

Debt burdens

The inflation treatment

The Economist Blog Free Exchange Oct 1st 2012, 19:33 by R.A. | WASHINGTON

MY COLLEAGUE [notes](#) that a long-run euro-area solution must address large external debts among the member states of the single currency. He's right. And he's right that rebalancing will be a part of that reckoning. If the periphery can only pay its debts through severe import compression—buying much, much less than before so that there is enough surplus cash to pay external obligations—then the periphery is in for a very long, very painful turnaround (or, alternatively, an abrupt one following an inevitable break-up). If the core can be convinced to reduce its trade balance relative to the periphery, however—essentially, to take its payments in kind rather than in cash—then adjustment becomes much easier.

But there are two obstacles to bringing about the latter scenario. One is lacklustre growth; if the euro-area economy were growing strongly, then a rebalancing within Germany due to, say, a faster pace of consumption growth than export growth wouldn't feel like a big sacrifice. And on the flip side, the periphery could readjust through a slower pace of consumption growth relative to net export growth, rather than having to face an absolute contraction in consumption. While the euro zone is in recession, by contrast, current account adjustments take on much more of a zero-sum feel.

A second and related obstacle concerns wage costs. During the boom, German wages were mostly stagnant while peripheral wages soared. After the crash, that left peripheral industries relatively uncompetitive. Achieving the big rise in net exports needed to pay off external obligations there requires one or both of two things: a productivity surge around the periphery, which isn't the sort of thing that materialises quickly, or a big shift in relative nominal wages. Given that higher productivity is not a short-term solution, wages will be counted upon to do most of the work. And that's where low rates of euro-zone-wide inflation become a problem. If German wages are growing at 5% a year while Spanish wages are flat, one can get a pretty rapid wage adjustment relatively painlessly. But if German wages are flat, then an adjustment in Spanish wages is only possible through a big drop in nominal Spanish pay. And, if Spanish wages are sticky, by massive unemployment. (In [dual labour markets](#), like Spain's, even that might not help much.)

The upshot would seem to be that the euro area could desperately use some higher inflation. Nominal output growth has been extraordinarily low since 2007. A more aggressive monetary policy aimed at raising nominal output (and not just at controlling peripheral debt yields, which has been the guiding principal of the European Central Bank's recent heroics) should lead to some increase in real output and some increase in inflation, both of which could assist in rebalancing within the euro area.

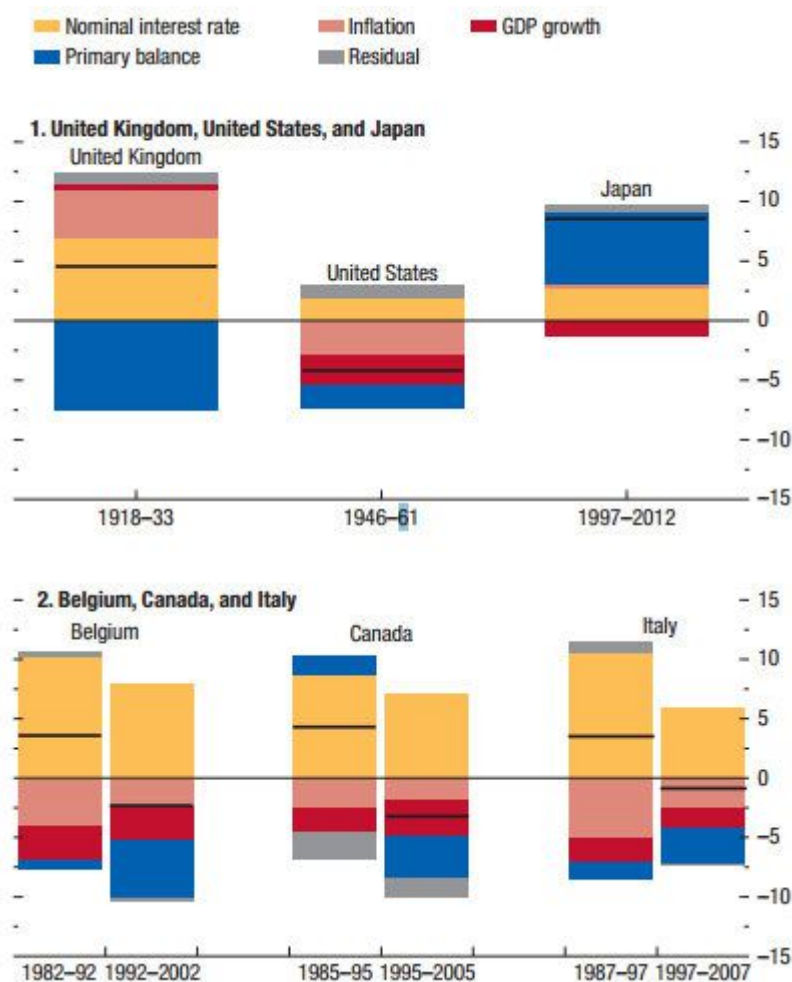
Of course, it's possible that without major labour market reforms around the periphery, more nominal output would just mean higher insider wages and no meaningful improvement in the unemployment picture—and more inflation than real growth. That would be disappointing, but also not entirely bad, for reasons the IMF lays out in a [chapter](#) from its forthcoming World Economic Outlook (and covered in [this week's print edition](#)). In it, the IMF looks at the experience of advanced economies in which debt has risen to 100% of GDP. Our print piece summarises the message like this:

Growth, spending cuts and tax increases did their bit, but the make-or-break factor was monetary policy. Low or falling nominal interest rates and inflation were crucial to reducing the debt-to-GDP ratio. When interest rates were high and deflation rife, consolidation failed. This is mildly positive news for America and Britain, whose central banks are determined to keep monetary policy easy as austerity bites. But it suggests a bleak future for countries locked into the monetary straitjacket of the euro, in the absence of easier monetary policy by the European Central Bank.

The IMF presents six case studies which help to illustrate how consolidations generally work (or don't). The image at right shows the composition of changes in the ratio of debt to GDP, with the thick black lines representing the net change. Several things stand out. One is that consolidations which focus overwhelmingly on trying to achieve a primary surplus (and Britain's case is the archetypal example) fail miserably. The second is that moderate inflation seems to be a necessary if not a sufficient condition for effective consolidation (with postwar America as the exemplar). And the third is that to really make effective use of inflation it helps to have a bit of financial repression so that nominal interest rates don't wipe out the benefits of the inflation. Japan, of course, is the bizarre case in which repression is rampant but inflation has pulled in the wrong direction and so debt has simply kept growing.

Inflation isn't a magic elixir, of course. Some of the work it does in bringing down debt loads is due to the effective tax it represents on holders of sovereign debt. On the other hand, when a rise in inflation jolts an economy stuck at the zero bound closer to potential output, that does amount to the capture of (hundreds of billions in) bills sitting on the sidewalk.

More importantly, while inflation might be unpalatable in many ways, the alternatives look more costly and dramatically less likely to succeed. And so the supposition ought to be that inflation will at some point become the treatment of choice.



Germany

You get unification, we get the euro

1 October 2010

[Der Spiegel](#) Hamburg



Secret deal: "If you renounce the Deutschmark, I will support the reunification of Germany..."

While Germans celebrated the collapse of the Berlin Wall, Helmut Kohl and Francois Mitterrand were at war over the consequences of a united Germany. Secret government documents obtained by Der Spiegel appear to show that Bonn was forced to sacrifice the Deutschmark for reunification.



The architect of German reunification is incensed. Wolfgang Schäuble, interior minister under Helmut Kohl and chief negotiator of the Unification Treaty, holds the offending tome in his hand and unleashes a salvo of what might be termed as unparliamentary language. On the cover, Peer Steinbrück [a leading Social Democrat] gazes into the distance. What infuriates Schäuble is one little line buried in Steinbrück's long tract on Europe: "Giving up the D-Mark for the (equally) stable euro was one of the concessions that helped pave the way for German unification."

"There was never any such deal," Schäuble insists. Steinbrück is unshakable, however. Talk to French officials, he says, and you'll get confirmations by the dozen. Hubert Védrine, for example, adviser to president François Mitterrand at the time, is convinced his boss would hardly have agreed to unification without

German concessions to a monetary union: "Mitterrand did not want any reunification without progress on European integration," says Védrine. "And the only ground that was prepared for that was the currency."

This is about more than an argument between politicians, it's about history's verdict on one of the greatest events of recent decades. If the French are right, not only would a shadow fall on Germany's happy national holiday. It would also put a blot on the euro, which was unloved in Germany even before the rescue packages for Greece. Detractors like ex-chancellor Gerhard Schröder have always considered the single currency a "sickly premature birth". Now they could also claim the euro was basically forced upon the Germans.

Germany would be left as "high and dry" as it was in 1913

As a matter of fact, secret documents from the German foreign office archives, now in Der Spiegel's possession, show that the connection was a lot closer than previously acknowledged. A broad West European alliance threatened to form up against Bonn, and Franco-German relations were on the verge of collapsing. Mitterrand warned the government in Bonn point-blank that it could soon be left stranded in Europe as high and dry "as in 1913".

The papers also show that if Bonn and Paris hadn't risen above their differences in those dramatic days, history might well have taken a different course, both in the multilateral negotiations over Germany unity and in regard to monetary union. Before things came to a boil in late 1989, the debate over the single currency was proceeding at the usual bogged-down-in-Brussels pace. The efforts toward monetary union were continually

foiled by the conflicting interests of the inflationary countries in the South and the so-called hard-currency belt around Germany and the Netherlands. The French especially were writhing under the existing monetary system, which they felt relegated them to the lower rung of a perfidious two-tiered order. "The Deutschmark is to the Germans what the atom bomb is to us," was the Elysée's view.

The differences were so daunting that then Bundesbank president Karl Otto Pöhl wasn't very worried about ever having to see the dawn of a European currency. "I was convinced," recounts Pöhl, "that wouldn't come for another hundred years." But then, overnight, came something that seemed far more utopian still than the idea of a single European currency: German reunification. In his 10-point declaration in late November 1989, Helmut Kohl proposed a new German confederation "in which the German people can regain their unity in free self-determination". The Western allies were not in the loop, which made them all the more hostile to the scheme. Was Kohl preparing the ground behind their backs for Germany to go on its own [Sonderweg](#)? Was the chancellor out to create a new Greater Germany in the heart of Europe?

Mitterrand's "fit of rage" at the Elysée lasted hours

When Mitterrand heard of Kohl's declaration, he had "a little fit of rage – that went on for hours", his advisers recall. How double-crossed the president felt was to emerge shortly afterwards. Foreign minister Hans-Dietrich Genscher dashed over to the Elysée. It was a memorable meeting. Hardly anywhere else is it stated as clearly as in the "classified" secret minutes of that meeting how closely Mitterrand's "yes" to unity was tied to German concessions on monetary union.

"Germany can only hope for reunification," lectured the French president, "if it stands in a strong Community." However, lamented Mitterrand, Germany's Community spirit currently leaves much to be desired. "One doesn't have to be a psychologist to see that the Federal Republic of Germany is stalling at the moment on the road to economic and monetary union." Genscher got his grim drift right away: Mitterrand was threatening to veto reunification. And if push came to shove, Bonn would have not only British prime minister Margaret Thatcher against it.

The foreign minister was accommodating and make and then made a significant commitment to the president: "A decision needs to be made in Strasbourg," said Genscher, "regarding the Intergovernmental Conference on Economic and Monetary Union." But on 8 December 1989, when Kohl and Genscher entered the conference hall in Strasbourg, they got an icy reception. The Germans just barely managed to wrest consent to German unity, spiked with reservations and provisos, from their EC partners. In return they rubber-stamped the French timetable for monetary union. There was no discussion of political union though.

Need to make a Greater Germany acceptable to its allies

Then everything happened very fast. In summer of 1990, East and West Germany signed the Unification Treaty, on 3 October the new Länder acceded to the Federal Republic of Germany. In December the EC heads of state embarked on the Intergovernmental Conference on European Monetary Union in Rome. In February 1992, when they signed the Maastricht Treaty on the introduction of the euro, Genscher felt a profound sense of contentment: "That act symbolised to me that I had made good on the promises I'd given in the German unification process."

So was giving up the mark the price to be paid for unity? The question can't be answered clearly in the affirmative if only because key decisions on the euro weren't reached till later, for example when the French passed the Maastricht Treaty in a referendum in 1992 by a wafer-thin majority. And yet it can hardly be denied that the downfall of the Communist regime propelled the monetary project forwards at a decisive stage in its history. "The European Monetary Union might not have materialised at all were it not for German unity," says former Bundesbank chief Karl Otto Pöhl. "Kohl knew that he'd have to move Europe forwards to make reunification acceptable," says Mitterrand's erstwhile adviser Hubert Védrine.

In the end, that concession was a boon and a blessing above all to the two heads of state. By allowing Germany's eastward enlargement, Mitterrand helped make Kohl the chancellor of unification. And that in turn

put Kohl in a position to divest the Germans of their Deutschmark – which was one of Mitterrand's greatest triumphs.

Translated from the German by Eric Rosencrantz

Erasmus menacé de disparition

Par [Assma Maad](#) Mis à jour le 04/10/2012 à 12:56 | publié le 04/10/2012 à 09:18 [Réactions](#) (18)



Erasmus célèbre ses 25 années d'existence. Crédits photo : JEAN-PHILIPPE KSIAZEK/AFP

Lancé en 1987, le programme ne bénéficie actuellement plus de suffisamment d'argent pour financer ses étudiants.

Si Erasmus célèbre ses 25 ans cette année, il n'a pas le moral à la fête. Lancé en 1987, le programme ne bénéficie actuellement plus de suffisamment d'argent pour financer ses étudiants. Le président de la [Commission des budgets](#) du Parlement européen, le Français [Alain Lamassoure](#), a été le premier à pousser le cri d'alarme. «Le Fonds social européen est en cessation de paiement depuis le début du mois et ne peut plus effectuer de remboursements aux États», déplore le député européen français.

Des besoins estimés à plusieurs milliards d'euros

Dans un contexte économique difficile, les gouvernements ont taillé dans le budget 2012 de l'[Union européenne](#) et limité les dépenses à 129 milliards d'euros. Ainsi il manque près de 4 milliards d'euros par rapport aux propositions de la Commission, pour le mettre au diapason de la rigueur imposée à l'Europe par la crise financière.

Résultat: le [Fonds social européen](#) est en cessation de paiement. «Il ne peut plus effectuer de remboursements aux États. La semaine prochaine ce sera le tour d'Erasmus et à la fin du mois le programme pour la Recherche et l'Innovation n'aura plus d'argent» déplore Alain Lamassoure.

Il dénonce une «situation absurde» en ajoutant que la situation risquait de perdurer, car sept pays (Royaume-Uni, France, Allemagne, Finlande, Suède, Pays-Bas et Autriche) refusent le projet de budget pour 2013 proposé par la Commission avec 138 milliards d'euros pour les dépenses, soit une hausse de 9 milliards (+6,8 %) par rapport à 2012.


Bruxelles demande une rallonge le 23 octobre

Le commissaire au Budget, Janusz Lewandowski, doit présenter dans les prochaines semaines un budget rectificatif pour demander aux États une rallonge de plusieurs milliards d'euros pour continuer à financer ces programmes. Si son porte-parole Patrizio Fiorilli a rappelé qu'Erasmus était «à court d'argent» il a indiqué que «la plupart des paiements pour les étudiants ont été effectués.»

Mais si la commission n'agit pas «il n'y aura pas de bourse à Noël pour les étudiants car ils seront contraints de stopper leur programme Erasmus à 80 %», insiste Alain Lamarousse.

Du côté du [ministère de l'Enseignement supérieur et de la Recherche](#), on se veut rassurant. «Il n'y aura pas de conséquences sur le budget des étudiants français. L'Agence Europe éducation formation France (2E2F) - qui attribue les financements européens - n'a aucun problème de trésorerie», affirme le cabinet de la ministre [Geneviève Fioroso](#).

Marseille sous le choc des ripoux de la BAC

Par  Alette de Broqua Mis à jour le 04/10/2012 à 12:49 | publié le 04/10/2012 à 12:07 [Réactions](#) (15)



Les locaux de la BAC, à Marseille. C'est ici qu'une partie des policiers des équipes de jour se livraient à leur trafic. Crédits photo : BORIS HORVAT/AFP

L'affaire prend encore plus d'ampleur que prévu. Un syndicaliste reconnaît que la ville est sous le choc et qu'il va être difficile de continuer à traquer les délinquants dans ce contexte. La police est désorganisée.

L'enquête sur les policiers ripoux de Marseille, soupçonnés d'avoir racketté les dealers des cités progresse. Elle n'en finit pas de montrer à quel point la police de la ville est impliquée.

[Avec au minimum de 20 policiers soupçonnés de corruption](#), l'affaire désorganise comme le révélait *Le Figaro* ce jeudi totalement la BAC des quartiers nord. Et, la sécurité des habitants. «Les repos vont sauter et certains secteurs ne seront même plus couverts», déplore Alphonse Giovaninni du syndicat Unité SGP Police. Les délinquants des quartiers nord ont la paix pour quelque temps!

«Avec cette enquête, nos gars ont une cible sur le dos!», souligne le syndicaliste selon lequel, ils ne peuvent plus avoir aucune autorité tant que l'enquête n'est pas achevée et tant que ceux qui ont franchi la ligne jaune ne seront pas sanctionnés. Ils risquent d'une part la révocation sur le plan administratif, puis des condamnations pénales infligées par la justice civile... «Ça nous fait mal car ça rejait sur tous les flics!», regrette encore Giovaninni .

De la drogue dans les faux-plafonds

Une chose est sûre, l'étau se resserre. Les perquisitions menées par les enquêteurs de la police des polices, les bœufs-carottes, ont été fructueuses mercredi. Selon [notre confrère RTL](#), ils auraient découvert un beau butin dans les faux-plafonds des locaux de la BAC nord: de l'argent liquide, des bijoux et du haschisch! «On ne rémunère pas les tontons avec des bijoux!» reconnaît encore Alphonse Giovaninni, du syndicat Unité SGP Police et «si c'est pour les tontons, c'est dans le coffre de la BAC...» Des objets ont également été découverts au domicile des suspects.

Si très peu d'informations filtrent sur cette enquête menée par l'Inspection générale de la police nationale, qui conduit ses interrogatoires dans les locaux de la gendarmerie, pour plus de sûreté, dans les couloirs de la police locale, on lâche: «Il y a du lourd!». Toute la question est de savoir la proportion des policiers gangrenés à la BAC nord et si cela touche d'autres services à Marseille.

Douze policiers du service de jour de la BAC nord sont en garde à vue pour un maximum de 96 heures depuis mardi. Quinze autres ont été ou vont être entendus comme témoins. D'autres interpellations sont à prévoir. Une vingtaine sont soupçonnés. «Toutes les personnes qui ont tourné avec les douze, et cela pendant plusieurs années, seront entendues. Ça peut faire beaucoup de monde et pas forcément qu'à Marseille car certains ont depuis été mutés», explique le syndicaliste. La BAC nord comprend 60 fonctionnaires dont la moitié en équipe

de jour, seule concernée par l'enquête actuelle. Ce sont en effet les méthodes de ces équipes, la rémunération des indicateurs, «les tontons», qui ont permis les dérapages en cause: vols et extorsions sur des dealers et des trafiquants de cigarettes.

Des perquisitions ont été menées aussi au domicile des policiers en garde à vue. Les enquêteurs qui ont ramené trois gros sacs de leurs perquisitions ont découvert des boîtes de gâteaux remplies de billets au domicile de certains policiers. Ils les soupçonnent de s'être acheté des voitures privées et des voyages ou s'être fait construire des piscines grâce à ce racket des dealers des cités. Pour les coincer, des micros et des minicaméras ont été cachés dans les véhicules de la BAC.

Islands Industrieminister

„Zum Glück haben wir nicht versucht, die Banken zu retten“

FAZ 04.10.2012 · Steingrímur Sigfússon, Islands Industrieminister, bewirbt sein Land als Beispiel für Krisenbewältigung. Die Regierung reklamiert erstaunliche Fortschritte für sich. Taugt Island auch als Vorbild für andere Staaten?



© REUTERS Steingrímur Sigfússon

Sie bewerben Ihr Land als Beispiel für die Krisenbewältigung. Was kann Griechenland von Island lernen?

Wir sind nicht in der Position, um wie ein Prediger aufzutreten, der alle Antworten und Lösungen kennt. Aber wenn wir unsere Situation heute mit der Lage direkt nach dem Zusammenbruch unserer drei Großbanken vor rund vier Jahren vergleichen, lässt sich durchaus viel Positives feststellen. Wir haben Island vor dem Bankrott gerettet, das vom Internationalen Währungsfonds begleitete Konsolidierungsprogramm abgeschlossen, mit erfolgreichen Anleiheemissionen wieder Zugang zum internationalen Kapitalmarkt erlangt. Und die unorthodoxe Art und Weise, auf die wir all das erreicht haben, ist auch im Ausland auf großes Interesse gestoßen.

Die am wenigsten orthodoxe Maßnahme war, dass sie die ausländischen Gläubiger der Banken Kaupthing, Landsbanki und Glitnir bis heute nicht ausbezahlt haben. Werden sie jemals ihr Geld wiedersehen?

Sie werden alles bekommen, was noch an Vermögen in diesen alten Banken drinsteckt. Wir haben glücklicherweise nicht versucht, sie zu retten; wir hätten es ohnehin nicht gekonnt. Das haben sogar die Gläubiger verstanden. Die Bilanzsumme der drei Institute war zehnmal so hoch wie unser Bruttoinlandsprodukt! Ich habe den Gläubigern deshalb schon 2009 versucht zu erklären, dass sie von der Erholung der isländischen Wirtschaft profitieren würden, während ein völliger wirtschaftlicher Zusammenbruch niemandem geholfen hätte. Manche Gläubiger werden nun sogar einen Gewinn machen, weil sie Forderungen anderer Gläubiger kurz nach dem Kollaps der Banken zu einem sehr niedrigen Preis aufgekauft haben.

Wie viel von ihren Forderungen werden Gläubiger wie die Deutsche Bank, die Bayern LB und die Commerzbank am Ende denn bekommen?

Für Kaupthing und Glitnir wird die Quote vermutlich bei 25 bis 30 Prozent liegen. Landsbanki wird seine vorrangigen Gläubiger, britische und niederländische Sparer, zu 100 Prozent bedienen können. Für die anderen bleibt dann jedoch nicht mehr viel übrig. Aber in allen drei Fällen gehören zum Vermögen der zusammengebrochenen alten Banken auch Anteile an den drei neu gegründeten, nur im Inland aktiven Banken. Diese haben wir mit dem nötigen Kapital ausgestattet, sie sind nun profitabel.

Island hat per Notgesetz ausländisches Kapital eingefroren, das in isländischen Kronen angelegt war. Wann werden die Restriktionen gelockert?

Wir bauen sie schrittweise ab, zum Beispiel in Auktionen. Wer dringend Kapital abziehen will, kann daran teilnehmen. Die Investoren können ihr Kapital außerdem zu attraktiven Bedingungen neu in Island anlegen.

Warum sollten sich ausländische Geldgeber noch einmal darauf einlassen?

Zum einen ist es zurzeit ja auch anderswo in Europa nicht besonders attraktiv für sie; es gibt viel Kapital und wenig Anlagemöglichkeiten. Zum anderen hat unsere Wirtschaft eine starke Basis: Energie aus erneuerbaren Quellen, die reichsten Fischgründe im Nordatlantik, eine moderne Infrastruktur, ein gutes Gesundheits- und Bildungssystem und durchfinanzierte Rentenkassen. In vier oder fünf Jahren werden wir außerdem wieder ein ausgeglichenes Staatsbudget haben.

Wird es eine Lockerung der Restriktionen auch geben, falls Island nicht der EU und der Währungsunion beitrifft?

Ja, das eine hängt nicht vom anderen ab. Natürlich ist die Währungsfrage ein großes Thema für uns. Aber wir werden die Krone in jedem Fall noch einige Jahre haben, deshalb planen wir mit beiden Optionen. Und wir wissen, dass wir unser Haus in Ordnung bringen müssen - ob mit oder ohne Euro.

Weitere Artikel

- [Vorbilder für Südeuropa: So geht das mit dem Wachstum](#)
- [Lektionen aus Island: Bestseller Bankencrash](#)
- [Abseits der Literatur: Islands Krisen-Saga](#)
- [Die Solidaritätsprobe für den Euroraum](#)
- [Staatsanleihen: Islands Bankrott ist noch nicht abgewendet](#)

Das Gespräch führte Sebastian Balzter.

Quelle: F.A.Z.

Demographiegipfel

Friedrich fordert Bewusstseinswandel

FAZ 04.10.2012 · Auf dem ersten Demographiegipfel der Bundesregierung hat Bundesinnenminister Hans-Peter Friedrich die Deutschen aufgefordert, sich dem demografischen Wandel zu stellen. Die Herausforderung sei zu bewältigen, sagte Friedrich, wenn die Menschen zu Veränderungen bereit seien.



© dapd Die Deutschen werden weniger, und sie werden älter: Bewohnerinnen eines Pflegeheims im sächsischen Wittichenau

Bundesinnenminister Hans-Peter Friedrich (CSU) fordert einen Bewusstseinswandel in Deutschland, um mit dem demografischen Wandel fertig zu werden. Die Herausforderung sei zu bewältigen und auch als Chance zu sehen, sagte Friedrich am Donnerstag zum Auftakt des ersten Demografiegipfels der Bundesregierung in Berlin. Die Menschen müssten aber zu Veränderungen bereit sein.

Friedrich und weitere Bundesminister wollten bei dem Treffen mit Verbandsvertretern, Wissenschaftlern und Bürgern über Probleme und Chancen der Bevölkerungsentwicklung diskutieren. Friedrich hatte zu dem Gipfel eingeladen.

„Veränderung ist in allen Bereichen notwendig“, betonte der CSU-Politiker. Die Arbeitswelt müsse sich weiterentwickeln, Familien müssten gestärkt werden, auch der öffentliche Dienst werde sich verändern müssen. Wenn Deutschland die Potentiale in der Bevölkerung nutze, sei Wohlstand auch in Zukunft gesichert. „Entscheidend ist, dass wir Veränderungsbereitschaft erzeugen“, mahnte er, gestand aber ein: „Man kann diesen Bewusstseinswandel nicht erzwingen.“



© dapd Friedrich: „Bewusstseinswandel kann man nicht erzwingen“

Berechnungen zufolge wird Deutschland bis 2060 bis zu 17 Millionen Einwohner verlieren - ein Fünftel der Bevölkerung. Jeder Dritte wird dann 65 Jahre oder älter sein. Die neuen Länder werden die Entwicklung besonders treffen. Dort werden bis 2060 ein Drittel weniger Menschen leben als heute. Die Alterung und Schrumpfung der Bevölkerung hat weitreichende Folgen für Arbeitsmarkt und Gesellschaft.

Bundeslandwirtschaftsministerin Ilse Aigner (CSU) sagte, der demografische Wandel werde auch die ländlichen Regionen tiefgreifend verändern. „Diese zentrale Herausforderungen der nächsten Jahrzehnte ist

kein abstraktes Phänomen, sondern für die Menschen konkret zu spüren - in ihrem Dorf, ihrer Stadt, ihrem Betrieb oder wenn sie zur Schule oder zum Arzt müssen.“

Weitere Artikel

- [Überalterung bedroht den öffentlichen Dienst](#)
- [Bevölkerungsentwicklung: „Das Geburtendefizit wächst dramatisch“](#)
- [Merkel: Gesellschaft darf nicht auseinanderdriften](#)
- [Ökonom Börsch-Supan: „Geburtenzahl sagt nichts über Erfolg des Elterngeldes“](#)
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Der Deutsche Städte- und Gemeindebund forderte ein „komplettes Umsteuern“ der Sozialsysteme. „Wir brauchen eine grundlegende Reform des Sozialstaates, weil in einer alternden Gesellschaft nicht immer weniger Junge für immer mehr Ältere auch noch bessere Sozialleistungen erwirtschaften können“, sagte der Hauptgeschäftsführer Gerd Landsberg der Zeitung „Die Welt“.

Der Landkreistag verlangte, jedes Bundesgesetz auf seine Auswirkung mit Blick auf den demografischen Wandel zu überprüfen, „im Sinne einer Gesetzesfolgenabschätzung - einschließlich finanzieller Folgen“, wie Präsident Hans Jörg Duppré erklärte.

DIHK-Präsident Driftmann: mehr Zuwanderung

Die Wirtschaft sieht vor allem die Folgen des Wandels für den Arbeitsmarkt mit Sorge, besonders mit Blick auf die zahlreichen mittelständischen Unternehmen. Angesichts des drohenden Fachkräftemangels plädierte der Präsident des Deutschen Industrie- und Handelskammertages, Hans Heinrich Driftmann, für mehr Zuwanderung und eine bessere Integration ausländischer Fachkräfte.

Bei dem Demographiegipfel konstituierten sich mehrere Arbeitsgruppen, die in den kommenden Monaten diskutieren sollen, wie sich die Alterung der Gesellschaft auf unterschiedliche Lebensbereiche auswirkt - wie Familie, Arbeit, Pflege oder Gesundheit. Die Arbeitskreise sollen Strategien entwickeln, um die Entwicklung zu bewältigen, und erste Ergebnisse bei einem weiteren Gipfel im Frühsommer 2013 vorstellen.

Das Land der Alten - Bevölkerungsentwicklung in Deutschland

Die Zahl älterer Menschen steigt weltweit rapide:
Bis zur Mitte des Jahrhunderts wird sich der Anteil derer im Rentenalter mehr als verdoppeln, wie aus einem Bericht der Vereinten Nationen hervorgeht. Der mit Abstand älteste Kontinent bleibt Europa - und Deutschland ist von der Entwicklung besonders betroffen: Die Bevölkerung hierzulande schrumpft und wird immer älter.

Seit 2003 ist die Bevölkerungszahl in Deutschland rückläufig. Zuletzt lag sie bei 81,7 Millionen. Nach Berechnungen des Statistischen Bundesamts wird Deutschland bis 2060 rund 17 Millionen Einwohner verlieren - etwa ein Fünftel der Bevölkerung. Jeder Dritte wird dann 65 Jahre oder älter sein, jeder Siebte mindestens 80 Jahre. Die neuen Länder wird die Entwicklung besonders treffen: Dort werden bis 2060 ein Drittel weniger Menschen leben als heute.

Die Lebenserwartung in Deutschland steigt seit mehr als 150 Jahren kontinuierlich an - pro Jahr um etwa drei Monate. Nach den Modellrechnungen wird sie bis 2060 für neugeborene Jungen bei 85 Jahren liegen, für neugeborene Mädchen bei 89,2 Jahren.

Die Alterung und Schrumpfung der Bevölkerung hat weitreichende Folgen für Arbeitsmarkt und Gesellschaft: Es droht ein starker Fachkräftemangel, auch die öffentliche Verwaltung bekommt Nachwuchsprobleme. Immer weniger arbeitende Menschen müssen immer mehr Rentner finanzieren. Die Kosten für die Gesundheitsversorgung der Bevölkerung werden steigen. Die Zahl der Pflegebedürftigen wächst: 2010 waren es rund 2,4 Millionen Menschen, bis 2030 könnten es rund 3,4 Millionen sein. Außerdem wird es immer schwieriger, ländliche Gebiete ausreichend zu versorgen: mit Schulen, Busverbindungen oder Arztpraxen. (dpa)

Quelle: dpa

NYT October 4, 2012

A Clash of Philosophies

By [PETER BAKER](#)

DENVER — Somewhere in the wonky blizzard of facts, statistics and studies thrown out on stage here on Wednesday night was a **fundamental philosophical choice about the future of America, quite possibly the starkest in nearly three decades.**

As [President Obama](#) and [Mitt Romney](#) faced off for the first time, their largely zinger-free styles may have disguised a fierce clash of views not only over taxes, spending and health care, but **over the very role of government in American society in a time of wrenching problems.**

On one side was an incumbent who, while recognizing that government is not the solution to all problems, argued that it plays an essential part in promoting economic growth and ensuring fairness for various segments of the population. On the other was a challenger who, while recognizing the basic value of government, argued that its greatest goal was to get out of the way of a free people and unleash the American entrepreneurial spirit.

“Governor Romney has a perspective that says if we cut taxes skewed towards the wealthy and roll back regulations, that we’ll be better off,” Mr. Obama said. He asked: “Are we going to double down on the top-down economic policies that helped to get us into this mess or do we embrace a **new economic patriotism that says America does best when the middle class does best?**”

Mr. Romney fired back with an indictment of Mr. Obama. “The president has a view very similar to the view he had when he ran four years ago, that a bigger government, spending more, taxing more, regulating more — if you will, trickle-down government — would work,” he said. “That’s not the right answer for America. I’ll restore the vitality that gets America working again.”

There was little of the overt nastiness that has characterized the campaign this year. Instead, the debate was perhaps as direct an articulation of the profound schism in this election as has been heard over the course of the campaign. The candidates spent much of the 90 minutes here at the University of Denver defining it in narrow policy details that may have bled some of the passion out of their arguments and made them sound smaller than they were. But at its core, the debate brought home a divide over domestic policy greater than any since President Ronald Reagan and Walter F. Mondale faced off in 1984.

Mr. Romney came in with the greater hurdle of explaining his vision for the future and convincing the shrinking pool of undecided voters that it represents a better path for a country plagued by stubborn unemployment and rising [national debt](#). He calmly and persistently rebutted Mr. Obama’s characterizations of his plans while pressing his more-in-sorrow line of attack on the incumbent.

Whether he succeeded enough to change the dynamics of the race may take a day or two to become evident.

But the Romney camp hoped his performance was strong enough to fuel a sense of comeback heading into the final month of the campaign. After a rough few weeks, Mr. Romney’s advisers were heartened coming into the debate by new polls showing that the race was close nationally and somewhat closer in a few battleground states. The Obama team arrived here worried that a bored news media would exaggerate any perceived turnaround by Mr. Romney to promote a more compelling race.

What they got was a substantive if sometimes hard to follow dialogue over far-reaching issues. Both cast their positions in terms of concern over everyday Americans, but from opposite ends. Mr. Obama expressed worry

about those who would lose out if government programs are cut too deeply, while Mr. Romney talked about those who feel constrained by excessive government taxation and regulation.

“The magnitude of the tax cuts that you’re talking about, governor, would end up resulting in severe hardship for people, but more importantly would not help us grow,” Mr. Obama said.

Referring to possible cuts in [Medicaid](#), he said, “that may not seem like a big deal when it just is, you know, numbers on a sheet of paper, but if we’re talking about a family who’s got an autistic kid and is depending on that Medicaid, that’s a big problem.”

Mr. Romney talked about the impact of the continuing economic problems, noting that the cost of gasoline, electricity, food and health care has grown. “I’ll call it the economy tax,” he said. “It’s been crushing.”

The Republican focused on the impact on small business of Mr. Obama’s policies. “It’s not just Donald Trump you’re taxing,” he said. “It’s all those businesses that employ one-quarter of the workers in America.” He added, “You raise taxes and you kill jobs.”

Mr. Obama cited Abraham Lincoln and his efforts to finance a transcontinental railroad, land-grant colleges and a National Academy of Sciences. It was those sorts of investments, made by presidents of both parties, that helped make America great by providing opportunity for progress, the president argued.

“If all Americans are getting opportunity, we’re all going to be better off,” Mr. Obama said. “That doesn’t restrict people’s freedom. That enhances it. And so what I’ve tried to do as president is to apply those same principles.”

Mr. Romney pointed to the president’s efforts to stimulate the growth of clean energy with \$90 billion in taxpayer assistance as an example of what government should not be about.

“The role of government is not to become the economic player picking winners and losers, telling people what kind of health treatment they can receive, taking over the health care system,” he said. “The right answer for government is to say how do we make the private sector become more efficient and more effective?”

In a way, it was the inevitable culmination of a polarized debate that ultimately spawned the [Tea Party](#) backlash against activist government. Mr. Obama has searched for the right blend of policies and messages to diminish antipathy toward government, debt and liberalism. Mr. Romney, while an imperfect messenger from the right, advanced a revision of the Great Society social compact that even President Reagan never could achieve.

As it happens, both Mr. Obama and Mr. Romney may actually be more moderate at heart, given their records. But the debate exposed little nuance or agreement. As they battled it out Wednesday night, neither shied away from the fight of a generation.

NYT October 3, 2012

Merkel's Plan B?

By [JOHN VINOCUR](#)

BERLIN — As recession bit hard early in 2009, Angela Merkel proclaimed Germany's "social market economy" as provider of a new set of benchmarks for capitalism. Sounding very sure of herself and her country's healing wisdom, the chancellor exclaimed, "These guiding principles must be followed worldwide."

Germany's economy bounced upward after a deep descent, and the rest of Europe, without a rival game-plan and in thrall to the power of German finances, accepted Berlin's liturgy of austerity cum low-growth. Now, those two components are colliding.

Austerity is strangling a European recovery that never really took place. Achieving the E.U.'s debt and deficit reduction targets can look like a torturous long-shot. And Merkel's Germany, which she portrayed as dwelling above such second-rate failings, is forecast by the O.E.C.D. to enter recession by January [[pdf](#)].

So where's Plan B, a little recalibrating, or even a small demonstration of German suppleness and imagination? Looking ahead in July, [I wrote it wasn't yet forthcoming](#).

Now, the answer is: Nowhere.

The 2013 national election campaign began last week with the Social Democrats' selection of a candidate to face Merkel, effectively setting up a campaign in which nothing will be dared.

The chancellor's unique selling point has been making German voters immune to external grief. With a recession and an election at her throat, there will be a new reality that hardly lends itself to cutting the rest of Europe more slack — one likely to lead the incumbent in the direction of finding a scapegoat or two (like America flooding the globe with cheap, inflation-causing dollars), and repeating that Germany has gotten it just right, its new misery being the product the world's weaknesses.

[Merkel's opponent, Peer Steinbrück](#), is not the guy to challenge her on Germany's inadequate blueprint. During the Grand Coalition government of Social Democrats and Christian Democrats, he served as her finance minister, and in 2008 set the tone for Germany's attitude toward E.U. members in trouble by initially refusing to join an E.U. bailout fund for fear of German money being misused.

"There is no plan, no idea about Germany's future, and Ms. Merkel's cubbyhole is empty," Handelsblatt, the business newspaper, wrote this week in an editorial. It added: "Today's Social Democrats are no better."

In a sense, you might call this a reflection of the instincts of the German electorate. In an essay titled "No risks now, folks!", Renate Köcher, director of the Allensbach opinion research institute, described voters as predominantly concerned with their own material security and "allergic to political reforms." She wrote, "There is not the slightest indication of a growing feeling of European identity. An overwhelming majority of citizens is skeptical about accelerating the process of European integration."

This, of course, is not acknowledged by the political class, but Merkel and Steinbrück certainly won't play against the reflexes of the electorate. So, the non-articulated heart of the campaign is a battle between the candidates to appear as the most eager guardian of German interests and voters' social benefits.

Want to think of a German election campaign in which the debate between left and right is focused on sharing euro zone members' debt through the creation of Eurobonds? Or on a European banking union that might eliminate German institutions like the chronically weak and wasteful (yet politically significant) Landesbanken and Sparkassen?

Fahgettaboudit.

John Kornblum, U.S. ambassador to Germany under Bill Clinton, has pointed to the discrepancy between German interests that are basically not the same as its neighbors' and the Merkel government's self-characterization as "extremely European."

"Hardly anybody buys that," he said.

Indeed, German willingness to discuss a European banking union and a decision by the federal constitutional court to approve the permanent E.U. rescue fund, the European Stability Mechanism, have been sold here as new German flexibility concerning Europe's frailties.

But just read German exegeses of the court's finding. What the judges really did, according to the Frankfurter Allgemeine, was to rule that any decision made by the E.S.M.'s councils requires subsequent Bundestag approval.

Concerning the banking union, the Germans have made clear they will delay its approval so as not to have it weigh on the election, and resist Spain, and eventually other countries' notions that they could shift recapitalization of their banks from their own responsibility to the E.S.M.

What you get here is Germany saying it's interested in much closer, even complete European political union — but putting a brake on the process. This is at time when the E.U.'s real economy is heading straight for the wall, with Claude Bartolone, president of the French National Assembly, describing as "untenable" France's pledge to [reduce its deficit to 3 percent of G.N.P. in 2013](#). How could a faster, more powerful German response not be required?

Last week, Merkel focused her ideas on the future, commenting that "a lot of deep respiration" will be needed to put an end to the euro zone crisis.

She may as well have told Europe, now constrained by Germany's "guiding principles," hey, don't bother me now, I'm running for re-election.

Lagarde : «Je ne crois pas à l'éclatement de la zone euro»

Par [Pierre-Yves Dugua](#) Mis à jour le 03/10/2012 à 23:24 | publié le 03/10/2012 à 18:28 [Réactions](#) (148)



Christine Lagarde, directrice générale du FMI. Crédits photo : MICHAEL SOHN/AFP

INTERVIEW - La directrice générale du Fonds monétaire international pousse les gouvernements de la zone euro à agir dans la foulée des décisions prises par la Banque centrale européenne.

À quelques jours de l'assemblée générale du [FMI](#) et de la [Banque mondiale](#) à Tokyo, la directrice générale du FMI, [Christine Lagarde](#), lance un nouvel appel aux Européens pour mettre en œuvre les mécanismes de résolution de la crise en [zone euro](#).

LE FIGARO. - On accuse le FMI d'imposer l'austérité en Europe et d'aggraver la crise. Que répondez-vous à cela?

Christine LAGARDE. - Notre objectif n'est pas de faire de l'austérité pour de l'austérité. C'est de remettre les pays sur pied de manière durable pour les rendre autonomes, c'est-à-dire capables de se financer eux-mêmes sur les marchés. Croissance et austérité ne sont pas incompatibles. Il y a des mesures qui doivent être prises pour privilégier les conditions de la croissance. Ce sont des réformes de structures pour aider les entreprises tout comme les ménages. Le point le plus délicat est qu'il faut préserver les dépenses publiques les plus porteuses de croissance. Ces dépenses réduites doivent aussi être orientées vers les catégories sociales les plus défavorisées. Non seulement pour les protéger, mais aussi parce qu'elles sont le plus susceptibles de consommer plus que les autres.

Peut-on espérer une solution globale et rapide aux problèmes de la zone euro alors qu'il y a des élections en Allemagne à l'automne 2013?

Nous sommes dans une situation où les calendriers électoraux ont un impact réduit sur les solutions à la crise en Europe. Personne n'a le luxe du temps. Il y a une réelle urgence. **La décision récente de la [BCE](#) d'accepter sous conditions des [rachats d'obligations d'États en difficulté](#) est fondamentale.** Elle était très attendue. Il ne faut pas laisser s'épuiser les effets de cette mesure, avant de poursuivre le travail de renforcement de l'[Union européenne](#) et de l'architecture de la zone euro.

Le risque d'éclatement de la zone euro existe-t-il toujours?

Je ne crois pas au risque d'éclatement de la zone euro. Je crois que le coût des solutions augmente au fur et à mesure que le temps passe. Plus les Européens agiront vite au niveau national et au niveau de la zone euro, plus la dynamique pourra changer.

Le FMI demande-t-il à la BCE d'effacer une partie de ses créances sur la Grèce?

La BCE est indépendante. La BCE et le FMI sont en dialogue constant. Mais les décisions relatives aux poids des dettes publiques des pays en difficulté devront être prises de manière collégiale par les Européens. Je ne formule pas de demande à l'égard de la BCE. Pour ce qui est de la [Grèce](#), je me garde de poser les jalons de ce qui serait souhaitable. La mise en œuvre du programme est en cours d'examen. Des négociations intenses sont en cours. À la fois sur le volet budgétaire, mais aussi sur le volet «réformes structurelles», sur le volet «financement» et sur le **volet «soutenabilité de la dette»**. Il faudra tenir compte de tous ces points pour décider de la suite à donner au programme.

La Grèce n'est-elle pas un puits sans fond?

Ceux qui disent cela ne se rendent pas compte des énormes efforts faits par les Grecs. Le pays a réduit son déficit budgétaire de 9% par rapport au PIB en trois ans. C'est considérable! Les Grecs ont accepté des réformes importantes en matière de retraites, de négociations salariales. Ils ont entamé l'ouverture des professions réglementées. Beaucoup de choses ont donc déjà changé. Mais la Grèce venait de loin. Aujourd'hui, le gouvernement grec fait des efforts réels pour avancer. Il doit continuer d'en apporter la preuve. Mais la Grèce fait partie de la zone euro, et c'est aux partenaires européens de déterminer leur avenir collectif sur ces bases-là.

Êtes-vous impatiente que l'Espagne fasse appel au FMI?

Le FMI est prêt à aider nos pays membres s'ils le souhaitent. Nous sommes particulièrement satisfaits de tout ce que [l'Espagne](#) fait pour restructurer son système bancaire. Et il faut maintenant poursuivre et mettre en œuvre cette restructuration. Sur le plan budgétaire, nous attendons d'avoir plus de détails. Si l'Espagne le souhaitait, nous pourrions intervenir de diverses manières. Par exemple, simplement pour assurer l'audit et la vérification des réformes négociées avec ses partenaires européens, sans que le FMI lui-même participe au financement. Mais nous pourrions aussi jouer un rôle dans le financement. Autant le FMI sait toujours être exigeant sur les réformes à mettre en œuvre, autant nous sommes flexibles sur les modalités de notre intervention.

Les perspectives d'une intervention massive de la BCE ne vous dispensent-elles pas du rôle de financement des pays européens en difficultés?

Nos niveaux d'interventions sont différents. **Le mode opératoire de la BCE relève de la transmission de politique monétaire. Ce n'est pas un rôle de soutien au budget et à la balance des paiements comme le FMI. Nous sommes donc compatibles, voire complémentaires. ???**

Le FMI est allé beaucoup plus loin que d'ordinaire pour aider la Grèce. On a ainsi créé un précédent. D'autres pays à l'avenir pourraient en demander autant?

Un de nos principes fondamentaux est le traitement équitable de tous les pays membres. Il ne doit pas y avoir de pays mieux traité qu'un autre. Je serai extrêmement attentive au maintien de ce principe, car il en va de la crédibilité du Fonds. Dans le cas de la Thaïlande ou de l'Indonésie, par exemple, nous avons dans le passé opté pour des programmes forts, demandant beaucoup d'efforts immédiats, mais sur des durées relativement courtes. Cela tenait aux caractéristiques de ces pays ainsi qu'au fait qu'autour d'eux la croissance se maintenait. C'est pourquoi en général leur rebond a été assez rapide. Aujourd'hui, en Europe, la situation est différente: le calibre et la durée des programmes doivent donc être adaptés.

Ce que tente le FMI depuis trois ans à l'échelle de la zone euro est sans précédent: faire baisser les prix dans un pays pour compenser le fait qu'il ne peut dévaluer. Sait-on si c'est réalisable?

On l'espère bien sûr. Un des signes avant-coureur du succès de cette approche est la reprise des exportations. En faisant baisser les prix des facteurs de production, en particulier le prix du facteur travail, on espère rendre le pays plus compétitif et plus intéressant pour les investisseurs étrangers. On le voit déjà un peu au Portugal, en Espagne, et on commence à le voir un peu en Grèce.

Dans quelques jours se réunit à Tokyo l'assemblée générale des pays membres du FMI. Cette occasion devait marquer l'adoption de réformes importantes du FMI. Vos objectifs sont-ils atteints?

Je m'étais fixé deux catégories d'objectifs à ce sujet. D'abord, je voulais m'assurer que le financement de l'activité du Fonds était solide. Je suis partie à la recherche de ressources supplémentaires. Or, à la fois au niveau des ressources générales et des ressources consacrées à la réduction de la pauvreté, nous avons des résultats. D'une part, des prêts bilatéraux pour un montant de 456 milliards de dollars sont acquis. Toute une série sera formalisée à Tokyo. Ils abonderont les réserves générales du Fonds. D'autre part, pour financer le fonds consacré à la réduction de la pauvreté, nous avons eu la semaine dernière un beau résultat. Une très forte majorité de nos pays membres a accepté que les profits exceptionnels tirés de la vente d'une part de nos réserves d'or approvisionnent ce fonds spécial.

Ensuite, je voulais mettre en œuvre la réforme de la gouvernance convenue en 2010. Il s'agit d'accorder une plus grande place aux pays émergents dans les instances du FMI. Tous les grands pays émergents passeraient ainsi parmi les dix plus grands actionnaires du FMI. Le nombre de représentants européens au conseil d'administration reculerait de deux.

Sur ce point, deux de mes indicateurs sont au vert et un autre ne l'est pas encore. Premier feu vert: la majorité requise de 70% pour l'augmentation des quotes-parts est atteinte et dépassée. Deuxième feu vert: le nombre de pays acceptant la réforme de la gouvernance doit être au moins de 113. Aujourd'hui, nous sommes à 109. Je pense qu'à Tokyo il y a de bonnes chances pour que nous arrivions au chiffre de 113. En revanche, pour réformer la gouvernance, il me faut aussi une majorité de 85% des droits de vote de l'institution. Or, pour le moment, nous n'y sommes pas encore.

Verkehr

Die fabelhafte Siegesfahrt des Fahrrads

FAS 29.09.2012 · In Deutschland werden heute mehr Fahrräder als Autos verkauft. Wie hat der alte Drahtesel das geschafft? Und wie behauptet er sich im alltäglichen Verteilungskampf mit Autos und anderen Verkehrsteilnehmern?

Von Jonas Jansen



© Gyarmaty, Jens Wer bekommt am meisten Platz? Fahrradkolonnen und Autos auf Berlins Straßen

Es wird eng auf Deutschlands Straßen. Und aggressiv. Das kann jeder bestätigen, der in Köln schon mal versucht hat, mit dem Fahrrad die Ringe zu überqueren, in Berlin mit seinem Auto am Kreuzberger Moritzplatz rechts abbiegen wollte oder in Frankfurt die Konrad-Adenauer-Straße entlangspaziert ist. Der Raum ist knapp. Denn eine Gruppe Verkehrsteilnehmer wird stärker: die Radfahrer.

40 Prozent beträgt ihr Anteil am Verkehr im gutbürgerlichen Berliner Stadtviertel Prenzlauer Berg - kein Wunder, dass die Radfahrer angesichts ihrer zahlenmäßigen Macht Platz fordern. Jahrelang stritten sich Bürgerinitiativen und das Bezirksamt um den Umbau der Kastanienstraße im Viertel: die Bürgersteige sollen schmaler werden, die Radfahrer mehr Platz bekommen. Und die Straße soll breiter werden - eine Herausforderung für Stadtplaner. Denn der Verteilungskampf auf Deutschlands Straßen birgt viel Aggressionspotential.

Jeder Fünfte nutzt täglich das Fahrrad

70 Millionen Fahrräder rollen heute durch die Republik, im Jahr 2000 waren es noch 60 Millionen. Mit vier Millionen werden jedes Jahr mehr Räder verkauft als Autos. Jeder Fünfte nutzt das Fahrrad täglich. Es sind längst nicht bloß die Studentenstädte wie Freiburg oder Münster, die zu Fahrradstädten mutieren, auch die größten deutschen Metropolen wie Köln, München oder Frankfurt verzeichnen steigende Zahlen. Rund vier Millionen Fahrräder wurden im vergangenen Jahr verkauft, die Branche jubelt über Umsatzrekorde, geben die Deutschen doch immer mehr Geld fürs Fahrrad aus.

Berlin wird auch zur Fahrradhauptstadt der Nation. Seit 2008 hat sich die Zahl der Fahrradfahrer in Berlin verdoppelt, ergibt eine noch nicht veröffentlichte Studie des Innovationszentrums für Mobilität und gesellschaftlichen Wandel (InnoZ), das unter anderem von der Deutschen Bahn finanziert wird. In den Sommermonaten wird ein Fünftel aller Wege in Berlin mit dem Rad zurückgelegt.

Die Hauptstadt soll zum bundesweiten Vorbild werden: Der von Bundesverkehrsminister Peter Ramsauer kürzlich vorgelegte „Nationale Radverkehrsplan 2020“ sieht vor, dass in acht Jahren in ganz Deutschland jeder fünfte Weg mit dem Fahrrad gefahren werden soll. Momentan liegt der Anteil der Radfahrer am Verkehr bei 13 Prozent, Tendenz steigend.

„Das Auto als Statussymbol hat in den Innenstädten ausgedient“

Von den ehrgeizigen Zielen, den Radverkehr stark zu fördern, sind aber längst nicht alle überzeugt: Die Grünen kritisieren, dass der Bund zuletzt die Ausgaben für neue Radwege gekürzt habe, es zwischen den Plänen Ramsauers und der Ausführung also durchaus Verbesserungsbedarf gebe. Trotzdem gilt: Das Fahrrad ist auf dem Siegeszug. „Das Auto als Statussymbol hat in den Innenstädten ausgedient“, sagt der Mobilitätsforscher Andreas Knie vom InnoZ.

Knie unterteilt die Fahrradfahrer in drei Gruppen: die neue, stark wachsende Gruppe sind die Umsteiger, die früher bloß Auto fuhren und nun für die kurzen Wege in der Stadt das Rad entdecken. Diese Gruppe will sich bewegen, sich fit halten und nebenbei auch etwas für die Umwelt tun. Auch Rentner gehören dazu, die mit [E-Bikes](#) durch die Stadt schnurren, und Gutsituierte, die das Fahrrad als Lifestyleobjekt ansehen.

Die zweite Gruppe der neuen Radler bilden die Städter, die früher öffentliche Verkehrsmittel genutzt haben und heute immer öfter aufs Fahrrad steigen. „Radler fühlen sich nicht mehr als Desperados“, sagt Knie. Sie werden Teil einer „sozialen Praxis“: Alle anderen machen es auch.

Die Hardcore-Radler als dritte Gruppe fahren schon immer - und vertreten nun im Verteilungskampf auch Hardcore-Positionen der Sorte: „Ich bin der gute Verkehrsteilnehmer, also habe ich Vorfahrt.“ „Kampfradler“ nennt sie Verkehrsminister Ramsauer, die Rowdys, die den Kampf auf den Straßen eskalieren lassen: Jeder beansprucht für sich freie Fahrt, will möglichst schnell und unkompliziert durch die Stadt.

90 Prozent der Radfahrer haben einen Führerschein

Doch klar ist auch: Es gibt ebenso viele unachtsame Autofahrer wie Radfahrer. Der knapp bemessene Raum auf den Straßen kann nur gut verteilt werden, wenn alle Rücksicht nehmen - und doch ändert man schnell die Perspektive, je nachdem ob man auf zwei oder vier Reifen unterwegs ist. Nach Schätzungen des Radfahrerverbands ADFC haben 90 Prozent der Radfahrer einen Führerschein, sind also auch potentielle Autofahrer.

Eigentlich sollten die meisten demnach mit dem Gegner auf der Straße mitfühlen können. Aber: „Man ist von dem eigenen Verkehrsmittel stark vereinnahmt“, sagt Mobilitätsforscher Knie. Als Fahrradfahrer ist man wendiger, kann sich durch Autoschlangen durchmogeln und mal schnell über den Bordstein abkürzen, das ist ohnehin viel umweltfreundlicher als die Autos - und damit wähnt sich der Radler moralisch überlegen.

Autofahrer hingegen setzen oft auf die gewohnte Vorfahrt. Wer in der Autoschlange steht, ärgert sich leichter über die frechen Radfahrer, die nicht an der roten Ampel halten oder beliebig die Spur wechseln. Und schneidet in Rage dann gleich an der nächsten Kreuzung einen Fahrradfahrer, der ganz vorschriftsmäßig auf seinem Radweg unterwegs war.

Die Wurzeln des Verteilungskampfes liegen über 100 Jahre zurück, wie Anne-Katrin Ebert, Historikern im Technischen Museum Wien, im Buch „Radelnde Nationen“ beschreibt. 1890 hatten Auto- und Fahrradfahrer anfangs noch einen gemeinsamen Feind: die Kutsche. Radfahren war angesehen unter den Mitgliedern der bürgerlichen Mittelschicht, war ein Ausdruck neuer Individualität. „Es gab das Selbstverständnis, dass man Vorrang hat“, sagt Ebert.

Geländewagenfahrer wollen wieder Hoheit zurückgewinnen

Da habe so mancher reicher Jüngling auch manchmal vom Kutscher eines mit der Peitsche übergezogen bekommen. Doch anders als in den Niederlanden, wo Anfang des 20. Jahrhunderts ein gemeinsamer Verkehrsplan vorgestellt wurde, trennten sich in Deutschland Fahrrad- und Autolobby rasch. Sie sollten nicht mehr zusammenfinden.



© Gyarmaty, Jens

Zossener Straße in Berlin: Die dritte Autospur ist nun ein Radweg

Also rüsten die Verkehrsteilnehmer auf. Das Kraftfahrtbundesamt meldete kürzlich, dass die Zahl der SUV genannten Geländewagen weiter rasant zunimmt, im vergangenen Jahr um knapp ein Viertel. Wer SUV fährt, rechtfertigt das häufig damit, mehr Überblick haben zu wollen. Das kann man durchaus als einen Versuch werten, wieder die Hoheit über den Raum zurückzugewinnen zu wollen. Mit einem SUV ist man wieder größer als die Fahrradfahrer, die alte Hackordnung wiederhergestellt.

Bei drei Viertel aller Fahrradunfälle sind Autos beteiligt

Doch SUVs erhöhen nicht bloß das gute Gefühl seiner Fahrer, sondern auch die Gefahr für Radfahrer. Fahrer von SUVs fühlen sich - zu Recht - sicherer. Eine Studie des Gesamtverbands Deutscher Versicherer hat herausgefunden, dass bei Verkehrsunfällen jeder zweite SUV-Fahrer unverletzt bleibt, bei normalen Autos bloß jeder neunte. Experten schätzen, dass man als Fahrradfahrer wegen der hohen Fahrzeugfront der SUVs bei einer Geschwindigkeit von 50 Stundenkilometern 20 Meter durch die Luft geschleudert wird.

Drei Viertel aller Fahrradunfälle sind Verkehrsunfälle mit Autos. Das zeigen Zahlen des Statistischen Bundesamtes. Nur bei jedem vierten Unfall liegt die Schuld bei den Radfahrern. Weil immer mehr Menschen Fahrrad fahren, steigt auch die Zahl der Unfälle. Im vergangenen Jahr zählte alleine die Berliner Polizei 7376 Unfälle mit Radfahrerbeteiligung, besorgt wies sie darauf hin, dass es 19 Prozent mehr seien als noch im Vorjahr.

Also werden die Radfahrer auch unvorsichtiger? Der ADFC weist darauf hin, dass es 2010 weniger Unfälle gab, weil der Winter lang und der Sommer verregnet war. Trotzdem sind Radfahrer weiterhin eine gefährdete Gruppe. Bei einem Drittel aller Unfälle im ersten Halbjahr 2012 waren Radfahrer beteiligt. Die klassischen Ursachen dabei: Fahrradfahrer nutzen die falsche Spur, Autofahrer sind unachtsam beim Abbiegen.

Radspuren auf der Fahrbahn sind sicherer

Gerade deshalb fordert die Fahrradlobby seit langem, den Radverkehr von den abgetrennten Radwegen auf die Straße zu verlegen. Darauf müssen sich die Autofahrer einstellen: Langfristig werden sie ihre Vormachtstellung auf der Straße abgeben müssen. Mehr Platz auf den Straßen werden die Fahrräder in Zukunft beanspruchen und für sich reklamieren, da ist sich Mobilitätsforscher Knie sicher.

Lange hat sich im Verkehrskonzept der Raumplaner das Fahrrad samt Fahrer vor allem auf separaten Radwegen bewegt. Fußweg, Radweg, Fahrbahn - die Fahrspuren waren strikt getrennt, mit dem meisten Platz für die Autos.

Stattdessen die Radspuren auf die Fahrbahn zu verlegen sei sicherer, sagt Roland Huhn, Rechtsreferent beim ADFC. „Da kommen die Autos von hinten, sehen die Fahrradfahrer also. Bei separaten Fahrradwegen werden die Radfahrer viel eher übersehen, wenn Autos an Kreuzungen rechts abbiegen wollen.“

ADAC: Zusätzliche Radwege sind besser

Für mehr Sicherheit schlägt Huhn sogar vor, die Geschwindigkeit in Städten überall auf 30 Stundenkilometer zu begrenzen. „Davon halten wir gar nichts“, antwortet darauf Andreas Hölzel, beim Automobilclub ADAC zuständig für Verkehr. Und auch mit der Vorstellung, Teile der Straße abzugeben, kann sich der Autofahrer nicht so recht anfreunden: Grundsätzlich sei es gut, wenn es extra Radwege gebe.

Einig sind sich Auto- und Fahrradlobby wenigstens in dem wichtigsten Punkt: dass sowohl Autofahrer als auch die Radler gegenseitig Rücksicht nehmen müssen. Sonst droht sich der Verteilungskampf bald zu verschärfen.

Quelle: F.A.S.

Monetary policy

The broken transmission mechanism

The Economist Free Exchange Oct 3rd 2012, 14:25 by M.C.K. | WASHINGTON

SINCE the crisis hit in 2008, there has been a sharp divide between those who believe that the monetary authorities have been insufficiently aggressive and those who believe that central banks have done everything possible given that households and businesses have no interest in taking on new debts. For what it's worth, a poll of more than 300 research associates at America's National Bureau of Economic Research conducted for [an article in the print edition](#) reveals that the overwhelming majority (76%) believe that monetary policy has not been too tight. Nearly half believe that fiscal rectitude has been a principal cause of the slow recovery.

This should not be surprising. To see why, let's take a step back for a minute and review some important accounting identities. Economic output is measured as total spending on goods and services produced minus total spending on goods and services imported from abroad. All of this spending has to be funded either out of income or by issuing financial assets (usually debt, which is of course a liability from the perspective of the person issuing it). Anyone who spends less than his or her income on goods and services becomes a net accumulator of financial assets, which includes debt repayment. (People who generate surpluses can also convert financial assets into physical fiat money but [the volume of currency is insignificant compared to the stock of financial assets](#)). While there is no theoretical limit to the *gross* quantity of financial assets and liabilities in the world, the *net* value has to equal zero because every asset is someone else's liability.

In practice, of course, there are limits to the gross quantity of debt that any individual's income can support. Sometimes the limits come from lenders, who cut financing to borrowers perceived as reckless or unlikely to repay additional debts. Sometimes debtors restrain the growth in their borrowing because they worry about whether their incomes will be sufficient to meet the servicing costs. Nominal spending generally increases when the world's gross balance sheet gets bigger and contracts when it gets smaller. Therefore, when one group tries to reduce its liabilities, the only way to maintain a given level of spending is if another group compensates by increasing its liabilities.

Central banks do not literally print money. Most of what we call "money" (deposits) is just a type of liability created by private banks when they make loans. A bank finds a creditworthy borrower, fiddles with a spreadsheet so that "money" appears in the borrower's account (a liability for the bank), and then creates a corresponding asset under the assumption that it will get repaid. The bank's gross balance sheet expands without any action from the monetary authority. When the borrower repays the bank, this process works in reverse. Again, the monetary authority plays no direct role. Instead, the quantity of money is determined by things like people's willingness to borrow and banks' perceptions of creditworthiness.

However, central banks can theoretically buy and sell unlimited quantities of financial assets. This gives them tremendous control over the incentives to issue or retire these liabilities. As long as households and businesses are able to respond to changes in the cost of borrowing, the central bank can use its power to influence the pace of economic activity. However, the central bank loses much of its punch when the cost of borrowing (or the return to saving) gets too low. Even if mortgage rates are 0%, buying a house might not be particularly attractive if the principal payments are too large or if house prices are no longer expected to increase at the pace they did during the bubble. This is why, despite collapsing borrowing costs, [the stock of mortgage debt continues to shrink](#). That having been said, it is theoretically possible that a sufficiently wide gap between the cost of renting and the cost of buying could incentivize people to incur large long-term debts even when they would prefer greater flexibility.

Consider [this thoughtful article](#) by the *Wall Street Journal*'s Jon Hilsenrath:

Nearly 90% of all new mortgages originated went to households with high credit scores; before the financial crisis, it was about half, according to Moody's Analytics and Equifax Inc., a credit monitoring service.

Shrunken access among credit have-nots is triggering more than personal plight. It has weakened the influence of the Fed—one of the best hopes for spurring stronger economic growth—and raised doubts within the central bank about whether it is doing much to reduce unemployment.

[...]

Chris Hordan, who emerged from the financial crisis financially unscathed, is one of the beneficiaries of Fed policies. With a good income and pristine credit, he has refinanced the \$417,000 mortgage on his home in Hermosa Beach, Calif. three times in 17 months, shaving his monthly payments by \$390. Multiply the fruit of cheap credit across millions of households—with healthy portions of interest savings spent on goods and services—and the U.S. should be recovering more quickly, according to textbook economics.

But Mr. Hordan doesn't need the money to buy things. His electronic test equipment business has annual revenues of roughly \$1 million and he could easily pay off his mortgage with savings, he said. But why bother? Borrowed money is cheap—his mortgage rate is 3.875%—and there are tax benefits for paying mortgage interest. Instead of retiring his mortgage, he is investing the money. “If you don't need the money, you can get it all day long,” he said. “Thank you, Ben Bernanke.”

One problem is that financially secure households are less likely than lower-income households to spend their interest rate savings. Wealthier households are more likely to save or invest a windfall because they can already consume as much as they want, according to standard economic theory and research.

Mr. Hordan, for example, is spending his mortgage savings on such investments as gold, emerging markets, U.S. stocks and European banks.

In previous downturns, the lowered interest rates triggered broad waves of mortgage refinancing and new borrowing. The spending that resulted helped power the recoveries.

This time around, many would-be borrowers with lower incomes or blemished credit histories are finding it difficult and more costly, or sometimes impossible, to refinance their mortgages or get new loans.

Giuliana Bernales, a 33-year-old bank analyst in Miami, Fl., bought her Miami condominium two years ago. She lost her job eight months later and made late mortgage payments. Ms. Bernales said her new job pays roughly \$45,000 per year. But she can't refinance her \$152,000 mortgage, which is backed by the Federal Housing Administration, because her credit score has fallen, along with her home's value.

As Larry Summers [wrote a few months ago](#):

One has to wonder how much investment businesses are unwilling to undertake at extraordinarily low interest rates that they would be willing to with rates reduced by yet another 25 or 50 basis points. It is also worth querying the quality of projects that businesses judge unprofitable at a -60 basis point real interest rate but choose to undertake at a still more negative real interest rate.

Two stories in yesterday's *Financial Times* corroborate this view. First, consider [this one from the U.K.](#), which describes the failure of the “Funding for Lending Scheme” to actually accomplish much:

Since the launch of the funding for lending scheme in July, the quantity of new loans to businesses and households has not improved, and the price of mortgage money is rising, not falling.

The Bank of England's August banking report released on Monday shows that lending to private, non-financial companies has fallen yet again. Loans to companies in this group, which form the backbone of the UK economy and are of most concern to policy makers, contracted by £1.2bn in August and over the past three months, have fallen at an annualised rate of 3.4 per cent.

There is little evidence that households and businesses are benefiting from the new scheme, [under which 13 UK banks applied for £60bn in low cost loans from the BoE](#). The savings from accessing cheap money could theoretically be passed on to borrowers, but there is no sign yet that lenders are doing so.

Despite a recent survey of lenders showing that they intended to expand mortgage lending sharply following the launch of the funding for lending scheme, or FLS, new mortgage approvals in August only showed a modest rise, albeit from very low levels.

Moreover, interest rates charged on new mortgages actually rose in some key categories. New borrowers who have saved a 25 per cent deposit and are seeking a two-year fixed rate loan saw average interest rates tick up to 3.69 per cent from 3.67 per cent in July. For those with only a 10 per cent deposit, the average rate rose to 5.93 per cent from 5.83 per cent the month before. For the increasing number of existing borrowers whose fixed-rate term has expired and cannot qualify for a new mortgage, terms are getting tighter. The Standard Variable Rate (SVR) average rose to 4.27 per cent from 4.23 per cent in July.

Then there is [this story about the impact of QE3 in the United States](#), which suggests that the real sector is not receiving most, if any, of the benefits from the programme:

Although the average rate on a fixed 30-year mortgage reached 3.4 per cent this week – a [record low – mortgage rates](#) could be lower if banks passed on the full drop in their funding costs.

“For banks which are mortgage originators this [QE3] was some of the best news they could possibly have heard,” said Steven Abrahams, mortgage strategist at Deutsche. “They will continue originating loans and selling them into the market at a significant premium.”

The interest banks pay on mortgage bonds has dropped from 2.36 per cent on September 12, the day before the Fed announced its programme, to as low as 1.65 per cent last week. It edged up to 1.85 per cent on Monday.

That means the profit, or spread, banks earn from creating new mortgages for homeowners paying around 3.4 per cent and selling the loans into the secondary market has risen to around 1.6 per cent. That is higher than the 1.44 per cent spread they pocketed before QE3 and significantly greater than the 0.5 per cent they earned on average in the decade between 2000 and 2010.

None of this is to say that asset purchases, statements about the future path of inflation and nominal income, or interventions in the foreign exchange markets will have literally no effect. However, it seems clear that current circumstances are causing these monetary policy actions to be far less effective than they otherwise would be. Marginal spenders are constrained by their desire (or need) to retrench. Most of the people who get the biggest benefit from central bank action are the people who already own lots of financial assets (the rich).

The fiscal authorities need to step up and do the job that the central banks cannot. Specifically, by running large budget deficits, governments can maintain the total level of spending in the economy while allowing households and businesses to repay their debts and accumulate savings. This is not a new insight, but it has gained popularity in the last few years thanks to [the work of Richard Koo](#), the chief economist of the Nomura Research Institute who coined the term “balance sheet recession” to describe what happened to Japan after the collapse of its asset bubble in the early 1990s. (The paper is well worth reading in full.) Unfortunately, many governments across the globe seem more concerned with the abstract goal of balancing their budgets than with the important task of restoring their economies to health.

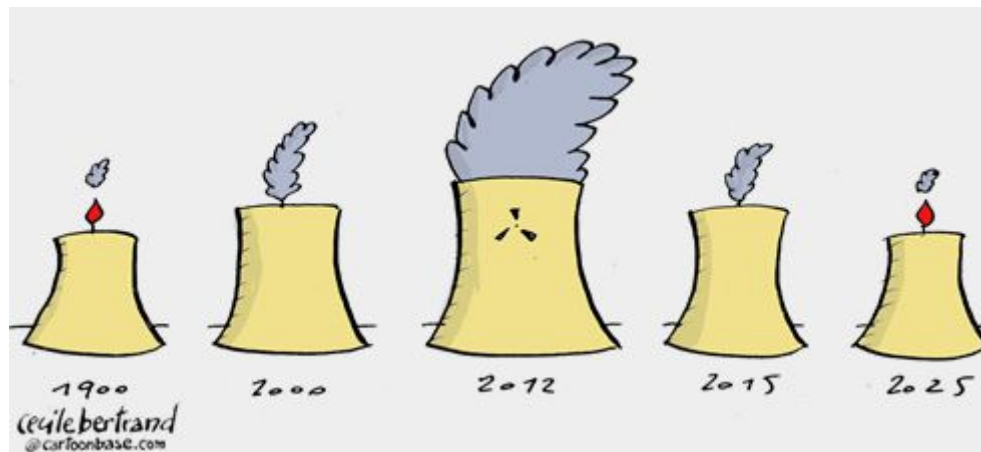
Nuclear energy

Who will look after our nuclear security?

3 October 2012

Presseurop

Le Monde, Trouw, Die Welt



[Cécile Bertrand](#)

The stress tests on European nuclear power plants have turned up plenty of flaws in the safety of the installations. Although already hotly disputed by member states, the results are raising the question of the jurisdiction of the EU.

Today, October 4, EU Energy Commissioner Günther Oettinger is to present the results of “stress tests”, carried out in the wake of the Fukushima disaster of March 2011, of the safety of the 134 nuclear reactors in the states of the EU. The tests highlight many failures, and estimates of the cost of the work needed to bring the nuclear power plants of the Old Continent up to international safety standards run to between 10 and 25 billion euros. The findings have already spurred lively debates in the member states.

[Le Monde remarks](#) on “tension between Paris and Brussels,” since France, the main producer of electricity from nuclear power in Europe, with 58 reactors in 19 nuclear power stations, is singled out for criticism in the Commission’s report –



The report finds that emergency equipment, such as generators, are not sufficiently protected against the elements in the event of a natural disaster in France [...] Finally, the French power stations lack seismic measuring instruments. [...] The French authorities have tried to play down the conclusions. [...] Paris is wary of any attempt by the European Union to centralise the regulation of the nuclear sector. [...] The French authorities also fear that the findings of this long-term exercise will revive the debate on phasing out nuclear power.

In the Netherlands, [Trouw reports](#) that its Borssele plant “failed the safety test.”



The Borssele nuclear power plant (...) does not comply with international safety requirements regarding the dangers of flooding. [...] Nor is the plant sufficiently secured against earthquakes.

“The results in from Borselle, however, are not so bad compared to other plants in Europe,” writes the newspaper, referring not just to “a nuclear superpower like France” but to plants in eastern Europe and to four plants in Finland and Sweden, where the cooling systems are not up to standards – “running the risk of a Fukushima-type scenario (a meltdown).”

Belgium, however, has been congratulated by the Commission for its way of “communicating the flaws in the [Doel and Tihange plants](#),” explained an academic who had sat on the Commission, in an interview with Trouw. The two plants were [shut down this summer](#) because of cracks in the tanks of two reactors. The Commission’s report does not mention this problem, as “the test did not address that.”

In Berlin, [Die Welt holds that](#) “the real scandal is the impotence of the EU.” The newspaper is outraged that the EU has sent a group of experts travelling around the continent for months to check the nuclear plants one by one, while “the facts have been on the table for a long time. A call to the International Atomic Energy Agency [IAEA] would have been enough.” What’s more –



The reality that those responsible for the resistance testing clearly and repeatedly ran up against obstructions from governments and energy companies when they wanted to look into a plant gives us an idea of the true desire for transparency in the nuclear field on the part of certain member states. A resistance test will thus inevitably be spotty. [...] Brussels, which regulates the banalities of everyday life to a ridiculous degree, has no jurisdiction over the existential pan-European questions that are nuclear safety and storage of nuclear waste.

26. September 2012, 15:19 Uhr

S.P.O.N. - Die Spur des Geldes

Warum schon die deutsche Einheit ein Fehler war

Eine Kolumne von Wolfgang Münchau

Kohl auf allen Kanälen: 30 Jahre nach seinem Amtsantritt lässt sich der Altkanzler in diesen Tagen als Vater der deutschen Einheit feiern. Doch in Wahrheit legte er mit dem überhasteten Anschluss der DDR an die Bundesrepublik die Saat für die Euro-Krise.

[Da saß er wieder im Saale der CDU/CSU-Fraktion im Bundestag](#). Er, einer der letzten großen Europäer unter den Christdemokraten, umzingelt von einer Armee der Euro-Skeptiker, die ihm bei seinem Besuch im Reichstag am Dienstag höflichen Applaus spendeten. [Helmut Kohl](#) fürchtet zu Recht um seinen großen Traum der europäischen Vereinigung.

Der nie um eine Metapher verlegene Kohl sprach früher immer von den zwei Seiten einer Medaille - der deutschen und der europäischen Einheit. Das war sicher eine griffige Formel, an die er wohl auch selbst geglaubt haben mag. Sie hat sich als falsch erwiesen. Die deutsche Vereinigung ist nicht die Kehrseite der europäischen Einheit, sondern ihre Antithese. Die [Wiedervereinigung](#) ist nicht nur eine der tiefen Ursachen der [Euro-Krise](#), sie ist auch eine der Ursachen unserer Unfähigkeit, die Krise zu lösen. Genau darin besteht die eigentliche Tragödie des Helmut Kohl: Mit seinem größten politischen Streich (deutsche Einheit) säte er den Kern für die Zerstörung seines größten politischen Traums (europäische Einheit).

Aber wäre die Wiedervereinigung nicht so oder so gekommen, mit oder ohne Kohl? Ich bin mir da nicht sicher. Historisch hätte man eine Konföderation zwischen Bundesrepublik und einer demokratisierten DDR durchaus rechtfertigen können. Das vereinigte Deutschland hatte 1990 noch keine erfolgreiche demokratische Tradition. Wenn eine Konföderation erst einmal etabliert gewesen wäre, glaube ich nicht, dass die Bevölkerung im Osten die Wiedervereinigung einige Jahre später immer noch gefordert hätte. Die ostdeutsche Wirtschaft wäre in einer Konföderation schneller wieder auf die Beine gekommen, und das westdeutsche Modell hätte dann nicht mehr so attraktiv und alternativlos ausgesehen wie 1990.

Das größte Beispiel wirtschaftlichen Missmanagements der Weltgeschichte

Die überhastete Wiedervereinigung kostete am Ende knapp zwei Billionen Euro an Transferleistungen. Sie war das größte Beispiel wirtschaftlichen Missmanagements der Weltgeschichte. Ein Rekord, der erst jetzt dabei ist, vom Euro-Desaster abgelöst zu werden. Man sollte sich nicht wundern, dass die Bundesbürger, die bereits die Transferleistungen für Ostdeutschland über sich ergehen lassen mussten (und müssen), jetzt keine weitere Transferunion in Europa wollen.

Ich bin fest davon überzeugt, dass die alte, nicht vereinigte Bundesrepublik die Euro-Krise besser gemeistert hätte. Wir hätten jetzt die Fiskal- und Bankenunion, und die griechischen Schulden wären abgeschrieben. Für die alte Bundesrepublik war die europäische Integration die Ultima Ratio aller Politik. Man hätte die Krise als eine Chance zur institutionellen Erneuerung der EU begriffen. Heute hingegen ist der Ausgang der Euro-Krise immer noch offen - drei Jahre nach ihrem Ausbruch.

Statt der europäischen Einheit kam die nationale, der Wechsel der Hauptstadt mitsamt einer politischen Kultur, die Moskau näher steht als Brüssel, Paris und London. Ich erinnere mich noch an ein Gespräch mit einem führenden CDU-Bundestagsmitglied vor ein paar Jahren, der mir auf eine Frage über die wirtschaftspolitische

Koordination im Euro-Raum antworte: Deutschland koordiniere nicht auf Euro-Ebene, sondern nur mit der G 20, der Gruppe der führenden 20 Industriestaaten. Deutschland versteht sich nicht mehr als Teil der EU, sondern als eine eigenständige Mittelmacht, auf Augenhöhe mit den Amerikanern, Russen und Chinesen, ohne dass lästige europäische Kleinstaaten dazwischenfunken.

Wie konnte es zu diesem Kurswechsel kommen? Mit der deutschen Vereinigung ist ein wesentliches Element der europäischen Dynamik kaputt gegangen, die auf einem Gleichgewicht der fünf größten Mitgliedstaaten basierte - Westdeutschland, Frankreich, Großbritannien, Italien und Spanien. Es ist kein Zufall, dass mit der deutschen Einheit auch das britische Interesse an der EU verschwand. Mit dem stetigen Rückzug der Briten wurde das Macht-Ungleichgewicht noch größer.

Deutschland tut sich mit seiner Führungsrolle schwer

Deutschland macht heute ökonomisch mehr als ein Viertel des gesamten Euroraums aus, tut sich aber mit einer Führungsrolle schwer, die es in Europa nie wollte. Die alte Bundesrepublik, ein gleichberechtigter Partner unter fünf, hätte sich so verhalten wie die Niederlande heute. Kritisch, aber konstruktiv.

Ich muss zugeben, ich selbst gehörte zu denen, die an Kohls doppelte Medaillen-Metapher lange geglaubt haben. Es war Anfang der neunziger Jahre kaum vorstellbar, dass sich Deutschland jemals vom proeuropäischen Konsens trennen würde. Das geschah zum Teil durch ostdeutsche Politiker wie Angela Merkel, die keinen persönlichen Bezug zur EU hatten und mit der europäischen Integration fremdelten.

Aber allein mit dem Osteffekt ist die Entfremdung nicht zu erklären. Auch im Westen änderten sich Prioritäten. Einer der Gründe ist wirtschaftlich. Wegen der Lasten der Vereinigung trat Deutschland dem Euro mit einem überhöhten Wechselkurs bei. Das hatte zur Folge, dass sich die Wirtschaftspolitik zehn Jahre lang auf die Erhöhung der eigenen Wettbewerbsfähigkeit gegenüber Dritten konzentrierte, anstatt die wirtschaftliche Leistungsfähigkeit des Euro-Raums insgesamt zu stärken. Und das war eine der wesentlichen Ursachen für die später auftretende Krise.

Deutsche und europäische Vereinigung sind vor allem deswegen nicht unter einen Hut zu bringen, weil sie beide ökonomisch missraten sind. An beiden trugen Kohl und die CDU Mitschuld. Ich glaube, dass zukünftige Historiker die deutsche Vereinigung und Kohls Verdienste kritischer betrachten, als es momentan der Fall ist.

Eurozone crisis

Why German unification was a mistake

3 October 2012

[Der Spiegel](#) Hamburg



At Berlin's Brandenburg Gate, 3 October 1990.

AFP

Thirty years after the inauguration of Helmut Kohl and 22 years after German reunification, the former chancellor is being celebrated as the father of German unity. But the truth is that, by hastily joining the GDR to the Federal Republic, he planted the seeds of the euro crisis, argues Wolfgang Münchau.

[Wolfgang Münchau](#)

[Once again he was sitting there in the hall of the CDU / CSU parliamentary group in the Bundestag](#) – one of the last great Europeans among the Christian Democrats, surrounded by an army of euro-sceptics who during his visit to the Reichstag building gave him merely polite applause. [Helmut Kohl](#) has reason to fear for his dream of European unification.

Kohl, never at a loss for a metaphor, always used to talk of the two sides of the same coin – German unity, and European unity. That was certainly a handy formula, and he may even have believed in it himself. But time has proved it wrong. German unification is not the flip side of European unity, but its opposite. [German reunification](#) is not just one of the root causes of the [euro crisis](#), it is also one of the causes of our inability to master the crisis. Precisely here lies the real tragedy of Helmut Kohl: with his greatest political trick (German reunification), he sowed the seed for the destruction of his greatest political dream (European unity).

The hasty reunification cost almost two trillion euros in transfer payments, and it was the greatest example of economic mismanagement in the history of the world. It was a record, which is only now about to be smashed by the euro-disaster. One can hardly be surprised that the (formerly West) Germans, who had to put up with the transfer payments to East Germany (and must still put up with them) want no further transfer union in Europe.

A leadership role Germany never wanted

I am firmly convinced that the old Federal Republic of West Germany would have handled the euro crisis better. We would now have the fiscal and banking Union, and the Greek debt would be written off. For the old Federal Republic, the European integration was the ultima ratio, the last resort, of all politics. The crisis would have been grasped as a chance to reform the institutions of the EU.

But instead of European unity, national unity came first, and the change of the capital city to Berlin brought the West German politicians into a political culture that is closer to Moscow than to Brussels, Paris and London. I still recall a conversation with a leading CDU member a few years ago, who responded to a question from me on economic policy coordination in the eurozone with the answer: ‘Germany is not coordinating at the euro-level, but only with the G20’ – the group of the top 20 industrialised nations. Germany no longer sees itself as part of the EU, but as an independent mid-ranking power on par with the Americans, Russians and Chinese, without those small European states butting in.

How could it have come to this change in course? With German unification, a key element of the European dynamic, which was based on a balance of the five largest member states – West Germany, France, Britain, Italy and Spain – was broken. It is no coincidence that with German unification Britain’s interest in the EU disappeared. And with the steady withdrawal of the British, the power imbalance grew even greater.

Germany now accounts for more than a quarter of the economy of the entire eurozone, but the country is finding it tough to handle a leadership role in Europe that it never wanted. The old Federal Republic, an equal partner among the five, would be behaving today like the Netherlands. Critical, but constructive.

Germany entered euro at an inflated exchange rate

I myself, I must admit, was among those who believed for a long time in Kohl's two-sides-of-the-same-coin metaphor. At the start of the early nineties it was hard to imagine that Germany would ever diverge from the pro-European consensus. This happened, in part, because of East German politicians like Angela Merkel, who had no personal relationship with the EU and felt strangers to the idea of European integration.

The alienation, though, cannot be explained solely by the ‘Eastern’ effect. Even in the West, priorities were changing. One reason is economic. Due to the costs of reunification, Germany entered the euro at an inflated exchange rate. The result was that for a whole decade German economic policies concentrated on boosting Germany’s own competitiveness against third parties instead of strengthening the economic performance of the eurozone as a whole. And that was one of the major causes of the crisis that would come later.

German and European unification can therefore largely not be reconciled, because they have both turned out badly economically. I believe that future historians will take a critical view of German unification and Kohl's merits, which is the view today.

The end of the euro's Indian summer

After a few sunny weeks, a political and economic storm is battering the euro zone once again

The Economist Sep 29th 2012 | BRUSSELS | from the print edition



THE sugar-rush brought on by the European Central Bank's pledge to intervene in bond markets to help troubled euro-zone countries—some diplomats call it “Mario Draghi's ice cream”—was bound to fade at some point. But nobody expected it to fade quite so suddenly this week.

Anti-austerity protests in Spain and Greece, uncertainty over their bail-out terms, the resurgence of Catalan secessionism, the likely departure of Mario Monti as Italy's prime minister next year, obstacles to creating a credible banking union (see [Charlemagne](#)) and a darkening economic outlook all combined to dispel hope that the euro zone was out of the woods. Spanish and Italian bond yields shot back up and European stockmarkets fell.

The summer's panic about the euro zone had been assuaged by the ECB's announcement of plans to buy unlimited amounts of short-dated debt of vulnerable countries such as Spain and Italy. This backstop would depend on their governments first seeking assistance from the euro-zone rescue funds, and then submitting to a formal, externally monitored reform programme.

Both out of national pride, and because Germany does not want Spain to ask for more money, the Spanish government has hesitated about taking the ECB's outstretched hand. Behind European officials' public praise for the deficit-cutting measures taken by Mariano Rajoy, the Spanish prime minister, there is dismay over his ineptness in handling the crisis, not least the ever-changing estimates of the money needed to recapitalise Spain's banks.

As *The Economist* went to press, Mr Rajoy was due to unveil a budget for next year and a new set of structural reforms, as well as the results of a detailed assessment of Spain's bank-recapitalisation needs. These have been co-ordinated with European officials, perhaps to allow Mr Rajoy to claim that Spain will face no fresh conditions beyond the ones he has announced himself. But the gains from any such choreography have been offset by clashes on the streets of Madrid during anti-austerity protests and by the resurgence of Catalan nationalism. Mr Rajoy's attempt to rein in spending in Spain's autonomous regions has prompted Artur Mas, the president of Catalonia, to call an election on November 25th, after his demand for more tax autonomy was rebuffed. Mr Mas is talking of holding a referendum on independence, which could throw Spain into a constitutional crisis on top of its economic one.

If Mr Rajoy's stock in European capitals has fallen, that of Antonis Samaras, the Greek prime minister, has risen. Once reviled for resisting austerity while in opposition, the conservative leader has, since his election in June, impressed fellow leaders with a new-found zeal for fiscal discipline and reform. Yet it will be hard to reconcile Mr Samaras's call for an extra two years to bring down the deficit with creditors' refusal to lend him more money, in effect a third bail-out.

Mr Samaras is caught between the rescuers' demands for more spending cuts and boiling anger on the streets. Police fired tear gas at hooded protesters hurling petrol bombs on September 26th, the day of a general strike, while tens of thousands of demonstrators outside the Greek parliament shouted "EU, IMF Out!". European officials say much now depends on whether, after some massaging of Greece's figures, the IMF can be cajoled into declaring its gargantuan debt to be "sustainable". The fund, for its part, is privately urging euro-zone countries to write off some of their loans to Greece, but that is unlikely until after Germany's election next year.

In Italy there is nervousness about the course of still-fragile reforms after the technocratic prime minister, Mario Monti, declared that he would not seek to stay in office beyond general elections due next spring. Mr Monti told CNN: "I think it's important that the whole political game resumes in Italy, hopefully with a higher degree of responsibility and maturity." Given Italy's politics, and the reforms that Italy still has to undertake, that is asking a lot.

Confidence in the future of the euro is hardly being helped by signs that Germany and other creditor countries are backtracking on last June's summit deal to create a new euro-zone bank supervisor and, thereafter, to recapitalise troubled banks directly, in countries such as Spain and Italy, with money from a euro-zone rescue fund. Along with the Netherlands and Finland, Germany now wants direct recapitalisation to exclude "legacy" assets. Karl Whelan, a prominent Irish economist, summed it up with a blog post headlined: "Germany to Spain and Ireland: drop dead".

Traité budgétaire européen, trop tard pour dire "non"

LE MONDE | 01.10.2012 à 14h07 • Mis à jour le 01.10.2012 à 18h21

Editorial du Monde.

Sur l'[Europe](#), les Français sont trop souvent en retard, sinon d'une guerre, en tout cas d'un débat. La manifestation du [Front de gauche](#) et de [Jean-Luc Mélenchon](#) a eu lieu alors que les [jeux](#) sont faits. Elle était un baroud d'honneur, avant l'adoption du traité budgétaire européen qui sera voté par le Parlement français. Avec les voix de la droite, si nécessaire.

Les "nonistes" dénoncent un " traité Sarkozy ", négocié lorsque la droite était aux affaires, et une rigueur excessive alors que les plans sociaux se multiplient. Le grief est vrai et faux à la fois. Vrai, car pas un iota de l'accord scellé cet hiver à Bruxelles n'a été changé. Faux, parce que le sauvetage de l'euro est en bonne voie. [François Hollande](#) s'en attribue les mérites, mais cette lueur est due largement à deux Italiens et un Allemand : le président du conseil italien, Mario Monti, qui a exigé un sauvetage des banques ; Mario Draghi, qui a promis que la BCE ferait tout pour [sauver](#) l'euro ; enfin, le président de la Cour constitutionnelle allemande, Andreas Vosskuhle, qui a donné son feu vert au mécanisme européen de stabilité. La stratégie de sortie de crise est un paquet global. Le Parlement français doit [faire](#) sa part. Même s'il ne se prononce juridiquement que sur la partie budgétaire, politiquement, c'est le sauvetage de l'euro qu'il valide.

Second grief des "nonistes" : la rigueur. La France s'administre un remède de cheval. La faute en revient à l'héritage de [Nicolas Sarkozy](#) et de François Fillon, mais s'explique aussi par les choix de François Hollande. Le président a décidé d'[honor](#)er ses promesses de campagne et de ne pas [faire](#) simultanément, à la différence de ses voisins latins, de réformes de compétitivité. Résultat, dans un jeu de rôle négatif, la France et ses partenaires n'ont plus pour juge de paix que le respect du retour des déficits sous la barre des 3 % du PIB en 2013. L'assouplissement ne pourra [venir](#) que si la France met en oeuvre les réformes promises pour la fin de l'année, notamment celle du marché du travail.

Instruit par le référendum de 2005, François Hollande reste pour l'instant discret sur son véritable projet européen. C'est tactiquement habile, mais pédagogiquement dommageable. A trop [vouloir](#) ruser avec l'opinion, les gouvernements finissent par se [heurter](#) au "non" des peuples lorsque ceux-ci sont consultés.

Or il va [falloir rouvrir](#) le débat. La querelle sur le pacte budgétaire empêche toute discussion sérieuse avec les Allemands, qui ont proposé cet été d'[aller](#) plus loin dans l'intégration européenne. Ils l'avaient déjà fait en 1994 et en 2000. Et, de nouveau, les Français sont absents. L'appel à un renforcement de l'union [politique](#) reste sans réponse. Au lieu de prétendre que les offres de Berlin sont factices, mieux vaudrait [prendre](#) les Allemands au mot. La France et l'Europe ne peuvent pas [jouer](#) la montre.

Coût du travail : ce que prépare l'Elysée

LE MONDE | 03.10.2012 à 11h09 • Mis à jour le 03.10.2012 à 11h13

Par Jean-Baptiste Chastand et Claire Guélaud



Dans les "60 engagements pour la France" du candidat [François Hollande](#), le mot de compétitivité n'apparaît qu'une fois. Le coût du travail n'est même pas évoqué. Et pourtant, sur ces deux sujets majeurs pour l'[industrie](#) et pour le redressement économique du pays, le chef de l'Etat a décidé d'[avancer](#) vite.

Ses hypothèses de travail se précisent. Selon nos informations, les [entreprises](#) bénéficieraient d'un allègement du coût du travail d'une quarantaine de milliards d'euros, avec le basculement de cotisations employeurs sur un impôt large, la piste la plus sérieuse étant celle de la contribution sociale généralisée (CSG).

Pour ne pas trop [entamer](#) le [pouvoir](#) d'achat des ménages, l'Elysée souhaite étaler ce transfert de charges sur la durée du quinquennat, à raison de 8 à 10 milliards d'euros par an. "Nous en avons parlé avec les industriels de l'[automobile](#) : ils ne demandent pas un choc de compétitivité ; ils veulent de la visibilité dans le temps", explique l'Elysée.

CALENDRIER SERRÉ

Contrairement aux allègements Fillon, ciblés sur les bas salaires et bénéficiant essentiellement à la grande distribution et au secteur des [services](#), les nouveaux allègements – il pourrait s'[agir](#) des 5,4 points de cotisations familiales (patronales) – seront ciblés sur les salaires moyens, probablement entre 1,6 et 2,2 smic, de façon à ce que les entreprises exposées à la concurrence en bénéficient.

Tout n'est pas encore arrêté, mais le calendrier retenu est serré : remise du rapport Gallois sur la compétitivité mi-octobre, état des lieux du [Haut Conseil](#) pour le financement de la protection sociale dans la foulée, puis saisine de ce Haut Conseil par le gouvernement de plusieurs scénarios de réformes.

Le gouvernement renonce à une promesse de campagne qui aurait pu pénaliser l'[emploi](#) : la fin des allègements de charges Fillon, entre 1,5 et 1,6 smic. Surtout, la mission confiée à Louis Gallois, grand industriel et fin connaisseur de l'appareil d'Etat, a un objectif [politique](#) clair : [faire](#) de ce sujet monopolisé par l'[UMP](#) une thématique de gauche.

"Sarkozy n'a pas fait que des conneries. Il s'est trompé en voulant [faire](#) les choses de manière précipitée et en choisissant la TVA, mais réduire les cotisations [famille](#) n'est pas idiot", reconnaît un [conseiller](#) qui travaille sur le sujet.

LES ARBITRAGES PEUVENT ENCORE ÉVOLUER

Le ciblage envisagé des nouveaux allègements, visant les salaires autour de 2 smic pour [toucher](#) les techniciens de l'industrie, est d'ailleurs calqué sur le même modèle que la TVA sociale proposée par [Nicolas Sarkozy](#).

Reste que dans cette affaire, les ministères n'ont pas forcément le même avis, et peuvent encore [faire](#) évoluer les arbitrages. Arnaud Montebourg, le ministre du redressement productif, pense surtout au rétablissement des marges des entreprises industrielles et à leur capacité à [investir](#), et n'est pas sur la même ligne que [Louis Gallois](#) avec son transfert d'ampleur de cotisations.

Jean-Baptiste Chastand et Claire Guélaud

Standortwettbewerb

Wozu der Export gut ist

FAZ 30.09.2012 · Lohnzurückhaltung hat deutsche Produkte auf dem Weltmarkt preislich wieder wettbewerbsfähiger gemacht. Doch die deutsche Exportstärke ist vielen ein Dorn im Auge. Sie hätte die Probleme mancher Euroländer mit verursacht, behaupten manche. Der Vorwurf des Merkantilismus ist ziemlicher Unsinn. Eine Analyse.

Von [Philip Plickert](#)

Deutschlands Exportstärke ist vielen ein Dorn im Auge. Aus ihr folgen „Ungleichgewichte“ in den Handelsbilanzen, die mancher für eine Ursache der Eurokrise hält. EU-Sozialkommissar [László Andor hat erst kürzlich im Interview mit der F.A.Z. eine angeblich „merkantilistische Wirtschaftspolitik“ hierzulande angeprangert](#). Durch seine Lohnzurückhaltung, die deutsche Produkte auf dem Weltmarkt preislich wettbewerbsfähiger gemacht hat, habe Deutschland die Probleme der Europeripherieländer mit verursacht, meint Andor. Wie er denken viele keynesianische Ökonomen, Gewerkschafter und Politiker.

Der Vorwurf des Merkantilismus ist ziemlicher Unsinn. Unter Merkantilismus versteht man eine dirigistische Politik mit Schutzzöllen und gezielter Exportförderung durch Subventionen, wie sie im siebzehnten und achtzehnten Jahrhundert - vor den freihändlerischen Ideen Adam Smiths - in Europa üblich war. Heute könnte man am ehesten in China von einer merkantilistischen Politik sprechen. Peking operiert vor allem mit der staatlichen Kontrolle des Wechselkurses, dessen Unterbewertung nur sehr langsam korrigiert wird und einen aufgeblähten Exportsektor bewirkt.

Von „Lohndumping“ zu sprechen, ist blanke Polemik

Die deutsche Lohnzurückhaltung seit der Jahrtausendwende war nicht Ergebnis staatlicher Vorgaben, sondern freier Tarifverhandlungen unter dem Eindruck der Massenarbeitslosigkeit. Sie ist vor dem Hintergrund der überhöhten Lohnsteigerungen in den neunziger Jahren nach der Wiedervereinigung zu sehen, die korrigiert werden mussten. Von „Lohndumping“ zu sprechen, wie das manche Linke tun, ist blanke Polemik. Nach wie vor gehört Deutschland zu den Industriestandorten mit hohen Lohn- und Lohnnebenkosten, in Europa liegt es im oberen Drittel. Deutsche Produkte gelten in der Welt nicht als besonders billig, vielmehr überzeugen sie durch Qualität und Zuverlässigkeit. Deutschlands Export ist auch deshalb so stark, weil die Güterstruktur, mit hochwertigen Maschinen und Anlagen, Fahrzeugen, Chemie und Elektrik, optimal zum (Investitions-)Bedarf der aufstrebenden Schwellenländer passt.

Die hohen Zuwachsraten im Export mit China, Indien, Brasilien, Russland und den ölreichen arabischen Staaten sind der Hauptgrund für die großen Außenhandelsüberschüsse. In diesem Jahr könnte der deutsche Warenexport erstmals den Wert von 1100 Milliarden Euro übersteigen, der Import dürfte über 900 Milliarden Euro wachsen. Davon gehen der negative Dienstleistungssaldo (zum Beispiel Ausgaben für Auslandsreisen) und Übertragungen (Überweisungen von Gastarbeitern, Entwicklungshilfe, Beiträge an die EU) weg. Die Leistungsbilanz könnte einen Rekordüberschuss von 160 Milliarden Euro ausweisen, 6 Prozent des Bruttoinlandsprodukts - was in der EU nun willkürlich als kritische Marke definiert wurde.

Hans-Werner Sinn: Deutschland lieferte Porsche und bekam Lehman-Zertifikate

Der Exportüberschuss gegenüber dem Euroraum hat allerdings schon abgenommen, er beträgt noch 2 Prozent des BIP. Der Anteil am deutschen Export, der in die Eurozone geht, ist seit der Euroeinführung von 46 auf 39 Prozent gesunken. Das Wachstum in der Peripherie war nicht nachhaltig. Mit Lohnzuwächsen weit über die Produktivität wurde eine Konsumblase finanziert, die Wettbewerbsfähigkeit sank, die Leistungsbilanzen zeigten absurd hohe Defizite. In einem schmerzhaften Prozess muss das nun korrigiert werden. Irland macht

gute Fortschritte, Spanien und Portugal kämpfen. Griechenland ist in der Abwärtsspirale gefangen, der fixe Eurokurs macht es extrem schwierig.

Leistungsbilanzen sind ein Spiegel der Volkswirtschaft, doch ist ihre Interpretation nicht trivial. Sind Defizite immer ein Zeichen der Schwäche? Manche Ökonomen haben im Fall der Vereinigten Staaten argumentiert, ihr negativer Saldo sei Folge der Standortattraktivität: Investoren aus aller Welt legen Geld in Amerika an, damit können sich die Amerikaner mehr Import von Waren und Dienstleistungen leisten. Das war zum Teil eine Blase. Hans-Werner Sinn, der Chef des Ifo-Instituts, hat es sarkastisch kommentiert: Deutschland lieferte Porsche und bekam Lehman-Zertifikate. Und im Fall Südeuropas? Ein Teil des Exports dorthin wurde mit ungedeckten Schecks bezahlt. Nun drohen Rechnungen zu platzen. Eigentlich müssten die Exporteure sie abschreiben - aber leider werden die Steuerzahler für die „Euro-Rettung“ mit in die Haftung genommen.

Export ist kein Selbstzweck und ein Handelsüberschuss nicht per se erstrebenswert, das glauben nur Merkantilisten. Letztlich ist der Endzweck allen Wirtschaftens immer die Befriedigung von Konsumbedürfnissen. Deutschland als alternde Gesellschaft kann sich über seine hohen Leistungsbilanzüberschüsse freuen. Noch arbeitet die Generation der Babyboomer, sie spart und legt einen Teil davon in der ganzen Welt an. Die deutschen Nettovermögen im Ausland haben sich - trotz Verlusten in der Krise - seit 2005 auf fast eine Billion Euro verdoppelt. Wenn die aktive Arbeitsbevölkerung schrumpft, wird der Exportüberschuss zwangsläufig sinken, der Konsum steigt relativ zur Produktivkraft. In zwei Jahrzehnten dürfte der Leistungsbilanzüberschuss völlig weggeschmolzen sein. Dann wird das wachsende Rentnerheer das angesparte (Auslands-)Vermögen aufzehren.

Weitere Artikel

- [„Deutschland hat die Krise mit verursacht“](#)
- [FAZ.NET-Spezial: Kann denn Export Sünde sein?](#)
- [Druck auf den Musterschüler Deutschland](#)
- [Kommentar: Ungleichgewichte](#)
- [Die Eurozone leidet unter intern verzerrten Wechselkursen](#)

Quelle: F.A.Z.

Sarrazin rezensiert Bofinger-Buch

Braucht Deutschland den Euro, oder braucht es ihn nicht?

FAS 01.10.2012 · Der Wirtschaftsweise Peter Bofinger plädiert in seinem neuen Buch für den Euro. Rezensent *Thilo Sarrazin* findet: Europa braucht den Euro nicht. Hier prüft er Bofingers Argumente.



© dapd Der Buchtitel verrät: Für Bofinger gibt es zur Rettung des Euros keine Alternative.

Peter Bofingers neues Buch liefert ein engagiertes Plädoyer für ein sozial gerechteres, auf mehr Einkommensgleichheit gerichtetes Europa in einer gerechteren Weltwirtschaft. Arbeitnehmer und Gewerkschaften sollen wieder mehr Rechte bekommen. **Die weltweit gewachsene Rolle liberaler Ordnungsvorstellungen seit Anfang der achtziger Jahre des vergangenen Jahrhunderts hält er für falsch. Dabei bezieht er die deutschen Arbeitsmarktreformen, die Anfang des vergangenen Jahrzehnts unter dem Stichwort „Agenda 2010“ durchgeführt wurden, ausdrücklich ein.**

Bofinger kritisiert in starken Worten den Versuch, die Wettbewerbsfähigkeit in den Krisenländern des Euroraums durch vergleichbare Reformen zu stärken: „Glaubt man, ein Wachstum ohne Verschuldung realisieren zu können, wenn man die Rechte der Arbeitnehmer unter dem Schlagwort der ‚Strukturreformen‘, einer Formulierung, an der George Orwell sein Freude gehabt hätte, immer weiter abbaut?“ Damit ist das ordnungspolitische Weltbild des Autors klar, und er macht uns über 170 Seiten wiederholt damit vertraut.

Neben **der sozialen Ungerechtigkeit des liberalen Marktmodells** gilt Bofingers **zweite große Abneigung den Finanzmärkten** - egal ob es sich um internationale Kapitalmärkte, um Märkte für Derivate oder für Staatsanleihen oder um Devisenmärkte handelt. Auch hier durchzieht das ganze Buch eine Kette starker Wortbilder, welche die Verderblichkeit dieser Märkte und Bofingers Abscheu vor ihnen illustrieren sollen. Folgerichtig bestand für ihn die „ökonomische Ratio des Euro (...) darin (...), den für alle Mitgliedsländer so bedeutsamen Handelsaustausch nicht länger dem Kasino des Devisenmarktes auszusetzen“.



© dapd Autor Peter Bofinger beim Vorstellen seines neuen Buches in Berlin.

Folgerichtig **sieht er eine Hauptgefahr eines Auseinanderbrechens des Euro darin, dass die neue deutsche Währung dann aufgewertet werden könnte und Deutschland infolgedessen in eine ähnliche Spirale von Deflation und Unterbeschäftigung getrieben werden könnte.** Diese Spirale sieht Bofinger seit Jahrzehnten in Japan am Werk, dessen Wirtschaft durch den auf dem Yen lastenden Aufwertungsdruck stranguliert werde. All dies liest sich locker und flüssig.

Der für die Architektur des Buches zentralen Argumentation hätte es aber gutgetan, wenn Bofinger etwas stärker auf die Fakten eingegangen wäre und dabei einen Blick in die Wirtschaftsgeschichte geworfen hätte: **Als das Währungssystem von Bretton Woods Ende der 60er Jahre zuerst knirschte und dann zusammenbrach, hörten sich die Warnungen von Franz-Josef Strauß, Helmut Schmidt oder dem damaligen Bundesbank-Präsidenten Karl Klasen genauso an wie jetzt die von Peter Bofinger. In nur wenigen Jahren wertete die D-Mark damals gegenüber dem Franc um 30 Prozent, dem Dollar und der Lira um 40 Prozent und dem Pfund um 50 Prozent auf.**

Gleichwohl brachten die turbulenten 70er Jahre einen Anstieg des deutschen Exports um 180 Prozent. In den gleichfalls von Wechselkursbewegungen und europäischen Währungskrisen gekennzeichneten 80er und 90er Jahren stieg der deutsche Export jeweils um gut 80 Prozent. Dagegen wuchs der deutsche Export in der Euro-Ära von 2000 bis 2010 „nur“ um 60 Prozent, und das deutlich verlangsamte Exportwachstum fand vor allem außerhalb des Euroraums statt. Divergierende Theorien sind legitim, aber man sollte sie doch stets an der Wirklichkeit testen.

Krasser noch ist das angebliche Negativ-Beispiel Japan, dessen schreckliches Aufwertungs-Schicksal nach Bofingers Befürchtung Deutschland droht, sollte der Euroraum zerbrechen. Nur ist die von Bofinger beklagte Yen-Aufwertung in der Wechselkursstatistik der EZB nicht zu finden: Ende 1999 kostete ein Euro 103 Yen, Ende 2011 waren es 100 Yen. Zwischendurch allerdings hatte der Yen stark abgewertet, so dass Japans Industrie gegenüber dem Euroraum über weite Strecken gar deutliche Wechselkursvorteile genoss. Woran immer die Stagnation Japans liegt, es ist jedenfalls nicht der Wechselkurs.

Kernbehauptung widerlegt

Bofingers Kernbehauptung, ein Fehlen von Wechselkursbewegungen sei gut für den Außenhandel, Wechselkursschwankungen dagegen, gar noch mit Aufwertungstendenz, seien schlecht, kann durch den einfachen Blick in Basisstatistiken widerlegt werden. Da muss man nicht einmal die Außenhandelstheorie bemühen. Gegenüber dem Dollar hat der Euro seit 1999 bis Ende 2011 um 30 Prozent aufgewertet, gegenüber dem Pfund um 37 Prozent, beides hat dem Außenhandel nicht geschadet. Die Tschechische Krone wiederum ist seit 1999 gegenüber dem Euro im Wert um 29 Prozent gestiegen, gleichwohl wächst der deutsche Handel mit Tschechien in beiden Richtungen schneller als der Handel mit den Krisenländern des Euroraums.

Trotzdem warnt [Peter Bofinger](#) zu Recht davor, mit dem Auseinanderbrechen des Euroraums leichtfertig zu spielen, und die Passagen, in denen er die verschiedenen Handlungsalternativen beleuchtet, gehören zu den besten des Buches. **Bofinger ist ein Befürworter der Strategie der EZB, die Märkte für Staatsanleihen durch Ankäufe von Anleihen der Krisenländer zu beruhigen. Inflationsgefahren aufgrund der Ausrichtung der EZB-Politik spielt er herunter.** Die Gefahr eines Moral Hazard, also negativer Rückwirkungen auf die Reform- und Konsolidierungsbemühungen der Krisenländer, spricht er zwar an. Aber sie scheint ihn nicht übermäßig zu beunruhigen.

Bofinger möchte den beschlossenen europäischen Fiskalpakt weiterentwickeln. Ein **europäischer Finanzminister soll in das Abgabe- und Steuerrecht der Euroländer notfalls eingreifen können**, um fiskalische Haushaltsziele zu erreichen. **Bei solch einer Einschränkung der nationalen Fiskalautonomie sieht Bofinger es als vertretbar an, im Euroraum letztlich zu einer gemeinsamen Haftung für Staatsschulden zu kommen**



© dpa Thilo Sarrazin ist Publizist, zuletzt erschien sein Buch: „Deutschland braucht den Euro nicht“.

Im Hinblick auf die Stabilität der Währungsunion hält er eine Haftungsunion sogar für unabdingbar. Der Rezensent ist zwar an dieser Stelle völlig anderer Meinung, er hätte sich aber gewünscht, dass Bofinger diese Überlegungen näher und konkreter ausgeführt hätte. **An diesen Fragen wird sich nämlich das Schicksal**

der Währungsunion entscheiden, wenn man nicht zum strikten No-Bail-out-Prinzip zurückkehrt. Das lehnt Bofinger nämlich ab.

Bei der **Bemühung, die bereits eingegangenen und künftig noch einzugehenden Haftungsrisiken herunterzuspielen**, verliert sich Bofinger allerdings in unhaltbaren Vergleichen: Er setzt das Risiko der Devisenguthaben, die Überschussländer wie **China, Japan oder Schweiz** insbesondere gegenüber dem Dollarraum anhäufen, mit den Risiken gleich, die Deutschland mit seinen EFSF- oder ESM-Bürgschaften oder durch die wachsenden **Target-2-Salden** der Bundesbank eingeht.

Das ist absurd. Devisenguthaben, ob in Dollar oder in anderen Währungen, sind nämlich jederzeit liquide. Sie unterliegen zwar Kurs- und Inflationsrisiken, niemals aber einem Solvenzrisiko. Nichts hindert zudem etwa die Schweiz, aber auch andere Überschussländer daran, ihre Devisenreserven ganz oder teilweise in einen SovereignWealth-Fonds einzubringen, ähnlich wie es Norwegen und andere Erdöl produzierende Staaten tun. **Deutschland ist dagegen mit seinen Haftungsrisiken gefangen.** Würde es sich bei den Target-2-Salden oder den ESM-Verpflichtungen um liquide marktfähige Assets handeln, wären diese Haftungen ja nie entstanden.

Bofinger reibt sich an Sinn

Wiederholt reibt Bofinger sich in seinem Buch an Hans-Werner Sinn. Man merkt, dass er dort, auch jenseits der Euro-Fragen, quer über alle seine Themen hinweg **den großen Gegner** sieht. **Dessen Vorschlag, die Target-2-Salden zwischen den nationalen Notenbanken des Euroraums in ähnlicher Weise zu begrenzen, wie dies zwischen den Mitgliedern des Federal-Reserve-Systems in Amerika praktiziert wird, kritisiert er als „Symptom-Therapie“.**

Das ist folgerichtig, denn er möchte ja gerade die schmerzlichen Anpassungsprozesse nicht, die Sinn dabei im Auge hat. Naiv mutet Bofingers Überzeugung an, die Target-2-Salden würden sich „dann wieder zurückbilden, wenn ein klares und glaubhaftes Bekenntnis aller Mitgliedsländer zum Fortbestand der Währungsunion gegeben wird, das die Bereitschaft zu einer stärkeren fiskalischen Integration unbedingt voraussetzt“. Daran wird deutlich: Am Grunde der Meinungsunterschiede zur Währungsunion ruhen eben auch unterschiedliche Glaubensüberzeugungen.

Peter Bofinger: Zurück zur D-Mark? Deutschland braucht den Euro. Droemer, 18 Euro.

Quelle: F.A.S.

Catalonia

A scale model of European implosion

2 October 2012

[Diário de Notícias](#) Lisbon



The budgetary austerity zealously applied by Madrid has revitalised demands for independence in Barcelona. Engaged in a fiscal and economic power struggle with the central government, Catalonia is threatening to disrupt the social and regional equilibrium that underlies Spanish democracy.

[José Manuel Pureza](#)

For the fifth time in its history, Catalonia is faced with the prospect of independence. The trajectory towards emancipation from Madrid has both a long-term and a conjunctural logic. The Spanish state is a political creation that depends on a web of agreements guaranteeing the permanence of its economic and social dominance, which is superposed on a plurality of nations with their individual identities and long-standing histories. In 1978, this structure showed itself to be a very fragile in the course of a constitutional transition which strained to bridge the gap between nationalisms and centralism: the concession of autonomy to the regions was the institutional and legal consequence of the bargain struck on that occasion.

But that was not the only aspect of the deal: the autonomous communities were also given the opportunity to tap into generous funds, for civil works, modernisation, and future development. While there was money to inject into investments that consolidated the peaceful domination of local elites, the arrangement worked. The exchanges between the national and regional right were typical of the state of mind that prevailed at the time: when José María Aznar [Prime Minister from 1996 to 2004] announced from the Moncloa Palace, “Spain is doing well”, Jordi Pujol [President of the Catalan government from 1980 to 2003] replied from his HQ at the Palau de la Generalitat, “And Catalonia is doing better”.

A monument to the absence of common sense

But then the conjunctural factors came on stage. The right-wing *Convergència i Unió* government in Catalonia now has to contend with 822,000 unemployed workers in the wake of 22 months of successive cuts in social welfare benefits. This potentially explosive situation has been compounded by the freezing of funds for the autonomous regions, which was pushed through by the central government following a revision of the Spanish constitution implemented at supersonic speed to comply with an order issued by Berlin and Brussels. And what is remarkable is the contrast between the zeal with which this order was executed by the local representatives of Brussels and Berlin – the People’s Party (PP) and the Spanish Socialist Workers’ Party (PSOE) – and these two same parties vehement insistence that the constitution cannot be modified with a view to enabling the Catalan people to hold a referendum on their right to self-determination.

In the context of the demand for constitutional change, the new budgetary pact between Madrid and the autonomous regions appears, by virtue of its obsession with austerity, to be a monument to the absence of political horse sense: specifically with regard to the refusal to envisage the explosive consequences that major

cuts in public funding would have on relations between the central government and the regions. In Spain, like in Portugal and Greece, the pyromaniacs from Berlin and their local assistants have succeeded in setting a torch to the social equilibrium, with no thought for the terrible demons that may be awakened by the uninterrupted blaze of the sacrificial fire that must be kept stoked on the altar to the goddess of austerity.

Political conscience forgotten

And the Catalan government has been quick to exploit this lack of political responsibility. In making himself a standard-bearer for the cause of independence, the current President of the Generalitat [Catalan regional government] Artur Mas has much in common with [Alberto João Jardim](#) [the President of the government of Madeira]: in response to the catastrophic economic and social results of his mandate, which was marked by a strategy to dismantle public services and social entitlements, the conservative Mas has accused Madrid of being a sinkhole for Catalan funds that is unwilling to invest in public services and projects in the region. Does that not sound familiar? The cause of independence much vaunted by the Generalitat is first and foremost a very convenient means for deflecting attention from the socio-economic decline that has resulted from its own policies.

More than Portugal or Greece, Spain is increasingly a scale model of European implosion, which demonstrates how the remedies prescribed by the troika result in what is now an ongoing process of social, political and territorial fragmentation. You would think that they could have learned from the tragedy of the Balkans. But it is too much to hope that the representatives of the troika and their employers might have a political conscience, which their actions show they are clearly intent on subverting.

On the web

- [Original article at Diário de Notícias](#) pt
- [La Vanguardia article](#) es

From Catalonia

“Catalan train too fast-moving to stop”

In Catalonia, the possibility that the region might secede from Spain is necessarily viewed as a catastrophic, as [columnist Fernando Ónega points out](#) in the Barcelona daily La Vanguardia –

When a parliament rises up to demand consultation on the launch of a process of national transition, and central government announces its intention to block that consultation, the basis for a conflict has been defined. I might add: when the newspapers in Catalonia speak of democratic rights while their furious rivals in Madrid speak of the “lunatic attitude” of Catalonian governor Artur Mas, the conflict has penetrated society and is no longer confined to politics.

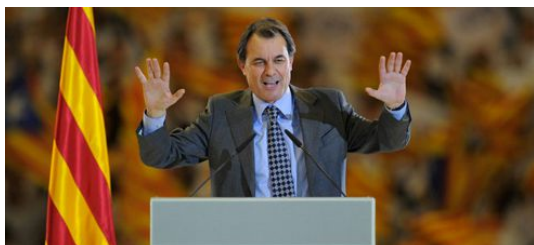
The main question therefore concerns the manner in which the transition can be achieved without a full-on collision between two trains. [...] With this horizon in mind, Mr Mas is committed to consultation, even if [Prime Minister Mariano] Rajoy is against it. In the context of power struggle where the exercise of democracy has become a challenge, let there be no illusions in Madrid: it will be impossible, or very difficult to reverse this process. [...] I believe it may well be too late. The Catalan train is too fast-moving to stop.

Catalonia

Artur Mas – the man with Spain’s future in his hands

2 October 2012

[Financial Times](#) London



Has he opened the floodgates? Artur Mas at a meeting in Barcelona's Palau Sant Jordi, November 26, 2010.

Not only is Spain in the midst of a devastating economic crisis, but it also faces the prospect of a constitutional one, after nationalist leader Arthur Mas, president of the autonomous Catalonia region, called an election widely considered as a plebiscite on independence. A profile.

[David Gardner](#)

It is rare, even in Spain, for parliament to be debating the whys and wherefores of the War of the Spanish Succession, commonly construed as a struggle over the balance of power in early 18th century Europe. It was not, Spanish government MPs pointed out to their Catalan counterparts this week, a war of secession, even if at its conclusion Catalonia, having gambled on the losing side, was stripped of the attributes of self-government. History is always alive in Spain.

Artur Mas, the president of the Catalan Generalitat, had just left a meeting in Madrid empty-handed – failing totally to negotiate a new fiscal pact with Mariano Rajoy, the Spanish prime minister. Inevitably, he said a “historic opportunity” to ensure Catalonia could still fit comfortably inside a plurinational Spain had been squandered.

Back home in his own parliament in Barcelona, Mr Mas called a snap election that will surely turn into a proxy referendum on Catalan secession from Spain and – in case Madrid was not paying attention – Barcelona voted to call an actual plebiscite on Catalonia’s right to self-determination. A full-blown constitutional crisis, in which the survival of the Spanish nation-state within its present boundaries is at stake, will now collide head on with the eurozone and fiscal crises.

The arguments in this family dispute are already tangled and often tendentious but, as identity politics starts to overwhelm reasoned debate, they are turning visceral. Yet Mr Mas is an unlikely harbinger of revolutionary separatism.

Until now, he has always appeared to be a mainstream nationalist from the *Convergència i Unió* coalition, the very embodiment of the Catalan bourgeoisie and its traditionally prudent mercantile values. *CiU* has dominated Catalonia since home rule was restored after the end of the Franco dictatorship in the late 1970s, and is a byword in Catalan politics for its philosophical ambiguity on independence, and in the Spanish arena for its political ambidexterity, allying episodically with both left and right in Madrid

Spain In A Nutshell



Submitted by [Tyler Durden](#) on 09/25/2012 10:47 -0400

Confused why contrary to all public lies otherwise, Spain is Greece? Here's why

- TAX RECEIPTS THROUGH AUGUST FELL 4.6% ON YR, SPAIN DATA SHOW: perhaps their tax collectors were also on strike?
- SPAIN GOVT SPENDING THROUGH AUGUST ROSE 8.9%, BUDGET DATA SHOWS: missed the austerity by just thiiiiiiis much
- SPAIN JAN-AUG CENTRAL BUDGET DEFICIT 4.77% GDP VS 3.81% YR AGO

Luckily, there is always hope that the magic money tree will bloom eventually

- SPAIN EXPECTS HIGHER TAX REVENUE IN COMING MONTHS

So, to summarize: revenues down, spending up, budget deficit naturally higher than last year. Oh, stop calculating... and just buy their bonds. The Central Planners will make sure the math is irrelevant always and forever.

Five Years Since The Great Financial Crisis: "No Growth, No Deleveraging"

Submitted by [Tyler Durden](#) on 09/09/2012 10:22 -0400

One of the populist buzzwords of the past 5 years, particularly in Europe, has been "*austerity*", which as we have said for the roughly the same past 5 years, is simply a synonym for "deleveraging" but one which carries just the right amount of negative connotations, and is used by crafty politicians to shift blame from their own failure to enact proper policy (which over the past 30 years has merely meant to borrow growth from future political cycles, aka, issue debt) onto a "*technical*" word conceived by Ph.D.-clad economists, who too, are looking for a passive victim on which to project their failure of enacting a voodoo economic theory. **There is one problem with all of the above.** As we have also been saying for the past five years, the *austerity* deleveraging myth is **one big lie.** We are setting the record straight below with facts and figures. We would be delighted if some politician, somewhere, could disprove these facts, which essentially imply that the world is now in a global recession, **having experienced no growth as the recent 100% contractionary PMI print of all major economies confirms, yet without any country actually having implemented austerity, pardon deleveraging to have at least a modest justification for this failure of growth.**

Finally, this article proves that the European chorus screaming for "growth" when everyone knows it demands merely more of the same drug - *debt* - is 100% wrong, and that while the underlying causes of "growth" are there, the only thing missing are the symptoms. DB's Jim Reid provides the charts and facts:

Figure 37 shows the combined Debt to GDP of the EU-12 (excluding Luxembourg), the US, UK, Japan and Australia. This debt includes Governments, Financials, Corporates and Households. Ireland's small economy and large financial system (domestic and foreign), ensures an outsized reading which we cut off in the chart.

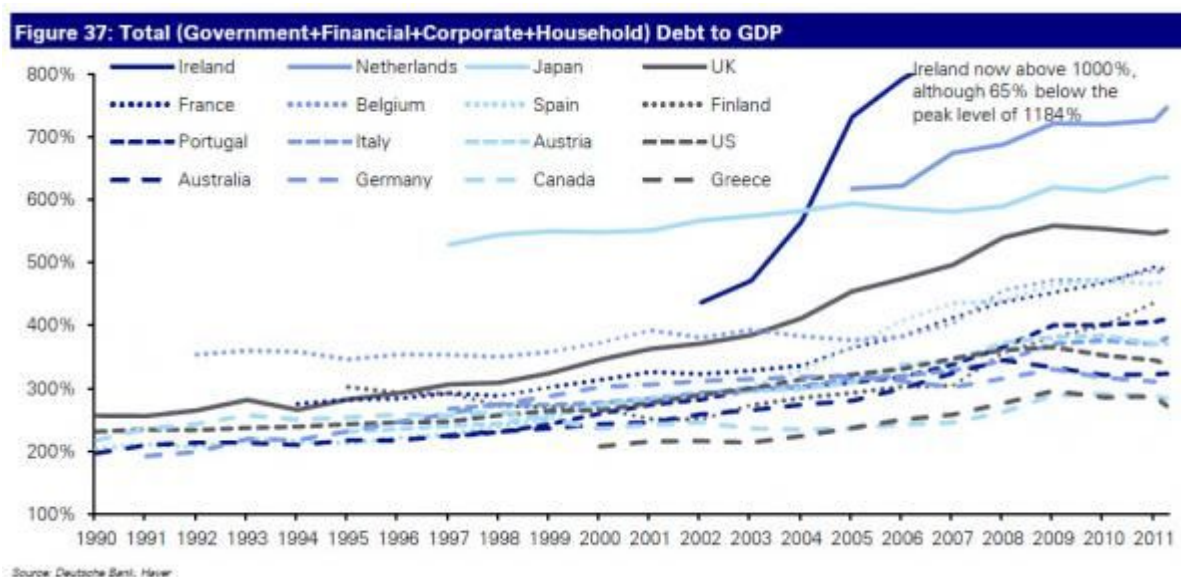
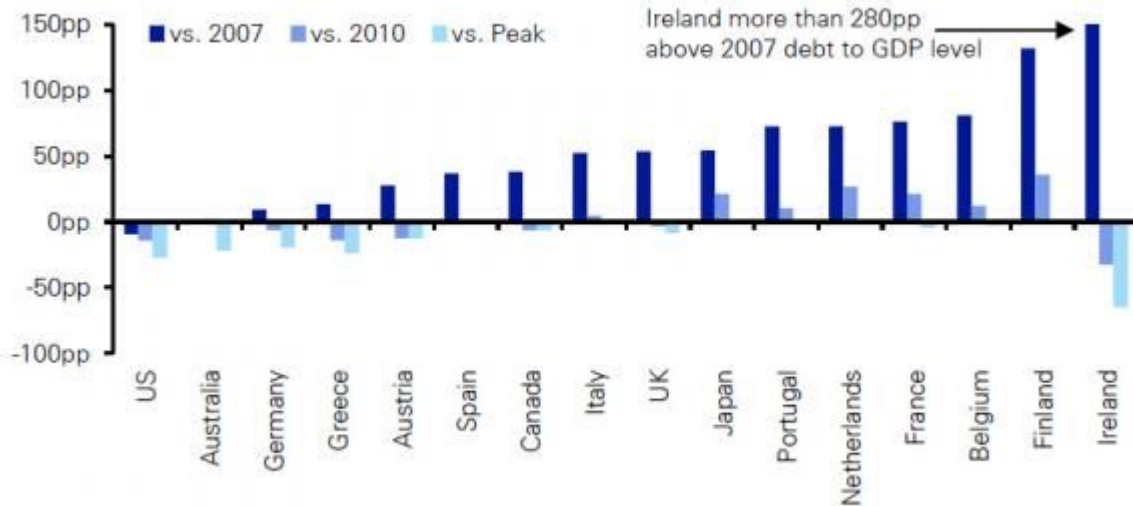


Figure 38 then shows; 1) how this ratio has changed from the end of 2007 to the end of 2011; 2) what the trend was in the 1-year to the end of 2011 to see momentum; and 3) where the ratio is from the peak point. The data is represented in percentage point moves.

Figure 38: Current Debt/GDP Level vs. 2007, the last year and Max (Percentage Points)



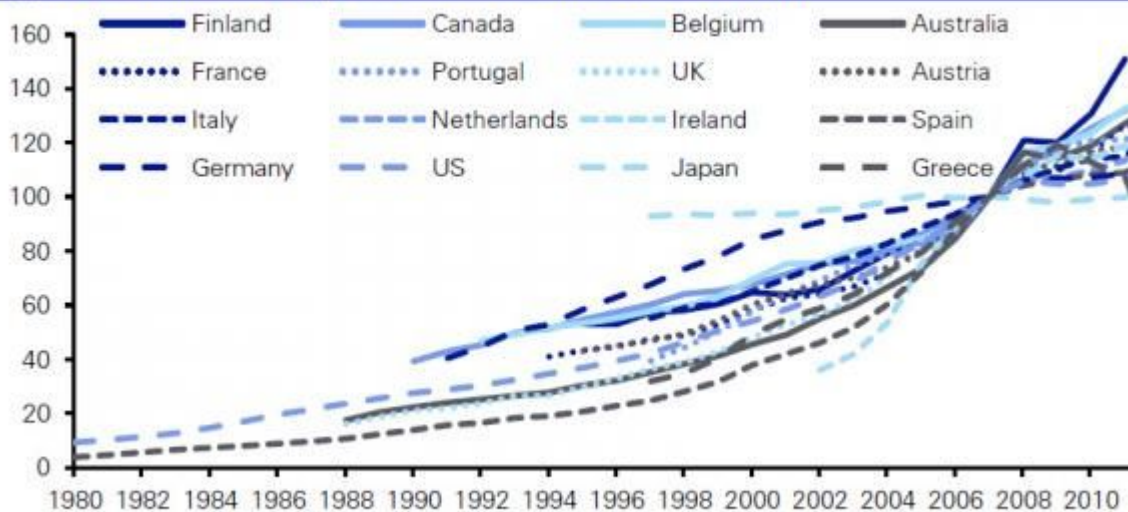
Source: Deutsche Bank, Haver

As can be seen, only the US and Australia have seen their overall economy Debt to GDP fall since the end of 2007 and for both these the fall is negligible. The US has gone from around 348% to 345% on this measure. From the peak the US has fallen from the 366% seen in 2009 and the 353% seen in 2010 but few other countries are seeing their debt/gdp ratio move in the right direction. Many are currently at their peak overall economy wide leverage number and as already discussed when looked at from the start of the crisis all but the US and Australia have seen this ratio rise. Interestingly as we'll see below Australia and the US have still seen debt rise but Nominal GDP has risen by a higher amount, thus helping them see leverage ratios decline slightly. It shows how important growth and inflation are if you want to delever.

Deleveraging problems from both the debt and growth side

The deleveraging problem comes from both sides. As we saw in Figure 36 in the previous section, growth has struggled to eclipse its peak levels across a number of countries with only inflation allowing many to surpass their peak activity levels. In terms of debt, Figure 39 shows the growth of an index of economy wide liabilities from our DW sample rebased at 100 at the end of 2007. We have gone back as far as the full data starts for each country.

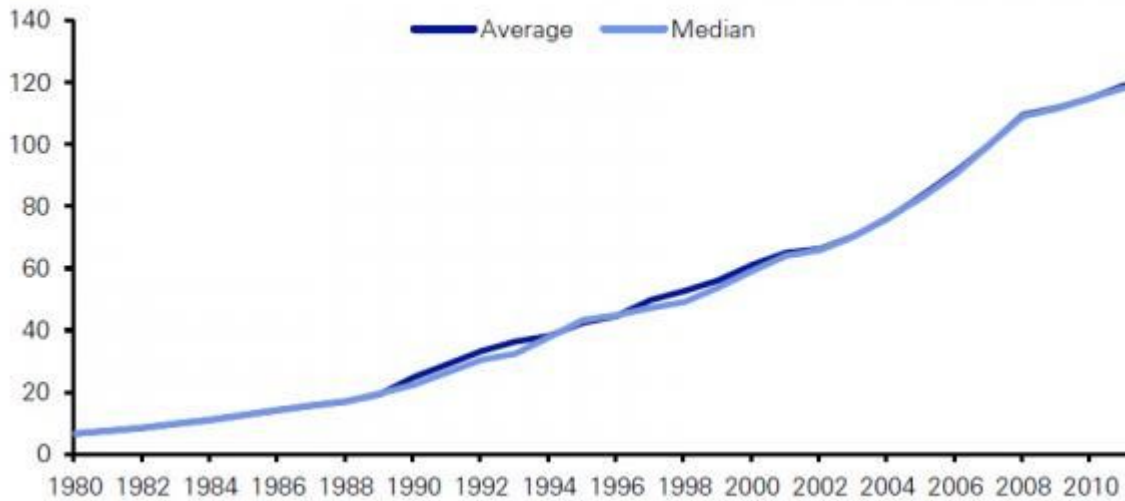
Figure 39: Total Economy Debt Level Rebased to 100 in 2007



Source: Deutsche Bank, Haver

Figure 40 then shows a simple un-weighted average and median of this basket and shows that debt is still increasing in the developed world.

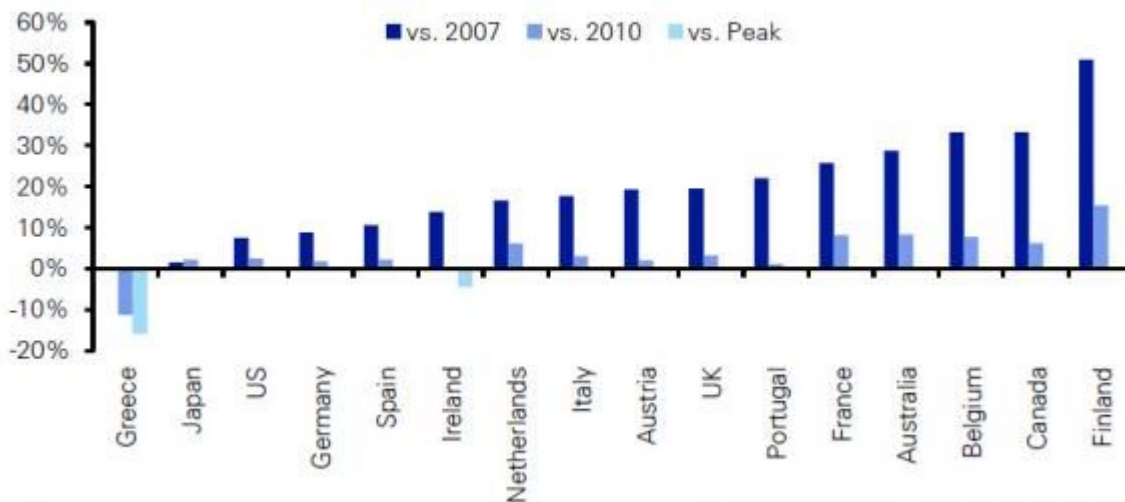
Figure 40: Average and Median Total Economy Debt Level Rebased to 100 in 2007



Source: Deutsche Bank, Haver

Figure 41 then looks at the numbers for each country again from the end of 2007 to Q1 2012, since the end of 2010 and also from the peak. Debt hasn't started to turn down anywhere in the Developed World since the end of 2007. As already discussed, those that have seen their debt/GDP ratios stabilise (e.g. US and Australia) have required some nominal GDP growth.

Figure 41: Change in Total Economy Debt Level since 2007, 2010 and the Peak



Source: Deutsche Bank, GFD

So debt is still climbing in most countries. Clearly the splits are changing with more emphasis on public over private debt but there's little evidence that the DM deleveraging trend has started yet.

Given such an unparalleled run up in debt over the last few years and decades, will we be able to de-lever naturally and without defaults? If we can find a higher pace of growth and inflation than debt accumulation then we can. But can every country succeed? The reality is that we would make a strong argument suggesting that the high debt burdens are actually holding growth back thus ensuring a problem of circularity. As a minimum it likely ensures that these economies remain fragile and vulnerable to shocks for many years to come.

So in aggregate the DM post-GFC world can be characterised by a “No Growth, No Deleveraging” mantra and one where we are still in a similar situation to where we were five years ago.

Q.E.D.

Dancing On The Grave Of Keynesianism



Submitted by [Tyler Durden](#) on 10/02/2012 13:52 -0400

Authored by Gary North via the [Ludwig von Mises Institute](#)

Dancing On The Grave Of Keynesianism

The collapse of the Soviet Union in December of 1991 was the best news of my lifetime. The monster died. It was not just that the USSR went down. The entire mythology of revolutionary violence as the method of social regeneration, promoted since the French Revolution, went down with it. As I wrote in [my 1968 book](#), Marxism was a religion of revolution. And Marxism died institutionally in the last month of 1991.

Yet we cannot show conclusively that "the West" defeated the Soviet Union. What defeated the Soviet Union was socialist economic planning. The Soviet Union was based on socialism, and socialist economic calculation is irrational. Ludwig von Mises in 1920 described why in his article, "[Economic Calculation in the Socialist Commonwealth](#)." He showed in theory exactly what is wrong with all socialist planning. He made it clear why socialism could never compete with the free market. It has no capital goods markets, and therefore economic planners cannot allocate capital according to capital's most important and most desired needs among by the public.

Mises's argument was not taken seriously by the academic community. Socialism was so popular by 1920 among academics that they did not respond to Mises for over 15 years. When finally one major economist, who really was not a major economist but was simply a Polish Communist, wrote a response to Mises, it got a great deal of publicity. His name was Oscar Lange. He was a hack. He taught at the University of Chicago. He had no theory of economics. Immediately after World War II, he returned to Poland, renounced his American citizenship, and became a major Polish government bureaucrat. He was Stalin's hand-picked first Polish ambassador to the United States. He was a Marxist. He was a Communist. He was a hack. He spent his career with his finger in the wind, seeing which way it was blowing. As for his critique of Mises, Poland never adopted his so-called practical organizational answer to Mises, and neither did any other Socialist Commonwealth nation.

So, the only major supposed academic refutation of Mises was made by a hack who switched sides to Communism when he got a better offer. Yet he was heralded as a brilliant economist because he had supposedly refuted Mises. The academic world never admitted what Lange was, which was a hack Communist. It never admitted that no socialist nation ever implemented his supposed alternative to the free-market system. The academic world simply clung for over 50 years to his completely hypothetical alternative to free-market capital allocation. The academic world would not learn the truth.

Finally, when it became clear in the late 1980s that the Soviet economy was bankrupt, a multimillionaire socialist professor named Robert Heilbroner wrote an article, "[After Communism](#)," for the *New Yorker* (September 10, 1990), which is not an academic journal, in which he admitted that throughout his entire career, he had always believed what he had been taught in graduate school, namely that Lange was right and Mises was wrong.

Then, he wrote these words: "Mises was right."

Heilbroner wrote the most popular textbook on the history of economic thought that has ever been written, *The Worldly Philosophers*. He became a multimillionaire off the book royalties. In that book, he did not even mention the existence of Mises. He, too, was a hack — a polished hack (though not Polish), but still a hack. Yet he was widely respected in academia. Academia made him rich.

The academic community is intellectually corrupt. It goes with fads, and it does not react to the truth. It suppresses the truth. I realized this very early in my career, long before I got a PhD. The guild in every university department operates as a guild, and it has no commitment to truth in matters controversial until one side or the other loses power. When one side is perceived as possessing power, which the Communists were perceived as possessing, 1917–1991, there is never any direct challenge by the academic community. Academia argued about this or that aspect of the Soviet system that was wrong, which generally related to freedom of speech. But, with respect to the basic operations of the Communist economic-planning system, there was never anything like a comprehensive critique of that system, and never did anybody inside the academic community look for the weakness of Communism in Mises's 1920 article.

The Soviet Union was always economically bankrupt. It was poverty-stricken in 1991. It was, in conservative journalist Richard Grenier's magnificent phrase, Bangladesh with missiles. Outside of Moscow, Russians in 1990 lived in poverty comparable to mid-19th-century America, but with far less freedom. Yet this was never told to students during the years that I was in school, which was in the 1960s. There were a few economists who did talk about it, but they got little publicity, were not famous, and their books were not assigned in college classrooms. The standard approach of the academic community was to say that the Soviet Union was a functioning economy: a worthy competitor to capitalism.

Paul Samuelson was the most influential academic economist of the second half of the 20th century. He wrote the introductory textbook that sold more than any other in the history of college economics. In 1989, as the USSR's economy was collapsing, he wrote in his textbook that the Soviet Union's central-planning system proves that central planning can work. Mark Skousen nailed him on this in his book [Economics on Trial](#) in 1990. David Henderson reminded readers in the *Wall Street Journal* in [2009](#).

Samuelson had an amazingly tin ear about communism. As early as the 1960s, economist G. Warren Nutter at the University of Virginia had done empirical work showing that the much-vaunted economic growth in the Soviet Union was a myth. Samuelson did not pay attention. In the 1989 edition of his textbook, Samuelson and William Nordhaus wrote, "the Soviet economy is proof that, contrary to what many skeptics had earlier believed, a socialist command economy can function and even thrive."

The creator of the so-called Keynesian synthesis and the first American winner of a Nobel Prize in economics was blind as a bat to the most important economic failure of the modern world. Two years later, the USSR was literally broken up, as if it had been some bankrupt corporation. Samuelson never saw it coming. People who are conceptually blind never do.

The Keynesian Era Is Coming to a Close

I say this to give you hope. The Keynesians seem to be dominant today. They are dominant because they have been brought into the hierarchy of political power. They serve as court prophets to the equivalent of the Babylonians, just before the Medo-Persians took the nation.

They are in charge of the major academic institutions. They are the main advisers in the federal government. They are the overwhelmingly dominant faction within the Federal Reserve System. Their only major institutional opponents are the monetarists, and the monetarists are as committed to fiat money as the Keynesians are. [They hate the idea of a gold-coin standard](#). They hate the idea of market-produced money.

There was no overwhelming outrage among staff economists at the Federal Reserve when Ben Bernanke and the Federal Open Market Committee (FOMC) cranked up the monetary base from \$900 billion to \$1.7 trillion in late 2008, and then cranked it up to \$2.7 trillion by the middle of 2011. This expansion of the money supply had no foundation whatsoever in anybody's theory of economics. It was totally an ad hoc decision. It was a desperate FOMC trying to keep the system from collapsing, or at least they thought it was about to collapse. The evidence for that is questionable. But, in any case, they cranked up the monetary base, and nobody in the academic community except a handful of Austrians complained that this was a complete betrayal of the monetary system and out of alignment with any theory of economics.

The Keynesians are eventually going to face what the Marxists have faced since 1991. Literally within months of the collapse of the Soviet Union, when members of the Communist Party simply folded up shop and stole the money that was inside the Communist Party coffers, any respect for Marxism disappeared within academia. Marxism became a laughingstock. Nobody except English professors, a handful of old tenured political scientists, and a tiny handful of economists in the Union of Radical Political Economists (URPE), were still willing to admit in late 1992 that they were advocates of Marxism, and that they had been in favor of Soviet economic planning. They became pariahs overnight. That was because academia, then as now, is committed to power. If you appear to have power, you will get praised by academia, but when you lose power, you will be tossed into what Trotsky called the ashcan of history.

This is going to happen to the Keynesians as surely as it happened to the Marxists. The Keynesians basically got a free ride, and have for over 60 years. Their system is illogical. It is incoherent. Students taking undergraduate courses in economics never really remember the categories. That is because they are illogical categories. They all rest on the idea that government spending can goose the economy, but they cannot explain how it is that the government gets its hands on the money to do the stimulative spending without at the same time reducing spending in the private sector. The government has to steal money to boost the economy, but this means that the money that is stolen from the private sector is removed as a source of economic growth.

"The academic world rejected Mises's theory of socialist economic calculation. Everything in their system was against acknowledging the truth of Mises's criticisms, because he was equally critical about central banking, Keynesian economics, and the welfare state."

The Keynesian economic system makes no sense. But, decade after decade, the Keynesians get away with utter nonsense. None of their peers will ever call them to account. They go merrily down the mixed-economy road, as if that road were not leading to a day of economic destruction. They are just like Marxist economists and academics in 1960, 1970, and 1980. They are oblivious to the fact that they are going over the cliff with the debt-ridden, over-leveraged Western economy, because they are committed in the name of Keynesian theory to the fractional-reserve-banking system, which cannot be sustained either theoretically or practically.

The problem we are going to face at some point as a nation and in fact as a civilization is this: there is no well-developed economic theory inside the corridors of power that will explain to the administrators of a failed system what they should do after the system collapses. This was true in the Eastern bloc in 1991. There was no plan of action, no program of institutional reform. This is true in banking. This is true in politics. This is true in every aspect of the welfare-warfare state. The people at the top are going to be presiding over a complete disaster, and they will not be able to admit to themselves or anybody else that their system is what produced the disaster. So, they will not make fundamental changes. They will not restructure the system, by decentralizing power, and by drastically reducing government spending. They will be forced to decentralize by the collapsed capital markets.

When the Soviet Union collapsed, academics in the West could not explain why. They could not explain what inherently forced the complete collapse of the Soviet economy, nor could they explain why nobody in their camp had seen it coming. Judy Shelton did, but very late: in 1989. Nobody else had seen it coming, because the non-Austrian academic world rejected Mises's theory of socialist economic calculation. Everything in their system was against acknowledging the truth of Mises's criticisms, because he was equally critical about central banking, Keynesian economics, and the welfare state. They could not accept his criticism of Communism precisely because he used the same arguments against them.

The West could not take advantage of the collapse of the Soviet Union, precisely because it had gone Keynesian rather than Austrian. The West was as compromised with Keynesian mixed economic planning, both in theory and in practice, as the Soviets had been compromised with Marx. So, there was great praise of the West's welfare state and democracy as the victorious system, when there should have been praise of Austrian economics. There was no realization that the West's fiat-money economy is heading down the same bumpy road that led to the collapse of the Soviet Union.

It was not a victory for the West, except insofar as Reagan had expanded spending on the military, and the Soviets stupidly attempted to match this expenditure. That finally "broke the bank" in the Soviet Union. The

country was so poverty-stricken that it did not have the capital reserves efficient to match the United States. When its surrogate client state, Iraq, was completely defeated in the 1991 Iraq war, the self-confidence inside the Soviet military simply collapsed. This had followed the devastating psychological defeat of the retreat of the Soviet Union out of Afghanistan in 1989. Those two defeats, coupled with the domestic economic bankruptcy of the country, led to the breakup of the Soviet Union.

The present value of the unfunded liabilities of the American welfare state, totaling [over \\$200 trillion](#) today, shows where this nation's Keynesian government is headed: to default. It is also trapped in the quagmire of Afghanistan. The government will pull out at some point in this decade. This will not have the same psychological effect that it did on the Soviet Union, because we are not a total military state. But it will still be a defeat, and the stupidity of the whole operation will be visible to everybody. The only politician who will get any benefit out of this is Ron Paul. He was wise enough to oppose the entire operation in 2001, and he was the only national figure who did. There were others who voted against it, but nobody got the publicity that he did. Nobody else had a system of foreign policy that justified staying out. His opposition was not a pragmatic issue; it was philosophical.

The welfare-warfare state, Keynesian economics, and the Council on Foreign Relations are going to suffer major defeats when the economic system finally goes down. The system will go down. It is not clear what will pull the trigger, but it is obvious that the banking system is fragile, and the only thing capable of bailing it out is fiat money. The system is sapping the productivity of the nation, because the Federal Reserve's purchases of debt are siphoning productivity and capital out of the private sector and into those sectors subsidized by the federal government.

After the Crash

There will be a great scramble ideologically among economists and social theorist as to why the system went down, and what ought to replace it. On campus, there will be no coherent answers whatsoever. The suppression of the truth has gone on so systematically on campus for half a century, as manifested by the universal praise of the Federal Reserve System, that the reputation of campus will not recover. It shouldn't recover. The entire academic community has been in favor of the welfare-warfare state, so it will not survive the collapse of that system. It will become a laughingstock.

It is not clear who is going to come out the victors in all this. That could take a generation to begin to sort out. There will be many claimants, all pitching their solutions, all insisting that they saw the crisis coming. But that will be hard to prove for anybody except the Austrians.

This is why it is important that people understand what is wrong with the prevailing system, and that they say so publicly.

This is why the Christian churches will not have much of a say in any of this, because the churches, and Christianity in general, have had nothing independent to say about the development of the welfare-warfare state.

The analysts with the best arguments are the Austrians. As to whether they are going to be able to multiply fast enough, or recruit students fast enough, or train them fast enough, with some of them going into positions of authority, is problematical. But we do know this: there has been no systematic criticism of Keynesian theory and its policies except by the Austrians over the past 70 years. Only the Marxists gave comparable criticism, and their ship went down in 1991.

Keynesians talk to each other. They do not seek converts. They do not think they need to. Austrians, being in a small minority, seek to persuade non-Austrians. Keynesian economists get tenure for writing gibberish and including meaningless formulas that begin by assuming away reality. Austrians begin with reality: individual human action. Keynesians, when writing for the public, offer conclusions, not explanations. Austrians seek to explain their position, since they know the public is unfamiliar with the fundamentals of Austrian economics.

In a time of breakdown, Austrians will explain why it happened, and pin the blame on Keynesians: "Their system failed. They had control ever since 1940."

Keynesians will pin the blame on Keynesians who did not go far enough: "more of the same." We see this already "[Krugman vs. Bernanke](#)."

Which version will the public be ready to believe in a crisis? In the late 1930s, we found it: the Keynesians, who blamed the free market, not the neoclassical economists. "The present system is basically OK. We just need more time."

Housebroken Austrian Economists

The battle will be fought and won outside of academia. Here is where Austrians must learn to do battle.

Inside academia, to gain tenure, every assistant professor must go through the motions of genuflecting in front of the Keynesian altar. After they gain tenure, most anti-Keynesians cannot break the habit. They sugarcoat their criticisms of Keynesianism. They play the role of loyal opponents. This even includes some Austrians — those who are appalled by the rhetoric of the Mises Institute and Lew Rockwell.com. They are housebroken.

I recall one academic Austrian economist who told me that I am far too dismissive of Keynesianism, and far too contemptuous in my rhetoric. "You just can't say such things!" he told me, not grasping his grammatical error. I responded: "Yes, I can. And I do." That was in 1992. He has not changed. Neither have I.

We have different audiences. He teaches 130 students, three days a week, eight months a year, in a government-funded minor university with no clout within the economics guild. I have 120,000 people on my mailing lists, 70,000 of them five days a week, plus readers on Lew Rockwell.com two days a week, 52 weeks a year. I can play hardball with Keynesian twits. He must guard his words so as to curry favor with those whose opinions count in academia. He has spent his career looking over his shoulder at Keynesians, who exercise power in all of the social-science academic guilds, by whose rules he must play as an outsider who is barely tolerated inside the economics guild. I have spent mine telling the crowd that the emperor has no clothes, and that his tailors are mostly Keynesians, with a few monetarists pretending to hem the invisible garments. I do not abide by the rhetorical rules — "gentle, be gentle" — that Keynesian academics impose on their critics inside academia. "You sit in the corner and wait for your turn. You will get your 15 minutes. Be polite when you get your turn." That is not my style.

Conclusion



I offer this optimistic assessment: the bad guys are going to lose. Their statist policies will bring destruction that they will not be able to explain away. Their plea will be rejected. "Give us more time. We just need a little more time. We can fix this if you let us get deeper into your wallets."

In the very long run, the good guys are going to win, but in the interim, there is going to be a lot of competition to see which group gets to dance on the grave of the Keynesian system.

Get out your dancing shoes. Keep them polished. Our day is coming.

10/02/2012 01:22 PM

Interview with Economist Joseph Stiglitz

'The American Dream Has Become a Myth'

The finance industry is to blame for the growing divide between the rich and poor in the United States, says Nobel Prize-winning economics professor Joseph Stiglitz. In an interview with SPIEGEL, he accuses the industry of preying on the poor and buying government policies that help them get richer.

At Columbia University, which is located just blocks from Harlem in Manhattan's West Side, wealth and poverty are closer together than they are in many places in New York City. This is where American economist and 2001 Nobel Prize winner Joseph Stiglitz works as a professor. The Gary, Indiana native has spent years examining social inequality. His first personal experience with the issue came when, as a young boy, he asked why his nanny wasn't caring for her own children. Later, as the World Bank's chief economist, he studied the phenomenon on a global level. In June, he published a book on the topic entitled "The Price of Inequality: How Today's Divided Society Endangers Our Future," which has just been released in German as well. In a SPIEGEL interview, Stiglitz discusses how wealth disparity is dividing America and how Europe can best overcome the euro crisis.

SPIEGEL: Professor Stiglitz, how do you expect the next President of the United States to tackle the problem of unequal distribution of wealth?

Stiglitz: First, he has to recognize that there is a problem at all. Watching inequality grow is like watching the grass grow. You don't see it happening day by day, but over a period of time it becomes visible.

SPIEGEL: What is the scale this inequality?

Stiglitz: In the last decades, income and wealth disparity have grown dramatically in this country. Let me give you an example: In 2011, the six heirs to the Walmart empire commanded wealth of almost \$70 billion, which is equivalent to the wealth of the entire bottom 30 percent of US society.

SPIEGEL: The US has always thought of itself as a land of opportunity where people can go from rags to riches. What has become of the American dream?

Stiglitz: This belief is still powerful, but the American dream has become a myth. The life chances of a young US citizen are more dependent on the income and education of his parents than in any other advanced industrial country for which there is data. The belief in the American dream is reinforced by anecdotes, by dramatic examples of individuals who have made it from the bottom to the top -- but what matters most are an individual's life chances. The belief in the American dream is not supported by the data.

SPIEGEL: What do the numbers suggest?

Stiglitz: There has been no improvement in well-being for the typical American family for 20 years. On the other side, the top one percent of the population gets 40 percent more in one week than the bottom fifth receive in a full year. In short, we have become a divided society. America has created a marvelous economic machine, but most of the benefits have gone to the top.

SPIEGEL: With five more weeks to go in the presidential campaign, inequality hasn't played a serious role yet, though.

Stiglitz: It has been a topic, but typically only underneath the surface. One cannot expect a scientific debate on the Gini coefficient, the statistical measure of inequality. But when the Democrats say that they are supporting the middle class, they are really talking about inequality. And they highlight the contrast with the Republican candidate Mitt Romney, who is emblematic of the top one percent of the population. Romney's denigration of the 47 percent of Americans who don't pay income taxes had an enormous reaction, partly because it showed how out of touch those at the top were with the rest of the country.

SPIEGEL: The Occupy movement's political slogan was "We are the 99 percent." But who exactly represents the one percent?

Stiglitz: It is the group of people who get 20 to 25 percent of the income. Their share has doubled in the last 30 years. And they own about 35 percent of the wealth or more. They have the best houses, the best education and the best lifestyles.

SPIEGEL: Don't the rich also give something in return? In Germany, the upper one percent contributes almost a quarter to the tax revenue, and the top ten percent more than half of the taxes. Isn't that an appropriate share?

Stiglitz: I don't know about the German numbers. What I can say is that the top one percent in the United States has an average tax rate of less than 30 percent of their reported income, and the large proportion who take much of their income as capital gains pay far less. And we know that they are not reporting all of their income.

SPIEGEL: We thought that as a rule Americans don't begrudge the rich their wealth, though.

Stiglitz: There is nothing wrong if someone who has invented the transistor or made some other technical breakthrough that is beneficial for all receives a large income. He deserves the money. But many of those in the financial sector got rich by economic manipulation, by deceptive and anti-competitive practices, by predatory lending. They took advantage of the poor and uninformed, as they made enormous amounts of money by preying upon these groups with predatory lending. They sold them costly mortgages and were hiding details of the fees in fine print.

SPIEGEL: Why didn't the government stop this behavior?

Stiglitz: The reason is obvious: The financial elite support the political campaigns with huge contributions. They buy the rules that allow them to make the money. Much of the inequality that exists today is a result of government policies.

SPIEGEL: Can you give us an example?

Stiglitz: In 2008, President George W. Bush claimed that we did not have enough money for health insurance for poor American children, costing a few billion dollars a year. But all of a sudden we had \$150 billion to bail out AIG, the insurance company. That shows that something is wrong with our political system. It is more akin to "one dollar, one vote" than to "one person, one vote."

SPIEGEL: Ninety-nine percent against 1 percent: That actually sounds like the perfect setting for a revolution. Why are things still so calm in the US?

Stiglitz: The United States doesn't have much of a revolutionary spirit. My real concern is that people get alienated from politics. In the last election we had a voter turnout among young people of around 20 percent. These are the people whose future is most at stake, and 80 percent of them think it's not worth to vote because it is a rigged system and in the end the banks are going to run the country anyway.

SPIEGEL: The Occupy movement wasn't able to become a powerful factor. Why did it fail?

Stiglitz: It became an anti-establishment movement, and one aspect of being anti-establishment is anti-organization. You can't have a movement that is not organized. Anyway, the frustration is still there. I'll tell you

a story: I recently went to see Bertolt Brecht's "Threepenny Opera." When it came to the line, "What is the crime of robbing a bank compared with the crime of founding one?", the whole audience started clapping.

SPIEGEL: Four years ago, we quoted that line on a SPIEGEL cover about the banking crisis.

Stiglitz: Really? It was not a rabbleroxing crowd that night in the theatre, but to me it was saying something about the extent to which this has reached the psyche of Americans.

SPIEGEL: What is on their mind?

Stiglitz: The people fear losing their job. Even if they have a job they are not certain of keeping it. What they are certain of is that if they lose a job it is hard to get another one. Everybody knows someone who can't get a job...

SPIEGEL: ...or who lost their home.

Stiglitz: This is another source of anxiety. More than a quarter of all homeowners owe more money than the value of their houses. We need a growth strategy to stimulate the economy. We haven't invested enough for 30 years -- in infrastructure, technology, education.

SPIEGEL: With a debt burden of \$16 trillion there is not much room for maneuvering.

Stiglitz: The United States can borrow at close to a zero percent interest rate, we would be stupid not to invest more money and create jobs. And we could also make efforts to ensure that the super-wealthy pay their fair share. We could raise more money in a variety of ways. Look at the mining companies: The government grants them the right to extract resources for far less than it should, but auctions could make sure that they pay appropriately.

SPIEGEL: So your answer to the inequality problem is to transfer money from the top to the bottom?

Stiglitz: First, transferring money from the top to the bottom is only one suggestion. Even more important is helping the economy grow in ways that benefit those at the bottom and top, and ending the "rent seeking" that moves so much money from ordinary citizens to those at the top.

SPIEGEL: Is redistribution also the strategy when it comes to Europe and the euro crisis -- moving money from the north to the south?

Stiglitz: The main problem in Europe right now are the austerity packages, they depress demand and weaken economic growth. The reversal of this policy is absolutely essential to develop growth and more equality. Spain, for example, gets weaker and weaker, money flows out of the country, and it is a vicious downward spiral.

SPIEGEL: Isn't the real problem the lack of competitiveness? Spain and the other countries in crisis have lived beyond their means, that's why they are in trouble.

Stiglitz: No, Europe's crisis is not caused by excessive long-term debts and deficits. It is caused by cutbacks in government expenditures. The recession caused the deficits, not the other way around. Before the crisis Spain and Ireland ran budget surpluses. They cannot be accused of fiscal profligacy. More fiscal discipline will only worsen the downturn. No economy ever recovered from a downturn through austerity.

SPIEGEL: Really? What about Estonia or Latvia? With severe pay cuts the Baltic states boosted productivity and recovered.

Stiglitz: They are small economies. They can make up for the loss of government spending by more exports. But that doesn't work with a fixed exchange rate and when your trading partners are not doing well. The crisis

countries don't suffer from excessive spending. The problem is not supply but demand. It is the responsibility of monetary and fiscal policy to maintain the economy at full employment.

SPIEGEL: No matter what the costs? No private household can live beyond its means permanently. Why should governments be exempted from that rule?

Stiglitz: Because countries are different from households. If a citizen cuts back his spending, it is without any consequences for the country. Unemployment does not increase. But if the government cuts back its spending, it has a major effect. An expansion of spending can increase production by creating jobs that will be filled by people who would otherwise be unemployed.

SPIEGEL: You assume that a government knows best where to create jobs. Don't you overestimate that ability?

Stiglitz: We need roads, bridges and airports. That's obvious. The returns from public investments in technology on average have been very high -- think about the Internet, the Human Genome Project and the telegraph.

SPIEGEL: There are also many examples of public money that was wasted. The US space program cost a fortune, and the results were questionable.

Stiglitz: But even those expenditures are still less than the money wasted by America's private financial sector, and the billions spent to bail out companies from the financial sector. One corporation alone, AIG, got more than \$150 billion -- more than was spent on welfare for needy families from 1990 to 2006.

SPIEGEL: The government also became owner of these companies and even managed to sell parts of them with a profit, though. Aren't you afraid that this strategy of ever bigger stimulus packages might lead to inflation?

Stiglitz: Not necessarily. The central bank has the ability to take out liquidity from the system.

SPIEGEL: But it is much harder getting the liquidity out than getting it in.

Stiglitz: A well-managed central bank has lots of tools. It can raise interest rates or reserve requirements for private banks. So I think there is actually relatively little danger. The weakness in the European economy poses much more of a risk than any risk of moderate inflation. Better some job where the pay has declined in real terms by a few percent than no job at all.

SPIEGEL: What do you think Europe's future prospects are?

Stiglitz: Europe is facing a critical point. The alternatives are "more Europe" or "no Europe." The halfway configuration is unstable.

SPIEGEL: Which option would be better for Germany?

Stiglitz: Both strategies will cost Germany money, but the "more Europe" option will cost less. Europe needs a common banking system and a common financial framework. If Europe borrows as a whole it could have even better access to credit than the United States. So "more Europe" is not only better for Spain or Italy, but also for Germany.

SPIEGEL: Professor Stiglitz, we thank you for this interview.

Interview conducted by Alexander Jung and Christoph Schulz

10/02/2012 12:38 PM

'Dangerous Territory'

Concerns Mount that ECB Bond-Buying Program Is Illegal

By Christian Reiermann

The markets have celebrated Mario Draghi's announcement that the European Central Bank will embark on unlimited purchases of sovereign bonds from crisis stricken countries. But are such purchases really legal? Draghi's own justification for the program leaves plenty of room for doubt.

European Central Bank President Mario Draghi is spending a lot of time on [the road these days](#), not unlike a traveling salesman. The product he has on offer is credibility, but in Germany at least, it is proving difficult to find eager takers.

Last week, for example, Draghi gave a speech to several hundred business leaders at the Berlin Congress Center -- and the mood was reserved. German business owners still have fond memories of the old deutsche mark, and Germany's central bank, the Bundesbank, still has a good reputation. Draghi's recently announced plans to launch unlimited purchases of sovereign bonds from crisis-stricken euro-zone member states, on the other hand, are [being met with disconcertment and concern](#).

"These [new steps](#) are not a departure from our mandate," Draghi told German industrial leaders. The ECB, in other words, isn't just focused on price stability, but is also engaged in "ensuring the proper transmission of monetary policy." Beyond that, though, concerns are unfounded. The moves made by the ECB, Draghi insisted, "do not aim to finance governments, and nor would they if they were activated."

Draghi, of course, was not as concerned about those gathered in the room before him as he was about a man sitting 425 kilometers (266 miles) away in Frankfurt: Bundesbank President Jens Weidmann. Weidmann believes that, [with its bond purchases, the ECB will help euro-zone governments gain access to funds at attractive rates](#) by pushing down interest rates on those bonds. But that, in Weidmann's view, is fiscal policy rather than monetary policy and is thus outside the ECB mandate.

A Difficult Question to Answer

The duel between Draghi and Weidmann is not new, but it has become more pointed of late. And its importance would be difficult to overstate: It has to do with the future course of the ECB and, with it, one of the world's most important currencies. Does the ECB's bond-buying program fall into the category of monetary policy consistent with the bank's mandate of maintaining price stability? Or does it step over the line into fiscal policy by intervening in countries' efforts to obtain capital, which it is expressly forbidden from doing?

It's a difficult question to answer. There is, after all, no clearly defined boundary where monetary policy ends and fiscal policy begins.

The ECB is prohibited from directly purchasing bonds from governments, and yet purchases on the bond markets are among the instruments at its disposal. It is permitted to make such purchases, but only for reasons of monetary policy, such preventing deflation, for example.

Bond purchases are a treatment with side effects. Falling interest rates on sovereign bonds reduce the cost of government borrowing. The question is whether these side effects are the real motivation behind the ECB decisions, while the arguments surrounding monetary policy are merely a pretext. **In that case, the purchases would be little more than government financing in disguise.**

Germany's Federal Constitutional Court could very well be of the same opinion. In its [recent ruling on the European Stability Mechanism](#) (ESM), the court did not fail to express its skepticism of the bond purchases. The court will address the legality of the bond purchases in upcoming proceedings.

Even then, however, the German court will likely refer the case onwards to the European Court of Justice, which will then be forced to decide whether the central bank is still acting within the bounds of its mandate. Both the ECB and the Bundesbank are already preparing for the legal battle and are reviewing the legal underpinnings of their respective positions.

The Weakness of His Argument

Draghi and the majority of the ECB Governing Council argue that high interest rates on government bonds also make borrowing more costly for businesses, consumers and homebuyers, despite the central bank's current low interest-rate policy. By buying government bonds on secondary markets, the ECB hopes to push down rates on the credit markets.

During his speech in Berlin, **Draghi** insisted that the ECB must ensure that interest rates do not continue to drift apart within the euro zone. **He noted that it is unacceptable for businesses and consumers to have to pay varying levels of interest on their loans within the same monetary zone, depending on the country.** A company in Germany, he said, pays 3 percent for a five-year loan, while its Italian competitor pays 5.5 percent. A German home builder can borrow money at 3 percent interest, while a Spaniard pays 7.5 percent.

"In these circumstances, monetary policy cannot work properly," Draghi told his audience. "The ECB's Governing Council therefore faced a choice: to accept this situation and allow the singleness of its monetary policy to be undermined; or to take actions within its mandate to restore the normal transmission of monetary policy across all parts of the euro area. We decided in favor of the latter."

But it is precisely such examples that reveal the weaknesses of his argument. Draghi claims that the monetary cycle is disrupted and the credit supply to the economy is jeopardized if there is a 4.5 percent difference between interest rates for comparable real estate loans in different countries. Yet if that were the true cause of his concern, he would have had sufficient reason to intervene in January of this year.

At that time, there was a 6 percent spread between interest rates for German and Spanish housing loans. But that was precisely when the ECB, under the leadership of its new president, Draghi, allowed the first bond-purchasing program to expire. In the ensuing months, the ECB also saw no reason to step in, even though the spread between German and Spanish housing loans was higher than in July, when Draghi perceived the difference as alarming.

Compelled to Intervene?

Draghi also deftly chose his example for business loans. It applies to loans with terms of five or more years. The situation is more favorable for other commercial loans.

This becomes apparent when additional business loans are taken into account. The comparison shows that there have frequently been substantial spreads in interest rates in the history of the euro. This occurred most frequently at the beginning of the monetary union. But it has been a repeating phenomenon even in more recent years.

The average deviation from the mean interest rate serves as a benchmark for comparisons. Statisticians refer to this value as the standard deviation. This value is currently at about one for all commercial loans within the euro zone. It was higher at the beginning of 2005, that is, the deviation was larger. In September 2009, there

was a 2.6 percent spread between Finnish and Portuguese interest rates for commercial loans, similar to the difference between German and Italian rates today, and yet the ECB did not feel compelled to intervene in the market.

Similar comparisons can be made for other types of loans. Mortgage rates in relatively healthy countries like Germany, France and the Netherlands, on the one hand, and crisis-ridden countries like Greece, Spain and Italy, on the other, are currently closer together than they were in 2004.

The standard deviation for these loans is currently about 0.9, as compared with 1.1 in February 2005. A similar development can be seen in consumer loans.

Draghi and his experts at ECB headquarters in Frankfurt are aware that history would seem to make their current alarmism appear questionable. Yet their only admission of that fact can be found in a brief aside buried within an expert opinion in the ECB's August monthly report. The 22-page opinion explains the alleged imbalance in the interest rate mechanism. **The spread in interest rates has grown since 2010, they note, however "it is still significantly lower than the level observed before the crisis, especially in the period 2004-06." The ECB does not explain why it did not intervene then.**

'Into Dangerous Territory'

This suggests that Draghi's objective is in fact not to achieve low interest rates for businesses, consumers and home builders, but that he has a different clientele in mind: the governments in Madrid and Rome.

It is also difficult to use concern over interest rates for businesses and homebuyers as justification that the ECB only buys government bonds when the country in question submits to an ESM restructuring program. Do political decisions suddenly make the need for monetary policy intervention more acute? Hardly.

"The ECB's argument that the bond purchases have to do with monetary policy is a pretext," says Jürgen Stark, the central bank's chief economist until the end of last year. **"If the transmission mechanism of monetary policy is indeed disturbed, the ECB must intervene, irrespective of whether or not a country has subjected itself to a bailout program."**

For Stark, who resigned in protest over the ECB's first bond-purchasing program, **a red line has been crossed once again. "We are talking about the financing of governments here," he says. That, he points out, is in violation of European Union treaties. "The ECB is operating outside its mandate," he concludes**

Academics share his assessment. **"Common sense tells us that the ECB, with its purchasing program, is doing something completely different from expressing its concern over price stability,"** says Clemens Fuest, a professor of economics at the University of Oxford. According to Fuest, **the ECB, following the example of the International Monetary Fund, is upgrading itself to a European bailout institution, which provides assistance based on certain conditions. It loses its independence as a result,** says Fuest, because it can hardly refuse to provide assistance if its conditions are met. **"The ECB has overstretched its mandate,"** Fuest believes.

Even supporters of the bond-purchasing program are critical of Draghi's approach. "The ECB should have continued to cite market failure as justification for its purchases," says Peter Bofinger, a monetary expert at the University of Würzburg in southern Germany and a member of the German Council of Economic Experts which advises the government on economic issues. "Then it could have intervened whenever it felt it was appropriate."

Instead, says Bofinger, the central bank is making itself dependent on the decisions of politicians and on the bailout fund. "In doing so," Bofinger explains, "the ECB is increasingly getting into dangerous territory."

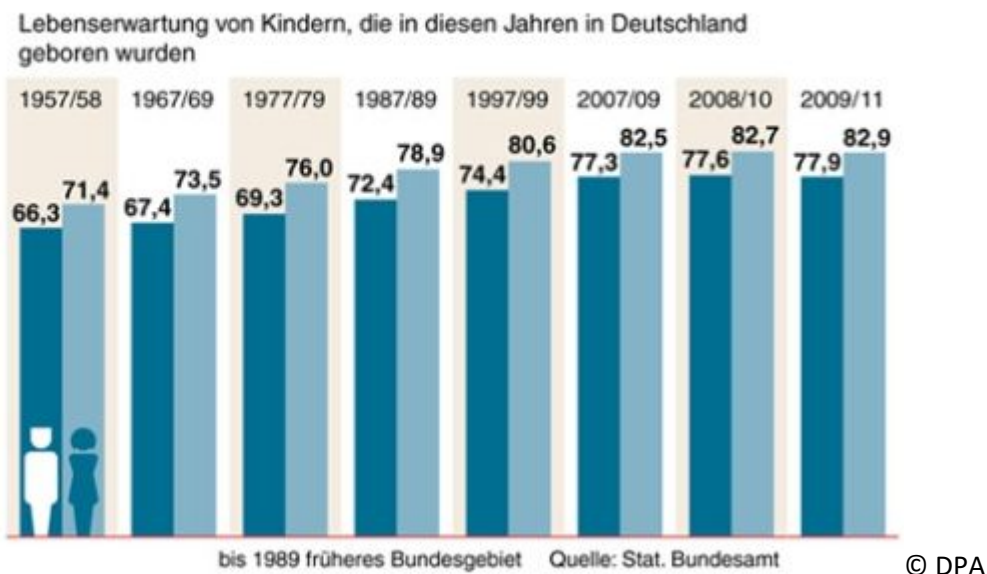
Translated from the German by Christopher Sultan

„Altenheim Europas“

Lebenserwartung in Deutschland steigt weiter

FAZ 02.10.2012 · In Deutschland ist die Lebenserwartung weiter gestiegen. Für neugeborene Mädchen liegt sie bei 82 Jahren und 9 Monaten, für Jungen bei 77 Jahren und 9 Monaten. Der Anteil Jugendlicher an der Bevölkerung ist in Deutschland verglichen mit anderen EU-Ländern am niedrigsten.

Entwicklung der Lebenserwartung bei Männern und Frauen in Deutschland



Die Lebenserwartung in Deutschland ist erneut gestiegen. Kinder, die jetzt zur Welt kommen, werden zwei bis drei Monate älter werden als Kinder, die zwei Jahre früher geboren wurden. Neugeborene Jungen werden nach Angaben des Statistischen Bundesamtes durchschnittlich 77 Jahre und 9 Monate alt. Neugeborene Mädchen können damit rechnen, 82 Jahre und 9 Monate lang zu leben.

Die Statistiker beziehen sich auf die sogenannten Periodensterbetafeln. Sie basieren auf den Daten über die Gestorbenen und die Durchschnittsbevölkerung der jeweils letzten drei Jahre. Für die am Dienstag in Wiesbaden veröffentlichte Statistik hat das Bundesamt die Sterbetafel der Jahre 2008/2010 mit der von 2009/2011 verglichen.

Daraus lässt sich auch ablesen, dass statistisch gesehen jeder zweite Mann in Deutschland wenigstens 80 Jahre alt wird und jede zweite Frau ihren 85. Geburtstag erlebt. Denn auch für ältere Menschen hat die verbleibende Lebenserwartung weiter zugenommen: 65 Jahre alten Männern bleiben durchschnittlich weitere 17 Jahre und 6 Monate. Frauen können zu Beginn des Rentenalters damit rechnen, noch 20 Jahre und 8 Monate zu leben. Im Vergleich zur vorherigen Sterbetafel werden ältere Frauen statistisch gesehen zwei Monate und Männer einen Monat älter.

Weitere Artikel

- [Deutschland: Geburtenzahl verharrt auf niedrigem Niveau](#)
- [Warum sterben Arme früher?](#)
- [Jeder siebte Deutsche gilt als armutsgefährdet](#)
- [Hongkong: Das Geheimnis der ältesten Menschen der Welt](#)

- [Demographiepoltik ohne Konzept: Jedes Alter zahlt](#)

„Wenn sich die Entwicklung der Lebenserwartung zukünftig so fortsetzt wie in der Vergangenheit, ist damit zu rechnen, dass die Lebenserwartung für beide Geschlechter weiter beträchtlich ansteigen wird“, sagte Destatis-Mitarbeiter Dieter Emmerling am Dienstag.

In den kommenden 50 Jahren wird die durchschnittliche Lebenserwartung in den Industrienationen um weitere sieben Jahre steigen, schätzt die Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD). Seit 1960 hat sich die Lebenserwartung laut OECD um eine Dekade verlängert. Die Zahl der hundertjährigen Deutschen ist heute etwa fünfmal so hoch wie vor 30 Jahren.

Die Bundesrepublik ist bereits heute das „Altersheim Europas“. Im Jahrbuch 2011 des Europäischen Statistikamtes führt Deutschland gleich zwei Tabellen an: als Land mit dem geringsten Anteil an Jugendlichen und dem höchsten Anteil an Rentnern aller 27 Staaten.

Lebenserwartung und Periodensterbetafeln

Statistiker berechnen die Lebenserwartung mit Hilfe sogenannter Periodensterbetafeln. Sie basieren auf den Daten über die Gestorbenen und die Durchschnittsbevölkerung der letzten drei Jahre. Es handelt sich also um eine Momentaufnahme der Sterblichkeitsverhältnisse der Gesamtbevölkerung für diesen Zeitraum, wie das Bundesamt erklärt. Die „fernere Lebenserwartung“ gibt an, wie viele weitere Lebensjahre Menschen eines bestimmten Alters im Durchschnitt noch leben könnten. Um die Entwicklung der Lebenserwartung in der Zukunft vorherzusagen, benutzen die Statistiker sogenannte Generationensterbetafeln. Dafür werden Modelle für die Lebenserwartung nach Geburtsjahrgängen berechnet. Eine Generationensterbetafel beschreibt die Lebenserwartung der Angehörigen eines Geburtsjahrgangs. Da deren Angehörige noch leben, sind diese Angaben reine Schätzungen. Je jünger der betrachtete Jahrgang ist, desto unsicherer werden diese Vorhersagen.

Quelle: DPA

A rightwing insurrection is usurping our democracy

For 30 years big business, neoliberal thinktanks and the media have colluded to capture our political system. They're winning



After contemplating a military coup Sir James Goldsmith went on to form the Referendum party, slogan: Let the People Decide. Photograph: Jacqueline Arzt/AP

To subvert means to turn from below. We need a new word, which means to turn from above. The primary threat to the democratic state and its functions comes not from mob rule or leftwing insurrection, but from the very rich and the corporations they run.

These forces have refined their assault on democratic governance. There is no need – [as Sir James Goldsmith, John Aspinall, Lord Lucan and others did in the 1970s](#) – to discuss the possibility of launching a military coup against the British government: the plutocrats have other means of turning it.

Over the last few years I have been trying better to understand how the demands of big business and the very rich are projected into policymaking, and I have come to see the neoliberal thinktanks as central to this process. These are the groups which claim to champion the free market but whose proposals often look like a prescription for corporate power.

David Frum, formerly a fellow of one of these thinktanks – the [American Enterprise Institute](#) – argues that they "[increasingly function as public relations agencies](#)". But in this case, we don't know who the clients are. As the [corporate lobbyist Jeff Judson enthuses](#), they are "virtually immune to retribution ... the identity of donors to thinktanks is protected from involuntary disclosure". A consultant who worked for the billionaire Koch brothers [claims that they see the funding of thinktanks](#) "as a way to get things done without getting dirty themselves".

This much I knew, but over recent days I've learned a lot more. In [Think Tank: the story of the Adam Smith Institute](#), the institute's founder, Madsen Pirie, provides an unintentional but invaluable guide to how power in Britain really works.

Soon after it was founded (in 1977), the institute approached "all the top companies". About 20 of them responded by sending cheques. Its most enthusiastic supporter was the coup plotter James Goldsmith, one of the most unscrupulous asset strippers of that time. Before making one of his donations, Pirie writes, "he listened carefully as we outlined the project, his eyes twinkling at the audacity and scale of it. Then he had his secretary hand us a cheque for £12,000 as we left".

From the beginning, senior journalists on the Telegraph, the Times and the Daily Mail volunteered their services. Every Saturday, in a wine bar called the Cork and Bottle, Margaret Thatcher's researchers and leader writers and columnists from the Times and Telegraph met staff from the Adam Smith Institute and the [Institute of Economic Affairs](#). Over lunch, they "planned strategy for the week ahead". These meetings would "co-ordinate our activities to make us more effective collectively". The journalists would then turn the institute's proposals into leader columns while the researchers buttonholed shadow ministers.

Soon, Pirie says, the Mail began running a supportive article on the leader page every time the Adam Smith Institute published something. The paper's then editor, David English, oversaw these articles himself, and helped the institute to refine its arguments.

As Pirie's history progresses, all references to funding cease. Apart from tickets donated by British Airways, no sponsors are named beyond the early 1980s. While the institute claims to campaign on behalf of "the open society", it is secretive and unaccountable. Today it [flatly refuses to say who funds it](#).

Pirie describes how his group devised and refined many of the headline policies implemented by Thatcher and John Major. He claims (and produces plenty of evidence to support it) either full or partial credit for the privatisation of the railways and other industries, for the contracting-out of public services to private companies, for the poll tax, the sale of council houses, the internal markets in education and health, the establishment of private prisons, GP fundholding and commissioning and, later, for George Osborne's tax policies.

Pirie also wrote the manifesto of the neoliberal wing of Thatcher's government, No Turning Back. Officially, the authors of the document – which was published by the party – were MPs such as Michael Forsyth, Peter Lilley and Michael Portillo. "Nowhere was there any mention of, or connection to, myself or the Adam Smith Institute. They paid me my £1,000 and we were all happy." Pirie's report became the central charter of the doctrine we now call Thatcherism, whose praetorian guard called itself the [No Turning Back group](#).

Today's parliamentary equivalent is the [Free Enterprise Group](#). Five of its members have just published a similar manifesto, Britannia Unchained. Echoing the narrative developed by the neoliberal thinktanks, they blame welfare payments and the mindset of the poor for the UK's appalling record on social mobility, suggest the need for much greater cuts and hint that the answer is the comprehensive demolition of the welfare system. It is subtler than No Turning Back. There are fewer of the direct demands and terrifying plans: these movements have learned something in the past 30 years.

It is hard to think how their manifesto could have been better tailored to corporate interests. As if to reinforce the point, the cover carries a quote from Sir Terry Leahy, until recently the chief executive of Tesco: "The path is clear. We have to be brave enough to take it."

Once more the press has taken up the call. In the approach to publication, the Telegraph commissioned a [series of articles called Britain Unleashed](#), promoting the same dreary agenda of less tax for the rich, less help for the poor and less regulation for business. Another article in the same paper, published a fortnight ago by its head of personal finance Ian Cowie, proposes that there be no representation without taxation. [People who don't pay enough income tax shouldn't be allowed to vote](#).

I see these people as rightwing vanguardists, mobilising first to break and then to capture a political system that is meant to belong to all of us. Like Marxist insurrectionaries, they often [talk about smashing things, about "creative destruction"](#), about the breaking of chains and the slipping of leashes. But in this case they appear to be trying to free the rich from the constraints of democracy. And at the moment they are winning.

Twitter: [@GeorgeMonbiot](#)

Greek Government Proposes Deep Cuts in Bid to Please Foreign Lenders



Adam Ferguson for The New York Times

As Greek officials try to address the financial crisis, citizens try to cope. Above, a line at the Medicins du Monde clinic in Athens last month. [More Photos »](#)

By [RACHEL DONADIO](#) and [NIKI KITSANTONIS](#)

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ATHENS — [Greece](#)'s government submitted its 2013 draft budget on Monday, outlining enormous spending cuts as the country's foreign lenders returned to resume talks over a broader austerity package in exchange for the rescue money the country needs to meet expenses.

The draft budget spells out about \$10 billion in spending cuts and savings for 2013. About one-quarter of that would come through reductions in civil servants' salaries and social welfare benefits, and about 15 percent through cuts in spending on health, defense and local authorities, the government said. It also stipulates raising the retirement age to 67 from 65, but that is not expected to alter the bottom line in 2013.

The [draft budget](#) is expected to be revised significantly because it must be approved by the country's troika of foreign lenders — the European Commission, the European Central Bank and the International Monetary Fund — before it can be submitted for a parliamentary vote.

The troika is insisting on further cuts in the public sector — including laying off public servants, a political third rail in Greece and other European countries — while the coalition government has been pushing back. The coalition, which consists of the conservative New Democracy, the Socialists and the smaller Democratic Left party, is asking Greece's lenders for more time, saying such cuts are not politically or socially sustainable in the face of growing social unrest.

Labor unions said Monday that they would plan new protests as a follow-up to a 24-hour general strike last Wednesday, while the leftist Syriza opposition party said that overturning the conservative-led coalition government had become “a battle of life or death for society.”

The negotiations are taking place against a backdrop of unrelenting, depression-level conditions in the Greek economy, which the draft budget predicted would contract by 6.5 percent this year and by 3.8 percent in 2013 — far more than the troika's earlier estimates and about 25 percent below its peak before the crisis struck. The budget says unemployment is expected to rise to 24.7 percent from 23.5 percent this year.

But the blueprint also predicts that the country will post a primary surplus of 1.1 percent of gross domestic product next year after consecutive deficits since 2002.

Deputy Finance Minister Christos Staikouras, of New Democracy, said on Monday that the government would be in a position to pay off debts to third parties, estimated at some \$9 billion, using money from rescue loans for 2012 and 2013. That would be a significant development because many private businesses are on the brink of bankruptcy as a result of the state being unable to pay them.

Earlier in the day, Finance Minister Yannis Stournaras resumed talks with visiting troika officials on a broader package of \$17.4 billion in austerity measures that Greece must put in place in exchange for a \$40.6 billion rescue loan. Mr. Stournaras said the troika had asked for clarifications on the measures proposed by the government. "They asked for details, and we're providing them," he said.

NYT September 30, 2012

Right-Wing Extremists' Popularity Rising Rapidly in Greece

By [LIZ ALDERMAN](#)



Yorgos Karahalidis/Reuters

People received cartons of milk and other groceries from the Golden Dawn party in Syntagma Square in Athens in August. Members of the party have also attacked immigrants.

ATHENS — [The video](#), which went viral in [Greece](#) last month, shows about 40 burly men, led by Giorgos Germentis, a lawmaker with the right-wing Golden Dawn party, marching through a night market in the town of Rafina demanding that dark-skinned merchants show permits.

Some do, and they are left alone. But the action quickly picks up, as the men, wearing black T-shirts with the party's name, destroy a stall with clubs and scatter the merchandise. "We saw a few illegal immigrants selling their wares," Mr. Germentis says in the video. "We did what Golden Dawn has to do. And now we're going to church to pay our respects to the Madonna."

Just a few months ago, the name Golden Dawn was something to be whispered in Greece.

But three months after the extremist right-wing group [won an electoral foothold in Parliament](#), talk of Golden Dawn seems to be on everybody's lips.

In cafes, taxis and bars, Greeks across the political spectrum are discussing the palpable surge in Golden Dawn's popularity, which has risen in recent political polls even as the group steps up a campaign of vigilantism and attacks against immigrants.

The poll gains come amid growing disenchantment over rising illegal [immigration](#), and with the government of Prime Minister [Antonis Samaras](#), which is being forced by its international lenders to push through \$15 billion in additional, highly unpopular, austerity measures. If Greece were to hold new elections soon, Golden Dawn could emerge as the third-largest party in Parliament, behind Mr. Samaras's New Democracy and the left-wing Syriza. Currently, Golden Dawn is the fifth largest, with 18 out of 300 seats.

"We have a major socioeconomic crisis in which several hundred thousand Greeks are losing ground," said Nikos Demertzis, a professor of political sociology at the University of Athens. "And you have a rising number of immigrants in Greece, many illegal. This is creating a volcanic situation where all the classic parameters for the flourishing of a far-right force like Golden Dawn are present."

Golden Dawn's tactics are similar to ones it used before parliamentary elections in June. [Preying on fears that immigrants are worsening crime rates and economic hardship](#), the group has been stepping up attacks against immigrants, many of whom are legal citizens, with the police frequently standing by. It is also trying to expand its reach with the Greek diaspora.

The group recently opened an office in New York, announcing its presence with a [sleek Web site](#) depicting a stylized Swastika against a darkened Manhattan skyline. The Web site was disabled by hackers less than a day later and remains down, and the American Hellenic Educational Progressive Association [condemned the group's outreach](#), saying that “fascism has no place in the United States.”

Golden Dawn has also established an outpost in Australia, where Greeks have been emigrating by the thousands to escape the crisis in their homeland.

The group is still far from being a major threat to Mr. Samaras's party, or to his fragile three-party coalition government. Most Greeks express alarm at the group's rise, and anti-fascist organizations in Athens are continuing efforts neighborhood by neighborhood to counter its increased vigilantism.

Yet, rising political and social discontent is rich fodder for Golden Dawn as it tries to cultivate a larger base. These days, it is not uncommon for conversations to evolve into laments about the ineffectiveness of Mr. Samaras's government, before a mention of Golden Dawn's rise in the polls slips in.

“People have no faith in the political system,” said Dimitris Kaklamanos, 41, a worker at a Shell gas station in the town of Piraeus, on the outskirts of Athens.

Mr. Kaklamanos said he had long voted for Pasok, the Socialist party, but grew disillusioned with corruption and the ineptitude of its politicians. Now, he feels attracted to Golden Dawn, he said, whose popularity he expects to continue to rise, especially as the group replaces police and government services in poor areas where the state has almost ceased to function.

Other political parties “know that Golden Dawn is gaining power and they see that as a threat,” Mr. Kaklamanos said. “But Golden Dawn are the only ones out there demonstrating they care about the Greek people.”

He cited food and clothing drives conducted by the group across a widening area of Athens, as well as protections it extends to vulnerable Greeks in neighborhoods where crime has surged in tandem with illegal immigration.

Kaiti Lazarou, 55, the owner of a newspaper and cigarette kiosk in Piraeus, agreed. “I myself have gotten food and potatoes from them in Syntagma Square,” she said. “I would not be surprised if they become the government one day, and why shouldn't they? They protect the Greeks, while Samaras and the government are out of touch with the people.”

In an interview last week, Mr. Samaras said that hundreds of thousands of illegal immigrants fleeing hardship in Africa, South Asia and now Syria were creating “major distress” in Greece, which they use as a gateway to the [European Union](#) after entering through Turkey. He appealed to Greece's European partners to modify immigration accords so that other countries could take on a greater share of Greece's immigration burden.

With more than 1.5 million immigrants in a country of about 11 million, “this is creating extremism” that feeds the popularity of Golden Dawn, Mr. Samaras said. Outlawing the group could backfire by fueling their popularity, he added.

Mr. Demertzis, the University of Athens professor, said Golden Dawn was effective because it did more than just utter political platitudes. Its members “do their propaganda through deeds, exactly the same way that the Muslim Brotherhood in Egypt does, or Hezbollah in Lebanon.”

In Golden Dawn's case, the most high-profile activities center on anti-immigrant campaigns, like the one documented in the video, depicted as the actions of good Samaritans.

In another raid, [filmed and posted on YouTube](#), in the town of Missolonghi, Greek shopkeepers shout at Golden Dawn members as they walk through a fruit and vegetable market kicking over stands loaded with produce. The

raid was led by another Golden Dawn lawmaker, Costas Barbarousis. “These tactics were used in the dictatorship!” one woman cries.

After the episodes, Golden Dawn lawmakers were barred from receiving the protection of the police, who human rights groups say are increasingly looking the other way when confronted with evidence of violence by Golden Dawn sympathizers, with some officers seeming more sympathetic to them than to their victims. Mr. Samaras played down concerns that the Greek police were sympathetic to the group. “I’m very happy with the way they’ve done their job,” he said in the interview.

Justice Minister Antonis Roupakiotis condemned the Golden Dawn attacks, saying they created “conditions for the growth of neo-fascist practices in the country.” He added that his ministry would consider tougher penalties for racist violence. New Democracy, Pasok and independent Greeks also condemned the attacks.

But such talk may only go so far.

“It’s the current government that brought more power to Golden Dawn because the people are angry at what the government is doing,” said Iakovos Zorzios, 73, a retiree whose pension has been cut as part of Greece’s austerity measures.

“How can we not be angry when the government cuts our earnings so much?” said Mr. Zorzios, who is bracing for yet another reduction in the latest austerity plan forged this week. “How can they expect us not to support Golden Dawn?”

NYT Editorial October 1, 2012

Spanish Protests, German Prescriptions

Demonstrators have been filling the streets of southern Europe's capitals in numbers too large for politicians to safely ignore, protesting the latest economic austerity measures. Hundreds of thousands have turned out in Lisbon, Madrid and Athens, and more such protests are likely in coming days.

The public's patience is running out on austerity policies demanded by the German government and European Union leaders, which have conspicuously failed in their stated goal of reducing debt burdens and paving the way for economic revival. Instead, it's clear that these measures will accelerate depression-levels of unemployment and damage social safety net programs when they are most needed.

[The spotlight is now on Spain](#), where Prime Minister Mariano Rajoy is struggling to make new budget cuts, without provoking further explosions of anger at home and fueling secessionist talk in restive regions like Catalonia, the country's economic powerhouse. But the harsh mix of new public service cuts, pay freezes and tax increases that Mr. Rajoy announced last week will almost certainly make both the political and economic situations worse. Experts now forecast a second straight year of negative growth in Spain for 2013, while unemployment, at more than 25 percent, is more than double the European Union average.

Yet unless Spain goes through with those self-defeating measures or the Spanish economy miraculously produces new tax revenues to meet unrealistic budget targets, Germany threatens to hold up a desperately needed new European banking union that would help recapitalize foundering Spanish banks. Unlike Greece and Portugal, Spain has, so far, avoided a formal European Union bailout. That gives it a little more freedom to set its own economic course. But Mr. Rajoy is not really a free actor. Without German approval for the European banking union, Spain, too, could soon be forced into a binding debt bailout deal.

Spain's current debt problems are not the result of profligate government spending during the boom years. They came from the abrupt collapse of a reckless housing bubble in the private sector, fueled by artificially cheap credit. The bursting of that bubble wiped out millions of Spanish jobs, dragging down tax revenues and consumer spending. It also forced the government to pledge billions of euros that it did not have and could no longer raise to rescue its tottering banking system. New cuts to remaining jobs and spending power will not bring recovery. It would only bring further misery and turmoil.

Mr. Rajoy also wants to rein in spending by Spain's 17 regional governments, which pay a large share of education and health care costs. Regional governments squandered billions on wasteful public-works projects during the boom years. But that money is lost, and health and education should not be subject to big cuts even in hard times.

Nor is a deep recession the right time to tackle the long-term problem of pension costs and the demographics of an aging population. With unemployment benefits ending for many of the long-term unemployed, pension payments are the main remaining source of income for hundreds of thousands of extended families.

There are no easy places left for Mr. Rajoy to cut services or spending without risking social disaster. The story is much [the same in Greece](#) and Portugal.

Time is running out. Only a sharp change in economic policies can save the euro. European leaders — most of all Chancellor Angela Merkel of Germany — need to recognize that returning the euro zone to solvency will require renewed efforts to encourage economic growth through less rigid budget targets, not continued austerity imposed on desperate governments by Berlin and Brussels.

Nucléaire: les 19 centrales françaises épinglées par l'UE

Par [Jean-Jacques Mevel](#), [Fabrice Nodé-Langlois](#) Mis à jour le 01/10/2012 à 23:54 | publié le 01/10/2012 à 19:15
[Réactions](#) (111)



La centrale nucléaire de Fessenheim, doyenne du parc d'EDF. Crédits photo : FREDERICK FLORIN/AFP

INFO LE FIGARO - Les stress tests européens post-Fukushima révèlent des défaillances de sécurité dans toutes les centrales nucléaires françaises. Mais aucune fermeture n'est préconisée par Bruxelles.

Chacun des 58 réacteurs nucléaires d'[EDF](#) affiche des défaillances, d'incidence variable, à l'issue de contrôles de sécurité systématiques menés par l'[Union européenne](#) (UE), selon un bilan encore confidentiel, obtenu par *Le Figaro*.

Le document de travail qui recense les «tests de résistance» menés depuis un an sur les 134 réacteurs du parc européen doit être validé par la Commission ce mercredi. Les recommandations seront ensuite soumises au sommet des chefs d'État et de gouvernement, probablement en octobre. Aucune fermeture n'est préconisée. «En général, la situation est satisfaisante, mais nous ne devons avoir aucune complaisance», a fait savoir lundi le commissaire à l'Énergie [Günther Oettinger](#), sans confirmer ni démentir le contenu du rapport.

Première puissance nucléaire civile de l'UE avec 58 réacteurs, la France avait statistiquement plus de chances d'être épinglée que les autres. Le rapport du régulateur européen, l'Ensreg (qui regroupe en fait les autorités de sûreté nationales), relève des centaines de carences à l'échelle du continent. Il paraît néanmoins concentrer le tir sur l'Hexagone. Les 19 installations ont été testées par les autorités françaises, exercice suivi pour quatre d'entre elles par une visite d'experts européens ([Cattenom](#), Chooz, [Fessenheim](#) et [Tricastin](#)).

Fessenheim mieux noté que Cattenom

Dix-huit mois après le tremblement de terre et le tsunami de [Fukushima](#), le document confidentiel établit que les 19 centrales manquent d'instruments de mesure sismique adaptés aux exigences post-Fukushima. Sans exception non plus, les équipements de secours en cas d'accident ne sont pas adéquatement protégés des éléments; à la différence des réacteurs allemands, britanniques, espagnols ou suédois. Des carences qui avaient été relevées par l'Autorité de sûreté nucléaire ([ASN](#)) française dans son propre rapport, et auxquelles EDF s'est engagé à remédier.

La centrale de Fessenheim, doyenne du parc d'EDF [que François Hollande s'est engagé à fermer en 2016](#), présente moins de mauvais points dans le tableau récapitulatif du document européen. Un exemple: les procédures prévues en cas d'accident grave sont jugées insuffisantes à Chooz et Cattenom mais adéquates à Fessenheim.

Un bon point pour les centrales hexagonales: toutes sont équipées de recombineurs d'hydrogène, un dispositif qui aurait, selon les experts du Commissariat à l'énergie atomique notamment, évité les explosions d'hydrogène à Fukushima si les réacteurs japonais en avaient été pourvus. Ces équipements manquent aux réacteurs espagnols et britanniques, pointe le rapport européen.

Les tests conduits par l'UE relèvent aussi des facteurs de risque propres à la France, dans les scénarios extrêmes envisagés par Bruxelles: tremblement de terre, inondations, résistance par conception à des secousses ou à des impacts comme la chute d'un avion. «Fukushima a démontré que les réacteurs doivent être protégés, mêmes contre des accidents considérés comme hautement improbables», affirment les auteurs.

Pour finir, le document européen évalue entre 10 et 25 milliards d'euros le coût de la nécessaire mise à niveau des 14 pays européens (de 30 à 200 millions par réacteur). La [Cour des comptes](#), dans son rapport publié en janvier dernier, avait évalué cette dépense, pour les réacteurs d'EDF, à 5,6 milliards d'euros sur quatorze ans.

Another domino falls as Hollande pushes France into depression

If French President François Hollande thinks he can assuage the bond markets by dishing out tax-heavy austerity instead of genuine reform, he has been given very bad advice.



'François Hollande proposes nothing credible to restore France's viability within EMU, or to stop public debt spiralling beyond 90pc of GDP.' Photo: Reuters

By [Ambrose Evans-Pritchard](#)

The Telegraph 7:24PM BST 30 Sep 2012

His **tragically-misguided budget** offers no strategic plan to reverse -- or even to stop -- thirty years of slow national decline. He offers no worthwhile measures to slim the Leviathan state, **now a Nordic-sized 55pc of GDP, without Nordic labour flexibility or Nordic free markets.**

He does not tell us how he will stem the slide in France's share of eurozone exports over the last decade, down from 17pc to 13pc, or what he will do about the disastrous swing in France's trade balance from a surplus of 2.5pc of GDP to a deficit of 2.4pc since 1999.

He proposes nothing credible to restore France's viability within EMU, or to stop public debt spiralling beyond 90pc of GDP. Instead he has served up the most drastic retrenchment in forty years, at the worst possible time, and in the worst possible way. And markets are supposed to applaud?

The budget will tighten discretionary fiscal policy by 2pc of GDP next year into the teeth of deepening depression, without offsetting monetary stimulus or exchange rate relief.

Mr Hollande likes to quote Leon Blum, the Popular Front leader of the interwar years. The reality could hardly be more cruel. He is replicating the disastrous deflation policies of Labour Chancellor Philip Snowden in 1931, before the Labour Party woke up to the delicious possibility that you could lift two fingers to the forces of reaction and leave the Gold Standard.

Worse yet, he is perilously close to re-enacting the desperate deflation decrees of Pierre Laval -- an ex-Socialist dreamer, pacifist, and utopian who lost his way, and ultimately cleaved too closely to foreign ideologies -- and like Laval he is doing so to uphold a fixed exchange system that is slowly asphyxiating his country and no longer makes any sense.

His budget is pro-cyclical error of the first order, carried out to meet an EU deficit target of 3pc of GDP that has no economic logic and is plucked out of thin air to meet bureaucratic tidiness and enshrined like so much other idiocy into EU treaty law. The certain result will be hundreds of thousands of lost jobs.

"To save the dogma of single currency, they are imposing absurd hyper-austerity on France," said Marine Le Pen from the National Front, France's unlikely apostle of Keynesian doctrine.

France now joins Italy, Spain, Portugal, Greece, Ireland, and parts of Eastern Europe in synchronized tightening, with the Netherlands and Belgium cutting too, all dragging each other down in a 1930s slide into the political swamp.

Mr Hollande has not been entirely passive. He threw his weight behind the Latin revolt earlier this summer, forcing German Chancellor Angela Merkel to sanction mass bond purchases by the European Central Bank. This would not have been possible in the Merkozy era, when Nicholas Sarkozy sacrificed all else on the altar of the Franco-German unity.

But he has not followed through and there were in any case two quid pro quos to this deal with Germany. One was that Spain and Italy must submit to Troika Hell before the ECB buys a single bond. The second was that France must submit to fiscal Hell.

Mr Hollande has his own motives for bowing to austerity demands. He learned the lesson as an aide to François Mitterrand that you cannot deviate too far from Germany if you share a currency peg. There will be no repetition of 1983, the epic U-turn or 'tournant de la rigueur'.

He may judge it tactically clever to get his recession out of the way early in the electoral cycle. If so, it is a very risky strategy.

Professor **Jacques Sapir**, director of the École des hautes études en sciences sociales in Paris, says the more likely outcome is a downward economic spiral, pushing the declared numbers of jobless from 3m towards 4m -- and the real number to 6m -- by the end of next year. The economy will not spring back of its own accord this time because the contractionary structure of EMU has jammed the mechanism.

Prof Sapir fears global markets will turn on France with "full fury" before long, at which point events will slip entirely beyond political control. "François Hollande is making a dangerous bet that he can only lose," he said.

The French **economy** has already been in quasi-slump for five quarters. Dominique Barbet from BNP Paribas says the latest crash in the manufacturing PMI index to 42.6 -- the lowest since April 2009, and lower than at any time in the dotcom bust -- is "potentially alarming".

Indeed it is. Data collected by Simon Ward at Henderson Global Investors shows that a key leading indicator of the money supply -- 'six-month real M1 money' -- is now contracting even faster in France than in Spain. The shock will hit over the winter. "The budget looks increasingly misguided and self-defeating," he said.

Mr Hollande thinks his budget will safeguard jobs. The fiscal burden will fall on the rich with a top tax rate of 75pc, and on industry. Barclays Capital says three quarters of the total will come by raising revenue, with the taxes "front-loaded" while spending cuts are "back-loaded". The ratio of taxes to gross wages will rise to an all-time high of 46.3pc. (Finance ministry estimates).

Harvard Professor Alberto Alesina says this flies in the face of all we have learned about austerity. "The accumulated evidence from over 40 years across the OECD speaks loud and clear: spending cuts are less recessionary than tax increases," he said.

France above all screams out for a blast of tax-cutting Thatcherism and pension reform. The International Monetary Fund says the country's "tax wedge" - or tax as a share of labour costs - is one of the highest in the world at almost 50pc.

Just 39.7pc of those aged 55 to 64 are in work, compared with 56.7pc in the UK and 57.7pc in Germany. Early retirement incentives are to blame. "French workers spend the longest time in retirement among advanced countries," says the Fund.

France coasted through the last decade, losing 20pc unit labour cost competitiveness against Germany as it screwed down wages and pushed through the Hartz IV reforms. French industry has been losing 60,000 jobs a year for a decade. Manufacturing has shrunk to 12pc of GDP, as bad as Britain.

Renault chief Carlos Ghosn warned last week that France's biggest car company would "cease to exist" in its current form unless there was a radical change in the country's work climate. "Not over three or six months perhaps, but over three years, or five years, yes, the danger is real," he said.

The whole economic structure of France is an anachronism in a Chinese world and a German currency union. "We are consuming the leftovers of a past prosperity," says Jean Peyrelevade, ex-head of Credit Lyonnais.

Sovereign debt strategist Nicholas Spiro says growing doubts about the "credibility of French fiscal and economic policy" may soon bring Mr Hollande's strange honeymoon to a close. It is a widely-shared view. Danske Bank's bond team sees a "significant risk that the market will turn on France in 2013".

Huw Pill from Goldman Sachs said the detonator may be activation of the European Stability Mechanism to bail out Spain and then Italy.

The potential ESM demands are too large for the "vulnerable core" of France, Belgium, and Austria. Their own fiscal health would come under the microscope. The shock would push them "from one equilibrium to another."

Mr Hollande has swallowed the argument that drastic cuts are the only way to cap debt at 90pc of GDP and keep the debt trajectory under control. This is odd re

Yet we already know from Greece, Ireland, Portugal, and Spain that fiscal shock therapy makes little dent on the deficit without monetary shock absorber. It causes nominal GDP and the tax base to shrink, making debt ratios even worse.

France does not have to put with destructive 1930s policies imposed by Germany. It is not a vassal state. It remains a great nation, the beating heart of Europe and the EU's balancing force.

It can break out of this awful trap by leading a yet more determined **Latin revolt**, this time marshalling its voting majority in the Council to force an end to contractionary policies.

A French-led growth bloc can strike back by inflicting an intolerable level of inflation on Germany. It can if necessary cause the North Europeans to walk out of EMU altogether -- the optimal solution for the North and South respectively.

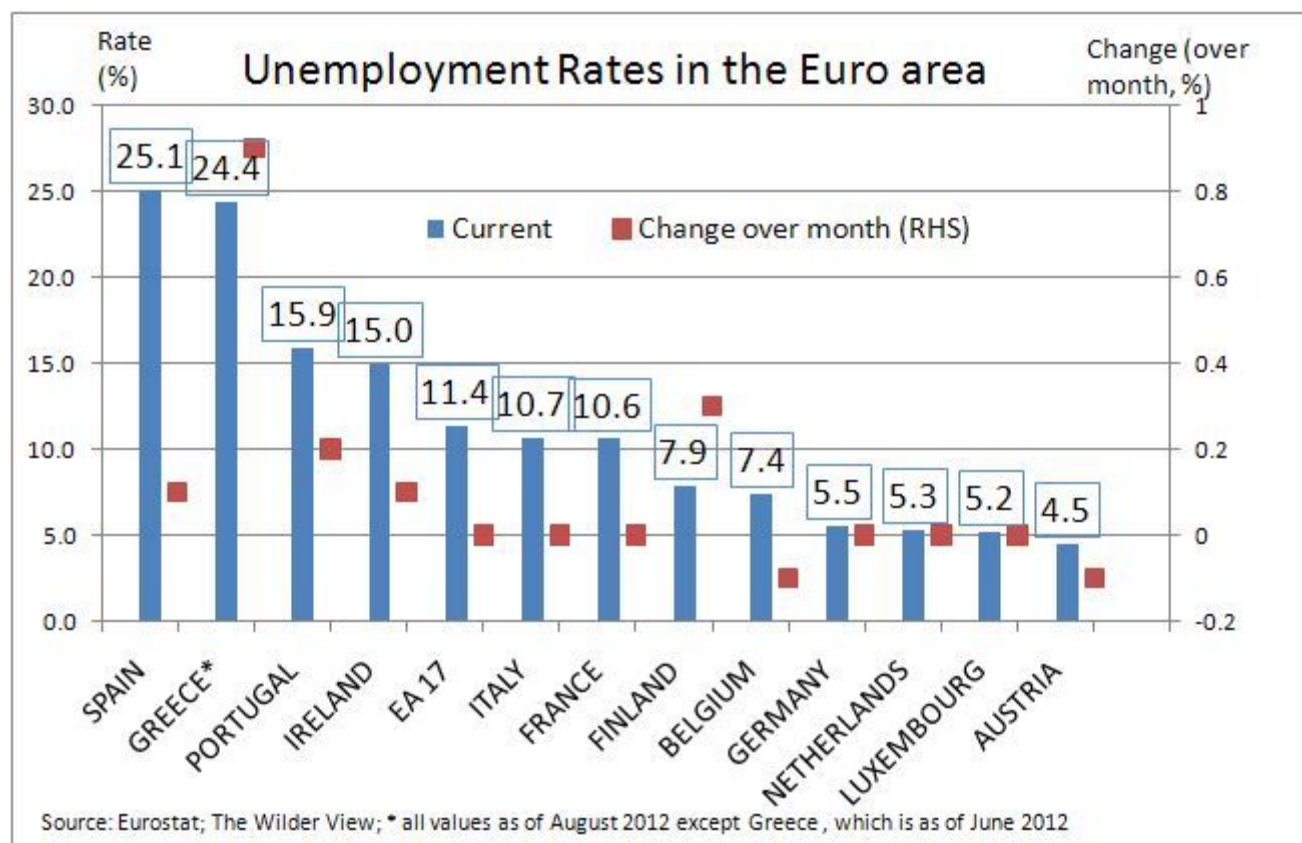
For that, **Mr Hollande must be willing to abandon the Franco-German condominium, the central tenet of French foreign policy for almost sixty years.** The cautious, plodding Enarque from the Limousin is not the type for fireworks, but give him time.

Unemployment Rates Across the Euro Area – Tough Times in Key Markets

Author: [Rebecca Wilder](#) · October 1st, 2012 · [Comments \(0\)](#) Share This Print 2 3

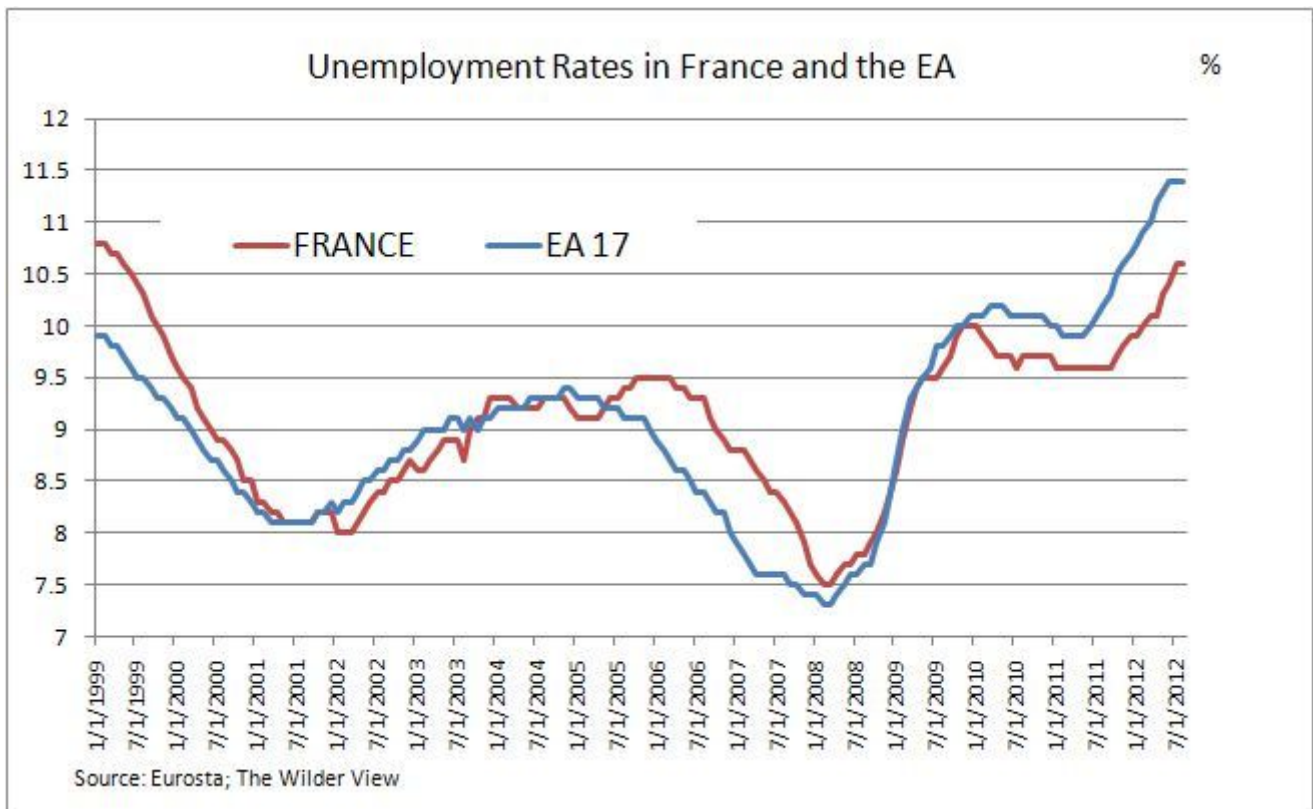
Today Eurostat released its unemployment rate figures for the month of August. The Euro area unemployment rate held firm at 11.4% for the third consecutive month. Spain still has the highest unemployment rate in the euro area, 25.1%, and Greece is catching up quickly, 24.4% (in June, which is the latest data point).

The chart below illustrates the level of the unemployment rate and its month-month change for the euro area 12 countries.



The periphery are underperforming the average, with Spain, Greece, Portugal, and Ireland leading the way. Internal devaluation, or driving up the unemployment rate to reduce relative prices with demand, is really taking its toll. Respectively, the unemployment rates in Spain, Greece, Portugal, and Ireland are 178.9 ppt, 234.2 ppt, 93.9 ppt, and 212.5 ppt above their pre-crisis minimums (loosely defined since January 2008) – a simple average of 179.9 ppt above the joint minimum for these four countries. The average euro area 17 unemployment rate is just 56.2 ppt above its 7.3% pre-crisis minimum. Hard days in the periphery, to be sure. Against this backdrop, weekend [protests in Paris, Madrid, Lisbon, and Rome](#) are not a surprise.

I further point out the troubling trend in the French labor market, as the new government presents its fresh austerity budget for 2013.



This budget is highly dependent on tax revenue and positive growth momentum, which is likely to disappoint amid such deterioration in domestic demand. See [Ambrose Evans-Pritchard](#) on the expected budget impact.

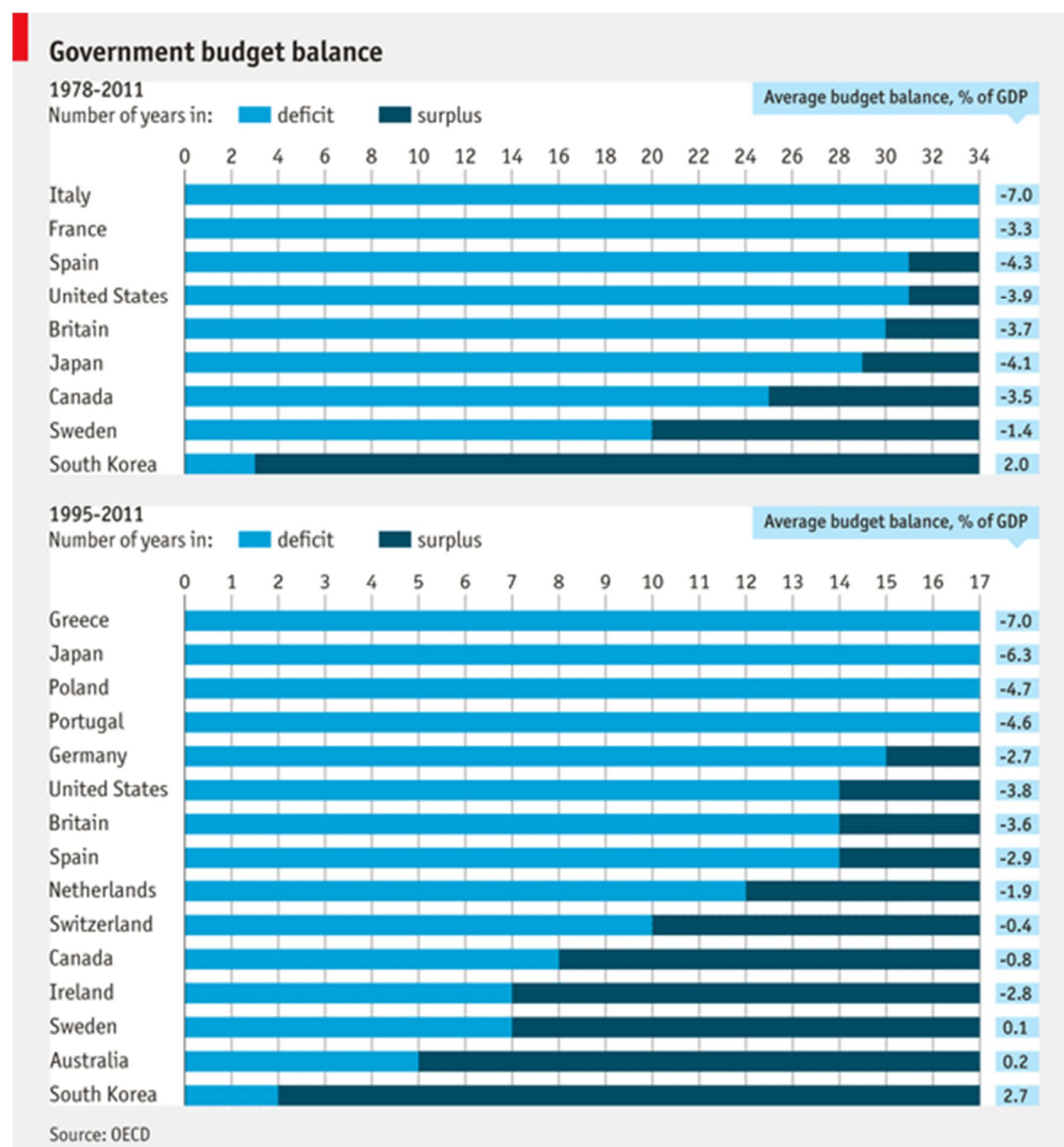
Daily chart

Give us austerity, but not yet

The Economist 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 timespan. Both suggest that, in good times as in bad, governments will find reasons to spend more than they receive in revenue.



The euro crisis

Getting worse more slowly isn't good enough

The Economist Blog Free Exchange Oct 1st 2012, 14:55 by R.A. | WASHINGTON

THE crisis in the euro area is beginning to feel like a permanent piece of the world's economic landscape: a great red spot that just churns and churns and never goes away. It isn't, though. One day the crisis will be over, either because the euro zone managed to muddle through or because it didn't, and came apart.

To avoid coming apart, the euro zone needs to accomplish three things. First, it needs a policy mix from the European Central Bank and from its member states sufficient to prevent a market panic leading to a quick end. There have certainly been moments when it seemed as though it would fail this first task, but at every point enough action has been taken to prevent an immediate disaster. **The ECB's role has steadily evolved and has in the process reduced the risk of an implosion of the banking system and contagion across sovereign debt markets.** And at the same time, Europe's governments have—slowly, haltingly, inadequately—begun building an infrastructure for a banking and fiscal union. The odds of a Lehman like miscalculation precipitating a sudden financial catastrophe and break-up seem to have steadily receded.

Yet that is just the first hurdle. **The euro area also needs to reestablish strong growth, sufficient to begin meeting fiscal goals.** On this score, the euro area has done very poorly. The story is more or less this. The crisis, recession, and capital outflows of 2008-09 led to broad weakness in the domestic economies of many peripheral countries. On top of this troubled sovereigns have been raising taxes and cutting spending in order to try and meet budget goals (some necessitated by markets, some imposed by core economies in exchange for fiscal assistance). **The result was a descent back into recession, which has in turn worsened budget balance, undermining the process of fiscal consolidation.** This weakness could be offset by rising net exports, but the peripherals biggest trading partners are in the same boat, and the world's other large economies aren't doing that great either and are also trying to raise net exports.

The result is euro-area recession and peripheral depression. The rise in **unemployment across the south** over the past year is simply [astounding](#). As of June, **55% of Greeks under 25 were without work.** There are over 2m more euro-area workers unemployed than there were a year ago, and the number keeps rising. There have been some positive signs in recent data. Manufacturing activity in September [continued to contract](#) across the euro-area economy, but at a slower pace from earlier in the summer. New orders, and new export orders, continued to fall, however.

In the absence of growth, it will be very difficult for peripheral countries to bring deficits down and stabilise debt levels. And without those developments, markets will continue to panic with some regularity and the size of bail-outs will grow.

And that brings us to **the third hurdle: Europe must maintain a public commitment to keeping things together.** Output per capita across most of the southern euro zone has been flat or falling (mostly falling) for almost five full years. There is no immediate end in sight; forecasts for 2013 generally anticipate another year of contraction for several peripheral economies. **It is surprising to me that there haven't been more, larger, and angrier protests than we have seen to date. And uglier politics.**

Over the course of the euro crisis, the region's leaders have elevated **complacency** into an art form. **If the massive and growing unemployment problem isn't addressed soon and aggressively, all the hand-wringing and summiteering and negotiating and bloviating over fiscal and banking integration will have been for naught. Angry electorates will finally declare: enough.**

Chômage : l'écart se creuse entre les pays de la zone euro

Par [Marie Bartnik](#) Mis à jour le 01/10/2012 à 17:43 | publié le 01/10/2012 à 16:48 [Réactions](#) (17)

Le chômage a atteint en août le niveau record de 11,4% de la population active, selon Eurostat. Pays le plus touché, l'Espagne compte désormais plus d'un actif sur quatre au chômage.

Cet été, la progression du taux de chômage en zone euro a fait une pause. Pour le troisième mois consécutif en août, il est [resté stable](#), à 11,4% de la population active. Cette évolution n'augure pourtant rien de bon. Le chiffre du mois de juillet a été révisé à la hausse et cela fait maintenant 16 mois de suite que le taux de chômage dépasse les 10%. La croissance attendue dans l'ensemble de la zone pour 2013 ne devrait d'ailleurs pas contribuer à soutenir le marché du travail.

Le chiffre de 11,4% constitue un record. Même au milieu des années 1990, le taux de chômage en zone euro n'avait pas dépassé les 11%. En août, 18,2 millions de personnes étaient au chômage dans les 17 pays membres de l'Union monétaire. C'est 34.000 de plus que le mois précédent, et 2,1 millions de plus qu'il y a un an. Ce sont les jeunes qui pâtissent le plus de cette conjoncture défavorable. En août, ils étaient 3,4 millions à pointer au chômage dans la zone euro, soit un taux de 22,8% en moyenne (25,2% en France). Ils sont 213.000 de plus qu'en 2011.

Mais les évolutions sont très contrastées. Le taux de chômage autrichien, le plus bas de la zone euro (4,5%), s'inscrit en baisse d'un point au mois d'août. Celui de l'Allemagne, à 5,5%, est stable ce mois-ci mais globalement en baisse sur un an. C'est outre-Rhin que le chômage des jeunes est le plus faible, à 8,1%. Le taux de chômage luxembourgeois (5,2%) n'a pris que 0,1 point sur la même période. Enfin, si les Pays-Bas voient leur marché du travail se dégrader, ils n'en conservent pas moins un taux de chômage (5,3%) à faire pâlir les pays de la périphérie.

Prévisions de croissance

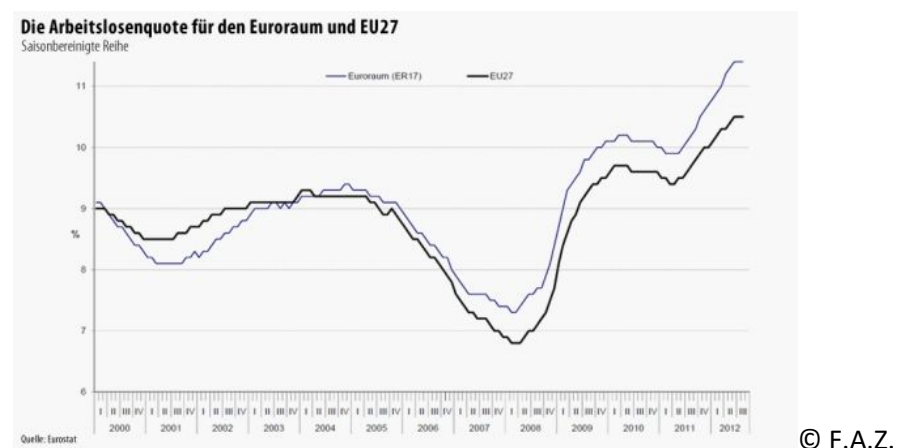
Car l'écart se creuse toujours plus avec les pays du sud de l'Europe, empêtrés dans la crise. Plus d'un actif sur quatre - 52,9% des jeunes - est désormais sans emploi en [Espagne](#), pays dont le marché du travail est le plus gravement touché. Le taux de chômage ibérique a pris plus de 3 points en une seule année. Le Portugal compte désormais 15,9% de chômeurs contre 12,7% en août 2011. En Grèce, le chômage est monté en flèche. À 12,7% de la population active l'année dernière, il a grimpé à 24,4% en août. Les jeunes actifs grecs étaient en juin 55,4% à pointer au chômage, triste record en Europe.

Des chiffres «tout à fait inacceptables», selon le porte-parole du commissaire européen en charge de l'Emploi, László Andor. La situation n'a pourtant guère de chances de s'améliorer à court terme. Dans son projet de budget rendu public ce lundi, le gouvernement grec table sur une sixième année de récession en 2013, de 4,2% du PIB. [En Espagne, le gouvernement anticipe](#) de son côté un recul du PIB de 0,5% l'année prochaine. Et les pays un temps épargnés, comme les Pays-Bas et l'Allemagne, [commencent à pâtir de la crise](#). Pour l'ensemble de la zone euro, le FMI table sur un recul du PIB de 0,3% en 2012 et une croissance de 0,7% en 2013. Une dynamique qui rend improbable une rapide inversion de tendance sur le marché de l'emploi.

Beschäftigung

Euro-Krise treibt Arbeitslosigkeit auf neuen Rekord

FAZ 01.10.2012 · Die Krise hinterlässt tiefe Spuren am Arbeitsmarkt. In Südeuropa ist inzwischen jeder vierte Erwerbsfähige ohne Job. Die Menschen in Spanien und Griechenland gehen aus Protest auf die Straße. Vor allem junge Leute haben kaum Aussicht auf Arbeit.



Die Euro-Schuldenkrise schlägt voll auf den Arbeitsmarkt durch. Im August hat die Arbeitslosigkeit in den 17 Euro-Ländern einen neuen Rekord erreicht. 18,2 Millionen Menschen waren ohne Job - so viele wie noch nie seit Einführung des Euro. Das entsprach einer Quote von 11,4 Prozent, wie das Europäische Statistikamt Eurostat am Montag in Luxemburg mitteilte. Im Vergleich zum Vormonat Juli wurden 34.000 mehr Arbeitslose gezählt; gegenüber dem Vorjahr war es ein Anstieg von mehr als zwei Millionen.

Seit mehr als einem Jahr steigt die Arbeitslosigkeit stetig. Besonders angespannt ist die Lage in den südeuropäischen Euro-Krisenländern Spanien, Griechenland, Portugal und Zypern. Auftragsverluste, Firmenpleiten und Entlassungen belasten dort den Arbeitsmarkt.

In Spanien ist jeder Vierte ohne Arbeit, in Griechenland inzwischen ebenfalls fast jeder Vierte. Portugal (15,9 Prozent) verzeichnete ebenso wie Griechenland binnen Jahresfrist die höchsten Zuwächse. Das krisengeschüttelte Italien liegt mit einer Quote von 10,7 Prozent im Mittelfeld.

In Deutschland ist die Lage dagegen entspannter. Nach Österreich (4,5 Prozent), Luxemburg (5,2 Prozent) und den Niederlanden (5,3 Prozent) verzeichnet Deutschland mit 5,5 Prozent eine der niedrigsten Quoten im Euro-Raum. Da die EU-Statistiker die Arbeitslosenquote nach anderen Kriterien berechnen als die deutsche Bundesagentur für Arbeit (BA), weichen die Angaben der EU von den nationalen Werten ab.

Hohe Arbeitslosenzahlen bremsen direkt die Konjunktur. Wenn die Menschen weniger Geld verdienen, können sie weniger kaufen, wodurch der private Konsum - eine wesentliche Stütze des Wirtschaftswachstums - einbricht.

Auch in der EU als Ganzes kletterten im August die Arbeitslosenzahlen weiter. In den 27 EU-Ländern waren 25,5 Millionen Menschen ohne Job, das entsprach einer Quote von 10,5 Prozent. Besonders betroffen sind Jugendliche: 5,5 Millionen junge Menschen unter 25 Jahren waren in der EU ohne Arbeit - eine Quote von 22,7 (Euro-Raum: 22,8) Prozent.

Quelle: DPA

NYT September 30, 2012

Waiting for an Arab Spring of Ideas

By *TARIQ RAMADAN*

London

DURING a recent visit to the United States, I was asked by intellectuals and journalists: Were we misled, during the Arab awakening, into thinking that Muslims could actually embrace democratic ideals?

The short answer is no. Participants in the recent violent demonstrations over an Islamophobic video were a tiny minority. Their violence was unacceptable. They do not represent the millions of Muslims who have taken to the streets since 2010 in a disciplined, nonviolent manner to bring down dictatorships.

Many Americans were nonetheless shocked by the chaos and bloodshed across Muslim countries, believing that they had come generously to the aid of the Arab peoples during the uprisings. But Arabs, and Muslims in general, have a longer memory and a broader view. Their mistrust is fueled by America's decades-long support for dictators who accommodated its economic and security interests; by the invasions of Iraq and Afghanistan; by the humiliating treatment of prisoners at Abu Ghraib and Guantánamo Bay; and by America's seemingly permanent and unconditional support for Israel.

The United States and its European allies would be well advised to examine why Muslims are seething. Withdrawing from Afghanistan, respecting United Nations resolutions and treaty obligations with regard to [Palestine](#), calling back the killer drones and winding up the "war on terror" would be excellent places to start.

However, the time has come to stop blaming the West for the colonialism and imperialism of the past. Muslim-majority societies must jettison their historic posture as victims and accept that they are empowered actors, as millions of Arabs demonstrated last year by coming out into the streets and changing the course of history.

The timeworn dichotomy of "Islam versus the West" is giving way to an era of multipolar relations. The world's economic center of gravity is shifting eastward. But the growing prominence of China, India and Russia, and of emerging powers like Brazil, South Africa and Turkey, does not automatically guarantee more justice and more democracy. Some Muslims are too quick to rejoice at the decline of American power. They seem unaware that what might replace it could well lead to a regression in social and human rights and to new forms of international dependency.

The Arab peoples, like those throughout Latin America, Africa and Asia, cannot, and do not want to, disregard the cultural and religious traditions that have long defined and nurtured them. As they pursue values like freedom, justice, equality, autonomy and pluralism, and new models of democracy and of international relations, they need to draw on Islamic traditions. Islam can be a fertile ground for political creativity — and not an obstacle to progress, as Orientalist thinkers in the West have so often claimed.

The Arab world, and Muslim-majority societies, need not only political uprisings, but also a thoroughgoing intellectual revolution from within that will open the door to economic change; to spiritual, religious, cultural and artistic liberation; and to the empowerment of women. The task is not an easy one.

A struggle for political and religious authority is taking place in these societies. There are deep divisions among Sunnis — traditionalists, secularists, reformers, Sufi mystics — and also between Sunnis and Shiites.

At the moment, Arab thought has been hindered by a barren ideological construct that pits secularists against Islamists, making it impossible for either to indulge in in-depth reflection about the intellectual limitations that afflict both of them.

Westernized secular elites, for all their talk of democracy and human rights, often are carrying over former colonial agendas and are deeply disconnected from the people they claim to represent. Or if they aren't — like some grass-roots movements on the left — their influence is marginal at best. Some have collaborated with dictators, accepted cronyism or benefited from official corruption. Others have remained close to the inner circles of the military (as in Egypt, Tunisia, Syria and Iraq). By standing against any overlapping of religion and politics, they have put forward a vision of democratization that is incoherent and disconnected from Islamic memories and traditions.

The Islamists have legitimacy, having paid a heavy price in opposing dictatorships for decades. They have made electoral gains in Morocco, Egypt and Tunisia by adapting to the shifts in power brought about by the protesters and cyberactivists. Yet they are facing contradictory expectations: they must remain faithful to their Islamic credentials while facing foreign pressure with regard to democratic processes, economic policies and relations with Israel. No figure embodies these contradictions more than [Mohamed Morsi](#), Egypt's new president, who tried last week to forcefully rebut [President Obama](#)'s absolute defense of free speech at the United Nations. But calling for limits on offensive speech is no solution. We don't need more laws. We need courageous scholars and intellectuals who are willing to discuss topics their fellow Muslims don't want to hear: their failings, their tendency to play the victim, the need to take responsibility for their actions. Only that sort of leadership will halt the tide of religious populism and emotionally driven blindness of the masses.

While the example of Turkey's ruling Justice and Development Party, known as the A.K.P., is interesting, it cannot be a reference for the entire Middle East. Turkey has a unique history; its challenges are not the same as those of the Arab world. The Arab Islamists, even as they celebrate their electoral successes, may well be entering a far more sensitive period of their history. They may lose the Islamic credibility they had as opposition forces, or be obliged to change and adapt so much that their political program is abandoned. Winning might be the beginning of losing.

Meanwhile, Salafi and Wahhabi groups with literalist interpretations of Islam have become more visible and politicized over the last five years. Having for decades refused political participation — equating democracy with kufr (rejection of Islam) — they are now slowly engaging in politics.

Some of these groups (known as salafi jihadists) have turned to violent radicalism. Others, financed by Islamic institutions in Saudi Arabia and Persian Gulf oil monarchies like Qatar and Bahrain — supposed allies of the United States — have entered mainstream politics, where they promote a religious, anti-democratic populism that plays on emotions, demonizes the West (especially America) and actively undermines the struggle for democratic reform. There is a danger that the model of Afghanistan — where in the 1980s the Taliban, supported by the Saudi and American governments, became the main force of resistance to Russian domination — may be repeating itself.

There can be no true democracy in the Middle East without a profound restructuring of economic priorities, which in turn can come about only by combating corruption, limiting the prerogatives of the military, and, above all, reconsidering economic relations with other countries and the gross inequalities of wealth and income within Muslim countries. The emergence of a dynamic civil society is a precondition of success. Concern for free and critical thought must take the form of educational policies to build schools and universities, revise outdated curriculums and enable women to study, work and become financially independent.

The Arab world has shaken itself out of its lethargy after decades of apparent resignation and silence. But the uprisings do not yet amount to a revolution. The Arab world must confront its historical demons and tackle its infirmities and its contradictions: when it turns to the task, the awakening will truly have begun.

[Tariq Ramadan](#), professor of contemporary Islamic studies at Oxford University, is the author, most recently, of "Islam and the Arab Awakening."

Sécurité sociale : un déficit moins élevé que prévu en 2012

Par lefigaro.fr Mis à jour le 01/10/2012 à 07:43 | publié le 01/10/2012 à 07:17 [Réagir](#)

La Commission des comptes de la Sécurité sociale projette un «trou» de 13,1 milliards d'euros pour le régime général.

Le trou de la Sécu s'élèvera à 13,1 milliards d'euros au lieu des 14,7 milliards prévus jusqu'à présent par le gouvernement, selon des chiffres extraits du rapport de la Commission des comptes de la Sécurité sociale (CCSS). Ce rapport est présenté ce lundi matin à la ministre des Affaires sociales, Marisol Touraine, juste avant que le gouvernement ne présente son projet de loi de financement de la Sécurité sociale (PLFSS) pour 2013.

La réduction de ce déficit a été rendue possible «par l'apport de recettes nouvelles et la modération des dépenses», est-il écrit dans le rapport. Des ressources supplémentaires ont en particulier été apportées à la Sécu dans le cadre du budget rectificatif voté pendant l'été.

La branche maladie serait en déficit de 5,5 milliards d'euros, la branche retraite de 5 milliards, la branche famille de 2,5 milliards et la branche accidents du travail de 0,1 milliard. Le déficit du Fonds de solidarité vieillesse (FSV), qui finance le minimum vieillesse, atteindrait 4 milliards à la fin de cette année.

Pour 2013, la CCSS anticipe un déficit de 16 milliards, dont 8,6 milliards pour l'Assurance-maladie. S'y ajouterait celui du FSV, d'un montant de 3,6 milliards. Ces chiffres 2013 de la CCSS sont hypothétiques. Ils sont fondés sur la tendance des dépenses, des recettes existantes et sur les hypothèses économiques du gouvernement. Mais ils ne prennent pas en compte les mesures qui doivent être annoncées ce lundi dans le cadre du PLFSS. Le gouvernement envisage notamment l'instauration d'une nouvelle [contribution sur les pensions](#) des retraités.

http://www.peakprosperity.com/blog/79761/welcome-era-ugly-inflation?utm_campaign=weekly_newsletter_27&utm_source=newsletter_2012-09-28&utm_medium=email_newsletter&utm_content=node_title_79761

Welcome to the Era of 'Ugly' Inflation

Where everybody loses

by Charles Hugh Smith



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Thursday, September 27, 2012, 8:33 PM

A year ago, in the wake of the then-announced additional monetary easing measures by the Federal Reserve (which since sent stock prices on a rocket ride for the next nine months), many of our readers feared a major decline in the dollar was imminent. To add some balance to our site content, we asked Peak Prosperity contributing editor Charles Hugh Smith to argue the case for a strengthening dollar. He graciously accepted, and in the year since writing [Heresy and the US Dollar](#), America's currency did indeed strengthen notably vs. its fiat counterparts. Now, after the Fed's announcement of QE3 (plus), many of us are girding once again for dollar weakness. So we've invited Charles to once again play devil's advocate.

The Siren Song of 'Beautiful Deleveraging'

In a world of rising sovereign debts and an overleveraged, over-indebted private sector, history suggests there are only three possible ways out: gradual deleveraging, defaulting on the debt, or printing enough money to inflate away the debt.

Ray Dalio recently described the characteristics of a “beautiful deleveraging” in which equal doses of austerity, write-downs, and inflation gradually lighten the load of impaired debt. This might be called the Goldilocks Deleveraging, as the key feature of this “beautiful” solution is that each component is “not too hot, not too cold” – inflation is modest, write-downs of bad debt are gradual, and austerity is not too severe. Given enough time, the leverage and debt are worked off without requiring any structural change to the Status Quo.

Understandably, the Status Quo has embraced this solution for the appealing reason it doesn't change the power structure at all. Everyone currently in charge remains in charge, and everyone who owns outsized wealth continues owning outsized wealth. Rather than falling onto the politically powerful “too big to fail” banking sector, the pain of deleveraging is spread over the entire economy. There is no such thing as painless deleveraging, so the “solution” is to distribute the pain over hundreds of millions of people. That's what makes it “beautiful” to the Status Quo: It doesn't cost them either their power or their wealth.

The Status Quo in Japan has pursued this strategy for 20 years, and the Status Quo in Europe and the U.S. have pursued it for the past four years, ever since the global financial system imploded in 2008.

Unsurprisingly, the conventional view is that it's working "beautifully". Housing has bottomed, stocks have doubled since their March 2009 lows, households are slowly deleveraging, inflation is modest, and growth is sluggish but steady. All we need to do, we're told, is stay the course for a few more years, and the stage will be set for a return to the rapid growth of the bubble years.

Central Banks to the Rescue

The core mechanism of this "leave the Status Quo intact" solution is that central banks conjure money out of thin air (i.e., "print money"), which they use to then buy impaired bank debt (such as delinquent mortgages) and sovereign debt (such as the bonds of Spain, Italy and the U.S.)

This transfers impaired private-sector debt and sovereign debt to the central banks' balance sheets, where they are safely sequestered from price discovery. The central banks keep these questionable assets on the books at full value, and the Status Quo is happy. The banks trade their risky impaired assets to the central bank for cash, which they can use to speculate or originate new loans, and governments can continue to run monumental deficits because the bonds they issue are purchased (i.e., "monetized") by central banks.

Central bank balance sheets swell with phantom assets, but nobody cares, as the debt no longer burdens private banks and governments are free to borrow and spend.

It all seems too good to be true, and so skeptics ask: *If this deleveraging is so 'beautiful', why are the developed economies sliding into recession? If this deleveraging has worked so well, why are governments still running unprecedented deficits even as hiring, production, and lending all weaken?*

Skeptics of the official "happy story" see plentiful evidence that the beautiful deleveraging of central-bank monetization is simply papering over the structural rot at the heart of the financial/political Status Quo – the shadow banking system, the risk-laden derivatives trade, the "fraud-is-our-business-model" mortgage securitization industry, and so on.

Somebody Has to Pay the Price

Skeptics reviewing history find few examples of painless deleveraging and many examples where over-indebtedness and central bank money-printing lead to a stark choice: Either accept high inflation as a way of inflating debts away, or renounce sovereign debt and devalue the currency.

Neither "solution" is ideal nor beautiful. Inflating away debt by depreciating the currency (via money-printing) allows debtors to pay debt with "cheaper" money, but inflation savagely erodes financial wealth. If we earn \$100,000 an hour, our \$100,000 mortgage can be paid off with one hour's labor, but our \$100,000 in savings will only buy three gallons of gasoline – the same number of gallons an hour's labor bought back when we earned \$12 an hour. We can print money but not oil.

If a nation renounces its debt, everyone who owns the sovereign bonds loses some or all of their investment, and the currency loses value as global traders and investors recalibrate the value of the currency. Once the currency is devalued, imports such as oil rise steeply in cost, leaving less household income to be spent or invested. Consumers pay the price of devaluation.

In other words, there is no painless deleveraging. The price has to be paid by someone, and so the battle behind the façade of "beautiful deleveraging" is over whom the cost will be transferred to.

If the government absorbs all the banks' bad debts and runs large structural deficits, the cost is transferred to the taxpayers. If the central bank prints money in excess in order to absorb the banks' bad debts, inflation rears its head, and everyone with savings and who earns wages pays the price via a loss of purchasing power.

Though it is dismissed as "impossible" – and it is politically impossible, as the banks have captured the machinery of governance – banks could be forced to into insolvency and their assets liquidated on the open market. This would clear the decks of impaired debt and distribute the losses to those who owned the impaired

debt: pension funds, insurance companies, hedge funds, individuals, etc. Every owner would share equitably and proportionately in the losses.

But this would upset the Status Quo's power and wealth-sharing arrangement, and so it is dismissed as unworkable.

Beautiful and Ugly Inflation

A key mechanism in beautiful deleveraging is beautiful inflation at an annual rate of, say, 3% (gosh, isn't that the Federal Reserve's target?) that steals 3% from the purchasing power of the currency while depreciating debts by the same 3%.

In a decade, both the value of the debt and the currency have fallen by over 30%, but the loss of purchasing power has been so gradual that the losers – wage earners, consumers, savers, and owners of the devalued debt – don't feel enough pain to protest.

Truly beautiful inflation combines low-interest fixed-rate debt, wage and price inflation, and a stable currency. If wages and prices are both inflating at 10% a year, wage earners don't feel any pain as their income rises in tandem with the cost of goods and services. Any mismatch – say wages rise 8% a year while prices rise 10% – is slight enough that the erosion won't trigger any political fallout. With a stable currency, imports don't cost more, either.

Meanwhile, low-interest fixed-rate debt is being wiped out at a rapid clip. In a decade of 10% annual inflation, the debt has lost roughly two-thirds of its value. Wages have doubled at the end of ten years, while existing mortgage payments have remained unchanged.

Debtors have an easier time servicing debt, and inflation has magically deleveraged the household. As the value of people's old debt declines and their nominal income rises, they can afford to take on more debt.

Banks can issue new debt to the newly deleveraged households, earning fat transaction fees and securitizing the newly issued debt so that it can be offloaded to investors.

The government also benefits, as rising nominal wages push taxpayers into higher income brackets, swelling government revenues. Everybody wins. Households get to consume more goods and services, banks get to originate more debt, and the government rakes in more tax revenues. No wonder the Status Quo is pursuing beautiful inflation.

Two things can turn beautiful inflation into ugly inflation: Wages don't inflate along with prices and the currency depreciates as money is printed excessively. This might not matter for a nation that is a net exporter of goods and services. But for nations that import essentials such as oil and grain, this is a catastrophe, as wages are flat while the cost of imported energy and food skyrocket. Households have less money to spend, and servicing debt becomes increasingly burdensome.

This is ugly inflation: Household incomes decline in real terms, the rising cost of essentials squeezes discretionary spending, and servicing debt becomes more difficult. Households not only cannot afford new debt; many have to default on debt just to survive. Bank lending falters and defaults rise, eroding banks' solvency. As household incomes stagnate, government tax revenues decline as well.

In ugly inflation, everybody loses.

Welcome to the United States of Ugly Inflation. Real household income (i.e., adjusted for official inflation) has declined 8% since 2007; the cost of oil, medical care and higher education has climbed; and government revenues have stagnated even as demand for government services has increased.

As a result, the entire beautiful deleveraging scenario is at risk. Austerity carries a high political cost, and central bank printing appears to be fueling ugly inflation. Behind the “happy story” façade, falling incomes mean that household deleveraging is an illusion, along with bank solvency.

What else is at work here? Where is this leading? Possibly to destinations many reading this may not expect.

The other moral hazard

If the euro zone is to survive, Germany too must keep its promises to reform

The Economist Charlemagne Sep 29th 2012 | from the print edition



STITCH by stitch, Germany is unravelling the carefully knitted deal that offered the euro zone the best chance yet of overcoming its crisis. Until this week European officials dared to imagine they had got ahead of the markets with two big moves. First, the ECB declared that it will act as a lender of last resort for troubled countries like Spain (if they agree to a reform programme). And second, the euro zone pledged to create a banking union to sever the death loop between weak banks and weak sovereigns. Now that the ECB had averted the threat of the euro breaking up, others have space and time to repair its design flaws.

If only it were so easy. Protests and strikes against austerity have restarted in debtor states, and secessionism is stirring in Spain. Just as worrying, creditor states are showing every sign of going slow, and even reneging, on their promises to strengthen the euro zone. *Rückfall*, the German word for backsliding, is one reason the euro zone is being pushed back into an acute phase of the crisis.

Start with the conditional promise of intervention by the ECB's president, Mario Draghi. This is designed to hold down a country's borrowing costs, especially for short-dated bonds, and dispel "unfounded fears" about the future of the euro. In his campaign to delegitimise the policy, Jens Weidmann, the Bundesbank chief, has resorted to drawing a parallel between Mr Draghi and Mephisto in Goethe's "Faust". The German government, though in favour of the ECB's scheme, is uncomfortable. It has told Spain not to ask for more help—the essential first step that would allow the ECB to act.

Worse, the *Rückfall* over banking union seems almost designed to rekindle the crisis. At a summit in June euro-zone leaders declared that it was "imperative to break the vicious circle between banks and sovereigns". To do so, they would create a single banking supervisor "as a matter of urgency". And once established, euro-zone rescue funds could be used directly to recapitalise troubled banks. It is no secret that the plan was meant to help Spain, by shifting some of the burden of supporting crippled banks to the euro zone—retroactively if necessary. Ireland was told it could expect similar assistance.

This bargain was done on terms that Germany has always advocated: more central control in exchange for more solidarity. But even before the European Commission this month rushed out its proposals for a banking supervisor (an offshoot of the ECB), Germany was undermining the deal. Drafts of the commission's plan included a commitment to complement the new supervisor with a euro-zone resolution authority to wind up failed banks (known as Edira), and a European bank-deposit guarantee scheme (aka, Edgar). Under German pressure, these were removed from the final version.

Many worry that, with the abortion of Edira and Edgar, the ECB will be responsible for overseeing banks but lack the means to deal with the bad ones. At the same time, Germany is fighting the commission's plan for the ECB to have authority to supervise all 6,000-plus banks in the euro zone. Berlin wants to exclude smaller banks, including its own often-troubled regional lenders.

And Germany has tried to slow down the timetable for the supervisor to start work on January 1st 2013, on the grounds that such an important task should not be rushed. Thereafter, direct bank recapitalisation should only take place once the system has shown itself to be effective. This week, Wolfgang Schäuble, the German finance minister, and his über-hawkish colleagues from the Netherlands and Finland, sought greatly to limit the scope of the commitment: direct bank recapitalisation should apply only to new problems, not "legacy assets" and should only be a "last resort", after using private capital and then national funds.

Germany knows it has to look after its own banks, so it wants to limit its liability for those of other countries. Angela Merkel, the German chancellor, has already staked much treasure on helping others. At some point, Germany may have to write off part of the loans it made to Greece. Mrs Merkel already lost her "chancellor's majority" in this summer's vote to lend Spain up to €100 billion (\$129 billion) to restructure its banks. She is not rushing back to the Bundestag to ask for more money, not least because any debate would turn to the ECB and Mephisto.

Economics and morality

Mario Monti, Italy's prime minister, quips that, for Germany, "economics is a branch of moral philosophy". Countries must pay for sins of commission (budget deficits) and omission (poor bank supervision). Only then can there perhaps be more European integration to avert problems in the future.

Yet there is little point in worrying about tomorrow's woes when today's crisis is unresolved. Germany is right to fret that relieving market pressure on debtors could create moral hazard and slow down badly needed reforms. Equally, though, moral hazard applies to creditors. When the pressure is off, Germany shows too little urgency about repairing the euro.

There is a cost to delay and prevarication. It is harder for countries to reform without hope that their agony will end. Germany's unwillingness to act except in the most dire moments condemns the euro zone to one acute crisis after another. In the short term Mrs Merkel may thus find herself fighting for re-election next year with the euro zone back in flames. In the longer term a chronic crisis is already creating permanent damage: prolonged economic stagnation and depression in deficit countries, loss of confidence in the credibility of governments and the future of the euro, and increasingly poisonous politics. Germany may fear the "legacy" costs of past mistakes. But it should also worry about the legacy of its hesitation and inaction.

SimEurope

Some fantasies for the future of Europe may cause more problems than they resolve

The Economist Charlemagne Sep 22nd 2012 | from the print edition



ANYBODY who has played (or watched their children play) life-simulation computer games, such as “SimCity” or “The Sims”, will know how engrossing they can be. Countless hours are spent creating an intricate synthetic world, be it a house or a whole city, inventing characters that speak a nonsense tongue known as Simlish, controlling their actions and sometimes visiting disaster upon them. A similar craze is gripping Brussels: call it SimEurope.

Guido Westerwelle and Radek Sikorski, the foreign ministers of Germany and Poland, have spent much of this year locked away with nine colleagues (almost all boys) engaging in make-believe. This week they revealed the fruits of their “Future of Europe Group”. It is a world that includes an elected European president, a more powerful European foreign minister, a European border police and perhaps even a European army. The British spoilsports were not invited.

Just a few days earlier, José Manuel Barroso, president of the European Commission, gave his annual “State of the Union” address and spoke of a future “federation of nation-states”, a notion he has repeated in countless op-ed articles since. Mr Barroso has thus revived the term coined by his predecessor, Jacques Delors, but has not explained what he means by it. He says only that he will present some proposals by 2014.

With his words, Mr Barroso is breaking away from the three other “presidents”—Herman Van Rompuy of the European Council, Mario Draghi of the European Central Bank and Jean-Claude Juncker of the Eurogroup of finance ministers—who are collectively planning a “genuine” economic and monetary union. Having set out the “building blocks” in June, Mr Van Rompuy has now produced an “issues paper” that proposes, among other things, a central euro-zone budget. An interim report may be presented at a summit in October and the final version should be out in December.

In many ways Angela Merkel, the German chancellor, started this craze for make-believe with her calls for a “political union” (including more power for the flawed European Parliament). This is awkward in France, where parties have been deeply divided over Europe since the referendum in 1992 for the Maastricht treaty (approved narrowly) and the one in 2005 for a constitutional treaty (rejected). Yet Pierre Moscovici, the Socialist finance minister, recently uttered the word “federalism”. And François Fillon, the recent conservative prime minister, has proposed a new “pact for Europe” that would include a European finance minister.

All these ideas have their origins in an old game: More Europe. The aim is to avoid cataclysmic war, or domination by one country, by uniting while still pursuing national advantage. Each level of integration becomes more difficult as problems deepen. Players must not only negotiate away more power, but must then sell the new treaties to their reluctant populations.

In SimEurope the people are synthetic, divided into good Europeans and bad nationalists or populists. The baddies can be defeated by More Europe. In the real world things are rather more complicated. There is growing scepticism about the European project. According to recent polls, a majority of Germans think they would be better off without the euro, and many would be rid of the EU too. In France a majority of those who voted for the Maastricht treaty would not do so again. In Spain, though, a majority wants to deepen euro-zone integration.

Eurosceptic and Europhobic parties are claiming substantial chunks of electorates. In the Dutch elections this month centrists may have made a comeback, but often by adopting a tough line on bail-outs for troubled countries. In many places, there is a growing cry for citizens to be consulted directly in a referendum, albeit for different reasons. In Britain, Eurosceptics hope to win a vote to leave the EU whereas in Germany the pro-EU elite wants a referendum to change the constitution to give more powers to Brussels.

Back to reality

By turning an imaginary currency into reality, Europe's leaders have created a real-world crisis that they must deal with. Returning to the old marks, francs and lire would be more painful than trying to fix the euro. That means some more integration, and giving up the studied ambiguity about the ultimate objective of Europe so that citizens can make a clear choice.

Leaders are at least discussing the right issues. But the problem with many recent ideas is that they obfuscate the essential questions more than they clarify them. Foreign ministers may like the idea of playing with a European army, but it is hardly central to resolving the economic crisis. Similarly Mr Barroso's federation of nation-states misses the point. He raises the standard of federalism, which is inevitably contentious, without saying how integration is to be reconciled with the nation-state rump that is left.

The euro zone is heading towards the worst of both worlds—nation-states feel violated by Brussels's ever-expanding controls, even as the European level remains too weak and opaque to have an impact or win popular allegiance. A better approach might be to set aside labels and think of a narrow set of core functions that need to be deeply integrated. A coherent banking union makes sense, as do some joint bonds. Germany rejects mutualisation of debt on the grounds that not even America expects states to guarantee each other's debt. Yet America has federal bonds, backed by federal taxes, which in turn provide a safe asset for all banks to hold. American states go bankrupt, as do lots of banks. Call it what you want; integration, centralisation, federation, confederation—the objective should be to stabilise the system sufficiently to allow badly managed banks and states to go bust safely.

Economist.com/blogs/charlemagne

„Das wäre zu früh“

Gauck gegen baldige Volksabstimmung über Europa

FAZ 30.09.2012 · Bundespräsident Gauck hat in einem Interview vor Überheblichkeit in der Euro-Krise gewarnt. Keine Nation lasse sich gerne von einer anderen belehren, sagte er. Bevor es zu einer Volksabstimmung komme, müssten Politiker Europa erklären, um die „Verunsicherung zu minimieren“.

Von [Peter Carstens](#), Berlin



© dpa „Europa ist ein Versprechen für mehr Menschlichkeit“

Bundespräsident Joachim Gauck hat sich gegen eine baldige Volksabstimmung über Europa ausgesprochen. Dies wäre „eigentlich ein bisschen früh“, sagte Gauck in einem Interview mit dem Deutschlandfunk. In Europa werde sich „die Bevölkerung dieses Raumes“ noch daran gewöhnen, „dass die Nation möglicherweise nicht das letzte Wort ist“. Gauck erinnerte an die deutsche Wiedervereinigung und sagte, es gebe Situationen, da „kann es manchmal sein, dass das ökonomische Denken dem politischen unterzuordnen ist“. Aber, so fügte der Bundespräsident hinzu, „das geht nicht uferlos“.

Er sei der Überzeugung, dass Rechtsstaatlichkeit und Freiheit „weit über den Sorgen steht, ob wir genügend Geld verdienen, ob die Prosperität und finanzielle Sicherheit gewährt ist“. Wer Freiheit und Demokratie einmal verloren habe, wisse, „dass Europa mehr ist als nur eine Finanzunion und eine Währungsunion und ein materielles Glücksversprechen. Er weiß, dass es ein Versprechen ist für mehr Menschlichkeit“. Bevor der Prozess der europäischen Integration weiter voranschreite und es zu einer Volksabstimmung komme, seien allerdings Voraussetzungen zu schaffen. Dazu gehöre, dass deutsche Politiker Europa erklärten, um „Verunsicherung zu minimieren“.

Im Umgang mit verschuldeten Ländern wie Griechenland warnte Gauck vor Überheblichkeit. Keine Nation lasse sich gerne von einer anderen belehren - „schon gar nicht von einer, die früher über diese Nation hergefallen ist“. In der Diskussion über das künftige Europa müssten die Deutschen bei „unseren südeuropäischen Partnern sehen, dass der Wille zur Strukturreform wirklich sichtbar ist“. Es genüge nicht, die Fachleute zu überzeugen, sondern „es muss auch in der Bevölkerung ankommen“, mahnte Gauck.

„Entscheidend“ sei nicht, „dass Deutsche den Griechen erzählen, was zu tun ist, sondern das Entscheidende ist, dass in Griechenland ein Diskurs in Gang kommt, der die Fakten wahrnimmt.“ Zur Kritik einiger Länder an Deutschlands Rolle in der Schuldenkrise sagte der Bundespräsident, dazu gehöre es auch zu fragen: „Wenn euch Deutschland jetzt etwas zu stark ist,... hättet ihr uns dann lieber als den kranken Mann Europas?“

Quelle: F.A.Z.

Staatsschuldenkrise

Die EU darf nicht gespalten werden

Nur als große Macht kann Europa die politischen Vorteile der USA und Chinas ausgleichen. Kerneuropa ist zu klein, die Zukunft haben regionale Verbände.

- **Von:** Claus Leggewie
- 21.09.2012 - 19:12 Uhr

Geht es um die Krisenintervention gegen Europas Staatsschulden, maßen die Eliten der europäischen Exekutiven der Legitimation ihrer Pläne offenbar keine besondere Bedeutung bei. Würde beispielsweise die vom deutschen Finanzminister Schäuble und der EU-Vierergruppe skizzierte [Umwälzung des europäischen Institutionensystems zu einer echten Haushalts- und Wirtschaftsunion](#) *top down* verordnet und exekutiert, wäre dies vermutlich die letzte Krise der EU.

Das kumulierte Legitimationsdefizit brächte die Union mit ziemlicher Sicherheit an ihr Ende – und die Nationalpopulisten könnten die Reste wie Geier unter sich aufteilen. *"No taxation without representation"* heißt die Grundregel repräsentativer Demokratie – wer Steuern zahlt, will sich auch selbst regieren.

Claus Leggewie

ist Direktor des Kulturwissenschaftlichen Instituts Essen (KWI) und Co-Direktor des Käte Hamburger Kollegs "Politische Kulturen der Weltgesellschaft". Der Artikel entstand in einer Kooperation des [Deutschen Instituts für Entwicklungspolitik](#) (DIE) mit ZEIT ONLINE.

Jedes Durchstarten zu einer europäischen [Wirtschafts- und Finanzregierung](#) erfordert unabdingbar die Zustimmung und Kontrolle durch die europäischen Wähler. Demokratische Legitimation und Kontrolle ist essentiell für die Verwirklichung von mehr Europa. Einer Nacht-und-Nebel-Erweiterung werden die Bürger die Unterstützung entziehen. Es ist ja kein Zufall, dass im Juni 2012 die Hüter der Verfassung in Karlsruhe eingriffen, weil sie den Prozess aus deutscher Sicht nicht für hinreichend demokratisch legitimiert erklärten. Die Ratifizierung des dauerhaften Euro-Rettungsfonds ESM und des europäischen Fiskalpakts testierten die obersten Richter jetzt hingegen als verfassungsgemäß.

Angeblich sind die Materien für das Parlament zu komplex

Karlsruhe hat es gesagt: Die Lösung der europäischen Staatsschuldenkrise und die Rettung des Euro bedarf des Mitwissens und der Mitwirkung des Parlaments. Die Gewichte in der Gewaltenteilung und Arbeitsteilung zwischen Legislative und Exekutive hatten sich bereits in Normalzeiten und bei weniger spektakulären Anlässen auf Kosten der Parlamente verschoben. Überall sind die Materien angeblich zu komplex – Beispiel Gesundheitspolitik –, zu technisch (Energiepolitik), zu juristisch (überall).

Europäisierung hieß bislang, in Ermangelung eines volltauglichen EU-Parlaments, oftmals Entparlamentarisierung und Entdemokratisierung. Schon bei früheren Entscheidungen, wie dem Lissabon-Urteil im Juni 2009, hat sich das Bundesverfassungsgericht dagegen zum Schutzpatron der nationalstaatlich verfassten Demokratie und des Souveräns in Gestalt des Bundestages aufgeschwungen. Konkret: zum Hüter von Artikel 23, der die umfassende und frühestmögliche Unterrichtung des Bundestages vorschreibt. Karlsruhe wird immer wieder eingreifen, wenn die deutsche Demokratie durch ein von Berlin und Brüssel aus geführtes EU-Regiment ausgehebelt wird.

Die nationalstaatliche Perspektive verkennt jedoch die reale Verschiebung politischer Macht auf die supranationale Ebene, auf der – viel eklanter als die EU – Klubs wie die G8/G20 oder die WTO agieren.

Demokratische Kontrolle und Gegenmacht schaffen hier – informell und inhaltsbezogen – höchstens einflussreiche und medienpräzente Nichtregierungsorganisationen.

Karlsruhe wird bei allen Schritten auf die Bremse treten, die via Fiskalunion und Wirtschaftsregierung auf die Vereinigten Staaten von Europa hinauslaufen und dabei natürlich auch Straßburg zum Vollparlament aufwerten müssten. Auch dazu muss das Grundgesetz geändert werden, mehr noch: Deutschland muss sich à la longue eine neue Verfassung geben und Europa endlich eine bekommen. Die Vorschläge von EU-Kommissionspräsident Barroso kürzlich zur Fortentwicklung der EU zu einer "Föderation der Nationalstaaten" gehen genau in diese Richtung.

Europa der Regionen ist bisher zu kleinteilig gedacht

Die Kehrseite der weit, aber nicht weit genug reichenden Vorschläge von Wolfgang Schäuble und der Vierergruppe ist, dass sie auf ein Kern- oder Resteuropa zugeschnitten bleiben und die Kluft zwischen den Euro-Staaten und den Nicht-Mitgliedern der Währungsunion, speziell zu Großbritannien oder Tschechien, vertiefen würde. Also Distanzierungstendenzen beschleunigen würde, die in London oder Prag, aber auch in Den Haag ohnehin zugenommen haben.

Wer allerdings meint, Kerneuropa wäre stärker als die EU der 27 oder eine euro-mediterrane Großregion, der irrt – nur als große Macht kann Europa die politischen Wettbewerbsvorteile der Vereinigten Staaten und Chinas ausgleichen. Eine euro-mediterrane Union – analog eine Ostsee-Union, eine Alpen-Adria-Union ... – bietet dafür nicht nur die Arbeitsgrundlage eines echten Entwicklungspaktes, sie kann auch eine föderale Perspektive bieten für die nachhaltige Demokratisierung der Region.

Das Europa der Regionen ist bisher viel zu kleinteilig gedacht und eingerichtet worden, als provinzielle Stütze für einen großen Quasi-Staat, der von Brüssel aus regiert und aus den Hauptstädten legitimiert wird. Regionale Verbände können das gute alte Prinzip des europäischen Föderalismus erneuern – sie übersteigen die Nationen, die heute oft als Blockademächte wirken, aber sie sind auch noch nahe genug bei den [kulturellen Eigenheiten und Netzwerken der Völker Europas](#).

- **Quelle:** ZEIT ONLINE
- **Adresse:** <http://www.zeit.de/politik/ausland/2012-09/Europa-Regionen/komplettansicht>

Europa in der Krise

Was Europas Einheit gefährdet

SZ 29.09.2012, 18:31

Ein Kommentar von Stefan Kornelius

Enthusiasten schwärmen gerne von der Vielfalt Europas. Doch nun zeigt sich in der Krise, wie sehr der Kontinent in seiner Wirtschafts- und Gesellschaftspolitik auseinanderklafft. Das überfordert die Bürger und kann zerstören, was in Jahrzehnten aufgebaut wurde.

Tage im September: Als das Bundesverfassungsgericht den Weg für den Euro-Rettungsschirm ESM freigegeben hatte, die Zentralbank unbegrenzte Anleihekäufe in Aussicht stellte und die EU-Kommission ihren Plan für die neue europaweite Bankenaufsicht vorlegte, da frohlockten die krisengeplagten Nationen Europas - endlich eine glückliche Zäsur im Zyklus des Niedergangs.



Demonstranten und Polizei bei Protesten in Madrid am 25. September (© Getty Images)

Das Hochgefühl hielt keine zwei Wochen. Dann marschierten die Wütenden auf den Straßen in Spanien und Griechenland, in Frankfurt balgten sich die Zentralbank-Granden auf offener Bühne, und in Berlin wurden die Fußnoten für den Rettungsplan neu geschrieben. Im Kreislauf der Krise hatten sich Europas Staaten nur in eine neue Umlaufbahn katapultiert.

So funktioniert das nun schon seit zweieinhalb Jahren: Phasen höchster Anspannung werden unterbrochen von Augenblicken der Hoffnung. In den Atempausen wird dann die nächste Etappe vorbereitet. Es geht um Zeitgewinn. Nur eine Gewissheit besteht immer: Diese Krise wird lange dauern, und sie ist stets begleitet von immensen Gefahren.

Es geht um Erspartes, um Extremismus - und um Leib und Leben

Die Lebenssicherheit von Millionen Bürgern steht auf dem Spiel, bei manchen geht es um den bescheidenen Wohlstand, bei anderen um schiere materielle Überlebensfähigkeit, es geht um Erspartes, um politische Radikalisierung, um Extremismus, dumpfe nationale Ressentiments und manchmal gar um Leib und Leben.

Die Deutschen neigen dazu, diese Gefahren für gering zu halten. Das ist nicht verwunderlich in einem Land, das mehrheitlich die Krise nur abstrakt empfinden kann. Hingegen wird etwa in Spanien schlagartig klar, warum Ministerpräsident Mariano Rajoy derart defensiv gegen die Krise kämpft. Spanien ist über Nacht in eine Staatskrise gestürzt.

Die Regierung versucht, die Intervention von außen, die Unterstellung unter die internationale Aufsicht, mit aller Macht zu vermeiden. Sie mutet den Bürgern immense Sparauflagen zu. Und sie erntet von den Regionen in erpresserischer Manier eine Sezessionsdrohung nach der anderen.

Die Staatsschuldenkrise bedroht den Zusammenhalt der spanischen Nation, weil ein Regionalfürst wie Artur Mas in Katalonien seine eigenen Verfehlungen mit einer halbstarken Spaltungspolitik zu verdecken sucht. Die überraschend vorgezogenen Regionalwahlen werden so zum Referendum über die Loslösung Kataloniens von Madrid.

Für das europäische Existenzproblem gibt es keine einheitliche Deutung

Dramen, die dem spanischen ähneln, spielen sich auch an vielen anderen Orten in Europa ab. Die Krise lässt die Akteure in vermeintlich sichere Gefilde flüchten. Katalanen fühlen sich geborgen in ihrer Region, Südtiroler empfinden die Zumutungen der römischen Regierung als Last, in Deutschland fände der Rauswurf der Griechen aus der Euro-Zone die Unterstützung einer Mehrheit. Europas Nationen wachsen nicht zusammen, Europa zerfällt in Zellen des Egoismus.

Für das europäische Existenzproblem gibt es keine einheitliche Deutung. In zweieinhalb Jahren ist es nicht gelungen, die 17 Staaten der Euro-Gruppe zu einer gemeinsamen Analyse der Ursachen der Krise und einer gemeinsamen Strategie zu deren Bekämpfung zu bewegen. Deswegen bekommt die EZB-Entscheidung vom Sommer über den unbegrenzten Ankauf von Staatsanleihen eine besondere Bedeutung.

Vor der EZB-Offerte blieb den Krisenstaaten kaum eine andere Option, als der deutschen Rettungslogik zu folgen: harte Einschnitte im Budget, Reformen für mehr Wettbewerbsfähigkeit und Abgabe souveräner Rechte an eine europäische Instanz. Leistung und Gegenleistung, Geld gegen Reformen.

Mit der Draghi-Offerte zur Intervention ist dieser bescheidene Konsens aufgeweicht. Die Deutungshoheit über das Kleingedruckte der fundamentalen EU-Ratsbeschlüsse vom 28. Juni ist voll entbrannt: Wer genau kommt in den Genuss der Gelder für die Bankenrettung? Wie viel Bankenaufsicht braucht es, ehe das Geld fließen darf? Kann die EZB nur intervenieren, wenn ein Krisenland zuvor die harten Auflagen des Rettungsschirms akzeptiert hat? Und was passiert, wenn es plötzlich die Auflagen nicht umsetzt - muss sich die EZB dann wieder aus dem Finanzierungsgeschäft zurückziehen?

Hinter den vielen Fragen verbirgt sich eine große Unwucht. **Die EZB hat sich als politischer Spieler in Europa etabliert, sie hat quasi einen neuen Basar geschaffen, auf dem nun fleißig gehandelt wird. Und die Deutschen stellen verwundert fest, dass ihre so scheinbar gefürchtete Macht nicht mehr viel ausrichten kann.** Die Verhältnisse haben sich verschoben. Plötzlich spürt der Gläubiger, dass er in Wahrheit Schwächen hat: Der Schuldner hat nicht mehr viel zu verlieren.

Wie naiv wirken nun die Europa-Enthusiasten

Diese neue Einsamkeit Deutschlands ist messbar. Der Bundesbankpräsident hat sich in seinem Widerstand gegen die Draghi-Entscheidung keine Verbündeten geschaffen, der Finanzminister kungelt lediglich mit den Finnen und Niederländern.

Auf der anderen Seite aber stehen die Krisenationen, die sich der stillen Unterstützung Frankreichs sicher wähnen. **Dessen Präsident François Hollande bleibt in der Krise eine einzige Enttäuschung.** Seine Indifferenz ermöglicht erst, dass sich die Fliehkräfte entwickeln. Sein Reformeifer taugt nicht zum Vorbild.

Wie naiv wirken nun jene Europa-Enthusiasten, die in der Krise den großen Katalysator für eine stärkere Integration sahen, die am liebsten per Volksentscheid nationale Souveränität an einen europäischen Finanzminister oder einen europäischen Sozialstaatskommissar übertragen würden. Niemand stellt freilich die Frage, in welchem Geist diese Integration stattfinden würde.

Entsteht hier ein Gebilde nach deutscher Vorstellung? Wohl nicht

Kann Europa dem deutschen Impuls folgen? Entsteht hier ein Gebilde nach deutscher Vorstellung? Wohl nicht: Hiesige Pläne für eine europäische Finanz- oder Haushaltsordnung wären zumindest derzeit nicht mehrheitsfähig. **Europa ist in seiner Mehrheit südlicher, etatistischer, freigiebiger.** Deutschland würde sich in so einem Europa ausgenutzt fühlen und selbst anfällig werden für die Heilsversprechungen der Isolationisten und Nationalisten.

Nein, dieses Europa ist in der Krise nicht der Hort der Harmonie. **Dieses Europa ist geprägt von sehr unterschiedlichen Mentalitäten.** Nun zeigt sich, wie sehr der Kontinent in seiner Wirtschafts- und Gesellschaftspolitik auseinanderklafft.

Die Enthusiasten schwärmen gerne von der Vielfalt Europas. In dieser Vielfalt steckt aber auch eine Gefahr. Europa kann seine Bürger schnell überfordern. Die Staatskunst der europäischen Lenker besteht nun darin, diese Überforderung zu erkennen und zu vermeiden. **Die Krisenkräfte sind mächtig, und sie können in Windeseile zerstören, was in Jahrzehnten aufgebaut wurde.**

Quelle: (SZ vom 29.09.2012/sana)

EUROPE NEWS

September 29, 2012, 10:51 a.m. ET

Spain Warns of Wider Budget Gap

By [JONATHAN HOUSE](#)

MADRID—The Spanish government Saturday said the effort to clean up an ailing banking system will have a big impact on its finances, widening its budget gap and increasing its debt load.

Budget Minister Cristobal Montoro said the government forecasts its budget deficit will stand at 7.4% of gross domestic product this year. Excluding the impact of measures to help banks to digest a massive pile of toxic real-estate assets, he said Spain will comply with the deficit target of 6.3% of GDP for 2012 it has committed to with the European Union.

The new budget projections come at a time of uncertainty about the country's solvency amid soaring borrowing costs. Many analysts expect the government's effort to lower a budget gap to below the 3%-of-GDP limit for EU countries by 2014 to go off track also because of a deep recession that is pushing the unemployment rate to a record high of almost 25%.

Bank-by-bank Results

In June, the country asked for up to €100 billion (\$128 billion) in aid from the EU to clean up its ailing banking system.

Spanish authorities estimate the country might need around €40 billion of the EU credit line, after an independent audit of the banking system released on Friday showed a capital shortfall of €53.75 billion. But as the country's borrowing costs remain at unsustainable levels, the Spanish government might soon be forced to ask for another bailout to help meet its own financing needs.

Madrid aims to lower its budget deficit to 4.5% of GDP in 2013 and to 2.8% in 2014 after raising taxes and imposing wide-ranging austerity measures.

Mr. Montoro said at a news conference in Parliament to present next year's budget plan that Spain's government aid to its ailing banking system also widened last year's budget deficit to 9.44% of GDP, up from the previously reported 8.96% of GDP.

The government's debt load will also jump this year and next, Mr. Montoro added. Spain's debt-to-GDP ratio will rise to 85.3% in GDP in 2012 and to 90.5% in 2013. Earlier this year, the government forecast a debt-to-GDP ratio of around 80% for this year. In its 2013 budget plan, the government said the sharp debt increase takes into account the up-to-€100 billion EU bailout for the country's banks, Spain's contribution to bailouts for other euro-zone countries and the financing of subsidized electricity tariffs.

Quote of the Day From The Economist's Charlemagne: 'Stitch by Stitch'

Author: [Janet Manley](#) · September 27th, 2012 · [Comments \(2\)](#) Share This Print 9 2

Speaking to ongoing tensions between the Bundesbank, Bundestag and EU, including Germany's implicit discouragement of Spain using the ECB's bailout fund, [The Economist's Charlemagne](#) columnist writes that:

Stitch by stitch, Germany is unravelling the carefully knitted deal that offered the euro zone the best chance yet of overcoming its crisis.

*Following the long-awaited German Constitutional Court ruling that the ECB's ESM could be ratified by parliament, political actors, notably **Jens Weidmann**, have worked to reel in the ECB's possible actions. In Charlemagne's view, Germany is accountable for rising tail-risk in the currency zone:*

Rückfall, the German word for backsliding, is one reason the euro zone is being pushed back into an acute phase of the crisis.

Read the full piece [here](#).

The French budget

One cheer

The Economist Sep 28th 2012, 16:41 by S.P. | PARIS



THE French government has hailed its 2013 budget, unveiled on September 28th, as the “most important effort made for 30 years”. The good news is that it demonstrates a firm commitment by President François Hollande and his Socialist government to keep to its deficit-reduction promises. The less good news lies in the balance of taxes and spending that it uses to get there, its over-optimistic growth assumptions, and the political slight-of-hand in presenting this as a package that soaks only the rich.

First, one cheer for the determination to stick to a reduction of the government’s budget deficit to 3% in 2013. France has not balanced a budget since 1974, and does not enjoy a strong track record in keeping to reduction targets. The trio in charge—Mr Hollande, Jean-Marc Ayrault, his prime minister, and Pierre Moscovici, his finance minister—are all well aware that France’s credibility is on the line. They have each repeatedly stated in recent weeks that the country would do what it takes to keep to its promises. In a televised interview this week, Mr Ayrault described it as a matter of national sovereignty, since it is a means of reducing France’s reliance on the bond markets. In unveiling tax rises and spending cuts totalling €30 billion, Mr Moscovici has shown that France’s Socialist government is serious about fiscal consolidation.

Less satisfactory is the balance of the effort in the 2013 budget: two thirds of the savings are to come from tax increases, and only one third from spending cuts. Mr Moscovici says that, starting in 2014, the balance will shift to 50:50. Yet France is a country where public spending already accounts for 56% of GDP, more than even in Sweden, and where the overall tax take in the economy is considerably higher than in Germany. The €20 billion of tax increases are concentrated on big companies and on the rich. France will bring in a new 45% tax rate for incomes over €150,000 (\$193,000) as well as a top rate of 75% for incomes over €1m. This latter rate, which Jean-Paul Ago, head of the L’Oréal cosmetics giant, this week said would make it “almost impossible” to attract top talent to France, will apply only for the next two years, according to current plans. Education, security and justice are spared the €10 billion of spending cuts. Most of the effort will instead fall on the defence budget, culture, agriculture and the environment.

All this may still not be enough, however, for France to reach the 3% target next year. This is because growth has come to a halt and few economists expect, as the government does, GDP growth in 2013 of 0.8%. The new government has already revised its forecast downwards once. The French economy has now registered three successive quarters without growth. If there is zero growth in 2013, according to the Cour des Comptes, the national audit office, France will need to make overall budget savings of €44 billion. This would require either extra measures next year—or a plea for more time.

Speaking on prime-time television, Mr Ayrault insisted this week that his 2013 budget spares the middle-classes and the less well-off: the only ones who lose out, he said, are the richest 10%. It is certainly true that, in

terms of income tax, the burden falls wholly on the rich. Yet Mr Ayrault may be stoking up problems by himself with such claims. For the French know full well that other measures in the budget hit everybody, including increases in taxes on cigarettes and beer, and that the government has already voted an end to tax-free overtime, which directly affects the squeezed middle. In this budget, the new government has shown a certain resolve. But, in failing to be totally straight with voters upfront, Mr Ayrault may find it even harder to confront them with more bad news further down the line.

NYT September 28, 2012

New French Budget Focuses on Slicing Deficit

By [STEVEN ERLANGER](#)

PARIS — President [François Hollande](#), a Socialist who was elected this year on a pro-growth platform, presented a budget on Friday that would produce the biggest cut in the public deficit in 30 years while raising the top rate for the wealthiest taxpayers to 75 percent from the current 41 percent.

The budget, which will be presented to Parliament next month, is intended to bring [France](#)'s annual deficit to 3 percent of gross domestic product in 2013, down from 4.5 percent this year, in line with promises both to Brussels and to the markets. It places heavy emphasis on austerity measures, raising new revenues through increased corporate and personal taxes, and freezing total government spending.

Prime Minister Jean-Marc Ayrault on Friday called it “a combat budget for the recovery of the country.” But he insisted that the burden would fall mainly on corporations, already anxious about worsening French competitiveness, and on the relatively well-off. He said that “90 percent of the French who pay income tax, with unchanged incomes, will not be taxed more.”

Mr. Hollande made a point during his campaign that policies of undiluted “austerity” should be modified by a push for economic growth. He demanded the renegotiation of a European Union agreement to enshrine debt limits into the law and to punish governments that break mandated limits on annual budget deficits and cumulative debt.

In the end, he had to be satisfied with another parallel and more modest agreement on growth. And in this budget, Mr. Hollande and his finance minister, Pierre Moscovici, are making it clear that France will stick to its promises of debt reduction, even with lower growth estimates, in order to keep the trust of the market that buys French bonds.

They are doing so by raising taxes on corporations, the rich and the middle class and freezing public spending, though not cutting it. Spain and Italy have been under pressure from the markets, being forced to pay interest rates approaching 6 percent, but France has been treated as an exception, paying rates that are closer to Germany's 1 percent to 2 percent than to Italy's.

The Hollande government, though internally divided about how to do it, intends to keep it that way, since the lower rates have meant a significant budget savings. Every 0.1 percent rise in French yields, Mr. Moscovici has said, costs France about \$260 million annually, with a total debt projected to rise nonetheless to 91.3 percent of gross domestic product.

Mr. Hollande has further promised to balance the budget by the end of his five-year term, but according to figures released today, he will not make it.

After raising about \$9 billion in new taxes and modest cuts this year, with France's growth flat, Mr. Hollande had to find an additional \$39 billion in this 2013 budget to hit the 3 percent goal. The total could go up if France's growth, estimated at 0.8 percent of gross domestic product in 2013, continues to slip and unemployment, which has risen for 16 straight months and is now around 10 percent, continues to climb. Most analysts forecast a lower growth rate of 0.5 percent or even 0.3 percent, which will mean that the government would miss the 3 percent target.

Business and consumer confidence is down, and there is no indication that the crisis has peaked. The economy has had three consecutive quarters of zero growth, which will not be helped by the higher taxes Mr. Hollande is

proposing. And Mr. Hollande's personal popularity is down sharply in the four months since he narrowly beat Nicolas Sarkozy to become the first French Socialist president since François Mitterrand.

Mr. Hollande's problem is that in the middle of the euro crisis and flat growth, with pressure from Brussels and the markets, it is hard to live up to the hopes of his voters for the traditionally Socialist cure of higher public spending.

Mr. Hollande's budget finds the extra \$39 billion by raising French taxes still further, upsetting businessmen and the middle class. About \$13 billion will come from new taxes on corporations and an additional \$10 billion from new income taxes, including a new higher rate of 45 percent on incomes over \$193,000 and a controversial, largely symbolic and supposedly temporary wealth tax of 75 percent on earnings of over \$1.3 million. Those higher taxes, too, have been criticized by business leaders as a large disincentive for talented people to work in France, criticisms echoed by the opposition center-right parties.

Under the new budget, normal tax brackets will not rise with inflation. Capital gains will be taxed like ordinary income and various tax breaks will be removed, including a limit on the wealth tax.

Another \$13 billion is to come from a freeze in public spending, with ministries required to make some cuts to keep the overall state budget the same, adjusting for inflation.

By this method, Mr. Hollande has argued, France is avoiding austerity and its impact on ordinary people, instead putting the burden on corporations and those who can best afford it. But critics like the economist Nicolas Baverez have argued that the Socialist government is simply putting off a day of reckoning with a bloated public sector that still accounts for 56 percent of gross domestic product.


"I don't want a policy of austerity, hitting salaries, weakening the state and turning it into a pauper," said Mr. Moscovici, the finance minister. He has said that more spending cuts will need to come in future years, especially to meet the goal of a balanced budget by 2017. But the government is counting on renewed growth to help shrink the deficit, presuming 2 percent growth in 2014, 2015 and 2016, which may be overly optimistic.

Mr. Hollande campaigned on a budget savings to come half from new taxes and half from spending cuts. He is clearly front-loading the taxes, which may give him more leeway when and if growth picks up again.

The 3 percent goal is important, since Spain, even after the tough budget it announced Thursday, foresees a deficit of 4.5 percent in 2012. The United States and Britain, by contrast, with their own central banks, will have projected deficits of 6.3 and 6.6 percent respectively.

Scott Sayare contributed reporting.

Marseille : ils ont chassé des Roms et s'en expliquent

Par  Alette de Broqua Mis à jour le 28/09/2012 à 23:16 | publié le 28/09/2012 à 21:57 [Réactions](#) (72)



Jeudi soir, durant l'incendie d'un camp de Roms provoqué par des riverains de la cité des Créneaux, à Marseille. Crédits photo : GARRO Thierry/PHOTOPQR/LA PROVENCE

Vols, incivilités... Les riverains qui les ont contraints à quitter leur campement racontent.

Marseille

Le lieu semble au bout du monde: une cité HLM en cours de démolition au fond d'une petite vallée des quartiers nord, presque à la fin d'un chemin se terminant au cimetière des Aygalades, en contrebas de l'autoroute nord. Dans ce coin décrit par les habitants comme tranquille, une trentaine de riverains n'ont pas supporté l'installation d'un camp illégal de Roms sur le terrain laissé vacant par la démolition de trois des tours de la cité des Créneaux. [Ils ont chassé eux-mêmes jeudi soir la quarantaine d'adultes et la quinzaine d'enfants roms](#) qui s'y étaient installés quatre jours auparavant avec voitures, caravanes et tout un enchevêtrement de meubles, matelas, objets divers...

La cité des Créneaux fait partie du programme de l'agence de rénovation urbaine. Il ne reste plus qu'un seul appartement occupé par trois frères handicapés. Ces derniers refusent le logement proposé par la Logirem, le bailleur social, et l'empêchent donc de démolir l'ultime tour de cette cité construite dans les années 1970 pour loger des immigrants maghrébins qui vivaient dans des bidonvilles.

«Nous avons tous été chassés alors qu'on ne voulait pas quitter notre cité. C'est pas pour que des Roms viennent tout pourrir», s'insurge Rachid, 50 ans, l'un des trois frères habitant encore les Créneaux. «Dès qu'ils sont arrivés, on leur a dit que s'ils se tenaient bien il n'y aurait pas de problème», poursuit Rachid. «Mais comme par hasard, il y a eu des vols. Ma cave a été cassée et mon vélo et mes caisses à outils, volés. Ils ont également fracturé les tôles mises sur les fenêtres au premier étage et se sont introduits dans la tour.»

Les problèmes ne se sont pas limités aux Créneaux. «Ils sont passés par-dessus les grillages et ont tout massacré à l'intérieur laissant un désordre pas possible», renchérit Gilles, la trentaine, qui travaille à la déchetterie toute proche. «Je n'habite pas le quartier mais je suis solidaire. Quand on a vu comment ça se passait, on s'est réuni entre voisins et on a décidé de leur demander de partir. On y est allé à une trentaine», ajoute-t-il. Leur détermination et leur nombre ont visiblement été efficaces. Étaient-ils armés? Ils le réfutent. «On est allés les voir trois fois de suite et on était prêts à revenir encore s'ils ne partaient pas. Ils ont compris qu'on ne se laisserait pas faire», explique Kamel qui est né aux Créneaux mais n'habite plus le quartier. «Je suis ami avec Rachid, je suis venu lui prêter main-forte pour faire partir les Roms.» Ces derniers seraient partis vers la cité Bassens, une autre cité des quartiers nord... «Là-bas, il n'y a pas de diplomatie!», prévient Kamel.

«Pendant les quatre jours où ils ont été là, ils ont fait comme s'ils étaient chez eux. Comme par hasard, il y a eu plusieurs cambriolages. Moi j'ai été cambriolé. Je ne sais pas si c'est eux mais on m'a volé ma télé et ma machine à laver», raconte Hakim, qui habite une maison dans une petite rue au-dessus de la cité. Fonctionnaire de la ville, il est né dans cette cité mais ses parents l'ont quittée quand ils ont acheté cette maison il y a vingt ans. Alors, il n'a pas hésité quand ses amis des Créneaux ont décidé de monter leur opération commando.

Tranquillité retrouvée

La police appelée en renfort n'a pu que constater le départ des Roms, qui s'est passé selon elle «sans incidents». Aucune interpellation n'a eu lieu «en l'absence de violence physique». Après le départ des forces de l'ordre, les riverains ont toutefois mis le feu au bazar laissé sur place. Vendredi à mi-journée, le quartier semblait avoir retrouvé sa tranquillité. Et les services de la mairie achevaient d'emporter les détritrus, vieilles chaises, meubles bancals, bonbonnes de gaz et autres matelas que les Roms avaient abandonnés lors de leur fuite et que les riverains n'avaient pas brûlé. À quelques centaines de mètres, les enfants de l'école privée Notre-Dame-de-la-Viste s'égaillaient sur la place. «Franchement, ils ont bien fait!», lâchait Benjamin, 16 ans, élève de terminale, qui a grandi dans le quartier et qui était un des rares à savoir ce qui s'était passé la veille.

Frankreich macht mit Steuererhöhungen ernst

Präsident François Hollande hält am Abbau der Neuverschuldung fest. Zahlen sollen Wohlhabende und große Unternehmen. Die Opposition beklagt den Reformstau.

chs. PARIS, 28. September. Auf die Franzosen kommt eine Welle von Steuererhöhungen zu. Die Regierung sieht in ihrem am Freitag vorgelegten Haushaltsplan für 2013 Mehrbelastungen von rund 20 Milliarden Euro vor, die zu gleichen Anteilen wohlhabende Bürger und große Unternehmen treffen werden. Etliche Belastungen erreichen aber auch die Mittelklasse. Die Kürzungen der staatlichen Ausgaben fallen dagegen geringer aus: Mit etwa 10 Milliarden Euro sorgen sie für ein Drittel der Haushaltskonsolidierung. Der Anteil ist noch geringer, wenn man die im Juli beschlossenen Steuererhöhungen von 11 Milliarden Euro hinzurechnet.

Premierminister Jean-Marc Ayrault sprach von einem „Budget des Kampfes“ gegen die Staatsverschuldung, das die Lasten gerecht verteile. Von 2014 an würde die Haushaltskonsolidierung stärker auf Ausgabenkürzungen orientiert. Nur einer von zehn Steuerpflichtigen werde im kommenden Jahr von den Erhöhungen getroffen, behauptete Ayrault und erntete dafür die Kritik der Oppositionsparteien. Der frühere Haushaltsminister Eric Woerth wollte diesem Kalkül keinen Glauben schenken. Das konservative Lager bemängelte, dass die Regierung die Staatsausgaben nicht stärker kürze. Nach Angaben unabhängiger Ökonomen sind die Steuern und Sozialabgaben für die Franzosen einschließlich der Maßnahmen aus der Endphase von Präsident Sarkozy in drei Jahren um mehr als 50 Milliarden Euro gestiegen.

Durch die nun beschlossenen Anstrengungen soll Frankreichs Neuverschuldung im kommenden Jahr von 4,5 auf 3 Prozent des Bruttoinlandsproduktes (BIP) sinken. Bis 2017 werde das Defizit auf 0,3 Prozent fallen, was eine kleine Abweichung von den bisher versprochenen null Prozent darstellt. Der Rechnung liegt dabei eine Prognose zugrunde, die unter Ökonomen als optimistisch gilt: 2013 soll die französische Wirtschaft um 0,8 Prozent und in den Folgejahren bis 2017 um jeweils 2 Prozent wachsen.

Zu den Mehrbelastungen des kommenden Jahres gehört der neue Spitzensatz der Einkommensteuer von 75 Prozent von einer Million Euro Einkommen an. Zudem führt die Regierung oberhalb des alten Spitzensteuersatzes von 41 Prozent einen neuen Steuersatz von 45 Prozent für Einkommen ab 150 000 Euro je Haushaltsmitglied ein. Kapitaleinkommen werden obendrein künftig wie Arbeitseinkommen versteuert, so dass Spitzenverdiener einen Steuersatz von mehr als 60 Prozent auf Zinseinkünfte erreichen können (unter Einschluss der Sozialsteuer CSG). Damit die Steuerlast nicht verfassungsrechtlich als Enteignung angegriffen werden kann, setzt die Regierung für die Gesamtbelastung aus Einkommen- und Vermögensteuer eine Obergrenze von 75 Prozent der Einkünfte fest. Politische Beobachter halten es für möglich, dass diese Grenze im Parlament noch angehoben werden könnte.

Die Neuverschuldung verringert sich im kommenden Jahr zwar, doch sie treibt den Schuldenstand Frankreichs von 89,9 auf 91,3 Prozent des BIP. Ein Schuldenabbau ist nach Angaben der Regierung erst von 2014 an möglich. Von den mehr als 1800 Milliarden Euro Staatsschulden entfallen knapp 62 Milliarden Euro auf die Einzahlung in die verschiedenen Euro-Rettungsfonds. Bei den Staatsausgaben ist die Zinslast trotz der gesunkenen Kosten für Staatsanleihen abermals der größte Posten vor den Ausgaben für Bildung. Die Zahl der Beamten von rund 5 Millionen soll im kommenden Jahr stabil bleiben. Den Neueinstellungen in den als vorrangig erachteten Ministerien Bildung, Justiz und innere Sicherheit stehen daher Streichungen von 12 300 Stellen in anderen Ministerien gegenüber.

Der frühere Finanzminister Jean Arthuis warf der Regierung vor, zu wenig für die Wettbewerbsfähigkeit der Wirtschaft zu tun. Die Sozialabgaben auf Arbeitsplätze müssten verringert und im Gegenzug die Mehrwertsteuer angehoben werden.

Eurozone crisis

Federalism or death!

28 September 2012

[Le Point](#) Paris

For French philosopher Bernard-Henri Lévy, Europe has no option but advance towards the simple goal of political union. If not, the euro will die.

[Bernard-Henri Lévy](#)

If there is no political Europe, the euro will die.

This death could take many forms and there may be many detours along the way.

It could be an explosion, an implosion, a slow death, a dissolution, or a division.

It could take two, three, five, ten years, and be preceded by a large number of remissions, which, on each occasion, give the impression that the worst has been avoided.

The trigger event might be the collapse of Greece, bludgeoned by austerity plans that are impossible to implement and unbearable for the people, or it might be sparked by some court of Karlsruhe that will refuse, in the name of Germany, to take on the unlimited risk prompted by the default of a member state.

But it will die. One way or another, if nothing happens, it will die. This is no longer a hypothesis, a vague fear, a red rag waved in the face of recalcitrant Europeans. It is a certainty. And this certainty is not only a logical deduction (that takes account of the absurd chimera of an abstract single currency cut adrift from economies, resources, and common taxation if things stay as they are) but also a historical one (all the situations over the last two centuries that are reminiscent of the crisis we are currently experiencing).

For the euro is not the West's first experiment with a single currency. There have been at least six such initiatives, and although, as always, the different situations are not comparable, a narrative of these experiments is rich in instruction.

Two of them clearly failed, and they failed for reasons ranging from national egotism to disparities in development between countries, which could not, without union, speak the same monetary language (and in the first of these cases, the key episode was a default by none other than... Greece!). These two long-forgotten initiatives were the Latin Monetary Union (1865-1927) and the Scandinavian Monetary Union (1873-1914).

Two quickly and clearly succeeded – and if in both instances they succeeded, it was because the process of monetary union was accompanied by political union. This was the case of the Swiss franc, which, with the adoption of the 1848 constitution that founded the Swiss Confederation after half a century of hemming and hawing over the political price of economic union, replaced the different currencies until then minted by Switzerland's various cities, cantons and territories. And it was also the victorious lira that triumphed, at the moment of Italian unification, over a myriad of currencies indexed on the coinage of German states, on the French franc, on Italy's duchies and ancient republics.

Having groped in the dark, having retreated, having nearly failed, two thus succeeded. Yes, two invented a veritable single currency, but only after a thousand crises, setbacks, temporary repeals; and thanks to courageous leaders, who understood that a currency can only exist if sustained by truly common policies on budgets, taxation, the allocation of resources, labour laws, and all of the rules of the social game.

This is the story of the Deutschmark, which prevailed, almost 40 years after the Zollverein of 1834, over the florins, thalers, Kronenthalers and other marks of the Hanseatic cities; and it is also the story of the dollar, which – and we cannot say this enough – took 120 years to establish itself, and only truly came of age when it was decided to federalise the debt of the individual states of the Union.

The theorem is ineluctable.

Without federation, no single currency.

Without political unity, the currency will last for a few decades, and then, in the event of a war or a crisis, will crumble.

Without progress, in other words, towards the political integration identified as an obligation in every European treaty, but which no political leader, whether in France or Germany, appears to take seriously; without the surrender of competencies by nation states and an outright defeat of the "sovereignists" who in reality are pushing peoples towards isolation and disaster, the euro will fall apart just as surely as the dollar would have done if the Confederate forces, for example, had won the American Civil War.

In days gone by, people used to say socialism or barbarism.

Today we must say: political union or barbarism.

Or better still: federalism or fragmentation – and with fragmentation, social regression, job insecurity, massive unemployment and poverty.

Or better still: Europe will either achieve the political integration without which no common currency has ever endured, or it will step out of history and sink into chaos.

We no longer have a choice: it is either political union or death.

All the rest – the ritual incantations of some, the short-term deals of the other, the solidarity fund thingy and stabilisation bank gizmo – will only serve to delay the moment of truth and prolong the illusion that the dying patient can still recover.

Translated from the French by **Mark McGovern**

Quote of the Day From The Economist's Charlemagne: 'Stitch by Stitch'

Author: [Janet Manley](#) · September 27th, 2012 · [Comments \(2\)](#) Share This Print 9 0

Speaking to ongoing tensions between the Bundesbank, Bundestag and EU, including Germany's implicit discouragement of Spain using the ECB's bailout fund, [The Economist's Charlemagne](#) columnist writes that:

Stitch by stitch, Germany is unravelling the carefully knitted deal that offered the euro zone the best chance yet of overcoming its crisis.

Following the long-awaited German Constitutional Court ruling that the ECB's ESM could be ratified by parliament, political actors, notably Jens Weidmann, have worked to reel in the ECB's possible actions. In Charlemagne's view, Germany is accountable for rising tail-risk in the currency zone:

Rückfall, the German word for backsliding, is one reason the euro zone is being pushed back into an acute phase of the crisis.

Read the full piece [here](#).

NYT September 27, 2012

Europe's Austerity Madness

By PAUL KRUGMAN

So much for complacency. Just a few days ago, the conventional wisdom was that Europe finally had things under control. The European Central Bank, by promising to buy the bonds of troubled governments if necessary, had soothed markets. All that debtor nations had to do, the story went, was agree to more and deeper austerity — the condition for central bank loans — and all would be well.

But the purveyors of conventional wisdom forgot that people were involved. Suddenly, Spain and Greece are being racked by strikes and huge demonstrations. The public in these countries is, in effect, saying that it has reached its limit: With unemployment at Great Depression levels and with erstwhile [middle-class workers reduced to picking through garbage in search of food](#), austerity has already gone too far. And this means that there may not be a deal after all.

Much commentary suggests that the citizens of Spain and Greece are just delaying the inevitable, protesting against sacrifices that must, in fact, be made. But the truth is that the protesters are right. More austerity serves no useful purpose; the truly irrational players here are the allegedly serious politicians and officials demanding ever more pain.

Consider Spain's woes. What is the real economic problem? Basically, Spain is suffering the hangover from a huge housing bubble, which caused both an economic boom and a period of inflation that left Spanish industry uncompetitive with the rest of Europe. When the bubble burst, Spain was left with the difficult problem of regaining competitiveness, a painful process that will take years. Unless Spain leaves the euro — a step nobody wants to take — it is condemned to years of high unemployment.

But this arguably inevitable suffering is being greatly magnified by harsh spending cuts; and these spending cuts are a case of inflicting pain for the sake of inflicting pain.

First of all, Spain didn't get into trouble because its government was profligate. On the contrary, on the eve of the crisis, [Spain actually had a budget surplus and low debt](#). Large deficits emerged when the economy tanked, taking revenues with it, but, even so, Spain doesn't appear to have all that high a debt burden.

It's true that Spain is now having trouble borrowing to finance its deficits. That trouble is, however, mainly because of fears about the nation's broader difficulties — not least the fear of political turmoil in the face of very high unemployment. And shaving a few points off the budget deficit won't resolve those fears. In fact, [research by the International Monetary Fund suggests](#) that spending cuts in deeply depressed economies may actually reduce investor confidence because they accelerate the pace of economic decline.

In other words, the straight economics of the situation suggests that Spain doesn't need more austerity. It shouldn't throw a party, and, in fact, it probably has no alternative (short of euro exit) to a protracted period of hard times. But savage cuts to essential public services, to aid to the needy, and so on actually hurt the country's prospects for successful adjustment.

Why, then, are there demands for ever more pain?

Part of the explanation is that in Europe, as in America, far too many Very Serious People have been taken in by the cult of austerity, by the belief that budget deficits, not mass unemployment, are the clear and present danger, and that deficit reduction will somehow solve a problem brought on by private sector excess.

Beyond that, a significant part of public opinion in Europe's core — above all, in Germany — is deeply committed to a false view of the situation. Talk to German officials and they will portray the euro crisis as a

morality play, a tale of countries that lived high and now face the inevitable reckoning. Never mind the fact that this isn't at all what happened — and the equally inconvenient fact that German banks played a large role in inflating Spain's housing bubble. Sin and its consequences is their story, and they're sticking to it.

Worse yet, this is also what many German voters believe, largely because it's what politicians have told them. And fear of a backlash from voters who believe, wrongly, that they're being put on the hook for the consequences of southern European irresponsibility leaves German politicians unwilling to approve essential emergency lending to Spain and other troubled nations unless the borrowers are punished first.

Of course, that's not the way these demands are portrayed. But that's what it really comes down to. And it's long past time to put an end to this cruel nonsense.

If Germany really wants to save the euro, it should let the European Central Bank do what's necessary to rescue the debtor nations — and it should do so without demanding more pointless pain.

NYT September 28, 2012

Hollande's New Budget Focuses on Cutting France's Deficit

By [STEVEN ERLANGER](#)

PARIS — President [François Hollande](#), a Socialist who won election this year on a pro-growth platform, presented a budget on Friday that would produce the biggest cut in the public deficit in 30 years while raising the top rate for the wealthiest taxpayers to 75 percent.

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In the end, he had to be satisfied with another, parallel and more modest agreement on growth. And in this budget, Mr. Hollande and his finance minister, Pierre Moscovici, are making it clear that France will stick to its promises of debt reduction, even with lower growth estimates, in order to keep the trust of the market that buys French bonds.

They are doing so by raising taxes on corporations, the rich and the middle class and freezing public spending, though not cutting it. Spain and Italy have been under pressure from the markets, being forced to pay interest rates approaching 6 percent, but France has been treated as an exception, paying rates that are closer to Germany's 1 percent to 2 percent than to Italy's.

The Hollande government, though internally divided about how to do it, intends to keep it that way, since the lower rates have meant a significant budget savings. Every 0.1 percent rise in French yields, Mr. Moscovici has said, costs France about \$260 million annually, with a total debt projected to rise nonetheless to 91.3 percent of gross domestic product.

Mr. Hollande has further promised to balance the budget by the end of his five-year term, but according to figures released today, will not make it.

After raising about \$9 billion in new taxes and modest cuts this year, with France's growth flat, Mr. Hollande had to find an additional \$39 billion in this 2013 budget to hit the 3 percent goal. The total could go up if France's growth, estimated at 0.8 percent of G.D.P. in 2013, continues to slip and unemployment, which has risen for 16 straight months and is now about 10 percent, continues to climb. Most analysts, including those at Barclays Research, forecast a lower growth rate of 0.5 percent or even 0.3 percent, which will mean that the government would miss the 3 percent target.

Business and consumer confidence is down, and there is no indication that the crisis has peaked. The economy has had three consecutive quarters of zero growth, which will not be helped by the higher taxes Mr. Hollande is

proposing. And Mr. Hollande's personal popularity is down sharply in the four months since he narrowly beat Nicolas Sarkozy to become the first French Socialist president since François Mitterrand.

Mr. Hollande's problem is that in the middle of the euro crisis and flat growth, with pressure from Brussels and the markets, it is hard to live up to the hopes of his voters for the traditionally Socialist cure of higher public spending.

Mr. Hollande's budget finds the extra \$39 billion by raising French taxes still further, upsetting businessmen and the middle class. Some \$13 billion will come from new taxes on corporations and another 10 billion from new income taxes, including a new higher rate of 45 percent on incomes over \$193,000 and a controversial, largely symbolic and supposedly temporary wealth tax of 75 percent on earnings of over \$1.3 million. Those higher taxes, too, have been criticized by business leaders as a large disincentive for talented people to work in France, criticisms echoed by the opposition center-right parties.

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Another \$13 billion is to come from a freeze in public spending — with ministries required to make some cuts to keep the overall state budget the same, adjusting for inflation. Some departments will take a major hit, like Defense, in order to provide more money to keep campaign promises, for example, to hire more teachers and policemen.

By this method, Mr. Hollande has argued, France is avoiding austerity and its impact on ordinary people, instead putting the burden on corporations and those who can best afford it. But critics like economist Nicolas Baverez have argued that the Socialist government is simply putting off a day of reckoning with a bloated public sector that still accounts for 56 percent of G.D.P.

"I don't want a policy of austerity, hitting salaries, weakening the state and turning it into a pauper," Mr. Moscovici said. He has said that more spending cuts will need to come in future years, especially to meet the goal of a balanced budget by 2017. But the government is counting on renewed growth to help shrink the deficit, presuming 2 percent growth in 2014, 2015 and 2016, which may be overly optimistic.

Mr. Hollande campaigned on a budget savings to come half from new taxes and half from spending cuts. He is clearly frontloading the taxes, which may give him more leeway when and if growth picks up again.

The 3 percent goal is important, since Spain, even after the tough budget it announced on Thursday, foresees a deficit of 4.5 percent in 2012. The United States and Britain, by contrast, with their own central banks, will have projected deficits of 6.3 and 6.6 percent respectively.

Scott Sayare contributed reporting.

09/28/2012 06:08 PM

The New Germans

Immigrant Children's Complicated Search for Identity

By [Daryl Lindsey](#)

One thing unites Khuê Pham, Özlem Topçu and Alice Bota: They are German citizens and the children of migrants in a country that has long struggled to define its relationship with foreigners. In an interview with SPIEGEL ONLINE, they describe the alienation of being first-generation Germans, but also their new role as their home becomes more cosmopolitan.

Starting in the late 1800s, mass migration became the norm in America, with Ellis Island serving as the point of entry to millions coming from Germany and other European countries to the United States. The wave of migrants transformed the United States into a nation of immigration. For decades now, that multicultural identity has become something that people take for granted -- and it is increasingly reflected in all strata of society.

Over the past 50 years, Germany has ceased to be a country of mass exodus. Instead, it has experienced the first influx of immigrants in its history. After the signing of a labor recruitment agreement between West Germany and Turkey in 1961, millions of *Gastarbeiter*, or guest workers, were invited to come to help rebuild the country after the war and fuel its economic miracle. The idea originally had been that workers from Turkey and Southern Europe would come to Germany, work, save money and then leave the country after a certain period. But many put down roots, with tens of thousands staying to raise families. Along with the guest workers, immigrants from other countries like Poland, Russia and Vietnam also came to Germany.

A half century later, these immigrants have changed the face of Germany. Today there are 16 million residents who are either immigrants or their children, representing almost 20 percent of Germany's population of 82 million. Among those living in the country under the age of 25, one-quarter have foreign roots. More than half hold German passports, and the only things that differentiate them from other Germans are, at times, their appearance and family background. The country of Grimm's Fairy Tales, lederhosen and Cuckoo clocks has also become home to the Turkish döner kebab and Vietnamese Phó. Germany's new diversity can be found in the furthest reaches of the country.

While the country may be home to two museums documenting the exodus of ethnic Germans to the United States a century ago, it doesn't have anything like Ellis Island commemorating the men and women who have left their homelands to establish new lives here. At best, the relationship ethnic Germans have with immigrants has been an ambivalent one. Citizenship in the country was based on blood until 2000. In the United States and Britain, where citizenship is a birthright, no one questions the fact that the countries have become melting pots. In Germany, however, people seem to have trouble accepting the fact that it became an immigrant nation long ago.

'The Boat Is Full' Mentality

Very often Germans complain of the same immigration-related problems that one hears in the United States -- high school dropout rates are higher among immigrant students, crime is often linked to immigrants or they are accused of refusing to [integrate](#) into mainstream German society. But there is a key difference in Germany. Although many of the country's larger cities, like Berlin, Hamburg and Munich, are becoming increasingly cosmopolitan, few speak of the possibility of any kind of melting-pot culture and many are resistant to the idea of a multicultural country. A prominent study on German views published in 2012 found that 47.1 percent of

those surveyed believed that too many foreigners live in Germany. A 2009 study found that 46 percent of Germans agreed there are "too many Muslims" in the country.

Politicians -- and not just conservatives -- have not been shy about fueling such sentiments with populist catchphrases that were at times insensitive, and others even bordered on racist. When Germany debated launching its own green card program to attract foreign IT workers in 2001, Jürgen Rüttgers, a candidate with the conservative Christian Democratic Union (CDU) for governor in the state of North-Rhine Westphalia made national headlines with his call for "*Kinder statt Inder*," or "Children Instead of Indians." During his re-election campaign as governor of Hesse in 2007, Roland Koch complained of "criminal young foreigners." After the publication of an anti-immigrant and Muslim tirade in 2010 by [Thilo Sarrazin](#), a former board member of the German central bank with the center-left Social Democrats, conservative Chancellor Angela Merkel, who is often criticized for pushing her party to the left, offered her own contribution to the debate: She claimed that multiculturalism in Germany had "failed utterly." The same year, Horst Seehofer, the head of the Christian Social Union party, which shares power in Merkel's government, claimed that Germany is not a country of immigration. The subtext has always been that Germany has Christian roots and anything else must remain at the periphery -- or, even better, outside its borders.

But that's only one view of the dramatic demographic transformation Germany has undergone since the 1960s. In their new book "*Wir Neuen Deutschen*," or "We New Germans," three political reporters at the respected German weekly *Die Zeit* share their own experiences as children of immigrants who have gone to college and found success in society. In the book, they write of their hybrid identities in a country where a certain stigma is still attached to immigrants. The parents of Özlem Topçu moved from Turkey to Germany, where they worked in a factory in Flensburg and raised their children. Alice Bota's parents moved to Germany from Poland shortly before the fall of the Iron Curtain, a time when stereotypes about Poles as car thieves could still be heard in living rooms. And Khuê Pham's came from Vietnam to study German at the Goethe Institute in Germany, where she met her Vietnamese husband, a doctor, and settled down to raise a family.

'Our Germany' or 'Your Germany?'

"We New Germans" describes a latent feeling of exclusion or alienation that still accompanies many children of immigrants who have grown up in Germany, attended its schools, are citizens and can navigate the language and culture as well as any "traditional" German. These three writers have risen from the margins to the center of German society and still feel this sense of not entirely fitting in. The impetus for the book, they write, was a "feeling of anger" they shared over living in "a society in whose self-image we do not exist. And over the fact that we are a part of a change (in society) that most would prefer to suppress. And over the fact that we don't know whether we should call this country 'our Germany' or 'your Germany'."

Rather than a damnation of Germany society, the book is packed with endearing anecdotes of growing up as the children of immigrants, and also chronicles the experiences of their parents. Rather than fighting back in the populist rhetoric of a Thilo Sarrazin, the authors appeal to Germans to become more open to a multicultural society that has already been a reality in Germany for decades. With a shrinking population that is no less than a demographic time bomb, they argue, the country must learn to love its immigrants if it wants to maintain its status as an export world champion.

In an exclusive excerpt from their book and interview with SPIEGEL ONLINE, Özlem, Bota and Pham share their experiences as "New Germans."

SPIEGEL ONLINE: Why did you decide to call the book, "We New Germans"?

Khuê Pham: Twenty percent of the people who live in Germany today come from immigrant families -- and that figure is growing. We wanted to point out there is always a tone of fear in discussions about integration -- talk of "criminal foreigners," high-school dropouts and immigrants who refuse to become a part of society. We wanted to counter those messages by peering into the future and showing that Germany is changing.

SPIEGEL ONLINE: Politicians and the media often refer even to second-generation Germans as people with "immigrant backgrounds." How do you feel about this choice of words?

Alice Bota: It came about because people wanted to be able to differentiate between "foreigners" and "non-foreigners," and this phrase was intended to show there is something in-between. The term wasn't originally intended to exclude people, but the it is often used in a negative context in the media -- especially in reporting on crime. "Immigrant background" is often followed by additional details -- that the perpetrator was Lebanese or German of Lebanese descent, for example. It ultimately has an excluding effect.

SPIEGEL ONLINE: What would you propose instead?

Bota: *Neue Deutsche*, or New Germans.

Özlem Topçu: Some say, "I am German," but I think that is a minority. I prefer to say I'm "German-Turkish." "Immigrant background" doesn't say much about people and it's a term that could be applied to generation after generation.

SPIEGEL ONLINE: Despite the fact that you were born in Germany, or at least grew up here, you write that at some point in your lives you felt excluded in some way from society.

Pham: For example, when I tell people I was born here, they still ask where I came from. They sometimes have a hard time believing I am German. So they want to know where my parents came from.

Topçu: When you rise in society and begin making demands, you start feeling alienated. I write a lot about Muslims and immigrant issues. My writing often stirs up strong reactions. I get a lot of hate mail and I also keep copies of it. Very often the writers aren't nutcases, but people who are afraid of change. The more visible you are, the more you get attacked. Nevertheless, these hate mails aren't pleasant for me, though they come from a minority of people.

SPIEGEL ONLINE: Ms. Topcu, your parents came to Germany as guest workers. Years later, some people still think the laborers who came to help rebuild Germany during the 1950s and 1960s should return to their countries of origin. You write that on the day of your mother's retirement from the factory a colleague asked if she planned to return to Turkey.

Topçu: I first found out about this while interviewing my mother for this book. It made me really angry. How could a person ask this question to a colleague with whom they had worked for 35 years?

SPIEGEL ONLINE: Have you ever been confronted with similar questions?

Topçu: No, but I do get a lot of questions about how things are "back home." By that they are not referring to Flensburg, where I grew up, but to Turkey. Questions like, "Are headscarves an issue in Istanbul?"

SPIEGEL ONLINE: You all traveled to the countries of your parents' origin as children. Could you imagine living there now?

Bota: No way! Poland may be going through a major transformation right now -- it is becoming more European -- but it is still very conservative. I'm 32 now, most people my age have children and an apartment with a mortgage. I have chosen a different path. I speak the language fluently, but I make many mistakes. I could imagine working there as a correspondent for some time, but I don't belong to Polish society anymore. My home is Germany.

Topçu: My situation is different. My parents spoke Turkish with us at home and I often spent time in Turkey with my family. We complained about those trips as children, but we had close family ties there that have been brought closer today by the Internet. I could imagine living in Turkey for a while, but I would want to come back to Germany soon.

Pham: The last time I traveled to Vietnam, a few young members of the Communist Party asked me if I would consider moving there to help rebuild the country. For me it would be very difficult -- and not only because I am not good at the language. It's also a question of a culture that is very different. Women have a very different

position in society in Vietnam and can't do the kinds of things that are self-evident here. There are many things that I really like there, but I am too Western to fit in.

SPIEGEL ONLINE: Ms. Bota, you wrote that you get very upset about the "high price" you had to pay to integrate in Germany.

Bota: We had to deny our Polish heritage in order to become German as quickly as possible. During my childhood, many Germans still had negative views of Poland and I wanted to have nothing to do with it. At home, my parents spoke Polish, but I spoke back to them in German. German officials changed my name: from Alicja to Alice. Within a year, I learned to speak German without an accent. Many years later, at the age of 16, I went to the United States for a year as an exchange student. Being Polish didn't carry the same baggage there as it did in Germany. People just said, "Oh, great!" That was totally new to me. It was an important step that led me to decide to reclaim my second half, my Polish identity.

SPIEGEL ONLINE: Ms. Topçu, you write that the issue of racism was never really addressed during your childhood until a string of deadly attacks against Turkish immigrants in Germany during the 1990s.

Özlem: That was the first time it became clear to me who the target was: us, the foreigners. We had five Turkish kids at my high school and we didn't stand out -- we were just like the other German students. Let me say it this way: We weren't visible, nobody was really interested in us or our way of living, our way of thinking. The attacks made it apparent to me that we were different.

'We Weren't Trying To Write another Book about Racism'

SPIEGEL ONLINE: We also just commemorated the 20th anniversary of the attacks on an asylum-seeker hostel in Rostock where many Vietnamese families lived. Ms. Pham, can you still recall those attacks?

Pham: I was too young to remember them. In the years before, we used to celebrate Christmas in eastern Berlin with our Vietnamese friends. We always went to a large campground where each family had their own small wooden huts and the women cooked together. That all ended abruptly. When we asked our parents why, they said we might get attacked by neo-Nazis. In the end, it weakened the sense of cohesion I had with the Vietnamese community as a young person.

Topçu: After Rostock, a number of demonstrations took part in my home town, and some high school students went along. Suddenly they realized that some of their classmates were immigrants, Turks. They felt compassionate toward us. Back then, you could see skinheads on the streets of Flensburg.

Pham: Xenophobia in Germany was much more pronounced during the 1990s. One friend of mine, whose father is from Guinea and whose mother is German, even received death threats while riding on a commuter train near Berlin. Back then, we had the feeling we had to watch our back. We had a feeling we didn't belong and that some people hated us.

SPIEGEL ONLINE: Do you still carry that with you today?

Pham: Not really. There are some parts of Germany I would avoid, but if you live in Hamburg, Berlin or one of the big cities, it's generally not a problem.

SPIEGEL ONLINE: Although your book addresses feelings of alienation that many children of immigrants in Germany experience, it doesn't go deeply into the issue of racism.

Bota: We didn't avoid the subject. But we weren't trying to write another book about racism. We wanted to depict the worlds in which we live and portray the lives our parents have given us. Our personal stories are stronger than a discourse on racism could ever be.

SPIEGEL ONLINE: You have stated that the 2010 publication of Thilo Sarrazin's anti-Muslim, immigrant-critical book "[Germany Does Itself In](#)" proved to be a catalyzing moment for immigrants in Germany.

Topçu: We partly wrote this book as an antidote to Sarrazin, who is a politician. His book showed that there is a silent majority in Germany that harbors hostile feelings towards Muslims and feels very threatened by them. Sarrazin has given that majority a voice.

Bota: After the book came out, many immigrants, and especially their children said they had had enough -- enough of the contemptuous and hostile attitudes towards them. They started to speak for themselves in order to define their place in society.

SPIEGEL ONLINE: Are other Germans conscious enough of how diverse the country has become?

Topçu: Most people don't know how to deal with multiculturalism. Many know that a lot of Muslims or Turks live here, but there is no real awareness of how large the entire immigrant population actually is or what it means for Germany's future.

Pham: If you look at Germany's political parties, the media or even the German national football team, you can see that things are slowly changing. It became apparent at the 2006 World Cup that there are many New Germans on the national team. You also see them on casting shows like German Idol. Things are also changing in more elite parts of society. Cem Özdemir (Turkish descent) and Philip Rösler (born in Vietnam) both lead national political parties. And Fatih Akin ("Head On") is a Turkish-German filmmaker who has been fêted at Cannes. I believe this will become normal in Germany, but first there needs to be an awareness that the country is far more multicultural than most believe.

Topçu: Every few years some politician claims that multiculturalism has failed. people burst into applause in certain political circles. But in our book, we tried to say that multiculturalism is neither a goal nor a strategy -- it is simply a reality, which is neither pretty nor ugly.

SPIEGEL ONLINE: You all work as political reporters for one of Germany's top newspapers and spend a lot of time thinking about politics each day. Is it your opinion that Chancellor Merkel and other politicians should be doing more to push forward acceptance of immigrants and their German children?

Pham: Our goal with this book is not to push through a particular law -- like a legal rejection to calls to ban headscarves or a demand that German introduce dual citizenship. What we want to achieve is a political consciousness. We are writers and we want to explain to people what being the children of immigrants means for us. We want to influence the way people think about other people.

SPIEGEL ONLINE: You have also written positively about Berlin in your book as a possible cosmopolitan model for the rest of Germany.

Bota: Just look at the government in Berlin. It is a conservative and yet it includes an economics minister born in Vietnam, a wheelchair-bound finance minister, a gay foreign minister and a female chancellor from East Germany.

Pham: Some parts of Berlin have become very cosmopolitan -- and I'm not just talking about the Turkish populations in the Kreuzberg and Neukölln districts. In Prenzlauer Berg you have many Americans, Israelis and people from European countries. Berlin has opened itself up to the world. The Wall fell over 20 years ago, but the city still isn't complete. It has one foot in the past and one in the future.

Topçu: Some people there complain about hearing more Spanish or French on the streets than German.

SPIEGEL: Even though you have suggested that Berlin is a vibrant, diverse city, it is also a place people like Sarrazin look to for examples to cite of failed integration. Some speak of "parallel societies."

Pham: Of course there are also so-called parallel societies. In the Lichtenberg district, for example, there is a large Vietnamese center where people sell their products, operate restaurants and hair salons and where Vietnamese is spoken. But the US also has countless Chinatowns and Little Saigons and no one there speaks of

parallel societies. As long as the people who live in these communities are given a chance to study, rise and leave them, they aren't necessarily bad.

Bota: When we came to Germany, we arrived in a village where we were the only Polish people. There was another larger town nearby that had public housing that was filled with Poles. That was a difficult area. It showed that the question of a few kilometers could dictate how people's lives in Germany would play out. Some families chose to go there because other Polish people lived there, but it was also related to social policies determining which housing was made available.

Topçu: Of course there are historical reasons for the existence of large Turkish pockets in Berlin. Still, these ethnic communities aren't necessarily bad. The dirty secret about Neukölln's newfound hipness is the fact that the people living there make it a little more chaotic and interesting than other parts of the city.

Pham: I would point out that we, as New Germans, choose not to differentiate between so-called "good foreigners" and "bad foreigners." Those who grow up in Germany are Germans. Their problems are our problems. They belong to this society, too.

Czech politics

The attack dog in Prague's Castle

The Economist Sep 28th 2012, 17:11 by K.S. | PRAGUE



LESS than a half year before his second term ends in March, Václav Klaus, the Czech president known for his acerbic manner and unorthodox views, shows no intention of mellowing down. His attack spree on embattled premier Petr Nečas, which could help topple his unpopular cabinet, makes it plain that Klaus remains (and may long remain) a powerful player in Czech politics.

Since late August, Mr Klaus has issued a series of blunt reprimands to the Nečas-led cabinet, which no longer wields an overwhelming majority in parliament. He slammed the cabinet's plan to increase tax, the sacking of a police president and a liquor ban enacted in the wake of lethal methanol poisoning. In September, he vetoed three laws within 12 days (and is expected to veto the tax hike bill if it happens to pass the house in October). The vetoes amount to a blow for the wobbly three-party ruling coalition that will clearly struggle to muster the majority needed to override the president (101 votes in the 200-seat house).

The president likes to say that his views are consistent and decisions issue-based. His latest actions prove those statements wrong (observers of Czech politics would say: once again). Commentators pointed out that Mr Klaus had once jibed at his predecessor in office, Václav Havel, that vetoes should be used "once in a decade". Mr Klaus has already returned twice as many [bills](#) than his arch-enemy Havel.

Aside from providing food for biting commentary, Mr Klaus' attacks may have far more serious consequences. His sharp criticism of the tax hike has empowered six Nečas' opponents in his (and Klaus-founded) Civic Democratic Party to strike the law down in early September. Mr Nečas is now playing a gamble. While he is (so far fruitlessly) negotiating with the renegade lawmakers, the cabinet returned the bill to parliament, this time attached to a confidence vote.

The last vetoed bill, which would overhaul the country's pensions by introducing voluntary private accounts, is also a break-or-make bill for the government. The premier's coalition partners, TOP 09, have already said that there was no point in holding onto power if the pension reform fails. Mr Nečas, for his part, sniped towards the Prague Castle that "the president's steps, based on the arguments of the opposition, do not contribute to the political stability of the government." One could read this line as a vitriolic comparison of Mr Klaus to the opposition Communists.

Mr Klaus insisted in a Czech Television interview that he was not interested in overthrowing the cabinet. At the same time, the signature smirk of a smile on his face, he warned Mr Nečas about making matters worse: "If I could, as an older daddy, say something, I would suggest not to escalate the situation."

Mr Nečas (despite great early efforts to the contrary) has apparently failed to please the president who, according to observers, punishes the slightest bit of disloyalty. The premier kicked out what was left of his junior coalition partner, the populist Public Affairs, from the cabinet after the scandal-ridden party split among infighting. (Mr Nečas continues to rule with Public Affairs defectors.) The president, an avid backer of the Public Affairs, is said to not have been happy with that.

Nor helped Mr Nečas' rhetorical blunders. Mr Nečas said this summer that a retreat from the tax increase plan verged on "political and economic imbecility". The premier later apologised to Mr Klaus and, in another apparent effort to appease him, said at a major engineering trade fair that support for the Dalai Lama and Pussy Riot hurt Czech exports, a pragmatic stance that would easily fit a Klaus speech. But vetoes and criticism have not seized nonetheless.

Commentators observed that Mr Nečas seems to be in the same sort of deep trouble like his predecessor in both the party and government top office, Mirek Topolánek. His cabinet (infamously) fell midway through the European Union's 2009 presidency after four coalition defectors help sank it in a no-confidence vote. Two of them were Civic Democrats widely believed to have been backed by their party's influential former leader residing at the Castle. Mr Klaus [fell out](#) with Mr Topolánek to the extent that he officially cut his ties with the Civic Democrats by giving up his honorary chairmanship in the eve of the EU presidency.

But why the president does this? Why would a pro-business free-market conservative want to kill a center-right cabinet? An assortment of speculative explanations (some of them more or less outlandish) circulate in Prague's corridors of power. Some believe that Mr Klaus is plotting to return to executive politics, either as a head of his former Civic Democrats or some eurosceptic outfit.

Others speculate that his motivation is geopolitical. They believe that Mr Klaus, a rare Kremlin supporter in Czech politics, aims to help Russia win a prized tender to add reactors to the [Temelín](#) nuclear power plant. Mr Nečas' cabinet, the argument goes, is likely to pick anyone but the Russian bidder. (Other bidders are French and American.)

Yet one observer interviewed for this story finds both explanations unlikely. "He is just having fun - causing damage and enjoying the peak of his influence. There is not much time left," the observer said. Erik Tabery, the editor-in-chief of the Respekt weekly, does not dismiss the Temelín link. But he also offers a psychological explanation to the riddle. "I think he is not all that interested in posts but in having influence," he said. Indisputably, Mr Klaus surely has that. "The examples of Topolánek and Nečas showed that his power is so immense that he decides whether there will be Civic Democratic governments," Mr Tabery said.

Here is an update of the blog:

On September 28th, a young man fired a plastic gun at Mr Klaus as he was making his way through a crowd at a bridge opening ceremony in the country's north. Mr Klaus, who was hit by plastic balls from close range, sustained a slight injury in his arm, a doctor said.

[Television footage](#) of the incident showed that the president's bodyguards froze, barely hiding their surprise. They let the fatigues-clad assailant walk away and talk to reporters. If he had a real weapon instead of a harmless toy "the Czech Republic would be without a president today," former chief of military spies Andor Šándor told TV Nova.

According to the station's reporter who stood nearby, the president told his dumbstruck chaperons: "You really did not handle this well."

The attacker described himself to the station as a 26-year-old "ordinary worker", a Communist voter deeply frustrated with politics. He said that politicians were "blind and death to the laments of the people". He is in

police custody.

Mr Klaus looked composed but shaken as he was leaving the venue. Still, he seemed to have a problem to grasp that voters are angry with the arrogance and corruption of the political class. He blamed some unknown entity for fanning the flames. "It is clear that people are insane and also incited by someone," Lidové noviny, a daily, quoted him as saying.

08/06/2012 12:59 PM

'Attack on Democracy'

Monti Comments Enrage German Politicians

With his appeal in a SPIEGEL interview for national leaders to be given greater independence from parliaments in euro bailout decisions, Italian Prime Minister Mario Monti has sparked intense anger in Germany. Members of both Chancellor Angela Merkel's government and the opposition have labelled Monti's demands "undemocratic."

Italian Prime Minister Mario Monti is concerned that the euro zone is inflicting serious damage on Europe. In an interview with SPIEGEL published on Monday, he said: "The tensions that have accompanied the euro zone in recent years are already leading to a psychological dissolution of Europe." The 68-year-old warned that if the euro were allowed to become a factor in Europe drifting apart, "then all the foundations of the European Project will be destroyed."

But one statement in his interview in particular has sparked a contentious debate. Monti said that European leaders needed to defend their freedom to act against parliaments. "If governments allow themselves to be entirely bound to the decisions of their parliament, without protecting their own freedom to act, a break up of Europe would be a more probable outcome than deeper integration."

Since taking office in Italy in November, Monti has led a cabinet of technocrats that has the support of a broad majority in parliament. Nevertheless, when it comes to economic reforms, austerity measures and the euro bailout, Monti often struggles to patch together a majority ahead of key votes. But his comments also appear to be directed at Germany, where Chancellor Angela Merkel requires parliamentary approval for most of her major bailout policies.

In Berlin, a number of politicians have spoken out against Monti's comments. "The acceptance of the euro and its rescue is strengthened through national parliaments and not weakened," Joachim Poss, deputy floor leader for the center-left Social Democratic Party, told the *Rheinische Post* newspaper. The politician said it appeared that the image of parliament in Italy had suffered during the "unspeakable Berlusconi years."

Meanwhile, Frank Schäffler, a prominent euro-skeptic with the business-friendly Free Democratic Party, the junior partner in Merkel's coalition government, said any possible collapse of the European Union would be a product of too little democracy and rule of law rather than too much. His party colleague, FDP floor leader Rainer Brüderle, said when implementing the necessary reforms, people needed to "take care that Europe retains sufficient democratic legitimization."

'We Need Strengthening, Not Weakening of European Democracy'

Criticism of Monti erupted over the weekend after SPIEGEL pre-released quotes from the interview. Michael Grosse-Brömer a senior official with Merkel's Christian Democratic Union said that while a government's ability to act is of decisive importance, "that doesn't in any way justify an attempt to limit the parliamentary controls that are necessary in a democracy."

German Foreign Minister Guido Westerwelle, also of the FDP, joined the debate as well, saying that when it comes to European issues, "it is beyond discussion. We need a strengthening, not a weakening of democratic legitimization in Europe."

The most outspoken criticism came from politicians with the Christian Social Union (CSU), the Bavarian sister party to Merkel's conservatives, with a leading official calling Monti's words an "attack against democracy." "The greed for German taxpayer money is blossoming in undemocratic ways with Mr. Monti," party General Secretary Alexander Dobrindt said. "Mr. Monti apparently needs a clear announcement that we Germans will not be prepared to eliminate democracy in order to finance Italian debts."

In his interview with SPIEGEL, Monti warned of the possible break up of Europe and called for euro-zone governments to have greater independence from parliament in decision-making. Of course governments needed to orient themselves based on parliament's decisions, he said. "But every government also has the duty to educate parliament," Monti said.

During the past week, Monti moved numerous times to distance himself from Germany's current position in the euro bailout. Most recently, he called for a [banking license to be issued](#) to the long-term euro rescue fund, the European Stability Mechanism (ESM) -- a move Berlin has staunchly opposed. In his SPIEGEL interview, the Italian leader greeted efforts by the ECB to address "severe malfunctioning" in the government bond market. He said the problems "have to be solved quickly now so that there's no further uncertainty about the euro zone's ability to overcome the crisis."

Criticism of Merkel

In recent days, negative sentiment against Germany and Chancellor Merkel has been growing in Italy. Last week, the Italian daily *Il Giornale* published a story with the headline "Quarto Reich," or "Fourth Reich" on its front page. It featured an image of Merkel raising her right arm with the caption "Heil Angela." The paper is part of Silvio Berlusconi's publishing empire and the headline was aimed at expressing dissatisfaction over Merkel's objections to a banking license for the ESM. Nevertheless, it reflects the increasingly shrill tenor of the political debate in Europe over the euro crisis and it mirrors similar coverage of the chancellor in the Greek media.

Even at home in Germany, some are criticizing Merkel's positions, including Baden-Württemberg Governor Winfried Kretschmann of the Green Party. "She has a tough task and I don't want to come across as a know-it-all," he told the tabloid *Bild* newspaper. "But Ms. Merkel needs to emphasize the global context of individual decisions more clearly. I was never a huge fan of former Chancellor Helmut Kohl, but he did have a clear political vision for Europe ... I miss that clarity today."

Meanwhile, the chancellor of neighboring Austria, Werner Faymann, has said he believes Merkel will shift her policies. In an interview with the Vienna daily *Kurier*, Faymann said he believed that Merkel would abandon her opposition to providing the ESM with a banking license, which would essentially give it unlimited borrowing capacity with the European Central Bank, if it became clear that was the only way to save the euro. "I anticipate that when it is necessary for the protection of the euro, that the German chancellor will go along with the next step." When a reporter at the newspaper reminded Faymann that Merkel opposed the banking license, the Austrian chancellor replied: "We've already had the experience that the German chancellor has changed her mind during the course of a political debate -- always to protect the euro."

Editor's note: SPIEGEL ONLINE will publish the full interview with Italian Prime Minister Mario Monti in English on Tuesday.

dsl -- with wire reports

The Eurozone Crisis and Europe's Persistent 'No-Demos Problem'

Posted on [January 31, 2012](#)

[Prof. Peter Lindseth](#)

As usual, things are moving so quickly in the Eurozone crisis that pressing controversies one day seemingly become old news the next. In the lead up to this week's EU summit, for example, Germany caused a stir by calling for the appointment of an external commissioner with the power to veto the Greek budget because of Greece's inability to meet its budgetary commitments. We'll see where that leads, but outrage in Athens was the predictable result. The Greek finance minister [reportedly said](#): 'Whoever puts before a people the dilemma of choosing between financial assistance and national dignity disregards basic historical lessons'. In the overheated world of contemporary Eurozone commentary, one observer called the proposal '[Anschluss economics](#)'.

But as readers of this blog well know, Germany has its own worries about the Eurozone crisis and what it portends for that country's own historically hard-won democracy. These worries arguably animate, for example, the recent jurisprudence of the German Federal Constitutional Court, as [some of my earlier posts](#) have outlined. From the German perspective, recourse to Eurobonds as a means of addressing the crisis (in which other member states might add to Germany's debt obligations without a vote of the national parliament) would almost certainly be seen by the Court as a violation of the Bundestag's historical control over the national purse, and therefore also an affront to the democratic identity of the German constitution.

These two contrasting (Greek and German) expressions of concern over the fate of national democracy in the face of the current crisis, however, are suggestive of a deeper challenge for European integration. I am referring not merely to the Eurozone's seeming lack of financial solidarity among its member states—that, in fact, is merely a symptom. Rather, I am speaking of the notorious lack of a coherent 'demos' for the EU as a whole—what we academics have long called the 'no-demos problem'.

This label refers to Europe's failure (as yet) to develop a fully autonomous and strongly-legitimated supranational identity akin to a national identity, one capable of sustaining the sort of supranational solidarity and mutual financial discipline that the current debt crisis may well demand. The polity to which integration currently corresponds—'Europe'—does not (as yet) understand itself as sufficiently cohesive to legitimize the EU in a recognizably 'democratic' and 'constitutional' sense. As Joschka Fischer put it in [his famous Berlin speech](#) in May 2000 on Europe's constitutional future, European governance has long been understood, not without cause, as a largely 'bureaucratic affair run by a faceless, soulless Eurocracy in Brussels'. This lack of autonomous democratic legitimacy is now making itself felt in the Eurozone crisis.

A European demos need not define itself in linguistic, religious, ethnic, racial or any other purportedly 'organic' or 'pre-political' terms—that would be dangerous and unacceptable. But, for better or worse, a European demos must still define itself historically. This species of historical legitimacy builds on more than merely legal and technocratic foundations—indeed, on more than what Max Weber [called](#) 'the directly economic disposition of goods and services'. Rather, it must be grounded in what Weber described as a 'particular pathos' and 'enduring emotional foundations' derived from a history of 'common political struggle'.

The devastating legacy of extreme nationalism, war, and genocide in Europe in the first half of the twentieth century did much to propel the integration process forward in the second half. But that devastating experience, along with the seeming benefits of the integration process itself (its so-called '[output legitimacy](#)'), have proven insufficient to create a sense of an autonomous European demos capable of self-rule through supranational institutions 'constituted' for this purpose. Hence the limitations on supranational solidarity that one now senses in the Eurozone crisis.

Even as many aspects of governance have, over the last half-century, been otherwise denationalized, indeed 'Europeanized', the same has not occurred in the realm of political culture, at least not to the same extent.

Europe continues to suffer from [a disconnect](#) between the scope of its (actual or needed) supranational power, and the scope of its autonomous supranational legitimacy. In the realm of political culture, the institutions of representative government within the nation-state have thus retained their central role in terms of democratic and constitutional identity, as both the Greek and German perceptions of the current crisis seem to suggest.

All this points to the fact that, like any form of essentially delegated governance (akin, say, to delegation to an administrative agency on the national level), supranational governance in the EU or the Eurozone is legitimate for certain purposes but not others—unless Europeans are prepared to change fundamentally their understanding of what democratic self-government means, or where it is located. The recent examples from both Greece and Germany suggest an ongoing and potentially deep resistance to full-blown integration, even as both countries are acutely aware that the current crisis almost certainly demands '[more Europe](#)'.

Whenever we talk about the legitimacy of integration in whatever form, we must always ask the question 'legitimate for what?' It is one thing for a member state to delegate authority to a supranational process to harmonize regulatory standards in various domains (important a task though that may be). It is quite another to denationalize the power over the national purse in an indeterminate way, as a means of saving a common currency whose initial design and implementation may well have been [so flawed](#).

As the Italian political scientist Stefano Bartolini [presciently warned](#) in 2005 (that is, well before the onset of the current crisis), 'the risk of miscalculating the extent to which true legitimacy surrounds the European institutions and their decisions . . . may lead to the overestimating of the capacity of the EU to overcome major economic and security crises'. Unfortunately, the Eurozone crisis is, sadly, proving to be a case in point. Monetary union depended implicitly on the capacity of supranational bodies (most importantly the ECB, but also national governments collectively) to undertake certain policy steps that they simply lacked the autonomous legitimacy to take. Resistance, foot-dragging, and push-back are the inevitable result. The 'no-demos problem' is thus not merely an object of academic debate. Rather it has real bite, and it may still impede the resolution of the crisis.

To resolve the current crisis, it is becoming increasingly likely that significant sacrifices in terms of traditional understandings of constitutional democracy on the national level may well be required. The resolution of the crisis will, in other words, require more than merely economic or financial concessions. Rather, it may also ultimately require deep and possibly painful political-cultural adjustments in prevailing understandings of democratic self-rule.

These adjustments may demand, in the end (at least for many Europeans), several steps further in the integration process than they are currently willing to go, precisely because of the lack of a common European demos. Then the Euro will fail. Or—and this too is possible—the need to retain the common currency, one which perhaps should never have been established in the first place but whose dismantling now is too costly and unpredictable to contemplate, may ultimately control the outcome. But one can only guess how enduring the regime that emerges from such functional demands will be. We must simply wait and see.

<http://globaleconomicanalysis.blogspot.fr/2011/05/jean-claude-juncker-luxembourg-pm-and.html>

Jean-Claude Juncker, Luxembourg PM and Head Euro-Zone Finance Minister says "When it becomes serious, you have to lie"

Earlier today in [EU Seeks Collateral for More Greek Aid; Trichet Reiterates Restructuring "Not on the Agenda", Market Reiterates "Trichet is a Pompous Fool"](#) I Called ECB President Jean-Claude Trichet and Luxembourg Prime Minister Jean-Claude Juncker, a pair of arrogant, pompous fools.

I failed to mention that Jean-Claude Juncker readily admits something we should all know anyway, that he is a blatant liar.

Please consider [Market jitters bring difficult choice between truth and lies for politicians, spokespeople](#)

On March 29, when speculation swirled that Portugal needed a bailout, Prime Minister Jose Socrates denied — again — that that would happen despite clearly unsustainable market pressures.

"I'm sick of saying we won't" be requesting help, he told journalists.

Just eight days later, in a chastened appearance on national television, Socrates did just that.

For Jean-Claude Juncker, the prime minister of Luxembourg, the threat of immediate market turbulence means the usual norms of transparency don't apply.

"When it becomes serious, you have to lie," Juncker, who as the chairman of the regular meetings of eurozone finance ministers is one of the currency union's key spokesmen, said in recent remarks.

When you readily admit you are a liar, why should anyone ever believe you?

Note that "serious" is subject to a huge variance interpretation. Also note that any time someone does think "things are serious", the only reasonable course of action is to assume an admitted liar is indeed lying.

If the market presumes you are lying, what good does it do to lie? Indeed, the market might over-react not understanding the seriousness of the lie, or even if it is a lie.

Now, given that Juncker is a liar, precisely why should anyone possibly believe him when he says there was no discussion of Greece leaving the Euro? In fact, given that things are clearly "serious", why should we believe a single thing he says.

I had missed this admission by Juncker and I thank Ilargi at Automatic Earth for pointing it out in [Trojan Lies](#).

Read more at <http://globaleconomicanalysis.blogspot.fr/2011/05/jean-claude-juncker-luxembourg-pm-and.html#fLrAdIV56oVuR4cY.99>