

Greece Is Running Out of Time

Author: [Tim Duy](#) · May 16th, 2012 · [Comments \(0\)](#) Share This Print 42 1

I have repeatedly described myself as a Euroskeptic. The current combination of politics and economics looks likely to at worst doom the Euro to failure, at best to commit the Continent to a deep and long-lasting recession. Moreover, the pace of deterioration in Greece, combined with an economic structure that seems completely at odds with much of the rest of Europe, seems to make a Grexit all but impossible.

That said, I am horrified at the ongoing willingness of European policymakers to still be playing chicken at this point. I assumed that my skepticism would ultimately be proved wrong as the European Central Bank would ultimately cave and effectively monetize national debt across the Eurozone, and that Germany would come to this conclusion as necessary to save the single currency that they have long-championed. That ultimately, the Eurozone would step up and take greater responsibility for this mess, understanding that while the Greeks have mismanaged their economy, they should never have been admitted to the Eurozone in the first place.

Instead, Europe's situation is now akin to two or three trains running full-speed at one another, and by the time someone finally pulls on the brakes, it will be too late. By the time key actors step into action, irreparable damage will have been done

Consider that one of those trains, Greece, has no driver, nor will it until June 17 when fresh elections are held. Combine that with a deteriorating fiscal situation – believe it or not, it actually continues to get worse. From [Bloomberg](#):

The level of funds in Greece's state coffers has fallen below 1.5 billion euros (\$1.9 billion), Imerisia reported, citing "reliable information."

If the state doesn't receive predicted revenue for the rest of this month, it will find it difficult to pay for social services, pensions and public-sector wages, the newspaper said.

This was confirmed by the [outgoing leader](#):

Greece's outgoing Prime Minister Lucas Papademos has warned the country's political leaders the government may have difficulty in meeting its cash obligations as of the start of June, a Greek newspaper reported Monday.

In a note Papademos sent to Greek President Karolos Papoulias and discussed in Sunday's meetings between the president and party leaders on forming a coalition government, the prime minister said it is likely Greece will have significant difficulties in covering its cash payments in June, according to newspaper Ta Nea, citing unnamed sources from Papoulias' office

Now, further consider one of the proximate causes of the [new fiscal shortfall](#):

Greece's budget revenues have reportedly dropped by 10.2% in April compared to the same month in 2011, as daily Kathimerini reports quoting provisional figures the Finance Ministry

is studying. The election period did nothing to help state receipts as the tax collection and monitoring mechanism traditionally relaxes ahead of polls, and did so again this year despite the crisis.

It has been said before, but is worth saying again – how did this economy pass the bar to Euro membership in the first place? If officially sanctioned tax avoidance remains in effect, and we have another month until the new elections, I can't imagine that the fiscal picture is going to do anything but go from bad to worse. Or from worse to as worse as it can get.

Given the deteriorating fiscal position, Greece will eventually need a larger bailout if it is to stay in the Euro. Simply put, if they can't pay their bills with Euros, they will need to issue their own currency. Deep in a piece on the failed efforts to collect property taxes via electricity bills, the [FT brings us this](#) from a “friendly trader”:

When we talk about Greece “running out of money” in coming weeks/months, the combination of dire recession, plus non compliance in Revenue collection will speed the day that Civil Servants and suppliers are paid in IOU's or “New Drachma” in the absence of any funding from the EU/IMF...

Once IOU's start circulating, the clock will start ticking. Either they get replaced soon with actual Euros, or they start trading as currency. In other words, time is growing very, very short to find a solution that keeps Greece in the Eurozone.

Meanwhile, is the final run on Greece's banks underway? From the Wall Street Journal:

Greek depositors withdrew €700 million (\$898 million) from local banks Monday, the country's president said, as he warned that the situation facing Greece's lenders was very difficult.

In a transcript of remarks by President Karolos Papoulias to Greek political leaders that was released Tuesday, Mr. Papoulias said that withdrawals plus buy orders received by Greek banks for German bunds totalled some 800 million.

A bank run in the absence of a functioning government. Is there anyone ready to push the button on a bank holiday with capital controls? Or is this about to devolve into a free-for-all flight of capital?

Meanwhile, Germany and France are holding to the official line. From [the FT](#):

“We want Greece to stay in the euro,” Ms Merkel said. “We know that the majority of people in Greece see that.”

The Greek government had also agreed on a rescue programme with the IMF and the EU after lengthy negotiations, she said. “I believe that memorandum must be respected.”

This ignores the small point that the last bailout was certain to fail from the start. The message remains that no one but Greece is making the decision to leave the Euro:

“We have to respect that there will be new elections in Greece,” she added. “We will make it clear that we want Greece to remain in the eurozone, and that is what the citizens are voting on.”

But out comes the unspecified carrot:

That meant fulfilling the commitments in the EU and IMF programme, she said, but added: “We will also give proposals to Greece to encourage growth.”

Mr Hollande went further, saying that “I hope that we can say to the Greeks that Europe is ready to add measures to help growth and support economic activity, so that there is a return to growth in Greece.” More carrot with stick would have been helpful two years ago. Now it is looking like too little, too late. And what kind of measures are these? Direct bilateral transfers from Germany, which would be helpful? Or more loans to add to those that Greece can not already afford?

In other news, in the wake of its two LTRO operations, the ECB is back to neglecting its role as lender of last resort. As a consequence, Spanish yields are now solidly back above 6%, with Italian yields in close pursuit. Apparently, investors are not convinced that the supposed firewalls are sufficient to control contagion. European policymakers have fallen short of the mark. Again.

Bottom Line: I don't see how European policymakers can be anything but terrified that this whole experiment is unraveling at a frightening pace. Yet they keep barreling ahead on this disastrous path, ensuring that things continue to get worse before they get better.

NYT May 15, 2012

Hollande Meets Merkel to Start a Delicate Balancing Act

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

BERLIN — The new beginning for the most important relationship in Europe — between Chancellor Angela Merkel of Germany and President [François Hollande](#) of [France](#) — started Tuesday with a bolt from the blue, an apology, and a sense of harmony that seemed somehow more sincere for the adversity that came before it.

Hours after he was inaugurated, Mr. Hollande's trip to Germany was nearly canceled when his airplane was struck by lightning after takeoff. He returned to Paris, boarded another jet and flew through a storm to Berlin, arriving an hour and a half late.

"Sorry," he told Ms. Merkel in English, "my plane had a problem."

Ms. Merkel said at their first joint news conference that it was "a good omen for the cooperation" that, instead of rescheduling, Mr. Hollande had persevered on to Berlin. Such determination could come in handy as these leaders of Europe's two largest economies face the escalating tension of the Continent's [debt crisis](#), and confront each other's opposing positions on how to resolve it.

Earlier in the day came the news that France's stagnant economy had not grown at all in the first quarter. New elections would be required in Greece, promising even more uncertainty and turmoil there and raising the chances that Greece could be forced to leave the euro, a prospect Mr. Hollande and Ms. Merkel said they both opposed.

"We want to work together with all the other countries for the good of the euro," Mr. Hollande said, as the two stressed their points of agreement and played down their quarrels. There was little evidence of progress in the debate over austerity, favored by Ms. Merkel, and growth, which Mr. Hollande made a central pillar of his presidential campaign; the stated purpose of the meeting was simply for the two to get to know each other.

"They are practically forced to work together," said Sabine von Oppeln, a political scientist and expert in French-German relations at the Free University in Berlin. "Both countries need to see this crisis finally overcome."

Their relationship will be vital to the future of the European Union and its common currency. Mr. Hollande confronts a difficult economic situation at home. The European Commission estimated recently that France's budget deficit next year would be about 4.2 percent of gross domestic product, well above the target level of 3 percent that Mr. Hollande says he will match.

Mr. Hollande, 57, had only become president — the first Socialist to hold the office since François Mitterrand — that morning, in a dignified ceremony held in a red and gold hall in the Élysée Palace. Mr. Hollande, the seventh president of the Fifth Republic, was accompanied by his partner, Valérie Trierweiler.

He received the codes to the country's nuclear arsenal from his predecessor, [Nicolas Sarkozy](#), as well as some private counsel, perhaps even about how to deal with the tough German chancellor. Afterward, the two men were joined by Ms. Trierweiler and Carla Bruni-Sarkozy.

Then Mr. Sarkozy and his wife left the Élysée Palace in a car, as some of Mr. Sarkozy's supporters shed tears and as Mr. Hollande proceeded to take charge of a country that elected him by a thin margin on May 6. In his short speech, Mr. Hollande praised his predecessors for particular accomplishments. About Mr. Sarkozy, he simply said that "I express my good wishes for the new life that is opening before him."

"We are a single France, undivided," Mr. Hollande said after his investiture, promising a presidency of "dignity, simplicity and soberness." He vowed that "the state will be impartial, because it belongs to all of its citizens," and insisted that a united France could meet its difficult social and economic challenges. He promised justice, and warned, "We cannot have sacrifices on one side and privilege on the other."

Mr. Hollande had a busy day of pomp and official business. He laid a wreath on the Tomb of the Unknown Soldier at the Arc de Triomphe, then met for lunch with important members of his Socialist Party, including four former prime ministers.

Despite a packed schedule in Paris, Mr. Hollande then flew to Berlin, signaling the importance he placed on the relationship between the two countries. Spiegel magazine described the meeting, in an article under the headline "Couples Therapy," as one between leaders who "from now on will be chained together, but in the past months appeared to be opponents."

The two leaders find themselves in very different positions. Mr. Hollande just won election and has a mandate to tackle his country's problems from the left. Ms. Merkel's party has suffered consecutive losses in state votes, and presides over an unruly, bickering coalition in Berlin.

They both face difficult balancing acts involving the domestic constituencies that they hope to soothe and the financial markets that they do not want to unsettle.

"They must show their supporters at home that they don't give in too easily," said Thomas Klau, a senior policy fellow at the European Council on Foreign Relations in Paris. "But anything like a prolonged Franco-German rift would be highly destabilizing and therefore highly dangerous. That, in itself, creates a pressure for reasonably early consensus."

Mr. Hollande on Tuesday also named as his prime minister Jean-Marc Ayrault, a fluent German speaker who may help smooth relations with German policy makers. Yet Mr. Ayrault, 62, also has good connections with Germany's main opposition party, the Social Democrats, and their leader, Sigmar Gabriel.

Mr. Gabriel held his own news conference on Tuesday, in which he praised Mr. Hollande and was sharply critical of the crisis management of Ms. Merkel, saying that growth proposals fell on "deaf ears" with the chancellor.

"We hope that in spite of differences of opinions in the past they can start up the German-French motor and finally get it going in the right direction," Mr. Gabriel said.

The two sides worked hard to manage every detail of the meeting between the two leaders, but were unable to control the weather. The event felt rushed and improvised rather than meticulously organized. When Ms. Merkel said, “We are all the happier that he made it although lightning struck first,” it sounded genuine.

They did not try to paper over their disagreements, both admitting that there were differences between what they meant when they talked about strategies to promote growth. Asked whether he would insist on renegotiating the fiscal compact signed by 25 out of 27 European Union leaders in March, Mr. Hollande said he and Ms. Merkel had agreed to put “all ideas and all proposals on the table and see what legal means exist to put them into effect.”

Ms. Merkel said that other than a few words in English when the interpreters were not there, they had each spoken their native tongues. “I can assure you that even when one speaks French, the German chancellor understands,” Mr. Hollande said, “and the opposite is equally true.”

Nicholas Kulish reported from Berlin, and Steven Erlanger from Paris. Stefan Pauly and Melissa Eddy contributed reporting from Berlin.

Airlines and pollution

Europe against the world

May 16th 2012, 11:10 by J.A.



AFTER a lot of noisy cross-fire, on May 15th the smoke cleared from the battleground that is the European Union's policy on airlines and climate change. Twenty-six countries have fiercely opposed a move by the EU to charge airlines using its airports for their carbon emissions. Yet it turns out that only those of China and India, ten carriers in all, are failing to comply with the scheme.

That is ten more than the EU's climate policy wallahs recently claimed. Downplaying the recent protests, in which America and Russia are also prominent, they insisted that all airlines were abiding by the EU's new rules. For now, these cost them nothing: under the terms of the EU's Emissions Trading Scheme (ETS)—which the airlines were included in at the beginning of the year—they are supposed merely to provide data on their 2011 emissions. In April 2013 they will then have to obtain tradable ETS permits to cover their 2012 emissions, 85% of which they will have for free. That the Chinese and Indian airlines have nonetheless stopped providing data on their emissions is a clear effort to escalate the conflict.

It will not have much impact on the ETS carbon price. The recalcitrant airlines, of which eight are Chinese and two Indian, are responsible for less than 3% of the aviation emissions addressed by the scheme. With some justification, given the vigorousness of the opposition to it, the EU's climate chief Connie Hedegaard therefore hailed the initiative an early success. Yet it could quickly unravel if the Chinese and Indian carriers continue to defy it.

Fighting fire with fire, Britain, Germany, France and other European countries, which play host to the Indian and Chinese airlines, have written to them requesting the missing 2011 data. If they fail to provide it, they are liable to face fines from some of those European countries.

Yet there is still time for a negotiated way out of the mess. By far the best solution would be for the United Nation's International Civil Aviation Organisation (ICAO) to institute a global emissions-busting scheme, under which all airlines would be forced to pay for their pollution. Emissions from aviation represent a modest 3% of the world's total; yet they are growing fast. It was indeed ICAO's

longstanding failure to introduce such a measure that spurred the exasperated EU to bring its cap-and-trade scheme to bear on the problem. If ICAO is now jolted into taking action—as it is promising, a mite more convincingly than before—the EU would gladly absolve the airlines from having to comply with the ETS.

An alternative would be for the dissenting countries to take their own steps to make their airlines pay for their emissions. In this case the EU would, again, absolve them of any burden under the ETS. In China's case, this is at least imaginable: there has been some discussion in China of levying a carbon tax on aviation emissions. In India, it is less likely. The country's airlines are both influential and bleeding money, due to the high operating costs they face in an overcrowded domestic market. India's current government, beset by multiple economic and other problems, is unlikely to put them under any obligation the EU could consider "equivalent" to that they face under the ETS.

Uncertain permits

A bigger question hangs over the ETS more broadly. Last year, according to data also released on May 15th, emissions from the 12,000 power plants and factories covered by the scheme fell by 2% compared to the previous year. This was largely due to the bad economy and has left the market hopelessly oversupplied with permits.

It has therefore tanked. The ETS carbon price is currently less than €7 a tonne; down from nearly €30 in 2008. And the situation is about to get worse. The EU is in the process of selling millions of extra permits for green energy projects; and also introducing measures to promote greater energy efficiency, which will further reduce demand for permits.

The ETS, by far the world's biggest carbon market, is supposed to nudge companies into investing in green technology. But this will not happen in any significant way unless the carbon price at least doubles. Alarmed by the uncertainty the state of the market is causing, a number of big investors in the ETS, including E.On, an energy firm, have urged the EU to fix it.

It is now planning to do so—probably by staggering the release of its next big tranche of permits, early next year, in order to limit their supply and so force the carbon price to rise. This would be generally welcomed. But with the details still hazy, and probably undecided, companies remain deeply uncertain about the market's future.

"How many permits will be withheld and over what period?" asks Abyd Karmali, head of carbon markets for Bank of America Merrill Lynch. "Companies need to see more evidence that the scheme is going to provide them with long-term incentives to invest in clean technology."

The debt crisis

Post-war reflections

May 16th 2012, 13:34 by Buttonwood

WHEN people argue we can muddle our way through after the debt crisis, they often cite the period after 1945 as an example.* But it is worth remembering the state of European economies after the Second World War.

There are some good examples in the excellent book *Postwar* by the late Tony Judt. First of all, workers could be switched from military service to productive work. In 1945, 10 million British men and women were in uniform or making arms, out of an employed population of 21.5 million adults.

Meanwhile one forgets how much of the mid-20th century economy was devoted to agriculture. In 1950, 23% of the West German population worked in farming, while the figure in France was nearly 30%. For Italy, the proportion was 40%, while in Spain, Portugal and Greece, one in two workers was employed in the agricultural sector. As China is currently demonstrating, the productivity gains that can be achieved by switching workers from agriculture to industry are amazing. By the 1970s, fewer than 20% of western Europeans worked on the farm, and in Germany and France, the proportion was less than 10%.

Thirdly, Americans and Europeans benefited from cheap oil. In 1955, a barrel of Saudi crude cost \$1.93; by 1971, the cost had risen to just \$2.18, despite inflation elsewhere. This enabled the developed world to switch from coal to oil. In 1950, coal and coke accounted for 83% of Europe's fuel consumption, oil for just 8.5%. By 1970, oil was 60% and coke and coal just 29%.

In short, the tail winds were wonderfully beneficial. By 1970, however, the farming-industry switch had taken place, while the era of cheap oil ended in 1973. The dismal 1970s followed and the term *euroclerosis* was coined. Developed world growth received three fillips in the 1980s and 1990s; the oil price fell steadily in real terms, China and eastern Europe joined the global economy, and more women entered the workforce (34% of American women were working in 1960, 60% by 2000). Those changes may have suckered us in to taking on more debt, as we overestimated the future growth rate. Alas, it is hard to see what will boost underlying growth in the current era, especially as developing world demand is pushing the oil price up.

Technology will help, as would reform of European markets and breakthroughs in cheap energy (solar? electric cars?). But those factors still seem to pale when set against the post-1945 era.

* An "expert" on a BBC phone-in last night said Britain managed to recover without austerity. Nonsense. After President Truman gratefully acknowledged Britain's six-year fight against Hitler by instantly cancelling the lend-lease programme, the country was desperately short of dollars to pay for imports. Rationing was extended after the war was ended, and some allocations were cut. Food rationing did not end until 1954.

Is Germany bluffing on Greece?

Brueghel By [Philine Schuseil](#) on 15th May 2012

After the recent elections in Greece, German officials seem to seriously consider a Greek Euro area exit – at least this is what official statements from policymakers indicate. Are these statements serious or is Germany bluffing on Greece?

We want to summarize their statements and compare them to what is being said in the German National Press and blogosphere, both of which appear much more skeptical about the possibility of a Greek exit.

The German minister of Finance, Wolfgang Schäuble, stated in an interview with the [“Rheinische Post”](#) on 11 May 2012 that Europe has the capacities to cope with a Greek Euro area exit. He said that Germany and its partners had learned a lot during the last two years and have put in place several protection mechanisms. Moreover, the risk of contagion to other countries has declined in the euro-zone and it has become as a whole more resilient. There is no other, easier way for Greece to remain in the euro-zone than implementing the reforms on which the member states agreed.

According to *Spiegel online*, he [declared recently](#) that Greece cannot have the one (stable government) without the other (meeting their obligations). Moreover, he said [on Sunday 13 May 2012](#), that Germany would be a strange government, if it was not prepared for all possible scenarios in order to cope with them.

Foreign Minister [Guido Westerwelle declared](#) according to an article on *Spiegel online* that whether Greece remains in the euro-zone or not, lies completely in the hands of the Greek. If Greece did not follow the started reforms, he would not see that the outstanding tranches for Greece will be paid off. ECB board member Jörg Asmussen, [told the Handelsblatt](#) that Greece must pursue the agreed reform programme if it wants to remain member of the euro-zone. The [chief executive of the Federal Association of German Banks \(BdB\), Michael Kemmer, also believes](#) that the euro-zone could cope with Greece’s exit and that the immediate impact would be limited. However, Kemmer believes that an exit would result in risks of contagion and would reduce the confidence in the existence of the common currency. Even German ex-Finance Minister [Peer Steinbrück \(SPD\) considers](#) a Greek exit inevitable and underlines the importance to be prepared for it.

On the contrary, the German press does not share exactly the same position.

[The Frankfurter Allgemeine Zeitung](#) is aware of the negative impact a Greek Euro-zone exit would have on both the Greek as well as on the world economy and believes that there are currently still more reasons for Greece to remain in the Euro-Area rather than to exit.

In *Die Welt*, [Martin Greive wrote on](#) Sunday 13 May 2012 that while more and more bankers, politicians and economists speak of a possible Greek exit, one should not forget that this move will be highly expensive for Germany. This is particularly due to the fact that Germany would have to amortize the contributions already paid to Greece.

Daniela Schwarzer [looks](#) at the possible Greek exit from a Euro area perspective and concludes that the latter should do what it can to keep a defaulting Greece within the currency

union rather than letting it exit. Apart from the negative impact this would have on Greece, an exit would have considerable negative effects on the European Union. First of all, the banking sector would be destabilized in the other member states. Euro deposits in a Greek bank would be worth a new drachma and the latter would see a strong devaluation. This would lead to a capital flight from other member states under pressure to countries such as Germany. Secondly, from a political point of view one cannot promote a possible Greek exit: leaving the Euro area but not the European Union is, first of all, not compatible with EU law and would thus need a political solution. Then, the co-operation with Greece, as a EU but not a Euro zone member state would be challenging. Thus, there is no reason for a default to entail an automatic exit from the Euro area.

[Thomas Fricke wrote on 11 May 2012](#) in the *Financial Times Deutschland* that one cannot make a comparison between Greece in 2012 and Germany in 2005, although there are some similarities such as the high unemployment rate and the hard, but needed reforms. However, there are still important differences: the unemployment rate is substantially higher in Greece and the political parties are more radical. What Greece needs are realistic targets to reduce the deficits in the medium term and no brachial experiments. It is absurd to blame Greece now that they did not render possible, what in fact is impossible. Otherwise, this will lead to a panic euro-exit, which could drag Germany itself into the abyss.

However, “[Acropolis Adieu! Why Greece must leave the euro](#)” reads the front-page headline of the German magazine *Der Spiegel* on Monday 13 May 2012. It is time to realize that the rescue policy has failed, notably due to the disinterest of Greek politicians to implement reforms, and that Athens should now exit the currency union. Preparations are already made both at EU and at national level: the “Taskforce Griechenland” is working since one year in the German Ministry of Finance in order o prepare a possible Greek exit. Nevertheless, European solidarity is not bound to the Euro and the EU27 instead of the euro-zone members will contribute to support Greece also after an exit. This would be an advantage since it would include Great-Britain as contributor.

It will be interesting to follow the evolution of the public opinion, whether or not this stays in line with official declarations.

M. Hollande, ce n'est pas le moment d'être normal

Brueghel By [Jean Pisani-Ferry](#) on 14th May 2012

En s'engageant fin 2011 sur le thème de la croissance et en annonçant son intention de renégocier le traité budgétaire, François Hollande courait le danger d'être marginalisé dans une Europe qui attendait son salut de l'austérité. Six mois plus tard, il recueille les fruits de sa prise de risque : alors qu'elle est entrée en récession et que, sur son flanc sud, se multiplient les signes d'exaspération sociale, l'Union européenne se prépare à saisir l'occasion de rééquilibrer ses priorités.

Une grande ambiguïté règne cependant, car des orientations très diverses se retrouvent sous le même étendard de la croissance. Dans ces conditions, François Hollande a le choix entre deux stratégies. La première est de se satisfaire peu ou prou des fruits qu'on va lui tendre et de déclarer victoire, pour pouvoir signer le traité budgétaire. Ces fruits, ce sont la création de *project bonds* associant implication publique et capitaux privés afin de rendre attractives des obligations trop risquées pour trouver aisément preneur sur le marché ; une recapitalisation de la Banque européenne d'investissement (BEI), actuellement menacée de perdre son AAA, pour lui permettre, au moins, de maintenir son volume de prêts ; un meilleur usage des fonds structurels européens, qui répondent trop souvent à une logique d'abonnement et mériteraient d'être mis au service du redressement économique ; ou encore des initiatives ciblées financées sur le budget communautaire.

Tout cela mérite attention. Mais il faut raison garder: l'Europe est déjà le continent le mieux doté en infrastructures ; elle sort à peine d'une bulle solaire induite par des subventions trop généreuses au regard de l'état de la technologie ; les fonds structurels ne pèsent macro-économiquement que dans quelques pays ; et, de toutes façons, quelques dizaines de milliards de nouveaux projets ne suffiront pas à redresser une économie dont le PIB est de 12.600 milliards d'euros.

L'autre stratégie est plus ambitieuse. Elle consiste pour le nouveau président à investir son capital politique dans une négociation de fond sur la solution aux problèmes systémiques et macroéconomiques qui menacent la prospérité et, à terme, la survie même de la zone euro.

Les problèmes systémiques tiennent à la fragilité d'une union monétaire incomplète en voie de désintégration financière sous l'effet de l'arrêt des flux de capitaux Nord-Sud et de la pression exercée sur les banques par les régulateurs nationaux. Une zone euro assise sur un marché des capitaux fragmenté perdrait beaucoup de sa raison d'être, c'est pourtant dans cette direction qu'elle continuera sans doute à se diriger si l'Europe n'engage pas la construction d'une union bancaire mettant en commun assurance des dépôts, supervision et mécanismes de résolution des crises bancaires, et ne réfléchit pas à des formes de mutualisation des dettes souveraines.

Les problèmes macroéconomiques tiennent à la difficulté d'un rééquilibrage Nord-Sud après dix ans de dégradation de la compétitivité relative du Sud. Ce rééquilibrage passe inévitablement par des ajustements douloureux, dont l'austérité budgétaire est une composante, mais il ne peut se résumer à une série d'efforts sans contrepartie de la part des pays en difficulté. Il revêt aussi une dimension collective : demander au Sud de regagner la compétitivité par la déflation serait l'emprisonner dans le double carcan de la dette publique

et de la dette privée, et donc augmenter considérablement les risques d'échec. La solution passe, plutôt, par un meilleur dosage des efforts budgétaires et une hausse des salaires au Nord. Avec 2% d'inflation moyenne dans la zone il faut, pour les années à venir, nettement moins de hausse des prix au Sud et nettement plus au Nord. Il importe donc de convaincre le Nord, qui commence d'ailleurs à en prendre conscience, d'accepter cet écart, et de s'engager à ne pas tenter de contenir sa propre inflation tant que la stabilité des prix restera assurée en moyenne dans la zone euro.

Cette seconde stratégie est d'une toute autre ampleur que la première, elle comporte des risques, et elle est consommatrice de capital politique. Une union bancaire ou la mutualisation des dettes, avec ses inévitables contreparties budgétaires, impliqueraient un engagement européen politiquement coûteux au vu du premier tour. Et la France ne peut demander des efforts à l'Allemagne sans être prête à en faire elle-même, tant en matière de gestion des finances publiques que de réformes de compétitivité.

Pour un dirigeant politique normalement constitué la tentation doit être forte d'adopter la première stratégie, et de déclarer victoire à peu de frais avant de passer à autre chose. Dès avant la brutale aggravation de la crise politique grecque, cette réponse n'était déjà qu'un faux-semblant. La choisir au moment où menace la rechute serait accepter le danger d'un éclatement de la zone euro d'ici la fin du quinquennat.

Désolé M. Hollande, ce n'est pas le moment d'être normal.

A version of this column was also published in Le Monde

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SPIEGEL ONLINE

Time to Admit Defeat

Greece Can No Longer Delay Euro Zone Exit

After Greek voters rejected austerity in last week's election, plunging the country into a political crisis, Europe has been searching for a Plan B for Greece. It's time to admit that the EU/IMF rescue plan has failed. Greece's best hopes now lie in a return to the drachma. *By SPIEGEL Staff*

There are many things Alexis Tsipras likes about Germany. The leader of Greece's Coalition of the Radical Left (Syriza) party drives his BMW motorcycle to work at the Greek parliament in the morning, Germany's über-leftist Oskar Lafontaine is one of his political allies, and when it comes to his daily work, his colleagues have noticed a certain tendency toward Prussian-style perfection.

Tsipras could easily count as a friend of the Germans, if it weren't for the German chancellor. Greek magazines have frequently caricatured Angela Merkel dressed in a Nazi uniform, because she imposes her fondness for balanced budgets and austerity on the rest of Europe. The Greeks, says Tsipras, want to "put an end" to the Germans' requirements and their "brutal austerity policy."

Tsipras is the new political star in Athens. While the country's washed-up mainstream parties [struggled for days](#) to form a new government, the clever young politician has been dominating the headlines with his coalition movement of Trotskyites, anarchists and leftist socialists.

In the [recent elections](#), Tsipras' Syriza party advanced to become the second-largest political force in the country, and Tsipras is making sure his gray-faced opponents from the Greek political establishment know it. Surrounded by cameras and microphones, he stood in the Athens government district last Tuesday, put on his winner's smile and called upon the two traditional parties, the center-left Socialists (PASOK) and the conservative New Democracy, to send a letter "to the EU leadership" and cancel the bailout deal that Athens made with the EU and the International Monetary Fund (IMF).

Tsipras knows what many Greeks are thinking. At the end of last week, his poll numbers rose to a new record level of almost 28 percent.

Turning Point

Two years after the government in Athens requested the first emergency loans in Brussels, the European debt crisis is reaching a turning point. Europe and the international community pumped about €240 billion (\$312 billion) into the Balkan nation, government employees were let go, pensions were slashed and a series of restructuring programs were approved.

But even though the country is virtually being governed by the European Commission and the IMF, Greece's debts are higher than ever and the recession is worsening. As the political situation becomes increasingly chaotic, new elections seem all the more likely.

At the Chancellery in Berlin, the television images from Athens now remind Merkel's advisers of conditions in the ill-fated Weimar Republic of 1919-1933. Back then, the Germans perceived the Treaty of Versailles as a supposed "disgrace." Now, the Greeks feel the same way about the austerity measures imposed by Brussels. And, as in the 1920s in Germany, the situation in Greece today benefits fringe parties on both the left and the right. The country's political system is unraveling, and some advisers even fear that the tense situation could lead to a military coup.

Greece has been in intensive care for years, but the patient, instead of recovering, is just getting sicker and sicker. In a confidential report, which SPIEGEL has seen, experts from the IMF arrive at a devastating verdict. The country, they write, has only "a small industrial base" and is characterized by "structural incrustations" and an "excessively large role of the public sector."

In Greece's Best Interest

It's time to rethink the treatment. The Greeks were [never ready](#) for the monetary union, and they still aren't ready today. The attempt to retroactively bring the country up to speed through reforms has failed.

No one can force the Greeks to give up the euro. And yet it is now clear that withdrawal would also be in the country's best interest.

It isn't a matter of abandoning the Greeks. Greece is and remains an important part of Europe. A Greek withdrawal from the euro will have serious social, political and economic consequences -- mostly for the Greeks, but also for the rest of Europe. The continent's solidarity is not tied to the euro, which is why other European countries will still have to support Greece with massive amounts of money.

But only a Greek withdrawal from the euro zone will give the country a chance to get back on its feet in the long term. The Greeks would have their own currency once again, which they could then devalue, making imports more expensive and exports cheaper. As a result, say American economist Kenneth Rogoff and others, the Greek economy could become competitive again.

At the same time, a Greek exit from the euro would send a strong message to other financially ailing countries, namely that Europe cannot be blackmailed. Populist politician Tsipras is merely expressing views that are already widespread within large segments of the Athens establishment, namely that the Europeans will ultimately give in and pay up, because they fear a Greek bankruptcy as much as people in the Middle Ages feared the Black Death.

Regaining Dignity

If the euro-zone countries do give in, the pressure for reform will also decline in the other crisis-ridden countries. If that happens, their debts will continue to rise, investors will flee from the euro and the entire currency union could break apart.

There are no provisions in the regulations of the monetary union for the withdrawal of a member state, and the euro partners cannot force a member to withdraw. But what else can the Greeks do if the Europeans remain truly adamant and insist that Greece satisfy all conditions attached to further aid?

In the end, a Greek withdrawal could only be the result of negotiations, prompted by the realization that it would enable the country to regain its national dignity. If Athens clung to the euro at all costs, it would remain dependent on the international community for decades to come. In contrast, regaining its own currency would enable the country to decide on its own fate.

Reforms Have Ground to a Halt

An exit from the euro zone would be the prerequisite for the political new beginning that the country's reformers believe is inevitable. One of those reformers is Gikas Hardouvelis, 56, the chief adviser to transitional Prime Minister Lucas Papademos.

His job description was easy to write but difficult to fulfill: He was supposed to ensure that Greece remains in the euro zone. Since the end of November, Hardouvelis has had possibly the most beautiful office in the country. The Maximos Mansion, next to the National Garden in downtown Athens, is the prime minister's grand official seat.

But since taking office, the economist has also had a mission which could well be described as impossible: to revamp a country that has been completely mismanaged.

Until last summer, the total number of government employees wasn't even known, nor was the number of government agencies, which were often established for the sole purpose of concealing the enormous expenditures of certain ministries.

Devastating Conclusion

When Hardouvelis began working as chief adviser to the prime minister, the reform process was supposed to be in full swing already. His first step was to count the laws that had not only been passed but had actually been put into effect. "It was a very small number," Hardouvelis recalls.

After two years, Hardouvelis came to a devastating conclusion about Greece's economic, political and social situation: Almost none of the government's reform efforts have been a success.

The privatization of state-owned companies, which was intended to help fill up empty government coffers, has hardly even begun. Of the €50 billion in anticipated revenues by 2015, the program has only generated €1.6 billion to date.

The sale of real estate holdings, in particular, is more difficult than expected. Until recently, the Greeks were almost wholly unfamiliar with the concept of the land registry. After over 10 years of efforts to develop such a registry, only 6 percent of all real estate has been entered into the system.

The liberalization of restricted sectors of the economy has also ground to a halt. Symptomatic of this failure is the plan to open up the services of architects, lawyers and shipping agents to competition. There are roughly 140 so-called closed professions; no one knows the exact number. The members of these professions received the licenses for their profitable activities under the former military junta, and they are passed on from generation to generation or sold for a lot of money. Sums of €100,000 to €150,000 are not uncommon for the purchase of a taxi license in Athens.

Furious Reaction

The system seemed to have come to an end in the early summer of 2010. After only a few months in office, the Socialist government enacted a law to liberalize the closed professions, which were expected to become open to competition in the free market in the future.

Professional groups like pharmacists and taxi drivers reacted furiously by going on strike. In the early summer, freight forwarders used their trucks to block major roads, bringing the entire country to a standstill -- at the height of the tourist season.

The efforts to protect the vested rights of many professions were successful, and the protesters secured transition periods, special rules and exceptions. As a result, the professions are still virtually closed to outsiders today.

In addition, large parts of the government administration are still in agony. One of the new miracle weapons that the European Commission is keeping ready for the European economy was also supposed to be used in Greece: so-called project bonds. They would have enabled private investors to hedge against the risks of investing in major trans-European infrastructure projects.

But there is not a single Greek project among the construction projects that the European Commission has proposed for the pilot phase this year and next year. It isn't as if the officials in Brussels did not have every intention of finding a project in Greece that could be implemented quickly. The new stimulus program was intended to drum up €4.5 billion in investments in Europe in the short term. But the Greeks also had to fit the requirements for the scheme. Now the subsidies will go to the Baltic countries.

Tricking the Troika

The only progress, albeit modest, that the Greeks have to show for themselves is in the fight against the budget deficit. To this end, the value-added tax was raised from 19 to 23 percent, several new taxes on luxury goods and special duties were introduced, pensions were cut by 15 percent and the salaries of government employees slashed by 30 percent or even more.

Through these efforts, the budget deficit was reduced by an impressive 7 percentage points. A historically unparalleled debt haircut, in which 95 percent of creditors relinquished 75 percent of their claims, also brought some relief. Nevertheless, the successes of the debt reduction effort remained modest. Despite creditor participation, the country still suffers from a debt burden of 160 percent of gross domestic product, which threatens to suffocate the country in the long term.

This is aggravated by the fact that the established ruling class has no interest in the reforms being a success. To accommodate the programs called for by the so-called troika of the European Commission, the European Central Bank (ECB) and the IMF, laws were established that could not work, "because the relevant cabinet ministers didn't want them to work," says Hardouvelis.

According to Hardouvelis, it is very clear that members of the former administration tricked the troika, and valuable time was lost as a result. "They thought the party would somehow go on," he says. And they behaved accordingly.

Little Interest in Reform

One of the peculiarities of the Greek state is that, although there are 32 laws on deregulation, there is in fact no deregulation in reality. Greece routinely ranks poorly on the World Bank's Doing Business index. Neither the troika nor the local EU Task Force for Greece, whose goal is to actually implement reforms, have been able to change this.

Officials from the Greek Interior Ministry complain that the ministers are usually the ones getting in the way of progress. "We have to fight with our own bosses when it comes to administrative reform," they say. There is a rumor that the minister of public administration advised the environment minister to agree to the troika's proposals, but not to implement them.

The international envoys and the EU Task Force staff members are familiar with many such examples, as are those ministerial officials who truly want to change things and have given up on the old system.

Most politicians have very little interest in reform, says Hardouvelis, whereas the general population is more willing to change. "The Greeks want their government to work, and they want it to be more equitable," he says. Like Italy, Greece currently has a technocrat, Papademos, as (interim) prime minister. But unlike in Italy, the ministers in Greece unfortunately stayed the same -- in other words, the same old politicians are still in charge.

High Price

It's no surprise that the EU and IMF reform plans have failed so far, given that the people who were responsible for the country's problems were expected to solve the crisis.

It is difficult to explain to a deeply frustrated population that while ordinary people are supposed to change, and have to pay more taxes and receive less income, the political class continues to occupy key positions and can keep doing as it likes.

The policy of austerity and drastic cuts has a high price. Domestic demand plummets, the economy shrinks, new holes open up in the budget and further cuts become necessary. The result is a downward spiral from which the country cannot extricate itself without outside help.

The Only Way Is Down

Greece is now in the fifth year of recession. Economic output has shrunk by a fifth, unemployment is at almost 22 percent and youth unemployment is at more than 53 percent. The ranks of the unemployed grew by 95 percent between March 2008 and March 2011.

For the first time in postwar history, there are more people out of work than employed in Greece. The minimum monthly wage was reduced to €585, and was even brought down to €490 for younger workers. The monthly unemployment benefit was reduced from €461 to €385, and benefits are discontinued after a year. At the same time, more and more new taxes are being levied. One, for example, is the *charatzi*, a special tax on real estate collected through electricity bills.

All the same, according to reports by the IMF, wages in Greece are still significantly higher than in Portugal or in neighboring Balkan countries like Bulgaria and Romania.

A Vote Against the Political Class

There is little movement -- and when there is, it is downward. This explains why the election success of the smaller, more radical parties is not just a vote against the hated austerity policy and the so-called memorandums, as the loan agreements with Greece's creditors are dubbed. Most of all, it is a vote against the ruling class, which shamelessly took advantage of its power for so long.

Radical parties garnered more than 42 percent of votes. This shows how much trust the established parties have lost with the Greek public. For years, Greeks voted for either PASOK or New Democracy, but now they no longer believe their promises. Alexis Tsipras did particularly well in major cities.

The Greeks are fed up with their political establishment, which appears to firmly believe that the state's *raison d'être* is to allow them to line their pockets and enlarge their own sphere of influence.

The two candidates of the major parties, Conservative Antonis Samaras, 60, and Socialist Evangelos Venizelos, 55, are part of this establishment.

Ludicrous Farce

The two men have been professional politicians -- a term that is now perceived as an insult in Greece -- for decades. Samaras has been a cabinet minister three times and a member of the Greek parliament since 1977. Venizelos has held eight cabinet posts since 1990.

Samaras' campaign was a ludicrous farce, difficult to surpass in its political miscalculation and overconfidence. In defiance of all polls, he campaigned on the expectation that New Democracy would govern alone, and he made election promises that could easily compete with those made by Tsipras. "His rhetoric is straight out of a 1985 campaign manual," the newspaper *Kathimerini* scoffed.

Just how cluelessly Samaras has acted in the public sphere as head of New Democracy in the last two years is also reflected in the fact that he was the one who pushed for the new

elections that have now dealt him this humiliating defeat -- and will likely put an early end to his political career.

Venizelos, on the other hand, a former finance minister and a sort of emblem of the crisis, who was responsible for finally curbing the tax flight of the rich and the super-rich, is also responsible for a highly controversial law that codifies the immunity of ordinary members of parliament. In supporting the legislation, he essentially endorsed corruption at the highest political levels.

A Nightmare for Business

Greece is caught in a uniquely Greek vicious circle. Hardly anyone wants to invest in a country that is not only bankrupt, but is also seen as highly corrupt.

Aris Syngros, who has been trying to market his country for the last year, is also aware of this problem. The gray-haired Syngros, 52, who is wearing a gray suit with a purple pocket square with yellow polka dots, runs an economic development agency connected to the Economy Ministry. The agency is called "Invest in Greece," and its logo looks like a stylized tree with a large amount of fruit.

Seen in this light, Syngros is at the forefront of the campaign to overcome Greece's poor image as a place for investment. The country is viewed as a nightmare for entrepreneurs, a place where it can take years to obtain something as simple as a license.

If Syngros has his way, all of that will now change. There has even been an expedited approval process for large projects for the last year. Nevertheless, Greek government agencies, with their Kafkaesque structures, sometimes even drive Syngros to desperation. It recently took two months until all required signatures had been appended to the minutes of a meeting of the relevant committee of ministers.

But the main problem is that investors are hard to come by. "They shy away from the sovereign risk," says Syngros. As an example, there has been only one taker so far for an extremely attractive loan set up for that purpose by Germany's KfW development bank.

New Beginning

For Syngros, a withdrawal from the euro would be a nightmare. But things cannot continue in the current vein. Experts are increasingly realizing that it will be difficult to attract foreign capital to the country under the current conditions. But an economic new beginning, including a renaissance of the drachma, could change that.

If the currency is devalued, it will become cheaper to buy Greek companies and operate them profitably. This could stimulate investment, say proponents of a Greek withdrawal from the euro in Brussels and Berlin.

Europe's governments have expanded their bailout funds to protect other southern European countries like Spain, Portugal and Italy, and private creditors have largely withdrawn from Greece. Under pressure from Berlin, Paris and Brussels, and after months of negotiations, banks, insurance companies and other investors waived almost 75 percent of their total claims of €206 billion against the Greek government in early March.

Billions of losses in Greece have spoiled the bottom lines of many financial companies. But because the debt haircut was so long in the making, the banks were able to digest their bad Greek bonds in small bites without getting into trouble themselves.

The banks complained that they were forced to agree to the supposedly "voluntary" haircut. But if Greece now withdraws from the euro and Athens can no longer service its debt, private-sector creditors will benefit from the fact that they have already survived the worst.

"The direct costs of a Greek government bankruptcy are manageable for private creditors," says Jürgen Michels, chief economist for Europe at Citigroup. Furthermore, only a portion of the remaining debt lies with banks and insurance companies in the euro zone, while the rest has been taken on by speculators outside Europe. This is why a bankruptcy would probably not severely affect the European banking system.

Scenarios for a Greek Exit

European leaders are now convinced that a Greek withdrawal from the monetary union would be manageable. "The risks of contagion are no longer as great as they were a few months ago," says Luxembourg's Finance Minister Luc Frieden.

European leaders, at any rate, are no longer willing to depend on the foresight of Greek politicians, and so they have instructed their experts to make preparations for the worst-case scenario. For around the last year, a "Greece Task Force" appointed by German Finance Minister Wolfgang Schäuble has been developing a possible exit resolution. Isolated from the rest of the German Finance Ministry, the group is working out models and scenarios on the potential consequences of a withdrawal, both for the rest of the euro zone and for Greece itself.

The task force's most important conclusion is that a large share of Greece's debt is now held by public creditors, most notably the ECB. According to Finance Ministry officials, the Frankfurt-based monetary watchdogs hold between €30 billion and €35 billion in Greek government bonds.

These holdings become dangerous if Greece stops servicing these debts because it is no longer receiving any money from the European bailout funds. This is why crisis experts in Berlin have dreamed up a particularly cunning solution for the problem. They don't want to completely cancel the tranches from the aid packages the Greeks are scheduled to receive. Instead, under their proposal, the country would have to do without the portion of the aid that was meant to flow into the government coffers to cover pensions, public sector wages and other expenses. But the billions that are earmarked to service the bonds held by the ECB would be paid into a special account, thereby averting problems at the central bank. In return, the ECB has already signaled its intention to resume its program to buy up the government bonds of other debt-ridden countries if they come under pressure following a Greek withdrawal from the euro.

The mechanism essentially amounts to the European Financial Stability Facility (EFSF) paying for up to €35 billion of Greece's sovereign debt. The last bond held by the ECB matures in 2030.

Of course, the EFSF's claims against Greece will remain in place, but the only question is whether the country will be capable of honoring its obligations. EU experts are convinced that it will certainly not be in that position during the initial period following the introduction of a new currency. The country's euro-denominated debts would suddenly turn into foreign-currency debts, and would multiply as a result.

Not Abandoned

Even if the Greeks withdraw from the monetary union and receive no further support payments from the European bailout funds, they will not be abandoned. If Greece remains a member of the EU, it will be entitled to the same type of assistance other EU countries can receive when they are in dire financial straits. Latvia, Hungary and Romania have received such assistance in the past, for example.

This is not necessarily disadvantageous for the euro-zone members. "Then it won't just be the member states of the euro zone paying for Greece," says a senior German government official, who preferred not to be named. "In fact, all 27 EU members, including Great Britain, will have to make their contribution."

While the exit would be turbulent for the rest of the euro zone, it would be a matter of life or death for Greece. EU diplomats in Brussels paint a dramatic picture of the challenges the country will face if it gives up the euro. No one wants to talk about it on the record, so as not to further fuel speculation on the financial markets. Nevertheless, the emergency plans have already been developed. "Of course we have something ready," says a top official familiar with the matter.

First of all, say officials in Brussels, Greece would have to introduce capital controls. Well-heeled Greeks are already believed to have moved €250 billion abroad, which could hardly have been prevented in a free internal market with a common currency. But if the drachma is to be reintroduced, the Greek authorities will do everything possible to stop the transfer of euros to other countries.

Police Guarding Banks

The introduction of the new, old currency will require detailed planning and execution. Money presses will have to produce the drachma notes. "The banks will have to close for a week until the new currency can be distributed," predicts one of the senior EU officials, who spent months studying how other countries reformed their currencies.

Experience has shown that, in such cases, police units are posted behind sandbags at bank branches. During the transition period, cash dispensers would only spit out €20 or €50 a day, so that customers could buy the bare minimum in daily necessities.

The introduction of the new currency would begin with a sort of mandatory exchange period, during which the Greeks' euro assets would be exchanged into drachmas at a fixed rate. Pensions and salaries would only be paid out in the new currency.

EU officials are preparing for the possibility that the Greeks would then no longer be able to fulfill their obligations within the EU, at least temporarily. For instance, the country, as a

signatory to the Schengen Agreement, monitors the external borders of the EU. If there is a currency devaluation, customs agents will have other priorities, at least in the short term.

'Turbulence'

It would be the first time in postwar history that a Western European country declared bankruptcy and introduced a new currency. The organizational challenges are considerable, but the economic consequences would be even greater.

If the drachma returns, it will drastically lose value against the euro, with experts expecting a devaluation of at least 50 percent. Insiders say that a loss of up to 80 percent is even possible. Banks and companies with foreign debts denominated in euros could no longer service them and would have to file for bankruptcy.

As a result, Greece would plunge into an even deeper recession. The IMF estimates a decline in economic output of more than 10 percent for the first year following the return of the drachma. This would set the country back by years in economic terms.

But after that, according to the IMF, the Greek economy will grow even faster than it would without the devaluation. "The turbulence could last one or two years," says Hans-Werner Sinn, president of the influential Munich-based Ifo Institute for Economic Research. But after that, he adds, things will improve again.

The professor's prognosis is based on two assumptions. First, because imports will become more expensive, the Greeks will buy more domestic products, eating Greek instead of Dutch tomatoes, for example. At the same time, the country's exports will become cheaper, making it more competitive. The result: Greek olive oil will displace Spanish oil in German supermarkets.

Tourist Attraction

Many countries have successfully exported their way out of their plights in the past through currency devaluation: Sweden in the wake of the banking crash in the early 1990s, South Korea following the 1997 Asian financial crisis and Argentina after the end of the dollar regime in 2001. In all of these countries, the economy crashed initially, only to recover all the more vigorously in the end.

Greece can reduce its foreign trade deficit by exporting more and importing less. In the last decade, its trade deficit was at a near-record 10 percent. Even in 2010, when the crisis hit with full force, the country imported €32 billion more in goods than it sold abroad. As a result, Greece, supposedly an agricultural country, is still a net importer of food products.

Another economic sector on which many are pinning their hopes is also likely to benefit from the return of the drachma: tourism. A vacation in Greece has become too expensive for many foreigners. But with the new currency, the country could compete once again with its toughest rivals, Turkey and North Africa.

It's likely, but not guaranteed, that the economic renaissance will succeed. Many economists fear that the unavoidable chaos of a currency reform could overshadow its positive effects for a long time. Savers would lose a large share of their assets, the government would face the

risk of collapse, Greeks could slide into poverty and Europeans could find themselves with a costly, long-term problem in the southeastern corner of the continent.

'Too Insignificant'

It wouldn't be the only bill coming Europe's way. More and more Greek debts have been assumed by the public sector in the last two years. In the wake of the March debt restructuring, private creditors, such as banks, insurance companies and hedge funds, now hold sovereign debt worth only about €100 billion.

There are also loans in the amount of €73 billion that were disbursed by the members of the euro zone and the IMF in the context of the first aid package for Greece. Now Athens has also received the first tranches from the second aid package. And then there is the roughly €35 billion in sovereign debt held by the ECB. It is unclear what will happen to the ECB's claims against the Greek central bank, the so-called Target-2 balances, which recently added up to about €100 billion.

The Fitch rating agency estimates that public-sector claims against Greece will grow to more than €300 billion this year. If the majority of these claims became worthless, the German finance minister alone would face a loss of tens of billions of euros.

This is a large amount, and yet most economists believe it is manageable. It would roughly correspond to the German government's net borrowing for this year. In other words, the economic damage of a Greek withdrawal from the euro for Germany would remain within limits. "The Greek economy is simply too insignificant for that," says the Oxford-based German economist Clemens Fuest.

Shrinking Risks

The conclusion is clear: The current strategy to rescue Greece has failed, but at the same time the risks of a withdrawal are shrinking. This makes it all the more important to take advantage of the opportunities of a new beginning, in the interest of both Greece and the euro zone. It would also make the euro zone more attractive to new members, such as Poland, with its strong economy. Foreign Minister Radoslaw Sikorski has already signaled Warsaw's desire to join the euro zone.

If Athens were to leave the euro zone, it would send a message that the fiscal and budgetary rules in the monetary union must be more closely adhered to in the future. It would also make it easier for the Europeans to implement the necessary resolutions to save the euro. In many countries, the situation in Greece only inflames the resistance to bailout funds and aid programs.

A comeback of the drachma would change this, so that it comes as no surprise that in Germany, in particular, many people are inclined to take a hard line on Greece. Horst Seehofer, the head of the conservative Christian Social Union, the Bavarian sister party to Merkel's Christian Democratic Union (CDU), has long called for a Greek withdrawal, and he now feels vindicated. If Athens were to reintroduce the drachma, it would be "neither the end of the euro nor the end of the EU," he says. "We must preserve Germany's economic strength. That's more important than Greece remaining in the euro zone."

The two other partners in Germany's ruling coalition are also sharpening their tone toward Athens. "Greece only has a future in the euro zone if its debts are consistently reduced and structural reforms are put in place," says Economics Minister Philipp Rösler, leader of the business-friendly Free Democrats. "A softening of, or deviation from, the established programs will not occur."

The EU's Biggest Test

Volker Bouffier, the CDU governor of the western German state of Hesse, also argues for strictly adhering to the current austerity course. "Greece has already received more money than was paid out under the Marshall Plan," he says. "The Greeks must treat the measures as an opportunity, or else they don't stand a chance."

But even with a comeback of the drachma, the Greek problem would not be solved by a long shot. A withdrawal from the monetary union would subject the EU to the biggest test in its history. It would have to continue supporting the Greeks to prevent the country from descending into chaos and anarchy.

One thing is clear: If Greece returns to the drachma, that will be the point when Europe's work really begins.

REPORTED BY SVEN BÖLL, MANFRED ERTEL, MARTIN HESSE, JULIA AMALIA HEYER, CHRISTOPH PAULY, CHRISTIAN REIERMANN, MICHAEL SAUGA, CHRISTOPH SCHULT AND ANNE SEITH

Translated from the German by Christopher Sultan

<http://krugman.blogs.nytimes.com/2012/05/13/eurodammerung-2/> May 13, 2012, 1:11 pm

The New York Times

The Conscience of a Liberal

PAUL KRUGMAN

Eurodämmerung

Some of us have been talking it over, and here's what we think the end game looks like:

1. Greek euro exit, very possibly next month.
2. Huge withdrawals from Spanish and Italian banks, as depositors try to move their money to Germany.
 - 3a. Maybe, just possibly, de facto controls, with banks forbidden to transfer deposits out of country and limits on cash withdrawals.
 - 3b. Alternatively, or maybe in tandem, huge draws on ECB credit to keep the banks from collapsing.
- 4a. Germany has a choice. Accept huge indirect public claims on Italy and Spain, plus a drastic revision of strategy — basically, to give Spain in particular any hope you need both guarantees on its debt to hold borrowing costs down and a higher euro zone inflation target to make relative price adjustment possible; or:
 - 4b. End of the euro.

And we're talking about months, not years, for this to play out.

The euro crisis

The unwinding

The Economist May 14th 2012, 14:43 by R.A. | WASHINGTON

TODAY is a bloody day on markets, on the heels of what was a very bloody week on markets. Euro-area equities are plunging and sovereign-debt yields are soaring. The Spanish 10-year yield is up to 6.3%, a level not seen since late last year. Awful news from the real economy is partly to blame; industrial production [dropped sharply](#) in March across the euro zone. But the possibility of and potential fall-out from a Greek exit seems to loom largest. With odds growing that Greeks will need to have a new election to produce a government (which government will almost certainly press to renegotiate the country's bail-out terms, an outcome core members are firmly against), a departure seems ever more probable. As the *Financial Times'* Ralph Atkins [reports today](#), euro-zone central bankers are openly discussing how to cushion the rest of the single-currency area against the blowback from a Greek exit.

The talk is leading to speculation like that in [this Paul Krugman post](#), which has generated quite a bit of attention. In it, Mr Krugman suggests that Greece is on the way out, that it may be gone within a month, and that this will lead to a pivotal choice for Germany which may result in the end of the euro zone. I don't know if that's right. Everyone involved would prefer that Greece not go, and so even if the result of the next Greek election is a seeming impasse between its government and the core, I'd expect there to be months of negotiations between the two groups to see if something can't be accomplished. In the meantime, markets may continue to apply intense pressure on other peripheral members, which could force the hands of core governments or the ECB toward another set of interventions (or something else). But there's no event looming in the immediate future that might lead to a Greek ejection. And the euro zone has been on the brink several times in the past couple years, only to step back as leaders do one thing or another that looked unthinkable only months before.

But don't get me wrong; I am not optimistic. For beneath the main crisis plot, the euro zone is already coming undone. For a decade prior to the crisis, euro-area financial markets rapidly knit themselves together. This process helped sow the seeds of crisis, in the form of massive cross-border capital flows from north to south. Eventually, markets had (for lack of a better phrase) an "oh shit" moment. Europe might have responded by building out regulatory and fiscal institutions equal in scope to capital-market integration. Instead, they hesitated. Markets have since reacted by undoing, at an accelerating pace, the previous knit-up. The euro zone is de-euroising. Efforts to buy time to resolve the crisis are often enough [being used to facilitate](#) the renationalisation of financial markets. This is proving an extremely disruptive process to the real economy (though not, for the moment, in places reabsorbing lots of capital). But markets took the measure of governments' commitment to the single currency and found it wanting.

I don't know how this ends exactly, but one answer may be that the single-currency area will ultimately have the membership that markets find credible. That could mean a Germanic northern union or a complete break-up. It is quite unlikely to be the current configuration.

Konjunktur

Deutschland steht vor höherer Inflation

FAZ 13.05.2012 · Bundesbankpräsident Jens Weidmann beteuert: „Die Inflationsentwicklung wird in Deutschland nicht aus dem Ruder laufen.“ Doch der Druck auf die Bundesbank steigt, je mehr sich die Schuldenkrise durch das Euro-System frisst.

Von [Philip Plickert](#)



© DAPD

Jens Weidmann: „Als Präsident der Deutschen Bundesbank trete ich auch gegen Widerstände unverrückbar für Geldwertstabilität ein“

In den dreizehn Jahren der Währungsunion lag die deutsche Inflationsrate fast immer unter dem Durchschnitt der anderen Länder. Dadurch waren die Realzinsen hierzulande höher als in der Peripherie - mit der Folge, dass sich die Länder der südeuropäischen Peripherie wegen des billigen Geldes mehr Konsum und mehr Investitionen leisteten, bis sich Blasen bildeten, die dann schmerzhaft geplatzt sind.

Weidmann versucht zu beschwichtigen

Bald aber soll alles anders sein: Deutschland, der bisherige Musterschüler, werde künftig überdurchschnittlich steigende Preise erleben. In nüchterner Ökonomensprache hat das der Chefvolkswirt der Bundesbank, Jens Ulbrich, vor dem Finanzausschuss des Bundestages erklärt. Wenn die Süd-Länder ihre Wettbewerbsfähigkeit wiedererlangen wollen, müssen Löhne und Preise dort relativ zu Deutschland schwächer steigen. Daraus folgt logisch, dass Deutschland über dem Inflationsdurchschnitt liege - so die positive ökonomische Analyse von Ulbrich, der Volkswirte zustimmen.

Die englische Finanzpresse und der deutsche Boulevard verdrehten ihm aber die Worte. Sie konstruierten die Meldung, die Bundesbank wolle künftig mehr Inflation akzeptieren. „Inflationsalarm! Bundesbank weicht den Euro auf“, schrieb „Bild“. [Die Währungshüter in der Frankfurter Wilhelm-Epstein-Straße sehen sich seither genötigt, mit Erklärungen die Debatte einzudämmen.](#) „Als Präsident der Deutschen Bundesbank trete ich auch gegen Widerstände unverrückbar für Geldwertstabilität ein“, beteuerte Bundesbankpräsident Jens Weidmann. Und: „Die Inflationsentwicklung wird in Deutschland nicht aus dem Ruder laufen.“ Die meisten Fachleute glauben dem ehemaligen Wirtschaftsberater der Kanzlerin, dass er sich redlich bemüht.

Völlig ohne Einfluss?

Doch der Druck auf die Bundesbank steigt, je mehr sich die Schuldenkrise durch das Euro-System frisst. Und sie hat im Konzert der Euro-Notenbanken nur eine Stimme, wenn auch eine besondere. „Die Bundesbank ist mittlerweile geldpolitisch völlig ohne Einfluss“, sagt ketzerisch Stefan Kooths, Volkswirt am Institut für Weltwirtschaft (IfW). „Die Gruppe der stabilitätsorientierten Euro-Notenbanken ist derzeit kleiner als die Gruppe derjenigen, die sagen: Lasst uns die Probleme mit viel billigem Geld und etwas mehr Inflation überdecken.“ Für Kooths wie für einige andere Beobachter gibt es eine reale Gefahr, dass starke Kräfte als letzten und einzigen Ausweg aus der Schuldenkrise eine höhere Inflation sehen.

Durch die Geldentwertung würden die realen Lasten aller Schuldner gesenkt und die Kosten auf alle Gläubiger, Geldbesitzer und Bezieher fixer Einkommen verteilt. Der für seine Studien zu Schuldenkrisen gerühmte frühere IWF-Chefökonom Kenneth Rogoff erwartet, dass die Staaten nur mit einer Inflation von 6 Prozent noch in der Lage seien, von ihren Schuldenbergen herunterzukommen. Neokeynesianische Ökonomen meinen sogar, dass höhere Inflation Vorteile hätte. Die Notenbanken sollten mehr Spielraum haben. Das wäre eine Abkehr vom bisherigen Konzept, wonach die beste Politik von Notenbanken für Wachstum und Beschäftigung in einer strikten Stabilitätsorientierung besteht. Einen Tabubruch hat der Chefvolkswirt des Internationalen Währungsfonds, Olivier Blanchard, vor gut zwei Jahren begangen, als er öffentlich darüber sinnierte, ob nicht ein neues Inflationsziel von 4 Prozent besser wäre? Damit ließen sich in großen Krisen die realen Leitzinsen weit in den negativen Bereich senken, dies könnte der Wirtschaft einen gewaltigen Schub geben.

„Spiel mit dem Feuer“

Blanchards Provokation rief unter Europas Währungshütern Empörung hervor. Der damalige Bundesbank-Chef Axel Weber warnte vor dem „Spiel mit dem Feuer“. Der damalige EZB-Präsident haute mit der Faust auf den Tisch, wenn er darauf angesprochen wurde. Auch sein Nachfolger Mario Draghi wiederholt gebetsmühlenartig das Ziel, die Teuerung mittelfristig bei knapp 2 Prozent zu halten. Allerdings wird er dieses Ziel 2012 wie 2011 deutlich verfehlen. Erst im kommenden Jahr werden die Inflationsraten wieder unter 2 Prozent sinken, sagt die EZB. Schuld daran seien höhere Ölpreise und Verbrauchsteuern. Trotz der Rezession im Euroraum sinkt die Durchschnittsinflationsrate viel langsamer als von der EZB noch im Herbst erwartet. Im April lag sie bei 2,6 Prozent.

Deutschland liegt derzeit einige Zehntel Prozentpunkte darunter. Das dürfte sich bald ändern. Hauptgrund dafür ist die gute Konjunktur: Trotz des Durchhängers im Winter sind die Kapazitäten der Industrie mit fast 85 Prozent hoch ausgelastet. Nach der Eurostat-Statistik ist die deutsche Arbeitslosenquote auf 5,5 Prozent gesunken, es machen sich Arbeitskräfteknappheiten bemerkbar. Die Gewerkschaften seien damit in der Lage, für Fachkräfte höhere Lohnforderungen durchzusetzen, so das Münchner Ifo-Institut. Allein dies spreche für steigenden Preisdruck.

Für Deutschland zu niedrig

Wenn die Löhne schneller als die Produktivität steigen, klettern die Lohnstückkosten. Nach Jahren schmerzhafter Kostensenkung sind diese international sehr konkurrenzfähig, während in der Euro-Peripherie die Lohnstückkosten aus dem Ruder liefen - und nun korrigiert werden

müssen. Jörg Krämer, Chefvolkswirt der Commerzbank, warnt davor, nun den Spieß umzudrehen. Dem Euroraum sei als ganzes nicht geholfen, wenn Deutschland seine Position verschlechtere. „Das wäre ein Irrweg, denn die Währungsunion wird als ganze schwächer, wenn die größte Volkswirtschaft gegenüber den Volkswirtschaften außerhalb des Euroraums an Wettbewerbsfähigkeit verliert.“

Für den Euroraum insgesamt ist wegen der Wirtschaftsschwäche mit abnehmendem Preisdruck zu rechnen, betont EZB-Präsident Draghi. Einige Analysten glauben, wenn die Rezession sich verstärke, werde er die Leitzinsen vom derzeitigen Rekordtief von 1 Prozent noch weiter senken. Für Deutschland wäre das viel zu niedrig. Doch die EZB hat nur einen Leitzins für ein heterogenes Währungsgebiet. „Da in vielen Ländern rezessive Tendenzen mit eher deflationären Kräften dominieren, wird die EZB eher länger als kürzer eine Tiefzinspolitik verfolgen“, sagt Thomas Straubhaar, Direktor des Hamburgischen Weltwirtschaftsinstituts. Diese Politik sei „für die Länder außerhalb Deutschlands angemessen, für Deutschland aber zu expansiv“. Wegen der starken Binnenkonjunktur und dem guten Arbeitsmarkt seien steigende Preise zu erwarten. „Und drittens sorgten sich viele Deutsche über hohe Inflation und kaufen Immobilien. Das wird die Preise für Häuser und früher oder später auch die Mieten nach oben treiben.“

Wie auch andere Notenbanken betont die EZB, wie wichtig eine feste Verankerung der Inflationserwartungen ist. Solange die Menschen keine stark steigenden Preise erwarten, kann sie sich eine lockere Geldpolitik erlauben. Umfragen unter professionellen Anlegern zufolge sind die Inflationserwartungen in den nächsten zwei Jahren eher gering. Auch die Kurse inflationsindexierter Anleihen deuten keinen Sprung an. Doch könne sich die Situation drehen, wenn die monetäre Expansion zu weit gehe, sagt Kooths: „Inflation kann dann auch bei Unterauslastung der Kapazitäten anfangen, wie die siebziger Jahre gezeigt haben.“ Bislang ist die Geldschwemme der EZB nur bis zu den Banken gekommen, die sie aber nicht an Bürger und Unternehmen weiterreichen. In der Peripherie werden nur zögerlich Kredite vergeben. Die Zeit für den Ausstieg aus der sehr expansiven Krisen-Geldpolitik ist nach Auffassung der EZB-Mehrheit daher noch lange nicht gekommen.

Quelle: F.A.Z.

German energy

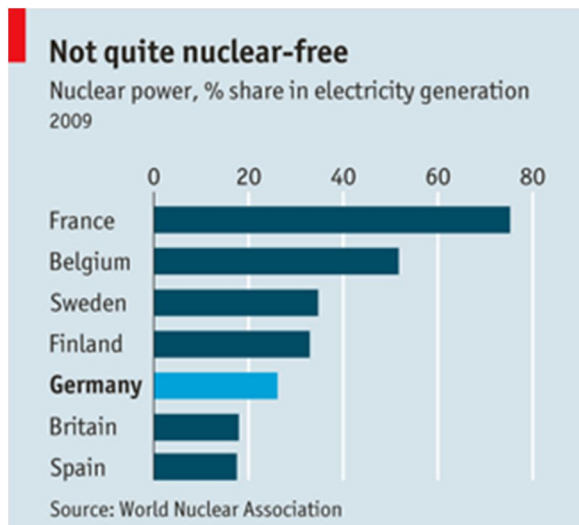
Nuclear? Nein, danke

A nuclear phase-out leaves German energy policy in a muddle

The Economist Jun 2nd 2011 | *BERLIN* | from the print edition

EVERYONE was horrified by the earthquake and tsunami that killed 24,000 Japanese and caused three nuclear meltdowns. But in Germany the feeling was laced with terror. Suspicion of nuclear power became mass revulsion. At a recent race in Berlin sponsored by Vattenfall, which generates nuclear power, many runners carried no-nuke flags.

The response of Chancellor Angela Merkel has been called the swiftest change of political course since unification. Only last year her government overturned a decade-old decision to phase out nuclear power by 2022. After Japan she suspended that policy and yanked seven of Germany's 17 reactors off the electricity grid. On May 30th she completed her U-turn. The plan to keep nuclear plants operating for 12 more years was scrapped; the seven reactors will be shut for good. Germany will be "the first big industrial country to shift to highly efficient and renewable energy, with all the opportunities that offers," Mrs Merkel promised. Industry is less thrilled about losing nuclear, which provides 23% of Germany's electricity reliably and cheaply. It "fills me with worry," said Hans-Peter Keitel, president of the Federation of German Industries.



The "energy transformation" is neither as revolutionary as Mrs Merkel suggests nor as hazardous as industry fears. Germany is returning to its policy of seven months ago. It has surplus generating capacity and low prices that are unlikely to rise much in the next few years, notes Mark Lewis of Deutsche Bank. Mrs Merkel's shift was already under way. In 2000 30% of electricity came from nuclear. Since then, renewables like solar and wind have expanded their share from 6.6% to 16.5%.

The new plan is meant to make it easier to raise this share. But Mrs Merkel is also using Germans' nuclear fears to smash their aversion to new infrastructure. The Bundestag is due to

approve eight laws by the end of June to facilitate this. Yet the task depends also on citizens' participation. "What is your contribution?" Mrs Merkel asks people. She hopes for political revival. Her Christian Democratic Union (CDU) was pushed into third place behind the Social Democrats and the Greens in Bremen in May for the first time at state level. While slowing the Greens' rise, she also wants the CDU to seem a possible coalition partner after the federal election in 2013.

The nuclear reversal burnishes her credentials as a moderniser. Whether it will help Europe's strongest economy is less clear. The rise in fickle solar and wind power increases the risk of instability in electricity supplies; with the closure of seven reactors, "we are really going to the limits," says Christian Schneller of TenneT, a Dutch-German transmission company. Congestion on lines carrying power from north to south raises the risk of blackouts.

Germany promises neither to increase imports from nuclear neighbours nor to emit more greenhouse gases than planned. That will be hard. "You can't have a liberalised energy market and close the border," says Manuel Frondel of RWI, a research institute. Germany will emit an extra 370m tonnes of CO₂ as it replaces nuclear with gas- and coal-fired plants. Europe's emissions are capped by an emission-trading scheme, but the costs will now rise for everybody. Germany's own goal is more ambitious: a 40% reduction from 1990 by 2020. This will not be met, says Mr Frondel.

Mr Schneller says the pace of progress on infrastructure must dictate the energy mix, not the other way around. Of the 3,500km (2,175 miles) of transmission lines that are needed to carry renewable power from (largely northern) sources to southern and western consumers, just 90km have been built. "Monster masts" provoke almost as much opposition as nuclear reactors. To shift fully to renewables, Germany needs to boost storage capacity by a factor of 500.

The government plans to speed up planning and licensing, as it did after unification. Progress is to be monitored, perhaps by a new parliamentary watchdog. The government may set up a "national energy transformation forum" to enlist citizens. If greenhouse-gas emissions rise faster than planned, says Mrs Merkel, conservation will have to improve.

Germany cannot do all this on its own, argues Ottmar Edenhofer of the Potsdam Institute for Climate Impact Research. Big efficiency gains will come only if Europe's carbon cap includes housing and transport. Ramping up renewables would make more sense if Germany tapped into sunnier and windier parts of Europe, which requires a pan-European electricity grid. "Scaling up can only be done on a European level," says Mr Edenhofer.

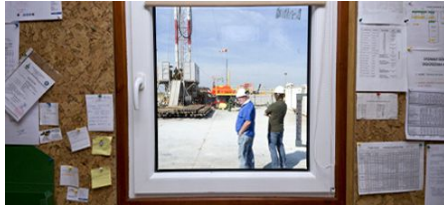
Germany did not become a role model by being hard-headed. Its subsidies for renewable energy are wasteful and its nuclear pull-out looks panicky. In short, the post-nuclear recoil carries risks of its own. Yet if anyone can make it all work, says Mr Lewis, the Germans can.

Natural gas

Shale gas no longer popular

10 May 2012

[Gazeta Wyborcza](#) Warsaw



At the Chopin-1 shale gas exploration site in Pinczow, Poland, in December 2011.

France, Bulgaria, Romania and the Czech Republic have decided to suspend the exploitation of their shale gas fields for environmental reasons. Now that the EU is under pressure to adopt a similar position, Poland may be the last European country to continue seeking to develop this energy source.

[Andrzej Kublik](#)

According to its [website](#), the Czech Ministry of the Environment is preparing to introduce a moratorium on drilling for shale gas. Authorities in the country argue that the moratorium, which will last between 18 months and two years, will enable them to fill certain gaps in current legislation on the protection of the environment as well as on mining and geological works.

Last month, the Czech government cancelled two existing gas exploration concessions, which had already been granted to the Australian company Hutton Energy. In defence of the decision, Czech Environment Minister Tomáš Chalupa argued that local authorities did not have sufficient information on issues relating to the protection of drinking water sources, the environment and the local countryside.

German doubts

In Romania, Victor Ponta's new left-wing government also announced that it wants to freeze shale gas exploration. In its economic programme, it notably stipulates "that a moratorium on the exploitation of shale gas should be introduced without delay, and be applied at least until European research on the environmental effects of hydraulic fracturing has been completed".

The move threatens to block projects undertaken by the US company Chevron, the holder of four exploration licenses for Romanian gas, which were scheduled to begin drilling this year. Last year, Chevron also won a public tender for shale gas exploration in Bulgaria, a project that has, however, already been compromised by a parliamentary vote [in January] which saw the ruling centre-right GERB party adopt a resolution endorsing a "permanent" ban on the exploration and exploitation of gas and oil extracted using fracturing – a process developed by the US gas industry which is currently the only cost effective technique for the production of shale gas.

Fracturing involves the injection of a high-pressure mixture of water and sand to free gas trapped in porous rocks. The solution used typically contains 1% of chemical agents, which are in general no different to those used in food products and cosmetics. Opponents of fracturing argue that these chemical products can contaminate water, an assertion that is contested by gas producers. Last year, in a move that was later followed by Bulgaria, France became the first country in the world to outlaw the use of this technology. Since then, [the weekly *Der Spiegel* has reported](#) that two German ministers – Environment Minister Norbert Röttgen and Finance Minister Philipp Rösler – have expressed doubts about fracturing.

A boon for Gazprom

All of this is worrying news for Poland, whose shale gas reserves have been estimated at 2,000 billion cubic metres [of which [346 to 768 cubic metres](#) are extractable], and are among the most extensive in Europe. Shale gas is a potential resource could enable Poland to become independent from [Russian] natural gas supplied by Gazprom, while implementing a changeover from coal to gas, which has long been recommended by the EU.

According to MEP Lena Kolarska-Bobińska, "these recent decisions by EU member states are likely to reinforce pressure on the European Commission, which is currently drafting several documents on the exploitation of shale gas. The Commission will no longer be able to claim that opposition to the use of this resource is solely based on ideological arguments put forward by a number of isolated political parties".

It will also have an impact on the debate over the future of shale gas in the EU, points out Bogusław Sonik, an MEP and member of the Civic Platform party led by Prime minister Donald Tusk, who is also the author of an Environment Committee report to the European Parliament, which argues that there is no need for further regulations to govern shale gas extraction – a conclusion that has yet to be endorsed by the parliament itself.

The ban on shale gas in certain EU countries has given Gazprom a better negotiating position. In Bulgaria, the moratorium was introduced just ahead of upcoming talks on the South Stream pipeline which supplies gas from Russia. And it is also worth noting that Gazprom is hoping to convince Romania to connect to this distribution link. As for the Czech moratorium, it will remain in force until the end of works on the undersea Nord Stream pipeline, which passes under the Baltic [between Russia and Germany], and is currently under construction in, of all places, the Czech Republic.

Schuldenkrise

Der Fluch der Inflation

FAS 12.05.2012 · Die EZB steckt in der Falle: Erhöht sie die Zinsen, gefährdet sie die Südländer. Wenn nicht, ist unser Geld bald weniger wert.

Von [Holger Steltzner](#)

4% 5% 6%
7% 8% 9% © F.A.Z.

Die Bundesbank knickt ein. Endlich akzeptiere auch die härteste Notenbank der Welt höhere Inflationsraten in Deutschland, jubilierte in London die „[Financial Times](#)“. Darauf sprang in Berlin die „[Bild](#)“ an und rief Inflationsalarm in Deutschland aus. Die Bundesbank weiche den Euro auf. „Das ist doch Unsinn, ausgerechnet mir so etwas vorzuwerfen“, sagt Jens Weidmann, der Präsident der Deutschen Bundesbank.

Was ist denn passiert? Gar nichts und doch viel. Die Bundesbank hat sich in ihrem Kampf um stabile Preise keinen Millimeter bewegt - zum Verdruss der Rettungseuropäer in Berlin, Paris, Brüssel und Frankfurt. Aber durch ihre unbeugsame Haltung hat die Bundesbank in der deutschen Bevölkerung an Ansehen und ihr Präsident im geldpolitischen Rat der Europäischen Zentralbank an Gewicht gewonnen. Das schmeckt nicht jedem im Frankfurter Eurotower. Auch im Berliner Regierungsviertel geht die Unabhängigkeit des früheren wirtschaftspolitischen Beraters von Bundeskanzlerin Merkel manchem auf die Nerven. Die Weigerung der Bundesbank, dem Euro-Krisenfonds eine Banklizenz zu geben oder Staaten zu finanzieren, empfinden die Rettungseuropäer als Affront.

Weidmann: „Es ist nicht unsere Aufgabe, Staaten zu finanzieren“

Mit dem größten Europäer im Kabinett, Finanzminister Wolfgang Schäuble, hat der Bundesbankpräsident schon manchen Strauß ausgefochten. Dass Weidmann die Haushaltsplanung von Schäuble als unzureichend kritisiert und ein früheres Ende der Neuverschuldung wünscht, nimmt ihm der Finanzminister persönlich. Im November vergangenen Jahres hatte Weidmann sogar die internationale Politik aufgemischt, als er sich gegen einen Plan der G-20-Länder stellte, einen Teil der Gold- und Devisenreserven zur „Euro-Rettung“ abzutreten. „Es ist nicht unsere Aufgabe, Staaten zu finanzieren. Dies ist in den EU-Verträgen ausdrücklich verboten, denn das würde die Preisstabilität gefährden“, sagt Weidmann. „Wir dürfen uns nicht vor den Karren der Fiskalpolitik spannen lassen.“

Inzwischen scheint jedes Mittel recht, wenn es darum geht, die widerborstige Bundesbank auf Rettungslinie zu zwingen. Der Chefvolkswirt der Bundesbank wiederholte lediglich, was sein Chef schon im März auf der Bilanzpressekonferenz verkündet hatte. [Die Bundesbank rechnet](#)

[mit höherer Inflation](#) - und er fügte hinzu, diese läge über dem Durchschnitt der Währungsunion. Daraus wurde die aufgeblasene Sensationsmeldung: Die Bundesbank stimme dem angeblich zu und wolle nichts dagegen tun. Hinter der medialen Attacke verbirgt sich das erbitterte Ringen um den Kurs der „Euro-Rettung“.



© REUTERS

„Die Hilfen sind an ein Anpassungsprogramm geknüpft, zu dessen Einhaltung Griechenland sich verpflichtet hat: Solidarität gegen Solidität“: Bundesbankpräsident Jens Weidmann

Wachsen statt Sparen lautet die neue Losung nach den Wahlen in Griechenland und Frankreich. Das ist zwar kein Gegensatz, aber es geht sowieso um etwas anderes, das die Schlagwörter Anpassung oder Finanzierung besser beschreiben. Die Defizitländer haben in Euroland keine eigene Währung mehr, die sie abwerten könnten, um die verlorene Wettbewerbsfähigkeit kurzfristig wieder herzustellen. Der Euro verlangt nach einer Anpassung der Strukturen. Dazu sind manche Länder nicht bereit, weil sie die sozialen Kosten der Absenkung der zu stark gestiegenen Löhne und Preise scheuen. Lieber wollen sie ihre Defizite von der Gemeinschaft oder der EZB finanziert bekommen. Außerdem fordern sie die Anpassung im Norden durch kräftig steigende Löhne und Preise - vor allem in Deutschland.

Für die Wettbewerbskraft der Währungsunion im Wettlauf mit Asien oder Amerika wäre es fatal, wenn die Anpassung der Ungleichgewichte über die Schwächung des Nordens erfolgte. Doch das hindert Finanzminister [Schäuble](#) nicht daran, in den laufenden Tarifverhandlungen der Metall-, Elektro- und Chemieindustrie einen kräftigen Schluck aus der Lohnpulle zu fordern.

Die Dominanz des Club-Med im EZB-Rat

Auch in die hitzig geführte [Debatte im EZB-Rat über höhere Inflation in Deutschland](#) mischt sich der Finanzminister ein, der sich bei Fragen nach verbotener monetärer Staatsfinanzierung gern auf die Unabhängigkeit der Zentralbank beruft. Warum nicht 3 statt 2 Prozent Inflation in Deutschland, schlägt Schäuble plötzlich vor. Da lassen sich deutsche Gewerkschaften nicht lange bitten. „Wenn die Lebenshaltung für einen Arbeitnehmer schon jetzt teurer wird, können wir das nicht ausblenden“, sagte IG-Metall-Chef Berthold Huber im Gespräch mit der Sonntagszeitung (F.A.S. vom 6. Mai).

„Alle Ökonomen sind sich einig, dass die Preise in der Eurozone nicht stimmen. Der Norden ist zu billig und der Süden ist zu teuer.“

Die Lösung ist entweder Inflation im Norden oder Preissenkungen im Süden oder beides. Die EZB neigt zur Inflationierung; „denn sie wird von den Südländern dominiert“, sagt Hans-Werner Sinn, der Chef des Ifo-Instituts in München. Der Ausstieg aus der extrem lockeren Geldpolitik ist für die EZB wegen der Rezession in Südeuropa ausgeschlossen. „Der EZB fehlt die Möglichkeit, die Geldpolitik zu verschärfen. Die Staaten sind zum großen Teil

kurzfristig finanziert. Eine Erhöhung des Leitzinses würde die Zinslast hochverschuldeter Länder untragbar machen“, sagt Stefan Homburg von der Leibniz-Universität Hannover.

Die Dominanz des Club-Med im EZB-Rat mit einem Stimmgewicht von 70 Prozent ist um so bedenklicher, da das Zahlungssystem der Zentralbank (Target) zur wichtigsten Finanzierungsquelle der Defizitländer geworden ist. Weil Schuldenländer nur noch schwer Geld am Kapitalmarkt aufnehmen können, finanziert die EZB den größten Teil ihrer Defizite. Sichtbar wird das in den Targetsalden des EZB-Verrechnungssystems. Über ihre nationalen Notenbanken haben die Südländer Verbindlichkeiten von etwa 950 Milliarden Euro aufgetürmt. Mit Abstand größter Gläubiger ist die Bundesbank mit 644 Milliarden Euro Forderungen gegen das Eurosystem.

Wir sind erpressbar geworden

Im übertragenen Sinne bezahlt der Süden seine Rechnungen mit selbstgedrucktem Geld. Früher standen deutschen Überschüssen in diesen Ländern Vermögenswerte gegenüber, heute nur eine Forderung der Bundesbank, die Deutschland nie fällig stellen kann, weil sie niemand eintreiben kann. Wir sind erpressbar geworden, weil jeder weiß, dass wir 644 Milliarden Euro verlieren, wenn der Euro zerbricht. „Wir sitzen in der Falle“, warnte [Hans-Werner Sinn im Gespräch mit der Frankfurter Allgemeinen Zeitung](#).

„Europa hat zwei Rettungssysteme geschaffen, einmal zusammen mit dem Internationalen Währungsfonds die Euro-Rettungsschirme für kleinere Schuldenländer. Zum anderen mit Target einen Selbstbedienungs-Geldautomat, von dem auch große Schuldenländer unbegrenzt abheben können“, sagt Thomas Mayer, der Chefvolkswirt der Deutschen Bank. Das zweite System kann nur gestoppt werden, wenn Politiker die Kraft zu echten Strukturreformen aufbrächten. Daran muss nach dem Ausgang der jüngsten Wahlen gezweifelt werden. Das Volk möchte offenbar weiter auf Pump leben.

Die Zentralbank kann zwar das nominale, aber nicht das reale Zinsniveau steuern

Was daraus folgt, nennen Ökonomen finanzielle Repression. Höhere Inflationsraten und niedrige Nominalzinsen sollen dazu beitragen, die übermäßige Schuldenlast zu verringern. Wenn die Zentralbank den Leitzins nahe Null festlegt und die Kapitalmarktzinsen durch Anleihekäufe niedrig hält, kann sie zwar das nominale, aber nicht das reale Zinsniveau steuern. Sobald die Inflationserwartungen ansteigen und die Realzinsen negativ werden, fliehen die Anleger aus Bargeld in reale Vermögenswerte. Das kann man in Ansätzen schon in Städten wie München, Hamburg oder Frankfurt beobachten, wo die Kauf- und Mietpreise für Wohnraum in die Höhe schießen.

Die Zentralbank ist aus Furcht vor einer Abwärtsspirale im Süden in der Nullzinspolitik gefangen. Da kann das Vertrauen in den Euro schnell verloren gehen und die Inflation außer Kontrolle geraten. So wie in den siebziger Jahren, als nach dem Abschied von der Goldbindung des Dollar und dem Ölpreisschock das Vertrauen in die amerikanische Währung schwand. Erst nachdem in den achtziger Jahren der legendäre Fed-Chef Paul Volcker ein Geldmengenziel einführte, machte er zweistelligen Inflationsraten den Garaus, freilich auf Kosten einer tiefen Rezession.

Finanzwissenschaftler Homburg: „Inflation kann mit einem Rutsch kommen“

„Im Moment ist die Inflation ja nicht hoch. Aber das wird sich ändern. Inflation kann mit einem Rutsch kommen. Und dann ist kein Vermögen mehr sicher“, sagt Stefan Homburg. Sobald die Inflation in Deutschland beim Otto-Normalbürger ankommt, darf sich das politische Establishment auch hierzulande nicht mehr sicher fühlen. Dann könnte die Euro-Wende so schnell kommen wie die Energiewende.

Schließlich stellte Ludwig Erhard, der Vater des deutschen Wirtschaftswunders, schon damals fest: „Die Inflation kommt nicht über uns als ein Fluch oder als tragisches Geschick; sie wird immer durch eine leichtfertige oder sogar verbrecherische Politik hervorgerufen.“

Quelle: F.A.S.

Freiheit ist mehr als ein Wort: „Barbara“

FAZ 06.03.2012 · Großes Kino braucht den offenen Blick: Christian Petzold erzählt in seinem meisterhaften Film „Barbara“ von einer Frau in der DDR, die frei sein will

Von [Verena Lueken](#)



© Piffi

Die Farben sind Blau, Rot und Grün. Manchmal Gelb. Den Bus, der Barbara zu ihrem neuen Arbeitsplatz in einem Provinzkrankenhaus in Mecklenburg-Vorpommern bringt, schmückt ein breiter blauer Streifen. Der Busfahrplan steckt in einem gelben Rahmen.

Auf dem Tisch in der Kantine steht neben dem Glas mit gelber Limonade eine türkisfarbene Vase für eine rote Nelke. Die Stasi fährt im blauen Auto vor. Blau ist auch die Wand hinter der Badewanne, hellblau der Lidschatten, den Barbara trägt. Rot sind die Nächte im Krankenhaus, das Licht der Straßenlaternen, die Tomaten aus dem Garten. Die DDR war um 1980 herum ein quietschbuntes Land.

Verfolgt von der Stasi

Aber Barbara will weg. Deshalb ist sie von Berlin in die Provinz versetzt worden, deswegen kommen, wenn sie „für einige Stunden nicht auffindbar“ war, der örtliche Stasioffizier und seine Helferin, die für die Leibesvisitation zuständig ist. Der Offizier sagt Sätze wie: „Ihre Inhaftierung hat sich zersetzend auf Ihren Freundeskreis ausgewirkt.“ Seine Helferin zieht die Latexhandschuhe über und antwortet „Beugen Sie sich nach vorn“, wenn Barbara sagt: „Nein.“ Das Geld für den Fluchthelfer, der übers Meer kommen wird, hat Barbaras Geliebter aus dem Westen ihr über eine Mittelsfrau zukommen lassen. Barbara versteckt es im Ofenrohr.

Christian Petzolds Film „Barbara“, der auf der Berlinale kürzlich einen Silbernen Bären für die beste Regie gewonnen hat, erzählt von einer Frau, die frei sein will. Aber das Wort „Freiheit“ kommt nicht vor, nur ein alter Song der Gruppe Chic etwa aus der Zeit, in der „Barbara“ spielt. „At Last I Am Free“ begleitet den Abspann. Da ist die Geschichte, die Petzold erzählt, schon zu ihrem Ende gekommen. Zu einem offenen Ende - es liegt in einem Blickwechsel, in dem sich eine Möglichkeit andeutet, mehr nicht.

Dominiert von Misstrauen und Angst

Nina Hoss spielt Barbara. Es ist ihre fünfte Rolle für Petzold, und ihr ganzer Körper - die Art, wie sie sich bückt, um das Geld erst mal unter einem Stein am Wegrand zu verstecken, oder wie sie den Föhn aus einem (roten) Kosmetikköfferchen holt und auf die verkohlte Steckdose schaut oder wie sie auf die Kranken blickt, für die sie verantwortlich ist - ist im Einklang mit dem ebenso strengen wie weit ausholenden Konzept dieses Films: der in großen Kinobildern und in einer Geschichte vom Land Repression und Auflehnung aufscheinen lässt, in äußeren Landschaften und inneren unterwegs ist, vom Misstrauen und von der Angst erzählt und davon, welche Gefühle sonst noch möglich sind, wenn diese beiden das Leben beherrschen.

Die DDR ist nicht nur bunt, sondern auch laut. Petzold verwendet außer ein paar Takten eines Gitarrensolos zu Beginn nur Originaltöne, die Geräusche der Natur - das Brausen des Windes in den Büschen in Meeresnähe, das Bellen eines Hundes, die Schreie der Möwen - und den Krach der Zivilisation: das Aufheulen des Motors, bevor der Stasioffizier sein Fahrzeug vor Barbaras Haus zum Stehen bringt, das Klackern von Absätzen auf dem Linoleum der Krankenhausflure oder dem Kopfsteinpflaster draußen, das Rasseln eines Schlüsselbunds, das Quietschen einer Tür in rostigen Scharnieren. Es herrscht eine Menge Lärm in dem Land, in dem niemand umstandslos glaubt, was der andere sagt.

Der Westen ist ein Haufen Lametta

Die Bundesrepublik dagegen ist ein Haufen Lametta im „Quelle“-Jubiläumskatalog oder eine Plastiktüte mit Westzigaretten und Nylonstrumpfhosen, mit der Barbaras Liebhaber in den Wald kommt, wo er sie zum Sex trifft. Aber auch eine Sehnsucht. Nicht nach dem Land, nicht nach den Menschen, nur nach einem ortlosen Anderswo. „Meinst du, wenn der mich heiratet, lassen die mich raus?“ Das fragt ein junges Mädchen im Interhotel, das gerade mit dem Kollegen von Barbaras Liebhaber geschlafen hat. Und Barbara, die im Bett liegt und auf ihren Geliebten wartet, sagt leise: „Ich glaube nicht.“ Raus, darum geht es. Dass der Ort, der draußen liegt, ein bestimmter ist, scheint Barbara erst zu dämmern, als sie mit dem jungen Mädchen den Katalog durchblättert.

Petzold macht daraus keine große Sache. Er sucht nicht nach dem Augenblick, in dem Barbara an ihrer Entscheidung zu fliehen Zweifel bekommt. Wir wissen gar nicht, ob das so ist. Vielleicht ist es das Zusammensein mit ihrem Geliebten (Mark Waschke), der sagt: „Wir können doch auch hier glücklich sein“, und die DDR meint, und der erklärt: „Wenn du bei mir bist, brauchst du nicht mehr zu arbeiten, ich verdiene genug“, und damit ausdrückt, wie wenig er von Barbara weiß. Wie wenig er die Leidenschaft kennt, mit der sie Ärztin ist, weil sie in diesem Beruf Verantwortung und eine Ethik der Empathie spürt, die nirgendwo sonst in ihrem Leben einen Platz haben. Nirgendwo sonst in diesem Land, das sie verlassen will.

Ruppige Dialoge der Hauptfiguren

Andre, ihr Kollege im Krankenhaus, versucht, mit Barbara in Kontakt zu kommen. „Sie sollten sich nicht so separieren“, sagt er, und sie antwortet: „Sagen Sie separieren, damit Sie sich nicht wie zweiter Klasse fühlen?“ Immerhin kommt sie aus Berlin, von der Charité. Die Dialoge zwischen den beiden sind ruppig, weil Barbara Andre nicht traut, weder seiner Geschichte darüber, was ihn in die Provinz verschlagen hat, noch seiner Sympathie für sie. Dass er als Arzt ähnlich moralisch handelt wie sie, respektiert sie fast wider Willen.

Ronald Zehrfeld macht diesen Andre der Barbara von Nina Hoss fast ebenbürtig - fast, weil es so im Drehbuch steht: dass er abgewiesen wird, wenn er sie zum Meer führen will („Ich hasse das Meer, ist immer so gewesen“) oder Ratatouille für sie kocht („Ich kann jetzt nicht“). Es sind Dialoge, die nicht zufällig an Sätze zwischen Humphrey Bogart und Lauren Bacall erinnern. „To Have and Have Not“ und die Filme von Claude Chabrol waren für Petzold obligatorisches Proben- und Inspirationsmaterial. Dass ein Film aus Deutschland einmal so klingen würde, auch das hat das Publikum der Berlinale verblüfft und, so heißt es, zu einer ganzen Reihe von Auslandsverkäufen geführt.

Das Dies- und Jenseits der Grenze

„Das Mädchen ist schon häufiger weggelaufen“, sagt Andre, und Barbara antwortet: „Stella. Das Mädchen heißt Stella.“ Das ist vielleicht der zentrale Satz, der in diesem Film gesprochen wird. Weil er zeigt, woran Barbara leidet, und weil er ausdrückt, wer sie ist: eine Frau, die nicht aushält, wie ein System, in dem das Kollektiv der Maßstab der Dinge ist, das Individuelle zerstört.

Das Mädchen (Jasna Fritzi Bauer) hat einen Namen. Stella, die immer wieder aus einem Jugendarbeitslager fortläuft, singt aber auch für Barbara „Der Mond ist aufgegangen“. Sie streicht ihr über die Hand. Sie vertraut ihr unbedingt. Das ist mehr, als der Rest des Landes, dies- und jenseits der Grenze, Barbara zu bieten hat.

Ab Donnerstag im Kino.

Quelle: F.A.Z.

05/11/2012 12:51 PM

The World from Berlin

SPIEGEL ONLINE

'High Inflation Causes Societies to Disintegrate'

A comment by a top Bundesbank official that Germany may be prepared to tolerate slightly higher inflation has caused alarm in the country, where many still fear 1920s-style hyperinflation. While some German commentators stoke the flames of the debate, others say there is no need to panic.

"Inflation Alarm!" reads the front-page headline in *Bild*, Germany's biggest selling newspaper. "How quickly will our money be eaten up?" the paper continues on page 2. "Millions of Germany are worried: Inflation is returning!" Just in case the message wasn't clear enough, the article is illustrated with a picture of a 1 trillion mark note from 1923, the high point of German hyperinflation.

The fact that *Bild*, arguably Germany's most influential newspaper, chose to run with the story in its Friday edition shows just how deep-rooted Germans' fears of inflation are. Nine decades later, the hyperinflation of the early 1920s still haunts the country.

The panic-mongering was prompted by a [statement](#) by a senior official from the Bundesbank, Germany's central bank, to the finance committee of the German parliament earlier this week. Jens Ulbrich, head of the Bundesbank's economics department, said that Germany is likely to have inflation rates "somewhat above the average within the European monetary union" in the future and that the country might have to tolerate higher inflation for the sake of rebalancing national economies within the euro zone.

Ulbrich did not give concrete figures in his statement, saying only that it was important that inflation in the euro zone as a whole continues to remain stable, even if it rises in some countries and falls in others. Observers believe the Bundesbank may be reckoning with an inflation rate of around 2.5 or 2.6 percent.

'Printing Money Can't Be an Answer'

On Friday, Germany's Federal Statistics Office published new figures showing that inflation in Germany is now at 2.1 percent, still somewhat lower than the euro-zone average of 2.6 percent. The European Central Bank's goal is to keep inflation in the euro zone at slightly below 2 percent in the medium term.

On Thursday, Finance Minister Wolfgang Schäuble told reporters that inflation could go as high as 3 percent. "As long as we are ... in a corridor between 2 and 3 percent, we may not be below 2 percent but we are in an area that is still acceptable," Schäuble said.

Although many economists welcomed what they saw as the Bundesbank softening its hardline approach to price stability in recognition of Europe's economic reality, the news made many Germans uneasy and on Friday, Berlin tried to allay fears of runaway inflation. Foreign

Minister Guido Westerwelle told the Bundestag that price stability was a "core concern" of the government. Even if Europe badly needed growth, "printing money can't be an answer," he said.

Bundesbank President Jens Weidmann also tried to explain the bank's position in an interview with *Bild* published Friday. "For many years, Germany had inflation that was below the euro-zone average," he said. "In view of our good economic development and low unemployment, we could now temporarily be above the average."

German commentators took a look at the issue in Friday's newspapers. While *Bild*, predictably, ran an anti-inflation editorial, other newspapers insisted there was no cause for panic.

The mass-circulation **Bild** writes:

"For 10 years, the euro was very stable and had lower inflation than the deutsche mark. But now the worst part of the financial and euro crisis is coming: creeping currency devaluation and inflation which could possibly continue for years. That's how counties want to wash away their debts. But it mainly affects (blue-collar) workers, employees and retirees. They are precisely the people who have borne the burden of solving the crisis and who have kept a cool head. That's unfair."

"(Inflation) gnaws at our trust in money, in our most important institutions, in politicians and in the central banks, which in German are dubbed 'guardians of the currency' for a good reason. Because they experienced it so bitterly, Germans know that in the end high inflation causes societies to disintegrate. It robs the individual of trust in the future, without which no country can thrive."

The business daily **Handelsblatt** writes:

"Hardly had the Bundesbank official said that he expected Germany to have a higher inflation rate than the euro-zone average than the Germans' fear of inflation prompted a shocked reaction. It's as if the country's hyperinflation happened yesterday and not 90 years ago. But what the Bundesbank official dared to say when he mentioned the I-word to the Bundestag's finance committee is by no means a sign that the guardians of German monetary stability have suddenly decided to start printing money, but a simple description of the economic reality in Europe: In booming Germany, prices will probably rise more this year than anywhere else in the euro zone."

"There is, in any case, no cause for panic. Contrary to what some British or US economists are implying, no one at the ECB is saying that Germany should tolerate inflation rates of 4 or 5 percent. The anchor of 2 percent as the inflation target will not move, given Germany's large contribution to the economic output of the euro zone. In plain language, saying that Germany will have a higher inflation rate than the euro-zone average probably means an inflation rate of between 2.5 and 3 percent for a while. Back when the country had the deutsche mark, inflation was often much higher."

The center-right **Frankfurter Allgemeine Zeitung** writes:

"During a crisis, inflation becomes tempting. Over-indebted countries hope for a reprieve. There is the prospect of a lower debt burden, because as prices rise, so do tax revenues and the real value of debt decreases. And so the desire (for inflation) starts to seep slowly into the rhetoric of central bankers."

"But we should not misunderstand the Bundesbank's conclusion that Germany will see higher inflation than average. It does not imply a more relaxed attitude. That would also be the wrong approach to adjusting imbalances (within the euro zone). The right approach to making a country more competitive is by increasing productivity, not just by lowering costs."

-- *David Gordon Smith*

Get Ready for the Spanish Bailout

EconoMonitor Authors: [Nouriel Roubini](#) & [Megan Greene](#) · May 9th, 2012

From the [Financial Times](#):

No one can pretend to know whether Spain is illiquid or insolvent without gauging the size of the black hole that is the country's banking sector. The Spanish government is finally starting to do this: Bankia and other banks are reportedly set to receive a capital injection from Madrid. With the Spanish economy contracting sharply and with unemployment soaring, it was inevitable that the government had to bail out the banks. But this only deals with one piece of the puzzle. Without growth, the Spanish sovereign will need a bailout as well.

Spain's credit boom peaked in 2008 when the supply of cheap, external finance began to fall sharply. Four years later, Spanish banks' asset quality continues to plummet. The sector will require €100-250bn in recapitalisation later this year to maintain a 9 per cent core tier one capital ratio, the minimum stipulated by the European Banking Authority. In the meantime, there are concerns about the capacity and appetite of Spanish banks to support the sovereign, particularly amid rating downgrades and deposit withdrawals.

Ideally, a bailout for Spanish banks should come immediately and in the form of direct capital injections from the EU bailout funds. Germany remains staunchly opposed to this, as it would mean giving up the stick of conditionality and feeding Spain the funding carrot. Such an option is also resisted by the Spanish authorities as the EU taxpayer will effectively take over their banks.

Instead it looks like a bailout for Spanish banks has been postponed until the very last minute. The cost of a bank bailout would then be foisted on to the Spanish sovereign's balance sheet.

Bank bailouts on this scale may well bring the Spanish state to its knees. If they don't, Spain's public and external debt positions will.

In order to stabilise its public debt levels after a bank recapitalisation, Spain would have to generate a swing in its public finances that is not only unrealistic, but also self-defeating. The tax hikes and spending cuts required would make the recession deeper and cause the primary balance to deteriorate.

In order to put itself on a path towards external debt sustainability, Spain would need to see a huge adjustment in its trade balance. In the short-run, a fall in domestic demand could quickly improve the trade balance. However, in the medium-term, Spain can only service its foreign debt if it finds balanced and sustainable growth, which requires a real-terms depreciation that will not occur unless the value of the euro falls sharply.

Anyone who has closely followed developments in the eurozone will be struck by déjà vu looking at Spain's current predicament. The corrosiveness of banking sector uncertainty for investor confidence in Spain is reminiscent of Ireland in 2009 and 2010. Spain's austerity-recession feedback loop is similar to the process that fed the economic contraction in Greece and Portugal.

And yet despite the clear signs of failure in the existing bailout countries, the EU looks set to pursue an unchanged plan in Spain. But the crucial difference between Spain and the bailout countries is size. If things go wrong in Greece, Portugal and Ireland, a second bailout is affordable. But there can only be one roll of the dice for a country as large as Spain.

A bailout package would buy some time for Spain, but time will only help if it is used to generate economic growth. By making private claims on the sovereign junior to the claims of the troika (European Commission, European Central Bank and International Monetary Fund) even a bailout risks reducing the chances of it regaining market access. Moreover, with economic indicators showing Spain sinking further into recession, a turnaround in the country's economic performance would require a significant shift in policy: monetary easing by the ECB, a weaker euro, fiscal stimulus in the core, less front-loaded austerity in the periphery, more international firewalls and debt mutualisation.

The only way for there to be a happy ending in Spain is if action is taken swiftly in Brussels, Frankfurt and other European capitals. But that is not likely to happen. The eurozone periphery and Spanish crisis look like a slow motion train wreck.

The writer is chairman of Roubini Global Economics and a professor at the Stern School of Business, New York University. He co-authored this piece with Megan Greene, director of European economics, Roubini Global Economics.

Saving

A numbers game

The Economist May 11th 2012, 15:24 by Buttonwood

THE recent [column](#) on saving has provoked this thoughtful response from a reader. It's got a few too many numbers to run on the letters' page but it's a good way of thinking about the issue, and seems worth a wider readership.

Sir - The theory of compound interest and the time value of money cast an unnecessary shroud of mystery over the question of pension funding and saving for retirement. Actuarial mysteries are, however, often amenable to more common sense, back-of-the-envelope solutions. A 20 year old, expecting to work until 60 and live until 90 will work 40 years but need support for 70 years, including 30 years of retirement. He or she should therefore consume 40/70ths (57%) of income each year and save 30/70 (43%). Much sophistry argues for a higher or lower number (increasing expertise and wages through life, improving productivity, higher standard of living) but these will all be second order effects.

Buttonwood notes that the Bank of England is saving 56.4% of salary for its employees; counting that contribution as part of income employees are saving 36% of income*, consistent, for example with working from 25 to 60 and living to 80. A US employee with a 401K plan allowing 10% savings and who pays full social security is effectively saving 24% of income**, consistent with working from 20 to 60 and living to 73 - the life expectancy at birth of the early 1960's cohort, but short of life expectancy today.

A common sense approach to pension savings neither relying on the "magic" of unrealistically high real rates of return nor obfuscating common sense behind complex mathematics would help educate the public and drive better policy decisions around pensions funding and retirement savings.

Stephen J. Mildenhall, FCAS, MAAA

Analyse

Was der Euro verlangt

10.05.2012 · Einige europäische Länder haben die Währungsunion als Paradies für Wohlstand ohne Anstrengung missverstanden. Doch ohne solide Staatsfinanzen und Strukturreformen geht es nicht. Die EZB kann die Probleme nicht lösen. Sie muss aufpassen, dass sie nicht den Boden der nächsten Krise bereitet.

Von [Holger Steltzner](#)



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Wachstum auf Pump würde Europa an den Anfang der Krise zurück, sagte Bundeskanzlerin Merkel am Donnerstag in ihrer Regierungserklärung. Das stimmt, das hatten wir alles schon mal. Durch die Einführung des Euro gab es mehr als zehn Jahre praktisch Eurobonds. Für Anleger waren alle Euroanleihen sicher, die Renditen der Staatsanleihen von Griechenland bis Finnland lagen auf demselben Niveau. Leider nutzten die Euro-Schuldensünder die ungewohnt niedrigen Zinsen nicht zum Abbau der Schulden, sondern zur Aufnahme von noch mehr Krediten; sie konsumierten eifrig oder bauten, zumindest zum Teil, fragwürdige Infrastrukturprojekte. Die Schuldenländer verspielten das Geschenk der Währungsunion (tiefe Zinsen wie in Deutschland) zudem durch übermäßige Lohn- und Preissteigerungen.

Die Finanzgeschichte kennt viele Beispiele für schwere Rezessionen nach Schuldenexzessen. Danach dauert es lange, bis Staaten, Firmen oder Privatleute entschuldet sind; es wird jahrelang weniger investiert und konsumiert. Banken geben zögerlich Kredit, erst müssen die Bilanzen gesunden. Auch die Eurokrise führt zu dauerhaften Wachstumseinbußen und einem flacheren Wachstumspfad. Im Unterschied zu kurzfristigen Konjunkturschwankungen folgt dem Einbruch keine schnelle Erholung, weil aufgeblähte Strukturen korrigiert werden müssen (etwa Irlands Finanzwesen oder Spaniens Bauwirtschaft oder Griechenlands Verwaltung). Nicht von ungefähr nannte der Nobelpreisträger James Tobin eine hohe Verschuldung die „Achillesferse des Kapitalismus“.

Deutschland sammelt Fleißkärtchen - hat aber wenig Unterstützung

Da es hierzulande keine Übertreibungen am Immobilienmarkt gab und die Wirtschaftsstruktur frühzeitig fit für den Weltmarkt gemacht wurde, kommt Deutschland mit Schwung aus der Krise; dafür wird es bewundert und beneidet. Wenn nun die Bundesregierung auf diese Erfahrung verweist und den europäischen Partnern dasselbe Rezept vorschlägt - Anpassung von Steuer- und Sozialsystem, Schuldenbremse, späterer Renteneintritt, Mehrarbeit zum

selben Lohn -, mag sie Fleißkärtchen in Umfragen in Deutschland sammeln, aber kaum Zustimmung in Europa gewinnen.

Das liegt an den hohen sozialen Kosten, die jetzt diejenigen Länder zahlen müssen, die Euroland als Paradies für Wohlstand ohne Anstrengung missverstanden haben. Das früher oft genutzte, kurzfristig wirkende Ventil, wenn Wettbewerbsfähigkeit infolge zu hoher Löhne und Preise verloren geht, die Abwertung der Währung, gibt es in einer Währungsunion nicht mehr.

Also müssen die Strukturen angepasst, müssen in einer aufgeblähten Verwaltung Arbeitsplätze abgebaut werden - was den Konsum und die Wirtschaftsleistung sinken lässt. Die Kosten des Sparens spürt man sofort, im Unterschied zu den langfristig wirkenden Strukturreformen. Die braucht man aber, wenn die Wirtschaft dauerhaft wachsen soll. Das beste Mittel für Wachstum ist eine Angebotspolitik mit flexiblen Arbeits- und Produktmärkten, um Arbeit, Kapital (Maschinen, Anlagen) und Ideen effizient einzusetzen. Staatliche Konjunkturprogramme sind nur Strohfeuer, wie man in Amerika und Japan sieht. Solche Ausgabeprogramme könnten sich die überschuldete Euroländer auch gar nicht leisten. Selbst der Währungsfonds, der gern Staaten zu Ausgabeprogrammen auffordert, gibt zu, wie wenig solche Staatsausgaben ausrichten: Im Schnitt wirkt eine Staatsausgabe von einem Euro nur mit 50 Cent.



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Nannte eine hohe Verschuldung die „Achillesferse des Kapitalismus“:
Wirtschaftsnobelpreisträger James Tobin

Auch die Europäische Zentralbank kann die Eurokrise nicht lösen, ihre Feuerkraft ist nicht unbegrenzt. Mit extrem lockerer Geldpolitik und vielen Notfallhilfen kauft die EZB Wackelbanken und Schuldenländern Zeit, allerdings auf Kosten ihrer Glaubwürdigkeit und unter Gefährdung ihres eigentlichen Auftrags, die Preisstabilität zu wahren. Sie dämpft mit künstlich niedrigen Anleihezinsen nicht nur Anpassungsschmerzen, sondern setzt mit Geld zum Nulltarif auch den Markt außer Kraft und erhält Zombiebanken ohne Geschäftsmodell am Leben. Die EZB muss aufpassen, dass sie mit ihren außergewöhnlichen Rettungsmaßnahmen nicht den Boden der nächsten Krise bereitet.

„Wirtschaftspolitik ist zu fünfzig Prozent Psychologie“, sagte Ludwig Erhard, der Vater des deutschen Wirtschaftswunders. „Die anderen fünfzig Prozent sind eine klare Ordnungspolitik im Sinne der Marktwirtschaft und des Wettbewerbs.“ Vom zweiten Teil des Satzes Erhards will man in Brüssel nichts mehr wissen, dort schreibt man lieber am nächsten Zehnjahresplan, selbst wenn der letzte noch so erfolglos war.

Im Kern ist die Eurokrise der Verlust des Vertrauens in den Willen und die Fähigkeit der Euroländer, die Erfordernisse für eine Währungsunion zu erfüllen. Zum Start der Währungsunion gab es schon Eurobonds und, über die EU-Fonds, eine Teil-Transferunion mit Milliardensubventionen für den Süden. Wie soll mit der Institutionalisierung dieses Experiments das Vertrauen wieder gewonnen werden? Zur Finanzierung braucht Euroland den Markt, der solide Staatsfinanzen und strukturelle Reformen verlangt. Wenn Euroland dazu nicht bereit ist, wird der Euro auch als Weichwährung keinen Bestand haben.

Quelle: F.A.Z.

FT May 8, 2012 7:12 pm

What Hollande must tell Germany



By Martin Wolf



The elections in France and Greece tell us that austerity fatigue has set in. This is not surprising. For many countries no plausible exit exists from depression, deflation and despair. If the currency union were a normal fixed exchange rate arrangement, it would collapse, as did the gold standard in the 1930s and the Bretton Woods system in the 1970s. The question is whether the fact that it is a monetary union will do more than delay that outcome. The last chance of bringing needed change rests on the shoulders of François Hollande, the newly elected president of France. [Mr Hollande](#) says his mission is to give Europe “a dimension of growth and prosperity”. So can he achieve this laudable aim?

[Fiscal tightening does not improve outcomes](#) in shrinking economies. Thus, austerity is merely begetting more austerity. According to the International Monetary Fund, the ratio of gross public debt to gross domestic product will rise, not fall, in every year from 2008 to 2013 in Ireland, Italy, Spain and Portugal. It will briefly fall in Greece, but only because of its debt restructuring.

The most frightening data are for unemployment (see chart). The proportion of young people between the ages of 15 and 25 who are now without a job is 51 per cent in Greece and Spain, 36 per cent in Portugal and Italy and 30 per cent in Ireland. France is in better shape, but even there the picture is dire, with one in five young people out of work. Is it plausible that people will put up with this indefinitely? No. Far more likely is a repetition of the protest votes we have seen in these elections. Nicolas Sarkozy was the eighth leader of a eurozone member country to have been swept from office in little over a year.

Economic prospects are poor. The IMF forecasts that the economy will shrink this year, in real terms, in Greece, Italy, Portugal and Spain and grow by just 0.5 per cent in Ireland. Growth is forecast, optimistically, at close to zero in the first four countries in 2013. This is politically perilous. The emergence of still more extremist parties and a rising sense of betrayal seems inevitable. It is also economically dangerous: how many of the brightest young people are now seeking to emigrate?

Something must change. Yet all routes seem blocked. [Jens Weidmann](#), Bundesbank president, has argued in the Financial Times that monetary policy has reached, if not exceeded, its limits. The [fiscal compact](#) is designed to preclude discretionary fiscal policy. Anyway, in the absence of fiscal solidarity, member countries that face unsustainably high interest rates have

no room for manoeuvre, while the currency union lacks a federal fiscal actor. This leaves “structural policies”, which is what eurozone leaders mean by a growth policy. But the view that such reforms offer a swift return to growth is nonsense. In the medium run, they will raise unemployment, accelerate deflation and increase the real burden of debt. Even in the more favourable environment of the 1980s, it took more than a decade for much benefit to be derived from Margaret Thatcher’s reforms in the UK.

As [Josef Joffe’s article](#) in the FT indicates, many Germans believe that their country’s recent relative success is due to reforms introduced under Gerhard Schröder. This, too, is largely nonsense. Germany’s has been an export-led growth story. What made this possible was partly the fact that Germany has a superb industrial base. But it also benefited from incontinent credit-fuelled booms elsewhere. Is there any chance that Germany will now return this favour? Close to none, is the answer.

Perhaps the most important sentence in Mr Weidmann’s article was the following: “Monetary policy in the eurozone is geared towards monetary union as a whole; a very expansionary stance for Germany therefore has to be dealt with by other, national instruments.” In brief: if you dream that Germany will allow a credit-fuelled boom to raise domestic inflation, stop. This is consistent with the IMF’s forecasts. Up to the crash, inflation was consistently higher in the eurozone as a whole than in Germany, largely because of relatively high inflation in Spain and Italy. Logically, this must now be reversed. But that is far from what the IMF forecasts (see chart). According to the IMF, the European Central Bank will even fail to hit its inflation target of close to 2 per cent.

As [Paul de Grauwe](#), now at the London School of Economics, stresses in a recent note, the current adjustment process is asymmetric: countries in difficulties disinflate; but countries in a good position do not inflate. This is not a monetary union. It is far more like an empire.

What, then, might Mr Hollande do? First, he is going to have to forget almost all of his domestic promises, not only because they are not going to help France, but also because German leaders will not take him seriously otherwise.

Then the new president must embark on a serious discussion with the latter on how they expect the eurozone to end its crisis. He should give enthusiastic support to the wise recent remarks by Wolfgang Schäuble calling for [higher German wages](#). He should then point out that there seem to be only five ways this can end. The first and best would be symmetrical adjustment of the imbalances that built up before the crisis, along with reform in weaker countries. The second would be a permanent transfer of resources from surplus countries to deficit ones. The third would be a painful shift of the eurozone into external surplus – a Germany writ large, so to speak. The fourth would be semi-permanent depressions in weak countries. The last would be partial or total break-up of the eurozone.

The only sensible choice is the first. But that is not the path the eurozone is now on. Austerity has to be matched to the realistic pace of adjustment and structural reform.

The chances that Mr Hollande can deliver such a changed perspective are small. But the currency union was a French plan. It was François Mitterrand, his Socialist predecessor, who signed the Maastricht treaty. His task and his goal must be to turn hostility into hope. He may fail. But he alone of European leaders has the desire and the ability to try.

Kommentar

Abschied vom Euro

09.05.2012 · Sieben von zehn Griechen stimmten für radikale Parteien, um zu erzwingen, dass das Land dauerhaft vom „reichen“ Norden Stütze bekommt. Geht die Gemeinschaft darauf ein, wird sie zerbrechen.

Von [Holger Steltzner](#)

Bundeskanzlerin Angela Merkel stürze Griechenland mit ihrer Sparpolitik ins Chaos, meint Sigmar Gabriel. Man muss wohl Chef der SPD sein, um die Welt so verquer zu sehen. Mit schräger Geschichtsschreibung will er wohl vergessen machen, wie sein Parteigenosse Schröder als Kanzler die Griechen nach Euroland gelotst und damit das Schuldenmachen erleichtert hat. Wenn Gabriel noch mehr Solidarität oder gar einen Marshallplan für Hellas fordert, unterschlägt er, dass die Hilfe für Athen schon viel höher ist als beim historischen Vorbild.

Abschied zum Wohle aller

Nach dem Zweiten Weltkrieg erhielten die Empfängerländer Hilfe in Höhe von 2,1 Prozent ihres Bruttoinlandsprodukts. Hellas bekam schon 177 Prozent des BIP oder 380 Milliarden oder 33.600 Euro für jeden Griechen. Selbst nach Streichung aller Schulden könnten die Griechen ihre laufenden Ausgaben nicht allein bestreiten. Sie müssten dauerhaft vom „reichen“ Norden Stütze bekommen, solange sie nicht weniger Geld ausgeben. Sieben von zehn Griechen stimmten für radikale Parteien, um das zu erzwingen. Geht die Gemeinschaft darauf ein, wird sie zerbrechen. Besser, sie nähmen Abschied vom Euro, zum Wohle aller - auch der Griechen.

Quelle: F.A.Z.

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SPIEGEL ONLINE

Similar in the Extreme

How Right-Wing Extremists and Islamists Are the Same

By [Barbara Hans](#) and [Julia Jüttner](#)

Last weekend, Salafist Muslims and anti-Islam right-wingers faced off on the streets of Bonn, resulting in the injuring of 29 police officers. Despite the confrontation, however, there is much more uniting the two sides than is readily apparent. The totalitarian worldview has many manifestations.

Last Saturday, at around 3 p.m., the enemies stood face to face. They were separated by just a few meters, one police vehicle and hundreds of officers. The facedown was the result of a calculated, staged provocation.

"Now, we are going to show the caricatures," said a member of the right-wing populist Pro-NRW group.

It was an announcement that resembled a scientific experiment: How an action is followed by a reaction. The anti-Islamists from Pro-NRW made sure that they got what they wanted. One member climbed onto another's shoulders, police say, to ensure that the gathered Salafists would get a good look at the Muhammad caricature drawn by Danish cartoonist Kurt Westergaard. Violence ensued. [Rocks and bottles were hurled](#) by the Salafists, and one even drew a knife and stabbed two officers. In the end, 29 police were injured.

"Deport them! Deport them!" yelled the Pro-NRW people.

"Death to the infidels!" screamed the Salafists.

The experiment was a success and an escalation of violence was the result. And that is exactly how the right-wing mini-party Pro-NRW wants it. The Saturday march was one of a series of 25 such events, at which the group displayed anti-Islam caricatures in front of Muslim facilities.

Provocation has been part of Pro-NRW's campaign as elections this weekend in the western state of North Rhine-Westphalia approach. "Of course it was part of the campaign," Pro-NRW spokesman Markus Wiener told SPIEGEL ONLINE earlier this week. On the other side of the divide, Salafists, too, are eager to attract attention.

Indeed, Salafists and right-wing extremists are more similar than one might immediately assume based on the weekend clash in Bonn. Both groups hope to profit from such displays of power.

"The Salafists' violent attacks corroborate the image Pro-NRW has of Islam as a violent religion," says Uwe Backes, deputy director of the Hannah Arendt Institute for the Research

on Totalitarianism at Dresden University of Technology. The extremist group sees the Salafists' assaults on the police as irrefutable proof of the veracity of their beliefs.

'Taking Advantage of Discontent'

For the Salafists, the escalation serves to demonstrate their precarious position in German society. "Look at us, we are a threatened minority," is their message, Backes says. It is a message, he adds, that could prove attractive to some, particularly young people.

"There will be those who feel called upon and will take up the extreme worldview they have on offer," he says. The Salafists' recent [campaign to distribute free Korans](#) across Germany was likewise [designed to attract attention](#), but the weekend violence could ultimately be just as effective.

But it isn't just their similar goals that unite the two groups. "Salafists and right-wing extremists seek to take advantage of discontent," says Lazaros Miliopoulos, who studies extremism at the University of Bonn.

Their extremism and the absolutist nature of their ideas are comparable. Miliopoulos says that such groups seek to capitalize on people's fears. For Pro-NRW, that effort manifests itself in the way the party equates Islam with Islamism -- religion with ideology.

Their own ideology, however, is seen as the absolute truth, another characteristic that Pro-NRW shares with the Salafists. No doubts and no differentiations are allowed. Both ideologies are rooted in an extreme simplification of reality, allowing them to easily decide who is right and who is wrong. Nuance would only endanger their simple truths.

"Totalitarian thought is rooted in the willingness to promote one's own opinion with violence if necessary," Miliopoulos says. The Salafists made clear in Bonn, for example, that they are prepared to fight for what they see as the infallibility of their beliefs. And not just with words, but with rocks, sticks and knives if necessary.

In the final analysis, extremists such as those from Pro-NRW and the Salafists are united in their aspiration to do away with democracy and the freedoms it guarantees.

"Both groups are united in their desire to create a pure world," says Miliopoulos. Their critique of the status quo is telling in this regard: The world as it currently exists, so goes the message, is bad and must be changed. Any discrepancies between their view of the world and reality tend to be explained by way of conspiracy theories.

"They seek to shift responsibility," the researcher says. Salafists attacked the police, he said, in part because of their belief that the officers were protecting Pro-NRW activists out of conviction.

Searching for the Correct Worldview

Conspiracy theories are also useful for explaining their own failures. "Their view is simple: The great good can't be achieved because evil perfidiously blocks it," Miliopoulos says.

Extremism needs to play the role of victim, just as it needs to demonstrate its power. When large numbers of Salafists come together to pray on the streets, it can also be a demonstration of power, similar to those conducted by "Black Bloc" radicals at (anti-globalization or anti-capitalism) protests, says Miliopoulos. "Individuals become part of a large mass," he says.

Salafists and Islamophobes are united by a yearning for purity, a desire to establish homogeneous societies -- united either by religious beliefs or ideological convictions. "Each group is convinced that it represents the only correct worldview and seeks to exclude those who don't share it," Backes, from the Hannah Arendt Institute, says.

Pro-NRW shares its Islamophobic views with many other right-wing extremist groups. "Since Sept. 11, 2001, it has become clear that anti-Semitism has been on the wane and Islamophobia has taken its place," says Backes.

Islamophobia is an ideological phenomenon that has taken place across Europe -- in the Netherlands, Denmark, Norway, Great Britain and elsewhere -- and has become the core belief uniting right-wing groups.

The Salafists, for their part, constitute a small group in Germany. The Office for the Protection of the Constitution, the country's domestic intelligence agency, estimates that there are only about 1,000 militant Salafists in the country.

"In contrast to the right-wing extremists, the Salafists profess not to have a political agenda," Miliopoulos says. "Rather, they seek a manifestation of Islam in the world according to their own -- purely spiritual -- vision. From the point of view of our society, however, that can lead to violent Islamism, and as such is very political."

How can one effectively counter this new phenomenon? "One can use tools available in laws governing demonstrations to prevent escalation by, for example, not allowing right-wing extremists to hold demonstrations in front of mosques," Backes says.

Repression, though, must also be complemented with prevention, particularly when it comes to the Salafists. "So far, not enough has been done in this area," Backes says.

URL:

- <http://www.spiegel.de/international/germany/the-similarities-between-right-wing-extremists-and-islamists-a-832294.html>

Pro NRW

Die Meinungsfreiheit gilt auch für Spinner

Die Zeit online 8. Mai 2012

Ralf Jäger, Innenminister in NRW, will das Zeigen von Mohammed-Karikaturen verbieten lassen. Damit tappt er in die Falle der Extremisten, kommentiert Frank Jansen.

Es gibt derzeit kein anderes Extremistenmilieu, das so viel Aufmerksamkeit erregt wie die Salafisten. Erst verteilten einige Trupps dieser Propagandisten eines urislamischen Gottesstaates betont friedlich Gratisexemplare des Korans, [dann attackierten bärtige Fanatiker die Polizei](#). Zwei Beamte haben am Wochenende nur knapp die Messerattacke eines [Salafisten](#) bei Ausschreitungen in Bonn überlebt. Insgesamt wurden 29 Polizisten verletzt, eine Woche zuvor in Solingen hatten Anhänger der Gruppierung Beamte mit Steinen beworfen. Von einer "neuen Dimension der Salafistengewalt" spricht Nordrhein-Westfalens Innenminister Ralf Jäger. Zu Recht. Doch eine der Konsequenzen, die der SPD-Mann nun ziehen will, wäre fatal.

Jäger will den rechtsextremen Islamhassern von "Pro NRW", die mit provokativen Auftritten den Salafisten einen Vorwand für Randalen geliefert haben, verbieten lassen, [weiterhin vor Moscheen Mohammed-Karikaturen zu zeigen](#). Das klingt nach einer logischen Antwort auf die perfide Taktik von Pro NRW, kurz vor der Landtagswahl die Islamisten derart zu reizen, dass sie gewalttätig werden und in die Falle tappen, die islamophobe Hetze zu bestätigen. Pro NRW hat das nötig. Die Minipartei ist finanziell klamm und kann kommenden Sonntag noch nicht einmal auf ein Prozent der Stimmen hoffen – und wird damit wohl auch vom Staat keine Wahlkampfkosten erstattet bekommen. Doch der Minister hat offenbar nicht bedacht, dass er eines der wertvollsten Güter der Demokratie beschädigen könnte: die Meinungsfreiheit.

Dabei sind gerade die Mohammed-Karikaturen ein Symbol für den Konflikt zwischen totalitärer Frömmerei und freier Rede. Angela Merkel hat 2010 [den Dänen Kurt Westergaard](#), den Zeichner jener eigentlich harmlosen Bilder, die so viel Krawall in der muslimischen Welt ausgelöst haben, mit einem Medienpreis geehrt. Die Kanzlerin zeigte couragiert Solidarität mit einem Mann, der wegen seiner Arbeit um Leib und Leben fürchten muss.

Wenn Nordrhein-Westfalens Innenminister einer rassistischen Splittergruppe das öffentliche Zeigen der Karikaturen verbieten will, geht er den Islamfeinden wie auch den Islamisten auf den Leim. Die einen können sich als Märtyrer aufspielen, die anderen als Sieger. Das kann und das darf nicht sein.

Das Verwaltungsgericht Düsseldorf hat Jäger bereits widersprochen, dennoch will er versuchen, in der nächsten Instanz ein Verbot zu erreichen. Ein Irrweg. Auch Spinnern steht es frei, die Karikaturen zu zeigen. Oder den Koran zu verteilen.

[Erschienen im Tagesspiegel](#)

Euro-Krise

Wachstum ist nicht wählbar

Die Zeit online 8. Mai 2012

Europa soll für mehr Wachstum sorgen und nicht nur sparen. Doch in Wahrheit haben die meisten Länder mit dem Sparen noch gar nicht angefangen.

Sparen oder wachsen – auch hierzulande ziehen Politiker das Begriffspaar heran, um die [Wahlergebnisse in Frankreich](#) und [Griechenland](#) auszudeuten. Spätestens seit Sonntag haben die selbst ernannten Wachstumsschaffer Oberwasser, weil einer von ihnen zum Präsidenten der Grande Nation gewählt worden ist. Gut möglich, dass sich da das zentrale Thema des Bundestagswahlkampfes 2013 andeutet. Dabei geht es bei der Frage, ob Europas Regierungen sparen oder Wachstum schaffen sollen, um einen nur vermeintlichen Gegensatz, der erst von falschen Annahmen, Irrtümern und Lügen geschaffen wird.

Die naheliegende Antwort wäre, dass die Regierungen beides leisten müssen: weitersparen und Wachstum schaffen. Doch die Wahrheit ist, dass die meisten mit dem Sparen noch gar nicht angefangen haben. Die [Schuldenbremse in Deutschland](#), der [Fiskalpakt in Europa](#) sind nicht eingelöste Versprechen. Wenn überhaupt, dann geht es nicht darum, weiterzusparen, sondern damit loszulegen. Selbst Deutschland, so mustergültig das Land dastehen mag, tilgt noch keine Schulden, sondern leiht sich nur weniger Geld als früher. Politik auf Pump bleibt aber auch das. Und auch die überschuldeten Euro-Staaten haben noch keinen Cent abbezahlt, sondern nur angefangen, Ausgaben und Defizite zurückzufahren – mit schon jetzt dramatischen Folgen.

Wenn dieses Europa ein einigermaßen stabiles Gebilde sein (oder werden) soll, dann führt kein Weg an solideren Staatsfinanzen vorbei, und die Härten, die mit diesem Mentalitätswandel verbunden sind, liegen zum größten Teil noch vor uns, den Europäern. Da werden noch einige Regierungen abgewählt, bevor sich die Lage zum Besseren wenden kann. Vor allem aber werden noch viele Menschen Wohlstand einbüßen oder sogar in Not geraten. So viel Ehrlichkeit muss sein.

Und auch mit dem anderen Bestandteil des Begriffspaares, dem Wachstumschaffen nämlich, ist das so eine Sache. Unterstellt wird häufig, Regierungen könnten das, wenn sie nur wollten, und auch die Arbeitslosigkeit lasse sich staatlicherseits abbauen. Dabei gibt es kaum Beispiele für erfolgreiche Konjunkturpakete oder eine Beschäftigungspolitik, die Menschen tatsächlich in Arbeit bringt. Es stimmt, Deutschland ist einigermaßen gut durch die [Finanzkrise](#) gekommen, aber an der Abwrackprämie und neuen Straßendecken lag das kaum, sondern daran, dass die Lohnkosten im Vergleich zu anderen Ländern langsamer gestiegen sind, und am Kurzarbeitergeld, das Arbeitsplätze zeitweise absichert.

Natürlich kann der Staat jede Menge Arbeitsplätze schaffen, indem er Menschen einstellt, und das hilft auch der Binnennachfrage. Es ist allerdings ein teurer Weg, besonders wenn man sich dafür Geld leihen muss. Klüger ist es, wenn die Wirtschaft Arbeit schafft und der Staat das mittelbar unterstützt. Die Unternehmen und jeder einzelne Arbeitnehmer müssen wettbewerbsfähig sein. Unternehmen sind das, wenn sie Produkte und Dienstleistungen anbieten, die nachgefragt werden, und je besser, je aufwendiger diese Produkte und

Dienstleistungen sind, umso teurer können sie verkauft werden. Wertschöpfung nennt sich das; ein Aluminiumblech herzustellen, ist gut, aber daraus Karosserieteile zu formen noch besser. Nebenbei: Vermögende mit zu hohen Steuern zu belegen, kann kontraproduktiv wirken, wenn die Wertschöpfung dann woanders stattfindet. Es muss gerechter zugehen in Europa, klar – aber der richtige Anspruch darf Unternehmen nicht verschrecken.

Und auch Arbeitnehmer müssen wettbewerbsfähig sein. Insofern kann es eine gute Nachricht sein, dass der neue französische Präsident 60.000 Lehrer einstellen will, denn Bildung dient genau diesem Ziel. Die grassierende Vorstellung aber, man müsse nur ein paar Milliarden in den Wirtschaftskreislauf geben, egal woher, egal wohin, und dann werde es flugs mehr Arbeitsplätze und Wachstum in Europa geben, von Frankreich bis Griechenland, diese Vorstellung ist im besten Fall total naiv. Im schlechtesten Fall wissen die Hollandes dieser Welt genau, dass es anders ist, und betrügen ihre Anhänger. Es gibt Wege aus Europas Krise, aber einfach sind sie allesamt ganz sicher nicht.

Europe's new, suicidal normal

Reuters Blogs By John Lloyd **May 8, 2012**



The world into which [the new president of France, François Hollande](#), stepped this week is a suicidal one. Searching for a vivid image of Euro-desolation, the news media have lit upon suicides. Two suicides last month have stood out.

A 55-year-old man on the Italian island of Sardinia, who ran a little construction business with his sons in a mountain town called Mamoiada in the interior, killed himself when the business went bust. He was known only by the initials GM, and the town's mayor says he was an industrious man with a close-knit family. His death shocked everyone.

Earlier in April, an older, Greek man, 77-year-old Dimitris Chrystoulas, a retired pharmacist, staged a more dramatic end to his life. Like GM, he said he wished to die with dignity; also like the Sardinian, he shot himself. But he did so in the central Syntagma Square in Athens, near the parliament, leaving a note that prophesied that the "traitors" who have brought Greece to destitution and enslavement to the will of international finance would be hung upside down in the square where he met his end, much like the way Italian fascist leader Benito Mussolini was executed in Milan.

This is the Europe that Hollande is now partly in charge of, a Europe in which it is sometimes preferable to die than to live. He presents himself as a reassuring figure. He says his central concerns will be greater equality, and the youth. He's stressed that he's "normal," which has been widely recognized as code for not being Nicolas Sarkozy, not having a celebrity wife and not having an addiction to wealth. It is true that he is a relief from the hyper-opportunism of the retiring president, who seemed willing, in the past few weeks, to be anything to anyone in his desperation to claw back the lead from Hollande.

He's also more substantially reassuring because he's a mainstream, center-left politician who has, on his telling of the story, always eschewed extremism. Although his doctor-father voted National Front, he has spoken of the pain of disagreeing fundamentally with one whom he loved. Yes, he has tacked left (he's no stranger to opportunism himself), but most commentators don't take that too seriously.

In Greece there is none of that moderation. The two centrist parties, New Democracy on the right and Pasok on the left, saw their share of the vote plummet. New Democracy remained the largest, with nearly 19 percent, but Pasok, at just over 13 percent, was pushed into third place by Syriza, a radical leftist group with Marxist leanings, which received almost 17 percent. The Communists did well too, with some 8 percent; and most alarming, the (very) far-right Golden Dawn party, which for 20 years has ventured deep into neo-Nazism and

relishes street fighting with leftists, entered parliament with 7 percent of the vote, on a program of cleansing Greece of foreigners.

New Democracy may be able to cobble together a non-extremist coalition once more. But its mandate for further cuts and reforms, demanded by a European Union led by Germany, is terribly damaged. For the hard-pressed moderates in Greece, the victory of Hollande in France is a rare shaft of light. He has pledged himself to argue for growth in Europe, insisting that austerity alone is self-defeating. Unlike little and broke Greece, Germany's indispensable partner, France, may have the clout to obtain relief for the screaming economies of the south.

Germany has the money. And there have been signals – from Chancellor Angela Merkel, from European Central Bank President Mario Draghi and most recently from European Economics Commissioner Olli Rehn – that the corset might be loosened somewhat. “The stability and growth pact is not stupid,” Rehn said encouragingly in Brussels over the weekend.

But Germany is not likely to be generous. France had a €70 billion (\$91 billion) trade deficit last year and has a debt of €1.7 trillion. It lost its triple-A rating earlier this year. It also has 10 percent unemployment and rising; and in the first round of the presidential elections, some 30 percent of the French votes were for the extreme right or left. France's clout is limited. Hollande has won a famous victory, but he has inherited a vastly difficult state. It needs to grow – and it needs to shrink a government that spends 54 percent of GDP.

The only way France – and all the other European countries struggling to grow, hold down unemployment, pay off debts and return to “normality” – is going to right itself is through reform. It needs to reform the banking system, which most people don't care about, and reform labor and welfare, which people do. Reforming labor has meant and will still mean working harder, more productively, more flexibly, and, in many cases, more cheaply. Reform of welfare means lower benefits, available later. On second thought, this is not quite “normality.” Europe has been accustomed, for decades, to believe that things can and do – in the main – only get better.

This is instead the new normal, the politics of things getting worse. Politicians, whom most of us despise, have to guide our societies through this. We should hope they are as normal – and stay as normal – as Hollande, and share his dislike of extremism. And we need them to do that while also being abnormally skillful managing rising extremism at the same time. That will be some act.

PHOTO: François Hollande (C), Socialist Party candidate in the 2012 French presidential elections, kisses a woman as he visits a street market with his companion, Valerie Trierweiler (R), in Tulle, May 5, 2012. REUTERS/Regis Duvignau

Europe Edges Closer to the Endgame

EconoMonitot Nouriel Rubini / Author: [Edward Harrison](#) · May 8th, 2012 ·

Later this week, I plan to write a more comprehensive post on the European [sovereign debt crisis](#) to incorporate what we have learned since the French and Greek elections. Here's a short preview of what I will have to say.

For me the details and the minutiae can be distracting. When analysing situations like the European [sovereign debt crisis](#) that have the potential to cause seismic shifts in the economic landscape, one must develop a macro framework that produces discernable outcomes and then re-analyse the details as they come to light to understand whether that framework fits and how the details change the picture. **I have argued for 18 months now that there are only [three options for the euro zone: monetisation, default, or break-up](#).** And while a lot of analysts have not shared this macro view, I believe they are coming to my way of thinking because all of the events since I developed this frame are bearing this view out.

The euro zone is unworkable in its present form because it is predicated on harmonised national fiscal and economic policies that are supposed to obviate the flexibility that a sovereign national currency affords. That harmonisation has never existed for the euro member states nor do I believe it ever will. And that means that the euro zone will always be beset by crises during economic downturns. Why?

Member states within the euro zone cannot run independent monetary policy. They cannot depreciate a national currency. They cannot depend on a central bank backstop. Nor can they run sufficiently countercyclical fiscal policy to deal with a large downturn. These are the policy tools that euro zone members have given up to benefit from the single currency due to a [perceived free rider problem when the Maastricht Treaty was formulated](#). Without some kind of a countervailing supranational fiscal agent or sovereign risk pooling, this arrangement invariably means some sort of crisis will arise when the unharmonised economies of the euro zone result in large enough current account imbalances. Put simply, the euro zone is made for crisis. It is designed to fail.

Some of the designers knew this. They wanted the euro for political reasons and were willing to allow it to come to form in its present incomplete form. Their contention at the time was that the euro zone would develop the necessary institutions to prevent crisis before any crisis occurred – or at least before any crisis became existential. This contention has proved false as we are now in that existential crisis.

My belief all along has been that each nation in the euro zone is committed to its success. The European body politic has grown to support it as indispensable. Moreover, unravelling the euro is a very difficult task. And so, I believe political inertia alone will help see the euro through for most countries unless we see a catastrophic banking system collapse.

When looking at the French and Greek elections, the questions one has to ask are two fold:

1. Do these election results change the commitment to membership in the euro? If so, by whom and of whom?

2. Do these election results change the commitment to the institutional framework and the specific economic policy guidelines used to support the euro? If so, by whom?

My answer to the first question is no. The commitment to the euro by leading political figures in Europe is still strong. Only in [Greece](#) is there any potential for change at the moment.

My answer to the second question is yes. [France](#), a leading and driving force of euro zone institutional arrangements and economic policy, is now less committed to those arrangements and that policy.

The question analysts need to be asking is what these **small** changes mean for the future of the euro zone.

Here's what I think should be known already.

- **Greece can't make it.** Last summer I wrote [why Greece will be cut loose](#), predicting that Greece would default. But, it was soon apparent that [Germany may also be preparing for Greece's exit from the euro zone](#). While reports on this were just hearsay about contingency planning, Angela Merkel, Germany's Chancellor has made clear repeatedly since that Greece is expendable and that her goal is to ring fence it by insulating the rest of the periphery from what happens there.
- **Greece will exit the euro zone.** I wrote a trilogy of posts on this in February. See [Running through unilateral Greek exit scenarios](#), [How and why Greece will leave the euro zone](#), and [The political economy of a Greek default \(and euro zone exit\)](#). The key here are these two paragraphs:

For the time being, European policy makers must continue down the present path of austerity/non-default defaults because they are deathly afraid of committing policy mistakes given the weak financial sector and high private sector indebtedness. Most importantly, if things go pear-shaped, they know they will be blamed because they have no mandate to break up the euro zone (yet).

Eventually, however, the populace will grant this mandate to break up the euro zone. In the core, bailout fatigue will set in and Greece will come to be seen as expendable even if it means significant costs to prevent contagion and to recapitalize the European financial sector. In the periphery, the deflating economy that accompanies austerity will cause such social unrest that nationalist and extremist politicians will take prominence, giving a green light for a euro zone exit as well. Their mandate will be to throw off the 'German yoke' by any means necessary and that means default and/or exit to stop the debt deflationary spiral. Finally, it is clear by now that private sector participation will not be near unanimous. And so the likelihood of ECB participation in writedowns and a credit default swap triggering default will increase over time. To me that means default and exit – come what may.

This is what has happened with the Greek election. **Greek politicians now have a mandate to throw off the austerity yoke. If this results in loans being withheld, the political mandate for a Greek exit is likely.**

- **France has a mandate to redesign the institutional framework to include growth.** The election in France does not mean that austerity is over. Again, Europe has not voted no on austerity. The election will shift policy but the shift will be less than the media frenzy

suggests. What will happen is that a “growth compact” will be bolted onto the stability and growth pact, ending in a temporary relaxation of the 3/60 Maastricht deficit/debt hurdles. **Nowhere is there any evidence that a seismic shift in policy is about to occur.** Baby steps.

I am going to leave it there. For those of you who are Credit Writedowns Pro members, I will have more on how this will affect markets, the European and global economy as well as an analysis of what next steps will be in the weekly. For those of you who are not, [the sign up is here](#).

This post originally appeared at [Credit Writedowns](#) and is posted with permission.

Women in parliament

The Economist online May 9th 2012

ALMOST 20% of the world’s parliamentary seats are now occupied by women, up from 17.2% five years ago, according to the Inter-Parliamentary Union. Nordic countries have the highest share of women in single or lower houses of parliament, averaging 42%. Europe, Africa and Asia follow with around 19-20% of total seats. Arab states still trail behind, with less than 12% women parliamentarians, though quotas have helped increase representation, up from 9.5% five years ago. Of the 59 elections held last year around the world, 17 countries had quotas for women. Countries with quotas saw women gain 27% of seats, compared with only 16% in those without. Women are expected to do well on May 10th, when Algeria goes to the polls, thanks to its law requiring 30% of electoral candidates to be female—currently only 8% of women hold parliamentary seats (not shown). Egypt, which has removed its quota, has one of the lowest shares of women parliamentarians at less than 2%.



Salafisten und Pro-NRW Fanatiker unter sich

08.05.2012 · Die Gewalt der Salafisten kann der Staat durch das Verbot der Mohammed-Karikaturen eindämmen. Doch kehrt er damit unter den Teppich, was schon lange nicht hätte geduldet werden dürfen.

Von [Jasper von Altenbockum](#)



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Die gegenseitigen Provokationen islamfeindlicher und islamistischer Agitatoren lassen sich durch Verbote eindämmen - den einen wird die kostenlose Verteilung des Korans untersagt, den anderen das Zeigen von Mohammed-Karikaturen. Aber demonstriert der Staat damit Schutz und Stärke?

Vielleicht hinkt der Vergleich. Es ist für einen Christen nicht zu viel verlangt, billige Koran-Aktionen achtlos links liegen zu lassen, aber für einen Muslimen eine Zumutung, den Propheten dem Gespött einer Schar von Hetzern ausgesetzt zu sehen.

Diese Zumutung ist aber nicht unzumutbar, nicht in einer Gesellschaft, in der Provokationen ein Mittel politischer und ideologischer Auseinandersetzungen sein dürfen - wenn auch nicht sein sollten. Selbst wenn Karikaturen nicht als Mittel der Meinungsfreiheit, sondern als Propagandamaterial eingesetzt werden, können sie deshalb nicht als Entschuldigung dafür herhalten, wenn Islamisten ihren Hass auf diesen Staat ausleben. Genauso wenig kann es sein, dass die Gewalt der einen als Entschuldigung für die Einschränkung der Meinungsfreiheit der anderen herhalten muss.

Verbote, die sich auf die Symptome stürzen, setzen sich dem Verdacht aus, unter der Decke halten zu wollen, was sich dort an Fanatismus aufgestaut hat. Doch weder die rechtsextremistische Gesinnung der „Bürgerbewegung“ von Pro-NRW sollte unter den Teppich gekehrt werden, noch die Gewaltbereitschaft salafistischer oder anderer Islamisten. Die Bekämpfung muss dort ansetzen - und hätte längst einsetzen müssen, auch mit Verboten.

Deshalb ist es ein Anfang, dass das Treiben der Salafisten auch von Muslim-Verbänden beim Namen genannt und verurteilt wird. Die Polizisten halten schließlich auch für sie den Kopf hin.

Quelle: F.A.Z.

NYT May 8, 2012

Few Options if Europe Turns Away From Austerity

By [JACK EWING](#)

FRANKFURT — Everyone in Europe seems to agree that government austerity has been overdone. **Now comes the hard part: finding someone to pay for less of it.**

Classic fiscal stimulus through increased deficit spending by governments does not seem to be an option, analysts say, simply because not enough private investors are willing to lend more money to the countries that need it most, like Spain.

On the contrary, some analysts argue, more borrowing would simply destroy what little investor trust remains.

“A pro-growth agenda that limits austerity will likely prove self-defeating,” said José Wynne, head of North American foreign exchange strategy at Barclays in New York. “The market is questioning the solvency of sovereigns and banks.”

The [European Central Bank](#) could use its deep pockets to issue more inexpensive loans to commercial banks, but has shown no inclination to do so yet. Meanwhile, Germany remains unwilling to let the rest of the euro zone trade on its good name by issuing debt jointly.

There may still be ways to ease the pain that has created political chaos in Greece and put nearly a quarter of Spaniards out of work. But the options tend to require more political will and financial subtlety than Europeans so far have been able to muster.

As result, many economists are skeptical that the French president-elect, [François Hollande](#), will be able to deliver on promises to stimulate the French economy by hiring more teachers and through other spending programs.

A close look at Mr. Hollande’s program reveals that even he plans to cut France’s deficit, just more slowly than President Nicolas Sarkozy had proposed.

“France has very limited fiscal space and actually has to engage in fiscal consolidation,” said Nicolas Véron, a senior fellow at Bruegel, a research institute in Brussels. He pointed out that investors are demanding a return on French bonds similar to what they asked of Italy a year ago, an ominous sign.

“There is no reason for France to be complacent,” Mr. Véron said.

Even if classic Keynesian fiscal stimulus is unlikely, there may be other options.

For example, there has been talk of using the region’s bailout fund, the European Stability Mechanism, to directly recapitalize weak banks. That would help Spain, for example, by removing the risk that its hard-pressed taxpayers would have to finance a huge bank bailout.

Such a plan would face political obstacles. Germany and other wealthier euro zone countries continue to insist that governments should take responsibility for their domestic banks. In addition, even afflicted countries like Spain may be reluctant to cede control of their financial institutions, despite the burden, which they would probably have to do in return for European aid. But such opposition may not be implacable.

Dennis Snower, president of the Institute for World Economics in Kiel, Germany, argues that Spain and other European countries — with the exception of Greece — could still tap financial markets for more money if they adopted constitutional pledges to run budget surpluses in good times.

The pledge would have to be written in stone, he said. Mr. Snower argued that one reason German borrowing costs are near record lows is because the country has already adopted such a constitutional amendment.

“With the exception of Greece it would work for everyone,” Mr. Snower argued. But he is skeptical that political leaders would adopt truly binding debt limits. “Politicians like to keep the fiscal levers in their hands come election time,” he said.

Investor reluctance to back European countries is based partly on governments’ record of spending money in ways that did not promote growth. Many economists say that such doubts are fully justified. In Greece, political parties used the government budget to effectively buy votes. Italy is known for its huge and inefficient civil service.

Many economists argue that stimulus is beside the point. What countries like Spain, Italy and Greece need are deep changes in the way their economies operate — for example, better universities and less labor regulation.

In Germany, skepticism about government stimulus is informed by the country’s experience with reunification.

“Western Germany made huge transfers into the east, but productivity figures are still not the same as in the west,” said Klaus Adam, an economics professor at the University of Mannheim in Germany.

“There is no quick and easy fix. It’s a myth that you can stimulate growth with spending,” Mr. Adam said. Remaking a country’s economy is “a painful process that takes a decade or longer.”

Mr. Snower disagreed, pointing out that the United States and Europe used stimulus to blunt the effects of the downturn in 2009. “Keynesian policy does work in a deep [recession](#),” he said.

But he agreed that the money should be spent in ways that promote innovation and growth — for example on job training, rather than consumption.

Absent private investors and a recalcitrant Germany, the only other obvious source of cash is the European Central Bank.

[Mario Draghi](#), the president of the E.C.B., has been noncommittal on whether the bank would issue another round of inexpensive, three-year loans to commercial banks, a measure that significantly eased pressure on the financial system earlier this year.

“We never pre-commit,” Mr. Draghi said at a news conference Thursday, using E.C.B. boilerplate language.

The stated purpose of the €1 trillion, or \$1.3 trillion, in loans, which rivaled [quantitative easing](#) by the U.S. Federal Reserve in scope, was to avoid a credit crunch. But it was clear some banks used the money to buy the bonds of their own governments.

Banks in Italy raised their holding of Italian government bonds by €54 billion, according to an analysis by Bruegel, while Spanish banks raised their holdings of Spanish bonds by €68 billion. Private investors, in turn, took advantage of the opportunity to dump their holdings of the same bonds.

“We believe when the crisis heats up again the E.C.B. will give out another three-year tender, maybe even five years.” said Jörg Krämer, chief economist at Commerzbank in Frankfurt.

The E.C.B. could also resume buying government bonds on the open market to prop up prices, or cut the benchmark interest rate below 1 percent, which is already a record low.

But the situation will probably have to become more dire first. In the meantime, few expect that Europe will be able to stimulate its way out of the crisis.

“They can finance one or two projects, but that is not going to change the bottom line,” Mr. Wynne of Barclays said. “It would be mostly symbolic.”

Debtors versus creditors

The latest round

The Economist May 8th 2012, 9:23 by Buttonwood

THE political turmoil in Greece indicates that we are in the latest round of the historic battle between debtors and creditors. My thesis has been that we have these recurring cycles which revolved around the nature of money, with creditors wanting to limit the supply of money either via an internal fix (the gold standard) or an external one (a fixed exchange rate system). Eventually, after a period of stability (as suggested by Hyman Minsky), the debts grow too large for the borrowers to repay and the whole system collapses. The debtors don't pay the money back and creditors have the choice of being defaulted on in nominal terms or in real ones (inflation or devaluation).

As Barry Eichengreen suggested in his book *Golden Fetters*, the gold standard survived in the late 19th century because the interests of the creditors were paramount in the political system. After the First World War, and mass democracy, it became impossible to force on populations the austerity policies needed to keep the gold standard going. One nation after another abandoned it in the 1930s. Similarly, by the 1970s, the US was unwilling to play the role demanded of it as the centrepiece of the Bretton Woods system (why submit domestic economic policy to international obligations?), which fell apart.

The Europeans tried again, creating the euro in part because of the market's irritating habit of speculating against the old exchange rate mechanism. But eventually, the contradictions in economic policy showed up in speculation in the bond, rather than the currency, markets. Once again, voters are rebelling, most notably in Greece. Politicians are prospering when they use anti-austerity rhetoric although as noted in yesterday's post, the gap between anti-austerity Hollande and pro-austerity Cameron is a lot smaller than it sounds; both are aiming to balance the budget in 2017.

But this is where things get tricky. Say voters in Democracy A reject austerity and demand grants (or cheap loans) from voters in Democracy B. But voters in Democracy B don't want to oblige them. How to resolve this impasse? If each country had a vote, would the most populous one decide? But what if the more populous country were the debtor? How could it enforce the demand for cheap loans on its neighbour?

[Kevin Sutton](#) May 8th, 14:55

There is no existing mechanism by which the Euro's various fiscal entities can be forced to accept their neighbor's wishes. I suppose the Central Bank kind of has such power, but they are somewhat constrained by zero and mandates.

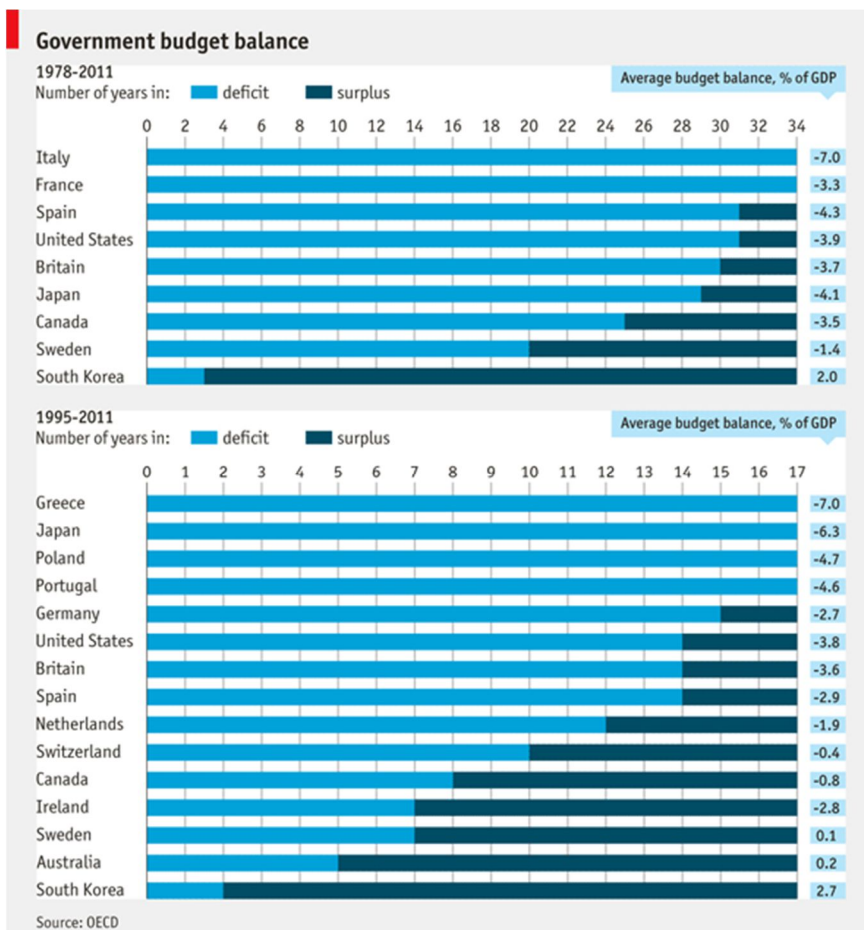
So that leaves the debtors either continuing austerity, defaulting, or stepping out of the union so as to gain monetary power back. There is no appetite for greater fiscal unity even if that might help.

Give us austerity, but not yet

Daily Chart May 8th 2012, 14:05 by The Economist online

Governments in the rich world have mostly run deficits over the past three decades

IT IS appealing to imagine that there is a lovely painless alternative to austerity in Europe, if only the stubborn politicians would choose to follow it. François Hollande encouraged this notion during his presidential campaign, stating that he was for growth and against austerity as if that were the choice on offer. Greece's voters, by now well into a recession that could last for years, would dearly like an alternative. Unfortunately this idea rests on a rather heroic assumption: that countries can spend big now, running up large budget deficits to make up for lacklustre private-sector demand, then rein in that spending a few years down the line when the worst of the crisis has passed. The first of these two charts uses a dataset that goes back to 1978 but only covers a relatively small number of OECD countries. The second chart is more comprehensive but considers a shorter time span. Both suggest that, in good times as in bad, governments will find reasons to spend more than they receive in revenue.



Foreign languages and thinking

Oprima dos for better cognition

The Economist May 8th 2012, 18:36 by R.L.G. | NEW YORK

MANY people report feeling like different people when they speak a foreign language. I've been sceptical of these claims, since many of them seem to line up too neatly with national stereotypes: "I feel warmer and more relaxed in Spanish," "German makes me reason more carefully" and the like. But a new study seems to show that people really do think differently in a foreign language—any foreign language. Namely, people are less likely to fall into common cognitive traps when tested in a language other than their mother tongue. The study is "The Foreign-Language Effect: Thinking in a Foreign Tongue Reduces Decision Biases" by Boaz Keysar, Sayuri L. Hayakawa and Sun Gyu An in *Psychological Science* (unfortunately behind a paywall, but written up by *Wired* [here](#)).

Writers like Daniel Kahneman, Richard Thaler, Cass Sunstein, Dan Ariely and others have written extensively about our propensity for flawed reasoning. Mr Kahneman, in particular, has focused on loss aversion: people's willingness to take irrational risks (mathematically speaking) in order to avoid suffering a loss. But this effect, it seems, disappears when subjects are tested in a foreign language.

One group of native English-speakers who also spoke Japanese was divided into two. One half was given a version of Mr Kahneman's loss-aversion game in their native language (English). The second was given the same test in their foreign language (Japanese). The tendency to take risky, irrational bets to avoid losses nearly disappeared for those tested the foreign language (Japanese). A second test, of Koreans who speak English, found the same thing: the Koreans made more balanced, cautious choices in English.

This fits Mr Kahneman's thinking nicely. He posits two general systems of thinking: System 1, intuitive and quick, good for most purposes, but prone to those pesky cognitive traps; and System 2, deliberative and slow, better at higher reasoning but effortful to activate and keep active. The brain, which minimises effort where it can, leans on System 1 wherever possible. But modern life presents many problems better suited to System 2.

The hypothesis behind the "foreign-language effect" is that speaking the foreign language activates System 2 in advance of tackling the tricky questions. This would not have been obvious from the outset, though. Another possible result might have been that using the foreign language tires the brain, and that this fatigue might make people more, not less, prone to mistakes. Mr Kahneman, after all, describes "[ego depletion](#)" leading to bad choices in other studies. But in this study, the effect of priming System 2 appears to have been stronger than any fatigue effect.

Yet more reason to learn a foreign language, dear readers. Yet an irony emerges: if the hypothesis is correct, the better cognition should only obtain when people are using their foreign language with some effort. If you become so fluent that you are nearly a balanced bilingual, would the effect disappear? More research awaits, but Johnson certainly hopes that this result won't discourage anyone from polishing up their foreign languages.

People's introspection on their own thinking and language-use is often unreliable. Nonetheless, this study seems to indicate that there's something there. So a question: do you think differently when using different languages? And if so, how?

05/08/2012 04:22 PM

SPIEGEL ONLINE

Operation Self-Deceit

New Documents Shine Light on Euro Birth Defects

By [Sven Böll](#), Christian Reiermann, Michael Sauga and Klaus Wiegrefe

Newly revealed German government documents reveal that many in Helmut Kohl's Chancellery had deep doubts about a European common currency when it was introduced in 1998. First and foremost, experts pointed to Italy as being the euro's weak link. The early shortcomings have yet to be corrected.

It was shortly before his departure to Brussels when the chancellor was overpowered by the sheer magnitude of the moment. Helmut Kohl said that the "weight of history" would become palpable on that weekend; the resolution to establish the monetary union, he said, was a reason for "joyful celebration."

Soon afterwards, on May 2, 1998, Kohl and his counterparts reached a momentous decision. Eleven countries were to become part of the new European currency, including Germany, France, the Benelux countries -- and Italy.

Now, 14 years later, the weight of history has indeed become extraordinary. But no one is in the mood to celebrate anymore. In fact, the mood was [downright somber](#) when current Chancellor Angela Merkel met with her Italian counterpart Mario Monti in Rome six weeks ago.

Even as the markets were already prematurely celebrating the end of the euro crisis, the chancellor warned: "Europe [hasn't turned the corner yet](#)." She also noted that new challenges would constantly emerge in the coming years. Her host conceded that his country had not even overcome the most critical phase yet, and that the fight to save the currency remained an "ongoing challenge."

It didn't take long for the two leaders' concerns to prove justified. The Spanish economy has continued its decline, interest rates for southern European government bonds are rising once again, and election results in [both France](#) and [Greece](#) have shown that citizens are tired of austerity programs. In short, no one can be certain that the monetary union will survive in the long term.

Many of the euro's problems can be traced to its birth defects. For political reasons, countries were included that weren't ready at the time. Furthermore, a common currency cannot survive on the long term if it is not backed by a political union. Even as the euro was being born, many experts warned that currency union members didn't belong together.

Pushing Ahead Regardless

But it wasn't just the experts. Documents from the Kohl administration, kept confidential until now, indicate that the euro's founding fathers were well aware of its deficits. And that they pushed ahead with the project regardless.

In response to a request by SPIEGEL, the German government has, for the first time, released hundreds of pages of documents from 1994 to 1998 on the introduction of the euro and the inclusion of Italy in the euro zone. They include reports from the German embassy in Rome, internal government memos and letters, and hand-written minutes of the chancellor's meetings.

The documents prove what was only assumed until now: Italy should never have been accepted into the common currency zone. The decision to invite Rome to join was based almost exclusively on political considerations at the expense of economic criteria. It also created a precedent for a much bigger mistake two years later, namely Greece's acceptance into the euro zone.

Instead of waiting until the economic requirements for a common currency were met, Kohl wanted to demonstrate that Germany, even after its reunification, remained profoundly European in its orientation. He even referred to the new currency as a "bit of a peace guarantee."

Of course, financial data doesn't play much of a role when it comes to war and peace. Italy became a perfect example of the steadfast belief of politicians that economic development would eventually conform to the visions of national leaders.

However, the Kohl administration cannot plead ignorance. In fact, the documents show that it was extremely well informed about the state of Italy's finances. Many austerity measures were merely window dressing -- either they were accounting tricks or were immediately dialed back when the political pressure subsided. It was a paradoxical situation. While Kohl pushed through the common currency against all resistance, his experts essentially confirmed the assessment of Gerhard Schröder, the center-left Social Democratic Party (SPD) candidate for the Chancellery at the time. Schröder called the euro a "sickly premature baby."

A Miraculous Cure

Operation "self-deception" began in December 1991, in an office building in the Dutch city of Maastricht, the capital of the southeastern province of Limburg. The European heads of state and government had come together to reach the decision of the century, namely to introduce the euro by 1999.

To ensure the stability of the new currency, strict accession criteria were agreed upon. Countries must have low rates of inflation, must have reduced new borrowing and must have their debt levels under control in order to be accepted. The European Commission and the European Monetary Institute (EMI) were to monitor developments, and European leaders were to reach the final decision in the spring of 1998.

As luck would have it, Italy fulfilled all requirements as the date approached -- surprisingly so, given that it had acquired a reputation for notoriously imbalanced budgets. But the country had undergone a miraculous cure -- on paper at least.

Officials at the German Chancellery in Bonn had their doubts. In February 1997, following a German-Italian summit, one official noted that the government in Rome had suddenly claimed, "to the great surprise of the Germans," that its budget deficit was smaller than indicated by the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD).

Shortly before the meeting, a senior German official had written in a memo that new posting rules for interest had alone resulted in a 0.26 percent decline in the Italian budget deficit.

A few months later Jürgen Stark, a state secretary in the German Finance Ministry, reported that the governments of Italy and Belgium had "exerted pressure on their central bank heads, contrary to the promised independence of the central banks." The top bankers were apparently supposed to ensure that the EMI's inspectors would "not take such a critical approach" to the debt levels of the two countries. In early 1998, the Italian treasury published such positive figures on the country's financial development that even a spokesman for the treasury described them as "astonishing."

Snail's Pace

In Maastricht, Kohl and other European leaders had agreed that the total debt of a euro candidate could be no more than 60 percent of its annual economic output, "unless the ratio is declining sufficiently and is rapidly approaching the reference value."

But Italy's debt level was twice that amount, and the country was only approaching the reference value at a snail's pace. Between 1994 and 1997, its debt ratio declined by all of three percentage points.

"A debt level of 120 percent meant that this convergence criterion could not be satisfied," says Stark today. "But the politically relevant question was: Can founding members of the European Economic Community be left out?"

Government experts had known the answer for a long time. "Until well into 1997, we at the Finance Ministry did not believe that Italy would be able to satisfy the convergence criteria," says Klaus Regling, at the time, the Director-General for European and International Financial Relations at the Finance Ministry. Currently, Regling is the chief executive of the temporary euro bailout fund, the European Financial Stability Facility (EFSF).

The skepticism is reflected in the documents. On Feb. 3, 1997, the German Finance Ministry noted that in Rome "important structural cost-saving measures were almost completely omitted, out of consideration for the social consensus." On April 22, speaker's notes for the chancellor stated that there was "almost no chance" that "Italy will fulfill the criteria." On June 5, the economics department of the Chancellery reported that Italy's growth outlook was "moderate" and that progress on consolidation was "overrated."

In 1998, the decisive year for the introduction of the euro, nothing about this assessment had changed. In preparation for a meeting with an Italian government delegation on Jan. 22, State Secretary Stark noted that the "longevity of solid public finances" was "not yet guaranteed."

'Not Without the Italians'

Horst Köhler wrote to the chancellor in mid-March. Formerly the German chief negotiator in the Maastricht Treaty negotiations, Köhler had moved on to become the president of the German Savings Bank Association. Enclosed with his letter was a study by the Hamburg Institute of International Economics, which concluded that Italy had not fulfilled the conditions "for permanent and sustainable deficit and debt reduction," and that it posed "a special risk" to the euro.

But Kohl rebuffed his former confidant. Of course the Europeans would have to continue their structural reforms, he replied, but he was confident that the governments would rise to the challenge "in the coming years."

At a European Union special summit in Brussels in early May 1998, Kohl felt the "weight of history" and, without further ado, provided his unreserved support. "Not without the Italians, please. That was the political motto," says Joachim Bitterlich, Kohl's foreign policy advisor.

The documents that have now been released suggest that the Kohl administration misled both the public and Germany's Federal Constitutional Court. Four professors had at the time filed a lawsuit against the introduction of the euro. The suit was "clearly without merit," the government told the court, arguing that it would only be justified in the event of a "substantial deviation" from the Maastricht criteria, and that such a deviation was "neither recognizable nor to be expected."

Really? Following a meeting between the chancellor, Finance Minister Theo Waigel and Bundesbank President Hans Tietmeyer, on the case before the Federal Constitutional Court, the head of the economics division at the Chancellery, Sighart Nehring, noted in mid-March 1998 that "enormous risks" were associated with Italy's "high debt levels." The debt structure, Nehring added, was "unfavorable" and outlays would increase considerably if interest rates rose by only a small amount.

A Love for Italy

But the memo had no repercussions. The chancellor, it would seem, wasn't terribly interested in the details. There was a "built-in flexibility" among politicians when it came to the Maastricht criteria," says Dieter Kastrup, German ambassador to Italy at the time.

Italy, after all, was a founding member of the EU, and the Italians had never behaved as poorly in Brussels as the French did under President Charles de Gaulle or the British under Prime Minister Margaret Thatcher. And, finally, hadn't Goethe too waxed lyrical about Italy? "We all shared a certain love for Italy," says Bitterlich.

Officials in Bonn were pinning their hopes on two men who had set out to clean house in Italy: Prime Minister Romano Prodi, a quiet professor from Bologna, and his ascetic minister for the budget and economic planning, Carlo Ciampi, who had been governor of the Italian central bank for many years.

The two technocrats had come into power after the old Italian party system had foundered in a maelstrom of corruption and Mafia connections. Prodi and his center-left alliance "Ulivo" ("Olive Tree") won the election in 1996.

Kohl had doted on the short, liberal professor from the start. Ciampi, who had attended a Jesuit school in Tuscany, also enjoyed a good reputation with the Germans. "Without Ciampi, Italy would never have managed to be on board at the beginning of the monetary union," says former Finance Minister Waigel.

The country was drifting "toward financial bankruptcy" at the time, writes historian Hans Woller. The red tape involved in establishing a company took more than 60 days to complete. Italians couldn't buy newspapers at noon, because they could only be sold at kiosks, which were closed for lunch. Retirees outnumbered the working population, and many of the 1.5 million people officially classified as severely disabled were in the best of health.

Tricks and Luck

Ciampi and Prodi were relatively successful compared to their predecessors. Through reforms and cost-cutting measures, they were able to reduce new borrowing and bring down inflation. But the country had bigger problems than that, and the government was fully aware of them. Indeed, the Italians twice suggested postponing the launch of the euro in 1997. But the Germans rejected the idea. It was "a taboo," says Kohl's former advisor Bitterlich, pointing out that the Germans were pinning their hopes on Ciampi. "Everyone felt that he was Italy's guarantor, in a certain sense, and that he would fix things."

It is also clear, of course, that Kohl was determined to wrap up the monetary union before the 1998 parliamentary election. His re-election was in jeopardy, and his challenger, Social Democrat Schröder, was a known euro skeptic.

In the end, the Italians formally fulfilled the Maastricht criteria with a combination of tricks and fortunate circumstances. The country benefited from historically low interest rates, and Ciampi proved to be a creative financial juggler. He introduced, for example, a "Europe tax" and carried out a clever accounting trick, which involved selling national gold reserves to the central bank and imposing a tax on the profits. The budget deficit shrank accordingly. Even though EU statisticians ultimately did not acknowledge this trickery, it symbolized the fundamental Italian problem: The budget was not structurally balanced, but in fact had benefited from special effects.

This did not escape the notice of Chancellery officials. In a memo dated Jan. 19, 1998, Bitterlich pointed out that the deficit reduction was based primarily on the special Europe tax and on market interest rates that had fallen considerably in comparison to rates in other countries. A few weeks later, representatives of the Dutch government contacted the Chancellery and requested a "confidential meeting." The general secretary of the Dutch prime minister and a state secretary from the finance ministry wanted to put pressure on Rome. "Without additional measures on the part of Italy to provide credible proof of the longevity of the consolidation, Italy's acceptance into the euro zone is currently unacceptable," the Dutch officials argued.

Germany's Growing Debt

Kohl, fearing for his most important project since German reunification, refused. He told the Dutch officials that the government in Paris had warned him that France would withdraw from the agreement if Italy were excluded.

The Germans were in a weak negotiating position. When it came to fiscal discipline, they were overbearing in their approach to the rest of Europe, and yet Germany's own budget figures were anything but exemplary. The country's sovereign debt level was slightly above the critical 60 percent mark. Even worse, in contrast to almost all of the other countries that wanted to be included in the first round of the monetary union, Germany's total debt was not decreasing, as the treaty required, but in fact was growing.

The Chancellery was aware of the problem. "In contrast to Belgium and Italy, the German debt level has risen since 1994," they wrote in a March 24, 1998 memo to Kohl and Chief of Staff Friedrich Bohl. The consequences were unpleasant. "In our view, there is a legal problem in Germany's case, because the Maastricht Treaty only provides for an exception if the debt level is declining," the memo continues.

Kohl and Waigel claimed mitigating circumstances. Without German reunification, they argued, the debt ratio would only be 45 percent. The excuse was "met with understanding" by both the European Commission and the partner countries, the officials noted with relief.

Still, the situation made it difficult for Germany to play judge, particularly given the lack of formal proof that Italy was in violation. In the spring of 1998, the statistical office of the European Union certified that the Italians had satisfied the deficit criteria of the Maastricht Treaty. This meant that there was "no longer any reason to bar the Italians accession to the euro," as Waigel recalls. After this hurdle had been removed for the Italians, "they had a sort of legal claim to be allowed to be part of the euro from the very beginning," Waigel's former top official Regling says today.

Italy Turns Away from Austerity

Many knew that the figures were sugarcoated, and that they hardly represented real debt reduction. But no one dared draw the consequences. Kohl trusted Ciampi's reassuring claims that the Italians would continue to pursue the "cammino virtuoso" ("virtuous path") they had embarked upon and would "be unrelenting in efforts to clean up the budget." The government in Rome predicted that its debt level would sink to 60 percent of GDP by no later than 2010.

Things didn't turn out that way. As early as April 1998 -- that is, prior to the official decision on which countries would be part of the euro -- there were growing indications that Prodi's coalition partners, the neo-communists, were just waiting to return to their old habits. On April 3, the German embassy in Rome warned that this risk should "not be ignored."

Three months later, when Italy had secured its participation in the euro, the problem came to a head. On July 10, 1998, Ambassador Kastrup expressed his concern to officials in Bonn that Italy was overcome by "stagnation" and "exhaustion," and that the government there was taking "a break of sorts after its extraordinary effort to satisfy the Maastricht criteria."

The break became the status quo. In early August, the Italian Finance Ministry admitted that the budget deficit had been higher in the first seven months than in the same period the previous year -- a period which had been critical to Italy's acceptance into the euro club.

Stephan Freiherr von Stenglin, the financial attaché at the German embassy in Rome, still hadn't completely lost faith in Rome's willingness to cut costs. "Failing to reach this year's

deficit target will likely do considerable damage to the credibility of the Italian consolidation policy," Stenglin wrote. At the Chancellery, a large exclamation mark was written in the margin next to this sentence.

'A Qualitative Shift'

In the mean time, however, the most intense phase of the general election campaign had begun. The battle between Kohl and his challenger Schröder focused on domestic policy, and not the euro.

This didn't change after the election, either, no matter how many alarming messages Financial Attaché Stenglin sent to Bonn. On Oct. 1, he submitted a blunt analysis of the Italian fiscal policy, which he hid behind the harmless subject line "Italian Government Approves Draft for the 1999 Budget." Stenglin, who had been sent to Rome from his position at the Bundesbank, saw that the development in Italy was moving completely in the wrong direction. The Italian government's draft budget, he reported to Bonn, signified a "qualitative shift in budget policy."

According to Stenglin, the budget showed the lowest cost-cutting figures since the beginning of the consolidation course in the early 1990s. Additional tax revenues, he noted, would no longer be used solely to reduce the deficit, but also to pay for new spending, particularly on social programs. The government, Stenglin wrote, could not avoid giving the impression that it was "more interested in a departure from the strict consolidation course of recent years than in doing everything possible to set aside doubts concerning the sustainability of Italy's public finances."

When Prodi was replaced a short time later by former Communist Massimo d'Alema, the situation deteriorated even further. D'Alema proposed financing a European economic stimulus program through euro bonds and not factoring the associated expenditures into the national deficits.

The new SPD-Green Party coalition government in Germany, led by Schröder, rejected the proposal. Nevertheless, the new approach had taken hold in Rome, as Stenglin wrote in a cable to Bonn on Nov. 18. He noted that members of the Italian government were demanding that the budget consolidation be spread out, the stability pact be interpreted more flexibly and Italy be freed "from the shackles of the Maastricht Treaty."

The Maelstrom of Crisis

A few weeks before the launch of the common European currency, Stenglin's assessment of the situation took on a dramatic undertone, when he wrote: "The question arises as to whether a country with an extremely high debt ratio doesn't risk gambling away the success of its consolidation efforts to date, thereby harming not only itself, but also the monetary union." It was a prophetic remark. In the fall of 2011, when the country was pulled into the maelstrom of the crisis, the debt ratio had risen above 120 percent of GDP once again.

Kurt Biedenkopf, a member of the center-right Christian Democratic Union (CDU), predicted the dilemma in which the monetary union finds itself today even before the introduction of the euro. At the time, Biedenkopf was governor of the eastern state of Saxony -- and was the only German governor to vote against the monetary union in the Bundesrat, the legislative body

that represents the German states. "Europe wasn't ready for that epochal step," says Biedenkopf today, noting that the individual countries differed too widely in terms of economic performance. "Most politicians in Germany thought that the euro would function even without common institutions and without financial transfers. That was naïve."

Meanwhile, European leaders are trying to correct the defects of the founding phase of the euro. Austerity and reform measures are being implemented in large parts of Europe, and all countries support the idea of joint responsibility for the currency. Nevertheless, the new euro architecture doesn't differ all that much from the old one.

When the euro was first designed, the government in Bonn believed that it was sufficient to stipulate stringent debt criteria in an agreement and to rely on its members to responsibly implement the necessary structural reforms. Today, Europe's new fiscal pact is intended to teach the member states solid budget management and foster a willingness to bring about reform. In other words, the original procedure, which was unable to survive its first stress test, has only been slightly modified. There is still no central institution that could forcibly impose the necessary discipline. Offenders will still pass judgment on other offenders within the circle of European heads of government.

No Solution Yet

The government files from the founding phase of the monetary union reveal that this construct cannot function. The message the documents convey is that political opportunism will ultimately prevail. A monetary union amounts to more than shifting several billion euros back and forth. It is also a community of fate. Shared money requires shared policy and, in the end, shared institutions.

The euro is now in its 14th year, and after two years of ongoing crisis, there is a growing realization in Berlin and other capitals that the status quo cannot continue. All reform efforts still resemble small steps to nowhere, and yet politicians are beginning to think in terms of broader categories as they cope with the crisis. The new fiscal pact is not providing a quick solution yet, and as a result European politicians are developing new visions while old taboos are falling.

While the southern countries and France are coming to terms with a debt brake based on the German model, the German government no longer has any objections to an economic government within the euro zone, a French idea to which Germany was once staunchly opposed. Finance Minister Wolfgang Schäuble, for his part, is considering upgrading the EU finance commissioner to a kind of European finance minister, who would monitor the budgets of euro-zone member states and would also have the power to intervene, if necessary.

All of these measures boil down to individual countries relinquishing more authority and the central government in Brussels acquiring more power in return.

If the members of the monetary union quickly make up for what they neglected before embarking on the euro adventure, the project of the century can still succeed. But the longer then necessary reforms are delayed, the more costly the journey becomes for everyone.

Translated from the German by Christopher Sultan

The Greek crisis will fast expose Hollande



By Gideon Rachman



In rural France on Sunday night, the [newly-elected French president](#) took to the stage and announced that he would lead the battle in Europe against austerity. On the other side of the continent, Greek voters were calling his bluff. By overwhelmingly opting for parties that want to either [repudiate or renegotiate Greece's bailout deal](#), they have handed François Hollande a painful dilemma. Will he stand with the Greek people against austerity? Or will he stand with the German government and the International Monetary Fund, in insisting that the Greek bailout cannot be renegotiated?

The choice Mr Hollande makes will be fateful, for France and Europe. Potentially, France's new president could position himself as the head of Europe's southern rebels. There is no doubt that the Spanish and Italian governments – even if nominally from different political families – have been cheering on the French socialist. They, like the Greeks, desperately want to see a challenge to German austerity orthodoxy.

Yet any French effort to isolate Germany within the EU would be a historic shift in postwar French foreign policy – which has been built around the idea that the “Franco-German couple” should run the EU together. Allying France with the European south would also damage France's self-image, as one of the stronger economies in Europe. The perception of France in financial markets could also worsen. Most damaging of all, an open split between France and Germany would cause Europe-wide problems, opening up a seismic fault in the foundations of the EU and its single currency.

As a result, most analysts assume Mr Hollande will settle for a few face-saving gestures from Berlin, allowing him to say that he has changed the direction of the EU debate in favour of [“growth”](#). Even before he was elected, experts in Berlin and Paris were sketching out the likely contours of an agreement.

A putative Hollande-Merkel deal would go something like this. Mr Hollande, as he has already hinted, would modify his demand to renegotiate the new EU fiscal pact – the deal that makes a move towards balanced budgets legally binding. Instead Germany would agree to a vaguely-worded new growth pact, which could sit alongside the fiscal pact. In similar vein, it would reject Mr Hollande's demand for Eurobonds – the issuance of common EU debt. But it would probably agree to EU-backed “project bonds”, financing infrastructure projects. A

boost to lending by the European Investment Bank would also be agreed. This would be a typical EU, Franco-German fudge that would allow all participants to retreat with honour – leaving the outside world largely unaffected and slightly baffled.

The new eruption of the Greek political volcano, however, greatly complicates this picture. The Greek problem is now so acute that it cannot be “fixed” through a few cleverly-drafted clauses, added to an EU treaty. It demands real, crunchy and dangerous decisions. Specifically, will Greece press ahead and make further billions of euros worth of budget cuts, within months, as demanded by its most recent bailout deal? If Greece refuses to do this, then the IMF has made clear that it will not authorise the release of the next tranche in aid to Greece. That, in turn, would mean that the Greek government simply ran out of money. Managed, if painful, cuts to pensions and wages would then be replaced by something much more chaotic and dangerous. The forced exit of Greece from the euro would also become much more likely.

The raw numbers from the Greek elections suggest that this stark choice might soon have to be confronted. The two mainstream, pro-bailout parties, New Democracy and Pasok, only garnered about one-third of votes. They will struggle to form a coalition government – and Greece may soon face more elections.

Moreover, even Antonis Samaras, the leader of New Democracy and still the likeliest next prime minister, would argue for changes to the Greek deal. Mr Samaras knows the fact that both centrist parties are now associated with a deeply unpopular austerity package, imposed by foreigners, is dangerous – it makes the nationalist and far-left extremists the only political gainers.

Specifically, Mr Samaras thinks that Greek businesses desperately need lower taxes. But he has received no encouragement in this argument from Angela Merkel – with whom he has a dreadful relationship. If he makes it as prime minister, Mr Samaras would position himself as a reasonable rebel, arguing against counterproductive German austerity policies. That makes him sound like a natural ally of Mr Hollande.

In reality, faced with a choice between supporting Greece and supporting Germany, the French are almost certain to go with the Germans. Yet such a choice would expose Mr Hollande’s anti-austerity rhetoric as vacuous. A few gestures towards “project bonds” will be as nothing, compared with the vision of France standing with the IMF and Germany to impose deep cuts on Greece, while the country’s economy shrinks and unemployment soars.

The combination of political chaos in Greece and an inflexible IMF suggests that Greece will hit a new crisis this summer. At this point, the EU will face a momentous choice. Does it step in with yet more aid for Greece, even as the IMF backs off? Or does it refuse to help Greece – accepting all the political and economic risks that come with such a choice? Faced with such a crisis, Mr Hollande’s vague and uplifting rhetoric about saving Europe from austerity is irrelevant.

Kernenergie

Geschichte eines Realitätsverlusts

FAZ **02.07.2009** · Ursprünglich euphorisch begrüßt, hat kaum ein Thema die Deutschen so gespalten wie die friedliche Nutzung der Kernkraft. Einst waren die Energieunternehmen skeptisch, die Sozialdemokraten begeistert. Lang ist's her. Erinnerungen an eine erbitterte Kontroverse: Gastbeitrag des Historikers Arnulf Baring.

Von Arnulf Baring



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Der Schritt zur Massenbewegung: Protest gegen das geplante Atomkraftwerk im südbadischen Whyll 1975

Kaum ein anderes Thema hat uns so dauerhaft gespalten und derart erbitterte innenpolitische Kontroversen ausgelöst wie die friedliche Nutzung der Kernenergie. Keine andere Debatte spiegelt in ähnlichem Maße die gesellschaftliche und politische Entwicklung dieses Landes. Um die Geschichte der Bundesrepublik zu verstehen, lohnt es sich daher, den Verlauf der Auseinandersetzungen über die Kernenergie näher ins Auge zu fassen. Nicht immer waren die parteipolitischen Positionen so eindeutig festgezurrert wie heute. Ursprünglich wurde die friedliche Nutzung der Kernenergie weithin geradezu euphorisch begrüßt. Doch das hat sich gewandelt.

Besonders aufschlussreich ist die Entwicklung innerhalb der Sozialdemokratie. Die Diskussion der SPD trägt ebenso wie die Haltung der Grünen viele Züge einer deutschen Neigung zur Wirklichkeitsverweigerung. Realitätsleugnung ist uns in der deutschen Geschichte mehrfach zum Verhängnis geworden.

Die Anfänge der deutschen Kernenergie-Debatte

Blickt man zurück auf die Anfänge der Kernenergie-Debatte, stellt man fest, dass in den fünfziger und sechziger Jahren unter Politikern aller Parteien und Publizisten aller Richtungen Euphorie herrschte, ein wahrer Atomenthusiasmus. Diese Euphorie war Ausdruck einer allgemeinen Aufbruchsstimmung im Deutschland der Nachkriegszeit, zumindest in der Bundesrepublik. Wirtschaftswachstum und technologische Innovation waren damals Inbegriffe des gesellschaftlichen Fortschrittsdenkens. Dem entsprach die rückhaltlose Bejahung neuer Technologien, die eine gute, eine bessere Zukunft verhiessen.



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1983 dauerten die Proteste am Oberrhein an: „Nein haben wir gesagt“

Ausgelöst wurde die Atombegeisterung durch die berühmte "Atoms for Peace"- Rede des amerikanischen Präsidenten Eisenhower vor den Vereinten Nationen 1953. Diese Ausführungen weckten in der Weltöffentlichkeit die Hoffnung, nach dem nuklearen Schrecken von Hiroshima und Nagasaki werde die Kernenergie nunmehr für friedliche Zwecke eingesetzt.

Wer heute auf die Anfänge zurückblickt, stellt überrascht fest, dass die segensreichen Wirkungen der Kernenergie damals besonders auch von der westdeutschen Linken gepriesen wurden. Die Atomeuphorie der SPD beispielsweise kannte in jenen Jahren keine Grenzen. Der "Atomplan", den die Sozialdemokraten auf ihrem Parteitag 1956 vorstellten, liest sich geradezu als pathetische Eloge auf die Kernenergie: "Die kontrollierte Kernspaltung und die auf diesem Weg zu gewinnende Kernenergie leiten den Beginn eines neuen Zeitalters für die Menschen ein. Die Hebung des Wohlstands, die von der neuen Energiequelle ausgehen kann, muss allen Menschen zugutekommen. In solchem Sinne entwickelt und verwendet, kann die Atomenergie entscheidend helfen, die Demokratie im Innern und den Frieden zwischen den Völkern zu festigen. Dann wird das Atomzeitalter das Zeitalter werden von Frieden und Freiheit für alle."

Auffällig ist, dass gerade Hauptkritiker einer militärischen Nutzung der Atomenergie die eifrigsten Befürworter ihrer friedlichen Nutzung waren. Im berühmten Göttinger Manifest von 1957 verbinden die achtzehn unterzeichnenden Atomwissenschaftler nicht zufällig ihre Warnung vor einem Atomkrieg mit dem nachdrücklichen Plädoyer für die friedliche Nutzung der Kerntechnik.

Skepsis gegenüber der Kernenergie wurde in diesen frühen Jahren ausgerechnet von jenen geäußert, bei denen man es am wenigsten erwarten würde: von der Energiewirtschaft. Zu einer Zeit, in der die fossilen Energieträger im Übermaß zur Verfügung standen, beugten sich die Erzeugergesellschaften nur zögerlich dem politischen Druck, in die teure und komplexe neue Energietechnik zu investieren. Interessanterweise wurden die Risiken der Kernenergie gerade in Betreiberkreisen zu jener Zeit noch recht offenherzig diskutiert - etwa die gesundheitsschädlichen Wirkungen der radioaktiven Strahlungen oder das Problem der Entsorgung radioaktiver Abfälle.

Bis in die sechziger Jahre hinein fanden solche kritischen Stimmen jedoch keinen bedeutsamen öffentlichen Widerhall. Das allgemein akzeptierte Selbstverständnis einer Wachstums- und Wohlstandsgesellschaft sicherte der Kernkraft vorerst die ungebrochene Zustimmung der Öffentlichkeit. Wie kam es dazu, dass die gesellschaftliche Bejahung einer

friedlichen Nutzung der Kernkraft innerhalb weniger Jahre kippte und die Kernkraft zum Gegenstand erbitterter innenpolitischer Auseinandersetzungen wurde?

Um diese Frage zu beantworten, muss man an die Anfänge der Anti-AKW-Bewegung erinnern und sich parallel dazu die Entwicklung innerhalb der deutschen Sozialdemokratie während der siebziger und achtziger Jahre vergegenwärtigen. Denn in dieser Zeit wurde der Keim gelegt für jene politische Realitätsverweigerung, die bis in unsere Tage fortwirkt.

Der Beginn der öffentlichen Proteste

Widerstände gegen die Kernenergie gab es erstmals Ende der sechziger Jahre im Zusammenhang mit dem geplanten Bau von Kraftwerken. Zum überregionalen Protest kam es erstmals bei den Auseinandersetzungen um das Kernkraftwerk Würgassen. Insgesamt blieb die öffentliche Wirkung der Proteste Anfang der siebziger Jahre jedoch eher begrenzt. Eine neue Dynamik erfuhr die Kernkraft-Debatte im Zuge der Ölkrise von 1973. Diese Krise war für die deutsche Öffentlichkeit insofern ein Schock, als sie der Bevölkerung in drastischer Weise unsere Abhängigkeit von fossilen Brennstoffen vor Augen führte. Nach den Studentenprotesten von 1968 bildete die Ölkrise eine weitere Zäsur, die den bisherigen Wohlstands- und Wachstumskonsens der Bundesrepublik brüchig werden ließ.

Die unmittelbare Folge der Ölkrise war jedoch zunächst eine verstärkte Hinwendung zur Kernenergie, erschien doch ihr Ausbau als eine geeignete Krisenstrategie, um die Erdölabhängigkeit der Bundesrepublik zu verringern. Nur wenige Wochen vor dem Ölpreisschock vom Oktober 1973 hatte die sozialliberale Bundesregierung ein Energieprogramm vorgelegt, das neben der Nutzung von Steinkohle, Braunkohle und Gas einen massiven Ausbau der Kernenergie vorsah.

Weil die SPD zu jener Zeit nach wie vor die friedliche Nutzung der Kernkraft uneingeschränkt bejahte, waren die Sozialdemokraten völlig überrascht, als Mitte der siebziger Jahre die Anti-Atomkraft-Proteste immer stärker wurden. Im Februar 1975 besetzten mehrere hundert Demonstranten den Bauplatz des geplanten - aber letztlich nie gebauten - Kernkraftwerks im badischen Wyhl inmitten des idyllischen Kaiserstuhl-Weinbaugebiets. Nach einer ersten Räumung durch die Polizei kam es zu einer Protestkundgebung, an der rund 28000 Menschen teilnahmen - der Schritt zur Massenbewegung war vollzogen.

Demonstranten gelang es in der Folgezeit, die Absperrungen zu überwinden und den Bauplatz erneut zu besetzen, knapp neun Monate lang. In Wyhl richtete sich die Kritik noch nicht in erster Linie gegen die Kerntechnik als solche. Das Hauptmotiv war vielmehr die verständliche Sorge, dass die Nebelschwaden aus den Kühltürmen des Kernkraftwerks die Qualität der Kaiserstuhl-Weine beeinträchtigen könnten. Erst später wurde die Angst vor radioaktiven Gefahren der Kernenergie Mittelpunkt der Diskussion. Im Rückblick ist es verständlich, dass die Kernenergie aufgrund ihrer unsichtbaren Strahlung von der Öffentlichkeit als besonders unheimlich und gefährlich wahrgenommen wurde - und wird. Ebenso ist begreiflich, dass die offene Frage einer absolut sicheren Endlagerung nicht dazu angetan war, das Vertrauen der Menschen in die Kernenergie zu erhöhen - und das gilt bis zum heutigen Tag.

Zurück zu den Ereignissen in Wyhl: Die Reaktion der SPD auf die Bauplatzbesetzung zeigte eine gewisse Unsicherheit und Ratlosigkeit. Auf ihrem Mannheimer Parteitag 1975 stellte sie im Blick auf die Wyhler Vorgänge fest, dass "der verständliche Widerstand der jeweils betroffenen Bevölkerung gegen Kernkraftwerke ... zu einem politischen Faktum geworden"

sei. Zugleich wurde damals die große Distanz der Sozialdemokraten zu den Kernkraftgegnern deutlich. So empfahl die Partei als Maßnahme gegen die öffentliche Verunsicherung, das "Gespräch mit diesen Bürgern (gemeint waren die Protestler) zu versachlichen", indem das "Pro und Kontra mit den Bürgern rechtzeitig ausgebreitet, diskutiert und gewertet" werde. Diese von den Sozialdemokraten 1975 geforderte sachliche Erörterung der Kernenergie-Thematik war jedoch einige Jahre später nicht mehr möglich.

Warum? Mitte der siebziger Jahre wurde das seit Jahrzehnten anhaltende Wirtschaftswachstum gebremst. Im Zuge der Wachstumskrise wurde nunmehr auch in Deutschland die bislang allgemein akzeptierte Annahme, Wachstum sei unerlässlich, sei selbstverständlich richtig und wichtig, einer grundlegenden Neubewertung unterzogen. Wenn Wirtschaftswachstum eine so riskante Technologie wie die Kerntechnik erfordere, so die Argumentation der Kritiker, müsse das Ziel selbst hinterfragt werden. Hierin lag der eigentliche Paradigmenwechsel: Die Kernkraft wurde von ihren Gegnern nicht mehr bloß als ein untaugliches Mittel zurückgewiesen, sondern galt nunmehr pars pro toto als Ausdruck einer fragwürdigen, ja irrationalen Wirtschaftsweise. Mit anderen Worten: Die Kernenergie wurde immer mehr zum Kristallisationspunkt eines tiefgreifenden gesamtgesellschaftlichen Wertewandels. Der Protest gegen die Kernenergie wurde Ausdruck eines neuen Lebensgefühls. Bei Erhard Eppler, Wortführer der Atomkraftgegner innerhalb der SPD, hörte sich das so an: "Nicht die Gefahren der Kernenergie sind größer geworden, nicht die Reaktoren weniger sicher, geändert haben sich die Fragestellungen, die Wertmaßstäbe, kurz: das Bewusstsein."

Die Diskussion löste sich somit zunehmend von einer naturwissenschaftlich-sachlichen Erörterung von Chancen und Risiken der Kernenergie und verwandelte sich immer mehr in eine ideologisch geführte Debatte über das wünschenswerte Wirtschafts- und Gesellschaftsmodell.

Flügelkämpfe innerhalb der SPD

Dieser gesellschaftliche Bewusstseinswandel fand seinen Ausdruck nicht zuletzt in der entstehenden Ökologiebewegung, aus der wenige Jahre später "Die Grünen" hervorgehen sollten. Die zunehmende Sensibilisierung der Gesellschaft für den Umweltschutz hatte zur Folge, dass sich innerhalb der Partei zwei Flügel herausbildeten, deren erbitterte Auseinandersetzungen die Partei jahrelang in Atem hielten: Auf der einen Seite fand sich der traditionelle, gewerkschaftsnahe Teil, der die Kernenergie nicht zuletzt aus beschäftigungs- und industriepolitischen Gründen für unverzichtbar hielt. Dem stand der umweltpolitische Flügel gegenüber, der die Kernenergie vor allem aufgrund der Sicherheitsrisiken und der ungelösten Entsorgungsfrage ablehnte. Darüber hinaus fürchtete dieser Flügel, dass die zivile Nukleartechnologie für militärische Zwecke missbraucht werden könne.

Ihren vorläufigen Höhepunkt fanden die Proteste in den gewaltsamen Massendemonstrationen von Brokdorf 1976 und Kalkar 1977. Je mehr die Proteste wuchsen, desto größer wurde der Druck auf die SPD. Mit gutem Zureden allein war es nun nicht mehr getan. Die SPD musste reagieren und zu einer neuen Haltung finden, wollte sie nicht einen Teil ihrer Wählerschaft an die Anti-Atom-Bewegung verlieren. Auf dem Hamburger Parteitag von 1977 brachte ein SPD-Delegierter diese Hilflosigkeit mit den Worten auf den Punkt: "Wir haben jahrelang den mündigen Bürger gefordert. Jetzt ist er da, und nun haben wir den Salat."

Auf jenem Parteitag einigte man sich schließlich auf eine Kompromissformel, die eine klare Festlegung letztlich vermied und beiden Lagern partiell gerecht wurde. Die Frage, ob die Kernenergie weiter ausgebaut werden sollte oder nicht, blieb offen. Nur so konnte der Zusammenhalt der Sozialdemokraten gesichert werden. Doch die Partei zahlte für ihre verspätete Reaktion auf die Anti-Atom-Bewegung einen hohen politischen Preis. Die Gründung der Grünen 1980 und der Einzug der Partei in den Bundestag drei Jahre später kosteten die Sozialdemokraten einen Teil ihres Wählerpotentials und gefährdeten dauerhaft ihre Mehrheitsfähigkeit. Von diesem Verlust, so meine These, hat sich die Sozialdemokratie bis zum heutigen Tag nicht erholt. Nicht umsonst hatte Willy Brandt seine Genossen schon 1977 vor der grünen Konkurrenz gewarnt und sie ermahnt, "selbst ein Stück grüne Partei zu sein".

Der Weg in den Ausstieg

Den offenen Bruch mit der Kernenergie vollzogen die Sozialdemokraten 1984, als sie auf einem Bundesparteitag erstmals eindeutig und geschlossen gegen sie Stellung bezogen. Der Zubau weiterer Kraftwerke wurde als "unvertretbar und unverantwortlich" abgelehnt, solange die Entsorgungsfrage nicht geklärt sei.

Es war meines Erachtens kein Zufall, dass es zum Bruch der Sozialdemokraten mit der Kernenergie erst nach der Regierungsübernahme durch Helmut Kohl kam. Nach dem Sturz Schmidts und dem Machtantritt einer CDU-geführten Bundesregierung fiel in der SPD der atomfreundliche Gegenpol zum kernkraftkritischen Flügel der Partei weg.

Die Anti-Atomkraft-Politik war fortan ein zentrales Element der Oppositionspolitik der SPD. Die Ablehnung der Kernenergie wurde zum Dogma erhoben - und war damit nicht mehr politisch verhandelbar. Die mangelnde Bereitschaft, den eigenen Standpunkt angesichts veränderter Rahmenbedingungen immer wieder neu zu überprüfen, ist für mich Realitätsverweigerung. Bis zum heutigen Tage haben sich Sozialdemokraten und Grüne aus dieser Selbstblockade noch nicht zu befreien vermocht.

Wie ging es weiter? Der grauenhafte Reaktorunfall von Tschernobyl im April 1986 führte in Deutschland vorübergehend zu einer beispiellosen Emotionalisierung und Verhärtung der Kernenergie-Debatte. Unter dem Eindruck von Tschernobyl beschlossen die Sozialdemokraten auf ihrem Nürnberger Parteitag im August 1986 den definitiven Rückzug aus der Kernenergie - übrigens gegen die Warnungen von Betriebsräten und Gewerkschaftern. In den folgenden Jahren unternahm die SPD mehrere Anläufe, um den Ausstieg auf Bundesebene durchzusetzen - zunächst ohne Erfolg. Die in den neunziger Jahren unternommenen Versuche der christlich-liberalen Regierung, einen parteiübergreifenden Atomkonsens zu erzielen, waren allesamt zum Scheitern verurteilt.

In der rot-grünen Koalitionsvereinbarung von 1998 wurde schließlich der Atomausstieg verbindlich vereinbart. Zwei Jahre später verständigte sich die rot-grüne Regierung in einem Abkommen mit der Energiewirtschaft darauf, bis spätestens 2021 das letzte Kernkraftwerk abzuschalten.

Die neuen energiepolitischen Herausforderungen des 21. Jahrhunderts - wie fortschreitender Klimawandel, wachsende Abhängigkeit von Energieimporten aus politisch instabilen Regionen, neue Energiebedürfnisse - haben bislang weder bei den Sozialdemokraten noch bei

den Grünen zu einem Umdenken und einer kritischen Überprüfung der stereotypen Anti-Kernkraft-Rhetorik geführt.

Realitätsverweigerung in der Energie-Debatte

Diese Wirklichkeitsverweigerung lässt sich mit umgekehrten Vorzeichen auch bei der aktuellen Diskussion um die erneuerbaren Energien feststellen. Mit Verwunderung beobachte ich beispielsweise, dass Sozialdemokraten und Grüne die erneuerbaren Energien grundsätzlich nach anderen Maßstäben beurteilen als die Kernenergie. Während die Kernenergie einseitig verdammt wird, werden die erneuerbaren Energien mit einem positiven Vorurteil belegt, das viel mit Wunschdenken, aber wenig mit Realitäten zu tun hat.

So werden erneuerbare Energien pauschal mit "Ökoenergie" gleichgesetzt. Warum wird von Sozialdemokraten und Grünen gleichzeitig verschwiegen, dass erneuerbare Energien wie die Photovoltaik, die Geothermie oder Biogas rund zehnmal höhere CO₂-Emissionen verursachen als die Kernenergie? Warum hält man es in diesen Kreisen für unbedenklich, dass in den vergangenen acht Jahren knapp 22 Milliarden Euro allein in die Förderung der Photovoltaik geflossen sind - einer Energiequelle, die in Deutschland bekanntlich ein weitaus geringeres Potential hat als beispielsweise in den Mittelmeerländern? Warum klagt man über hohe Strompreise, während man gleichzeitig durch garantierte - das heißt nicht durch den Markt festgelegte - Einspeisevergütungen die Strompreise immer weiter in die Höhe treibt?

Diese bewusst gepflegten Widersprüche sind für mich Ausdruck jener Wirklichkeitsverweigerung, die zwar zur parteipolitischen Profilierung taugen mag, energiepolitisch aber durchaus hinterfragt werden kann. Ich frage mich: Ist es klug, bestimmte Energieträger von vornherein aus ideologischen oder wahltaktischen Gründen auszuschließen? Wäre es nicht besser, vorurteilsfrei die Vor- und Nachteile der einzelnen Energieträger gegeneinander abzuwägen? Ist es nicht an der Zeit, hierüber eine offene und pragmatische Diskussion zu führen - jenseits parteipolitischer und ideologischer Grabenkämpfe?

Mit Verwunderung verfolge ich die derzeitige energiepolitische Diskussion in Deutschland. Fragen, die für die künftige Energieversorgung dieses Landes von zentraler Bedeutung sind, werden einfach ausgeblendet: Woher soll unser Strom nach einem Ausstieg aus der Kernenergie kommen? Wie stellen wir ohne die Kernenergie die Grundlast sicher? Ich lese, dass die erneuerbaren Energien aufgrund ihrer starken Erzeugungsschwankungen nicht in der Lage sind, rund um die Uhr verlässlich Strom zu liefern. Wie also gewährleisten wir in Zukunft eine sichere Stromversorgung?

Wie jedermann weiß, ist Deutschland in gefährlich hohem Maße abhängig von ausländischen Energieimporten - zum Beispiel von russischem Erdgas oder Öl aus Iran. Ich frage mich: Wird die energiepolitische Abhängigkeit im Falle eines Ausstiegs nicht noch weiter zunehmen? Wenn man sich die politische Entwicklung Russlands vor Augen hält, von Iran ganz zu schweigen, ist das eine bedrückende Aussicht.

Ich sehe, dass Deutschland sich ehrgeizige Klimaschutzziele gesetzt hat. Wie sollen wir diese Klimaschutzziele ohne die CO₂-freie Kernenergie erreichen? Können wir uns wirklich leisten, auf die Kernenergie zu verzichten? Zum Glück bin ich nicht der Einzige in diesem Land, der solche Fragen stellt. Meine Bedenken werden auch von Fürsprechern der erneuerbaren Energien geteilt. Emanuel Heisenberg etwa, Enkel des berühmten

Atomphysikers Werner Heisenberg und Geschäftsführer des Biogasturbinenherstellers "Greenenvironment Energy Solutions", warnt davor, die erneuerbaren Energien durch den geplanten Ausstieg zu überfordern. Aus diesem Grund hält er die Kernenergie zumindest mittelfristig für unverzichtbar.

Was wir daher in Deutschland brauchen, ist ein neuer "Energieréalismus". Eine Energiepolitik mit ideologischen Scheuklappen ist keine. Sie hilft uns nicht weiter. Gerade aus unserer Geschichte wissen wir: Wer Realitäten nicht rechtzeitig erkennt, riskiert Desaster. Noch können wir energiepolitisch umsteuern.

Zur heutigen deutschen Realitätsverweigerung gehört, dass wir uns international weitgehend isolieren. In den meisten europäischen Ländern und in der ganzen Welt hat in den vergangenen Jahren ein Umdenken hinsichtlich der Kernenergie stattgefunden. Weltweit sind derzeit etwa 200 Kernkraftwerke in Planung oder Vorplanung. Es gehört zu unserem neuen Sonderweg, einem neuen deutschen Sendungsbewusstsein, dass wir diese Entwicklungen im Ausland nicht wahrnehmen wollen und stattdessen glauben, uns energiepolitisch gegen die ganze Welt stellen zu können. Großbritannien, Italien, Frankreich, Finnland, Polen, Tschechien, Ungarn - alle diese Länder haben in den letzten Jahren umfangreiche Neubauprogramme angekündigt. Schweden, das Modellland der deutschen Sozialdemokratie, hat seinerseits Anfang dieses Jahres den Ausstieg aus dem Ausstieg verkündet. Die deutschen Sozialdemokraten halten dagegen unbeirrbar am Ausstiegsfahrplan fest und lehnen eine Rückkehr zu vernünftigen Laufzeiten ab. Dass Deutschland sich mit diesem nationalen Sonderweg einmal mehr international isoliert, scheint sie nicht weiter zu beunruhigen. Mir macht das Sorgen.

Wenn ich allerdings die jüngste energiepolitische Debatte betrachte, sehe ich Anlass zu Hoffnung. Es tut sich etwas in Deutschland. Immer mehr Menschen sind bereit, offen und unvoreingenommen über Energiefragen der Zukunft zu diskutieren. Insbesondere die junge Generation, die nach Tschernobyl aufgewachsen ist, nähert sich dem Thema Kernenergie mit neuer Offenheit. Mit den Parolen und Protesten der Anti-Atom-Bewegung kann die junge Generation offenbar nicht mehr viel anfangen. Das bezeugen beispielsweise Diskussionen auf studentischen Online-Portalen. Selbst Politiker von SPD und Grünen räumen inzwischen hinter vorgehaltener Hand ein, dass sie die Festlegung auf den Ausstieg für einen Fehler halten. Lassen Sie mich daher die Hoffnung äußern, dass wir in Deutschland den Mut für einen unbefangenen neuen Energiedialog finden werden. Unserem Land würde es guttun.

Arnulf Baring ist Publizist und Historiker. Der Text ist eine gekürzte Fassung seines Festvortrags anlässlich des 50. Geburtstags des Deutschen Atomforums am Mittwoch in Berlin.

Quelle: F.A.Z.

Soziale Schere

Die schnittigste Phrase der Deutschen

FAZ 07.05.2012 · Von einem Bundespräsidenten wurde das Bild populär gemacht, von Gauck elegant hinterfragt: Wird die Schere zwischen Arm und Reich immer größer? Was klemmt, wenn die Deutschen über die soziale Ungleichheit sprechen.

Von [Uwe Ebbinghaus](#)



© INTERFOTO Scheren-Trauma der Deutschen: Konrads Daumen-Therapie

Phrasen stärken das Gemeinschaftsgefühl und retten die Alltagskommunikation. Und es ist nicht immer leicht zu entscheiden, warum sie plötzlich zum Ärgernis werden. Wie zum Beispiel die Redewendung, dass die Schere zwischen Arm und Reich immer weiter auseinanderklafft. Dabei ist ja weder zu leugnen, dass in weiten Teilen der Welt die sozialen Gegensätze immer drastischer aufeinanderprallen, noch dass das Bild der Schere zur Beschreibung dieses Vorgangs eine gewisse Eleganz besitzt.

Misstrauisch aber stimmt, dass diese Schere in Deutschland seit einiger Zeit in fast jeder Talkshow und jedem oppositionellen Wahlkampf munter klappert, ohne zu wirken. Sie scheint sich nicht im Geringsten abzuwetzen, obwohl der Abstand zu den europäischen Nachbarn in puncto Wohlstand immer größer wird und man [in Deutschland allenfalls eine relative Armut im Vergleich zu den mittleren Einkommen](#) bemisst, während die „absolute Armut“ in Entwicklungsländern einem Tageseinkommen von weniger als einem Dollar entspricht. Diese Beobachtung kann freilich die gesellschaftlichen Missstände hierzulande nicht schmälern.

Weiter ist bemerkenswert: Obwohl in Spanien, den Vereinigten Staaten oder China das soziale Auseinanderdriften von Armen und Reichen, Jungen und Alten, Einheimischen und Migranten ebenfalls in aller Munde ist, existiert die soziale Schere nur in der deutschen Sprache. Täuscht der Eindruck, dass die Scheren-Rhetorik die wahren sozialen Probleme unserer Zeit eher übertönt und durch ihre inflationäre Überzogenheit von den konkreten Nöten der sozial Schwachen ablenkt? Einen wirklich Bedürftigen wird die Schere wenig beeindrucken, eher schon die Mittelschicht, die in ihr sowohl enttäuschte Aufstiegshoffnung als auch konkrete Abstiegsängste findet. Das Sprachbild ist keines des Mitleids, sondern eines der beobachtenden, taxierenden Außensicht.

Fast mechanische Kausalität

Seit Jahrhunderten greift man in Deutschland zum Bild der Schere, um Abstracta wie Freiheit und Brüderlichkeit auszudrücken - oder besser: die bürgerliche Angst vor ihrem Verlust. Der Deutsche lässt sich ungern etwas abschneiden. Fürchtet er eine Beschränkung seiner Gedanken, spricht er von der Schere im Kopf, droht er mit dem Aufkündigen der Solidarität, greift er zum Bild des zerschnittenen Tischtuchs. Den dritten der republikanischen Werte, die Gleichheit, berührt dann die soziale Schere.

All diese Redewendungen gehorchen einer fast mechanischen Kausalität: Wenn ich in einer bestimmten Weise fehlhandle, kommt die Schere ins Spiel und trennt, was einmal zusammengehörte. Das deutsche Scherentrauma lässt sich in das Bild des Schneiders aus dem „Struwelpeter“ fassen, der mit riesigem Exemplar gegen die Lutschaumen des Knaben Konrad einschreitet. Die Schere schlägt zu, wenn man sich kindisch seiner Gedankenverlorenheit hingibt: „Messer, Gabel, Schere, Licht dürfen kleine Kinder nicht.“



© Schmitt, Felix

Angstwerkzeug der Deutschen: Die Schere

Man muss schon sagen: Im Bild der geöffneten Schere macht die soziale Ungleichheit einen denkbar großen emotionalen Effekt. In der deutschen Literatur der Klassik begegnet uns die Schere bei [Schiller](#), Hölderlin und im „Faust II“ in Gestalt der Parzen, die den Faden des Lebens spinnen, um ihn am Ende abzutrennen, was der Schere einen Schicksalsbezug verleiht. Die Angstbesetztheit des Gegenstands verbindet sich mit der - das hat die Verhaltensforschung gezeigt - allgemein menschlichen und vielleicht besonders deutschen Angst vor sozialem Abstand, der erst dann so richtig unerträglich wird, wenn man ihn ins Bild setzt. Die Schere vergrößert sich dabei selbst.

So kam die Schere in die Politik

Ist es von Belang, dass die soziale Schere eine andere Bewegung vollführt als jene, die Gedanken und Tischtücher zertrennt? Sie geht ja vor allem auf - und zwar immer weiter, was dem Bild insofern eine Schiefe verleiht, als der Öffnungsgrad einer Schere begrenzt ist. Kann man aus dem Bild der geöffneten Schere ableiten, dass die Möglichkeit des Wiederschließens tröstlich mitgedacht ist? Immerhin unterscheidet ihre beidseitige Beweglichkeit die soziale Schere vom gesellschaftlichen Abgrund - eine Flexibilität, die auf die deutschen Verhältnisse durchaus zutreffen würde und je nach Akzentuierung einen Sonderweg der sozialen Hoffnung begründen könnte. Dagegen aber spricht die Genese der Scheren-Phrase in der deutschen Politik.

In einem annähernd sozialen Kontext erschien das Bild der Zwischen-Schere erstmals in der deutschen Ökonomie. So sprach man schon in den fünfziger Jahren geläufig von der „Kosten-Preis-Schere“ oder der „Lohnschere“, welcher im Englischen interessanterweise das gröbere Werkzeug des „tax wedge“ entspricht, des Steuerkeils. Noch in den siebziger Jahren wurde das Bild im deutschen Bundestag eher finanzpolitisch verwendet, im Sinne der „Schere zwischen privatem Reichtum und öffentlicher Armut“, die der SPD-Abgeordnete Hans Hermsdorf zur Verteidigung des Bundeshaushalts von 1971 erstmals ins Spiel brachte.

Es ist bezeichnend, dass das Bild schon bald darauf bundespräsidial wurde. So nannte das Statsobershaupt Walter Scheel, der vormalige Minister für wirtschaftliche Zusammenarbeit, in seiner Rede zum Neujahrstag 1978 das Schicksal der Entwicklungsländer die „eigentliche soziale Frage unserer Zeit“. Nur wenn die Industriestaaten „die Bereitschaft zeigen, die Schere zwischen Arm und Reich nicht noch weiter auseinanderklaffen zu lassen“, könne der Weltfriede dauerhaft gesichert werden.

Hilfsmetapher eines politisch Handlungsbeschränkten

Der hier erstmals im Scherenzusammenhang auftretende Gegensatz von Arm und Reich bezog sich zunächst noch auf den globalen Vergleich. Für zusätzliche Distanz sorgte die Überführung einer konkreten Ungerechtigkeit in metaphorisch-diplomatische Kunstsprache (Auseinanderklaffen, Bereitschaft zeigen), die direktes Engagement eher als Überforderung erscheinen ließ. Die „Schere“ klingt zwar schön, würde stattdessen aber von „Abstand“ geredet, hätte man wenigstens das Gefühl, dass jemand etwas ausmessen und sich für eine echte Analyse interessieren würde.

Auch der sozialdemokratische Bundespräsident [Johannes Rau benutzte das Bild im Jahr 2000](#), erstaunlicherweise mit Stoßrichtung gegen den demographischen Wandel, den er angesichts des weltweiten Bevölkerungswachstums als „Luxusproblem“ bezeichnete: „Auch bei diesem Thema sieht man, dass die Schere in der Welt immer weiter auseinandergeht.“ Durch die globale Schere relativierte Rau ein innenpolitisches Problem, das Bild wirkte dabei gesucht. Es stand da wie die Hilfsmetapher eines politisch Handlungsbeschränkten; der symbolische Politiker benötigt das Benennen von Scheren, um sein Amt zu rechtfertigen.

Erst im Jahr 2006, im sozial verschärften Klima der umgesetzten Agenda 2010, wurde das Bild konkreter und wieder auf seine ökonomischen Wurzeln zurückgeführt. [Im Interview mit der „Bild“-Zeitung](#) unterbreitete Bundespräsident Horst Köhler, ganz Mann des Volkes, den Vorschlag, „Arbeitnehmer stärker am Ertrag oder am Produktivvermögen der Unternehmen zu beteiligen“, um der „Schere zwischen Lohn- und Gewinneinkommen“ entgegenzuwirken. Die Zwischenschere spreizte sich hier zwischen den Tarifgruppen, auf ganz Deutschland hat sie bis heute kein Bundespräsident bezogen.

Epochale Wendung im Scheren-Diskurs

Das geschah jedoch im Gefolge des von Rot-Grün beauftragten Armutsberichts, bei dessen Vorstellung im Jahr 2001 Bundesarbeitsminister Walter Riester erstmals von einer Schere zwischen Arm und Reich „in Deutschland“ sprach, die jedoch, so der Minister, auf die Regierungszeit Helmut Kohls zurückzuführen sei. Ein Vorwurf, den nach dem zweiten Armutsbericht von 2005 Volker Kauder mit der Feststellung konterte, dass „seit dem Amtsantritt von Bundeskanzler Schröder die Schere zwischen Arm und Reich in diesem Land

immer weiter auseinandergegangen“ sei. Sigmar Gabriel sprang ihm im Jahr 2010 sogar inhaltlich bei, als er in programmatischer Abkehr von Schröders Agenda-Politik feststellte: „Bundesregierungen unter sozialdemokratischer Beteiligung ist es nicht gelungen, die soziale Schere zwischen Arm und Reich zu schließen.“ Spätestens jetzt konnte man die zum Kampfbegriff gewordene Scheren-Phrase nicht mehr hören. Sie war reihum gegangen, gepflegt von denen, die gerade in der Opposition waren oder sich von ihren Vorgängern abzusetzen gedachten.

Die geradezu epochale Wendung im Scheren-Diskurs am 23. März dieses Jahres ist daher überhört worden. Gleich [in der Einstiegs Passage seiner Antrittsrede](#) reihte sich Bundespräsident Joachim Gauck in die Scheren-Riege ein. Er begann, als knüpfte er nahtlos an ein laufendes Gespräch vom Vortag an: „Liebe Mitbürgerinnen und Mitbürger, wie soll es denn nun aussehen, dieses Land, zu dem unsere Kinder und Enkel einmal sagen sollen ‚unser Land‘?“ Dann das bekannte Bild - formuliert in einer Frage: „Geht die Schere zwischen Arm und Reich weiter auf?“ Und dann folgten andere abgegriffene Wendungen wie: „Verschlingt uns die Globalisierung?“. Die Pointe aber war, dass Gauck diese angstbesetzten Sozialphrasen nur versammelte, um ihnen im Verlauf seiner Rede mit dem Hinweis „Ängste mindern unseren Mut“ den Boden zu entziehen.

Zu einer Phrasen-Schere im Kopf führte Gaucks Rede nicht. Fünf Tage später wurde Bundeskanzlerin Merkel bei einer Bürgerveranstaltung in Bielefeld mit den vorsichtigen, aber verständnisvollen Worten zitiert, offenbar treibe viele Menschen die Sorge um, „dass sich die Schere zwischen Arm und Reich im Land weiter öffnen werde“. Das war eine Aussage, die aus dem Mund einer Regierungschefin, die kein entsprechendes Gegenrezept anfügte, nun wirklich verwunderte und deshalb die Frage provoziert: „Warum nehmt ihr die Schere nicht einfach in die Hand oder den Leuten wenigstens die Angst?“

Wie würde also die Sozialschere am 1. Mai 2012, dem Tag der Arbeit, eingesetzt werden? Die Rhetorik des Tages überraschte positiv. Das Scherenbild wurde, wie ein Blick in die Nachrichtenagenturen zeigt, da eher in Leitartikeln von Lokalzeitungen als in den auf europäische Probleme ausgeweiteten Reden der Gewerkschafter gebraucht. Bekenntnisse zur europäischen Solidarität verhindern also sogar unter Arbeiterführern den rein innerdeutschen Scherenbezug. Das zeigte Fingerspitzengefühl. Beginnt die soziale Schere nach dem vielen Geklapper der letzten Jahre nun womöglich zu klemmen? Es ist ja geradezu das Wesen einer Gesellschaft, Scherenkonstellationen zu erzeugen. Deren Benennung ist nicht weiter originell. Die Aufgabe der Politik ist es, sie so gering wie möglich zu halten.

Quelle: F.A.Z.

The euro crisis

A winner in France, alarm in Greece

Charlemagne May 6th 2012, 23:43 by The Economist | BRUSSELS



"EUROPE is watching us," declared François Hollande tonight (video [here](#), in French) after being confirmed as winner of the French presidential election, "At the moment when the result was proclaimed, I am sure that in many countries of Europe there was relief and hope: finally austerity is no longer destiny."

But the celebration may not last long. The euro [dropped](#) in Asian trading as markets tried to digest not only the long-expected rise of the first Socialist president in France in 17 years (see our [briefing](#)), but also the electoral earthquake that took place in Greece on the same night.

Enraged voters [punished](#) Greece's once-dominant parties, the socialist Pasok and the conservative New Democracy, which had formed a unity government and accepted the unpopular terms of the second EU-IMF bail-out. With the count still taking place, the two parties secured less than 35% of the vote, which means they will [struggle](#) to form a majority. Anti-austerity Greek parties, of the left and the right, have done well. Syriza, a radical left-wing party, pushed Pasok far into third place. The far-Right Golden Dawn was poised to enter parliament for the first time.

Antonis Samaras, leader of New Democracy, which won the biggest number of voters, said he was prepared to forge a government of national unity based on two points: that Greece remains within the euro, and that the bail-out terms are renegotiated. (See [here](#) for background on forming the government)

The fragmentation in Greece will inevitably raise the question of whether the country will leave, or be pushed out of, the euro zone. Until now European officials have been adamant that any breach of Greece's second austerity and reform plan would lead to the halting of its rescue funds.

But the election of Mr Hollande may yet change political calculations, and European leaders may try to muddle along until Greece holds fresh elections that deliver a clearer result.

Even before Mr Hollande's victory, the public discourse across Europe had started to change: less talk of relentless deficit-cutting and structural reforms, and more talk about growth (see my [column](#) this week). The EU bureaucracy long favoured Nicolas Sarkozy in the belief that, despite his flaws, the continuation of the "Merkozy" partnership (Mr Sarkozy and Angela Merkel, the German chancellor) would ensure greater stability. But in recent weeks the

corridors of Brussels have resonated to the sound of shuffling feet, as the bureaucracy re-positioned itself in preparation for the arrival of Mr Hollande.

The change of heart was not mere opportunism, important as France may be in European affairs. It was also driven by dislike of Mr Sarkozy's lurch to the far right as he chased the votes of Marine Le Pen. Moreover, Eurocrats started to see in Mr Hollande a champion for several of the European Commission's proposals that have been languishing for months. These include its call to recapitalise the European Investment Bank and issue new EU "project bonds" to finance big infrastructure schemes.

So as long as Mr Hollande does not unpick the text of the fiscal compact, a new German-inspired treaty that imposes balance-budget rules, such policies could make up the core of a related but separate "growth compact". But as he prepares to meet Mrs Merkel in the coming days, it is not clear whether these modest gestures will be enough for the new French president to claim he succeeded in changing Germany's mind. Mr Hollande has also called for a change to the rules of the European Central Bank so that it can lend directly to sovereigns, a move that would be anathema to Germany.

The Franco-German relationship is complicated by other political factors. Though Mr Hollande has won the presidential race, his Socialist party will still be campaigning for the election to the National Assembly in June. Moreover, Mrs Merkel's Christian Democrats (CDU) look like losing power in yesterday's state [election](#) in Schleswig-Holstein. Popular resentment against having to finance repeated euro-zone bailouts may push Mrs Merkel to adopt a hard line. That said, Mrs Merkel needs the support of Germany's Social Democrats (SPD) to ensure ratification of the fiscal compact, and their demands may be influenced by Mr Hollande's price.

Mr Hollande knows that he will also be negotiating with the markets, which may be less forgiving than Mrs Merkel. Even as he called for Europe to "re-orient" its policy towards growth tonight, he was careful to say he was committed to reducing the deficit to "tame the debt". The IMF is predicting that France's deficit will reach 3.9% of GDP next year, above the 3% target agreed with EU partners. If the European Commission's forecasts later this week confirm the overshoot, Mr Hollande will face an early test of his budgetary policies.

All this uncertainty must raise questions about whether Irish voters will support the fiscal compact in their [referendum](#) at the end of the month. All of a sudden, the euro zone looks like it is sailing into another storm.

(Photo credit: AFP)

European markets (aging societies)

Post-election blues (and reds)

The Economist May 7th 2012, 8:34 by Buttonwood

THE markets have not reacted [well](#) to yesterday's election results with the euro falling, and the Greek stockmarket dropping 7.7% at its opening, in response to the complete lack of clarity about the direction of future policy.

Do the polls indicate a swing to the left, or simply a "throw the bums out" attitude among voters, like disgruntled football supporters demanding a change in manager as their team slides towards relegation? The left won in France but it wasn't that long ago that the right won in Spain, and indeed Britain threw out a Labour government two years ago. The pattern may be that voters replace the government with the mainstream opposition only, when the opposition follow similar policies, to turn to the extremes. Greece, the first country into the crisis, is the furthest along this road, which is why its results are more chaotic.

The hapless politicians in office are trying to square a variety of circles. The Greeks would like EU membership but are not willing to pay the price that other EU members wish to impose. European voters want a high level of social benefits but have not paid the taxes sufficient to fund those benefits fully, and thus have borrowed money to fund them. But the markets are not willing to fund all those governments at a rate they are willing to pay.

In short, we voters can express any opinion we want but we have yet to devise a way to vote ourselves instant prosperity. Outside North Korea, no country is completely state-controlled or completely free-market, and we can all argue about where the line between state and market should be drawn. But given that all countries need to import stuff, we all need to export things in order to be prosper. So how do we make our nation's goods more attractive or competitive? Very rarely, it seems to me, do European politicians debate this question and neither of the weekend's elections seemed to revolve around it.

France has only got to stage two of the pattern described above and it remains to be seen how far Francois Hollande can go to satisfy the demand for "change" among French voters. He plans to balance the Budget by 2017, after all, and he is unlikely to have much luck in renegotiating the fiscal pact. The best he can hope for is an additional growth compact, which may involve investments in infrastructure by the EIB; worthy in themselves, but unlikely to have much impact on the French economy. What his much-touted "war on finance" will amount to remains to be seen, so his first moves will be watched closely, especially by bond-market investors from whom France needs to borrow a lot of money over the coming year.

Mr Hollande's victory was expected, however, and it is the Greek result that is rattling investors today. It would seem to bring the prospect of a euro exit much closer. In addition either the Greeks will attempt (and probably fail) to renegotiate their bail-out or new elections will be called; either outcome will provoke another period of uncertainty. Time for the traditional European summer of crisis?

Finally, a note on the euro. A declining euro is the best outcome (for Europeans) of these polls. Many people make the anti-German point that not all countries can run surpluses, and

that German exports are the imports of other European countries. But while it is obvious that all European countries cannot run surpluses *with each other*, there is nothing to say that Europe cannot run a bigger surplus with the rest of the world. Indeed, that is exactly what an ageing continent should be doing, building up a surplus for savings to meet the demographic challenges ahead. A weaker euro will help.

The Europe Crisis from a European Perspective

By Alasdair Macleod

Created 05/01/2012 - 08:35

[This week, we introduce a new contributing editor to ChrisMartenson.com, [Alasdair Macleod](#). He will mostly be contributing commentary focused on the situation in Europe, where he's located. The credit crisis underway there is not Europe's problem alone; it has the potential to send crippling financial shockwaves to the US and elsewhere around the world. Please join us in extending a warm CM.com welcome to Alasdair. -- Adam]



The purpose of this report is to give readers the essential background to the economic problems in Europe and to bring you up-to-date in what has become a fast-moving situation. At the time of writing, there has been a lull in the news flow, but that does not mean the problems are under control. Far from it.

Flawed from the Start

When we talk about Europe today in an economic context, we really mean the Eurozone, whose seventeen members are the core of Europe and share a common currency, the euro. The euro first came into existence thirteen years ago, on January 1, 1999, replacing national currencies for eleven states; Greece joined two years later. In theory, the idea of a common currency for European nations with common borders is logical, and it was Canadian economist Robert Mundell's work on optimum currency areas that provided much of the theoretical cover.

However, the concept was flawed from the start.

The euro would have made sense if the economies of the member states had been allowed to converge -- that is, evolve -- so that they had similar characteristics. While this was the intention from the outset, the mistake was to put convergence in the hands of politicians and their economic advisers, who (if not representing socialist parties) were and still are all interventionists. This meant that they pursued their own national agendas by intervening in their respective economies while paying lip-service to the greater European ideal. Therefore, convergence was never going to happen.

The point everyone missed is that the only way convergence could occur is if all member states relinquished government planning and control of their individual economies, so that an undistorted free market across national boundaries could have developed. Instead, central planning by individual member states was the order of the day. Control mechanisms, such as limits on government borrowing as a proportion of GDP and permitted budget deficits, were breached with impunity, and the fines that should have been imposed under the Stability and Growth Pact of 1997 were never implemented. Today all Eurozone members are in breach, with the minor exceptions of Finland, Estonia, and Luxembourg.

The naïve ambitions behind the Maastricht Treaty were only the start of the euro-fudge. The whole point of the euro, so far as France and the Mediterranean countries were concerned, was to escape the monetary straitjacket of the deutschemark, with which their individual currencies were unfavourably compared in the foreign exchange markets. The Bundesbank, Germany's central bank, was truly independent of government, and operated with the single mandate of price stability, while the other national central banks were extensions of high-spending governments. It was to de-politicise note issuance that, based on the Bundesbank model, the European Central Bank (ECB) was created to be independent of all governments.

Looser Standards, Easier Money

However, while the Bundesbank was focused only on price stability, the ECB relies on a wide range of indicators to guide monetary policy. So where the Bundesbank was single-mindedly objective in its approach, the ECB has become variously subjective, being able to choose its statistical indicators at will. While the ECB is regarded by most commentators as following restrictive monetary policies, they are considerably more expansionary than the old Bundesbank.

Anyway, the result was that borrowing costs for France and the Mediterranean countries fell rapidly to a significantly lower margin over Germany's, which was taken as the "risk-free" rate. European banks geared up their lending to benefit from the spread, locking in a one or two percent differential between German bond yields compared with, for example, Italian government bonds. [Gearing](#) (i.e., leveraging up with further debt) this differential ten or twenty times was a no-brainer, particularly when it was backed by the implicit guarantee of the whole system. This was party-time for banks, and amounted to ready finance for profligate governments, which was the underlying reason that Greece joined -- to benefit -- two years after the start of the Eurozone.

In order to be eligible for monetary union in the first place, the future Eurozone members had to put their houses in order to meet the convergence criteria. For those with unacceptable debt-to-GDP ratios, this meant shifting debt "off balance sheet," typically by dropping nationalised industries from the national accounts. Various other fudges were devised to make appearances acceptable for the target year of proof of convergence: 1997.

This means that even today, declared government debt is only part of the whole government debt story, with government guarantees, actual and implied, giving a far greater potential problem than headline debt figures suggest.

The Party Kicks into High Gear

Greece was a special case, joining the Eurozone two years after the start. She had so mismanaged her affairs before entering the euro that membership in the Eurozone amounted to a rescue of Greece's finances. Interest rates for government borrowing in drachmas had been over 20% for much of the 1990s. By 1999, when her plans to join the Eurozone began to be discounted, Greece's short-term government debt yields had fallen to 7.25%. By 2005 they had fallen to only 2.5%, and even 10-year government bonds yielded less than 3.5%. At the same time, Greece's official central government debt rose from €83.22bn in 1999 to €175bn in 2006, rising further to €264bn by 2010.

Bank lending was expanding rapidly in other countries as well, particularly Ireland, Portugal, and Spain. And it wasn't only government: The private sectors of these latter three countries experienced property bubbles on the back of easy credit that sooner or later were certain to burst.

When things are booming, politicians take the glory and revel in their supposed success. At the domestic level, they loosen constraints on spending. They delude themselves that the boom is the result of their economic policies, so they extend planning and controls over the private sector at the behest of favoured pressure groups. Most European parliaments are coalitions, whose cohesions are bought through favours and money, corrupting the whole political system. And at the pan-European level, boom-times also encouraged politicians to grab their share of glory on the bigger stage by trying to outdo each other in their support of a common European ideal. There is still a world of imagined power and uncontrolled spending. The EU budget, an expense on top of national accounts, is seen as a source of funds for everyone to grab before the annual budget allocations are used up. The result is that the EU budget has been unable to pass an audit by its own auditors for the last seventeen years.

With this gravy-train in operation, it is hardly surprising that the politicians and their favoured appointees lost touch with economic reality. The extraordinary lack of humility from European leaders is evidence of this, and entirely human.

Reality Intervenes

Economic conditions have now changed, with fear of deflation replacing easy money from before the credit-crunch and the Lehman crisis. From then onwards, banking changed from a world of expansion, of using all devices, including off-balance sheet vehicles, and hypothecation of collateral, to expand their lending. It was replaced with a sudden awareness of risk, of falling property prices and over-extended construction businesses.

This rude shock was a global phenomenon, affecting the US and the UK as well as mainland Europe. To stop the global banking system from going into a systemic melt-down, Sovereign states agreed to stand behind their commercial banks, guaranteeing all deposits. In effect, they were committed to underwriting balance sheets that totalled multiples of their own GDPs, turning a banking crisis into a sovereign debt crisis.

This was bad enough for countries with their own currencies, but Eurozone governments cannot support themselves with monetary printing, control of this function having been passed to the ECB (the exception is the TARGET settlement facility, which is described below). So while the US and UK were able to print dollars and sterling respectively via quantitative easing (QE), Eurozone governments were unable to do so.

The Importance of TARGET

The reason quantitative easing has been so useful to governments elsewhere is that it allows government deficits to be funded without paying interest rates demanded by bond markets. For that reason, interest rates in US dollars, pounds sterling, and Japanese yen can be held artificially low despite government guarantees to underwrite their banks' liabilities. The further advantage of QE is that it provides commercial banks themselves with liquidity to offset contracting balance sheets. In the absence of QE, Eurozone governments cannot so

easily address their immediate financial and economic obligations, and so they face the scrutiny of risk-averse bond investors.

Of course, central banks are careful to de-emphasise the reasons for QE stated above. But the publicly stated reason, which is to help kick-start an economy, is obviously relevant where economic recovery is prevented by the actions of banks worried about deposits walking out of the door. This problem and that of capital flight are generally avoided in the EU periphery countries by the smoothing operations of the national central banks, which control the cross-border settlement system known as TARGET (an acronym for the Trans-European Automated Real-time Gross-settlement Express Transfer System).

Money flowing, say, from Greece to Germany is replaced by the Bank of Greece issuing euros to leave the quantity of money in Greece unchanged, and the inflow into Germany is neutralised by the Bundesbank withdrawing euros from circulation for the same reason. Both trade imbalances and capital flight are accommodated by these means, and there is therefore no net currency issuance to accommodate them. By [this mechanism](#), local banks facing depositor withdrawals in favour of stronger banks in other jurisdictions are kept solvent without recourse to the ECB.

If it wasn't for TARGET, the ECB would have had to step in to stop banks in the periphery countries from collapsing. Instead, TARGET has bought time by smoothing capital imbalances and can be expected to continue to do so. The effect has been for national central banks in the periphery nations to operate their own, hidden version of QE, concealed from public scrutiny because it is offset by money being drained elsewhere from the system, mostly by the Bundesbank in Germany.

Dangerous Imbalances Are Building

In the accounts of the central banks, the withdrawal of money in Germany by the Bundesbank is balanced in this example by a loan to the Bank of Greece, and since the Bank of Greece is guaranteed by the Greek Government, this is an extra, hidden government debt of which bond markets are generally unaware. Loans under TARGET by the Bundesbank and other national central banks to the Bank of Greece at end-2011 stood at about €100bn, which is a combination of Greece's cumulative trade balance with Eurozone partners and capital flight. To put this in context, Greece's GDP is estimated to be about €220bn, so the other national central banks are stuck with unsecured loans on their books that amount to 45% of Greek GDP. And remember, this does not include capital flight over the last three months, which in all probability will have accelerated.

Other TARGET "assets" in the system at year-end were €195bn owed by Bank of Italy (11.7% of GDP), €170bn owed by Bank of Spain (12% of GDP), about €120bn owed by Bank of Ireland (75% of GDP), and €55bn owed by Bank of Portugal (30% of GDP). Exposures in the form of loans are over €500bn to the Bundesbank, and a further €370 to the Netherlands, Luxembourg, Finland and the ECB itself.

These are serious imbalances, particularly for the smaller countries, and without them not only would their commercial banks have already folded, but asset prices would also be considerably lower. While these outcomes have been avoided so far, growing imbalances (if left unchecked) can only result in the eventual collapse of the TARGET system.

In [Part II: What Lies in Store for Europe](#), we address the logical next question: *How will the tragedy play out from here?*

We look at the critical roles played by Germany and the ECB, the only two entities with enough clout to determine a permanent outcome for the current Eurozone. And we examine the fast-eroding fundamentals for Spain, Italy, and France that will soon force a decision on the euro's fate.

Lastly, we recognize that the European credit crisis offers a rare opportunity for investors: a near-certain bet.

Part II: What Lies in Store for Europe

In [Part I](#) of this article, we looked at the background to the Eurozone crisis and made the point that there are substantial extra government liabilities that were hidden by most member nations to meet the joining criteria in the target year for proof of convergence, 1997. And the only reason that capital flight from Greece, Ireland, Portugal, Spain, and Italy has not led to a banking and economic collapse already is that it has been accommodated by a build-up of imbalances between the accounts of national central banks of the individual Eurozone members.

The End of the Keynesian Experiment

In truth, all advanced Western democracies face the same crisis. It is the end of the Keynesian experiment, marked by the collapse of various credit-fueled bubbles four years ago, mostly involving property. This event threatened a global systemic banking collapse, which was only averted by sovereign nations guaranteeing the solvency of their banks by shifting the risk to government bond markets. The answer for the US, UK, and Japan has been to flood the system with dollars, pounds, and yen respectively, partly to give banks breathing space, and partly so that governments could fund their ballooning deficits.

The individual states in the Eurozone gave away that facility to the ECB, so they are only the first of the advanced nations to face collapse. This is because printing money is the principal means by which governments survive financial crises.

In that sense it is wrong to blame our financial ills on Europe; that would be like sinners casting stones. Like the rest of us, by agreeing to underwrite their banks, Eurozone governments have multiplied their potential debts three, four, or even five-fold (Ireland by eight!). Unfortunately, there is nothing, frankly, that the politicians can do to stop a Eurozone meltdown; they are in a bind of their own making, and they do not understand, nor can they explain to their increasingly angry electorates, how to get out of it.

There is a remedy, and it is deeply un-Keynesian.

Kommentar

Griechisches Menetekel

07.05.2012 · Das hellenische Wahlergebnis ist verheerend für Griechenland - und für Europa. Von nun an hängen wieder dunkle Wolken über Athen.

Von [Klaus-Dieter Frankenberger](#)

Vermutlich wird die Wahl am Sonntag nicht die letzte in einem Land gewesen sein, das auf die Austeritätspolitik mit einer Stärkung der radikalen, populistischen und extremistischen Kräfte reagiert.

Es ist noch schlimmer gekommen, als vorhergesagt worden war: Die Parteien, die Griechenland erst in den Abgrund und dann nolens volens eine notwendige Sparpolitik getragen haben, wie sie das Land bis dahin nicht gekannt hat, sind gnadenlos bestraft worden. Der Wunsch des ehemaligen Notenbankers Papademos, der ein halbes Jahr die Regierungsgeschäfte mit Anstand geführt hat, dass die Wähler eine kluge Entscheidung für die kommenden Jahrzehnte treffen mögen, hat sich dagegen nicht erfüllt. Die konservative Nea Dimokratia und die sozialistische Pasok, welche die griechische Politik seit Wiederherstellung der Demokratie beherrscht haben und sich zur Beute machten, sind der Wut vieler Wähler zum Opfer gefallen.

Zur Erinnerung: Es war Griechenland, das den Staatsschuldensturm entfachte und seine europäischen Partner in Angst und Schrecken versetzte. Es war Griechenland, das finanz- und wirtschaftspolitisch an die Wand fuhr und den ganzen Verbund in Gefahr gebracht hat. Und überhaupt, es war Griechenland, das sich seinen Platz in der Eurozone erschwindelt hat. Schon Papademos' Vorgänger Papandreou hatte sich bemüht, das Ruder herumzureißen.

Am Klientelismus gescheitert

Der Sozialist scheiterte aber an jenem verkrusteten Klientelismus, der das Land in den Abgrund gerissen hatte - also auch an der eigenen Partei, die an der Misswirtschaft mitschuldig war. Die Pasok, die 2009 auf 44 Prozent der Stimmen gekommen war, musste jetzt dramatische Verluste hinnehmen. Angesichts der Desillusionierung und der Radikalisierung der Bevölkerung ist das keine Überraschung, aber die Folgen sind immens.

Denn die Zersplitterung der Parteienlandschaft und die Stärkung der radikalen Parteien am linken und am rechten Rand machen nicht nur jede Regierungsbildung schwer. Von nun an hängen wieder dunkle Wolke über Athen: Wird die neue Mehrheit sich der Forderung nach Lockerung der Sparauflagen von EU, Europäischer Zentralbank und Internationalem Währungsfonds beugen? Wenn das so käme, stünde die Zugehörigkeit Griechenlands zur Währungsunion zur Disposition. Im Moment herrscht große Unsicherheit. Vermutlich wird die Wahl am Sonntag nicht die letzte in einem Land gewesen sein, das auf die Austeritätspolitik mit einer Stärkung der radikalen, populistischen und extremistischen Kräfte reagiert. Das Ergebnis ist verheerend für Griechenland - und verheerend für Europa.

Quelle: F.A.Z.

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THE WALL STREET JOURNAL.
WSJ.com

Challenge to Austerity, And Germany, Is Sharpened

By [MATTHEW KARNITSCHNIG](#) and [WILLIAM BOSTON](#)

BERLIN—Europe's voters delivered another rebuke to their leaders Sunday for failing to overcome a debt crisis that has thrust much of the region into an economic tailspin.

Less obvious is what Europeans expect their governments to do differently. From Greece to France, incumbents lost power—joining a long list that includes the former leaders of Spain and Italy. But their successors will likely find it difficult to pursue policies that deviate much from the austerity-focused course championed by Germany, Europe's paymaster.

France Elects New President

As Europe's only healthy large economy, Germany's support would be essential for any change. And Chancellor Angela Merkel and her government, fearful of popular resistance in Germany, have made clear in recent weeks that they wouldn't soften their austerity demands, no matter who won Sunday's elections.

"We will remain as tough on these issues as before," said Volker Wissing, a financial-policy expert for the Free Democrats, the junior coalition partner in Ms. Merkel's government. "We are fighting for currency stability. There is no possibility to soften the currency with Germany."

Markets present another challenge. As renewed turbulence suggests, investors continue to ask whether Europe can overcome its debt woes and keep its currency intact.

Asian markets opened lower on Monday, in part in reaction to the elections. In early trading, Tokyo tumbled 2.8%, Australia fell 1.6%, Hong Kong was down 2.3% and South Korea fell 1.7%.

Turning away from austerity could trigger a further selloff in credit markets. If François Hollande, whom France elected president, were to embark on a Keynesian stimulus program, for instance, investors could doubt France's commitment to fiscal discipline. That would put its credit rating—key to keeping its cost of borrowing down—at risk.

"Just because investors are increasingly concerned about the lack of growth in the euro-zone's periphery does not mean that Keynesian policies would be well received by the markets," said Nicholas Spiro of Spiro Sovereign Strategy, a London-based research firm. "On the contrary. Any short-term fiscal stimulus in the periphery would fan concerns that the crisis will drag on even longer and would severely undermine the credibility of Germany and the ECB."

Even as the political lineup changes, Ms. Merkel and her hawkish allies at the European Central Bank remain firmly in control of European economic policy. Like Ms. Merkel, ECB

President Mario Draghi and the influential Bundesbank President Jens Weidmann oppose any moderation of European structural reform, fiscal stimulus or the creation of common European bonds.

Moreover, German Finance Minister Wolfgang Schäuble is expected to take over leadership of the euro group, a key forum for shaping the euro zone's crisis response. And German officials already control other levers in Europe's crisis-fighting framework, including its main bailout fund, the European Financial Stability Facility.

It is possible Berlin might be open to some compromises. One potential area is using the bailout fund to help the continent's beleaguered banks.

European banks are among the largest holders of the region's government debt and have been forced to take substantial losses on some of those holdings. In addition, the worsening economic environment caused by the deep public spending cuts in countries such as Spain and Portugal have put additional pressure on banks as private and commercial creditors default.

Under the current rules, Europe's bailout fund can lend only to governments and not directly to banks. That means that a country such as Spain would have to take on substantial new debt to bail out its banking system, threatening its own access to capital markets. Berlin has been under pressure to accept a relaxation of those rules, but has so far resisted, amid concern that banks would become dependent on the aid.

A bigger question is how broad the popular backlash in France, Greece and other corners of the euro zone can get—and whether it ultimately could undermine efforts to preserve the euro.

Events on the Calendar

Meetings and milestones on the European agenda

- **May 7:** Greek president gives 'exploratory mandate' to the party winning the most seats in Sunday's vote. The winning party has three days to form a coalition
- **May 15:** France's national statistics office releases assessment of the economy
- **Mid-May:** François Hollande is inaugurated
- **May 18-19:** Group of Eight summit at Camp David, with leaders of Germany, Italy, the U.K., Japan, Russia, the U.S., Canada and France
- **May 20-21:** NATO summit in Chicago
- **May 31:** Ireland holds referendum on European Union fiscal pact
- **June 10 and 17:** French vote for a new National Assembly, which will define the new parliamentary majority
- **June 18-19:** Group of 20 leaders' summit in Mexico
- **June 28:** EU heads of government to discuss growth and member nations' budgets

WSJ research

Before the debt crisis, few Europeans realized the degree to which they were sacrificing their national sovereignty by joining the currency union. But in Greece, Spain and other struggling countries, Berlin's growing political and economic influence has served as a painful lesson of the increasing powerlessness of their own governments.

During the election campaign in France, supporters cast Mr. Hollande as the champion for these Southern European countries whose economies are being strangled by Germany's austerity prescription. The question now is whether he will fill that role or prove more accommodating.

Mr. Hollande has called for changing Europe's "fiscal compact"—the cornerstone of Ms. Merkel's policy in the fight to resolve the euro-zone debt crisis. He has also promised to pursue an alternative "growth compact" that would somehow feed money into Europe's weakened economies.

Yet a new approach will be tough without some German support. Mr. Hollande "will not get his maximal demands and overturn everything in Europe," said Joachim Scheide, chief economist at World Economy Institute.

NYT May 6, 2012

Those Revolting Europeans

By [PAUL KRUGMAN](#)

The French are revolting. The Greeks, too. And it's about time.

Both countries held elections Sunday that were in effect referendums on the current European economic strategy, and in both countries voters turned two thumbs down. It's far from clear how soon the votes will lead to changes in actual policy, but time is clearly running out for the strategy of recovery through austerity — and that's a good thing.

Needless to say, that's not what you heard from the usual suspects in the run-up to the elections. It was actually kind of funny to see the apostles of orthodoxy trying to portray the cautious, mild-mannered [François Hollande](#) as a figure of menace. He is “rather dangerous,” declared *The Economist*, which observed that he “genuinely believes in the need to create a fairer society.” Quelle horreur!

What is true is that Mr. Hollande's victory means the end of “Merkozy,” the Franco-German axis that has enforced the austerity regime of the past two years. This would be a “dangerous” development if that strategy were working, or even had a reasonable chance of working. But it isn't and doesn't; it's time to move on. Europe's voters, it turns out, are wiser than the Continent's best and brightest.

What's wrong with the prescription of spending cuts as the remedy for Europe's ills? One answer is that the confidence fairy doesn't exist — that is, claims that slashing government spending would somehow encourage consumers and businesses to spend more have been overwhelmingly refuted by the experience of the past two years. So spending cuts in a depressed economy just make the depression deeper.

Moreover, there seems to be little if any gain in return for the pain. Consider the case of Ireland, which has been a good soldier in this crisis, imposing ever-harsher austerity in an attempt to win back the favor of the bond markets. According to the prevailing orthodoxy, this should work. In fact, the will to believe is so strong that members of Europe's policy elite keep proclaiming that Irish austerity has indeed worked, that the Irish economy has begun to recover.

But it hasn't. And although you'd never know it from much of the press coverage, Irish borrowing costs remain much higher than those of Spain or Italy, let alone [Germany](#). So what are the alternatives?

One answer — an answer that makes more sense than almost anyone in Europe is willing to admit — would be to break up [the euro](#), Europe's common currency. Europe wouldn't be in this fix if [Greece](#) still had its drachma, Spain its peseta, Ireland its punt, and so on, because Greece and Spain would have what they now lack: a quick way to restore cost-competitiveness and boost exports, namely devaluation.

As a counterpoint to Ireland's sad story, consider the case of Iceland, which was ground zero for the financial crisis but was able to respond by devaluing its currency, the krona (and also had the courage to let its banks fail and default on their debts). Sure enough, Iceland is experiencing the recovery Ireland was supposed to have, but hasn't.

Yet breaking up the euro would be highly disruptive, and would also represent a huge defeat for the "European project," the long-run effort to promote peace and democracy through closer integration. Is there another way? Yes, there is — and the Germans have shown how that way can work. Unfortunately, they don't understand the lessons of their own experience.

Talk to German opinion leaders about the euro crisis, and they like to point out that their own economy was in the doldrums in the early years of the last decade but managed to recover. What they don't like to acknowledge is that this recovery was driven by the emergence of a huge German trade surplus vis-à-vis other European countries — in particular, vis-à-vis the nations now in crisis — which were booming, and experiencing above-normal inflation, thanks to low interest rates. Europe's crisis countries might be able to emulate Germany's success if they faced a comparably favorable environment — that is, if this time it was the rest of Europe, especially Germany, that was experiencing a bit of an inflationary boom.

So Germany's experience isn't, as the Germans imagine, an argument for unilateral austerity in Southern Europe; it's an argument for much more expansionary policies elsewhere, and in particular for the European Central Bank to drop its obsession with inflation and focus on growth.

The Germans, needless to say, don't like this conclusion, nor does the leadership of the central bank. They will cling to their fantasies of prosperity through pain, and will insist that continuing with their failed strategy is the only responsible thing to do. But it seems that they will no longer have unquestioning support from the Élysée Palace. And that, believe it or not, means that both the euro and the European project now have a better chance of surviving than they did a few days ago.

NYT May 5, 2012

Leading Sarkozy to the Guillotine

By [MAUREEN DOWD](#)

NANTERRE, France

SHE is the most potent blonde France has produced since Catherine Deneuve.

Her office, in a squat, ugly, gray and blue building west of Paris, smells of cigarettes and ambition. Her legs jiggle as she talks. Images of Joan of Arc, another tough, charismatic crusader who wanted to keep foreigners from invading France, are everywhere.

Didn't her father, Jean-Marie Le Pen, the Holocaust-denying demagogue who ran the party until last year, press her to stop smoking to give her more stamina for speeches?

"Oui," Marine Le Pen says.

But she hasn't? "Non."

Buoyed by the usual Gallic Archie Bunkers, plus some younger voters and blue-collar workers fed up with the austerity diet prescribed by Germany, she captured a surprising 6.4 million votes in the first round of the French presidential election.

Le Pen, the 43-year-old head of the National Front, was catapulted into the position of kingmaker. Only she pulled a fast one and decided to make herself a queen instead.

On May Day, she theatrically stood in front of the Paris Opera beside a picture of a gold statue of Joan of Arc mounted on a horse. She declared of her party, which had always lurked on the extreme right-wing fringes, "We are at the center of gravity."

The father was a provocateur and a spoiler. The daughter is a provocative spoiler with an eye for power.

The flailing Nicolas Sarkozy, who pulled a Romney and veered appallingly to the right on immigration and culture-war issues, was hoping for a lifeline. Instead, Le Pen stuck the shiv in the president's gut.

She told a sea of passionate supporters that she would cast a blank ballot and that it didn't matter whether they voted for the Socialist, François Hollande, or the conservative incumbent: "They are the same."

Showing contempt for Sarkozy's effort to cater to the 65 percent of her voters he needed to win a second term, she asked the crowd, "How does it feel to go from being fascists, racists and xenophobes" to people who are being eagerly courted?

It might have seemed unpatriotic to throw away a vote and perverse for a right-winger to hand the keys to the Élysée Palace to a Socialist, but Le Pen has a brazen, brutal strategy.

Even though Sarkozy lost his bearings pandering to Lepenistes, as Mitt Romney did with the Tea Party, Le Pen let the guillotine fall.

Playing off her name, she called for a “Bleu Marine revolution,” a wave that would crash on Sarkozy and his U.M.P. party. In the chaos and infighting that would follow, she could refashion the French right by harvesting U.M.P.’s harder right, starting with the June legislative elections.

It is a strategy — worthy of Cardinal Richelieu — to consolidate power by crushing rivals.

The Le Pen family drama is like a happier “King Lear.” Jean-Marie Le Pen, now 83, turned over power to the youngest of his three daughters, a tall, sturdy-looking blonde with intense blue eyes, an expressive face and a fondness for simple dark pantsuits and black boots. She is twice divorced with a 13-year-old daughter named Jehanne, after Joan of Arc, and 12-year-old twins, Louis (named after French kings) and Mathilde. Her paramour is Louis Alliot, her vice president at the National Front.

The clan lives in the family’s posh compound, nicknamed “the oceanliner,” with their lives and mates entangled in the party. After 15 years of not speaking to her mother, who ran off with her father’s biographer and posed for Playboy, the two women have reconciled. Her mother now lives in a cottage in the compound and helps take care of the grandkids.

“Time and love did it,” Marine said of the reunion. “Love is a hell of a medicine.” (A young French journalist, Elvire Camus, translated for me during the interview.)

Although Marine Le Pen claims her party was never racist or Islamophobic or anti-Semitic, her father took it easy on the Nazis, saying that the French occupation was “not particularly inhuman,” that “the races are unequal,” that “Jews have conspired to rule the world,” and that the gas chambers of the Holocaust were “a detail of history.” He nicknamed Adolf Hitler “Uncle Dolfie,” according to his ex-wife. An AIDS victim, he said, was “a kind of leper.”

Marine has steered the rhetoric of resentment from Jews to Muslims, comparing having to put up with streets blocked for Muslim prayer to enduring the Nazi occupation. She warned that the other parties wanted to “Islamize” France and introduce “Shariah law,” and stirred up fears about halal meat impinging on French culture.

So, I ask her, quoting a New York Times Magazine profile: “Is Le Pen *fille* a different person from her father, or has racism simply become mainstream?”

“The question is really abusive,” she bristles. “We were never racists. The vision that the U.S. might have of us is a complete caricature.”

She dismisses those who call her cynical and self-serving for not designating the person she thinks can best lead France out of the European economic morass.

“Hold it!” she snaps. “Nicolas Sarkozy never was in a position to win, even before the first round.” His party, she scoffs, shouldn’t have “reinvested” in a man “who lied, who betrayed, who did the opposite of what he promised.”

Does it create tension with her father when she opens up the party, mingling left and right positions, and smooths its notorious reputation?

“I guess it’s not very easy to abandon a 40-year-long construction, a movement built around his image,” she says, adding that she thinks he is proud of her as she rebuilds around her own vision, but that, like many French, “he doesn’t wear his heart on a string.”

She says that she’s stubborn enough to prevail in arguments with her stubborn father and that, in the end, he will concede that she is now the party leader, saying: “I am only a simple militant and I accept your decision.” (Incroyable.)

Asked what she does for fun, the rigorously private Le Pen says she likes Stephen King novels, but not in the campaign season, which offers enough suspense. Right now, she says, “I work all the time.”

Giving a feudal political kingdom an image makeover is a full-time job.

Schuldenkrise

Europa glaubt nicht mehr an das Sparen

05.05.2012 · Die Stimmung in Europa kippt: Die Rosskur für die Schuldenländer macht alles nur noch schlimmer, sagen die Gegner des Sparens. Und empfehlen üppige Ausgabenprogramme.

Von Ralph Bollmann, [Christian Siedenbiedel](#)



© Getty Images Es wird gespart, geholfen hat es bislang noch nicht viel

An diesem Wochenende könnte das Schicksal Europas eine entscheidende Wendung nehmen: Sparen kommt aus der Mode. Denn gewählt wird in gleich zwei Staaten der Eurozone, die in der Währungskrise eine unterschiedliche Rolle spielen. In Griechenland könnten die Parteien Pasok und Nea Demokratia, die den bisherigen Sparkurs unterstützen, ihre dominierende Rolle einbüßen. Zumindest wird die Lage im Parlament durch die Zersplitterung der Parteien aller Voraussicht nach sehr unübersichtlich werden.

In Frankreich hingegen wird der sozialistische Kandidat François Hollande mit hoher Wahrscheinlichkeit zum Präsidenten gewählt. Er hat angekündigt, die von Deutschland gemeinsam mit dem bisherigen Amtsinhaber Nicolas Sarkozy durchgesetzte Sparpolitik zu hinterfragen - und mit dem Prinzip der reinen Enthaltensamkeit, von Ökonomen „Austerity“ genannt, Schluss zu machen. Hollande will zudem Druck auf die Europäische Zentralbank (EZB) ausüben, neben dem Ziel der Geldwertstabilität auch die Wachstumsförderung in ihre Statuten aufzunehmen.

Nur Sparen reicht nicht

Für Euroland wäre das ein Paradigmenwechsel: Die Akteure der Rettungsaktionen stellen sich auf die neue Lage vorsorglich jetzt schon ein. Die deutsche Kanzlerin Angela Merkel lässt durchsickern, sie könne sich eine „Ergänzung“ der Sparprogramme durch eine Wachstumskomponente vorstellen. Der Brüsseler Währungskommissar Olli Rehn kündigte am Samstag einen „Europäischen Investitionspakt“ an. Und der Chefökonom des Internationalen Währungsfonds (IWF), Olivier Blanchard, warnte: „Sparen allein kann die Probleme nicht lösen.“

Es geht um die grundsätzliche wirtschaftspolitische Linie. Lange Zeit galt Sparen - wenn auch zähneknirschend - als „alternativlos“. Um die Malaise der hochverschuldeten Staaten im Süden Europas in den Griff zu bekommen, müssen ihnen strenge Sparprogramme verordnet werden, hieß es. Weniger Staatsausgaben, höhere Steuern - oder gleich beides. Das tut weh, so die Befürworter, aber ohne geht es nicht. Und zusätzlich sollen verkrustete Strukturen aufgebrochen werden.

Nervenzehrende Rezession

Griechenland, Portugal, Spanien und Italien haben sich jetzt einige Zeit zu sparen bemüht, durchleiden aber eine nervenzehrende Rezession - mit einem Rückgang der Wirtschaftsleistung um 1,8 Prozent in Spanien oder 4,7 Prozent in Griechenland. Nun bekommen die Anhänger des gegenteiligen Rezepts Oberwasser. Nicht durch Sparen könnten die notleidenden Staaten ihre Wirtschaft in Gang bringen, sagen Ökonomen wie der Nobelpreisträger Paul Krugman, sondern indem sie ihre Ausgaben erhöhen. Sparen werde für Südeuropa zur „selbsterstörerischen Strategie“, so Krugman, weil mit einem Rückgang der öffentlichen Aufträge die Wirtschaftsleistung schrumpfe. Damit sanken die Steuereinnahmen - und anschließend müsse noch mehr gespart werden.

In der Ökonomie gibt es, wie stets, Argumente für beide Seiten. Die einen berufen sich auf den britischen Ökonomen John Maynard Keynes, der in Schwächephase für staatliche Ausgabenprogramme plädierte, um die Wirtschaft anzukurbeln. „Liquiditätsfalle“ nennen die Keynesianer eine Lage, in der sich die Wirtschaft nicht mehr aus der Abwärtsspirale befreien kann: Unternehmen investieren nicht, obwohl sie billig Geld leihen könnten. Dann ist der Staat gefragt.

Richtiges Timing

Die anderen berufen sich auf die sogenannte neoklassische Wachstumstheorie. Ausgeglichene Staatshaushalte halten sie für die beste Voraussetzung wirtschaftlichen Aufschwungs. Konjunkturprogrammen billigen sie nur unter sehr bestimmten Umständen Erfolgchancen zu. Das Timing ist dabei wichtig, den richtige Zeitpunkt verpasst man bei Konjunkturprogrammen aber fast immer. Außerdem muss ein Staat finanzielle Spielräume haben. Das wäre höchstens für Länder wie Deutschland interessant. Aber dort ist die Bereitschaft nicht sonderlich hoch, für den Süden noch mehr zu zahlen. Schließlich hilft auch ein Konjunkturprogramm wenig, wenn andere Faktoren das Wachstum behindern. „In Spanien haben wir es mit einem nicht funktionierenden Bankensystem zu tun und mit schweren Störungen im Arbeitsmarkt“, sagt Clemens Fuest, Ökonomeprofessor in Oxford. „Diese Probleme müssen behoben werden.“



© F.A.Z. Gegenüberstellung der EU-Zahlungen zwischen 2000 und 2010 mit der Wachstumsentwicklung seit Ausbruch der Krise

Dementsprechend beteuern in Deutschland alle Parteien mit Ausnahme der Linken, eine Abkehr von der Haushaltssanierung und den Strukturreformen werde es nicht geben. Kein Wunder: Nach dem jüngsten ARD-Deutschlandtrend sind auch 53 Prozent der SPD-Anhänger fürs Festhalten am strengen Sparen, bei den Grünen sogar 58 Prozent und bei CDU/CSU 63 Prozent. „Natürlich müssen viele Länder in Europa ihre Arbeitsmärkte flexibilisieren, natürlich müssen wir in Europa Staatsbetriebe privatisieren“, sagt etwa SPD-Chef Sigmar Gabriel. „Aber wir müssen das sozial begleiten.“

Ein neues Zauberwort

Das neue Zauberwort heißt „Ergänzung“. Beim Fiskalpakt soll es bleiben, trotzdem will man in Berlin und Brüssel einem Präsidenten Hollande und der neuen Stimmung in Europa entgegenkommen. Schon länger ist die Rede davon, nicht abgerufene EU-Strukturhilfen auch ohne Eigenbeteiligung an die Krisenländer auszuzahlen. Jetzt soll auch das Kapital der Europäischen Investitionsbank (EIB) aufgestockt werden - ein Schritt, den Kanzlerin Merkel bislang abgelehnt hatte. Offen ist weiterhin, ob und in welcher Form eine neue Finanzmarktsteuer kommt, um die Kritiker zu besänftigen. Ein klassisches, schuldenfinanziertes Konjunkturprogramm lehnt in Deutschland aber auch die SPD ab. „Es geht nicht um eine Abwrackprämie“, sagt Gabriel.

Deutsche Ökonomen warnen davor, ein Paradigmenwechsel in der Euro-Politik könne schwersten Schaden hervorrufen. „Der Grund der Krise und der Rezession ist ein Verlust an Vertrauen in die Fähigkeit der Euroländer, die Erfordernisse für eine Währungsunion zu erfüllen“, sagt Thomas Mayer, Chefvolkswirt der Deutschen Bank. „Dazu gehören fiskalpolitische Disziplin und flexible Arbeitsmärkte.“ Die Rezession könne nur überwunden werden, wenn Vertrauen wiederhergestellt werde. „Dazu sind solide Staatsfinanzen und strukturelle Reformen nötig.“

Vertrauen als Ziel

Mit dem Vertrauen argumentieren allerdings beide Seiten. Nur wenn gespart wird und alle im Land auf die künftige Zahlungsfähigkeit des Staates vertrauen können, kann die Wirtschaft wieder wachsen, sagen die einen. Nur wenn die Wirtschaft vom Staat angekurbelt wird und man hoffen kann, dass alles nicht nur immer schlimmer wird, werden die Menschen wieder Vertrauen schöpfen, sagt die Gegenseite.

Auch historische Beispiele finden die Vertreter beider Schulen zuhauf. „Es gibt historische Beispiele für Länder, in denen man versucht hat, trotz der Krise Staatsausgaben zu kürzen und den Haushalt zu sanieren“, sagt Oxford-Ökonom Clemens Fuest. „Das ist manchmal gutgegangen - etwa in Dänemark 1982 oder in Irland 1987 bis 1989. Manchmal aber auch nicht, zum Beispiel in Irland 1982.“ Damals blieb in dem Land die wirtschaftliche Lage trotz Sparkurs mau, die Inflation war hoch, und Arbeitslosigkeit drückte das Land.

Konjunkturprogramme müssen nicht altruistisch sein und sind auch nicht rausgeschmissenes Geld, sagen die Keynesianer: Sie helfen auch den Helfern. Denn in der vergangenen Woche meldete der deutsche Maschinenbau einen kräftigen Einbruch der Auftragseingänge aus Südeuropa. Ebenso ergeht es der französischen Automobilindustrie, die traditionell viele kleine Autos nach Spanien und Italien verkauft. Allerdings waren die Erfahrungen mit Konjunkturprogrammen in der ersten Phase der Finanzkrise eher ernüchternd. Von der Abwrackprämie in Deutschland profitierten eher Produktionsländer mit niedrigen Löhnen wie Polen, Tschechien und Rumänien.

Keine Delle, eine Strukturkrise

Wenn man nach den Chancen von Konjunkturprogrammen in Südeuropa fragt, muss man sich vor allem mit den Ursachen der Krise befassen. Die Krise ist keine kurzfristige Delle, die es nur zu überbrücken gilt, sondern eine tiefgreifende Strukturkrise. Der Euro hat dazu geführt, dass Produkte und Dienstleistungen in Südeuropa zu teuer geworden sind, ohne dass die Länder ihre Währung abwerten könnten.

„An der Austerity-Strategie von Ländern, die mit fremdem Kredit über ihre Verhältnisse gelebt haben, führt kein Weg vorbei“, sagt der Chef des Münchner Ifo-Instituts, Hans-Werner Sinn. „Ich würde die Länder nicht daran hindern, sich zu verschulden, wenn sie das auf eigenes Risiko machen wollten.“ Das Problem sei nur, dass sie sich nach Jahren des billigen privaten Kredits aus dem Ausland nun mit öffentlichem Kredit der Staatengemeinschaft weiter verschulden wollten. „Ich will gerne zugeben, dass die Entsagung von der süßen Droge des Kredits Schmerzen verursacht“, sagt Sinn. Nur sehe er keine Alternative dazu. „Das Geld wächst nicht auf den Bäumen.“

Die große Hoffnung in Berlin und Brüssel ist, dass sich auch ein Präsident Hollande dieser Erkenntnis öffnet - spätestens nach den Wahlen zur Nationalversammlung im Juni. Bei den Griechen ist man sich nicht so sicher. Aber das Land gilt inzwischen als Sonderfall.

Quelle: F.A.S.

Les enjeux d'un vote historique

Par  Nicolas Baverez Mis à jour le 04/05/2012

Pour l'économiste et historien Nicolas Baverez, ce qui se joue ce dimanche est rien de moins que le maintien, au prix d'immenses efforts, de la France dans le peloton de tête des pays développés... ou son inexorable déclin.

La Ve République est un régime conçu pour l'action en temps de crise. Le président de la République, qui incarne la nation et répond du pouvoir de l'État, en constitue la colonne vertébrale. Son élection structure le système politique tout en mettant les citoyens en situation d'examiner les grands enjeux de l'heure et de décider de leur destin. Or, [l'élection présidentielle de 2012](#) se présente comme une dangereuse dérobade. Jamais depuis les années 1930 la France n'a été aussi affaiblie, notamment vis-à-vis de l'Allemagne, et aussi en porte-à-faux par rapport à l'économie mondiale et à l'environnement international. Jamais depuis les années 1930 la classe politique n'a fait preuve d'une telle légèreté et le débat public ne s'est enfermé dans un tel déni du réel. Les Français ne s'y trompent pas. Leur forte mobilisation du premier tour, avec un taux de participation de 80%, témoigne d'une conscience aiguë de la gravité de la situation et du caractère décisif du moment. Leur vote à 33% contre les partis dits de gouvernement exprime leur désarroi et leur déception face à l'insuffisance des projets en présence.

En 2002, c'est l'abstention qui avait été le vecteur de leur colère et leur frustration. En 2012, ce fut le vote en faveur du Front du rejet, au confluent d'un règlement de comptes entre les électeurs et le président sortant, d'une crise de nature déflationniste qui lamine les classes moyennes, d'un appel enfin à réassumer les valeurs de la République qui ont été abandonnées aux populistes qui les instrumentalisent. Intellectuellement et politiquement, ces derniers ont réussi leur [OPA](#) sur la campagne, placée sous le signe de la démagogie, de la nostalgie et du ressentiment. Et ce, en complète rupture avec les récentes élections en Europe qui, du Royaume-Uni à l'Espagne, ont débouché, au terme d'un débat authentique autour des très sérieuses difficultés de ces nations et de l'Europe, sur des alternances associant le renouvellement des équipes dirigeantes, des stratégies claires de gestion de la crise, des idées originales pour mobiliser l'énergie des citoyens, à l'image du programme britannique de [Big Society](#).

L'élection présidentielle de 2012 ne va pas seulement choisir le prochain président de la République, qui aura la très lourde responsabilité de diriger le pays et l'État au cours de cinq années terribles. Elle donnera une indication décisive sur la capacité de notre démocratie à délibérer et à relever les immenses défis qui se présentent devant elle, sur la capacité de la France à accomplir les changements majeurs requis pour enrayer trois décennies de déclin, sur la capacité des Européens de trouver les compromis nécessaires pour sauver l'[euro](#) et les acquis de soixante ans d'intégration du continent. Voilà pourquoi le vote de 2012 est décisif. Voilà pourquoi, sous les avatars d'une campagne en trompe-l'oeil, il doit être éclairé et guidé par la compréhension de ses enjeux réels à l'aune des révolutions du XXIe siècle.

Accélération de l'Histoire, régression de l'Europe...

Jamais depuis 1958 une élection présidentielle ne s'est déroulée sur fond de plus grands bouleversements historiques. La Ve République est née de l'impuissance du régime parlementaire à trouver une issue à la guerre d'Algérie, dans un contexte de forte croissance et de stabilisation de la guerre froide après la disparition de Staline. L'élection de [François Mitterrand](#), en 1981, dut beaucoup aux chocs pétroliers et à la crise déclenchée par l'implosion de la régulation keynésienne sous les assauts conjugués du chômage et de l'inflation, tandis que sa réélection précéda d'un an la chute du mur de Berlin.

Le scrutin de 2012 se situe pour sa part au confluent de quatre révolutions qui remettent en cause la situation de la France et de l'[Europe](#). La première révolution est liée à la mondialisation, qui fait basculer le centre de gravité du capitalisme vers les pays émergents - ces derniers assurent désormais 52% de la production industrielle, réalisent 48% des exportations et détiennent 80% des réserves de change mondiales. D'où un double choc pour les pays développés, confrontés à la désindustrialisation et à un chômage structurel qui déstabilise leurs classes moyennes, tandis que l'Occident voit contester le monopole qu'il détenait sur l'histoire du monde depuis le XVIe siècle. La deuxième découle du cumul de la crise mondiale du capitalisme dérégulé et de la crise européenne des risques souverains qui ne sont nullement achevées. Elles entraînent le recul relatif des États-Unis et leur recentrage stratégique autour de leur territoire et de l'Asie, tandis que l'Europe se trouve aspirée dans une dynamique déflationniste comparable à celle du [Japon](#), mêlant vieillissement démographique, surendettement, perte de compétitivité et surévaluation de la monnaie. Le troisième bouleversement est à chercher dans l'onde de choc du soulèvement des peuples lancée par les [révolutions du monde arabo-musulman](#) et qui a gagné jusqu'à la Russie et à la Chine. Animées par la révolte contre les autocraties, la corruption et les inégalités, elles n'ont pas pour autant comme objectif, contrairement à l'automne des peuples de 1989, le passage à la démocratie occidentale et à l'économie de marché. Enfin, une nouvelle révolution technologique se poursuit, portée par l'information, la génétique mais aussi la transition énergétique sous la pression de la raréfaction des ressources, du [réchauffement climatique](#) et de la catastrophe de [Fukushima](#).

L'Europe est la grande perdante de cette nouvelle donne. La [zone euro](#), épice de la crise des dettes souveraines, est devenue le plus important risque pour l'économie mondiale, que l'implosion de la monnaie unique plongerait dans une grande dépression. Elle est le seul des grands pôles de la mondialisation dont la production reste inférieure à son niveau de 2007 et à rechuter dans la récession, accompagnée d'un chômage qui touche 10,8% de la population active tandis que les déficits et la dette publics atteignent 4,1%, et 87% du [PIB](#). Elle compte trois États en situation de défaut, qui menacent d'être rejoints par l'[Espagne](#), prise en tenailles par la récession et le chômage (25% de la population active), d'une part, la faillite du système bancaire qui ploie sous 200 milliards d'euros de créances douteuses et l'explosion des coûts de la dette publique, d'autre part.

À l'exception du nord du continent, l'Europe est devenue l'otage de modèles de croissance à crédit caducs et d'États providence insoutenables au regard de l'évolution de la démographie et de la chute de la croissance potentielle. Au moment où les déséquilibres de la mondialisation tendent à se réduire, la divergence entre les pays de la zone euro s'exacerbe. L'[Allemagne](#), forte de sa réunification et de ses réformes, affiche une croissance stable, des excédents commerciaux et courants records (158 et 135 milliards d'euros), un retour au plein

emploi avec un chômage revenu en dix ans de 12 à 6% de la population active, ce qui lui vaut d'attirer des dizaines de milliers de jeunes diplômés d'Europe du Sud.

La faiblesse de la gouvernance européenne achève de rendre la situation critique. La crise a démontré la fausseté des principes qui ont présidé à la création de l'euro et l'incapacité à gérer les crises en l'absence d'un gouvernement économique, d'une Banque centrale qui dispose du statut de prêteur en dernier ressort, d'une solidarité financière et d'une responsabilité budgétaire. Mais alors que chacun s'accorde sur le fait que la survie de la zone euro passe par une intégration renforcée, les nations qui la composent ne cessent d'afficher leurs désaccords, leurs difficultés à nouer des compromis et à exécuter les décisions arrêtées. Dans l'Union tout entière, les États renationalisent à marche forcée la politique économique et restaurent les frontières sous la pression des populismes qui érigent l'Europe en bouc émissaire et manipulent les peurs provoquées par les grandes transformations historiques.

... et déclin de la France

De cette Europe aspirée par le vide et la désintégration, la France est désormais le grand corps malade. La crise a en effet donné un spectaculaire coup d'accélérateur à son déclin économique et social. La croissance, limitée à 1,2% au cours des années 2000, est à l'arrêt en raison de l'euthanasie du secteur privé, du retard de l'investissement et du blocage de l'innovation, provoqué par la chute des profits, de l'effondrement de la compétitivité dont témoigne le déficit commercial le plus élevé de la zone euro (70 milliards en 2011). La [dette publique](#) s'est envolée et atteindra 90% du PIB en 2012, seuil à partir duquel elle pèse négativement sur l'activité et l'emploi. Le chômage frappe 10% de la population active depuis trois décennies. Il en résulte une paupérisation rapide des Français, dont le revenu par tête est désormais inférieur à celui des Européens. La nation se balkanise avec la reconstitution d'un sous-prolétariat de 6 millions d'exclus vivant dans des ghettos, plongés dans l'anomie sociale et dépendant uniquement des transferts sociaux. Confrontés à la fermeture du marché du travail et de la société, les jeunes - dont 161.000 abandonnent chaque année le système éducatif sans aucune formation - basculent dans l'exclusion ou font le choix de l'exil.

Le décrochage de la France, contrairement aux autres pays développés, ne résulte pas de l'éclatement de l'économie de bulle en 2007, mais d'un modèle de croissance par la dette publique où le seul moteur d'une activité en baisse régulière est fourni par la consommation, alimentée par des transferts sociaux qui culminent à 33% du PIB et sont financés majoritairement par la hausse de la dette et accessoirement par celle des prélèvements publics. La montée parallèle des dépenses et des recettes publiques, qui culminent à 56,6% et 49 % du PIB, mine la production et l'emploi marchands, avivant l'anxiété sociale, qui légitime de nouvelles demandes de protection. L'État providence a ainsi cannibalisé l'État régalien et la redistribution, évincé la production. Dans le même temps, l'étatisme et le corporatisme figent et ferment la société. Et la France de se couper du monde ouvert du XXI^e siècle. Loin d'être anecdotique, la dégradation financière a ainsi acté le déclassement de la France en Europe et dans le monde.

Avec la maîtrise de ses comptes publics, notre pays a perdu sa souveraineté face aux marchés financiers comme à l'Allemagne, qui assume désormais seule - et non sans erreurs - le leadership de la zone euro et de l'Europe continentale. Il sera le cœur du prochain choc sur la zone euro. En dépit du faux calme qui a prévalu depuis la dégradation de sa notation financière, le télescopage du mur de la dette se rapproche. La France doit lever 180 milliards d'euros en 2012 et plus de 200 milliards en 2013 sur les marchés, dont les deux tiers auprès

des investisseurs internationaux. Or, elle se trouve prise dans une double tenaille. La première, intérieure, entre la course folle de la dette publique, d'une part, le blocage de la croissance et la chute de la compétitivité, d'autre part. La seconde, européenne, entre l'Allemagne d'[Angela Merkel](#), leader de l'Europe du Nord compétitive, et l'Italie de [Mario Monti](#), symbole de l'Europe du Sud qui se réforme. Le choc annoncé sur la dette française entraînera une dégradation immédiate de nos banques tout en relançant spectaculairement la déstabilisation de la zone euro à travers la mise en risque d'une dette de 1700 milliards mais aussi des mécanismes de secours que notre pays garantissait.

Réinventer le modèle français et l'Europe

Pour la France et l'Europe, la décennie 2010 sera décisive et déterminera largement leur place dans le XXI^e siècle. Sans réforme de son modèle économique et social, la France ne figurera plus dans les dix premières puissances mondiales en 2025. Elle ne peut plus affronter seule un choc sur sa dette et devra compter sur l'aide de l'Europe. Une Europe qui devra choisir entre la relance de son intégration ou l'éclatement de la zone euro, sans pouvoir se reposer sur le renfort d'une Amérique surendettée et profondément divisée, ni sur l'appui d'un Japon ravagé par la déflation, le tsunami et la catastrophe de Fukushima, ni sur le secours des émergents tout entiers tendus vers leur rattrapage de l'Occident et animés d'une volonté de revanche contre les anciennes puissances coloniales. En bref, la France et l'Europe vont devoir décider au cours des prochaines années de se réinventer ou de sortir de l'Histoire universelle.

Pour la France, l'enjeu prioritaire concerne la modernisation du modèle économique, qui passe par un nouveau pacte productif. Dès lors que la consommation excède la production de 10%, le choix est entre la déflation par la baisse des salaires et la reflation par l'augmentation du travail, de l'investissement et de l'innovation. D'autres pays européens se sont engagés avec succès dans cette voie, à l'image de l'Allemagne ou de la [Suède](#). Et il n'existe aucune fatalité à ce que la France figure parmi les perdants de la mondialisation, comme le montrent le dynamisme des Français installés à l'étranger ou les performances des grands groupes. De fait, notre pays dispose d'atouts majeurs: la vigueur de sa démographie, la productivité d'une partie de sa main-d'oeuvre, l'abondance de l'épargne - en dépit d'une taxation aberrante approchant 40% -, la qualité de ses infrastructures, l'excellence de certains pôles publics et privés en situation de leadership mondial, un patrimoine, une culture, un mode de vie, des paysages et un climat exceptionnels. Ces atouts doivent devenir le socle pour le redressement de l'offre nationale.

Le schéma keynésien d'une croissance tirée par des dépenses publiques financées par la dette est mort. Parce que la consommation se porte sur les importations dans une économie ouverte si l'appareil de production n'est plus performant. Parce que la dépense publique et l'impôt euthanasient l'activité et l'emploi marchands. Parce que l'excès de dette publique ruine le crédit de l'État et la confiance. Voilà pourquoi ce ne sont pas les dépenses publiques mais les réformes de structure qui peuvent relancer la croissance. Voilà pourquoi la priorité doit aller à la maîtrise des coûts de production, à l'investissement, à l'innovation et à la recherche.

La reconstruction d'une offre nationale compétitive a pour condition le retour à l'équilibre des finances de la nation, qui implique la rupture avec la préférence pour la dépense publique. [Pierre Mendès France](#) aimait à rappeler que «les comptes en désordre sont la marque des nations qui s'abandonnent». Le modèle de croissance fondé sur la dette publique et privée - qui atteint 160% du PIB contre 128% en Allemagne et 126% en Italie - est caduc. La [Cour des comptes](#) a établi que l'effort d'économie pour ramener les comptes publics à l'équilibre s'élève

à 120 milliards d'euros sur cinq ans. Les stratégies de redressement conduites dans les pays développés, de la Suède à l'Allemagne en passant par le Canada, montrent qu'il doit être effectué à hauteur d'un quart par des hausses d'impôts centrés sur les ménages et de trois quarts par des baisses de dépenses. Les [impôts](#) et taxes ont augmenté de 32 milliards d'euros dans les deux dernières années, dont plus de la moitié à la charge des entreprises, dont le taux de marge se situe à un point bas historique depuis les années 1980. La priorité doit donc aller aux coupes dans les dépenses publiques et au basculement des dépenses stériles vers les usages productifs: le travail, l'investissement, l'éducation et la recherche.

Il ne fait aucun doute que la France ne pourra continuer à emprunter sur les marchés les mêmes volumes aux mêmes prix au cours des prochaines années. Voilà pourquoi il n'existe pas d'alternative à la rigueur, qui sera soit décidée volontairement par les autorités françaises, soit imposée par les marchés financiers et nos partenaires européens. Les déficits et la dette publics ne sont pas les alliés mais les fossoyeurs de la solidarité, car ils sont des impôts sur les pauvres et les générations futures. La France reste en quête d'un pacte social et citoyen qui permette de refonder la nation. Le chômage permanent est un cancer qui ronge l'économie mais aussi la société. Il ne peut être combattu que par une réunification et une libéralisation du marché du travail, qui lient flexibilité et sécurité. La protection absolue des uns ne peut continuer à avoir pour pendant la précarité et l'exclusion d'un nombre sans cesse croissant de Français. Il est par ailleurs impératif d'interrompre la dégradation des performances du système éducatif et de mettre un terme à l'échec scolaire, qui constitue une machine à reproduire l'exclusion. La même stratégie de réunification doit être conduite à l'échelle de la nation, où la volonté de vivre ensemble s'efface de plus en plus devant les clivages entre riches et pauvres, inclus et exclus, jeunes et vieux, actifs et retraités, villes et campagnes. L'atomisation des individus sous le choc de la crise et la divergence du corps social trouvent une traduction directe dans la vie publique avec la radicalisation et la poussée des populismes. Il n'est d'autre antidote à cette crise démocratique que le renforcement de l'État de droit et la mobilisation de l'énergie des citoyens au service du redressement du pays.

Le chemin de sortie de crise de l'euro existe

Comme en 1983, mais beaucoup plus rapidement, la France sera confrontée, après l'élection présidentielle de 2012, à une décision cruciale avec le heurt programmé du mur de la dette: soit la sanctuarisation d'un modèle social insoutenable qui implique l'éclatement de l'euro; soit la réaffirmation de l'engagement dans l'euro qui exige des réformes radicales. Le chemin de sortie de crise de la zone euro existe. Il repose sur la poursuite de l'assouplissement monétaire engagé par [Mario Draghi](#) à la tête de la BCE, le retour progressif à l'équilibre des pays déficitaires prévu par le traité budgétaire et l'introduction de règles d'or nationales, l'accord sur une initiative de croissance portée par les pays excédentaires - Allemagne au premier chef - et par les institutions européennes. Il implique surtout des actes politiques en faveur d'une relance de l'intégration du continent, via la constitution d'un gouvernement économique de la zone euro, la poursuite du grand marché, l'engagement d'une politique de sécurité et de défense du continent, rendue indispensable par le retrait américain.

Le refus de la France de traiter ses problèmes de compétitivité et de déficits tuerait dans l'oeuf la nouvelle donne monétaire de la [BCE](#) comme les possibilités de soutien de la croissance. Il achèverait de déséquilibrer le couple franco-allemand et, partant, la capacité à passer et mettre en oeuvre des compromis politiques au sein de l'Union. Voilà pourquoi la réforme du modèle français est non seulement la clé du redressement national mais de la survie de l'euro et de la possibilité pour l'Europe de figurer parmi les grands pôles qui structurent la [mondialisation](#). Le

choix cardinal qui se présente aux Français reste celui de leur rapport à la société ouverte du XXI^e siècle. La France s'est engagée dans une voie totalement régressive avec la multiplication des propositions protectionnistes, les appels à la reconstitution des frontières, le déchaînement de la démagogie hostile à l'Europe et de la xénophobie. La volonté d'ériger des lignes Maginot contre la mondialisation est aussi chimérique que dangereuse. Elle réédite l'erreur tragique des années 1930, lorsque la France s'est coupée du monde réel en refusant de s'adapter à l'environnement de la grande déflation et de répondre à la montée en puissance des régimes totalitaires.

Il n'existe pas aujourd'hui de menaces extérieures directes mais un danger latent, celui d'une marginalisation doucereuse allant de pair avec la dépossession de la souveraineté qui accompagnerait l'incapacité à équilibrer les comptes publics. La fermeture et le repli sur un passé mythifié ne constituent pas une stratégie alternative de redressement mais la promesse d'un déclin accéléré. Marc Bloch, dans *L'Étrange Défaite*, conclut sur l'origine du désastre de 1940 dans les termes suivants: «Ce n'est pas seulement sur le terrain militaire que notre défaite a eu ses causes intellectuelles. Pour pouvoir être vainqueurs, n'avions-nous pas, en tant que nation, trop pris l'habitude de nous contenter de connaissances incomplètes et d'idées insuffisamment lucides?» La France de 2012 doit cesser de vivre dans le passé ou de cultiver des chimères pour se penser et agir dans le monde du XXI^e siècle. Et les Français sont à la veille d'un choix décisif: soit se secouer et s'engager par la voie démocratique dans les réformes; soit prendre le risque d'une tutelle étrangère, voire d'une contre-révolution nationale destructrice de la liberté, avant de se relever.

Frankreich vor den Wahlen

Verlorener Mittelstand

04.05.2012 · Frankreich wählt an diesem Sonntag einen neuen Präsidenten. Die kleinen und mittelständischen Unternehmen hoffen endlich auf bessere Rahmenbedingungen. Doch Optimismus verbreiten sie nicht.

Von [Christian Schubert](#)



© Bloomberg

Gemächlich zieht das Wasser im Kanal von Saint Quentin seine Bahn. Karpfen, Barsche, Zander und Hechte finden in dem nordfranzösischen Strom mit seiner üppigen Ufer-Vegetation reichlich Lebensraum, berichten die örtlichen Fischer. Selbst im Industriegebiet der Kleinstadt Saint Quentin im Departement Aisne macht sich am Rand des Gewässers idyllische Stimmung breit. Nur einmal im Monat wird sie etwas gestört. Dann hält an der Rue Maurice Bellonte ein Lastkahn aus Rotterdam, Antwerpen oder Amsterdam und bringt Mineralien aus aller Welt.

Ein Kran greift sich die Fracht und lässt sie über einem Lastwagen ab, der das Rohmaterial in die Werkshalle der Firma CMMP am Kanalufer fährt. Dort wird es für eine breite Palette von Abnehmern zu feinen Pulverstoffen klein gemalen: Die Autoindustrie braucht sie für Bremsen, die Kosmetikhersteller für Lippenstifte, die Farbenindustrie für den Verputz und die Bauunternehmen für die Isolierung.

Joëlle Briot führt die 1932 gegründete Firma in dritter Generation. 29 Personen beschäftigt sie - genau vier mehr als 1997, ihrem ersten Jahr als Geschäftsführerin. Sie pflegt damit ein Dasein, das typisch ist für viele französische Unternehmen: Sie sind klein, und sie bleiben klein. „Ein, zwei oder drei Leute einzustellen, ist schon viel für uns“, sagt die ausgebildete Ingenieurin. „Mein Problem ist die Finanzierung durch die Banken. In Frankreich wird den Großen geholfen, nicht aber den Kleinen“.

Politiker als glühende Verehrer des Mittelstandes

Im französischen Wahlkampf ist mehr denn je über klein- und mittelständische Unternehmen gesprochen worden. Wenn am morgigen Sonntag die Franzosen den neuen Hausherrn im Elysée-Palast bestimmen oder den alten bestätigen, dann haben ihnen zuvor alle Kandidaten die uneingeschränkte Unterstützung des Mittelstandes versprochen. Denn dort wurzelt letztlich die Wettbewerbsschwäche des Landes, die in einem Rekord-Außenhandelsdefizit von 70 Milliarden Euro im vergangenen Jahr zum Ausdruck kommt.

Frankreich hat kein Problem mit seiner unternehmerischen Speerspitze, den überwiegend gut aufgestellten Konzernen im Börsenindex CAC-40 - abgesehen davon, dass sie in Frankreich immer weniger Arbeitsplätze schaffen. Doch für das Gros der Beschäftigung und des Außenhandels sorgt immer der unternehmerische Unterbau, der Mittelstand. Frankreich ist da eine Wüste in weiten Strecken des Landes, wie gerade der Vergleich mit Deutschland und Italien zeigt.

Nur gut 90.000 mittelständische Unternehmen (bis 250 Mitarbeiter) sind nach Angaben des Handelsministers Pierre Lellouche in Frankreich im Export tätig. In Deutschland sind es mehr als viermal so viele. Noch schlechter fällt der Vergleich bei großen Mittelständlern aus. Im Wahlkampf sind die französischen Politiker daher in jeder Rede zu glühenden Verehrern des Mittelstandes geworden.

Schere zwischen Wahlkampfreden und Realität

Eine Dreiviertel Autostunde nördlich von Saint Quentin, im Örtchen Mericourt des Departement Pas-de-Calais, hätte der Tüftler Dominique Chaumont diese Zuneigung gerne einmal am eigenen Leibe gespürt. Der 65 Jahre alte Ingenieur sitzt in einem ärmlichen Büro, wo sich die Papierstapel türmen und der Schimmel an den Wänden nicht zu übersehen ist. Nebenan ragt einer jener Kohleberge in die Höhe, der noch aus der Zeit stammt, als Nordfrankreich eine Bergbauregion war.

Chaumont will das „Solex“, jene typisch französische Mischung aus Fahrrad und Mofa, um jeden Preis wiederbeleben. Schon 2005 sagte er dieser Zeitung: „Ich führe gerade den achten Krieg um das Zweirad“. Der Franzose kämpfte jahrelang um Namensrechte, Produktionslizenzen, Investoren und technische Zulassungen. Auf seinem Höhepunkt beschäftigte er 15 Mitarbeiter und lieferte seine Solex, die er „Black 'n Roll“ nennen musste, ins ganze europäische Ausland.

Doch heute hat Chaumont keine Firma mehr; in einer größeren Garage verstauben nur noch ein paar seiner Gefährte und jede Menge Ersatzteile. Er geriet in Schwierigkeiten mit seinem chinesischen Hauptlieferanten, und als er die Probleme endlich geregelt hatte, forderte das französische Finanzamt einen Zuschuss für Forschung und Entwicklung über 150.000 Euro zurück.

Übermächtige Verwaltung

„Das brachte das Fass zum Überlaufen“. Chaumont schwört Stein und Bein, dass er den Entwicklungszuschuss auch wirklich für ein Innovationsprojekt eingesetzt habe, nämlich die Erfindung eines Hybrid-Zweiradmotors. „Wenn das keine Innovation ist, was ist dann Innovation?“, erregt sich Chaumont und zeigt den Besuchern seine drei Briefe, die er an Präsident Nicolas Sarkozy schrieb. Sie wurden von Mitarbeitern im Elysée-Palast immer freundlich beantwortet: „...wir freuen uns über Ihren unternehmerischen Einsatz. ... sind aber leider nicht zuständig ... leiten die Angelegenheit weiter.“ Und so weiter.

„300 Kilometer Autonomie hätte mein Hybrid-Motor ermöglicht“, schwärmt Chaumont heute noch, doch die technische Zulassung bekam er nie. „All diese Politikerreden, ich kann sie nicht mehr hören. In diesem Land wird rein gar nichts für die kleinen Unternehmen getan“, schimpft Chaumont. Die Klage über eine übermächtige Verwaltung ist im französischen

Mittelstand oft zu hören. Auch die Mineralienverarbeiterin Briot berichtet von den Besuchen der Zollbehörden und des Finanzamtes, die Hausdurchsuchungen ähnelten. „Die Behörden haben immer den Anfangsverdacht, dass die Unternehmer etwas verstecken“.

Die Zulassung ihres Unternehmens in Saint Quentin erstreckte sich über Jahre, sie reichte viel Aktenordner Dokumente ein, um dann die Antwort zu erhalten, dass immer noch ein Formular fehle. Erst als sie auf Empfehlung der Behörden einen bestimmten „Consultant“ einschaltete, kamen die Dinge in Bewegung. „Die Macht der französischen Administration ist unglaublich groß“, sagt auch Wilfried Verstraete, der Chef des weltgrößten Kreditversicherers Euler Hermes mit Sitz in Paris, der dank seiner Datenbank über rund 40 Millionen Unternehmen auf der ganzen Welt einen guten Überblick hat. Hinzu kommt in Frankreich das starre Arbeitsrecht. Ein unbefristeter Arbeitsvertrag garantiert den Beschäftigten einen hohen Kündigungsschutz, lässt die Unternehmen aber vor Neueinstellungen zurückschrecken. Ein zeitlich befristeter Vertrag darf dagegen in der Regel nur einmal verlängert werden. „Wir kennen viele Unternehmen, die sich sagen: Ich habe zehn Mitarbeiter, die sind schon lange bei mir, die kenne ich. Wenn ich aber auf 30 oder 40 Mitarbeiter erhöhe, dann gehe ich ein großes Risiko ein“, sagt Verstraete.

„In Deutschland werden Industrieunternehmen besser behandelt“

Joëlle Briot hat mit ihrer Familiengesellschaft CMMP, die auf einen Jahresumsatz von 10 Millionen Euro kommt, durchaus Wachstumspläne. Sie ist eine fröhliche und sympathische Frau, der es an Dynamik nicht fehlt. Die zum Teil hundert Jahre alten Gebäude und einige Anlagen in Saint Quentin könnten auch eine Auffrischung brauchen. Neben ihrer Fabrik in Saint Quentin verfällt eine ehemalige Bäckerei, deren Gelände sie übernehmen könnte. Doch überstürzen will Madame Briot nichts. Weil ihr die Unabhängigkeit wichtig ist, kommt der Eintritt neuer Aktionäre nicht in Frage. „Wir entwickeln uns vielleicht nicht so schnell wie andere, doch dafür behalten wir unsere Freiheit. Wenn ich jemanden ins Kapital lasse, ist der in zehn Jahren vielleicht anstelle von mir der Chef“.

Mit den aktuellen Gewinnmargen ist sie recht zufrieden, ihre Produkte sind auf der ganzen Welt gefragt, so dass sie auf eine Exportquote von gut 70 Prozent kommt. Weil das Unternehmen klein ist, hilft jeder jedem. Kürzlich verabschiedete sich die Vertriebsleiterin in den Baby-Urlaub, daher fliegt Madame Briot selbst zur nächsten Fachmesse in Chicago. Die mit kommerziellen und administrativen Aufgaben beschäftigten Mitarbeiter - mehr als die Hälfte - arbeiten in Paris. Sie nach Saint Quentin in die Provinz umzuziehen, wäre nicht möglich. „Ich will auch selbst Paris nicht verlassen. Ich liebe Paris, das ist meine Heimat. Außerdem lassen sich internationale Kunden leichter nach Paris locken als nach Saint Quentin“, sagt Briot.

Früher hatte CMMP eine Produktionsstätte im nördlichen Ballungsraum von Paris, das Unternehmen musste dort aus Umweltschutzgründen jedoch wegziehen. Bis in die siebziger Jahre produzierte die Firma Asbest und hinterließ Rückstände im Boden. Anwohner protestierten, die lokale Presse schrieb über die „Gift-Firma“. Briot spricht ohne Bitterkeit über diese Episode, doch sie sagt: „In Deutschland werden Industrieunternehmen besser behandelt als bei uns“.

„Sarkozy unterstützte vor allem die Reichen“

Der Niedergang der französischen Industrie, der zur Arbeitslosenquote von fast zehn Prozent beiträgt, hat seine Ursachen auch in den allgemein schwierigen Rahmenbedingungen. An erster Stelle rangieren die hohen Sozialabgaben der Arbeitgeber für ihre Beschäftigten. „Die Personalkosten in Frankreich sind höher als in Deutschland. Vor zehn Jahren war das umgekehrt. Das Paradoxe ist, dass der französische Arbeitnehmer unterm Strich weniger herausbekommt als ein deutscher Arbeitnehmer“, klagt Jacques Aschenbroich, der den Autozulieferer Valeo mit seinen 71000 Mitarbeitern leitet. Nur noch 15000 seiner Beschäftigten arbeiten in Frankreich.

In zwei bis drei Jahren wird China der größte Produktionsstandort von Valeo sein, kündigt Aschenbroich an. Auch das „rigide“ Arbeitszeitsystem spricht gegen Frankreich. „In Deutschland kann man die Arbeitszeit über eine Woche oder sogar über Jahre viel leichter mit der Auftragslage atmen lassen“, berichtet der Manager. Die schwächere mittelständische Struktur führt dazu, dass Valeo in Frankreich eine kleinere Basis aus Zulieferern hat als in Deutschland. Den französischen Konzernen wird oft vorgeworfen, dass sie die kleinen Unternehmen nicht mitziehen würden. „2008 und 2009 haben wir vielen geholfen. Doch wenn jemand uns einfach nicht begleiten kann, dann müssen wir ihn ersetzen. Wir sind kein Wohltätigkeitsverein“, sagt Aschenbroich.

Der französische Mittelstand hat allgemein schwache Gewinnmargen und investiert daher auch weniger in Innovationen. „Die Lage wird nicht besser, denn die Banken verschärfen infolge der neuen Eigenkapitalanforderungen ihre Kreditbedingungen“, berichtet Jean-Baptiste Bellon, Direktor der Beratungsfirma Trapeza. Die Regierung hat durch einen staatlich berufenen Kredit-Mediator über drei Jahre nach eigenen Angaben Darlehen in Höhe von drei Milliarden Euro gesichert. „Doch das sind gerade einmal 1,5 Prozent der gesamten Kreditsumme“, hat Bellon errechnet.

Vor diesem Hintergrund rechnet Euler Hermes in diesem Jahr mit mehr als 64.000 Unternehmensinsolvenzen in Frankreich, - das sind fast soviel wie auf dem Höchststand von 2008. „Man hat es in Frankreich nicht leicht als Unternehmer. Trotzdem würde ich meinem Land nie den Rücken kehren“, sagt Madame Briot. Am Sonntag wird sie für François Hollande stimmen. „Keiner der Kandidaten begeistert mich wirklich. Doch ich glaube, Hollande wird mehr für die kleinen Unternehmen tun. Sarkozy unterstützte vor allem die Reichen und die großen Konzerne“, sagt sie.

Quelle: F.A.Z.

Frankreich

Es leben die Ratingagenturen!

05.05.2012 · Beide französischen Präsidentschaftskandidaten planen, Geld auszugeben. Beide haben ein Problem: Die Ratingagenturen werden Frankreich auf Sparkurs halten.

Von [Thomas Gutschker](#)



© AFP Die Kandidaten: Nicolas Sarkozy und Francois Hollande

Auf der Zielgeraden des Wettlaufs um den Elysée-Palast hat der Kandidat François Hollande seinen feindseligen Ton gegenüber dem Nachbarn im Osten gemäßigt. „Unsere Arbeitslosigkeit ist gestiegen, unsere Wettbewerbsfähigkeit ist gesunken, und Deutschland hat es besser gemacht als wir“, sagte der Mann der Sozialisten diese Woche im großen TV-Duell - und es klang fast wie ein Bekenntnis. Zur Erinnerung: Es war sein Gegner Nicolas Sarkozy, der mit dieser Botschaft den Wahlkampf vor drei Monaten eröffnet hatte. Kurz vor der Abstimmung an diesem Sonntag schickte Hollande noch seine Emissäre aus, um hervorzuheben, wie wichtig ihm die Freundschaft mit dem Nachbarn sei. Ach so. Hatte der Sozialist nicht vor einer Woche noch geholt, Deutschland entscheide nicht alles in Europa?

Der rhetorische Wechsel zeigt, wie siegesgewiss Hollande in den zweiten Wahlgang geht. Er braucht den Holzhammer nicht mehr, alle Umfragen sehen ihn vorn, wenngleich der Abstand zu Sarkozy geringer wurde. Außerdem weiß auch ein François Hollande - gelehriger Schüler François Mitterrands und Jacques Delors' -, was sich gehört. Wenn er heute Abend gewinnt, führt seine erste Dienstreise am 15. Mai nach Berlin. Anschließend wird er mit der Bundeskanzlerin ein langes Wochenende bei den Gipfeltreffen der G-8-Staaten und der Nato verbringen. Da wäre ein offenes Zerwürfnis mit Angela Merkel ein schlechtes Entrée in den Club der Mächtigen.

An Taten gemessen

Hollande hat seine Worte gemäßigt, gemessen aber wird er an seinen Taten. Und da wird es, da muss es zu Konflikten kommen. Zwar ist er wieder abgerückt von seiner Forderung, der Fiskalpakt müsse aufgeschnürt werden. Jetzt geht es nur noch um einen ergänzenden Wachstumspakt, den auch die Bundesregierung will. Doch verschleiert das Wort Wachstum, worum es geht: Merkel meint Strukturreformen, flexible Arbeitsmärkte, längere Lebensarbeitszeit, geringere Lohnstückkosten. Hollande will den Staatsapparat weiter aufblähen, die Reichen schröpfen und teure Sozialprogramme auflegen. Da stünden harte Auseinandersetzungen bevor, zumal Hollandes Berater wieder mit der Bazooka drohen: Sie wollen dem Euro-Rettungsfonds ESM eine Banklizenz verschaffen, damit er sich schier

unendliche Mittel bei der EZB borgen kann. In diese Richtung hatte auch Sarkozy einmal gedrängt, doch zog Merkel ihm eine rote Linie - eine der wenigen, die bis heute gehalten hat.

Natürlich wäre auch ein Präsident Sarkozy kein bequemer Partner für Berlin. Die Ausfälle des Gaullisten gegenüber dem Schengen-Grenzsysteem, sein Ruf nach Protektionismus - all das kann dem Exportland Deutschland nicht recht sein. Vielleicht hatte er keine andere Wahl angesichts der wachsenden Europafeindlichkeit in Frankreich. Ein Drittel der Wähler stimmte im ersten Wahlgang für Parteien, die sogar aus dem Euro aussteigen wollen. Doch diese Wähler haben im Juni noch eine Stimme bei der Parlamentswahl - da können sich die Gewichte in der Nationalversammlung erheblich verschieben.

Hoffnung auf Besserung

Stehen wir also doch vor einer Krise im deutsch-französischen Verhältnis? Es gibt Hoffnung, dass es anders kommt, und sie rührt her von - ja, ist es denn zu fassen: den Ratingagenturen. Diese viel geschmähten amerikanischen Ungeheuer üben eine große disziplinierende Kraft aus. François Hollande mag ein Programm haben, das zwanzig Milliarden Euro kostet - aber sobald er sich daranmacht, es zu verwirklichen, wird er den Eishauch des Kapitalmarkts spüren. Paris muss sich dort in diesem Jahr noch 124 Milliarden Euro leihen, Wahlversprechen nicht eingerechnet. Da kostet jeder Prozentpunkt Zinsaufschlag zusätzliche Milliarden - mithin politischen Handlungsspielraum. Wenn dann auch noch die Ratingagenturen mit Herabstufung der Bonität drohen, setzt Fracksausen ein.

Nicolas Sarkozy hat das alles schon einmal durchgemacht, im vergangenen Jahr. Allein die Drohung von Standard & Poor's, Frankreich könne seine Bestnote verlieren, ließ ihn auf Merkels Europakurs einschwenken. Als sie im Januar Wirklichkeit wurde, war von einer Banklizenz für den ESM plötzlich keine Rede mehr. Wenn Sarkozy seinen Salon im Elysée-Palast räumen muss, weiß er, wem er diese Niederlage auch zu verdanken hat: einer Bewertungsagentur, die den Franzosen vorführte, dass sie nicht mehr in der Champions League spielen.

Gemein. Gilt nicht der Primat der Politik? Ist es nicht an den Wählern, politische Prioritäten zu setzen? Ja, aber nur solange sich die Politik in den Grenzen des Möglichen bewegt. Übrigens: Noch in diesem Monat dürfte Moody's sein Urteil über die französische Zahlungsfähigkeit sprechen. Die Agentur hatte Frankreich im Februar auf ihre Beobachtungsliste gesetzt, Ausblick negativ.

Quelle: F.A.S.

Millions Left Behind in Boom

The High Cost of Germany's Economic Success

Countries around the world envy Germany's economic success and look up to it as a role model. But a closer look reveals a much bleaker picture. Only a few are benefiting from the boom, while stagnant wages and precarious employment conditions are making it difficult for millions to make ends meet. *By SPIEGEL Staff*

What a year it's been for carmaker Audi and its employees, a year marked by the biggest profits in company history, a bonus in the millions for its chairman and handsome bonuses for many employees -- though little to nothing for those at the very bottom of the pay scale.

Technically speaking, Nadja Klöden isn't even at the very bottom of the hierarchy at Audi, which is based in Ingolstadt, near Munich. She's on the sidelines, yet also in the thick of things. The 28-year-old, who studied business management, works as a project assistant in administration. But her employer is BFFT, a service provider that organizes parts distribution among the Volkswagen Group's subsidiaries, which include Audi. That's why Klöden earns €800 (\$1050) less than comparable Audi employees for the same 40-hour work week. In other words, although she contributes to the success of the company, she doesn't directly benefit from it. She receives neither an Audi-level salary nor any bonus whatsoever.

Helen Kozilek is in a similar situation. The 26-year-old works full-time on the assembly line at Audi, but the carmaker doesn't pay her wages. Instead, she is paid by Tuja, a temporary-employment agency and subsidiary of the Swiss temp giant Adecco. Compared with Klöden, however, Kozilek can consider herself a higher earner. The hourly rate for temporary workers in her salary group is normally about €10. But IG Metall, Germany's leading metal workers' union, has signed a wage agreement with Adecco so that Kozilek benefits from the €16 rate negotiated by the union. Still, Kozilek doesn't receive a bonus.

Franz Wolff, on the other hand, is sitting pretty. He has been working in maintenance at Audi's car painting division in Ingolstadt for the last 32 years. Wolff has a 35-hour work week and earns a gross salary of €3,300 a month, which is based on an industry-wide multi-employer agreement. Through an in-house wage agreement between the works council (the body that represents the interests of workers) and management, the 57-year-old trained auto mechanic also receives profit-sharing payments. This year, Audi will pay Wolff a bonus of €10,000. The average bonus at Audi is €8,251 -- a record. Audi values Wolff's contribution to its success -- and it provides him with a share of it.

Audi CEO Rupert Stadler's salary was also probably record-breaking, climbing 73 percent last year to reach €7.6 million.

One company. Four employees. Four worlds.

Broken Promises

"Prosperity for all" was once the credo of Ludwig Erhard, the first economics minister of postwar Germany. This promise shaped the country for decades and set it apart from many other economies. But how much is this promise still worth today?

The working world is disintegrating. On the one side are managers, specialists and members of the core workforce, who benefit from the fact that well-trained workers are scarce. On the other side is the reserve pool of workers who can be used as needed and then let go -- as contract workers or through special-order contracts, part-time work or temporary jobs. Many of these people work outside the provisions of collective bargaining agreements.

Labor-market experts view this increasing flexibility as the price of success, a necessary evil that made the rise of the German economy -- from "the sick man of Europe" to the Continent's [economic paragon](#) -- possible in the first place.

In fact, the German economy is in better shape than ever. Companies are reporting record profits, the size of the working population reached a new peak in 2011 and, according to Germany's Federal Employment Agency, the ranks of the unemployed have shrunk to only 3 million. In March, the country had an unemployment rate of just 7.2 percent.

Some companies are allowing their employees to benefit from the economic upswing through profit-sharing models. One of them is Sedus Stoll, a mid-sized maker of office furniture in the southwestern German town of Dogern, which has allowed its employees to share in company profits for the last 60 years. The aim is to ensure that the 950 employees "identify with the company" and learn to think for themselves even though they are part of a larger organization, says Carl-Heinz Osten, the company's chief financial officer.

A portion is paid out directly, but most of the money goes into the company's pension plan. Herbert Ebner, the chairman of the works council, says that, "in good times," employees have even taken home the equivalent of 15 or 16 monthly salaries each year.

Still, such ideal conditions are rare. Contrary to what the headlines about record bonuses in the automotive and chemical industries would suggest, only few employees benefit from them, as only 9 percent of German companies have profit-sharing arrangements with employees.

The majority of workers feel very little of what the *Economist* has dubbed "Germany's economic miracle." For decades, they have had to settle for falling or stagnating real wages, and wages and salaries have been declining for many years as a share of aggregate national income. "In no other European country has social inequality grown as strongly as in Germany," says Gerhard Bosche, the specialist in industrial sociology who heads the Institute for Work, Skills and Training (IAQ) at the University of Duisburg-Essen.

Unions in a Pinch

The ongoing collective bargaining round won't fundamentally alter any of this. Ver.di, the services sector trade union, achieved its best outcome in a long time in labor negotiations for municipal and federal public-sector workers. Nevertheless, Ver.di Chairman Frank Bsirske

was unable to push through the desired "social component," a minimum monthly increase of €200 in the lower salary groups.

The powerful IG Metall is currently fighting to secure its members a 6.5 percent wage increase. In recent weeks, the third round of negotiations failed, and now warning strikes and possibly a tough labor dispute could follow.

While skilled workers in unions can expect to see increases, the prospects are grim for those at the lower end of the pay scale. Employer representatives have made it clear that they will resist IG Metall's demand to be given more of a say in the use of contract workers and employees hired through special-order contracts.

The unions face a dilemma. They are poorly represented among the employees in precarious circumstances, who would actually need their help the most. With their higher-earning core clientele, however, they face competition from new types of niche unions, which are promising special conditions to privileged professional groups, such as train drivers or air traffic controllers. It is one of the "dark sides of the boom," says labor sociologist Bosch, that most low-wage earners are not getting "a fair share" of Germany's economic success.

A Fracturing Society

It's a paradox: At a time when the economic elites in the United States and Great Britain are turning to Germany's recipes for industrial success as [role models](#), the social structure in Germany is increasingly moving in the direction of a three-class society. This is a fundamental shift for a social market economy whose policies have long been aimed at ensuring that the country's prosperity is fairly distributed to all echelons of society. That system now appears to be eroding fast.

These days, it is executives, with their compensation skyrocketing into the millions, who are at the top. The second tier consists of the well-trained and reasonably well-paid legions of white-collar and skilled workers in modern information and industrial societies. Bringing up the rear are professional groups that were once considered part of the core of the traditional working world: salespeople, cooks, waiters and teachers, for example, who often earn less now than they did a decade ago.

In his inaugural speech, Germany's new president, Joachim Gauck, praised his country for "bringing together social justice, participation and opportunities for advancement." But Germans, the president warned, should not accept "people having the impression that advancement is out of their reach despite their every endeavor."

But this is precisely the case now, and, as a result, the old questions of wealth distribution are being asked once again. How can we overcome the gap between rich and poor? How can all employees share in the growing prosperity? And, most of all, what roles should politicians and the parties to collective bargaining agreements play in the process?

It isn't just the long-term unemployed who feel marginalized, but increasingly people who work in industries with narrow profit margins, or in which wages are a determining factor in competition. There are also those who work in the public sector, where there are often few opportunities for career advancement.

On the Darker Side of the Labor Divide

A small party was held last December to celebrate Sabine Rieckermann's anniversary in her job, but it hardly reduced her frustrations. "I've been working for the city for 25 years now, and I've been stuck in the same job for the last 16 years," Rieckermann says. "For me, there are practically no opportunities for advancement. I'm not getting ahead anymore."

Rieckermann, a member of the Ver.di union, has held many jobs for the northern city-state of Hamburg over the years, in both city agencies and schools. "I've learned a lot, I've continued to develop personally and professionally, and I've gained management experience," she says. "But, at some point, you just hit the ceiling. It's pretty bitter."

She has been in the sixth compensation group of the public-sector wage agreement for the German states since 1996. But the most recent Ver.di wage agreement only applies to employees of the federal government and municipalities. As the director of a school office, she is unable to enter a higher pay group. "It makes no difference at all whether I'm doing a great job or getting poor evaluations," Rieckermann says. "My actual performance simply doesn't matter." She feels she has hit a dead end despite being relatively privileged, with a more or less secure job and a somewhat acceptable income. Millions of other employees would completely envy her situation.

But now there are about 1 million temporary workers in Germany, and they often do the same work as their full-time counterparts for significantly less pay. In many cases, they don't know where they'll be working in a week or whether they'll be able to keep their jobs if their employer doesn't have enough work for them.

The boom began with the statutory deregulation of temporary work in 2003. Previously, highly prohibitive legal restrictions made a mass scale temp industry next to impossible. Since then, the number of temporary workers has almost tripled, from a little over 300,000 to more than 900,000. Earnings are low, even though there is now a minimum wage in the industry. In 2010, normal full-time employees who are required to make social insurance contributions earned an average gross monthly salary of €2,700, as compared with only about €1,400 for temporary workers.

"Temporary work is the most visible sign of the brutalization of conventions in the labor market," says Detlef Wetzels, the second chairman of union IG Metall.

But temp workers are only part of the low-wage sector. According to think tank IAQ in Duisburg, about 8 million people in Germany now work for an hourly wage of less than €9.15, while 1.4 million receive less than €5 per hour.

Working More for Less

Since no one can live on incomes like these, many workers have to rely on public assistance to supplement their earnings. Many are also part-time employees, but some 329,000 people with full-time jobs are still unable to make ends meet. Jens Vandrei is one of them.

After almost six years of work and several promotions, he is back where he came from. "At the club," says the 43-year-old, referring to his local job center, where unemployed Germans must go to collect their benefits and also search for new work.

Vandrei was receiving welfare benefits under the Hartz IV program for the long-term unemployed when, in June 2006, he was placed at a high school in Hamburg in a so-called one-euro job, which paid him that hourly amount while allowing him to keep receiving regular welfare payments. He worked as a handyman, and he was good at it. The school kept increasing his hours until he was offered a part-time position and then a full-time one. Nevertheless, he kept receiving Hartz IV benefits.

Vandrei's is actually a success story, given that he was out of the work force for years before being placed at the school. But Vandrei and his family -- which includes his wife, their three children and her son from a previous relationship -- can't live on his gross monthly income of about €2,000.

In late February, Vandrei returned to the "club" to file an application for supplementary Hartz IV benefits. "The €217 end-of-year adjustment in the electricity bill knocked us off our feet," he says, adding that he goes to work every day a "nervous wreck" with money troubles on his mind. He and his wife wear second-hand clothing they get from relatives and acquaintances, but finding clothes for their growing children is naturally a bigger problem.

When Vandrei, a union member, switched to a full-time job two years ago, his situation didn't get any better. On the contrary, he says, "I had twice as much work but less money." Since he was working full-time, he was no longer eligible for the supplementary Hartz IV assistance through the job center, and since he was earning more money, the day care fees for his children increased. On balance, his monthly income dropped by €25. "There is something wrong with our system," Vandrei says.

Pitting Workers against Workers

Since the situation is so precarious in the lower wage groups, Ver.di Chairman Bsirske has been set on establishing a "social component." Berthold Huber, the chairman of IG Metall, also wants to fight for more than higher pay in the current wage dispute. In a SPIEGEL [interview](#) in early March, when the talks were just starting, he said that IG Metall "isn't just a moneymaking machine." In the past, this would have been an outrageous statement for a chairman of IG Metall given the decades his union has spent serving its core clientele.

But now the union is also addressing the needs of the less established workers and trying to help them gain a foothold. The union has already convinced more than 1,200 companies to pay temporary workers the same wage negotiated for IG Metall members. In the current collective bargaining round, it also wants employers to include members of the works council in decisions on the extent to which temp workers are used. And, lastly, the workers' organization is currently trying to convince the temporary-employment industry to require companies to pay extra wages to workers when they are used in the metal and electronics industries.

The union's aim in this is to make temporary work so unattractive to companies that they might consider employing temp workers on regular terms. It also wants to prevent any further shrinkage of the core workforce.

Niche Unions' Threats to Solidarity

But the big unions are caught in a dilemma. When making their wage demands -- and especially when signing collective bargaining agreements -- they have always had to make allowances for industries and companies that are not as profitable as others. This sort of compromise requires solidarity from all parties involved. But, these days, not all professional groups are willing to compromise. In fact, they want more, and new labor unions are stepping in to fill the vacuum.

The official establishment is terrified by people like Dirk Vogelsang. The 55-year-old lawyer in the northern city-state of Bremen is the strategic mind behind several [niche trade unions](#), which only represent the members of specific professions within a company, such as pilots and train drivers.

The separatists have had many successes in recent years with their focus on the few, sometimes securing significant pay increases for their clientele. Members of these mini-unions seem to enjoy a constant upswing no matter how the economy is doing.

Vogelsang benefits from the weakness of the big unions and dissects their crisis with relish. He simply turns around the charge that his niche unions lack solidarity. "Most trade unions adhere to the notion, influenced by a rush to obedience, that only a fixed wage bill is negotiable in collective bargaining rounds."

"It isn't that some employees are fighting against other employees," he continues. "We're all fighting against the employers, and we want to take away as much as possible from this opponent."

Still, Vogelsang won't go so far as to say it's best to pursue the principle of every professional group for itself and no one for all. Instead, he says that niche unions will remain the exception because very few employees pose as much of a potential threat as pilots and train drivers.

In other words, the powerful will prevail and receive even more compensation in good times, while the replaceable will have to settle for less even during economic booms.

"So far, niche unions have arisen mainly in places where competition is weak," says Justus Haucap, an economist at Düsseldorf's Heinrich Heine University and head of Germany's Monopolies Commission, which advises the government in Berlin on competition policy. Like Vogelsang, he sees a trend toward mini-unions representing professional groups that cannot be replaced by other employees within a company. He also believes that, when push comes to shove, the negotiating power of the few specialists is greater than that of the larger group.

But, unlike Vogelsang, Haucap is convinced that the wage pie wouldn't get any bigger if more unions fight for their share of it but, rather, that the pieces will only get smaller. "The distribution battle is no longer being fought just between capital and labor," he says, "but also among the employees themselves."

What Politicians Have to Do

If nothing happens, the chasm between those who can participate in the growing prosperity and those who are left out of it will only continue to grow. The reforms of recent years have clearly failed to reach one of their two goals. More temporary labor and short-term employment relationships were intended to make the labor market more flexible and thereby lead to more employment, and this has been achieved. But they were also expected to form a bridge from unemployment into well-paid staff positions, which hasn't happened.

"The hopes of non-core and temporary workers of entering the core workforce and thereby participating in prosperity have hardly been fulfilled so far," says Lutz Bellmann, a labor market specialist at the Institute for Employment Research (IAB) in Nuremberg, a division of the Federal Employment Agency. Only about 8 percent of temporary workers are permanently hired within a year by the companies they are used in, he explains, and very few successfully negotiate the transition from mini-jobs and short-term work contracts into the safe world of wage-agreement tables and bonuses. As in society at large, Bellman says, "permeability decreases as you move up."

Ulrich Walwei, the IAB's deputy director, has just examined all the available labor market data. The results are clear: As qualifications decline, the risk of unemployment multiplies. In other words, education exponentially increases job prospects. As Walwei notes, the gap "between the wages of people with good and bad qualifications has grown in recent years." Those with poorer qualifications are highly likely to end up in precarious employment situations.

In fact, this growing chasm between the top and the bottom is not only growing in Germany, but also in many countries across the world, according to organizations such as the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD). Experts see the growing divide as a threat to long-term economic growth. "We will only achieve this goal if prosperity is distributed more widely throughout incomes," says Peter Bofinger, a prominent economist and government adviser.

Different Times, Different Challenges

But how can employees be given a share in the continually growing prosperity? And what role should politicians play if the parties to wage agreements are too overwhelmed to solve their problems?

Ten years ago, when Germany was stuck in a reform bottleneck and thousands of jobs were being lost to low-wage countries, there was a need for policies that promoted more jobs and economic competitiveness. But, today, the challenges are different. To narrow the gap between rich and poor, the labor market and the tax and social systems must be fundamentally altered:

- One reason that the low-wage sector has grown so strongly in recent years is that a statutory minimum wage only exists in certain sectors. If a minimum wage of €8.50 were introduced nationwide in Germany, 25 percent of all female employees would immediately earn more money, and some 15 percent of male workers would see their pay go up.

- The tax burden for higher earners has significantly gone down in recent years. First Helmut Kohl, the member of the center-right Christian Democratic Union who served as Germany's chancellor between 1982 and 1998, eliminated the wealth tax. And then Gerhard Schröder, the Social Democratic chancellor between 1998 and 2005, reduced the income tax. But both the IMF and the OECD say these steps went too far and recommend that the government tax the affluent more heavily again, possibly through higher levies on property or inheritances.
- Low-wage and normal earners bear a particularly large burden in the German social security system because, for example, health insurance premiums are only paid on up to €45,900 in gross annual income. All income above this threshold is not subject to a premium payment. As a result, a senior engineer with an annual income of €150,000 is only required to pay 6.6 percent of his total income in social security contributions, whereas a laborer who makes only a tenth as much is required to pay 20.7 percent of his income. However, the claims to unemployment compensation or a pension that he acquires with these payments are often only at the level of the welfare he would be entitled to anyway. To offset this disadvantage, years ago, the German Confederation of Trade Unions (DBG) called for a system of tax exemptions that would ease the burden on lower earners.

The Needed Agenda 2020

Those hoping to narrow the gap between rich and poor cannot put all their trust in the power of the unions and the forces of demographic change. They also have to emphasize political reforms. More spending on education and changes to the tax and transfer systems that would benefit low earners are needed. The series of labor market and welfare reforms known collectively as Agenda 2010, which Chancellor Schröder put in motion in 2003, completely reorganized the welfare state and were necessary for making Germany's economy globally competitive again. But, to achieve more social equality, we now need an Agenda 2020.

Indeed, what's needed is nothing less than a change in the system so radical that it would make the painful Hartz reforms (named after former Volkswagen executive Peter Hartz, who advised the Schröder government closely on its ambitious structural reforms) seem like cosmetic surgery by comparison. Hilmar Schneider, director of labor market policy at the Bonn-based Institute for the Study of Labor (IZA) and one of Germany's best-known employment experts, agrees. He notes that there is no alternative to making the working world more flexible, adding: "The days of small changes are over."

REPORTED BY SVEN BÖLL, MARKUS DETTMER, CATALINA SCHRÖDER, JANKO TIETZ AND FLORIAN ZERFASS

Translated from the German by Christopher Sultan

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SPIEGEL ONLINE

The World from Berlin

'Hollande's Euro Strategy Will End in Disaster'

New polls indicate that the gap between French President Nicolas Sarkozy and frontrunner François Hollande is narrowing. But most still expect the Socialist challenger to emerge victorious on Sunday. German commentators say that Hollande still has a lot to learn - and the sooner he does, the greater the clout he will have in Europe.

Can Nicolas Sarkozy win after all? With just days to go before the French president's run-off election with [Socialist challenger François Hollande](#), polls indicate that the once sizeable gap between the two may be shrinking. A survey released Friday by the French polling agency BVA indicates that support for Hollande stands at 52.5 percent whereas 47.5 percent back the incumbent. That represents the smallest spread measured so far during the campaign.

The smart money, though, is still on a Hollande victory in the Sunday election, particularly after centrist candidate François Bayrou on Thursday announced that he would be voting for [the Socialist contender](#). Sarkozy had been hoping that the 9 percent of voters who backed Bayrou in the first voting round last month could be persuaded to switch to the conservative camp and help him quickly make up ground against Hollande. That, though, now appears more unlikely than ever. And despite Sarkozy's recent tough talk on immigration, far-right National Front leader Marine Le Pen -- who garnered 20 percent in the first round -- said she would be casting a blank ballot rather than vote for Sarkozy's re-election.

Several analysts have also said that Hollande emerged as the winner of a crucial debate between the two candidates, which was watched by an estimated one-third of the electorate. The battle, which took place on Wednesday evening, was the most aggressive such debate ever in France and often devolved into name calling and anger. At one point, a furious Sarkozy was left sputtering "you little ... liar!"

Hollande, for his part, strove to take the high road. [Alan Minc](#), a close friend and advisor of Sarkozy, told Reuters that "I think we all underestimated (Hollande). He's shown quite an uncommon strength of spirit this year."

Berlin has been [watching the French campaign closely](#). Earlier this year, Chancellor Angela Merkel offered to assist the Sarkozy re-election campaign, partially out of concern that the leftist Hollande [could torpedo her strategy](#) for confronting the ongoing European debt crisis. She declined to meet with Hollande during the campaign. With a Hollande victory becoming increasingly likely, however, she has recently begun to soften her tone. Hollande has said that he would immediately travel to Berlin to meet with Merkel if he were he elected.

German columnists on Friday join the French in looking ahead to the critical Sunday vote.

The business daily **Handelsblatt** writes:

"Chancellor Angela Merkel's partners abroad have not always been easy. US President George W. Bush gave her a public neck massage; Russian President Vladimir Putin hired her predecessor Gerhard Schröder as a lobbyist for Gazprom ... and Merkel was only finally getting used to a not-always-predictable Nicolas Sarkozy. Now it would seem that his political career has reached an impasse and that he will have to clear the path for the Socialist François Hollande."

"Franco-German relations are particularly dependent upon a good relationship between the two countries' leaders. This is not because of the difficult history or because of the differing mentalities. Rather, the political systems are simply too different. A French minister possibly has less power than deputy ministers in Germany. In France, parliament cannot slow down the executive in the way the Bundestag occasionally dares to do. It's not just the constitution that gives the president the final say: The fact that he is directly elected by people affords him massive authority."

"France's influence does not depend on strong sound bites and ultimatums, but on the fact that it is the strongest economy in Europe after Germany and that it acts as a buffer between north and south. In the past five years its function in this regard has suffered a lot. Hollande's program is probably enough for him to win the election, but it is not enough to overcome the economic downturn. The sooner he recognizes this, the more weight his voice will have in Europe."

Conservative daily **Die Welt** writes:

"At the end of Wednesday's debate, Sarkozy listened almost with resignation as Hollande used the phrase 'I, as president of France' 16 times to set out his vision for the country. It is a vision which includes serious challenges for Germany. Hollande accused the likely outgoing president of having 'gotten nothing from Germany.' The accusation speaks volumes about Hollande's European outlook. He seems to consider Europe as a communal project that he would prefer to drive against Germany rather than together with it. The Socialist considers himself to be the forerunner of a growing movement striving for a 'new direction' in European affairs. Among his supporters, Hollande counts not only the southern European countries suffering under austerity, but also the fans of euro bonds with Germany's Social Democratic Party. Hollande, rather generously, even counts European Central Bank President Mario Draghi as being a member of that camp. Hollande's economic navigation system is analogous to software that badly needs to be updated. Perhaps he is trying to navigate through the misty landscape of globalization with a map from the year 1981. His intention is to demand that Germany guarantees the debts that will accumulate from kick-starting his economy. This strategy will likely lead to disaster."

Center-left **Süddeutsche Zeitung** writes:

"Merkel is skeptical of Hollande primarily because she knows that [difficult confrontations](#) will be unavoidable if he is elected. One thing is clear: As soon as the fiscal pact is expanded to include allowances for growth and job creation, the French and other countries will insist on implementing such measures. And if the reforms do not suffice and no money is available for stimulus, Paris will remind Europe that providing the euro bailout fund, the European Stability Mechanism, with a banking license would be a solution. It is unclear who would win the resulting battle: Merkel or Hollande."

Berlin daily **Der Tagesspiegel** writes:

"During the campaign, Sarkozy has proven to be the more erratic and less reliable candidate. He [targeted the right-wing extremist vote](#) and placed his European credentials at risk. But he failed to offer up any kind of decisive reforms of the kind undertaken in Germany. Hollande is not a leftist revolutionary and claims to want to be the president of all French people. What becomes of his promises remains to be seen. But he is seen as reliable and consistent -- not bad qualifications for Europe."

-- *Charles Hawley*

URL:

- <http://www.spiegel.de/international/europe/german-press-review-on-french-presidential-elections-a-831336.html>

German macroprudential reforms

Beware Teutonic caution

The Bundesbank should not exert its new clout too zealously

May 5th 2012 | from the print edition

THE European Central Bank (ECB) decided a year ago to hold this week's monetary-policy meeting in Barcelona, but the timing turned out to be perfect. Spain is in the crosshairs of the markets, not least because of budgetary overruns by regional governments such as Catalonia's. And the contrasting economic fortunes of beaten-up Spain, where the jobless rate has reached 24%, and resilient Germany, where it is below 6%, exemplify the difficulty of finding the right monetary policy in a currency union of 17 members.

The ECB's meeting on May 3rd (after *The Economist* went to press) was not expected to change its monetary stance. Behind the scenes, however, there are acute tensions within its 23-strong governing council, made up of six board members and the heads of the 17 national central banks. In particular Jens Weidmann, the president of the powerful German Bundesbank, opposed the decision to cut interest rates to 1% in December, and frets about the adequacy of the collateral against which the ECB has lent so much money to banks in recent months.



Among other things Germany's top central banker wants to avoid a home replay of the credit and property boom whose excesses have been so harmful in Spain. Loose monetary policy makes him nervous about the possibility of a property bubble in Germany. After a long period when house prices fell and then stagnated, they have picked up in the past couple of years (see chart). Homebuilding orders are up by a fifth on a year ago.

Such anxiety looks premature: house-price rises represent a thawing in the property permafrost rather than a market on fire. But if Mr Weidmann is minded to take pre-emptive action, he will soon have the means to do so. At present the Bundesbank can preach about risks to financial stability but it cannot impose counter-measures such as setting higher capital

requirements for banks or putting constraints on specific types of lending such as mortgages. The authority for implementing these steps lies with BaFin, Germany's bank supervisor (which is assisted on the ground by Bundesbank staff).

This will change under new proposals to set up a joint committee, which will have representatives from the finance ministry and BaFin, but which will give the Bundesbank the leading role and enable it to push through binding directives. The legislation won't come into force until next year, but since it is designed to strengthen his hand, Mr Weidmann would probably be able to get his own way before then.

The reform is part of a general move to add "macroprudential" instruments to the toolkit of central banks, allowing them to choke off credit excesses while monetary policy is set for the economy as a whole. If anything, Germany is treading less far down this path than some other countries—in Britain, for example, the Bank of England will call the shots through a powerful new Financial Policy Committee, which has already started work. Such powers should be particularly useful in the euro area, providing countries with a national lever to pull if their banks are getting too festive (though Spain's pre-crisis policy of "dynamic provisioning", designed to get local banks to set aside more provisions in the good times, cautions against investing too much hope in macroprudential tools).

But in the current climate there is also the danger that such regulations may be used in bigger economies to grab back power from the ECB. By reducing credit availability national central banks can contravene the euro zone's wider monetary stance. Speaking in New York in late April Mr Weidmann said that if monetary policy becomes too expansionary for his home country, "Germany has to deal with this using other, national instruments." If Mr Weidmann does use his new powers overzealously that could dash one of the few remaining hopes for the hard-hit peripheral economies: a strong recovery in the euro area, led by Germany.

Charlemagne

Going for growth, but how?

Europe is abuzz with talk of a growth compact, but nobody agrees what it means

May 5th 2012 | from the print edition



THE words of Mario Draghi were just an aside, but they caused a stir. “We have had a fiscal compact. Right now what is in my mind is to have a growth compact,” the president of the European Central Bank told the European Parliament. He did not elaborate. But from a man closely linked to the German desire for fiscal rectitude, his words led many to hope that the euro zone might move on from its self-defeating obsession with austerity.

Mr Draghi, it seems, has started being less German and more French as Europe awaits the likely election of François Hollande as the new French president. Mr Hollande, a Socialist, wants to renegotiate the fiscal compact, a treaty toughening fiscal rules, to include growth. In Brussels there is talk of a new Marshall Plan. Herman Van Rompuy, president of the European Council, is expected to summon European Union leaders to a dinner to discuss growth. With parts of the euro zone crushed by recession and mass unemployment, many now look to Mr Hollande for relief. Even Angela Merkel, the German chancellor, has changed tone. She now insists that Europe’s policy rests not only on budgetary discipline, but also on measures to promote jobs and growth.

Yet nobody should get carried away by a hope that the euro zone is embarking on a radical new course. Calling for growth is like advocating world peace: everybody agrees that it is a good thing, but nobody agrees how to do it. Mr Draghi’s ideas, as far as they can be divined, are to promote structural reforms to make labour markets more flexible and encourage entrepreneurship. Mrs Merkel echoes this, saying promoting growth need not cost billions. Liberals add that a key to higher growth is to remove barriers to the EU’s single market, particularly in services.

Yet Mr Hollande is against such ideas. His programme for France, which has one of the biggest public sectors in the world, is mainly about more spending and more taxes. In the EU he wants common European project bonds to finance infrastructure, a capital injection for the

European Investment Bank (EIB) and a redirection of EU regional funds towards jobs. Much of this can be done so long as Mr Hollande does not try to reopen the actual text of the fiscal compact. Indeed, many of these ideas have already been proposed by the European Commission.

The frenzy about growth has gone too far, says one Eurocrat. In the end it will be a repacking of ideas rather than a revolution. Germany already favours boosting the EIB. The capital needed is modest, and it can be used as leverage for private-sector finance (the talk is of an extra €10 billion, or \$13 billion, generating as much as €180 billion-worth of investment). Moreover, the EIB has a good record of managing projects. But on two other proposals—joint Eurobonds to mutualise European debt, and getting the ECB to lend directly to troubled sovereigns—Mr Hollande is likely to run into an immovable German obstacle.

Even so, Germany will find itself more isolated. It has pushed austerity too far and too fast. The myth of an expansionary fiscal contraction, the idea that deficit-cutting would boost growth, has been largely dispelled. The latest evidence is that in a downturn the multiplier effect of fiscal tightening can lead to deeper recession, making it even harder to cut the deficit. In the euro zone, moreover, countries cannot easily mitigate the impact through looser monetary policy or currency devaluation. Structural reforms may boost growth, but mostly in the medium term.

Yet if high deficits were the answer, Greece and Spain should be booming. Many countries in the euro zone had no choice but austerity to try to calm bond markets that were pushing them into bankruptcy. Others cut for fear of suffering the same fate. Debt in advanced economies has reached levels exceeded only during the second world war, and the evidence is that high debt can stifle long-term growth. Sooner or later, most European countries have to start working off their debt. So the choice is not really between austerity and growth, but over the timing and speed of deficit-cutting and the right mix of structural reforms.

The Goldilocks policy, as the IMF calls it, urges countries to embark on a gradual fiscal adjustment in the short term, if the markets allow it, coupled with a credible medium-term debt-reduction plan. European officials are now debating whether they can make fiscal targets more flexible without losing credibility, and without giving governments a licence to break the rules. Germany argues, with some justice, that the southern Europeans will reform only under extreme duress. It did not happen in good times, so now it must in bad times, declares one Eurocrat.

What sort of compact?

The biggest boost to growth would be to remove uncertainty about the survival of the euro. This requires risk- and burden-sharing across the whole zone. The adjustment will be faster if countries like Germany boost domestic demand through higher spending or lower taxes. The Germans will also have to accept higher inflation to allow others to regain competitiveness without being pushed into deflation. The euro could also be strengthened by a European system to recapitalise banks and guarantee deposits to break the vicious cycle of weak banks and weak sovereigns pulling each other down. Some form of joint Eurobond could stop countries being pushed into insolvency.

Many of these measures will not happen quickly. But, as Mr Draghi told the MEPs, European leaders need to create a sense that they will move in this direction given the right conditions,

so as to show that “we are not stuck in a static position”. Germany and other creditors need to be convinced that such integration is not an open-ended invitation to profligacy at their expense. Euro-zone countries may end up having to accept more, not less, reform and budget discipline. A growth compact, if it ever comes about, may not be quite what Mr Hollande had in mind.

Economist.com/blogs/charlemagne

German family policy

Pay to stay at home

The government plans a controversial benefit for stay-at-home mothers

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CRITICS call it a “hearth bonus” or “keep-your-kids-out-of-school money”. The government prefers *Betreuungsgeld* (“child-care benefit”). Few of its ideas are as contentious as a planned €150 (\$199) monthly payment to parents who do not put their children into crèches. Angela Merkel, the Christian Democrat chancellor, defends this as “an essential part of our policy of freedom of choice.” But it seems to contradict much of what she stands for.



Germany’s long-term worries include a shrinking and ageing population, immigrants who are not fully integrated into the workforce and women who are both underemployed and underpaid. German women work fewer hours than women in most other OECD countries (see chart). The gap in median pay is the third-widest in the club, after South Korea’s and Japan’s. That is partly because mothers stay at home. In 2008 just 18% of children under the age of three were in formal child care, against an OECD average of 30%.

Mrs Merkel has tackled some of these problems in the face of resistance from her Christian Democratic Union (CDU) and its Bavarian sibling, the Christian Social Union (CSU). Her first government (a coalition with the Social Democrats) introduced “parent pay”, a salary-linked benefit meant to encourage women to become mothers without abandoning their careers. The same government made promises to expand crèche places that the present one is trying to keep. By 2013 parents will have a legal right to a day-care place after a child’s first birthday.

Good crèches are thought by some to be a cure-all. By helping women to combine motherhood and career, they relieve skills shortages, boost growth and reduce inequality between the sexes. They might even lift Germany’s miserably low fertility rate. Children of

immigrant parents are often handicapped by speaking German badly; crèches help to correct that. Germany is generous with cash and tax benefits for families, notes Monika Queisser of the OECD, but spends less on child care than France and the Nordic countries. Mrs Merkel is trying to correct this imbalance.

Yet *Betreuungsgeld* goes in the opposite direction. Women will be induced to interrupt their careers, and the temptation will be greatest for those who can afford it least, says Jutta Allmendinger, president of the Social Science Research Centre, Berlin. Those children who most need a start in education will stay at home. The money would be better invested in expanding crèches, which threaten to fall short of demand, Ms Allmendinger thinks. She compares *Betreuungsgeld* to building a road but paying motorists not to drive on it.

In truth Mrs Merkel is catering to traditional ideas of motherhood, which remain tenacious in Germany. More than a quarter of parents of young children think mothers should stay at home, according to Allensbach, a pollster. Most 18- to 29-year-olds support the new benefit, although overall public opinion is sceptical. The biggest reason for Mrs Merkel's support is to please the CSU, which is by tradition the largest party in Bavaria. Crèches do not improve children's educational prospects, the party insists, and they can jeopardise their emotional development.

Other parts of Mrs Merkel's fraying coalition may not support her. The liberal Free Democratic Party prefers to spend money balancing the budget. Some 23 Bundestag deputies from the CDU threaten to vote against *Betreuungsgeld*. One way to divide opposition might be to deny the benefit to those on welfare. That would make it cheaper, and would reduce the risk that children from poor families were kept out of early education. The left would fume, but critics within the coalition might be appeased. *Betreuungsgeld* just may be a bad idea whose time has come.

The disputed story of a blind activist raises difficult questions for both superpowers

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AT RARE moments the future of a nation, even one teeming with 1.3 billion souls, can be bound up in the fate of a single person. Just possibly China is living through one of those moments and Chen Guangcheng is that person. A blind activist from Shandong province, Mr Chen emerged from poverty, fought for justice and paid the price with his own liberty. Last month he made a bid for freedom and became ensnared in the impersonal machinery of superpower politics. What now befalls him and his family raises questions about Sino-American relations and the character of Chinese power.

In many ways, Mr Chen is the best of modern China. Blind since childhood, poorly educated until adulthood and then self-taught, he became a lawyer, never a safe career in a country where might is right. As a peasant activist fighting local battles—which makes him a much more potent force in China than politicised members of the urban elite such as the artist Ai Weiwei (see [article](#))—he was praised for years by the local government for advocating the rights of disabled people. Then he crossed the line by taking on the local party over the abortions and sterilisations it enforced as part of China’s strict one-child policy. After four years in jail on spurious charges, Mr Chen was kept prisoner in his own home for 19 months.

On April 22nd he fled to the American embassy in Beijing, where Hillary Clinton, America’s secretary of state, was due to arrive for her country’s annual Strategic and Economic Dialogue with China. What happened next is disputed (see [article](#)). American diplomats say they became close to Mr Chen, even holding his hand when they spoke. They say that, after six days inside, Mr Chen willingly left the embassy for hospital, accompanied by the ambassador, to be reunited with his family. He had received assurances from the Chinese government that he would be treated well and allowed to study law at university. However, from his hospital bed, a weary, browbeaten Mr Chen suddenly began to complain that American diplomats had “lobbied” him to leave, that they had not let him confer with his friends and that Chinese officials had threatened his wife. He was “very disappointed” in the American government and said he wanted to leave China. For their part, Chinese officials acknowledge no deal—but they have sternly demanded an apology from America.

The Beijing switch

With luck the dispute will calm down. Perhaps Mr Chen will be spirited away to America, or find a way to live normally in China. But the incident raises three questions. Most

immediately, did America's best diplomats let a brave man down? With Mr Chen out of their care, they now have little bargaining power. If they were duped by their Chinese counterparts, or too ready to accept their assurances, they will be taken as fools. If they struck a deal in haste, calculating that currencies and tariffs should eclipse the rights of an inconvenient blind man, they will be taken as knaves. Mrs Clinton boasted that Mr Chen left the embassy "in a way that reflected his choices and our values". Her words will undoubtedly be scrutinised in this year's election.

Yet the plight of Mr Chen raises two deeper questions about his own country. The first is whether China still feels it must put its relations with America before anything else. In past disputes, notably the aerial collision of a Chinese fighter and an American spyplane in 2001, China has tended eventually to put America first—as the source of trade and wealth and the policeman for the global commons. But China is stronger now, its economy is bigger, it can defend its own shores and it expects to carry weight in the world—especially as, in the view of some triumphalists in Beijing, America has been dragged down by the financial crash and its vicious partisan politics.

If Mr Chen is now punished and Barack Obama is humiliated, that will signal a troubling shift in the terms of the superpowers' relations. A wounded, suspicious America and a rampant China, bent on winning the respect it thinks its due, set the stage for dysfunction at best and conflict at worst. It would be a terrible outcome for both superpowers and for the world. They should strive to patch things up.

The power shift

The other question—and one that will preoccupy China in a year when power shifts to the next generation of leaders—is how the country is run. The blind lawyer in dark glasses is just one of millions of ordinary people smarting under arbitrary rule. For a long time—first when China shed Maoism and then as its economy surged—most Chinese people cared less about the niceties of the law than their fast-rising living standards. Even then the weak, the disabled, the unemployed and the poor were ignored, sidelined and sometimes trampled in the rush for wealth. Now, a slowing economy, corruption, rural anger and urban freedoms all mean that the party is under pressure to enforce the rule of law—especially in order to curtail the impunity of local officials.

The Communist Party recognises that it must start to be more accountable and give people a legal outlet for their grievances. Faced with an insurrection in Wukan, after villagers protested about local officials' profiteering from the sale of land, Beijing ended up siding with the villagers. The party has been keen to depict the sacking of Bo Xilai, who ran the south-western region of Chongqing, as proof that China is a country of laws. Wen Jiabao, China's prime minister, has argued that corruption will not be tolerated. Try as it might, the party cannot altogether control the country's 250m microbloggers who follow each drama live and continue to confound the censors.

The dilemma is that although the party needs the law to govern, it cannot submit to the law without losing power and giving up privileges. At the moment the party still wants to have it both ways. More than any other incident so far, the disturbing case of Mr Chen raises doubts about whether it can. It is a heavy burden to be resting on the frail shoulders of a man lying in a Beijing hospital bed as the diplomats and politicians dine together a few blocks away. But it matters enormously to China's future.

Economic outlook

Some genuine uncertainties

The Economist Buttonwood May 4th 2012, 13:23 by Buttonwood

SOCRATES said: "As for me, all I know is that I know nothing." And we should all be humble enough to follow the great man's example, especially with regard to economics, where it is impossible to run counterfactual tests (what would have happened had we done X instead of Y), where Nobel prize-winners disagree and where the forecasting record of the average economist has been so poor.

So here are a few questions that bug me and that readers might like to think about.

1. It is easy to understand the case that European austerity is self-defeating. But it is also easy to see that one cannot run large deficits year after year without limit, and that some countries (Greece, Portugal) have exhausted the willingness of private investors to finance them. One could combine a commitment to fiscal stimulus in the short-term with a pledge for reduced deficits in the medium term. But will the medium term ever arrive, or will it be a case of "gruel tomorrow, gruel yesterday, but never gruel today"?

2. A long period of fiscal deficits will inevitably mean that the government plays a larger role in the state. But the European role is already large; France spends 56% of GDP. Never mind the issue of crowding out private sector investment, which isn't happening at the moment, but might happen in the future. Doesn't a larger state equate to slower long-term growth prospects?

3. What do the markets want? More austerity or less? European leaders are understandably confused. In the US, would markets really want a Republican sweep of Presidency and Congress that was committed to an austerity drive and to restricting the Fed's ability to do QE? But would a divided government be any better, given the repeated failures to pass long-term reforms?

4. On the same issue, how can we interpret market movements? The British government says low bond yields are the result of investor confidence in its austerity programme. But what about the £325 billion gilt-buying programme of the Bank of England? And what about the purchase of UK bonds by worried investors in the euro zone? (Again, we have no counterfactuals to test the government's assertion.)

5. How do we judge the effectiveness of policy? Keynesians criticise the US for not doing enough, calls that may redouble after today's disappointing payrolls. But the US has a budget deficit of 8.5% of GDP, negative real interest rates on both cash and 10-year bonds and the Fed has pursued two rounds of QE. How does one distinguish between policies that have failed, and those that have not been pushed far enough?

I am sure that many people will assign some ideological bias to these questions but they seem to me to be reasonable issues with which policymakers, investors and voters must grapple, let alone the humble trade of columnists. **The absolute certainty with which some people proclaim on either side of these issues fills me with unease.**

Ordoliberalismus

Theoretischer Entwurf einer freiheitlichen, auf den Grundsätzen der Marktwirtschaft beruhenden Wirtschafts- und Gesellschaftsordnung, auch deutsche Ausgabe des [Neoliberalismus](#) genannt und eine der Grundlagen der [sozialen Marktwirtschaft](#) in Deutschland. Die geistigen Ursprünge gehen auf den deutschen Ökonomen Walter Eucken (* 1891, gestorben 1950) zurück, der zusammen mit anderen Nationalökonominnen und Juristen in der sogenannten Freiburger Schule in den 1930er-Jahren Grundgedanken zur Ordnung der Wirtschaft und des Wettbewerbs entwickelte. Ausgangspunkt waren die schlechten Erfahrungen mit dem ungebremsen Kapitalismus des 19. Jahrhunderts, was in der Praxis zu großer Marktmacht einzelner Unternehmen verbunden mit einer Einschränkung des Wettbewerbs und negativen Folgen für weite Teile der Gesellschaft führte.

Nach Auffassung des Ordoliberalismus soll der Staat nicht nur die notwendigen Voraussetzungen für eine freiheitliche und marktwirtschaftliche Wirtschaftsordnung mit Wettbewerb schaffen, sondern diesen auch erhalten. Der Erhaltung und Sicherung des freien Wettbewerbs dient im Ordoliberalismus die Schaffung eines rechtlichen Rahmens durch den Staat. Dieser ordnungspolitische Rahmen stellt die freie wirtschaftliche Betätigung von Unternehmen und Haushalten sicher und soll die Entstehung von Marktmacht (z. B. durch Kartell- oder Monopolbildung) verhindern. Die staatliche Wirtschaftspolitik als Ordnungspolitik ist deshalb darauf ausgerichtet, die marktwirtschaftlichen Rahmenbedingungen zu sichern und gleichzeitig die gesamtwirtschaftliche Entwicklung zu verbessern.

Duden Wirtschaft von A bis Z: Grundlagenwissen für Schule und Studium, Beruf und Alltag. 4. Aufl. Mannheim: Bibliographisches Institut 2009. Lizenzausgabe Bonn: Bundeszentrale für politische Bildung 2009.