get anything done and an opposition that cannot get rid of the government. Meanwhile Italy's cost of borrowing, which now falls when Mr Berlusconi wobbles and rises when he looks more secure, has reached levels that point towards sovereign default. All this in a country that is solvent and accustomed to running surpluses in the public finances before debt payments, unlike America or Britain. Italy is suffering something like a run on a bank, only in this case it is a run on the government. Or, more precisely, on Mr Berlusconi.

UPDATE In a statement released this evening, President Napolitano has [said](#) that Mr Berlusconi will resign after the Italian parliament passes further austerity measures, expected later this month.

09. November 2011, 08:17 Uhr

SPIEGEL ONLINE

Studie des Familienministeriums

Tausende Migrantinnen werden jährlich zur Ehe gezwungen

Die Zahlen sind alarmierend. Auf mehr als 3000 Mädchen und Frauen - meist aus muslimischen Familien - wurde in Deutschland innerhalb eines Jahres Zwang ausgeübt, eine Ehe einzugehen. Oft ist ihr Leben bedroht. Das ist das Ergebnis eines neuen umfangreichen Berichts. Unter den Betroffenen sind viele Minderjährige.

Berlin - Jeden Tag werden in Deutschland mehrere Frauen und Mädchen unter Androhung von Gewalt in eine Ehe gedrängt. Diese Zahlen gehen aus einer neuen Studie hervor, die Familienministerin [Kristina Schröder](#) (CDU) und die Integrationsbeauftragte Maria Böhmer (CDU) am Mittwoch vorstellen werden. Danach haben im Jahr 2008 3443 Frauen und Mädchen Hilfe bei Beratungsstellen gesucht, weil sie zwangsverheiratet wurden oder ihnen eine [Zwangsehe](#) drohte. Familienministerin Schröder gab Ergebnisse der Untersuchung bereits vorab in einem Gastbeitrag für die "Frankfurter Allgemeine Zeitung" bekannt.

Die Opferzahlen liegen weit über bisherigen Schätzungen: Die Hilfsorganisation Terre des Femmes ging bislang davon aus, dass sich in Deutschland jährlich mehr als tausend Frauen und Mädchen aus Migrantenfamilien wegen Zwangsheiraten an Beratungsstellen wenden.

Für die neue umfangreiche Studie wurden 1445 Beratungsstellen angeschrieben. 830 davon meldeten sich zurück. Die Ergebnisse geben auch Aufschluss über Herkunft, Alter und Vorgeschichte der Opfer. So wird jede dritte Betroffene im Zusammenhang mit der Zwangsverheiratung mit dem Tod bedroht. Die allermeisten Zwangsehen-Opfer stammen aus muslimischen Elternhäusern - 83,4 Prozent. Laut "Süddeutscher Zeitung" stammen fast zwei Drittel der erfassten Fälle aus stark religiös geprägten Familien.

Viele haben extreme Brutalität erlebt

Insgesamt kommen nahezu alle Betroffenen aus Migrantenfamilien, aber ein Drittel der Mädchen und Frauen, die in eine Ehe gezwungen wurden, ist der Befragung zufolge in Deutschland geboren, 23 Prozent kamen in der Türkei zur Welt. Bei den Herkunftsländern der Familie war die Türkei am stärksten vertreten, gefolgt von Serbien, dem Kosovo, Montenegro sowie dem Irak.

Viele Opfer haben extreme Brutalität erlebt - mehr als die Hälfte war bei der Zwangsverheiratung selbst körperlicher Gewalt ausgesetzt, 27 Prozent wurden laut Ministerin Schröder mit Waffen oder Mord bedroht. Nach Angaben der "Welt" ist fast ein Drittel der von Zwangsheirat Betroffenen in Deutschland 17 Jahre oder jünger. 40 Prozent sind zwischen 18 und 21 Jahren alt.

Familienministerin Schröder forderte, dass das Thema Zwangsehen schon in den Schulen stärker zur Sprache gebracht werden müsse. Außerdem seien deutsche Sprachkenntnisse oft der Schlüssel zu einem "selbstbestimmten, im wahrsten Sinne des Wortes ungezwungenen Leben jenseits elterlicher Bevormundung", so Schröder am Dienstag in der "FAZ".

Zum ersten Juli dieses Jahres trat eine gesetzliche Neuregelung in Kraft. Seitdem ist die unfreiwillige Eheschließung ein eigener Straftatbestand, der mit bis zu fünf Jahren Haft geahndet werden kann. An dem möglichen Strafmaß hat sich mit der Neuregelung aber nichts geändert. Auch schon vorher war es möglich, Zwangsheiraten zu verfolgen - nämlich als besonders schwere Nötigung. <http://www.spiegel.de/politik/deutschland/0,1518,796673,00.html>

Bruxelles juge la situation italienne «très inquiétante»

Par [Jean-Jacques Mevel](#) Publié le 08/11/2011 à 22:23 [Réactions](#) (2)



L'économie italienne doit désormais emprunter à 6,75 % sur dix ans. Au-delà de Silvio Berlusconi, les interrogations portent sur la solidité de la croissance à long terme.

L'Italie approche-t-elle du point de non-retour ? Certains ministres des Finances n'ont pu s'empêcher de lever les yeux au ciel, mardi, au bout d'un nouveau huis clos à Bruxelles, alors que deux indicateurs inquiétants pour l'avenir de la monnaie unique viraient au rouge : le niveau des interventions de la BCE pour calmer les marchés et le coût auquel emprunte le Fonds européen de stabilité financière (FESF), qui constitue pourtant la première ligne de défense si l'Italie venait à basculer après la Grèce, le Portugal et l'Irlande.

Les ministres de l'euro n'ont semble-t-il rien appris de leur collègue italien Giulio Tremonti, venu plaider à Bruxelles la cause d'un gouvernement Berlusconi désormais condamné . «Les marchés boivent la tasse depuis une semaine, mais de Rome on entend toujours la même chanson», regrette un porte-parole. L'Italie, à son tour, «entre dans le cercle vicieux», enchaîne un haut fonctionnaire. Ce cercle vicieux s'exprime directement en termes de taux d'intérêt. **Rome emprunte désormais à un niveau record de 6,75 % à dix ans**, soit 500 points de base (5 %) de plus que l'Allemagne. «Entre 6 % et 7 % de taux d'intérêt, le pays n'arrivera pas à stabiliser sa dette, qui deviendra incontrôlable», ont prévenu mardi les gérants américains de Pimco, le plus gros gérant obligataire au monde. Signe de la gravité de la situation : à cinq ans, l'Italie emprunte encore plus cher (6,85 %), alors que l'Allemagne emprunte à... moins de 0,90 % ! Cela prouve le manque de confiance des investisseurs dans les capacités de refinancement à court terme de la péninsule, puisqu'ils exigent des taux plus élevés. Ces inquiétudes se traduisent sur le front politique. À visage découvert, le premier ministre finlandais, Jyrki Katainen, dénonce «des promesses vides» et le commissaire Olli Rehn juge «la situation très inquiétante».

La question est centrée sur la personnalité de **Silvio Berlusconi**, qui **a fini par être poussé à la démission**, mardi soir tard. Au-delà de cette décision qui devrait intervenir d'ici une semaine, la troisième économie de l'euro donnera des sueurs froides aussi longtemps qu'elle n'aura pas repris le contrôle de son endettement. «Vu la taille de l'Italie, elle ne peut pas compter sur une aide extérieure», concédait mardi la ministre autrichienne Maria Fekter. Les comptes sont faits : le fardeau de la dette, 1900 milliards d'euros, pèse cinq fois plus lourd que des emprunts grecs déjà difficiles à gérer pour la zone euro. À une attaque des marchés, le FESF ne pourrait opposer que 250 milliards de ressources aujourd'hui disponibles.

Les signaux d'alerte se multiplient. Pour enrayer l'envolée des taux d'intérêt exigés de l'Italie, la BCE a dû doubler à 9,5 milliards d'euros ses rachats d'obligations d'État la semaine dernière. Sur un autre front de défense de l'euro, le FESF a dû relever de 104 points de base le taux servi sur ses propres emprunts (3,59 %) pour placer ses 3 milliards d'euros d'obligations. Le fonds de sauvetage garde son AAA, mais il semble déjà plombé par le boulet italien. «Le cordon sanitaire dressé autour de la Grèce donne des signes d'affaissement», lâche un haut responsable.

Spectre d'une débâcle

La mise en place du fameux «pare-feu», arrêtée le 26 octobre par le sommet de l'euro, était précisément l'enjeu du rendez-vous de l'Eurogroupe à Bruxelles. Après la décision politique, il reste à remplir les caisses du FESF nouvelle manière : les budgets européens sont déjà dans l'état et les grands investisseurs étrangers renâclent à acheter ses obligations dans une atmosphère empoisonnée par le spectre d'une débâcle italienne. Les dix-sept membres de l'euro, s'ils sont d'accord pour précipiter le calendrier, n'ont toujours pas fixé les paramètres décisifs : le niveau précis des garanties offertes par le FESF aux investisseurs extérieurs ou encore le rôle que devra jouer le FMI pour rendre la construction crédible. «Les délais sont frustrants, reconnaît un responsable. Mais l'Europe se doit avant tout d'offrir les conditions les plus attrayantes.» L'une de ces conditions pourrait être le départ du Cavalier. Ultime signal du blocage provoqué par la situation en Italie et en Grèce : lors de l'Ecofin, mardi, les Vingt-Sept ont recommencé à s'opposer sur l'un des sujets qu'ils avaient conclus lors du sommet du 26 octobre : le montant de la recapitalisation des banques, 106 milliards d'euros. Les modalités précises de cette recapitalisation recommencent à faire débat.

Pourquoi l'Italie est-elle la cible des marchés ?

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L'attaque des marchés est disproportionnée lorsque l'on compare le niveau d'endettement des différents pays de la zone euro. En effet, les fondamentaux économiques de l'Italie sont loin d'être les pires, en particulier s'agissant des déficits. La péninsule a même dégagé un excédent primaire (hors charges d'intérêt de la dette) cette année. En 2010, elle a enregistré un déficit public de 4,6 % du PIB, contre 6,2 % pour la moyenne de la zone euro, 4,3 % pour l'Allemagne et 7,1 % pour la France ! Lorsque l'on pariait sur les risques de contagion après la Grèce, l'Irlande et le Portugal, l'Espagne a longtemps figuré en première ligne, étant donné la fragilité de ses caisses d'épargne, les «cajas». Rien de comparable avec les banques italiennes. Idem sur le front de la croissance où l'Italie affiche de meilleures performances, grâce au dynamisme de ses exportations : 1,5 % de hausse en 2010 contre une baisse de 0,1 % pour l'Espagne. Et la récession cette année sera également plus forte du côté de la péninsule Ibérique. La sanction des Bourses vise surtout l'instabilité politique, qui mettait en péril la mise en œuvre des 60 milliards d'euros d'économie du programme d'assainissement budgétaire. Car le point noir de l'économie italienne, c'est son immense dette publique, 1 900 milliards d'euros, soit 120 % du PIB, la plus forte de la zone euro. Mais c'est aussi sur le sort de Silvio Berlusconi que les marchés se sont focalisés ces dernières semaines. **ANNE CHEYVIALLE**

Quels sont les risques de la crise italienne ?

2

Les dirigeants européens l'ont dit et redit. Le choc d'une faillite de la Grèce est absorbable. La petite économie hellénique ne pèse que 2,3 % du PIB de la zone euro. Rien à voir avec le poids lourd italien, troisième économie européenne, qui représente plus de 16 %. Autrement dit, si la péninsule vacille, on change de dimension. Les besoins de financement en attestent : Rome devra déboursier de l'ordre de 240 milliards d'euros l'année prochaine pour financer sa dette colossale. Un financement qui deviendra vite prohibitif si les taux à long terme continuent sur leur lancée. Les rendements à dix ans ont franchi le seuil d'alerte des 6 % depuis le 26 octobre. La charge de la dette représente 5 % du PIB, contre 2,8 % pour la moyenne de la zone euro. L'Italie n'a pas d'autre choix que de dégager un excédent primaire (hors charge d'intérêt) plus important dans un contexte économique récessif. Le gouvernement table sur un excédent primaire de 3,5 % en 2012 et 5,5 % en 2013. Il lui faudra pour cela mettre en musique les plans d'économie promis et lancer les réformes structurelles indispensables pour soutenir la croissance sur le long terme. Au-delà, c'est toute la zone euro qui est en péril. Si l'Italie ne parvenait plus à se financer sur les marchés et devait recourir à l'aide internationale, quid des financements ? L'envoi en urgence, certes à la demande de Rome, d'émissaires du FMI, de l'Union européenne et de la BCE, témoigne de la gravité de la situation. **A. C.**

Les banques françaises en première ligne

3

L'Italie, c'est le pays européen sur lequel les banques françaises se révèlent les plus engagées, que ce soit à travers des portefeuilles de dette souveraine ou des crédits à l'économie italienne. Un symbole : en juin dernier encore, BNP Paribas détenait plus de dette

publique italienne que d'emprunts d'État français. Une exposition massive de 20,5 milliards d'euros dont la première banque française s'est activement délestée ces derniers mois pour le ramener à 12,2 milliards comme elle l'a révélé la semaine dernière. Le Crédit agricole, qui chiffrait à 8,7 milliards d'euros au 30 juin son portefeuille de dette publique italienne, pourrait avoir également allégé sa position, comme l'a d'ailleurs fait la Société générale (lire page 25). Dexia, la banque franco-belge, affichait elle un total de 13,3 milliards prêtés à l'État italien.

BNP Paribas et le Crédit agricole ont massivement investi pour développer leurs métiers bancaires dans la péninsule, quand la Société générale et BPCE sont beaucoup plus en retrait. BNP Paribas se félicite ainsi d'avoir trouvé, avec le rachat de Banca Nazionale di Lavoro, un troisième marché domestique en Europe (avec la France et la Belgique, via Fortis). Avec 82 milliards d'euros de crédits consentis à la clientèle, BNL représente la moitié du poids du réseau français. De son côté, Cariparma, la filiale du Crédit agricole, a consenti 33 milliards d'euros de prêts à ses clients. Des engagements balancés par une base de dépôts quasi équivalente.

I. C.

Comment éviter un défaut ?

4

Pour le moment, c'est la Banque centrale européenne (BCE) qui tient seule la ligne de front pour protéger l'Italie. Depuis le 8 août, la BCE achète directement sur les marchés des obligations d'État italiennes, ce qui permet d'en réduire les taux d'intérêt. La banque centrale avait déjà acheté pour 74 milliards d'euros d'obligations grecques, irlandaises et portugaises en début d'année. Mais au cours des trois derniers mois, elle a racheté 80 milliards de nouvelle dette, essentiellement italienne, même si la BCE ne détaille pas ses achats pays par pays. Bien que très efficace, cette défense ne durera pas longtemps. La BCE a accepté d'acheter des obligations italiennes à condition de les transférer ensuite au Fonds européen de stabilité financière (FESF). Mais ce dernier dispose de moyens limités, 440 milliards au total pour acheter non seulement la dette italienne, mais également prêter à la Grèce, à l'Irlande ou au Portugal. Pour que la bataille cesse rapidement, la BCE a entrepris une stratégie d'aller-retour sur les marchés très claire : elle ne défendra l'Italie que si celle-ci met en œuvre les réformes promises... avec ou sans Berlusconi. Dans ce contexte, à chaque fois que le président du Conseil a annoncé son intention de rester au pouvoir, les traders indiquent que la BCE a cessé ses achats de titres, ce qui fait monter les taux. À l'inverse, ces achats reprennent lorsque les rumeurs de démission resurgissent... À long terme, l'objectif consiste à faire du FESF un assureur : il pourrait garantir autour de 20 % de la dette italienne émise, de sorte à assurer aux acheteurs qu'ils ne perdront pas tout en cas de défaut de Rome. Un filet de sécurité bien mince. **CY. L.**

The Denials That Trapped Greece

By [LONDON THOMAS Jr.](#) and [STEPHEN CASTLE](#)

ATHENS — The warning was clear: Greece was spiraling out of control.

But the alarm, sounded in mid-2009, in a draft report from the International Monetary Fund, never reached the outside world.

Greek officials saw the draft and complained to the I.M.F. So the final report, while critical, played down the risks that Athens might one day default, an event that could have disastrous consequences for all of Europe.

What is so remarkable about this episode is that it was not so remarkable at all. The reversal at the I.M.F. was just one small piece of a broad pattern of denial that helped push Greece to the brink and now threatens to pull the euro apart. Politicians, policy makers, bankers — all underestimated dangers that seem clear enough in hindsight. Time and again over the past two years, many of those in charge offered solutions that, rather than fix the problems in Greece, simply let them fester.

Indeed, five months after the I.M.F. made that initial prognosis, Prime Minister George A. Papandreou of Greece disclosed that under the previous government, his country had essentially lied about the size of its deficit. The deficit, it turned out, amounted to an unsustainable 12 percent of the country's annual economic output, not 6 percent, as the government had maintained.

Almost all of the endeavors to defuse this crisis have denied the overarching conclusion of that I.M.F. draft: that Greece could no longer pay its bills and needed to cut its debt drastically.

Until October, when European leaders conceded that point, the champion of the resistance was Jean-Claude Trichet, who stepped down last week as president of the European Central Bank. It was he who insisted that no European country could ever be allowed to go bankrupt.

“There is simply no excuse for Trichet and Europe getting this so wrong,” said Willem H. Buiter, chief economist at Citigroup. “It is fine to make default a moral issue, but you also have to accept that outside of Western Europe, defaults have been a dime a dozen, even in the past few decades.”

If leaders had agreed earlier to ease Greece's debt burden and moved faster to protect countries like Italy and Spain — as U.S. officials had been urging since early 2010 — the worst might be behind Europe today, experts say.

Today, Greece's problems have worsened so much that they threaten to rip apart the euro and the decade-old 17-country monetary union created within the European Union to manage the prized common currency. An endless series of crisis meetings has pushed Athens into imposing an increasingly strict program of austerity on the Greek public in return for the promise of two major bailouts from more credit-worthy European countries, along with the crucial support of the I.M.F. and the European Central Bank.

European leaders finally bowed to reality at a late-night meeting last month when Angela Merkel, the German chancellor, pushed private creditors to accept a 50 percent loss on their Greek bonds. Mr. Trichet had long opposed such an action, fearing that it could undermine the vulnerable European banking system and lead to a global meltdown like the one that followed the bankruptcy of the U.S. investment bank Lehman Brothers in September 2008.

But now, many view the latest rescue plan as too little, too late.

“Because of all this denial and delay, Greece will need to write down as much as 85 percent of its debt — 50 percent is not enough,” Mr. Buiter said.

It was never going to be easy to turn things around in Greece, particularly given European politics. In countries like Germany and the Netherlands, many people oppose bailing out their southern neighbors. Policy makers and, indeed, many financiers believed that they could buy enough time for Greece to solve its problems on its own.

“It was quite obvious, by the spring of 2010, that Greek debt could not be paid off,” said Richard Portes, a European economics professor at London Business School. “But in good faith, policy makers felt that Greece could grow out of its debt problem. They were wrong.”

Negative Net Worth

Bob M. Traa is no one's idea of a radical. A Dutchman, he labors at the I.M.F., among the arcana of global debt statistics. He wrote the 2009 report.

Immediately after that bulletin, he produced another, more damning analysis, which concluded that if Greece were a company, it would be bankrupt. The net worth of the country, he concluded, was a negative 51 billion euros, or \$70.4 billion at current exchange rates.

But because the Greek credit rating was high enough at that time, the country could keep borrowing money and skate by. Once again, the Greek government objected to the I.M.F. analysis, although this time, the report was not amended.

Attention has only recently been drawn to these early I.M.F. studies. The Brussels research group Bruegel, which did an analysis at the I.M.F.'s behest, concluded that the fund should have done more to draw attention to Greece's troubles.

By early 2010, banks and bond investors were growing reluctant to lend Greece money. The Greek finance minister then, George Papaconstantinou, delivered a blistering message to his European partners. "I know we have German elections in May," he said, referring to a regional vote to be held that month that was being cited in part as a cause of German reluctance to sign off on a rescue package for Greece. "But I have a 9 billion euro bond maturing on May 9, and if we are not careful, this could blow up in our face before the election!"

Despite that warning, Mrs. Merkel, angry about having been misled about Greek finances, stalled for time. Greek officials were acknowledging privately that the country was out of money. No one wanted to say so publicly.

"Any talk of restructuring was a total taboo," said a senior Greek official, who spoke on condition of anonymity. "We never even brought it up. If we made this case to Europe, we would have been pariahs forever."

In February 2010, Yanis Varoufakis, a political economist with ties to Mr. Papandreou's party, suggested publicly that Greece default. He was attacked by the Greek Finance Ministry for spreading what officials there viewed as treasonous notions.

He kept making his arguments, but a year later, after a debate on Greek public television with a government official, Mr. Varoufakis's once-frequent invitations to speak on Greek state television started to dry up.

"On one of my last appearances," Mr. Varoufakis recalled, "my television interviewer said to me, 'Please stop using the word default — it is getting me in lots of trouble.'"

Personal Stake

From the beginning, Mr. Trichet of the European Central Bank privately warned Greek officials that the European Union would cut off funds to Greek banks unless the country agreed to austerity measures.

"You are not getting any help unless you implement your cuts," Mr. Trichet told them bluntly, according to a witness to the discussions.

With financial markets falling whenever the debate on Greece's problems seemed to reach an impasse, European politicians were receptive to Mr. Trichet's argument about the Lehman-like consequences of a Greek restructuring and the threat this might pose to larger countries like Italy and Spain. But Mr. Trichet's resistance, like that of many people who had been present at the creation of the euro, was also more personal.

An architect of the common European currency, Mr. Trichet disclosed his deepest feeling at a June 2011 seminar in honor of Tommaso Padoa-Schioppa, a recently deceased Italian economist who was one of the intellectual fathers of the euro. Mr. Trichet departed from his prepared speech and lapsed into a tone that one person attending described as very emotional. Emerging economies may go bankrupt, Mr. Trichet swore, but richer countries like Greece do not.

At another speech this year, to bankers and government officials in Washington, Mr. Trichet said that the austerity measures were the key and that there was no need to reduce Greek debt. His assurances did little to ease the worries in the room.

"People were raising questions," said Charles H. Dallara, managing director of the Institute of International Finance, which was the host for the event. "But it was such a dramatic notion — having a European country default — no one could accept it."

That pattern of thinking had begun much earlier. In April and May 2010, as European leaders scrambled to come together for their first rescue for Greece and to create a bailout fund for other countries using the euro, Timothy F. Geithner, the U.S. Treasury secretary,

urged his European counterparts to “think big.” He called on them to produce a plan that might rival in size the \$700 billion bank rescue that Washington devised in 2008.

At one point early in the talks, the team from Washington, headed by Mr. Geithner and Ben S. Bernanke, the chairman of the Federal Reserve, was told that the initial European proposal was for a bailout fund of about 60 billion euros.

The team was stunned. The American officials told the Europeans that they were off by an order of magnitude, meaning that Europe should be talking about at least 600 billion euros.

Markets were calmed briefly by the I.M.F.-backed plan for Greece and the 440 billion euro rescue facility that was eventually agreed upon. In October 2010, Mrs. Merkel and the French president, Nicolas Sarkozy, suggested requiring some sacrifice from banks and other euro zone creditors, though their idea was that this would not happen until 2013 and would not affect Greece.

But that declaration, agreed upon at a meeting in Deauville, France, set off more alarm bells in the markets. First, Ireland, then Portugal, had to seek bailouts. In breaking the taboo about contemplating private-sector losses but lacking an immediate plan for Greece or firewalls for other nations, the French- German statement set back prospects for tackling the mountain of Greek debt.

Athens’ failure to make good on its economic promises, meanwhile, including a 50 billion euro privatization program, turned attention to the deteriorating political situation in Greece.

Last April, the Dutch finance minister, Jan Kees de Jager, dared to raise the subject of Greek debt restructuring again, only to receive another blast from Mr. Trichet. By May, the Germans had concluded, long after most private economists said it was inevitable, that a restructuring was needed.

Instead of bolstering Athens’ finances, the austerity program in Greece was turning a recession into a near-depression. The issue was broached at a meeting in Luxembourg, which was convened in secret but which quickly leaked to the media. This time, Wolfgang Schäuble, the German finance minister, argued that Europe must face up to its Greek losses.

But by then Mr. Trichet’s objection was more than philosophical. The European Central Bank had acquired a lot of Greece’s debt as part of the effort to prevent its collapse and could suffer if it had to write off its Greek bonds at a huge loss.

He stormed out of the dinner in a huff. The result was more delay.

“It is very difficult to stand up to the president of the E.C.B.,” said Guntram B. Wolff, an economist at the Bruegel institute. “This is the person with the best information in the world and he was saying a Greek restructuring would be the end of the world.”

Banker’s Reality Check

By the spring, the realization in Greece that it would need another bailout was pushing Mr. Papandreou to consider all options — even the extreme step of leaving the euro, according to one banker who talked with him at the time. But the subject of reducing Greece’s debt, which was on course to swell to more than 180 percent of the annual Greek economic output, was still taboo.

In late June, Mr. Dallara, the banking representative, met in Athens with the prime minister and his newly appointed finance minister, Evangelos Venizelos. There would have to be a haircut for holders, on Greek debt, Mr. Dallara told them, meaning that creditors would have to accept less than full value on what was owed them.

Paradoxically, it was a representative of the banking industry, perhaps more in tune with the realities of the marketplace, who finally insisted that Greece could not borrow and cut its way out of the crisis without restructuring its debt.

“There was shock and surprise on their faces,” Mr. Dallara recalled. “They could not believe it.”

Even though work proceeded on a haircut plan, the Greeks were reluctant to participate. “They were being passive,” Mr. Dallara said. “I think they felt this was being driven by the European governments and they were not sure how to grab hold of the issue.”

In July, Europe finally agreed on a 21 percent haircut for the banks as part of a broader 109 billion euro bailout for Greece. While presented as an example of civic mindedness, the agreement soon came to be seen as a sweetheart deal for the banks that did little to reduce the total Greek debt burden. Mr. Dallara concedes it is not the natural order of things to have the banks leading restructuring talks, but he disputes the view that their interest has been a narrow one. “We are trying to represent the broad interests of the system,” he said.

But Germany put its foot down, objecting that the cuts did not go far enough.

While the deal reached in late October will require bondholders to accept deeper losses, Europe, Greece and Mr. Dallara continue to insist that the transaction will be voluntary. As a result, there will be no need to activate Greek credit-default swaps, which would add to the complexity and cost. But in the eyes of many debt experts, this is simply another form of denial.

“You have to have a coercive element to make it work,” said Mitu Gulati, a sovereign debt expert at Duke University Law School. “To not accept that means you are living in Alice in Wonderland.”

Stephen Castle reported from Brussels.

Government of France Proposes Austerity Cuts

By [NICOLA CLARK](#)

PARIS — Ten days after President [Nicolas Sarkozy](#) of [France](#) warned that the [European debt crisis](#) had imposed a “new reality” on the country’s finances, his government on Monday presented a dose of realism: about 19 billion euros’ worth, about \$26 billion, of proposed new budget cuts and tax increases as part of an aggressive effort to preserve the country’s top-level credit rating.

The measures revealed by Mr. Sarkozy’s prime minister, François Fillon, would come atop tax increases and spending cuts amounting to about \$15.2 billion that were announced in August but have not yet gone into effect.

“Our country needs to roll up its sleeves,” Mr. Fillon said at a news conference announcing the new measures, which aim to achieve a total of \$89 billion in savings by 2016.

Noting the depths of the [debt crisis](#) facing Greece, and the threat it now poses to Italy and Spain, the prime minister warned that “bankruptcy” for European governments was “no longer an abstract word.”

The new measures are a response to lower and more realistic estimates for economic growth and come as Mr. Sarkozy prepares for a difficult re-election campaign with a first round of voting next April.

The package of proposals presented Monday to Mr. Sarkozy’s Council of Ministers includes a plan to speed up raising the minimum retirement age to 62, from 60. The change would come in 2017, instead of 2018. In addition, taxes on France’s largest corporations — those with annual revenue exceeding about \$345 million — will increase by 5 percent for the fiscal years 2012 and 2013, or until France’s public deficit returns to below 3 percent of gross domestic product.

France’s budget deficit currently is roughly 5.7 percent of G.D.P. The government has promised to shrink that figure to 4.5 percent in 2012, and to 3 percent by the end of 2013, with an eye to achieving a balanced budget by 2016.

The measures also include an increase in the [value-added tax](#) applied to things like restaurant meals, books and public transportation. The tax, currently 5.5 percent, will rise to 7 percent.

Mr. Fillon said the measures announced Monday would be incorporated into the plan announced Aug. 24, which had yet to be put in place. They are expected to take effect between now and year’s end, he said, without specifying whether enactment would take place via executive decree or after a parliamentary debate.

The president has vowed to do everything possible to avoid a downgrade of France’s top-notch credit rating, which would significantly increase the country’s cost of borrowing. Last month, Moody’s Investors Service warned that it could lower France’s rating by January if slowing growth and the costs of supporting French and European banks hurt by Europe’s debt crisis strained the budget.

Mr. Sarkozy’s main opponent, François Hollande, a Socialist, accused the president on Monday of assembling an incoherent patchwork of hasty measures that he argued would not have been necessary had the current government acted sooner to address France’s ballooning deficits.

“The government was caught off guard by the slowdown in growth,” Mr. Hollande said in an interview published in the left-leaning daily [Libération](#), before details of the new austerity plan were formally announced. “Let’s not forget that since the beginning of Nicolas Sarkozy’s term, 75 billion euros in tax revenues were lost due to tax breaks given to large firms and wealthy households. It would have been legitimate to recoup some of these first, given that they have yielded no tangible benefit to the real economy.”

Mr. Hollande has called for tightening existing tax breaks for corporations and wealthy individuals, as well as scrapping a plan championed by Mr. Sarkozy to lower the country’s wealth tax and exempting overtime work from social security taxes.

The government now expects the French economy to grow by only about 1 percent in 2012 — down from a previous forecast of 1.75 percent — so it had to adjust its budget to meet the deficit targets and reassure the financial markets. But some private economists cautioned that even the revised growth outlook might be too optimistic.

“Today we have no growth; we are on the brink of a recession,” Marc Touati, an economist at Assya, a French brokerage firm, told LCI Television. “We are not even sure to reach 1 percent growth next year.”

Mr. Fillon, the prime minister, told a news conference on Monday: “We have only one goal: to protect the French people from the serious difficulties that many European countries are now facing. Our citizens are now aware of the risks to our livelihoods and futures caused by deficits and debt.”

France’s new budget plan also calls for a freeze in the salaries paid to all members of Mr. Sarkozy’s government, as well as that of the president, until the country has achieved a balanced budget. Mr. Fillon called on the top executives of the CAC-40 index of the largest French companies to do the same.

Shortly after Mr. Sarkozy took office in 2007, the Élysée Palace authorized a 140 percent increase in the salary for the office of the French president, to about \$330,000 per year, bringing it in line with that of the prime minister. The other members of the French cabinet earn just about \$220,000 annually.

In Turmoil, Greece and Italy Deepen Euro Crisis

By [RACHEL DONADIO](#)

ROME — With political turmoil still plaguing [Greece](#) and descending upon the much larger economy of [Italy](#), the fate of the euro and market stability worldwide hinged Tuesday on whether two of Europe's most tangled and unresponsive political cultures could deal with their tightening fiscal gridlock.

The prospect of a new transitional, technocratic government in Greece, and signs that [Silvio Berlusconi](#)'s resilient hold on power in Italy was weakening in advance of a crucial parliamentary vote on Tuesday, did little to reassure investors that either country was prepared to grapple with the deep structural changes that investors are demanding to restore growth and reduce deficits.

In both places, it is not only the economy that is on trial, but also the ability of democratic government to make highly unpopular choices.

The crisis gripping Mr. Berlusconi's government deepened as interest rates on the country's debt rose on Tuesday to 6.74 percent, the highest since the introduction of the euro more than a decade ago and nearing levels that have led to bailouts elsewhere.

Financial markets advanced early Monday on word that the prime minister was negotiating his exit, but lost ground after he denied the reports. On Tuesday, Asian markets generally retreated but European markets rose in early trading after two days of declines.

In Greece, where political chaos last week threatened to plunge the euro zone into crisis, doubts remained about the capacity of the political class to form a coalition government to push through reforms it has agreed to in return for a financial lifeline. So strong is the distrust that Europe's finance ministers refused to release the next \$11 billion in aid for Greece until the two leading political parties signed a letter affirming their commitment to meeting the conditions of the loan deal reached last month with European lenders.

Greece and Italy have famously complex political cultures, but today they are both driven by a simple dynamic: no established parties want to assume the full political cost of pushing through unpopular austerity measures and changes to the labor market. And they are jockeying for positions in a new political constellation after eventual elections — as well as for greater bargaining power with the [European Union](#).

"It's a big mess," said Roberto D'Alimonte, a political science professor at Luiss Guido Carli University in Rome. "I don't think it's that the markets are too strong, but that democracy is weak."

Forceful leadership also now seems to be in short supply. In Greece, Prime Minister [George A. Papandreou](#) agreed to step down to make way for a new unity government after his proposal for a referendum on the debt deal cost him support within his own Socialist coalition (and with European leaders). In Italy, some members of Mr. Berlusconi's center-right coalition would readily bring him down and replace him with a technocrat — Mario Monti, a former European commissioner, is commonly mentioned— but others want elections and a new political formation.

After denying reports about his imminent resignation, Mr. Berlusconi said he would face a vote on a state financing bill on Tuesday that could potentially take down his government, and in coming days would call for a confidence vote on austerity measures meant to quell market concerns about Italy.

"I want to look at those who want to betray me in the face," he said.

With high debts, vast underground economies, low birth rates and more pensioners than workers, there is no doubt that Greece and Italy need structural changes to survive. But with deeply entrenched political patronage societies, governments in both countries have been unwilling or unable to carry out such changes, which would require striking the heart of their own constituencies.

Italy first proposed those austerity measures — including pension reform, changes to labor laws and privatization of state industry — in a letter to the [European Central Bank](#) the same day the European Union reached its debt deal with Greece and promised to pass them by Nov. 15. But the government has yet to draft the measures into a bill, let alone put the measure to Parliament.

Instead, it has been deadlocked for weeks, as the conflicting interest groups within Mr. Berlusconi's center-right coalition refuse to budge. The powerful Northern League party, for one, has opposed raising the retirement age to 67 from 65.

The center-left opposition ranges from neoliberals to former Communists opposed to changes in labor laws, making it difficult to imagine how it could push through structural changes in a future political order.

In Greece, Mr. Papandreou's Socialist government has passed radical legislation aimed at cutting the public sector, but implementation has been slow, even as the economy shrinks under tax hikes and wage cuts that are pushing the country to the brink.

It has been struggling to forge a coalition government led by a technocrat that could share the political cost of imposing more austerity. Lucas Papademos, a former deputy president of the European Central Bank, was widely mentioned as the most likely candidate. But his ascension rapidly became mired in Greece's political swamps, after he demanded a strong voice in naming ministers and a government of more than three months' duration, reports said.

Throughout the crisis, long-suffering Greek citizens have said that it matters little who is in power, and growing numbers of policy intellectuals are starting to agree with them. Transforming Greece is a task "beyond Hercules," said Daniel Gros, the Director of the Center for European Policy Studies. "It's beyond the capacity of a single person, because you need much more to change a country, to change an administrative apparatus, to change political habits."

But Italy, he added, is different. "There's enough social cohesion left so that one could do something if you had the right leader," he said, echoing the view that Mr. Berlusconi's government had lost credibility and that borrowing rates would drop if he left, as Monday's events suggested.

In Italy, the government passed some belt-tightening measures in August under market pressure, but few Italians believe the Berlusconi government is capable of carrying them out.

"Reforms? Where? Here?" said Anna Russo, 43, a salaried worker in Rome. "This country is totally incapable and unwilling to implement reforms. I don't believe any of what they are claiming on TV these days."

"What really happens is that the middle class gets squeezed between the crisis and their inaction," she added of politicians. "Salaries stay the same, taxes, V.A.T. and the cost of living rises. How are we supposed to believe them, if they have not shown one time that they genuinely wanted to improve our situation?"

At bottom, the euro zone crisis is a result of imbalances in which weaker countries like Italy and Greece are forced to compete in the same currency with mighty Germany, something that will cause recurring crises even if the current one is fixed, experts say.

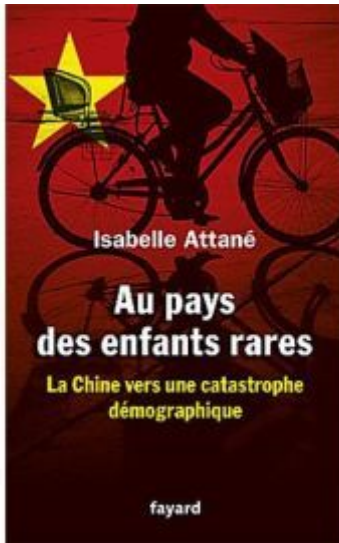
"In the longer run, the Euro zone cannot be viable unless something is done to tackle the imbalances that gave rise to the crisis," said Charles Grant, the director of the Center for European Reform, a London research institute. "Either there has to be a convergence of unit labor costs, via effective reform in the south, or there must be permanent transfer union, with payments flowing from north to south."

For now, Italy and Greece are eying each other warily and buying time before the European Union can come up with a better strategy to shore up the euro. "In a certain sense, Italy has the advantage that it's seen Greece," said Mr. Gros. "And that's of course not an example that anyone wants to follow."

Elisabetta Povoledo and Gaia Pianigiani contributed reporting from Rome, Stephen Castle from Brussels, and Alan Cowell from London.

Au pays des enfants rares : La Chine vers une catastrophe démographique, d'Isabelle Attané

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"Au Pays des enfants rares. La Chine vers une catastrophe démographique", d'Isabelle Attané. Fayard, 280 pages, 19 euros.DR

Il y a certes la Chine des records de croissance vers qui l'Europe endettée tend benoîtement sa sébile, théâtre de l'enrichissement galopant d'une immense classe moyenne.

Mais il y a aussi la Chine des enfants, celle que décrit avec science, talent et sentiment la démographe et sinologue Isabelle Attané.

L'auteur décrit méthodiquement la "condition infantile" chinoise, au croisement des traditions millénaires et des effets catastrophiques - non seulement démographiques, mais aussi sociaux, économiques et psychologiques - de la "politique de l'enfant unique" menée à partir de 1979 par le régime communiste.

Elle évite les clichés si prompts à se construire de ce côté-ci de la planète: non, toutes les familles chinoises n'ont pas un seul enfant, mais un Chinois de moins de 30 ans sur trois est enfant unique ; non, tous ces enfants ne sont pas de "petits empereurs" dont tous les caprices sont exaucés, préparant des générations d'asociaux.

Car les comportements sont aussi en train de changer, au rythme du bouleversement du pays.

MAUX DE RICHES, MAUX DE PAUVRES

En revanche la Chine affronte, simultanément, les maux qui assaillent les enfants des pays pauvres et ceux des pays riches : les familles rurales, les migrants et les "enfants noirs" (illégaux) sont la cible du travail clandestin et de tous les trafics ; l'obésité atteint violemment les familles urbaines ; les inégalités face à la santé, à l'éducation, à l'emploi se creusent.

Et les bataillons de jeunes diplômés qui sortent des universités se heurtent au chômage.

Surtout, le vieillissement de la population se fera dans les quarante prochaines années à un rythme historiquement inédit : l'économie chinoise va en effet perdre 180 millions d'actifs entre 2010 et 2050 !

A cette date, 440 millions de Chinois auront plus de 60 ans - soit un tiers (contre 10 % en 2000) d'une population qui commencera à diminuer en 2035.

Loin de tout catastrophisme, l'auteur estime pourtant que la Chine a les moyens de relever ce défi. Mais ce n'est que si elle le fait, et pas avant, qu'elle pourra alors prétendre au titre de "grande puissance".

Au pays des enfants rares. La Chine vers une catastrophe démographique, d'Isabelle Attané. Fayard, 274 pages, 19 euros.

Education the key for Germany's Turks

ABDULLAH BOZKURT

The only way to solve ongoing tension between Turkey and Germany over some 3 million Turks living in Germany is by working together. Both countries need to find a common ground upon which they can build fruitful relationships and address challenges faced by the Turkish community in Germany.

The golden key to solving most, if not all, the problems Turks face in this populous EU country is education. If German authorities, in close collaboration with their Turkish counterparts, were to promote educational opportunities, especially among the youth in the Turkish community, I believe we would be able to establish a key component for successful social cohesion or integration in German society.

The burden should not be loaded only on the shoulders of the tiny Turkish population but rather on German society in general as they have the power, resources and, most importantly, ethical responsibility to accomplish this. Instead of stigmatizing Turks and accusing them of not integrating into German society, the German government should create favorable conditions for Turks to live without fear of being excluded or discriminated against. Just as America did in the '60s, when desegregation policies forced white-majority communities to accept African-Americans into their midst, a version of this affirmative action or positive discrimination may be needed in Germany to include minority communities in all social, economic and educational programs.

Today many young Turks face problems in the German education system, ranging from high dropout rates to ill-advised referrals by German primary school teachers to low-skill vocational schools. It is heart wrenching to see about one-third of over 600,000 Turkish students leave school without getting their diplomas. Most primary school graduates of Turkish origin -- around 85 percent -- have to enroll in low-quality Hauptschule secondary schools with no prospects of getting into university. Coupled with this, adversarial policies against learning their mother tongue, i.e., Turkish, further alienate Turkish students at school. Some German schools go as far as banning Turkish students from speaking in Turkish even during their breaks. Instead of the Turkish language being demonized, it should be included in school curricula as a first or secondary foreign language while still maintaining a strong emphasis on learning German.

There are some successful private schools established by Turkish entrepreneurs in Germany that offer high-quality education and much better prospects for Turkish students. These schools have an open and inclusive approach and their performance has been remarkable. They should be supported because Turks do not feel uneasiness in sending their children to these schools. But their numbers are limited and can only offer a solution to the few lucky ones. The real solution lies in a comprehensive approach in the German education system to promoting educational opportunities for minorities and disadvantaged groups.

However, this is not the only problem that Turks in Germany are facing. Even Turkish students who graduate from top universities in Germany face discrimination and limited job opportunities. Unfortunately the hiring practices of many public agencies and private companies overlook applicants who have a Turkish background. Equal employment opportunities are not practiced. This is why we are witnessing an exodus to Turkey of highly skilled German-educated Turkish graduates, which numbered around 70,000 last year alone. Obviously this is a major concern for Germany's future as the country is in need of a highly skilled workforce from engineers to technicians.

We are confronted with a different educational challenge. When banker-turned-politician Thilo Sarrazin's hateful book "Germany Abolishes Itself" became a bestseller in 2010, half of the German public -- according to polls -- agreed with his views that there must be something wrong with the way the German educational system works. This should trigger alarm bells for everybody and should prompt the German state to actively promote diversity, multiculturalism and openness in its education system so that xenophobic, Islamophobic and exclusionary practices do not take a stronghold in the future. After all, Germany already had a bad record in World War II with regard to its Jewish population and the government ought to be extra vigilant on a new pattern of hate developing in German society.

Unfortunately the issue of integration is highly politicized and negative stereotyping in the German press continues to stigmatize Turks in Germany. It takes a strong political leadership, courage and vision to ride the waves of anti-immigration opinion in Germany, which seems to be lacking at the moment. Kemal Yurtnaç, chairman of the Overseas Turks Agency (YTB), was right when he said: "If Germany is concerned about the migration of skilled Germans of Turkish origin, they should take measures against it. Possibly these highly talented people do not see their future in Germany. They may feel discriminated against or unable to take advantage of equal opportunities."

I believe Germany understands that it needs Turkey to successfully integrate its Turkish community just like Turkey needs to work with Germany to find solutions to the problems of Turks there. This has nothing to do with suggestions of interference in German domestic affairs. However, what happens in the Turkish community in Germany reflects directly on Turkish society back in the motherland, so Turkish officials feel compelled to raise some issues in meetings with their German counterparts. Turkey can bring a lot to the table and be a convincing partner in pushing Turks to contribute to the well-being of Germany.

We have to remember that a Turkish culture of strong family ties and a Turkish mystical interpretation of Islam have not only helped Turkey stay away from radical movements but have also kept the Turkish community in Germany from exploitation by fanatical religious zealots. Though there were some exceptions and isolated incidents, this culture, supported by an exchange of imams from Turkey, by and large insulated the Turkish community in Germany from radical ideologies. A new German experiment in enforcing a language requirement for new Turkish brides and grooms before issuing resident visas and appointing non-Turkish imams to meet the needs of the Turkish community will sabotage these foundations. These practices are attracting criticism from Turks in Germany and as a result the Turkish government has felt obligated to raise the issue both at intergovernmental meetings and public platforms.

If Turkish and German partnerships can successfully come up with education and development programs that specifically cater to the needs of the Turkish community in Germany, this would help solve many outstanding issues between the two countries in the future, including the foothold a certain terrorist organization has in this country.

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SPIEGEL ONLINE

'Run For Your Lives'

Euro Zone Considers Solution of Last Resort

The ink on the most recent European Union summit agreement was hardly dry before it became clear that it was insufficient. With investors now increasingly wary of Italy, the consensus is growing that the European Central Bank -- and the IMF -- will have to play an even greater role. But will it be enough? By SPIEGEL Staff

When government heads from Germany and the US get together, protocol usually calls for as much pomp as possible: honor guards, hymns, flag parades and the like.

But the tone was decidedly more businesslike at the G-20 summit in Cannes last Thursday. German Chancellor Angela Merkel and US President Barack Obama, together with US Treasury Secretary Timothy Geithner and German Finance Minister Wolfgang Schäuble, met in a mundane conference room at the five-star Intercontinental Carlton Hotel. The group had serious issues to discuss.

Merkel reported on the results of a meeting held a day earlier -- during which she and French President Nicolas Sarkozy had told [Greek Prime Minister Georgios Papandreou exactly what they thought](#) about his (now cancelled) plans to hold a national referendum on the euro bailout package. Obama and Geithner, however, were not impressed. The [euro crisis continues to worsen](#), the pair grumbled. It is time, they said, for Europe to finally take decisive action. The decisions taken at the European Union summit in late October were not enough, they complained.

In response, Merkel and Schäuble recited the long list of measures the Europeans had recently initiated. But in reality, they had little to offer in reply to Washington's analysis. The euro crisis, Obama warned, now threatens the global economy.

Too little, too late. That has been the global public's assessment of European efforts to rescue its currency -- for the last one and a half years. And there is every indication that it will remain that way, even after the most recent G-20 meeting. Indeed, concurrent to the meeting in Cannes, the euro zone experienced what was likely the most ridiculous week of events since the crisis began: a Greek referendum announced on Monday, a reversal on Thursday, a national unity coalition promised in Athens on Friday and [Papandreou's resignation on Sunday](#). Things changed almost by the hour, it seemed. And there is still [little reason for optimism](#).

Half-Hearted and Half-Baked

Greece will keep the euro for the time being -- that much is certain. But it also seems clear that this is neither a guarantee of economic health in Greece nor a secure future for the common currency. On the contrary, there were growing doubts on financial markets last week as to whether the resolutions reached at the late-October European summit would be sufficient.

At that meeting, European leaders leveraged their bailout fund to more than a trillion euros. But what was celebrated a week ago as a "tour de force" and a "breakthrough" is now viewed as half-hearted and half-baked. Hardly a politician or economic expert believes that Greece can be rehabilitated under the more current plan from Brussels. And now there are also growing concerns about Italy. Interest rates for Italian treasury bonds reached a new record high last week, and the managers of the European Financial Stability Facility (EFSF) were unwilling to risk tapping the global financial markets. The planned issue of a new EFSF bond was cancelled at the last minute.

Not surprisingly, the mood was grim among the leaders gathered on the French Riviera last week for the G-20 summit. The conclusion, after countless discussions about the crisis, was that much more radical measures are needed. The International Monetary Fund (IMF) and the European Central Bank (ECB) are to take over the management of the debt crisis in the future, and Germany's currency reserves are no longer off limits. Last week Germany's central bank, the Bundesbank, narrowly managed to prevent portions of those reserves from being used to fill the IMF coffers.

Can the "big bazooka" that US politicians, in particular, like to invoke actually save the euro? Many economists are skeptical, because it is primarily economic imbalances that are creating ever-widening rifts between countries in the European currency area. The economic divide between the north, with its strong export economies, and the south, with its high consumption, has grown even further. At the same time, citizens are losing confidence in Europe's ability to manage the crisis.

'Run For Your Lives'

"Run for your lives" is the new motto in Europe, and not just among banks and insurance companies, which are selling off southern European bonds as quickly as they can, but also among ordinary holders of savings accounts. Banks and regulatory agencies are noticing that anxious citizens throughout Europe are trying to bring their money to safety. The flight of capital from Italy, Spain and Greece is in full swing.

Since the beginning of the crisis, ordinary Greeks have withdrawn about €50 billion (\$69 billion) from their accounts, or a fifth of total deposits. In May, when the first rumors about a possible withdrawal from the euro zone were making the rounds, the Greeks withdrew €1.5 billion from their accounts within 48 hours. And it is no longer just the rich who are moving their money to a safe place. A Greek nun recently closed her convent's bank account, telling the bank employee that she needed the €700,000 in the account for renovations. But when pressed by the bank employee, she finally admitted that she was worried about her order's assets.

Switzerland is a popular safe haven. The Greeks have reportedly deposited about €280 billion in Swiss banks. At the airport in Athens, passengers are often caught leaving the country with upwards of €100,000 in cash, well in excess of the €10,000 limit.

This capital flight has triggered a boom in the European real estate market, especially in Berlin and London, where wealthy Greeks are buying second homes. Knight Frank, a real estate firm, estimates that about €290 million from Greece was invested in London in 2010 alone.

Lack of Confidence

The Italians are also getting nervous. Figures compiled by the German Bundesbank and the Banca d'Italia, Italy's central bank, suggest that more than €80 billion in capital was moved out of Italy in August and September by Italians concerned about the growing risk of a government insolvency.

Unfortunately, investors' lack of confidence in southern European economies is only too warranted, as a still unpublished study by the Munich-based Ifo Institute for Economic Research shows. The study's authors examined changes in the prices of domestically produced goods and services in the Mediterranean countries before the crisis began. Their figures reveal how the countries systematically ruined their competitiveness.

According to the study, prices of goods produced in Greece went up by an average of 67 percent between 1995 and 2008, a record increase for the euro zone. The average price of domestically produced goods went up by 56 percent

in Spain, 47 percent in Portugal and 41 percent in Italy. By contrast, prices went up in Germany by only 9 percent in the same period.

Wage and social policy was a key reason for the differences. While German workers had to make do with modest collective bargaining results and tough reforms, the Mediterranean countries were spending money hand over fist. As a result, the goods they produce are now much too expensive internationally.

The real reason why the common currency has come under so much pressure lies in these divergences. It also explains why the nighttime decisions reached at the last EU summit in Brussels do not offer a lasting solution for the euro crisis.

The Next Domino?

"Do the experts in the foreign currency markets seriously believe that the governments' latest 'comprehensive bailout package' for the euro will last more than a few months?" wonders Kenneth Rogoff, an economist at Harvard University and a leading expert on sovereign debt crises. In fact, says Rogoff, he is surprised at how positively the markets reacted initially to the results of the summit.

Rogoff is sharply critical of the Brussels plan, saying that it "relies on a questionable mix of dubious financial-engineering gimmicks and vague promises of modest Asian funding."

Indeed, there are now growing doubts as to whether the agreement is capable of making the bailout fund more effective and giving the Greeks and all of Europe a new outlook.

For example, European leaders decided to reduce Greece's total debt from the current level of more than 160 percent of economic output to about 120 percent by 2020. It's an ambitious goal, but even if it were attained, the Greeks would not be out of the woods by a long shot. A debt-to-GDP ratio of 120 percent would place them at the level at which the ailing Italians are at the moment.

A much lower ratio is needed if a country hopes to be reasonably efficient. In a study of government borrowing in past centuries Rogoff, together with his colleague Carmen Reinhart, have demonstrated that a debt-to-GDP ratio of 90 percent or more cripples growth and increases the risk of insolvency.

Far Too Small

Just as questionable as the restructuring plan for Greece is the idea of boosting the impact of the bailout fund to the trillion-euro level. The problem is that EFSF members are only willing to come up with a portion of the loans to ailing debtor nations, while large private investors like banks and investment funds, as well as emerging economies with large amounts of surplus capital, like China and Brazil, would contribute the rest. But if the major players in the global financial industry could hardly be convinced to buy the bonds of ailing countries last year, why would they do it today, at a time when risk is even more unpredictable and the credibility of a guarantor nation like France is being called into question?

Even if the EFSF reached the desired dimensions, it would still be far too small to rescue Italy, the country that is now the greatest cause for concern for many in Brussels, Berlin and Paris. Amid growing mistrust, the country was forced to offer yields of more than 6 percent last week just to find buyers for a 10-year bond issue, much higher than Germany has to pay for a similar bond.

The levels meant that yields were back to where they had been in early August, says Andrew Bosomworth, head of the German investment management arm of the world's largest bond trader, PIMCO, and responsible for €138 billion

in investor funds. That was when the ECB first began buying up Italian bonds in order to keep the interest rate on those bonds manageable.

Bosomworth also noted that the central bankers were "active in the market every day" last week. According to PIMCO estimates, by Thursday the ECB had bought about €10 billion in government bonds -- most of them Italian, Bosomworth suspects.

Aside from the ECB, there are no longer many buyers of Italian treasury bonds. It is clear that most investors are trying to reduce their inventories -- if they can find someone to take the paper off their hands. It is almost as if buyers were boycotting Italian bonds.

Unwilling and Unable

But Italy will have to place €30 billion worth of bonds in the coming weeks. The country's financing requirements will increase to more than €600 billion within three years. Then the government will have to replace the money it once borrowed at low rates with new, more costly bonds. Each additional percentage point costs the Italian government an additional €20 billion in the medium term.

Italy already spends about 5 percent of its total gross domestic product to pay the interest on its government bonds. If that percentage increases, it will become increasingly difficult for Rome to shoulder its enormous burden of debt. At that point, tough austerity measures will be the only way to keep the government's finances under control.

But that is something that Prime Minister Silvio Berlusconi is either unwilling or unable to do. The government did approve a few measures last week, such as the sale of government-owned real estate. However, the program, dubbed a "mini-plan" by the business newspaper *Il Sole 24 Ore*, is unlikely to achieve much. And even its implementation is uncertain, since Berlusconi would presumably have trouble cobbling together a parliamentary majority to enact the measures. The coalition government is in chaos, writes the paper.

As long as Italy remains politically unreliable, there will continue to be growing concerns that the third-largest economy in the euro zone could turn into a second Greece. And the leaders of the world's major industrialized nations are also worried, as evidenced by their [rough treatment of the Italians](#) at last week's G-20 summit.

On Thursday morning, German Finance Minister Schäuble and his French counterpart François Baroin tried to convince their French colleague Giulio Tremonti to implement additional austerity measures. The group reconvened at noon. This time US Treasury Secretary Geithner joined the meeting, and the trio demanded that Italy agree to allow both its reforms and its national budget to be monitored by the IMF -- the kind of measure [normally reserved for developing nations](#) dependent on IMF funding. Tremonti was outraged and rejected the idea.

All the More Critical

Nevertheless, the French and the Germans stood their ground. They are, after all, suspicious of the European Commission's monitoring role. They suspect that Commission President José Manuel Barroso is willing to bend the rules a little when it comes to monitoring Italy's fiscal and economic policy, given that his native Portugal is also in economic hot water. Supervision by an independent organization like the IMF, argue France and Germany, is thus all the more critical.

In the evening, Merkel, Sarkozy, Obama and Berlusconi addressed the issue. First they decided that the IMF could issue a new credit line to countries faced with the threat of financing difficulties. It would be issued quickly and without significant conditions to countries with short-term liquidity bottlenecks, like Spain and Italy. The size of the

credit line would be based on a given country's share of IMF capital. Spain could expect a maximum of €23 billion in support, while Italy would qualify for €45 billion.

In the end Merkel, Sarkozy and Obama -- a somewhat surprising addition to the German-French euro duo -- prevailed upon Berlusconi to agree to announce further austerity measures. After hours of wavering, Berlusconi finally came around. Nevertheless, there is still much skepticism, and not just among the leaders gathered in Cannes -- over the value of such pronouncements given the country's deep political crisis.

Printing Money with the IMF

Obama, at any rate, felt that they would have little value. Instead, he confronted the Germans in Cannes with a suggestion so radical that it alarmed both Merkel and Schäuble. To save the common currency, Obama proposed that the Europeans follow the example of the American Federal Reserve, which buys up almost unlimited amounts of US treasury bonds when necessary.

The Germans pointed out feebly that the ECB operates within a completely different tradition than the Fed, and that it also pursues a different mission. But it is becoming increasingly clear to Merkel and her finance minister that, in the end, only the ECB will be able to save the euro if the crisis continues to escalate. It is the only European fiscal policy institution capable of taking action, and it also comes equipped with unlimited firepower. It can never run out of money, because it can simply print new money when needed.

This is an approach Germany's representatives in the ECB council have strongly resisted. Former Bundesbank President Axel Weber and former ECB chief economist Jürgen Stark resigned from their posts in the dispute over ECB purchases of Greek and Portuguese bonds. Jens Weidmann, the new Bundesbank president, is likewise strictly opposed to funding government deficits by printing money. This position is understandable, given that the Germans have, twice in the last century, seen how this sort of monetary policy can end in hyperinflation and national bankruptcy. But how long can the Germans resist the pressure from other members?

Most European leaders have nothing against using the central bank's reserves as a source of financing, as became evident at the Cannes summit. Important politicians like European Council President Herman Van Rompuy and French President Sarkozy proposed making IMF "special drawing rights" available -- a move which would enable the funding of major bailout packages in Europe. The US also supported the idea.

Another Open Flank

But Bundesbank President Weidmann was deeply troubled and made his concerns known to the chancellor. Special drawing rights, he argued, as well as gold and foreign currency, are part of the currency reserves that the Bundesbank is required by law to safeguard. The Bundesbank fears that issuing the special drawing rights would open yet another door to monetary state-financing. Special drawing rights, the bank notes, are akin to an artificial currency against which foreign currencies can be borrowed at the IMF. Making them available, Germany worries, would be tantamount to opening up yet another flank to the crisis.

Following Weidmann's intervention, Merkel informed her counterparts that the autonomous Bundesbank would not participate in the release the special drawing rights. A battle had been won but not the war itself, as officials at the Bundesbank fear. At the Cannes summit, Van Rompuy spoke of a "trust" at the IMF that could be fed with artificial money from the special drawing rights.

It appears that the euro crisis is approaching its endgame. Many promises made when the common currency was introduced have already been broken. The initial stipulation that only stable countries be allowed in, for example, quickly proved illusory once Italy and Greece were accepted.

Unlimited Fund

German taxpayers were also promised that they would never be held liable for the debts of other countries in the euro zone. But then came the first and second bailout packages for Greece and the European bailout fund.

And now another breach of confidence is on the horizon, with the Germans being expected to accept the notion that the ECB will be available to ailing euro countries as an almost unlimited reserve fund.

The question the German government now faces is whether to preserve the monetary union or have a stable currency. The decision can no longer be put off for long. "To stabilize the situation," says former US Treasury Secretary Lawrence Summers, the bailout measures would have "to go well beyond the measures proposed to date."

BY ALEXANDER JUNG, ALEXANDER NEUBACHER, CHRISTOPH PAULY, CHRISTIAN REIEMANN, MICHAEL SAUGA, HANS-JÜRGEN SCHLAMP AND ANNE SEITH

Translated from the German by Christopher Sultan

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- <http://www.spiegel.de/international/europe/0,1518,796280,00.html>

L'âge légal de la retraite porté à 62 ans dès 2017

Par [lefigaro.fr](#) Mis à jour le 07/11/2011 à 12:52 | publié le 07/11/2011 à 12:43 [Réagir](#)

François Fillon a annoncé une accélération du calendrier de transition vers l'âge de la retraite à 62 ans, dans le cadre d'un nouveau plan d'austérité destiné à dénicher les milliards d'euros nécessaires à la France pour qu'elle respecte ses objectifs de réduction du déficit et préserve sa note AAA.

«Nous voulons protéger les Français contre les graves problèmes auxquels font face d'autres pays européens». En présentant ses mesures supplémentaires d'austérité, le premier ministre François Fillon a replacé la France dans le contexte de panique financière qui frappe la zone euro. L'effort supplémentaire représente 18,6 milliards d'euros sur les deux prochaines années, dont 7 milliards d'euros en 2012 et 11,6 milliards en 2013.

D'ici 2016, ce sont 65 milliards d'euros supplémentaires qui seront économisés, a annoncé le premier ministre, afin d'arriver à un déficit zéro à cette date. Plus de la moitié de l'effort portera sur une baisse des dépenses, a-t-il ajouté. Le premier ministre a également rappelé que le gouvernement table sur une croissance de 1% en 2012.

Les principales mesures :

- **La TVA réduite passe de 5,5% à 7%.** Ce nouveau taux s'appliquera à tous les services et biens concernés par le taux réduit. Une exception toutefois : les produits alimentaires de première nécessité resteront taxés à 5,5%.
- **Retraite à 62 ans en 2017 au lieu de 2018.** L'application du passage de l'âge légal de départ en retraite à 62 ans va être avancée d'un an, à 2017, ce qui doit permettre de diminuer de 4,4 milliards d'euros les déficits des caisses retraites entre 2012 et 2016.
- **500 millions d'euros d'économies** supplémentaires pour l'État en 2012. Notamment, les salaires des ministres et du président de la République seront gelés jusqu'à ce que les comptes publics soient à l'équilibre.
- **Les comptes de la sécurité sociales** seront redressés à hauteur de 700 millions d'euros supplémentaires en 2012. «Nous avons décidé de ramener l'Ondam, c'est-à-dire la progression des dépenses de l'assurance maladie à 2,5% à partir 2012 au lieu des 2,8% qui avaient été initialement fixés, a déclaré le premier ministre. En matière de maîtrise des dépenses de santé, c'est un effort supplémentaire de 700 millions d'euros qui sera accompli.»
- **La hausse des prestations sociales** sera limité exceptionnellement à 1% en 2012.
- **Les niches fiscales** seront rabotées de 1,6 milliard d'euros supplémentaires.
- **L'impôt sur les sociétés** pour les grands groupes sera augmenté de 5%.

«La burqa, un bout de tissu indigne de l'islam»

Par [Samuel Potier](#) Mis à jour le 09/10/2010 à 00:01 | publié le 08/10/2010 à 00:00 [Réactions](#) (315)

VIDÉOS - Burqa, polygamie, islamisme radical... Invité de «Parlons Net» sur France Info, dont Le Figaro.fr est partenaire, l'imam de Drancy Hassen Chalghoumi livre sans langue de bois sa vision, celle d'un homme menacé et sous protection policière depuis des mois.

Il dit tout haut ce qu'aucun imam modéré n'ose évoquer en public. Le voile intégral ? Pour lui, ce n'est pas une prescription religieuse mais «une prison pour les femmes, un outil de domination sexiste et d'embrigadement islamiste. Cette tradition très minoritaire renvoie à une idéologie qui saborde la religion musulmane». Les frères musulmans ? «C'est une plaie» pour l'islam. Sa liberté de parole comme son soutien dès janvier dernier à **la loi interdisant le port du voile intégral** valent aujourd'hui à Hassen Chalghoumi une vie 24 heures/24 **sous protection policière**.

La mosquée de Drancy, gérée par l'association al-Nour que dirige Chalghoumi, avait été le théâtre entre janvier et mars de vives tensions entre ses fidèles et ceux du collectif pro-palestinien Cheikh Yacine. Des images de haine très loin du message qu'il veut faire passer dans son livre «L'islam de France» (Edition Le Cherche Midi). Un plaidoyer pour «un islam animé par le mieux-vivre en France», où il regrette que l'islam de France soit «sous-traité aux gouvernements étrangers et aux sectes intégristes». Proche de la communauté juive, il se veut la figure d'un islam modéré et respectueux des valeurs de la République.

» **Extrait vidéo 1.** Hassen Chalghoumi se dit «triste» quand il aperçoit une femme portant le voile intégral. «Je respecte leur pratique, mais je suis contre. Ils (les extrémistes, ndlr) ont résumé l'islam, soit quinze siècles de savoir et de lumières, en un bout de tissu sur le visage, c'est indigne !» «Le rôle d'un homme de foi, c'est de respecter les lois. On a besoin de dialogue, d'aller vers l'autre» :

» **Extrait vidéo 2.** Face à la «montée» d'un islam radical et de certaines «influences étrangères», il plaide pour la formation d'imams «républicains». «Un imam de l'Islam de France, ça ne veut pas dire qu'il va légaliser le porc ou changer le Coran... Il va fortifier des valeurs», comme celle de la place à part entière des femmes :

Nach den Gipfeltagen: Die Schönheit der Chance

Die Zahlen sagen nichts. Wir müssen selbst herausfinden, wie es nach der Katastrophe weitergeht. Den Politikern, zeigte der Gipfel in Cannes, sollte man das besser nicht allein überlassen.

Von [Nils Minkmar](#)

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Wo bleibt der Schirm? Zwei der vielen Präsidenten, auf die es in Cannes regnet

Da standen sie im Regen, die beiden, die doch seit drei Jahren kaum etwas anderes tun, als Rettungsschirme aufzuspannen. Es war das Ende eines elenden Gipfels, von den Großen Zwanzig waren achtzehn schon weg, nur Obama und Sarkozy waren noch geblieben und standen nun da wie begossene Präsidentenpudel. Bejubelt wurden sie von der einzigen Bevölkerungsgruppe, die sich im novembrigen Cannes auftreiben lässt: Rüstige Rentnerinnen, die immerhin ihre Frisur mit durchsichtigen Plastikhauben zu schützen verstanden. So eine Duschhaube hätte man den beiden noch um den Kopf binden sollen, dann wäre restlos alles klar gewesen.

Cannes in den Gipfeltagen, das war der Ausblick auf eine misslingende europäische Zukunft. Es war nicht nur das Wetter. Es waren die Absperrungen, die winterlich entvölkerten Ferienquartiere, die Abwesenheit von Jugendlichen, Familien, all jenen Bevölkerungsgruppen, die sich das Leben in solchen Innenstädten gar nicht mehr leisten können. Die Läden des täglichen Bedarfs hatten geschlossen, lediglich die Luxusboutiquen waren geöffnet, in denen sich die Verkäuferinnen beim Warten auf konsumfreudige Delegierte aus Saudi-Arabien langweilten.

Die Horrorversion

Davor schlichen betagte Anwohnerinnen eingeschüchtert über die Bürgersteige, man hörte nur das leise Klappern der weißen Zugangsberechtigungskarte, die alle Bürger der Innenstadt stets gut sichtbar um den Hals zu tragen hatten. Es war die Horrorvision einer europäischen Stadt als überalterter, entvölkerter Einkaufsmöglichkeit für die Superreichen der undemokratischen prosperierenden Teile der Welt. Eine friedliche, französische Provinzstadt in solch eine Fratze zu verwandeln, ihr alle guten, alteuropäischen Geister auszutreiben, das muss man erst einmal schaffen. Selbst den Strand hatten sie gesperrt. Ab und zu sah man Kampftaucher und in der Ferne ein Kriegsschiff, auf der Lauer vor der Rache der griechischen Flotte sicherlich.

Griechenland also. Dass das Geburtsland der Demokratie so weit sinken würde, seine Bürger abstimmen zu lassen, darauf war niemand vorbereitet gewesen. Bald schon galt das als die Heldentat und der Gipfel vom Gipfel: wie Papandreou deswegen geschimpft bekam. Ganz vergessen wurde darüber, dass er in den letzten drei Jahren so gespart hat, wie wir es uns seit Jahrzehnten nicht trauen, dass er noch vor wenigen Tagen ein Held der

Haushaltskonsolidierung war. Doch Gipfelpolitik ist volatil, das liegt auch an den Hunderten von Journalisten, die manisch in ihren Legebatterien umherflattern und produzieren müssen, ohne mal nachdenken zu können.

Die Atemlosigkeit einer Politik, die ständig die Apokalypse abwenden muss, die morgen schon droht, sorgt für eine affirmative Berichterstattung. Immer mehr Nachrichtenformate werden von immer weniger Journalisten gefüllt, so dass sie immer nur reagieren können. Denn schon braut sich die nächste Katastrophe zusammen, die politische und ökonomische Sondermaßnahmen erfordert, denen gemein ist, dass sie auf demokratische Erörterung und Legitimation keine Zeit vergeuden können. Es ist, als führe Europa gerade ein Stück auf, eine Fassung von Naomi Kleins „Schock-Doktrin“ für Amateur- und Gipfelschauspieler: Der Kapitalismus nutzt die Chancen der von ihm selbst geschaffenen Katastrophen. Griechenland also, aber was kommt dann?

Danke der Nachfrage

Italien wird es nicht sein. Italien, das war das Mantra des Gipfels, Italien geht es gut. Danke der Nachfrage und dann bitte keine Fragen mehr. Italien hat, sagte Präsident Barroso, „von seinem Vorrecht Gebrauch gemacht“, als Mitglied des IWF um eine Beaufsichtigung aus Washington zu bitten. Wer kennt das nicht: Mal eben beim Finanzamt durchrufen, ob nicht einer Zeit und Lust hätte und kommen möchte, Belege prüfen? So sehr wurde Italien zur sicheren Bank und außerdem, und zwar von Nicolas Sarkozy persönlich, zur drittgrößten Wirtschaftsmacht der Welt erklärt, dass einem angst und bange werden musste.

Cannes war ein Gipfel der dialektischen Kommunikation: Je verwirrter die Regierungschefs waren, desto öfter sagten sie: Klartext! Je verzweifelter sie den Ereignissen hinterherhechelten, desto kräftiger feierten sie ihr *leadership*. Je größer die Summen waren, die auftrumpfend auf den Tisch gelegt wurden, desto kleinlauter wurde bei russischen, brasilianischen und indonesischen Anlegern gebettelt. Die Märkte sollten global und dauerhaft in ihre Schranken verwiesen werden, aber bei der geringsten Unruhe eines Börsennachmittags flippen alle aus.



© AFP

Rüstige Rentnerinnen, die ihre Frisur mit durchsichtigen Plastikhauben zu schützen verstanden - auch Obama und Sarkozy hätte dies sicher geholfen

Denn längst gelten Kurse als Indikator für rationales, gutes, ja sogar weises Handeln. Die Zahlen sagen aber nie, ob das alles so sein muss. Sie deuten drohende systemische Gefahren gar nicht - oder zu spät - an, weil sie nur innerhalb des vorgegebenen Modells funktionieren. So werden in einem Dialog der Fachidioten die Modelle immer kleinteiliger, die Optionen zugleich komplexer und irrelevanter.

Der Einzige, der das Labyrinth mal verließ, war einer, der sein Leben lang gerechnet hat, nämlich Bill Gates. In seinem G-20-Bericht zu den Fortschritten der Entwicklungspolitik belegt er mit weiteren, spannenden Zahlen,

dass das, was uns retten könnte, gerade nicht die Fortschreibung existierender Daten ist, sondern das Neue, die Innovation. Das Aufkommen eines Gedankens, der zuvor noch nicht gedacht wurde. Mit gebotener Höflichkeit bemerkte Gates aber, dass das Neue nicht unbedingt von Politikern kommen werde, sondern von privaten Unternehmern und Wissenschaftlern.

Die Heilige Schrift der Finanzexperten

Mehr und mehr wollen die Politiker selber sein wie Zahlen. Berechenbarkeit, davon schwärmen sie alle, so möchten sie gelesen werden: wie ein Prozentpunkt oder ein Zähler. Dafür aber wurden unsere demokratischen und republikanischen Systeme nicht erkämpft, denn schließlich sind auch Tyrannen berechenbar. Unser System basiert auch auf bürgerlichen Tugenden, auch auf dem Ausgleich der Interessen innerhalb einer sozialen Marktwirtschaft. Das vom kritischen Blog „Nachdenkseiten“ notierte Zitat Angela Merkels von der „marktkonformen Demokratie“ wird uns noch beschäftigen.

Was solche Marktkonformität intellektuell anrichtet, konnte man in Cannes gut studieren: Jedes noch so spezifische technische Detail des Geldhandels wird von Politikern und Fachjournalisten besprochen wie von Geistlichen früherer Zeiten eine heilige Schrift. Es sind Auslegungsarbeiten an einem symbolisch aufgeladenen Text. Aber warum wir so abhängig von den Finanzanlegern geworden sind, wie es überhaupt zum schuldenfinanzierten Wachstumswahnsinn kam, aufgrund welcher ideologisch motivierten, politischen Entscheidungen: Diese sachlichen Fragen passen nicht in den Diskurs unter Gläubigen, es sprengt den Rahmen der marktfrommen Auslegungsarbeit.

Stattdessen werden neue, agierende Entitäten erfunden, auch darin imitiert die Politik die Finanzmärkte. Wir kennen seit der Krise Organe, die in keiner Verfassung auftauchen: die Troika, die Frankfurtgruppe, die diversen europäischen Spezialinstitutionen, nun sollen weitere hinzukommen. Ausschüsse des FSB, des ESFS, eben so viele politisch-ökonomische Mischinstitutionen, „special purpose vehicles“ auch für die internationale Politik.

Merkel die Mitte der Macht

Das bildet sich auch personell ab. Es traten zwei Europäer auf, die sich gegenseitig mit demselben Titel anreden, nämlich „Präsident“. Für was aber van Rompuy, für was Barroso in Brüssel Präsidenten sind, wissen selbst interessierte Bürger nicht auswendig zu sagen. Haben beide auch je ein weißes Schloss und eine Airforce One? Sie erinnern an Schultze und Schulze, die Polizisten bei Tim und Struppi, liebenswerte Agenten einer überforderten und amorphen staatlichen Entität. Man könnte die beiden ohne Kursschwankung durch zwei andere, nette Herren ersetzen oder noch mal zwei Präsidenten dazugesellen.

In Wahrheit ist Angela Merkel die Mitte der Macht in Europa. Sie ist die Meisterin dieser Art von Politik. Zeit gewinnen möchte sie, die Volatilität der Menschen und der Zeiten mit Biederkeit bannen. Damit wurde sie in Cannes zu einem Gipfelstern, niemand wirft mehr einen Schatten auf sie. Sarkozy gibt sich als ihr Satellit, erwähnt sie in jedem Satz dreimal. Fragt ein Reporter die australische Premierministerin Julia Gillis nach der deutschen Kanzlerin, ergeht die sich in aufrichtiger Bewunderung, ja Verehrung und betont, sie habe Merkel natürlich nach Australien eingeladen, aber ob sie Zeit findet zu kommen?

Gillis sprach wie ein Fan. Australien geriet, wie so viele andere Weltgegenden, ganz in Vergessenheit wegen des Geldes der Griechen. Zu ihren wesentlichen Errungenschaften auf dem Gipfel zählte Gillis die Unterredung mit dem türkischen Premier Erdogan wegen des im Jahre 2015 anstehenden Geburtstags der Schlacht von Gallipoli, bei der sehr viele Australier umkamen. Es ging da um die touristische Infrastruktur, um Busparkplätze und Ähnliches, Themen also, für die einst das Telefon erfunden wurde.

Russland war gleich wieder weg

Zur dunklen Seite der Welt zählte plötzlich auch Russland. Kaum jemand bekam mit, dass Präsident Medwedjew schon am Abend des ersten Tages zurückreisen musste. Auch solche unerklärten, unerwähnten Leerstellen kennzeichnen die gegenwärtige Politik. So eine ist auch Guido Westerwelle: In der schärfsten Krise Europas ist der deutsche Außenminister nirgends zu sehen. Und es fehlten die Leute draußen, die Demonstrationen, die Empörten, von denen es viele braucht, um der spätkapitalistischen Schockdoktrin noch etwas anderes entgegenzuhalten, das republikanische Ideal beispielsweise.

Da und doch nicht da war Barack Obama. Bei seiner Pressekonferenz kann man die Augen schließen, man hört am irren Klicken der Fotoapparate, ob er eine neue Handbewegung macht: Die Handkante bildet Stufen, die Handfläche wehrt ab oder öffnet sich - stets antwortet der Fotografenchor mit satten Auslösergeräuschen, es ist wie ein Konzert. Aber welche Kraft haben die so sorgsam komponierten Bilder, über welches symbolische Kapital verfügt eine Politik, die sich ihren Wert von der Börse und den Umfragen beschreiben lässt? „L’Histoire s’écrit à Cannes“, in Cannes wird Geschichte geschrieben, lautete der Slogan des Gipfels. Er stand an jeder Bushaltestelle.

Doch es stimmte nicht, selten war ein Gipfel so sehr Peripherie. Der Slogan stimmt auch sachlich nicht. Geschichte schreibt sich nicht selbst. Das müssen wir schon selber tun. All unseren Präsidenten, so lieb sie sind, kann man das wirklich nicht überlassen.

Quelle: F.A.S.

Eurokrise: Jetzt die Notenpresse

Sonderziehungsrechte bergen den Griff nach den Reserven - und letztlich nach unserem Gold. Es wäre der Auftakt zur verbotenen Staatsfinanzierung über die Zentralbank.

Von [Holger Steltzner](#)

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Eine Schrumpfkur ist unvermeidlich - doch je länger damit gewartet wird, desto höher werden die Anpassungskosten

Es geht doch nicht um das Gold. Nur über technische Fragen wie Sonderziehungsrechte sei auf dem Weltwirtschaftsgipfel in Cannes gesprochen worden. Übrigens seien Bundesregierung und Bundesbank wie immer einer Meinung... Die Reaktion aus Berlin auf einen Bericht der Frankfurter Allgemeinen Sonntagszeitung ist eine Mischung aus Bestätigung, Dementi und Täuschung. Tatsächlich haben in Cannes die Regierungen aus Berlin, Paris und Washington zusammen mit dem Internationalen Währungsfonds (IWF) die Bundesbank in die Mangel genommen.

Unter Umgehung des Beschlusses des Bundestags sollte die Haftung Deutschlands für die Euro-Rettung in einem ersten Schritt noch einmal um mehr als 15 Milliarden Euro erhöht werden. Insgesamt soll das System der Europäischen Zentralbanken 50 bis 60 Milliarden Euro in Form von IWF-Sonderziehungsrechten an eine Zweckgesellschaft des Euro-Krisenfonds EFSF verpfänden. Hintergrund des Vorhabens ist die Sorge, dass der gerade erst auf 440 Milliarden Euro verdoppelte Rettungstopf für Italien zu klein wäre. Sonderziehungsrechte sind eine Kunstwährung, die es dem IWF erlaubt, auf die Reserven der Bundesbank zuzugreifen, um Hilfskredite zu finanzieren.

Ein Griff nach den Reserven

Hinter einem scheinbar technischen Vorgang verbirgt sich nichts anderes als der Griff nach den Reserven. Und da die Bundesbank den Löwenanteil der in Jahrzehnten von uns Bürgern erarbeiteten Reserven in Gold angelegt hat, geht es letztlich um unser Gold. Das wollte sich schon manche Bundesregierung unter den Nagel reißen - für den Versuch hat bislang jede mit einer blutigen Nase bezahlt.

Nur dank des Widerstands Jens Weidmanns, des Präsidenten der Bundesbank und vormaligen Wirtschaftsberaters von Bundeskanzlerin Merkel, wurde dieser Vorstoß vom Verhandlungstisch der Rettungseuropäer genommen - vorerst zumindest. Es bleibt ein Rätsel, warum Frau Merkel das nachweislich falsche Rettungskonzept (mit Schulden zu hohe Schulden bekämpfen) weiterverfolgt. Der Versuch, dem wirtschaftlich kleinen Griechenland mit neuen Krediten zu helfen, hat das Land ins Chaos und die EU in die

größte Krise ihrer Geschichte geführt. Warum soll im wirtschaftlich großen Italien klappen, was in Athen scheiterte?

Jahrzehnte über ihre Verhältnisse gelebt

Zur Krise kam es, weil Länder im Süden der Eurozone seit Jahrzehnten über ihre Verhältnisse leben. Der Euro brachte ihnen niedrige Zinsen wie in Deutschland, mit denen sie noch unbeschwerter auf Pump konsumieren konnten. Während Deutschland mit Lohn- und Kostendisziplin seine Wettbewerbsfähigkeit auf dem Weltmarkt wiederherstellte, kletterten im Süden Gehälter und Schulden kräftig. Heute wird zwar manchmal darüber geredet, dass auch ein Staat auf Dauer nicht mehr ausgeben kann, als er einnimmt. Doch passiert ist in Rom - und auch in Paris - wenig.

Entgegen allen Spargelübden steigen die Defizite munter weiter. Im vergangenen Jahr summierten sich die Leistungsbilanzdefizite Griechenlands, Portugals, Spaniens und Italiens auf 110 Milliarden Euro. Um diesen Betrag erhöhte sich die Auslandsverschuldung dieser Länder. In diesem Jahr wird der Fehlbetrag kaum geringer sein. Die Krise lasse sich nur überwinden, wenn die Defizite abgebaut und Überschüsse erreicht würden, sagt mit Recht Clemens Fuest, ein in Oxford lehrender Finanzwissenschaftler, der auch das Finanzministerium berät. Das gehe nicht ohne schmerzhaftige Anpassungen wie den Abbau staatlicher Leistungen und geringere Löhne.

Es geht um ein dauerhaftes Strukturproblem

Das sei unmöglich, sagen die Rettungseuropäer. Dann sinke die Konsumnachfrage, was die Wirtschaftslage verschlechtere. Deshalb müsse die Fiskalpolitik mit steigenden Ausgaben dagegenhalten. Wer das fordert, der verwechselt einen vorübergehenden Einbruch der Konjunktur mit einem dauerhaften Strukturproblem. Gegen einen konjunkturellen Einbruch kann der Staat ankämpfen, indem er Kredite aufnimmt und die Nachfrage stabilisiert, wie es die Bundesregierung mit der Abwrackprämie getan hat.

In der Währungsunion geht es aber um etwas anderes. Hier leben Schuldensünder schon viel zu lange über ihre Verhältnisse. Sie müssen dauerhaft ihre Ausgaben verringern. Eine Schrumpfkur ist unvermeidlich - doch je länger damit gewartet wird, desto höher werden die Anpassungskosten. Erst wurde versucht, mit Krediten Zeit zu kaufen. Dieser Ansatz scheiterte auch deswegen, weil die Strukturreformen ausblieben. Nun fürchten Anleger aus gutem Grund, dass sie das Geld, das sie in italienische oder griechische Staatsanleihen investiert haben, nicht wiedersehen werden. Dann wurde versucht, die sparsamen Nordländer für den Süden der Eurozone haften zu lassen. Das stößt an Grenzen, nachdem selbst Deutschland sich der besten Bonitätsnote nicht mehr sicher sein kann.

Als Mittel der letzten Wahl wollen die Rettungseuropäer jetzt die Notenpresse anwerfen. Der Griff nach dem Gold der Bundesbank wäre der Auftakt zur verbotenen Staatsfinanzierung über die Zentralbank. Als Folge droht unweigerlich Inflation. Dabei könnte die Eurozone dem Strukturwandel selbst dann nicht entkommen, wenn sie den Euro zur Lira machte.

Quelle: F.A.Z.

A euro referendum

Greece's woes

The markets are not the euro's only threat. Voters may be too

The Economist Nov 5th 2011 | from the print edition



EVEN by the euro zone's undemanding standards, a summit deal that survived less than a week is lamentable. Early on October 27th Angela Merkel, the German chancellor, and Nicolas Sarkozy, the French president, hailed a “comprehensive package” to save the euro. Yet by the time *The Economist* went to press, their plans were in tatters. Greece's prime minister, George Papandreou, looked doomed, rejected by some of his ministers, many in his party—and, possibly, most of his country.

The shallowness of the summit's achievements has been brutally exposed. Instead of settling into a period of calm, markets were thrown into new turmoil (see [article](#)). One way or another, the euro is destined for an unavoidable test of popular support. Unless the euro zone's leaders shape up, this is an encounter their currency may well lose.

Heed the messenger

Mr Papandreou was in part the author of his own misfortune. Seeking the backing of the Greek people in a referendum, he was immediately condemned in the capitals of Europe as a fool or a traitor. Why had he wrecked all their good work? How dare he bring disaster on the rest of the euro zone when it had so generously bailed out his scapegoat of a country? A furious Mr Sarkozy and Mrs Merkel summoned him for a dressing-down on the fringes of the G20 summit in Cannes. Mr Sarkozy's hopes that this gathering might set the stage for generous emerging-market investment to support the euro were already faint. They now look impossible.

There is no disputing that Mr Papandreou, in spectacularly chaotic style, has left the euro zone racked by uncertainty. His referendum now seems unlikely to take place. Perhaps Pasok, his party, will enter a government of national unity with New Democracy, the opposition, headed by a technocrat. Perhaps there will be an election. Perhaps even these plans will fall apart, just as the last did (see [article](#)). All the while, the clock is ticking: within a month or so, Greece must receive fresh funds from the IMF and its European rescuers—or messily default.

Mr Papandreou has created an almighty mess, but he is better cast as the messenger than the villain. He was not to blame for the summit's shortcomings. The spreads between Italian and German government debt had begun to widen well before Mr Papandreou dropped his bombshell. If the euro zone had put a credible firewall around the government bonds of Italy and other troubled euro countries, a Greek default would not now be threatening contagion. Stable sovereign borrowers would have helped to safeguard Europe's banks, and a decent plan to strengthen the weakest banks would have secured the door. But last week's summit deal—concocting a jerry-built firewall and asking the banks to boost their capital ratios by June next year—was not up to scratch. No wonder the markets took fright only days later.

At one level, Mr Papandreou does not deserve blame even for seeking a mandate on the summit's main achievement (though he must now be rueing his decision). Although the proposal to write down the face value of privately held Greek-government debt by 50% would be substantial and welcome, Greece's stock of debt would, even on best assumptions, still add up to 120% of GDP by 2020. All the while, the Greek people would be living with austerity.

Hence Mr Papandreou's most important message. Until now the euro crisis has chiefly been about pressure from the markets. But a country's finances are not defined by markets alone. Rather the limits of solvency are tested by people's willingness to accept tax rises and spending cuts. A government runs out of political capital long before it runs out of things to tax. In the end, won't pay matters more than can't pay.

Greece is farther down this road than any other member of the euro zone—even though other countries such as Portugal and Ireland have already seen their governments toppled and Spain is about to follow suit. Beset by rebels in his own party, by a hostile media and by strikes and protests, Mr Papandreou concluded that he would find it hard to impose the austerity being asked of Greece. Every quarter the EU, the IMF and the European Central Bank (ECB) scrutinise Greece before releasing the next chunk of money. With nowhere to hide, he decided to appeal over the heads of his opponents to the people.

Greece's next government, whatever its composition, cannot escape the growing resentment of the country's political class. A growing but still small contingent of Greeks wants to defy the EU's treaties and quit the euro altogether. Fully 60% reject the summit deal. But Greek withdrawal still looks like a terrible mistake. Depositors would rush to pull their money out of Greek banks to protect their savings from being converted into new drachma. Greek firms would be bankrupted by their euro debts. The gain in competitiveness from devaluation would be transient if, as is likely, wages inflated along with prices. Even Greece's EU membership would be in doubt.

What to do?

Greece's government must wisely spend what scant political capital it may have. Above all, the economy needs to grow. Despite their anger, 70% of Greeks say they want to remain in the euro, but their tolerance for austerity has limits. The government must devote less effort to growth-destroying tax rises and instead undertake growth-promoting structural reforms. It will have to begin facing down public-sector unions and enforcing barely implemented reforms. Mr Papandreou's government consistently took the easy way out.

The euro zone's emphasis on austerity rather than structural reforms has aggravated Greece's political woes. Instead it should favour medium-term fiscal consolidation. The creditor nations could boost domestic demand, to provide a bigger market for debtors' exports. Most of all, they should dispel the threat of contagion by putting the ECB's balance-sheet behind the debt of solvent governments, like Italy and Spain. Throughout this crisis, creditors—particularly Germany—have worried about being too soft on the euro zone's weaklings, for fear that they would go slow on reform. Mr Papandreou has shown that they also need to worry about being too austere.

The Gridlock Where Debts Meet Politics

By [DAVID LEONHARDT](#)

WASHINGTON — With [Greece](#) struggling to form a government that can force harsh austerity measures onto a weary public, Europe is in usual form, taking a couple of steps toward solving its fiscal crisis and then a couple of steps backward. Washington, meanwhile, is hoping that the latest deficit-reduction committee in Congress can succeed where others have failed.

This cycle of bureaucracy and gridlock has been repeating itself for months now. It is tempting to blame feckless politicians on both sides of the Atlantic, and that would not be entirely wrong.

But the frailty of politicians is not the full story. The fact is that most of the industrialized world — Europe, the United States, Japan, too — is in a difficult economic bind. There are no simple solutions that would quickly win the approval of citizens if only politicians were willing to try them.

Most voters in these places have yet to come to grips with the notion that they have promised themselves benefits that, at current tax rates, they cannot afford. Their economies have been growing too slowly, [for too long](#), to pay for the coming bulge of retirees.

“The U.S. and Europe have to make hard choices because of two things: slower growth and aging populations,” said [Barry Eichengreen](#), an economist at the University of California, Berkeley. “Europe’s choices are even harder than America’s, because the prospects for growth are more dubious.”

By the end of last week, as the Greek Parliament took a big step toward approving a European deal to reduce the country’s debt, some reasons for hope had emerged. Yet the main dynamic had not changed.

Europe still has not set aside enough money to cover its debts, with [Italy now presenting](#) the most immediate problems, many economists say. In the United States, a special Congressional [deficit committee](#) appears to be making little progress, and some members of Congress have even [begun talking about](#) undoing the automatic Pentagon cuts set to take place if the committee deadlocks.

On the most basic level, affluent countries are facing sharply increasing claims on their resources even as those resources are growing less quickly than they once were.

The increasing claims come from the aging of the population, while the slowing growth of available resources comes from a slowdown of economic expansion over the last generation. A complex mix of factors, varying by country, has slowed growth, and the slowdown has been exacerbated everywhere by the worst financial crisis and global [recession](#) in 70 years.

The combination has left Europe and the United States with frustrated populations that still have more sacrifices ahead. “These are very difficult moral issues,” said [Benjamin Friedman](#), an economic historian at Harvard. “We are really talking about the level at which we support the elderly retired population.”

As Simon Tilford, chief economist of the [Center for European Reform](#), a research group in London, said, “Countries will face tougher choices.”

In the United States, the debates center on whether to let government grow as the population ages and whether the affluent, who have [done very well](#) in recent decades, should pay more taxes. In Europe, the issues revolve around whether to shrink government, which is bigger than it is here, and whether well-off northern countries like [Germany](#) should support poorer countries, like Greece and Italy, which also suffer from fiscal irresponsibility.

Everywhere, though, the debate is about much more than just partisan advantage or the next election. It is a philosophical debate.

“The country’s in such bad shape, and people wish Congress would do something about it,” Senator Mitch McConnell of Kentucky, the Republican leader, said in an interview last week. “And we have a big difference of opinion about what ought to be done.”

He added, “That is what we do here — we have big debates about the future of the country.”

Of course, politicians have also exposed themselves to legitimate criticism. Mr. McConnell and his fellow Republicans have blocked a short-term [jobs bill](#) proposed by President Obama that has [broad support](#) from independent economists, and for the most part they have failed to level with voters about cuts to [Medicare](#), [Social Security](#) and the military that a no-new-taxes pledge would require.

Democrats, including Mr. Obama, have vowed not to raise taxes on households making less than \$250,000, which seems impossible without larger benefit cuts than Democrats have acknowledged.

Polls, however, suggest that there is little political advantage in explaining the reality of future budget math. “Everybody thinks, ‘My taxes are going to fund somebody else’s social programs,’ ” Mr. Eichengreen said, “making people even more resistant to solutions.”

Playing to those sentiments, the presidential contenders in the United States and France seem unlikely to force austerity upon angry voters.

The United States and Europe still have more than enough resources to solve their problems. They are among the richest societies the world has ever known, benefiting from skilled work forces, the rule of law and political freedoms that often help produce economic innovations. The United States also continues to benefit from low interest rates, a signal of the bond market’s confidence.

Yet the United States and Europe face the risk that their problems will feed on each other. Recent economic stagnation may make voters and policy makers unwilling to make hard choices, and the political paralysis might then worsen the economy by creating new financial turmoil. In [an article](#) in the current issue of the journal *The National Interest*, Mr. Friedman named this problem the “no-growth trap.”

In the short term, this trap takes the form of resistance to emergency measures, like Germany’s distaste at bailing out more profligate countries, which may increase deficits. “The central paradox of financial crises,” Timothy F. Geithner, the Treasury secretary, said before leaving for the Group of 20 meetings in Europe last week, “is that what feels just and fair is the opposite of what’s required for a just and fair outcome.”

Longer term, the trap is created by resistance to the higher taxes and reduced benefits necessary to return countries to financial stability. The resistance is understandable, given how weak [income growth](#) has been in the past decade, but it is not sustainable.

With Europe facing a series of debt decisions in the coming weeks and the Congressional deficit committee closing in on its Nov. 23 deadline, it is tempting to predict that policy makers will have to start making some big decisions soon. Then again, if history is a guide, they may well find ways to put off those decisions yet again.

Suzanne Daley contributed reporting from New York.

Aider davantage la Grèce ? Une majorité de Français y sont opposés

LEMONDE.FR avec AFP | 05.11.11 | 10h05 • Mis à jour le 05.11.11 | 10h45

La Grèce commence à donner le tournis aux Français. Une majorité désapprouve (63 %) l'augmentation de la contribution financière française à hauteur de 15 milliards d'euros dans le cadre du plan d'aide à la Grèce, selon un sondage Ifop pour [Dimanche Ouest-France](#).

La France a prêté à la Grèce 11,5 milliards d'euros, ce qui lui a rapporté 200 millions d'euros d'intérêts, avait déclaré le président de la République Nicolas Sarkozy lors de son intervention télévisée le 27 octobre.

Selon ce sondage le projet n'est approuvé que par 37 % des personnes interrogées, un chiffre cependant en augmentation par rapport à un sondage réalisé en septembre dernier où ils n'étaient que 32 % à approuver le plan de sauvetage. En novembre sur les 63 % qui désapprouvent le projet (contre 68 % en septembre), 32 % y sont même *"tout-à-fait"* hostiles.

Les personnes âgées de 65 ans et plus sont en majorité favorables au plan de sauvetage avec 54 %, tout comme les sympathisants UMP (55 %) et MoDem (60 %) et les cadres supérieurs (48 %). Les classes moins aisées comme les ouvriers et les employés y sont clairement moins favorables avec respectivement 26 % et 23 % d'avis favorables, tout comme les sympathisants du Front national avec seulement 14 %.

Enfin, 89 % des Français estiment que *"l'argent prêté à la Grèce est de l'argent perdu, parce que la Grèce ne pourra pas rembourser"*, un chiffre en augmentation de deux points par rapport à septembre dernier. Mais en même temps, ils sont 89 % (cinq points de mieux qu'en septembre) à estimer que *"les difficultés de la zone euro vont s'accroître dangereusement si le problème de la dette grecque n'est pas réglé"*.

Referendums – can't always get what you want

4 November 2011

RZECZPOSPOLITA

WARSAW



The EU leadership's obsession with political and economic federation is the source of the current crisis rocking the eurozone, writes columnist Marek Magierowski.

Marek Magierowski

Things in Greece and elsewhere in the EU are far from funny, but some politicians seem never to lose their sense of humour.

"I hope that people in Greece realise that, voting in this referendum, they bear responsibility not only for their own country but for the rest of Europe as well," said former German foreign minister and SPD leader, Frank-Walter Steinmeier.

The referendum was ultimately called off, which doesn't change the fact that Steinmeier's analysis is extremely funny. The "future of Europe" is the last thing the Greeks are preoccupied with today. Can you imagine an unemployed 25-year-old voting in favour of radical reforms because the 'future of Europe' demands this? Or a public servant who agrees to have his wages cut by a fifth because "Berlin expects this"?

A construction that has little to do with democracy

It would have been the same if a euro referendum were held in Germany – something that several politicians there are already demanding. Bild would certainly tell its readers whether to vote for continued subsidies for the "lazy thieves from Athens" or whether to throw the Greeks out of the eurozone.

Threatening each other with referendums leads nowhere. Unfortunately, in this case the culprits are those EU leaders who beguiled the European public with the vision of an increasingly democratic Europe, one in which citizens would have more and more say.

Instead, they've created a construction that has little to do with democracy. On the one hand, they have forcibly pushed through various laws regardless of the vox populi while on the other, obsessed by the vision of a political and economic federation, they have staked the whole continent's future on decisions taken by not very wise leaders in not very large countries.

Translated from the Polish by Marcin Wawrzyńczak

Welcome to the union of unequals

4 November 2011

THE DAILY TELEGRAPH

LONDON

France and Germany have been largely responsible for thwarting Greek PM George Papandreu's decision to hold a referendum on its EU/IMF bailout. A naked display of power that bodes ill for a union of equals.

It should surprise no one that George Papandreu's proposal for a national referendum on the latest European bail-out deal should have lasted just 72 hours before being bulldozed into oblivion by the Germans and French. Angela Merkel and Nicolas Sarkozy made not the slightest attempt to observe any diplomatic niceties as they turned their fire on this troublesome outbreak of democracy. The Greek referendum must not be allowed to happen, they insisted – and lo, it will not. It was brutal to watch.

Welcome to the new Europe. It is now generally accepted that the move towards fiscal as well as monetary union is the only feasible way in which the single currency can be made to work. Yet it will mean such bullying becomes the norm, since national sovereignty will routinely have to play second fiddle to the diktats not only of the European Central Bank, but also of a central European Treasury, whose creation can now only be a matter of time. Both will, of course, be dominated by the monetary union's pre-eminent economy, Germany.

While Greece may be a victim of force majeure, it is not blameless in this affair – quite the opposite. An economic basket case in which political corruption is rife, it has failed to meet its obligations as a member of the monetary union by living laughably beyond its means. But what of Germany? Has it met its own obligations? It continues to insist on the single currency, and the European Central Bank that services it, being run to suit its own economic agenda, not that of the wider eurozone.

This unholy mess

This is where all the high-flown verbiage about the great European project collides with the hard reality of power. Germany is able to assert its sovereign rights because it has the economic clout to do so. Peripheral nations such as Greece and Ireland are swatted aside. Transfixed as they are by their obsession with shoring up the euro, it does not seem to occur to Europe's political elites that the seeds are being sown not of an ever-closer union of equals, but of an unhappy alliance with one dominant partner. This could bode ill for the entire European Union.

Meanwhile, the immediate crisis has now reached such a pitch that the International Monetary Fund will have to play a significant role in any recovery plan. David Cameron is right to argue that, while this country will not back any direct IMF investment in a eurozone bail-out, it stands ready – as a founder member of the fund – to make more money available if required.

This unholy mess is of the eurozone's own making, and it ought to be up to its members to sort it out. But in the face of this disaster, every nation could find itself dragged into the abyss.

Preparing for default

Quick! More sandbags (filled with cash)

The Economist Nov 4th 2011, 1:18 by The Economist | Cannes Charlemagne

THE BEACHFRONT of Cannes is deserted. The streets are still. The city is quiet, apart from the rumbling of journalists pulling their rolling bags and motorcades whisking G20 leaders to and from their hotels.

One can almost hear the scraping of shovels as European leaders rushed to fill the sandbags in the hope of surviving the impending explosion in Greece, perhaps followed by Italy (see earlier [post](#)).

What they need is bags and bags of money to strengthen the existing rescue fund, the European Financial Stability Facility (EFSF). But there is no more cash to be had, so it must be conjured up through financial engineering.



European leaders claimed at their last summit that the EFSF would be expanded to €1 trillion, but this [never seemed adequate](#), while legal and political problems are hampering progress. “There are some creative solutions,” is all one person close to the discussions would say, expressing doubt that it could be concluded by the end of November. This is uncomfortably close to the mid-December moment when Greece runs out of money and, unless it receives more money, must default.

One source of extra money might be the IMF, which helps to explain why Barack Obama joined European leaders for crisis talks last night. The fund can only lend to states, rather than buy bonds on the markets, as the revamped EFSF is intended to do.

But perhaps, say European leaders, richer emerging economies could contribute more money to the IMF. Another option, likely to be approved, is for the IMF to make available new lines of credit for well-managed countries suffering from “exogenous shocks”, though it is unclear whether this would apply to Italy. More esoterically, the IMF could, through its ability to produce liquidity known as [Special Drawing Rights](#), make more resources indirectly available for European states to pump into the EFSF.

One thing the IMF can certainly do is to monitoring countries’ finances. It already works with the European Commission and the European Central Bank (ECB) in bailing out Greece, Ireland and Portugal, and in assessing their reforms. The last troika report ([here](#) and [here](#)) on Greece, much gloomier than previous ones, seems to be partly the result of IMF demands for a more “realistic” appraisal of Greece’s prospects.

Even though Italy is not being formally bailed out, senior sources say it is likely that the IMF will be brought in to help monitor its implementation of a raft of promises to promote growth and bring down its vast debt.

But without the firepower of the ECB, nobody really believes any of these measures can really withstand the blast if Italy blows up after Greece. The one bit of good news was the first move by Mario Draghi, the newly-installed ECB president to [cut interest rates](#). Even amid the gloom over Greece, markets [rallied](#). But nobody should stop digging for cash.

Why Not Give Greeks Their Say?

By [FLOYD NORRIS](#)

The fundamental nature of European governance is about to change.

Either a large part of the Continent will move much closer to a federal government, with common fiscal policies and a substantial loss of sovereignty for many nations, or it will spin apart, with possibly severe economic and financial consequences.

That has been clear for months, and markets have alternately soared and plunged as it appeared Europe was closer to or farther from reaching the first alternative.

This week, it appeared that the prospect that scared European leaders the most was the specter of democracy. When the Greek prime minister, George A. Papandreou, proposed a referendum on whether Greece would go along with the agreement reached at the European summit meeting last week — one that calls for more austerity and that polls say is unpopular with most Greeks — much of Europe reacted with shock and alarm. How dare he do that?

In the end, he could not persuade his own government, and there will be no vote. That should be a cause for sorrow in the rest of Europe, not joy. There is little reason to think that Greek citizens will be more cooperative now that it has been made clear their opinions are irrelevant to the people who run Europe.

It is not only the Greek people who should be consulted about the major changes now under way in how they are governed. So should the people of other countries.

Heretofore, the countries that joined the euro zone did so with the understanding that they could have the best of all worlds — the convenience of a common currency without the economic and political integration that would inevitably be needed if the countries did not pursue similar economic policies. That understanding was wrong.

For Greece, no alternatives look good. The latest European bailout package does make some gestures toward promoting economic growth, like a program of loans for smaller businesses, and it allows Greece to escape paying some of its debts. But mostly it calls for sacrifice and austerity for years and years. The alternative, with a loss of European support, could be worse. Greece would have to get by on its own resources. It could default on its debt and devalue its suddenly resurrected currency, the drachma. Eventually, that might lead to economic growth, but in the meantime there would still be austerity. Without access to outside capital, Greeks might have to pay for their own government, through taxes.

Referendums are seldom a good way to deal with complicated issues, but this might have been an exception. The same polls that say most Greeks want to reject the latest demands from Europe also say that a sizable majority wants to stay in the euro zone. A properly phrased question could have forced Greeks to face unpleasant realities. An adviser to Mr. Papandreou was quoted early this week as saying he wanted voters “to take a position, to see the choice before us in its starkness, hoping they will back the lesser of two evils, instead of letting irate reactions in the streets dominate the debate.”

Mr. Papandreou’s retreat became inevitable when his own finance minister, Evangelos Venizelos, joined the chorus of referendum opponents. “Greece’s place in the euro zone is a historical conquest by the Greek people that cannot be placed in question,” he said. The people’s opinion of that conquest, which was accomplished by lying to the rest of Europe about government finances, is evidently not important to him. Perhaps more important was the hope he could replace Mr. Papandreou.

The referendum gambit did accomplish one thing. Antonis Samaras, the head of the principal Greek opposition party, had tried to have it all ways but now has endorsed the debt deal, enabling Mr. Papandreou to proclaim there is national unity. Previously, Mr. Samaras had said he was not against a debt deal in principle, but was opposed to the bad deal Mr. Papandreou had accepted. Rather than face the fact that Greece’s inability to collect taxes was a major cause of the crisis, he wanted tax cuts — cuts that it is hard to see the rest of Europe agreeing to finance.

To many European leaders, it is clear that they need to steer a course that gradually brings the euro zone closer to fiscal union while preventing an uncontrolled default by Greece or any other country in the zone. Europe is already so integrated that banks across the Continent own lots of debt issued by other countries, and could be devastated by a series of defaults. But there is little will to spell out details, in part because enacting them will be difficult under European laws requiring all countries to agree, and in part because there is

opposition in prosperous countries to the potential cost of bailouts and in less prosperous ones to the idea of taking what many fear will amount to fiscal dictation by Germany.

It would be nice if the leaders found ways to consult with their populations on whether the trade-offs are worth it. It might not require referendums in all euro zone members, but the current course seems to assume that the benefits of [the euro](#) are so obvious that no reasonable person could object to such a minor thing as the loss of national sovereignty. There is in Athens now a group of European civil servants whose task is to provide assistance and advice to Greek civil servants. It is headed by Horst Reichenbach, a German who has spent decades working for the European Commission and was an official of the European Bank for Reconstruction and Development before he got the Greek assignment from José Manuel Barroso, the president of the commission.

Europe thinks the civil servants are there to help. Some in Greece see them as foreign overseers, and recall World War II.

A Greek newspaper, *Eleftherotypia*, ran a cartoon depicting Mr. Reichenbach in the uniform of a German general manipulating two puppets — Mr. Papandreou and Mr. Venizelos.

“They didn’t succeed in occupying Greece through arms,” the cartoonist, Stathis Stavropoulos, told me in a telephone interview, “because the Greek people resisted. They try now to occupy Greece through the economy.”

It did not help Mr. Papandreou’s image that he felt called upon to fly to France on Wednesday, rather than stay in Athens to seek support before the no-confidence vote. He had been summoned by the pair now known as Merkozy — Chancellor Angela Merkel of Germany and President Nicolas Sarkozy of France. They were said to be outraged that he had presumed to call for a referendum without seeking their approval first, and they made clear that Greece would get no new cash until it had agreed to the terms on the summit meeting.

It is obvious that many in Greece are not persuaded that they need to take drastic action. This is a country whose notoriously inefficient tax collectors have gone on strike to protest layoffs, and whose politicians appear to have found ways to evade promises to stop hiring more government workers. It is hard to see how the European plan will work if most Greeks are trying to subvert it. A referendum might have shown there was the needed public support.

The rest of Europe has good reason to want Greece to recover, beyond any humanitarian good wishes. A Greek collapse and rushed exit from the euro zone could imperil other peripheral countries as money is pulled from them and sent to the presumed safe havens of Germany, or the United States, and they might feel it necessary to also exit the euro zone. Could the European Union survive the collapse of the euro? European elites do not want to find out.

Allowing the Greek people a voice in what is happening to them might have forced Europe to make concessions to win a Greek referendum, or at least caused it to emphasize or even enhance the parts of the plan that are intended to help the Greek people.

As it is, there are hints in German attitudes toward Greece of what might be called Mellon economics, after Andrew Mellon, the Treasury secretary under three American presidents, ending with Herbert Hoover. He saw the Depression as something of a morality play, in which economic devastation would “purge the rottenness out of the system.”

“High costs of living, and high living will come down,” said the man who was said then to be the third-richest man in the country, behind John D. Rockefeller and Henry Ford. “People will work harder, live a more moral life.” He dismissed those who had failed as “less competent people.”

Many American voters did not take well to such condescension from those better off than themselves, and Mr. Hoover lost in a landslide in 1932. Even without a vote in Greece, it might behoove Germans — and Frenchmen — to act as if they view Greeks as less fortunate fellow European citizens, rather than as profligate failures who deserve to suffer many years of austerity for their sins.

Far From a New Dawn in Europe

By [JOHN VINOCCUR](#)

FRANKFURT — Hello from the new Europe that has left its agonies behind for austerity's sawdust path to salvation.

It's a continent arisen and aglow, firmly righteous, the profligate and the abstemious, now soldiers of probity, hands tightly linked, marching to the fore and a world of reclaimed respect.

Nobody believes that — not after the European Union's 14th [debt crisis](#) management summit meeting in 21 months last week (Bloomberg News kept count). The challenge is elsewhere. It is to identify what kind of reality confronts an E.U. that now insists it has come up with elements of a solution to its loss of credibility and relevance.

To be kind, in a week when the Group of 20 leaders are set to meet on the French Riviera, that's uncertain.

Have the countries of the euro common currency zone created a new culture of truthfulness, or a plan for growth to compensate for their covenant of economic and financial constraint, or hard guidelines to keep potentially massive creditors, like China, from encroaching on Europe's independence and its place as a pillar of the West?

A Matterhorn of doubt follows here in three segments:

Bad History Quite simply, the euro zone always had clear rules, supervision and penalties. Saying now that new rules will be strictly and suddenly enforced means little, considering the precedents.

The Maastricht Treaty provided for stringent controls — but all the members of the common currency disregarded them and set a pattern of easy variance from the truth.

Jean-Pierre Jouyet, president of the French Financial Markets Authority, has described the existence of a “culture of connivance” that resulted in a decision in 2004, countenanced by the European Commission, to let a Greek government admission of fraud (made in Mr. Jouyet's presence) pass in silence.

A year later, Germany and France both exceeded the euro zone's debt and deficit targets while avoiding either political or cash penalties, and anything akin to embarrassment. Cooked books, disdain for the E.U. rules, contempt for the truth — for a good part of a decade, the result was, Mr. Jouyet told me two years ago, “countries felt there were no rules. The notion of rigor was gone.”

Last week, I visited Jean-Claude Trichet, departing president of the [European Central Bank](#), the European project's most respected and competent arm. Describing a “culture of negligence” in 2004 and 2005 — he felt connivance was an exaggeration — Mr. Trichet said he and the bank fought against the French and German action to devalue the Maastricht criteria, “but the world consensus then was that sovereign countries could not have credit problems.”

In the end, rather than the E.U. reckoning with its own implosion of standards, it was the markets and ratings agencies, although demonized in the process by European leaders, that caught out the game that held a Greek bond was as solid as a Dutch one.

Even as the crisis gained force, European denial and deflection dominated.

There had to be three successive sets of European-organized stress tests made on European banks' solidity because each previous successive upbeat result had little credibility. Barely a month ago, when Christine Lagarde, head of the International Monetary Fund, said many banks required serious recapitalization, their reaction was feigned shock.

So now we've been told of a kind of European pre-deathbed conversion (albeit without a blanket mea culpa). But to what exactly? To trust that it is to a culture of ruthless commitment to the truth would be a gamble ignoring experience.

Little Growth When [Angela Merkel](#) returned from the Brussels meeting last week, she said its achievement was as “a step on the way to more stability and a stability union.” The growth part of the equation went missing.

Bottom line: minus a clear plan that makes an improbable combination of consolidation and growth believable and sustainable in the near future, the real European perspective is for trouble.

In September, Mrs. Merkel proclaimed that Germany remained Europe's economic locomotive. Less than a week later, Wolfgang Franz, chief of her council of economic advisers, said there were no locomotives anywhere, and no strong German growth, based on structural reform, was in sight.

Since then, the German and French governments have projected their growth rates in 2012 at 1 percent. A Belgian member of the E.C.B.'s governing board, Luc Coene, was more downbeat:

"It would be too strong to say that I don't expect a [recession](#)," he said. And added — linking new consolidation requirements with low growth potential — "Recovery will be slower because we don't have the capacity to stimulate the economy as strongly" as in 2009.

In response to countries like the United States, and an institution like the International Monetary Fund, that call for greater domestic demand in Germany, and see German (and Chinese) trade imbalances as a major hindrance to growth around the world, Mrs. Merkel has again said fuggedaboutit.

She insisted last week that highly competitive nations must not be punished because of their greater skills.

Responsibilities Europe's desire to have China become the major national investor in its bailout fund has been met by unmistakable Chinese insistence that China get something major in return.

Greater economic investment and trade access to Europe are troubling enough.

But suppose Beijing insisted the E.U. lifts its embargo on arms sales to China as a quid pro quo.

[Nicolas Sarkozy](#) has long been on the record as being in favor. Catherine Ashton, the E.U. foreign policy chief, said earlier in the year, "The current arms embargo is a major impediment for developing strong E.U.-China cooperation. The E.U. should discuss its practical implication and design a way forward."

Of course, Europe could just say no. Or, very possibly, pay back a bailout with a decision challenging the Obama administration's analysis that China is a growing military threat — not to mention American notions of the West's solidarity.

This is new ground for a vaguely and still unconvincingly redefined E.U., its reins increasingly in the hands of a Germany whose departure from nuclear energy points to its and its neighbors' growing energy supply dependence on Russia.

Call the E.U.'s response to China's investment conditions a sudden, global responsibility of a kind that goes beyond the boundaries of what 21st-century Europe had always done best: blur the edges of any definitive choice more complicated than pure self-interest.

11/04/2011 03:01 PM

SPIEGEL ONLINE

The World from Berlin

'The Common Currency Endgame Has Begun'

Greece has backed away from holding a referendum on the euro bailout package. This week's tumult, however, shows that Europe is still far away from solving the euro crisis. German editorialists on Friday warn that the worst-case scenario may arrive sooner rather than later.

It took less than a week for confidence in the euro zone to evaporate. Again. Last Wednesday, European Union leaders agreed to sweeping measures aimed at saving the common currency. But the [shocking](#) announcement on Monday by Greek Prime Minister Georgios Papandreou that his country intended to hold a referendum on the conditions of the bailout measures, with its rigid and unpopular austerity measures, was all it took to shake markets again and raise doubts about the strength of the bailout.

As if that weren't bad enough, interest rates are rising on Italian government bonds again -- this week increasing to 6.4 percent and ever closer to the psychologically important 7 percent figure at which analysts believe the country will begin to have significant difficulties refinancing its debt.

On Thursday, even as Papandreou abandoned his referendum plans, he reinforced the image of a bumbling euro zone unable to get a grip on its currency crisis. His about face came within 24 hours of an emergency meeting with euro-zone leaders in Cannes -- and under tremendous pressure from German Chancellor Angela Merkel and French President Nicolas Sarkozy.

For the first time, the pair broke a longstanding taboo by raising the prospect that Greece might be forced to exit the euro. "We are prepared," Merkel said. And high-ranking representatives of the euro states said they were already reviewing scenarios of a Greek insolvency. On Thursday, Merkel reiterated her message, saying "our main concern is the stability of the euro."

Papandreou backed down after Merkel and Sarkozy threatened to [freeze](#) an €8 billion aid tranche until the referendum had been concluded. The Greek prime minister faces a crucial vote of confidence on Friday evening.

As the uncertainty over Greece's future worsened this week, the debt crisis in Italy also [intensified](#). On Thursday, Merkel made clear to the Italian prime minister that he needed to accelerate his planned austerity measures. Later that night, a draft of the G-20 closing statement emerged including language with Italy agreeing to come close to balancing its budget by 2013. G-20 leaders also pressured Berlusconi to agree to have Italy's progress in implementing savings measures and reforms monitored by both the International Monetary Fund (IMF) and the EU.

In addition, a number of Italian media reports are suggesting Berlusconi's government in Rome could be close to collapse.

German editorialists on Friday look to the latest developments and conclude that the European debt and euro crisis has escalated to a dangerous new level. Some argue that the only hose left that is big enough to fight the fire is the European Central Bank with its money printing machines.

Business daily **Handelsblatt** writes:

"No matter who takes over the rudder in Athens, Europe shouldn't expect much. Rather, it should prepare for even greater chaos."

"Instead of simply accepting the aid package ... offered, thus demonstrating political leadership, Papandreou suggested to his countrymen that they had a choice. The bitter truth, however, is that there is no choice -- a truth the Greek prime minister heard with perfect clarity from Merkel and Sarkozy on the French Riviera, where he had been summoned to appear. Either Greece accepts European help, was the message from the EU crisis summit in Cannes on Wednesday night, or Greece has to leave the euro zone."

"With this unprecedented ultimatum from EU leaders, the common currency endgame has begun. Even if the referendum does not take place, the damage has been done: For the first time since the founding of the currency union, the exit of a member state is no longer mere speculation, it is an official alternative."

"(Were that to happen), the effects would not just be felt in an impoverished Greece, rather in the EU as well. Were Greece to be the first 'sinner' to leave the euro area, despite years of assertions to the contrary, attention would immediately move on to the next weak link in this chain. Were Italy and Spain to become endangered, an uncontrollable domino effect could begin -- which may in the end reach France."

"Whether the Greeks leave the euro zone in the end or not -- neither alternative will calm the situation."

Conservative daily **Die Welt** writes:

"At the end of the eventful day, the redemptive message came: Papandreou would withdraw his referendum because conservative Greek opposition leader Antonis Samaras declared he was ready to vote for the aid package with the government and take part in an interim national unity government. At the very last minute, and after two years of refusals, the opposition party (ND) finally showed a sense of responsibility."

"But the reasons behind this welcome development did not lie in Athens, but in Cannes. There, Merkel and Sarkozy beg the house when they took the Greek prime minister to task. They didn't just say that payments to Greece would stop until the Greeks made it clear they would hold up their end of the bargain. They also insisted that the Greek referendum would essentially be a vote on Greece's membership in the euro zone -- the really big question. The politicians in Athens decided they'd rather not take the risk."

The conservative **Frankfurter Allgemeine Zeitung** writes:

"Until Thursday ... one thing had never been questioned -- namely whether an overly indebted euro zone member, regardless what happens, would still belong to the currency union. The subject of a withdrawal or expulsion was always a taboo. The fact that the European treaties neither envisioned the one scenario or the other was the very least of the reasons for that."

"But this taboo doesn't exist anymore. The German chancellor, the French president and the Luxembourgian chief of the euro group no longer rule out what only a short time ago wasn't even allowed to be considered: that Greece will have to leave the currency union if it can't adhere to its agreements on consolidating its budget. Merkel, Sarkozy and Juncker appear to have run out of patience. The predicament Athens is clear to them and they do not underestimate what the Greek people are having to cope with. But their own voters are breathing down their necks."

"Regardless of whether the (inevitable) breaking of a taboo serves as an effective intimidation strategy or not, European politics have arrived on virgin soil. From now on, the order of the day will no longer be increasing the number of member states and transferring ever more competencies to the EU. From now on, the dismantling of institutions and duties will no longer be ruled out -- either because the voters will it or because objective

contradictions exist that can no longer be simply resolved with existing methods. The dangers therein are obvious. It could become a slippery slope and once things start moving it may be hard to stop them. Still, this massive Project Europe, a unique undertaking of organizing peace and prosperity under the shared exercise of sovereignty, is experiencing a major crisis of confidence. Perhaps it is now time to give a radical signal with the goal of protecting it in its entirety from greater damage."

'The Rescue of the Euro Zone Has Failed Epically'

The center-left **Berliner Zeitung** writes:

"The rescue of the euro zone has failed epically. The conditions (Merkel and Sarkozy) have imposed on the Greeks show just how dramatic the situation has become. No more money will flow (to the country) until it is certain that the savings program will be carried out. If it doesn't? Then the euro will collapse and Greece will have to exit the currency union. Would Europe then collapse, too?"

"Regardless how the Greek drama ends, it has been clear since Wednesday night that confidence in the euro has been further seriously damaged. This is because the message sent by Merkel and Sarkozy in their urgency was that the euro zone is not only not going to cover the debts of its members -- but that the euro has not been planned for the long run."

"The countries seeking to rescue the euro need to be considering now how they will solve the euro zone's main problem: how they will restore trust. More is needed to accomplish this than just the bailout tools approved on Oct. 26. They won't even suffice to nurse the consequences of an orderly insolvency of a euro country. To save the entire euro, much more is necessary: euro bonds, common taxes -- something that will send a strong message of political confidence to angst-riddled investors that the rest of the euro zone wants to remain together and wants to become even more tightly bound."

The center-left **Süddeutsche Zeitung** writes:

"Neither Europe nor the euro will go down because of Greece alone. The fact is that the fate of the community will be decided in its founding nations. As all the spectators look spellbound towards Athens, the real finale in the European debt crisis has already begun a few hundred kilometres away: Independent of the Greeks, the Italians will determine whether the euro and the union survives. As painful as it might be for Europe, it could still withstand a (provisional) departure of Greece. But beautiful, proud Italy, on the other hand, has much more decisive dimensions: 60 million inhabitants, the third-largest economy in the euro club and €1.2 trillion in debt. The club would not be able to shoulder an Italian insolvency --neither politically nor economically."

"The crisis in Italy is acute and dramatic. Blame can be squarely cast on the disastrous [Berlusconi government](#). Amidst the chaos in Greece, the fact has almost been lost that Italian Prime Minister Silvio Berlusconi has only partly recognized his country's need to conduct austerity and reform measures. He may have admitted out of necessity recently that the Italians live a little bit beyond their means, but that apparently hasn't given the bustling politician any reason to act. He presented an austerity plan in the summer and he brought a few pages with a handful of proposals to the euro summit last week, but financial industry executives were quick to say what they thought of them: nothing. When Rome floated a bond last week to finance its debt, its interest rates rose to record levels."

"That is fatal. Already highly indebted Italy is having to take out ever greater loans in order to payback the old ones. The vicious cycle has begun and it will get faster and faster so long as Berlusconi doesn't save and reform."

The leftist **Die Tageszeitung** writes:

"How do you create a 'firewall' in Europe? How do you protect Italy and Spain from being driven to a state of bankruptcy? This question is unbelievably explosive -- particularly if you look at recent news, as unlikely as it may seem at first glance. On Thursday, the major French bank BNP published its quarterly report and disclosed that it had sold a large share of its Spanish and Italian bond holdings -- despite the enormous losses of capital and write downs that entailed. The Paribas action made clear that, by now, Italian government securities are considered to be junk bonds that must be dispensed with quickly."

"The development suggests that Italy is close to bankruptcy given that the country has a national debt of €1.9 trillion that must be regularly refinanced. But what bank is going to buy Italian government bonds if its competitors are selling them?"

"This danger is far greater than some theoretically conceivable development, as climbing risk premiums being demanded for Italian government bonds show. The euro zone is facing a crash -- and it may come now rather than at some point many years down the road. It is entirely inconceivable that the euro would survive if Italy and Spain topple."

"So what can be done? One thing is certain: Despite its recent €1 trillion in leveraging, we can forget about the EFSF backstop fund. Investors don't have faith in it; otherwise they wouldn't demand constantly increasing interest rates on Italian and Spanish bonds. The last thing remaining for a rescue is the European Central Bank. Like the US Fed, it could purchase unlimited amounts of government bonds until the panic among investors quiets down. That's precisely what Obama proposed during his meeting with Chancellor Merkel in Cannes."

"The chancellor has declined because she knows most Germans wouldn't accept having the ECB 'print money'. But the chancellor and Germany need to know: That is the cheapest solution. A crash of the euro would be infinitely more expensive."

-- *Daryl Lindsey*

URL:

- <http://www.spiegel.de/international/europe/0,1518,795907,00.html>

11/04/2011 01:31 PM

SPIEGEL ONLINE

IMF Babysitter for Berlusconi

Italy Becomes Next Euro Battleground

Greece is a problem for the European common currency. But Italy could be a catastrophe. Prime Minister Silvio Berlusconi is losing support at home and on Thursday evening, he agreed to have his austerity efforts monitored by the IMF. Concern is rising that Italy could be the next euro battleground.

It was a telling tidbit of news. This week, the French bank BNP Paribas announced that it had slashed its holdings of euro-zone government bonds, including €2.62 billion worth of Greek debt.

But it wasn't just bonds from Athens that the bank dumped. BNP Paribas also indicated that it had drastically reduced its holdings of Italian debt. In the three months prior to the end of October, the bank sold off €8.3 billion worth of bonds issued by Rome, reducing its exposure by 40 percent.

Not surprisingly, stock markets were elated by the news and the bank's stock price shot upwards. After all, Italy promises to be the next battleground in the fight to save the euro zone from collapse. And world leaders, gathered in Cannes, France for the G-20 summit this week, have taken notice. On Thursday night, they pressured Italian Prime Minister Silvio Berlusconi to agree to have his halting steps toward austerity monitored by both the International Monetary Fund and the European Union.

"He himself knows that the question is not so much the content of the package but the implementation," said French President Nicolas Sarkozy. "That is what we need to work on."

Distressing Signals from Rome

The renewed focus on Italy comes at the end of [a week of euro-zone chaos](#), kicked off by Greek Prime Minister Giorgios Papandreou's Monday announcement that he was holding a referendum on the recently agreed to EU aid package for his country. Amid [massive pressure from Berlin and Paris](#) -- and the markets -- however, Papandreou backed away from those plans on Thursday.

Yet even as the turmoil in Athens dominated headlines this week, there were increasingly distressing indications that Rome may also be in trouble. For one, Italian borrowing costs soared earlier this week, with interest rates on sovereign bonds rising to 6.4 percent, perilously close to the mark which triggered emergency Italian bond purchases by the European Central Bank in August. Analysts consider a rate of 7 percent to be the level at which investors stop buying sovereign bonds.

Equally concerning are indications that the Berlusconi government may be close to collapsing. Several former Berlusconi loyalists published an open letter in the Italian daily *Corriere della Sera* on Thursday calling for a change at the top. One of the parliamentarians indicated that a rebellion could be mounted as early as next week, during a budgetary vote on Tuesday. Reuters reported on Thursday that Berlusconi told European leaders in Cannes that he would call a confidence vote within two weeks. The Italian prime minister has survived 53 votes of confidence since 2008, the last of which took place on Oct. 14.

Eroding Support for Berlusconi

The brewing crisis in Rome is of particular concern to European Union leaders. The Italian economy is the third largest in the 27-member bloc and the current euro backstop fund, the European Financial Stability Facility (EFSF), would be insufficient were Italy to run into problems similar to those in Greece. Furthermore, the country is sitting on a mountain of debt worth 120 percent of its gross domestic product. Efforts to implement austerity measures, despite the recent passage of €54 billion in belt-tightening measures, have been spotty at best -- partially due to eroding support for Berlusconi from within his own governing coalition.

Indeed, Thursday night G-20 meetings focused almost exclusively on how the euro zone, together with the International Monetary Fund, might be equipped to confront the dangers posed by Italy. In particular, EU leaders, in consultation with [US President Barack Obama](#), discussed working more closely with the IMF on a fund that could step in to support Italy and Spain.

The efforts come just over a week after EU leaders, meeting in Brussels, agreed to boost the impact of the EFSF to €1 trillion. But details on the exact plan remain scarce. One idea was to create a fund into which large sovereign wealth funds -- from China, for example -- could invest. But the uncertainty caused by the situation in Greece has limited the global appetite for investing in such a fund.

'Up to Him'

"I don't think the market has confidence in EFSF leveraging," said Japanese Finance Minister Jun Azumi, who is also in Cannes for the G-20 summit. "Everyone is expecting the IMF to become more proactive. The focus of the debate is how to set up a firewall, but we consider that the IMF should become one big firewall."

Despite the concerns, the Italian economy, in contrast to Greece, is considered to be fundamentally solid. Furthermore, the vast majority of Italian debt is held domestically.

The renegade parliamentarians in Rome urged Berlusconi to usher in "a new political phase and a new government." One of the rebels, Isabella Bertolini, told Reuters: "We're asking Berlusconi to give us a signal. Whether it is through a reshuffle, a new government or a new premier, it is up to him to decide."

Others, however, would seem to have a clear preference. In comments on Thursday evening, Sarkozy said "I have confidence in the Italian economy." He declined to offer similar backing for Berlusconi.

cgh -- with wire reports

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- <http://www.spiegel.de/international/europe/0,1518,795900,00.html>

Euro-Krise Vereinigte Staaten von Europa?

Der Euro ist nicht die Krönung des Einigungsprozesses. Er hat auch als „Motor“ versagt. Deutsche Politiker wollen das Einheitsprojekt nun erst recht forcieren. Sie werden scheitern.

Von Hermann Lübke

FAS 15.10.2011 2011-10-15T19:21:00+0200

Krisen, die sich ihrem Höhepunkt nähern, provozieren gelegentlich Rettungsvorschläge, die ihren katastrophalen Ausgang noch beschleunigen. Um einen solchen Vorschlag handelt es sich bei der Idee, den drohenden Staatsbankrott etlicher überschuldeter europäischer Länder und das damit angeblich verbundene Ende der Gemeinschaftswährung durch Ausrufung eines Gemeinschaftsstaates namens „Vereinigte Staaten von Europa“ abzuwenden. Immerhin waren es, statt beliebiger Intellektueller, Mitglieder der Bundesregierung, die mit dieser Idee in die Öffentlichkeit gingen.

Tatsächlich klingt das beim ersten Hinhören plausibel. Wieso sollte sich nicht, was in der Geschichte der Bundesrepublik Deutschland finanzschwächere Länder wie die Stadtstaaten Bremen oder Berlin über Jahrzehnte hin zahlungs- und damit handlungsfähig gehalten hat, ein Finanzausgleich, zum Kerngehalt eines europäischen Bundesstaates zugunsten überschuldeter Mitgliedsländer machen lassen? Die Antwort lautet: Solidaritätszumutungen, die familiär und schließlich auch staatsbürgerlich akzeptabel sind, setzen Erfahrungen der Zusammengehörigkeit voraus, über die sich politisch nicht autoritär nach Kassenlage disponieren lässt.

„Wir sind doch alle Europäer“ – das lässt sich sagen, und daran hängt auch viel. Ein potentielles Staatsvolk ist damit nicht beschworen. Transfers von Fördermitteln liegen nahe, und es gibt sie ja längst. Am Plan der Gründung eines europäischen Bundesstaates in der Absicht einer Vergemeinschaftung von Staatshaushaltsdefiziten würde die europäische Einigung aber scheitern. Um das zu erkennen, genügt es, sich zu fragen, wann und wie denn zwischen Finnland und Griechenland, Slowenien und Portugal, Österreich und Frankreich der dafür benötigte politische Konsens sich sollte erreichen lassen. Das ist chancenlos. Sogar in der Vorstellung der Mehrheit der Deutschen geht ein staatlich geeintes Europa nicht über alles.

Die Wahrscheinlichkeit einer neuerlichen Großstaatsbildung nach dem Muster der Vereinigten Staaten von Amerika nimmt fortschreitend ab. Gewiss: Kein Geringerer als Winston Churchill hatte in seiner berühmten Zürcher Rede vom 19. September 1946 vermeint, auf die Katastrophe dieses Krieges seien „United States of Europe“, sei also ein europäischer Bundesstaat die fällige Antwort. Doch das ist es eben: Churchill dachte selbstverständlich an ein staatlich verfasstes Europa, dem Großbritannien selbst gerade nicht angehören sollte.

Churchill hielt damals noch eine globale Pentarchie von Großmächten für möglich, in der mit dem Commonwealth auch Großbritannien als Weltmacht erhalten geblieben sein würde. Stattdessen ist Großbritannien seinerseits in der EU als Mitglied präsent. Solange das so bleibt, sind allein schon aus diesem Grund „Vereinigte Staaten von Europa“ undenkbar. Im erfolgreichen Widerstand Großbritanniens gegen die Aufnahme des Begriffs namens „federal“ in die Texte des europäischen Vertragswerks spiegelt sich das.

Bindung heißt nicht Auflösung

Deutschland, gewiss, ist das Land des beharrlichsten, gelegentlich sogar beflissenen europäischen Einigungsseifers, und das aus einsichtigen Gründen. Nächste der Aufnahme in die Nato – der wichtigsten

Antwort des Westens auf die Herausforderung des Kalten Krieges – ist es die Mitgliedschaft in den Europäischen Gemeinschaften gewesen, die Deutschland nach dem Ende der NS-Diktatur, überraschend schnell sogar, Stand und Geltung unter den Nachbarstaaten, ja, in der Weltpolitik neu gewinnen ließ, und nicht zuletzt im Verhältnis zu Frankreich gilt das.

Das ist unvergessen. Gleichwohl heißt das nicht, dass Frankreich und Deutschland im Willen verbunden wären, die „immer engere“ Gemeinschaft der Länder Europas schließlich in einem Föderalstaat aufgehen zu lassen. Das anzunehmen wäre ein tiefes Missverständnis der Interessen, die Frankreich auch im Verhältnis zu Deutschland für eine stabile EU eintreten lassen.

Wer braucht neue Großstaaten?

Ein einziger Aspekt genügt, um das zur Evidenz zu bringen. Wäre es denn denkbar, dass Frankreich, gar einvernehmlich mit Großbritannien, seinen weltpolitischen Rang als Veto-Macht im Weltsicherheitsrat zugunsten eines völkerrechtlich souveränen Föderalstaats „Europäische Union“ aufgäbe? Eine Antwort erübrigt sich. Ganz unabhängig vom europapolitischen Missverständnis im Eifer, völkerrechtliche Souveränität und uneingeschränkte Selbstverantwortlichkeit in einen Superstaat namens „Vereinigte Staaten von Europa“ endlich „aufzuheben“, widerspricht die Idee eines so benannten Gebildes überdies der Pragmatik der Globalisierung. Globalisierung – das ist der Prozess fortschreitender Expansion unserer kollektiven wechselseitigen Abhängigkeiten. Der Anteil der Lebensvoraussetzungen wächst, für die gilt, dass sie sich entweder einvernehmlich oder gar nicht verschaffen und sichern lassen.

Eben das werde zugleich die Herausbildung neuer Großstaaten erzwingen – so hat man gesagt. Das Gegenteil ist eingetreten. Wie nie zuvor in der neuzeitlichen Geschichte hat sich im vergangenen Jahrhundert die Staatenwelt pluralisiert. Zu den Konsequenzen der Dekolonialisierung gehört das ohnehin. Aber es gilt auch für Europa einschließlich seiner östlichen und südöstlichen Nachbarregionen. Hier erstreckten sich bis zum Ende des Ersten Weltkriegs die drei Großherrschaftsräume des zaristischen Russland, der österreichisch-ungarischen Doppelmonarchie und des Osmanischen Reiches. In der Konsequenz der Pariser Vorortverträge sowie des sieben Jahrzehnte später sich ereignenden Zerfalls der Sowjetunion mit dem von ihr beherrschten Weltfriedenslager und überdies des Auseinanderbrechens der Vielvölkerstaaten der in der Zwischenkriegszeit so genannten kleinen Entente hat sich in den zitierten Gebieten die Zahl der Staaten mehr als versiebenfacht.

Eine Politik der kleinen Räume

Diese neuen Staaten kleiner oder mittlerer Größe sind inzwischen ausnahmslos Mitglieder der Vereinten Nationen und damit völkerrechtlich wirksam in ihrer Unabhängigkeit geschützt. Dabei wäre es Unfug zu sagen, hier breite sich ein neuer, selbstbornierungsträchtiger Nationalismus aus. Historisch-politisch ist hier etwas ganz anderes wirksam, nämlich die ungute Erinnerung an den Mehrheitsnationalismus der Groß-Bundesstaaten, denen man früher einmal anzugehören hatte. Gegen die politische Kraft dieser Erinnerung verschlägt auch die Mahnung eines hohen Brüsseler Beamten, der hier ungenannt bleiben soll, nichts, es sei an der Zeit, endlich die europäische Kleinstaaterei zu überwinden.

Ersichtlich war diese Mahnung von Erinnerungen an die erfolgreich verlaufene Einigung Italiens und Deutschlands im neunzehnten Jahrhundert geprägt. Es wäre historisch-politisch weltfremd, das auf die aktuelle europäische Einigung übertragen zu wollen. Es bleibt ja richtig: Die Welt wächst zusammen und erzwingt

transnationale, ja, supranationale Kooperationen. Genau komplementär dazu verlangt die Komplexität moderner zivilisatorischer Lebensvoraussetzungen wie nie zuvor Kompetenzen politischer Selbstbestimmung in kleinen Räumen. Die Idee einer Europäisierung der Fiskalpolitik will dazu nicht passen.

Die Deutsche Mark war zu gut

Auch als Mittel, den Euro vor den Folgen der europäischen Überschuldungskrise zu retten, lässt sich die Idee „Vereinigte Staaten von Europa“ nicht aktualisieren. Der Euro ist ja nicht nur das potentielle Opfer dieser Überschuldungskrise. Der Euro ist zugleich eine ihrer wichtigsten Ursachen. Wieso? Die Schicksale der Euro-Metaphorik machen das sichtbar. Noch zur Zeit der Beschlussfassung über den Maastrichter Vertrag hieß es, die Gemeinschaftswährung werde die „Krönung“ der europäischen Einigung sein. Als wir den Euro bekommen hatten, wurde sein Sinn plötzlich metaphorisch revolutioniert. Statt als „Krönung“ sollte der Euro als „Motor“ der Unionsbildung taugen.

Damit waren dem Euro Zwecke angedient, die er gemäß der überaus empfindlichen Natur des Geldes gar nicht haben kann. Schon der seinerzeit unausgesprochen gebliebene Hauptzweck des Euro hat sich inzwischen ökonomisch als schadensträchtig erwiesen. Nachdem die deutsche Wiedervereinigung sich nicht mehr verhindern ließ, sollte wenigstens noch die Deutsche Mark aus ihrer in Europa sich ausbreitenden Ankerwährungsstellung vertrieben werden. Weil man das nicht öffentlich sagen konnte, wurde der Euro rhetorisch zum Friedens-Garanten ernannt. Jetzt rächt sich die politische Überlastung der nützlichen Funktion, die ein Währungsverbund geeigneter Staaten tatsächlich hätte haben können. Die Deutschen leiden jetzt an den Folgen der ökonomisch seltsamen Unternehmung, eine Währung durch eine neue Währung nicht deswegen zu ersetzen, weil sie schlecht war, sondern weil sie vergleichsweise zu gut war.

Hätte sich das nicht vorhersehen lassen? Doch, und man hat es vorhergesehen – so zum Beispiel der Schweizer Handels- und Industrieverband, der 1996 verlauten ließ, der Nutzen einer sich auf die währungspolitisch starken europäischen Länder beschränkenden Gemeinschaftswährung bleibe gering, der Schaden einer großen Währungsunion werde hingegen beträchtlich sein. Inzwischen ist er so groß, dass er die Idee, zur Abwendung dieses Schadens endlich die Europäische Union zu „Vereinigten Staaten von Europa“ zu erheben, endgültig chancenlos macht.

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Quelle: F.A.S.

Krise der EU Das Realitätsprinzip

Seit dem G-20-Gipfel von Cannes ist ein für alle Mal klar: Die EU ist kein Wohlfahrtsverein. Die Konsequenzen dieser Einsicht werden erheblich sein - auch was Verwerfungen angeht.

Von [Günther Nonnenmacher](#)

FAZ 04.11.2011 2011-11-04T14:51:00+0100

Nach Griechenland nun Italien: Unter unseren Augen hat sich in den vergangenen Wochen – mit dem G 20-Gipfel in Cannes als Höhepunkt – ein spektakulärer Wandel in Europa vollzogen. Damit wird auch in den Vordergrund gerückt, was über dem Geschimpfe auf Märkte oder Banken fast untergegangen ist: Die Schwierigkeiten, in die einige Staaten der Eurozone geraten sind, haben ihren Grund nicht zuletzt in der Unfähigkeit ihrer Regierungen, oder, noch weiter gefasst, ihrer gesamten politischen Elite.

Das ist seit langem mit Händen zu greifen in Griechenland – und die Bevölkerung dort weiß es, auch wenn sie sich mit der Korruption und der Vetterles-Wirtschaft in ihrem Land arrangiert hatte. Es gilt auch für Italien, wo ein Regierungschef, der um sein eigenes Überleben kämpft, sein Land in den Abgrund zu reißen droht.

Dass der griechische Premier Papandreou nach Cannes zitiert und vor die Wahl gestellt wurde, entweder die Bedingungen für ein Hilfspaket anzunehmen oder faktisch aus der Eurozone ausgeschlossen zu werden, spricht Bände. Auch den Jongleur-Künsten Berlusconi soll ein Ende gesetzt werden: Italien, Gründungsmitglied der EWG, drittgrößte Volkswirtschaft der Eurozone, wird, was sein Finanzgebaren angeht, künftig vom IWF überwacht: Wenn Berlusconi diese Demütigung lange übersteht, wird man ihm das Prädikat „politisch unsterblich“ verleihen müssen. Das wäre nicht durchzusetzen gewesen, stünde nicht Frankreich selbst am Abgrund. Sarkozy hat deshalb aus Selbstschutz dabei geholfen, die Notbremse zu ziehen.

Die Märkte haben den Staaten ihre Grenzen aufgezeigt

Und was ist mit der Souveränität? Und wie steht es mit der Demokratie in den nun unter Kuratel gestellten oder überwachten Staaten? Die Grenzen ihrer Souveränität haben die Märkte den betroffenen Staaten aufgezeigt: Man kann nicht endlos auf Pump leben, ohne dass die Gläubiger irgendwann Angst bekommen, sie könnten ihr Geld nicht mehr sehen. Demokratie kann auch nicht bedeuten, vertragliche Verpflichtungen einzugehen, aber andere dafür bezahlen zu lassen, wenn man sie nicht einhält.

Die EU ist ein Verbund, der seinen Mitgliedern die Aussicht auf Wohlstandszuwächse eröffnet, aber sie ist kein Wohlfahrtsverein. Dies ist nun ein für allemal klar, und die Konsequenzen werden erheblich sein – auch was Verwerfungen angeht. Das Realitätsprinzip hat in Europa Einzug gehalten.

Quelle: F.A.Z.

Euro-Krise Rettet die Würde der Demokratie

Papandreou hält dem zerrissenen Europa den Spiegel vor. Ein Kommentar zu Frank Schirrmachers „Demokratie ist Ramsch“.

Von Jürgen Habermas

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Man muss die aufsehenerregenden Interventionen des Herausgebers nicht immer goutieren, um dringend zu wünschen, dass die Wirkung seines jüngsten Artikels zugunsten einer [„verramschten“ Demokratie](#) nicht mit dem schnellen Szenenwechsel verpufft. Seine Interpretation der kopflosen Reaktionen unserer politischen Eliten auf die Absicht Papandreous, das griechische Volk über die trostlose Alternative zwischen Pest und Cholera selbst entscheiden zu lassen, trifft ins Schwarze. Was hätte die dramatische Lage einer von „den Märkten“ kujonierten politischen Klasse besser entlarven können als die pompöse Aufregung des Chefpersonals von EU und Internationalem Währungsfond über den unbotmäßigen Kollegen aus Athen?

Die Hauptdarsteller auf der Bühne der EU- und Euro-Krise, die seit 2008 an den Drähten der Finanzindustrie zappeln, plustern sich empört gegen einen Mitspieler auf, der es wagt, den Schleier über dem Marionettencharakter ihrer Muskelspiele zu lüften. Inzwischen ist der Gemaßregelte eingeknickt. Über dieser Wendung sollten wir nicht vergessen, was aus dem Schauspiel zu lernen ist. Ist es wirklich der glückliche Sieg des Sachverständes über den befürchteten Unverstand des Volkes oder eines Spielers, der sich zum Anwalt des Volkes aufwirft?

Papandreou hat das Vorhaben eines Referendums aufgegeben, als sich sein Finanzminister vor dem Morgengrauen in einen Brutus verwandelte. Am Nachmittag desselben Tages konnte Reuters vermelden, dass der Euro „angesichts des bevorstehenden Kollapses der Regierung“ deutlich zugelegt hatte und die Aktien-Indices an den europäischen Börsen gestiegen waren. Erst die Peripetie, Papandreous Kehrtwende, enthüllt den zynischen Sinn dieses griechischen Dramas – weniger Demokratie ist besser für die Märkte. Mit Recht diagnostiziert Frank Schirrmacher in dieser Affäre die Abkehr von den europäischen Idealen.

Ob Papandreou die Vertrauensabstimmung übersteht oder nicht – zurück bleibt eine Gestalt im Zwielficht. Inzwischen wird seine Äußerung kolportiert, das Referendum sei „nie Selbstzweck“ gewesen. Zurück bleibt ein Vexierbild, das sowohl den tragischem Helden wie den Machtopportunisten zeigt. Es sollte nicht verwundern, wenn die Person selbst beides in einem wäre – sie verkörperte dann den Typus des Politikers, der am Spagat zwischen den Welten der Finanzexperten und der Bürger scheitert. Heute sind die politischen Eliten einer Zerreißprobe ausgesetzt. Beide driften auseinander – die Systemimperative des verwilderten Finanzkapitalismus, den die Politiker selbst erst von der Leine der Realökonomie entbunden haben, und die Klagen über das uneingelöste Versprechen sozialer Gerechtigkeit, die ihnen aus den zerberstenden Lebenswelten ihrer demokratischen Wählerschaft entgegenschallen.

Beruhigungspillen liegen griffbereit

Gewiss, in liberal verfassten Steuerstaaten hat immer ein Spannungsverhältnis zwischen Demokratie und Kapitalismus bestanden. Demokratisch gewählte Regierungen können sich Legitimation nur dadurch erwerben und erhalten, dass sie clever die Wege aufspüren, auf denen die Imperative beider Seiten irgendwie zum Ausgleich gebracht werden können – die Gewinnerwartungen der Investoren und die Erwartungen der Wähler, die wollen, dass es im Hinblick auf Lebensstandard, Einkommensverteilung und sozialer Sicherheit halbwegs gerecht zugeht. Aber Krisenzeiten zeichnen sich dadurch aus, dass solche Wege blockiert sind. Dann müssen die Politiker Farbe bekennen.

Natürlich liegen ideologische Beruhigungspillen, die die Vorstellung hervorrufen, das kurzfristige Wohl der Banken und der Shareholders sei eins mit den langfristigen Interessen der Bürger und der Stakeholders, immer griffbereit. Aber heute dürfte sich kein verantwortlicher Politiker mehr etwas vormachen. Die Politiker, die die Bankenkrise den überschuldeten Staaten in die Schuhe schieben und dem ganzen Europa ohne Rücksicht auf Verluste Sparprogramme aufnötigen, sehen nur auf einem Auge. Sie erkennen, dass der Mechanismus der öffentlichen Kreditaufnahme an seine Grenzen gestoßen ist, aber sie fragen nicht nach den Gründen für den Legitimationsbedarf, den der Gesetzgeber auf diese Weise befriedigt hat.

Der legitime Anspruch, dass es in den europäischen Wohlstandsgesellschaften neben dem privaten Reichtum keine öffentliche Armut und keine marginalisierte Armutsbevölkerung geben darf, wird ja nicht schon dadurch entwertet, dass der Überhang des liquiden Kapitals nach Anlagemöglichkeiten sucht und irgendwann auf Kosten der Bürger „abgeschöpft“ werden muss. Man möchte den Politikern, die sich in die heile ordoliberalen Welt einer richtig eingestellten, aber unpolitisch sich selbst regulierenden Wirtschaftsgesellschaft zurückträumen, die Lektüre eines Aufsatzes von Wolfgang Streeck in der letzten Nummer der „New Left Review“ empfehlen. Dort untersucht der Direktor des sozialwissenschaftlichen Max-Planck-Instituts in Köln, warum der Schuldenmechanismus, der heute unerträgliche Kosten verursacht, seit den achtziger Jahren den damals in ähnlicher Weise untragbar gewordenen Inflationsmechanismus abgelöst hat.

Der drastische Schamfleck

Papandreou hat das Verdienst, den zentralen Konflikt, der sich heute in die ungreifbaren Arkanverhandlungen zwischen Euro-Staaten und Banklobbyisten verschoben hat, für eine Schrecksekunde ins Licht jener Arena zurückgeholt zu haben, wo aus Betroffenen Beteiligte werden können. Gerade wenn nur die Wahl zwischen Pest und Cholera besteht, darf die Entscheidung nicht über die Köpfe einer demokratischen Bevölkerung hinweg getroffen werden. Das ist nicht nur eine Frage der Demokratie, hier steht die Würde auf dem Spiel. Ein Kommentator der „Financial Times“, die sonst mit den Idolen der Hochfinanz nicht zimperlich umgeht, vertrat nach Bekanntwerden des Referendumsvorhabens die pikante Meinung, eine Entscheidung politischer Natur sei eher Sache des Parlaments, während ein Referendum nur im Falle einer Verfassungsänderung angebracht sei. Hätte nicht die griechische Bevölkerung wenigstens nachträglich über den verfassungsändernden Souveränitätsverlust abstimmen sollen, der, wie auch in Irland und Portugal, mit den Auflagen der Troika aus EU, Weltwährungsfonds und Europäischer Zentralbank längst eingetreten war?

Lehrreich ist Papandreou aber nicht nur in der Rolle des tragischen Helden. Als der Machttaktiker, der den politisch-kriminellen Machenschaften einer gewissenlosen Opposition das Wasser abgraben wollte, hat er,

kaum eine Woche nach der vermeintlich großen Lösung, die Unberechenbarkeit einer zerrissenen Europäischen Union bloßgestellt. Man muss nicht sogleich von Unregierbarkeit reden; aber drastischer hätte der Schamfleck einer Währungsgemeinschaft ohne Politische Union, die fehlende supranationale Handlungsfähigkeit nicht ausgeleuchtet werden können.

Die bailouts, die sich überschlagen, haben bestenfalls aufschiebende Wirkung. Eine überzeugende Lösung der Finanzkrise ist mit Mitteln der Fiskalpolitik allein gar nicht zu haben; überzeugen könnte die europäische Politik nur mit dem glaubhaften institutionellen Entwurf zu einer abgestuften Integration. Langfristig scheint die gegenwärtige Krise ohnehin keinen anderen Ausweg zu lassen als die überfällige Regulierung der Banken und der Finanzmärkte. Den reuevollen Absichtserklärungen der G-20 auf ihrem ersten Treffen im Jahre 2008 in London sind keine Taten gefolgt.

Für eine europäische Verfassungsgebung

Es fehlt am politischen Willen zur globalen Einigung, weil die Institutionen fehlen, die eine supranationale Willensbildung und die globale Durchsetzung von Beschlüssen erst ermöglichen würden. Auch aus diesem Grunde müssten die Staaten der Europäischen Währungsgemeinschaft die Krise als Chance begreifen und mit der Absicht, ihre politische Handlungsfähigkeit auf supranationaler Ebene zu verstärken, Ernst machen. Das griechische Desaster ist jedoch eine deutliche Warnung vor dem postdemokratischen Weg, den Merkel und Sarkozy eingeschlagen haben. Eine Konzentration der Macht bei einem intergouvernementalen Ausschuss der Regierungschefs, die ihre Vereinbarungen den nationalen Parlamenten aufs Auge drücken, ist der falsche Weg. Ein demokratisches Europa, das keineswegs die Gestalt eines europäischen Bundesstaates annehmen muss, muss anders aussehen.

Dieses Projekt verlangt nicht nur institutionelle Phantasie. Die überfällige Kontroverse über Notwendigkeit und Nutzen eines solchen Projekts muss in der breiten Öffentlichkeit ausgetragen werden. Das verlangt allerdings von den politischen Eliten nicht nur den üblichen Spagat zwischen Bürgerinteressen und dem Rat der Experten. Die erneute Anbahnung eines verfassungsgebenden Prozesses würde vielmehr ein Engagement verlangen, das von den Routinen des Machtopportunismus abweicht und Risiken eingeht. Dieses Mal müssten die Politiker in der ersten Person sprechen, um die Bürger zu überzeugen.

Der Politik und Parteipolitik wäre eine solche Initiative gar nicht mehr zuzumuten, wenn sie sich tatsächlich zu einem selbstbezüglichen System geschlossen und gegenüber der Umwelt einer nur noch administrativ als Stimmenreservoir wahrgenommenen politischen Öffentlichkeit abgekapselt hätten. Dann könnten sich die Parameter für das, was in der Öffentlichkeit als selbstverständlich gilt, nur noch im Zuge einer sozialen Bewegung verschieben. Wer die überregionale Presse in Amerika verfolgt hat, wird über die Reaktionen erstaunt sein, die „Occupy Wall Street“ ausgelöst hat.

Von Jürgen Habermas erscheint in der kommenden Woche bei Suhrkamp ein Essay zur Verfassung Europas.

Quelle: F.A.Z.

04/11/2011

Rectorat cherche directeur-adjoint de collège pour quartier en voie de ghettoïsation...

SOCIÉTÉ. La Reynerie est-elle un ghetto, faut-il y craindre les enfants de pauvres ? Oui, semble répondre l'offre d'emploi publiée le 12 octobre dernier sur le site du rectorat de l'Académie de Toulouse et visant à recruter un directeur-adjoint pour le collège de ce quartier du Mirail.

Cette offre d'emploi, consultée par *LibéToulouse*, ne fait pas dans la dentelle. Le collège y est présenté comme inséré dans un environnement de *«forte concentration ethnique et religieuse proche de la ghettoïsation»*. L'établissement y est encore décrit comme implanté *«au bas des tours dans un univers dégradé»* caractérisé par *«la banalisation des actes délictueux»*.

La majorité de ses élèves seraient issus de *«catégories socio professionnelles très défavorisées»* avec un taux de boursiers proche de 85% et un taux d'accès à la gratuité de la cantine de 90%.

La mixité scolaire *«très fragile»* y ferait l'objet d'un *«travail important autour des codes, des postures, des rituels, et de la mixité fille/garçons»*

Cette petite annonce leur passant sous les yeux, ce sont les parents d'élèves dudit collège [qui ont bondi](#):

«Ce tableau stigmatise le quartier et ses habitants», s'insurge Marcel Llabres, membre du Conseil d'administration du collège. «C'est dans le droit fil des récentes déclarations du ministre de l'Intérieur Claude Guéant qui attribue aux enfants d'immigrés la baisse de niveau de l'école française», ajoute-t-il.

L'inspecteur d'Académie-adjoint de la Haute Garonne Joël Bourgeot répond à mots pesés qu'il s'agit plus simplement de ne rien cacher des difficultés du poste. *«Il est important de recruter un chef d'établissement au fait des réalités», dit-il.*

La *«ghettoïsation»* du collège de la Reynerie n'aurait selon lui rien de subjectif: *«tout le monde travaille là-dessus. Ce sont des faits reconnus par l'ensemble des institutions -Ville, État, Région»*.

Situé dans une zone d'éducation prioritaire, le collège de la Reynerie est l'un des sept établissements scolaires du département à dépendre d'un accompagnement spécifique pour l'ambition et la réussite (programme ECLAIR). À ce titre, précise encore le rectorat, l'établissement bénéficie de moyens supplémentaires en personnel éducatif.

Les parents d'élèves veulent bien admettre qu'avec des effectifs par classe limités à 21 élèves, l'équipe éducative du collège réalise un *«travail performant»*.

«Ils sont aussi les premiers à constater le déficit de mixité sociale au sein du collège», reprend Marcel Llabres. Selon lui, la faute en incombe essentiellement à la réforme de la carte scolaire qui permet «à ceux qui le peuvent de scolariser leurs enfants en dehors de leur quartier».

Précisant au passage que l'annonce de recrutement n'était pas destinée au grand public mais uniquement aux professionnels de l'éducation, le rectorat insiste sur le fait que la petite annonce est toujours valide et que les candidats peuvent y postuler.

Marcel Llabres a des doutes: *«avec une offre pareille, assimilant les quartiers populaires à des ghettos, on se demande qui va oser y répondre»*.

J-M.E

Charlie Hebdo : la police sur la trace de deux suspects

Le Figaro Publié le 03/11/2011 à 22:28



Ledessinateur Luz jeudi soir au Théâtre du Rond-Point à Paris. Crédits photo : MEHDI FEDOUACH/AFP

Plusieurs membres du journal dont le siège a été incendié dans la nuit de mardi à mercredi, ont été placés sous protection policière.

Quarante-huit heures après **l'attentat qui a dévasté son siège parisien**, la rédaction de Charlie Hebdo s'organise désormais pour faire face à une seconde attaque, numérique celle-là, frappant son site Internet. Avant d'être mis hors service en raison de menaces de mort adressées à l'hébergeur basé en Belgique, le site a été bombardé de messages en arabe disant «vous continuez de maltraiter le prophète Mahomet avec des dessins dégoûtants » et prévenant «nous serons votre malédiction dans le cyberspace ». Le piratage a été revendiqué dans un communiqué transmis au *Nouvel Observateur* par un groupe de hackers turcs, baptisé Akincilar et qui justifie sa démarche comme «une lutte contre une publication qui attaque les croyances et les valeurs morales ».

Jeudi, **la page Facebook de l'hebdomadaire satirique était quant à elle sous un déluge de plus de 13.000 commentaires**, parfois très haineux où s'affrontaient les pro et antimusulmans. «L'idée est d'arrêter les contributions extérieures pour éviter que la situation ne s'envenime et que les journalistes réinvestissent notre site, confiait jeudi au *Figaro* Charb, le directeur de la publication. Nous allons tout faire pour que le débat ne nous échappe pas...»

Même si le geste fou de musulmans intégristes a été envisagé, d'autres pistes sont explorées. «Il peut s'agir d'une manipulation d'extrême droite», estime-t-on à Charlie dans la mesure où certains textes en arabe caviardant leur site n'étaient que de vulgaires copier-coller de notices de machine-à-laver ou de bulletins météo. «On a peut-être été aussi la cible de mômes en capuche du quartier, sans cervelle et qui n'ont jamais lu le Coran », décrypte Charb, gardant en mémoire la mise à sac et la tentative d'incendie, en 2006, de La Mer à Boire, un café du quartier où avaient été exposées des caricatures raillant toutes les religions sous le titre évocateur «Ni Dieu, ni Dieu».

Le directeur de Charlie, qui a réclamé une **protection policière** lors des réunions publiques, ne baisse pas la garde : le numéro spécial *Charia Hebdo*, retiré jeudi à 75.000 exemplaires, devait être en kiosque ce matin. «On passe pour un journal antireligieux. Or on ne parle de religion que s'il y a une actualité » a indiqué Charb lors d'une conférence de presse tenue dans l'après-midi au théâtre du Rond Point, à Paris. Son directeur, le dramaturge Jean-Michel Ribes, craint d'ailleurs que sa salle de spectacle soit «la prochaine cible». À l'affiche du 8 au 17 décembre, *Golgota Picnic* de Rodrigo Garcia, y mettra en scène une crucifixion «trash». Cette fois, le risque émanerait des catholiques intégristes.

«Les musulmans ont de l'humour !»

De son côté, la brigade criminelle exploite le moindre indice pour retrouver la trace de **deux inconnus aperçus en train de balancer au moins un engin incendiaire** contre le siège de l'hebdomadaire avant de filer vers la porte de Vincennes.

Mettant en garde jeudi contre toute «affirmation hasardeuse concernant les auteurs » de l'incendie, le grand recteur de la Mosquée de Paris Dalil Boubakeur a, de nouveau, « condamné avec force » la violence de l'agression. Ne s'estimant, en outre, « pas choqué » par le titre *Charia Hebdo*, il a déclaré dans un sourire : «les musulmans ont de l'humour ! » Abderrahmane Dahmane, ancien conseiller en charge de la diversité auprès du président de la République est même allé plus loin, en affirmant : «J'aurais même accueilli Charlie Hebdo dans la mosquée (...) comme l'a fait *Libération* ! »

"La décision de M. Papandréou n'est pas démagogique"

LEMONDE.FR | 03.11.11 | 16h35 • Mis à jour le 03.11.11 | 16h40

Les responsables de la zone euro qui s'étaient laborieusement accordés le 27 octobre à Bruxelles ont certes pu s'étonner de la nouvelle du prochain référendum grec. Mais la violence des réactions à cette nouvelle sont elles-mêmes étonnantes. Comme si une sainte alliance inédite réunissait des "technocrates" pour qui les décisions européennes doivent échapper aux faiblesses nationales, des politiques qui jugent l'accord intergouvernemental désormais seul légitime, et des "européistes" craignant que l'Union ne s'engage vers une ingouvernabilité définitive...

Ce chorus de critiques anti-grecques pose de multiples questions. Et d'abord celle-ci : comment les instances de l'Union monétaire ont-elles pu imaginer que des décisions comme celles qui sont prises pour la Grèce depuis des mois pourraient être mises en œuvre sans prendre en compte les réactions d'une opinion dont toutes les composantes sont massivement touchées ? Tout se passe comme si les décideurs de l'union économique et monétaire (UEM) voyaient désormais la démocratie représentative non comme un véritable système de représentation, à peine comme un amortisseur, mais bien comme un bouclier contre les manifestations de dissensus populaire : gouvernement et parlement grecs étant priés de décider malgré, et en l'occurrence contre, leur propre opinion.

Il peut certes être nécessaire de prendre telle décision courageuse à rebours de l'opinion publique, ou des sondages. Mais peut-on se contenter de ce constat général face aux mesures ravageuses imposées à la Grèce ? Peut-on, sans risque majeur, laisser se développer dans ce pays une situation où système politique et opinion marcheraient durablement dans des directions divergentes ?

La bonne conscience des dirigeants européens fait peur : pensent-ils vraiment que l'esprit et les procédures démocratiques soient si ancrées en Europe que rien ne puisse les affecter, ou même les menacer ? Croient-ils tant à l'évidence et à l'irréversibilité de la démocratie européenne ? Sont-ils si ignorants de l'histoire en général – et au demeurant de l'histoire grecque ? Croient-ils pouvoir longtemps éviter de "traiter" les sentiments des peuples – même et surtout si ces "sentiments" sont irrationnels ?

Est-il démagogique de consulter son peuple ? Non en général : la démocratie ne se résume pas aux processus électoraux, mais elle ne peut tout de même pas les exclure... Et non en l'occurrence, pour deux raisons. Le système politique grec est décrédibilisé (séparation entre les élites et la population), et menacé (la majorité friable de Papandréou), des législatives immédiates menaçant de compliquer encore l'affaire. Le référendum se perd souvent, il est vrai, dans une logique plébiscitaire – justement tenue en horreur par des pays qui en ont connu les ravages comme l'Allemagne... Mais la procédure référendaire pourrait être, dans le cas de la Grèce, l'occasion d'une pédagogie de la crise que ne donneront nul débat parlementaire, nulle élection parlementaire.

A condition, certes, que la question référendaire n'apparaisse pas "dictée" par les partenaires européens. A cet égard, l'idée qui court selon laquelle le premier ministre grec aurait été "convoqué" au G20 de Cannes, en particulier pour se voir fermement inspirer la question à poser à son peuple, n'est pas seulement méprisante, elle est irresponsable.

QUELLE DÉMOCRATIE POUR L'EUROPE ?

Tout ceci conduit hélas à poser à nouveau la question de la conception de la démocratie que l'on se fait dans le monde – idéal, naturellement – de la construction européenne. Longtemps les souverainistes de tout poil ont paru se battre contre le "sens de l'histoire", quand ils rappelaient que seul l'Etat nation pouvait être le creuset de l'expression démocratique des peuples. On pouvait effectivement critiquer cette position à un moment où l'on tentait de mettre en place les institutions d'une véritable "démocratie européenne".

Aujourd'hui, l'échec de cette mise en place est patent. Le Parlement travaille certes, étend ses compétences, mais crie souvent dans le désert. La Commission est désormais incertaine de sa place dans les institutions européennes : elle est souvent tentée de se faire discrète, lasse de prendre les coups, et est mal écoutée. La démocratie européenne, ce serait donc le Conseil européen, dans ses multiples formations (y compris l'Eurogroupe), puisqu'il représente les Etats.

Et voici qu'une nouvelle marche nous hisse au stade suprême de la démocratie intergouvernementale : les gouvernements sont vivement priés de ne plus consulter leurs peuples en cas de danger d'avis contraires... Tout se passe comme si, après s'être crue saisie et trahie par les "technocrates" de la Commission dans les années 1990, l'Union se retrouvait aux mains d'un Conseil de "techno-politiques", bientôt et paradoxalement tout aussi séparés de leurs peuples.

Il est certes urgent de régler la crise grecque – pour les Grecs, et pour les autres crises, qui se profilent à l'horizon. Mais il est tout aussi urgent de s'interroger sur les modes de fonctionnement de l'Union, monétaire ou non. Le fonctionnement actuel de l'Union ne conduit-il pas à la fois à l'impuissance et l'éloignement progressif des peuples – source d'une impuissance à terme redoublée, et dangereuse ? Car le risque est énorme. Il est celui du renfermement sur eux-mêmes pour tous les peuples – pour les bonnes ou mauvaises raisons qui leur sont propres. Le délitement, ou même l'éclatement, de la construction européenne ne seront pas d'abord institutionnels, il seront moraux : et ils nous guettent.

Dominique David, directeur exécutif de l'Institut français des relations internationales (Ifri)

Griechische Tragödie: Ja oder nein

Die Botschaft von Cannes ist klar: Der Austritt aus dem Euro ist kein Tabu mehr. Es gibt gemeinsame Regeln, an die sich alle halten müssen.

Von [Werner Mussler](#), Cannes

FAZ 04.11.2011 2011-11-04T07:16:00+0100



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Merkel und Sarkozy : Die Argumente gegen einen Austritt haben sich in Luft aufgelöst

Auch wenn es in Griechenland nun doch nicht zu einer Volksabstimmung kommt, wirkt die durch die Ankündigung des Referendums ausgelöste Debatte nach: Denn die Wahl, vor die Angela Merkel und Nicolas Sarkozy das griechische Volk nun gestellt haben, weist nicht nur auf eine deutlich veränderte Tonlage in der griechischen Tragödie hin. Sie wirft vielmehr die bisherige Geschäftsgrundlage der Währungsunion über den Haufen - und markiert deshalb eine historische Wende in der Geschichte des Euro.

Ja oder nein: Das griechische Volk muss das vor einer Woche beschlossene Hilfs- und Reformprogramm akzeptieren - oder Griechenland ist die längste Zeit Mitglied des Euroraums gewesen. Diese Botschaft, die die Bundeskanzlerin und der französische Präsident in der Nacht von Cannes zuerst dem griechischen Ministerpräsidenten Giorgos Papandreou und dann in aller Deutlichkeit der Weltöffentlichkeit zu Gehör brachten, ließ keine diplomatischen Spielräume. Der Austritt aus dem Euro ist kein Tabu mehr. Hinter diese neue Faktenlage werden die Euro-Staaten völlig unabhängig vom Fortgang des griechischen Dramas nicht mehr zurückfallen können.

Die Option eines Austritts

Alle Argumente, die gegen den Austritt ins Feld geführt wurden, scheinen nun nicht mehr zu gelten: dass dieser Fall in den Europäischen Verträgen nicht vorgesehen sei, dass er Europa spalte, dass er wegen der ökonomischen Risiken nicht zu verantworten sei. All diese Argumente haben sich durch die nun auch politische Krise in Griechenland nicht in Luft aufgelöst. Aber Merkel und Sarkozy - und nicht nur sie - sind nun offenbar der Meinung, dass sie weniger schwer wiegen als das Risiko, dass Griechenland den ganzen Euroraum - ja, und ganz Europa - in den Abgrund zieht.

Die Kanzlerin hat die Option eines Austritts aus dem Euroraum schon im Zusammenhang mit der Gründung des Euro-Krisenfonds EFSF im Mai 2010 thematisiert. Was wäre aus Griechenland, was wäre aus der Euro-Krise geworden, wäre diese Option damals konsequent verfolgt worden? Es ist müßig, darüber zu rasonieren, denn offenbar war der politische Druck auf die Euro-Staaten damals nicht groß genug.

Fest steht, dass zwei der drei Argumente gegen einen Austritt heute keine mehr sind. Dass dieser in den Verträgen nicht geregelt ist, sollte man zwar nicht geringschätzen. Es wiegt aber angesichts der Rechtsbeugungen, die das Regelwerk für die Währungsunion in der Vergangenheit erfahren hat, nicht mehr wirklich schwer. Man könnte sich auf den Standpunkt stellen, ein Austritt korrigiere nur den rechtswidrigen Eintritt Griechenlands in die Währungsunion.

Gespalten ist die EU längst

Auch das Argument, dass der Austritt Athens die EU zu spalten drohe, ist durch ganz andere Spaltungsgefahren längst überholt. Nord gegen Süd, Transferzahler gegen -empfänger, Euro-Staaten gegen Nicht-Euro-Staaten: Die Krise hat Gräben aufgerissen, die weit über Griechenland hinausreichen und sich nicht so einfach wieder schließen lassen. Umgekehrt zeigt die Einigkeit, in der die Euro-Staaten Papandreou den Kopf gewaschen haben, dass der griechische Fall im Euroraum schon fast wieder identitätsstiftend wirken könnte. Das gilt nicht nur mit Blick auf den derzeit kompletten deutsch-französischen Gleichklang, es gilt auch mit Blick auf Länder wie Irland oder Portugal, die die griechischen Kapriolen genauso satt haben wie Deutschland.

Bleibt die wahrlich nicht triviale Frage der möglichen ökonomischen Verwerfungen: Der Austritt wäre unweigerlich mit einem griechischen Staatsbankrott verbunden - oder umgekehrt: Ein griechisches Nein führt zum Staatsbankrott, dieser mündet in den Austritt. Drohte dann eine dramatische Kapitalflucht aus Griechenland, drohte eine europäische Bankenkrise, drohte Italien in den Abgrund zu stürzen? Die bittere Antwort ist wohl: All diese Risiken bestehen unabhängig von einem griechischen Austritt. Die hektischen Bemühungen der Euro-Staaten, die „Brandmauer“ um Griechenland höher zu ziehen, zeugen davon nur allzu deutlich. Sie werden sich so oder so fortsetzen.

Die Griechischen Bürger sollten die Wahl haben

Es wäre deshalb wünschenswert gewesen, das Referendum abzuhalten. Die Alternative - ein noch größeres politisches Chaos, das Verhandlungen über ein neues Griechenland-Programm definitiv unmöglich machte - kann niemand wünschen. Und vor allem hat Sarkozy recht: Es gibt im Euroraum gemeinsame Regeln, an die sich alle halten müssen. Das mag aus dem Munde des französischen Präsidenten überraschend klingen. Und natürlich haben sich in der Vergangenheit nicht nur die Griechen darum nicht geschert. Es bleibt dennoch richtig.

Genau deshalb sollten die griechischen Bürger die Wahl zwischen Verbleib und Austritt haben - mit den jeweiligen Konsequenzen. Zu oft hat die Regierung in Athen den Euro-Partnern signalisiert, die griechische Überschuldung sei weniger ein griechisches als ein europäisches Problem. So einfach ist es jetzt nicht mehr. Diese geänderte Geschäftsgrundlage hat auch für andere Euro-Staaten Konsequenzen. Es ist zwar nicht zu erwarten, dass Italien kurzfristig vor dieselbe Alternative gestellt wird wie Griechenland. Ein Menetekel ist die Botschaft von Cannes für Silvio Berlusconi aber allemal.

Quelle: F.A.Z.

Charlemagne

A Greek bearing gifts

George Papandreou chose the wrong time to call for a referendum

Nov 5th 2011 | from the print edition



“DOES Greece want to remain part of the euro zone, yes or no?” That was the blunt, existential question European leaders put to the Greek prime minister, George Papandreou, when they summoned him to an emergency dinner in Cannes on the eve of the G20 summit to explain his unexpected call for a referendum on the latest deal to salvage the euro. And that is the question they wanted the Greek people to vote on in the hope that the answer might be yes. But that referendum may never take place. As *The Economist* went to press, the prime minister’s position seemed untenable, putting the vote into doubt. Much, it must be said, to the relief of some European leaders.

Greece does not have much time. Nicolas Sarkozy, the French president, said it would not receive “a single cent” until it had cleared up the uncertainty. Barely a week after their “comprehensive” solution to the euro’s crisis, European leaders must openly consider a chaotic Greek default, and its departure from the euro.

Finance ministers are rushing to erect the €1 trillion (\$1.4 trillion) firewall that the euro zone had designed at its last summit. But with markets already in panic, it may not be strong enough. Only the European Central Bank (ECB) can put up the “wall of money” that, in the words of Ireland’s finance minister, Michael Noonan, is needed to protect vulnerable but solvent big debtors like Spain and Italy. Senior officials hope the ECB’s new president, Mario Draghi, will “do what is necessary to ensure that we will still have a euro”. But nobody can be sure.

No wonder markets are panicking, and no wonder European leaders are furious. “Papandreou is an idiot,” says one senior official. The Greek prime minister did not tell anyone, even his own finance minister, that he was about to gamble Greece, and the euro, on a referendum. His action smacked of ingratitude. The deal was the best yet offered to Greece: writing off half its debt to private creditors, with €130 billion of cheap loans to keep the country going. The Greek move threatened to wreck the euro zone’s painstakingly negotiated big solution. To add insult to injury, it ruined Mr Sarkozy’s hopes for the G20 summit on November 3rd-4th, which was his chance to take the world stage ahead of his re-election campaign next year. But most dramatic of all, the move backfired on the prime minister himself. His finance minister, Evangelos Venizelos, who attended the grim dinner in Cannes, returned to Athens to declare defiantly that Greece’s membership of the euro was an historic achievement that “cannot depend on a referendum”. Mr Papandreou’s last gamble may have hastened his demise.

In truth, the euro zone’s rescue was coming unstuck even before Mr Papandreou’s blow. The details of the second Greek bail-out were left vague and, even if boosted, the euro’s rescue fund was still inadequate. After a

brief rally, the markets soon started worrying about Italy. Despite cobbling together a plan for growth and to bring down Italy's vast debt, government-bond yields have risen to dangerously high levels.

This new phase of the euro crisis shows, once again, how the underlying causes are political as much as economic. Doubts persist about the ability of the burlesque Silvio Berlusconi to carry out real reforms. Resistance from creditor countries, mainly Germany, constrains the rescue fund and the ECB. Popular anger in debtor countries, notably Greece, is testing the limits of austerity.

The Greek population is at the point of revolt; the bureaucracy is refusing to modernise; the ruling Pasok party is scheming against its leaders; and the opposition New Democracy party is refusing to support vital reforms. So, Mr Papandreou must have wondered, why not turn to the people for support? Yet the EU has a deep fear of referendums. Voters in Denmark rejected the Maastricht treaty in 1992, those in France and the Netherlands threw out the draft constitution in 2005; the Irish temporarily blocked the Lisbon treaty in 2008. Eurosceptical British Tories want a referendum to force a renegotiation of Britain's membership or perhaps get out altogether.

As a supranational body designed to overcome national jealousies, the EU is vulnerable to a backlash in one or other member. Integration has been slow and partial, often through technocratic measures that maintain enough ambiguity for all to claim victory. Fragmentation may often be inefficient—the EU does not yet have a single system of patents—but it is not usually fatal.

This time it's different

Not so in the case of the euro. The euro zone is a hybrid: a single currency with 17 national fiscal and economic policies. It has no common treasury, no tax-raising powers, no joint bonds and no central bank acting as lender of last resort. In good times, this did not matter. But in the worst financial crisis in decades, the flaws are glaring. Even Mr Berlusconi cruelly described the euro as “a strange currency that has convinced nobody”.

Countries cannot quit the euro without extreme economic pain, but nor is it easy to fix. Vetoes may be needed to maintain democratic consent, even if they make for poor crisis management. A blockage in one country endangers all. The markets are testing the ambiguities to destruction. Vague promises to “do whatever it takes” to save the euro are not enough. Will the ECB deploy its full resources to stop the crisis? How much intrusion into national policies are Greece and Italy ready to accept? How far is Germany willing to extend its credit? Will the euro zone's states hang together or hang separately?

These are big questions, affecting the nature of the state, sovereignty and democracy. Mr Papandreou may have messed up his tactics, but he was right on one point. The changes needed to save the euro are so profound in nature that, sooner or later, they must have the explicit consent of the people—or they will fail.

A euro referendum

Greece's woes

The markets are not the euro's only threat. Voters may be too

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EVEN by the euro zone's undemanding standards, a summit deal that survived less than a week is lamentable. Early on October 27th Angela Merkel, the German chancellor, and Nicolas Sarkozy, the French president, hailed a “comprehensive package” to save the euro. Yet by the time *The Economist* went to press, their plans were in tatters. Greece's prime minister, George Papandreou, looked doomed, rejected by some of his ministers, many in his party—and, possibly, most of his country.

The shallowness of the summit's achievements has been brutally exposed. Instead of settling into a period of calm, markets were thrown into new turmoil (see [article](#)). One way or another, the euro is destined for an unavoidable test of popular support. Unless the euro zone's leaders shape up, this is an encounter their currency may well lose.

Heed the messenger

Mr Papandreou was in part the author of his own misfortune. Seeking the backing of the Greek people in a referendum, he was immediately condemned in the capitals of Europe as a fool or a traitor. Why had he wrecked all their good work? How dare he bring disaster on the rest of the euro zone when it had so generously bailed out his scapegrace of a country? A furious Mr Sarkozy and Mrs Merkel summoned him for a dressing-down on the fringes of the G20 summit in Cannes. Mr Sarkozy's hopes that this gathering might set the stage for generous emerging-market investment to support the euro were already faint. They now look impossible.

There is no disputing that Mr Papandreou, in spectacularly chaotic style, has left the euro zone racked by uncertainty. His referendum now seems unlikely to take place. Perhaps Pasok, his party, will enter a government of national unity with New Democracy, the opposition, headed by a technocrat. Perhaps there will be an election. Perhaps even these plans will fall apart, just as the last did (see [article](#)). All the while, the clock is ticking: within a month or so, Greece must receive fresh funds from the IMF and its European rescuers—or messily default.

Mr Papandreou has created an almighty mess, but he is better cast as the messenger than the villain. He was not to blame for the summit's shortcomings. The spreads between Italian and German government debt had begun to widen well before Mr Papandreou dropped his bombshell. If the euro zone had put a credible firewall around the government bonds of Italy and other troubled euro countries, a Greek default would not now be threatening contagion. Stable sovereign borrowers would have helped to safeguard Europe's banks, and a decent plan to strengthen the weakest banks would have secured the door. But last week's summit deal—concocting a jerry-built firewall and asking the banks to boost their capital ratios by June next year—was not up to scratch. No wonder the markets took fright only days later.

At one level, Mr Papandreou does not deserve blame even for seeking a mandate on the summit's main achievement (though he must now be rueing his decision). Although the proposal to write down the face value of privately held Greek-government debt by 50% would be substantial and welcome, Greece's stock of debt would, even on best assumptions, still add up to 120% of GDP by 2020. All the while, the Greek people would be living with austerity.

Hence Mr Papandreou's most important message. Until now the euro crisis has chiefly been about pressure from the markets. But a country's finances are not defined by markets alone. Rather the limits of solvency are tested by people's willingness to accept tax rises and spending cuts. A government runs out of political capital long before it runs out of things to tax. In the end, won't pay matters more than can't pay.

Greece is farther down this road than any other member of the euro zone—even though other countries such as Portugal and Ireland have already seen their governments toppled and Spain is about to follow suit. Beset by rebels in his own party, by a hostile media and by strikes and protests, Mr Papandreou concluded that he would find it hard to impose the austerity being asked of Greece. Every quarter the EU, the IMF and the European Central Bank (ECB) scrutinise Greece before releasing the next chunk of money. With nowhere to hide, he decided to appeal over the heads of his opponents to the people.

Greece's next government, whatever its composition, cannot escape the growing resentment of the country's political class. A growing but still small contingent of Greeks wants to defy the EU's treaties and quit the euro altogether. Fully 60% reject the summit deal. But Greek withdrawal still looks like a terrible mistake. Depositors would rush to pull their money out of Greek banks to protect their savings from being converted into new drachma. Greek firms would be bankrupted by their euro debts. The gain in competitiveness from devaluation would be transient if, as is likely, wages inflated along with prices. Even Greece's EU membership would be in doubt.

What to do?

Greece's government must wisely spend what scant political capital it may have. Above all, the economy needs to grow. Despite their anger, 70% of Greeks say they want to remain in the euro, but their tolerance for austerity has limits. The government must devote less effort to growth-destroying tax rises and instead undertake growth-promoting structural reforms. It will have to begin facing down public-sector unions and enforcing barely implemented reforms. Mr Papandreou's government consistently took the easy way out.

The euro zone's emphasis on austerity rather than structural reforms has aggravated Greece's political woes. Instead it should favour medium-term fiscal consolidation. The creditor nations could boost domestic demand, to provide a bigger market for debtors' exports. Most of all, they should dispel the threat of contagion by putting the ECB's balance-sheet behind the debt of solvent governments, like Italy and Spain. Throughout this crisis, creditors—particularly Germany—have worried about being too soft on the euro zone's weaklings, for fear that they would go slow on reform. Mr Papandreou has shown that they also need to worry about being too austere.

Bitter birthday

3 November 2011



Frankfurter Rundschau, 3 November 2011

"*Bir problem mi var?*" Do I have a problem? The question posed in Turkish by *Frankfurter Rundschau* is an apt reflection of the atmosphere at joint German-Turkish celebrations held on 2 November in Berlin. The event attended by Chancellor Angela Merkel and Prime Minister Recep Tayyip Erdogan paid tribute to the 50th anniversary of the agreement signed on 30 October, 1961, which paved the way for the mass immigration of Turkish workers to support the German economy. After the arrival of 800,000 Turks and the suspension of the agreement in 1973, the subject remained a sensitive one.

In spite of Erdogan's declaration that "we go well together" delivered in German, and Merkel's warmly applauded "I am also your Chancellor" addressed to Germany's three million Turkish immigrants, the two countries remain divided over longstanding issues: the question of dual nationality for immigrants in Germany, demanded by Erdogan, and the obligation to learn German stipulated by Merkel. "Assimilation is a crime against humanity," comparable to anti-Semitism, insisted the Turkish Prime Minister while Angela Merkel remained impassive. The Chancellor also maintained an eloquent silence on the issue of Turkey's accession to the European Union.

Germany, the hobbled giant

3 November 2011

DIE ZEIT

HAMBURG



It dictates the agenda of EU summits, defines the rules, makes an entire continent wait, and always ends up imposing its will. With the euro crisis Germany finds itself alone at the head of the Union. But is it up to this new role? Excerpts.

Marc Brost - Tina Hildebrandt - Matthias Krupa - Petra Pinzler - Kolja Rudzio - Mark Schieritz

One proceeds with political power like with a bank account of several million euros: one doesn't mention it. One just has it, that's all. Germany has done well out of the game for many decades: important, but never having to waste words about it. And when things got tricky, all German governments have been past masters at the art of making themselves small, politically. But that's over. Today, everyone is talking about Germany's influence.

It's been happening in Brussels these last few dramatic weeks. "Does Germany want to tighten the reins on the Greeks even more?" a representative of a small EU country was asked. He took a deep breath before answering: "The Chancellor is a very powerful woman."

More he wouldn't say. In the opinion of an Italian diplomat, Merkel is powerful not only because she represents the largest country in the EU, but "also because she is the most serious of the heads of government. The others are afraid of her." Romano Prodi said that, in Europe, she is the "lady" who makes the decisions, "and then the French president gives a press conference to explain them."

The rescue of the euro could come to rest entirely on Germany's shoulders because it's the only economy that seems strong enough to hold up the others. Since the summer of 2009, when the rest of the eurozone began to slide deeper into crisis, the economic power of Germany has grown stronger: its GDP rose by nearly seven percent, and exports went up by over 25 percent.

But Germany is exercising this hegemony against its will. It's not prepared to play this role, and it never aspired to it either. Making cars and quality machines is part of Germany's self-image. But playing a leading

role on the international scene? The rescue of the euro not only asks much more of Germany than it wants to give. It may ask for more than it can give.

Franco-German couple - a polite fiction

The term “hegemony” comes from the Greek word hegemon, which means “leader”. Even today a slight shudder runs down the backs of elderly Germans when they hear talk of German supremacy. History made Germany force the unification of Europe without standing at the forefront of the process.

Then, after reunification, sovereign Germany concealed its power within the monetary union. The euro was brought in according to German designs: with a central bank that would be just as independent as its own Bundesbank, and with as little inter-state coordination as possible. But Germany did forego taking on important posts. That was, rather, left to the French.

France has long played the role of the leading political power, while Germany stood out economically. But today France could also pose a problem for Germany within the eurozone.

According to surveys, two thirds of Germans feel no direct effect of the euro crisis. In France, though, it's the other way around. No wonder: France needs more jobs. Since 2000, half a million jobs have been cut in the industrial sector alone, and the jobless rate now stands at ten percent.

The old rule that without France, Germany could hardly make a move in the EU may still hold true today. But the situation has changed. And the French are in desperate need of the Germans, much more so than the other way round. The old Franco-German couple, writes the *Financial Times* somewhat snidely, is nothing but a “polite fiction”. It is Germany that is playing the de facto leading role in Europe.

One doesn't become a good leader, however, by imposing one's position after long and tough negotiations. A good leader acts quickly and early – at the moment when the need to be rescued, and not just when the situation becomes dangerous to himself. A good leader has a clear idea not just of what shouldn't be happening, but of what should happen in the future.

Furthermore, is Germany capable of doing what it should and must do – but doesn't want to? The Federal Republic has grown as strong outside the country as it has grown weak with paralysis at home. While in Brussels the fight is for the future of the euro, in Germany the fighting is between the Bundestag and the Bundesrat, the coalition and the opposition, the government and parliament. This has been on display in the debate on the enlargement of the European Financial Stability Facility, which has dominated Germany for the past two weeks.

German meticulousness irritates

While the CSU regularly gets hysterical to compensate for its dwindling influence, the FDP, the other coalition partner, is fighting tooth and nail simply not to disappear. In normal times, public opinion and the opposition are the most dangerous opponents of a government. In Germany today, the worst enemy of the coalition is usually the coalition itself.

The system of the Federal Republic, which historically has been defined to set limits on, control and fetter its own power, is annoying the entire continent: the German paralysis is becoming unbearable for Europe, which must wait on the decisions of the Bundestag, the FDP or CSU – or even on some regional vote.

Domestically, the government is being asked to find a compromise between efficiency and democracy and to allow participation of the parliament, which is keen to have its say. Externally, at the European summits, the federal government seems bound hand and foot.

Other countries also have constitutional courts, federal systems or systems of proportional representation that lead to coalition governments. Unlike Germany, though, none has all three at once, and in few are they so important as in Germany.

It's not just the German meticulousness that irritates the other Europeans. It's also the idea that Germans are using this meticulousness strictly to their own advantage. What is all this doing to Greek democracy? How long will the Greeks still agree to have elected officials who have neither the ability nor the right to make decisions? How can the Union be popular if democracy is placed on "stand-by" mode? In these times of crisis, these questions are falling by the wayside. But hegemony also means commitment to others.

Translated from the German by Anton Baer

May God defend the EU's heretics

3 November 2011

DIE PRESSE

VIENNA



Irresponsible? Poker game? – The reactions to the Greek referendum are revealing how tenaciously the “Brussels Congregation of the Faithful” are sticking to their dogmas. And that’s a good thing, writes the editor of Die Presse: as things stand, Europe’s last chance is heresy.

Michael Fleischhacker



The comments on the shock announcement of a referendum in Greece on the European aid and austerity package have opened up a revealing insight into the everyday business of moulding European public opinion. It’s strongly reminiscent of how evangelical groups work.

The Brussels-based, reasonable community of professional Europeans who stand by “Europe” are celebrating a kind of open mass. The bearers of the vestments prompt each other for prayers, which are recorded for posterity by the journalists in the audience.

The most important formulae in the current form of the European rite are: The Greek Prime Minister has started a “reckless game of poker”; a “No vote by the Greeks would have unforeseeable consequences”; the matters currently being negotiated are just too complex to be left to the people to decide – let alone now of all times, before the measures come into effect! – and perhaps the current, national variant of parliamentary democracy isn’t actually up to the job of tackling global issues.

Like the Roman Congregation, the professional Europeans have developed an elaborate system of standards for testing for orthodoxy. Mirroring the complexity of the postmodern world, there are hardly any unique features marking the apostasy from the European faith.

Only those who, for example, hold obdurately to the belief that national interests should be not only the legitimate, but perhaps even the decisive element of European politics, must reckon with excommunication. Everything else – typical of Europe – is negotiable.

European opinion-priests

For believers, the existence of such a supreme authority in doctrinal matters is vital. Just imagine if every European had to make up his own mind about whether it's better to respond to the disintegration of the eurozone by reducing the number of member countries sharing the common currency, or by bringing in a central government which, by a laying on of hands, heals the rift between the economies of the Netherlands and Greece.

That would almost be like asking every single visitor to a Catholic Mass to come up with his or her own interpretation of transubstantiation (in the popular lingo, "transformation"): impossible, not to say intolerable.

And so we have to imagine the European opinion-priests as a blessing upon us. One ought even to consider chasing down heretics who fall away from the pure doctrine of the United Central States of Europe in a restrained manner, as an outward sign of respect, so to speak.

Heresies have arisen at all times by asking questions. To question means to doubt, and doubt is the poison of orthodoxy.

What do the United Commentators from Europe want to tell us when they declare with deep indignation that a "No" from the Greeks to the resolutions of the Brussels Congress would have "unforeseeable consequences"?

Without dogma there's no heresy

Do they somehow mean to contend that the consequences of the previously adopted "measures" were foreseeable? Has this past year delivered even a single clue that this is the case?

And why should a country's citizens not be allowed to vote on measures that add up to a substantial limitation of their state sovereignty? Is it their fault that they don't understand what it's about, or is it the fault of those who can't explain it to them?

And is it not true that they can't explain it because they don't understand it themselves? And why should they decide, though they understand it no better than those who are not permitted to decide?

Exposing the religious guardians is a good thing. Without dogma there's no heresy, and without heretics Europe won't be saved. Where everyone is thinking the same thing, not a lot of thinking is going on. For Europe, it's what's standing watch against the current diktat.

Translated from the German by Anton Baer