

Frankreichs Präsident Hollande und das Ende der Normalität

14.11.2012 · Der französische Präsident, der mit großen Erwartungen sein Amt angetreten hatte, gibt sich nicht mehr volksnah, sondern machtbewusst. Sein Premierminister soll nun im Berliner Kanzleramt zeigen, dass er des Präsidenten bester Mann ist.

Von [Michaela Wiegel](#), Paris



© dapd Hollande (rechts) reicht Ayrault am Dienstagabend nach seiner Pressekonferenz im Elysée-Palast die Hand.

Die Franzosen spötteln gern über „den Deutschlehrer“, den François Hollande zum Premierminister kürte. Jetzt soll Jean-Marc Ayrault zeigen, dass er des Präsidenten bester Mann ist. An diesem Donnerstag wird er in Berlin im Kanzleramt erwartet. Damit beginnt der zweite Teil der „Operation Wiedereroberung“, die der angeschlagene sozialistische Präsident mit seiner Pressekonferenz im Elysée-Palast begonnen hat. Nach der Gunst der Franzosen gilt es, das Wohlwollen der Bundesregierung zurückzuerobern. Die Kanzlerin will Hollande, anders als sein Vorgänger Nicolas Sarkozy, gern mit seinem Premierminister teilen. Deshalb darf Ayrault sich nicht nur einen eigenen Stab von Deutschlandberatern halten (sein Kabinettsdirektor hat eine Wohnung in Berlin), er soll auch in der Öffentlichkeit als Gewährsmann der deutsch-französischen Freundschaft wahrgenommen werden. Der 62 Jahre alte Regierungschef, glaubt Hollande, werde schon die richtigen Worte auf Deutsch finden, um das Vertrauen in den französischen Reformkurs an der Spree zu stärken.

Die von der französischen Presse verbreiteten Meldungen, die Nachricht Berlins mit seinem Zauderkurs könne ein Ende haben, ließen den Präsidenten nicht kalt. Im Elysée-Palast bekundete er am Dienstagabend, er höre nicht auf „Gerüchte“. „Es zählt nicht, was gesagt wird, sondern was wir uns sagen“, so der Präsident, der einen „offenen Austausch mit der Kanzlerin“ lobte. Die Beziehungen beider Staaten dürften auch im Interesse Europas nicht geschwächt werden, sagte Hollande im Festsaal des Elysée-Palastes, wo vor einem halben Jahrhundert der deutsch-französische Freundschaftsvertrag unterzeichnet wurde. „Wir haben uns gegenseitig keine Lektionen zu erteilen“, sagte er.

Hollande will sparen

Ein bisschen nachtragend klang das - aber Hollande hat nicht vergessen, dass ihn Angela Merkel während des Wahlkampfs ächtete und nachdrücklich Sarkozy unterstützte. Der Präsident betonte „die guten Kompromisse“, die er seit seinem Amtsantritt mit der Bundeskanzlerin stets gefunden habe, etwa zur Einführung einer europäischen Bankenaufsicht oder der Finanztransaktionssteuer. Er gab sich einsichtig, dass Frankreich seine Staatsausgaben herunterfahren müsse. Das war die eigentliche Neuigkeit des mit viel höfischem Zeremoniell

überhöhten Presseauftritts. Hollande stimmte die Franzosen behutsam darauf ein, dass der Staat künftig mit weniger Mitteln besser wirtschaften müsse. Der linke Wortführer Jean-Luc Mélenchon von der Linkspartei nannte Hollande prompt „den französischen Merkel“ und hielt ihm „eine totale Kapitulation“ vor.

Dabei ist Hollande (noch) nicht so weit, die bevorstehenden Ausgabenkürzungen zu benennen und Prioritäten zu verkünden. Aber der sozialistische Präsident versprach, dass Frankreich es ernst meine mit der Haushaltskonsolidierung, und stellte diese neue „haushälterische Ernsthaftigkeit“ sofort ins Zentrum eines deutsch-französischen Nimm-und-gib-Paktes. Frankreich müsse seine Finanzen in Ordnung bringen, Deutschland „Solidarität lernen“, so der Präsident. Er sagte, die Euroländer ständen in der Schuld, Griechenland zu helfen, nachdem die Regierung in Athen ein weiteres „schmerzhaftes“ Reformpaket verabschiedet habe.

Wir haben Fehler gemacht

Vom „normalen Präsidenten“, der selbst einkaufen geht und mit der Bahn fährt, hat sich Hollande unter den schweren Lüstern des Festsaals des Elysée-Palastes endgültig verabschiedet. Er will nicht mehr der nette Präsident von nebenan sein, sondern als umsichtiger, behender Staatenlenker wahrgenommen werden: „Finden Sie eine Regierung, die so schnell Entscheidungen gefällt hat!“ Er beansprucht auch in der Außenpolitik eine internationale Führungsrolle, etwa wenn er im Namen Frankreichs als erster westlicher Staat das neue syrische Oppositionsbündnis als offizielle Vertretung Syriens anerkennt. Eine Führungsrolle nimmt er bei der Vorbereitung einer Militärintervention im Norden Malis in Anspruch; Hollande bekräftigte, dass der Einsatz allein Angelegenheit der afrikanischen Staaten sei, Frankreich werde „auf keinen Fall“ selbst militärisch intervenieren.

Der neue, machtbewusste Tonfall hinderte den 58 Jahre alten Präsidenten nicht daran, Anfangsschwierigkeiten einzugestehen. Hollande verfügte vor seinem Wahlsieg im Mai über keinerlei Regierungserfahrung, auch für seinen Premierminister ist es der erste Kabinettsposten. „Haben wir Fehler gemacht? Ja. Gab es Fehlritte? Gewiss. Aber wir halten nicht den Rekord. Mit Medien, die heute 24 Stunden und mehr täglich funktionieren, muss man auf alle Äußerungen achten“, sagte Hollande. Mit großer Gelassenheit reagierte er auf Nachfragen zu seinen schlechten Umfragewerten und dem „Hollande-Bashing“, mit dem die französischen Zeitschriften ihre Auflagen steigern. „Ich definiere mich nicht über die Demoskopen. Ich bin nicht im Wahlkampf, ich bin Präsident“, sagte Hollande. „Ich bereite keine Lösung für die nächste Wahl vor, sondern für die nächste Generation.“

Quelle: F.A.Z.

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Bad Haircut

IMF Greek Debt Default Demand Could Haunt Merkel

The International Monetary Fund wants Greece's creditors to forgive a portion of the country's debt, a move which could cost Germany up to 17.5 billion euros. With general elections approaching next year, Chancellor Angela Merkel is adamantly opposed to such a move.

Germany has a problem. Now that euro-zone finance ministers have agreed to grant Greece another two years to meet its budgetary goal of achieving a structural surplus of 4.5 percent, attention has turned to ensuring that the crisis-wracked country reduces its overall debt load. And the International Monetary Fund (IMF) proposal to slash publicly held Greek debt could cost Berlin up to €17.5 billion (\$22.3 billion).

Even worse, such a loss could endanger German efforts to balance its own budget by 2014 -- and would make unwanted headlines in coming months just as Chancellor Angela Merkel enters the heart of campaign season ahead of general elections next September.

Berlin, not surprisingly, [is opposed to such plans](#). "Without speculating, we should concentrate on other solutions," German Finance Minister Wolfgang Schäuble said on Tuesday in Brussels. His French counterpart Pierre Moscovici supports the German position.

The IMF believes that the only way Greece can reduce its sovereign debt to the target level of 120 percent of gross domestic product in the next decade is by way of another partial default. This time, however, it wouldn't just be private creditors who would lose out as they did in the debt haircut carried out this spring. A second such cut of Greek debt would force international creditors, Germany included, to write down a portion of the billions they have loaned Athens. A 50 percent default would result in Germany losing €17.5 billion of the €35 billion it has loaned Athens thus far.

It is partly for that reason that euro-zone finance ministers are in favor of extending by two years the deadline for Greece to reduce its debt load to 120 percent of GDP from 2020 to 2022. The difference of two years, they hope, would give austerity measures more time to produce budget surpluses, which could contribute to a paying down of the country's debt.

'A Bit too Ambitious'

But without a debt haircut, Greece still won't be able to meet the 120 percent target by 2022. According to the draft troika debt sustainability report, which has been seen by Reuters, without a partial default, Greek debt would comprise 144 percent of GDP in 2020 and 134 percent in 2022, assuming there are no further economic upheavals between now and then.

Schäuble himself on Tuesday said that cutting Greek debt to 120 percent of GDP "is likely a bit too ambitious for 2020." The country's debt load is forecast to hit a peak of 190 percent of GDP next year before it begins to fall as a result of austerity measures.

Still, for all the tough talk that has come out of Berlin in recent months regarding Greek reform efforts and aid tranche payments, Merkel and her conservatives would much rather give Athens more time than be forced to tell German taxpayers that billions in loans to Greece would never be paid back. Politicians in Berlin have long argued that Germany's support for beleaguered euro-zone countries has come exclusively in the form of guarantees, but a haircut this time would mean that, for the first time in the euro crisis, Germany would actually

lose the money it pledged as backing. Conservative parliamentarian Norbert Barthle decisively rejects any talk of a Greek default. "We are not going along with that," he says. "And that means that a debt haircut is impossible."

A potential debt haircut, though, isn't Berlin's only problem. By giving Athens until 2016 to achieve budgetary consolidation targets originally scheduled for 2014, Europe has essentially committed to plugging a resulting €33 billion gap in Athens' finances. Schäuble wants to do all he can to avoid having to push yet another bailout package for the stricken country through German parliament. "We have to find other ways to close the gap without using" the bailout fund, Schäuble said on Tuesday.

Profiting from the Suffering

Just what those might be, remains unclear. But the German finance minister indicated on Tuesday that Berlin might be prepared to pass along to Athens the profits that Germany has made by lending money to Greece. Germany earned some €400 million on the first, €110 billion bailout package for Athens. With investors flocking to safety, Germany has been able to borrow money at extremely low rates on international financial markets whereas Greece has committed to paying a higher interest rate on emergency loans from its international creditors, including Germany. Profits from loans associated with the second, €130 billion bailout package stand to be even higher.

The daily *Süddeutsche Zeitung* cites sources within the government as saying that it could be damaging to Germany should the impression be created that some countries were profiting from the suffering in Greece. Still, even if Germany does send along its profits to Athens, it won't go far in filling the vast financing hole that has now opened up.

More important for Greece, however, is the payment of the next tranche of badly needed aid, worth some €31.5 billion. Athens has managed to keep itself afloat this week by selling €4 billion in short-term debt on Tuesday, a sale which was made possible by significant backing from the European Central Bank.

Euro-zone finance ministers plan to meet on Nov. 20 to once again address Greece's reform process and to determine if it has met all the prerequisites for additional aid. Just when a final decision might be made on a new Greek default, however, remains unclear.

With reporting by Severin Weiland

cgh -- with wire reports

November 14, 2012

Workers in Southern Europe Synchronize Anti-Austerity Strikes

By [RAPHAEL MINDER](#)

MADRID — For the first time since the start of the euro crisis, labor unrest took on a European dimension on Wednesday as Spanish and Portuguese workers coordinated a general strike while unions in [Greece](#) and [Italy](#) also planned protests and work stoppages.

[Spain](#)'s heavy industry and large parts of the transportation network were disrupted early on Wednesday by the second general strike since the Popular Party of Prime Minister Mariano Rajoy came to power last December.

The Spanish strike was called by unions after Mr. Rajoy presented a tough austerity budget for next year but it also comes after the country's jobless rate recently reached a record 25 percent. [Portugal](#) faces a similar situation of soaring unemployment and budget cuts to comply with the terms of a \$100 billion bailout agreement reached last year with international creditors.

Early on Wednesday, Spanish police reported that 32 people had been arrested and 15 injured — including five policemen — during violence on picket lines across the country but the government said the strike had so far not led to major disturbances. Many shops, banks and retailers were open for business.

While about 700 flights in and out of Spain were canceled Wednesday, Madrid and other airports were still functioning. The strike coincided with growing uncertainty about the future of Iberia, the national airline, after management announced this month that the airline needed to lay off a quarter of its workers to survive.

Ignacio Fernández Toxo, the head of one of Spain's two main unions, Comisiones Obreras, said that the coordinated strike action across the Iberian Peninsula, as well as work stoppages in other parts of Europe, amounted to "a historic moment in the European Union movement."

However, support for trade unions has dwindled in recent years because of their failure to prevent the surge in unemployment and controversy surrounding the unions' reliance on government subsidies rather than contributions from members. In Spain, only about 16 percent of workers are unionized.

In fact, the strike could be overshadowed by protests in Madrid and other cities scheduled for late afternoon.

"I can afford to protest but not to lose a day of pay," said Carlos Sánchez, a mechanic at Disancar, a small Madrid garage. "Striking at this stage in the crisis brings absolutely nothing to the workers."

Still, the strike severely disrupted production across the Spanish automotive sector, with workers staying away from factories owned by Nissan, Volkswagen and other carmakers.

In Italy, civil servants went on strike and national transportation workers — although not airlines — called for a four-hour halt on Wednesday afternoon. Students demonstrated throughout the country, with rallies in Turin and Rome.

In Greece, the scene of the most violent social unrest in Europe since the start of the [debt crisis](#), unions called a three-hour work stoppage starting at noon.

Union workers elsewhere also staged a number of protests and stoppages as a show of solidarity with their southern European counterparts.

A walkout by Belgian rail workers severely disrupted services on the country's Thalys [high-speed rail](#) line and halted all its connections to Germany, the rail company said Wednesday.

More than 130 demonstrations were planned across France, with two of the country's biggest unions — the Confédération Générale du Travail, or CGT, and the Confédération Française Démocratique du Travail, or CFDT — organizing a joint march through the streets of Paris, the first such protests since President François Hollande took office in May.

In a joint statement, five leading French unions expressed their "strong opposition to these austerity measures that are plunging Europe into economic stagnation and recession" and "threaten the European social model."

Spanish unions disagreed with the government and employers over the impact of the strike Wednesday morning. While Mr. Toxo and other union leaders called the strike a success, Juan Rosell, the chairman of the main employers' organization said that the walkouts appeared to be "not very important" and most likely less disruptive of the last general strike in March, based on electricity data and other early indicators. Red Eléctrica, operator of the national electricity grid, said that consumption was down 18.6 percent at 8 a.m. compared to a normal working day.

Nonetheless, Mr. Rosell called the decision to strike "a torpedo against recovery."

Indeed, it comes as Mr. Rajoy is struggling to convince investors that Madrid will not require further European rescue funding and will meet budget deficit targets agreed with its European counterparts, in spite of a deepening recession.

In Valencia, a group of strikers tried to block access to the main office of Bankia, a giant lender that the government was forced to nationalize last May because of bad loans, triggering a crisis that forced Madrid to request more than \$100 billion in European bailout funds a month later. More recently, banks provoked a public outcry over the evictions of families unable to meet mortgage payments.

Elisabetta Povoledo contributed reporting from Rome, Nicola Clark from Paris, and Niki Kitsantonis from Athen

Europäische Union: Die größere Gefahr

14.11.2012 · **Die hässliche Deutsche**, die Europa unterjochen will? Angela Merkel verlangt von den Krisenstaaten nur Reformen, die in deren Eigeninteresse liegen.

Von [Berthold Kohler](#)



© AFP

Protest gegen Bundeskanzlerin Angela Merkel in Lissabon: Paradoxe Verunglimpfungen und falsche Empörung

Die Bilder sind immer noch gewöhnungsbedürftig, obwohl sie inzwischen im Osten wie im Westen Europas auftauchen. In Griechenland und in Portugal hielten Demonstranten anlässlich der Besuche der Bundeskanzlerin Plakate hoch, die Angela Merkel „Adolf Merkel“ nannten und sie als Nazi-Domina oder als Schwein mit Hakenkreuz zeigten. Es sind bisher nur einzelne, die zu solchen Verunglimpfungen greifen.

Doch Popularitätswerte wie in Deutschland genießt die Kanzlerin in keinem der Krisenländer, im Gegenteil: Die Neigung, einer angeblich wildgewordenen Spardiktatorin aus Berlin die Schuld an der Misere zu geben, nimmt zu, und das nicht nur im Süden Europas. Zu den Paradoxien der Schuldenkrise gehört, dass mit dem Anschwellen der Hilfsprogramme auch die Antipathie gegen die Helfer wächst. Die Hand, die hilft, wird gern gebissen.

Das liegt in erster Linie daran, dass diese Hand auch fordert: Als „Gegenleistung“ sollen die Empfänger der Hilfe ihre Staaten in Ordnung bringen, denn um nichts weniger geht es. Die Bundesregierung verlangt von den Ländern, für die Deutschland in astronomischer Höhe ins Obligo gegangen ist, nur Selbstverständlichkeiten der „good governance“, zu denen sie sich als EU-Mitglieder verpflichtet haben: auf Dauer nicht weit mehr auszugeben, als sie erwirtschaften; halbwegs effiziente Verwaltungen zu unterhalten; Korruption und Nepotismus zu bekämpfen.

Die Maßnahmen, die Frau Merkel einfordert, liegen im Eigeninteresse dieser Staaten. Sie haben nichts nötiger als diese Reformen.

Das Eingeständnis, dass vieles im Argen liegt, führt jedoch zwangsläufig zu der Frage, wie es so weit kommen konnte. Zu den Vorzügen der Demokratie gehört, die ganze Schuld früheren Regierungen geben zu können. Allerdings sind auch diese vom Volk gewählt worden. Dass Wähler lieber Parteien wählen, die ihnen allerlei Segnungen (auf Pump) versprechen, als solche, die mit Kürzungen drohen, ist auch in nördlichen Breitengraden bekannt.

Jedenfalls in den Demokratien Europas ist die Überschuldung eines Landes nie nur das Werk von kurzsichtigen, unfähigen oder gar verbrecherischen Eliten. Als die Party dank niedriger Zinsen und üppiger Subventionen aus Brüssel noch lief, wollte jeder sein Stück vom Kuchen abhaben. Auch damals gingen natürlich manche leer aus, während andere die Sahnestücke abräumten. Doch Gedanken, wer eines Tages die Rechnung bezahlen soll, machten sich, solange der Partyservice anschieb, die wenigsten.

Wie im richtigen Leben ist jetzt die Versuchung groß, dem Lieferanten die Schuld zu geben: Der wusste doch, dass niemand einen Konsumkredit in dieser Höhe zurückzahlen kann! Und hat er nicht schamlos davon

profitiert, erst als Exporteur, dann als Zinswucherer? Auch im zwischenstaatlichen Verhältnis ist die allzumenschliche Neigung anzutreffen, das Versagen anderen anzulasten. Und schon findet das angestaubte, aber nach wie vor beliebte Klischee vom hässlichen Deutschen neue Verwendung, der stets nur das übrige Europa unterjochen wolle, zur Abwechslung einmal mit Hilfe einer gemeinsamen Währung.

Den zornigen jungen Männern unter der Akropolis entgeht in ihrer Empörung freilich, dass den bösen Deutschen nichts ferner liegt als das. Deutschland zieht sich in Folge der Schuldenkrise zumindest emotional eher aus Europa zurück. Dieser innere Rückzug stellt für das bisherige „Geschäftsmodell“ der EU und die Alimentierung der krisengeschüttelten Staaten eine viel größere Gefahr dar als der vermeintliche Drang der Teutonen, Griechen und Portugiesen am deutschen Wesen zwangsgenesen zu lassen.

Berlin zögert, weiteren Hilfspaketen oder Schuldenschnitten zuzustimmen, weil die Unterstützung dafür im Bundestag wie auch im Volk insgesamt schwindet. Nicht erst wegen der Streiks dieser Tage wachsen die Zweifel, dass die Krisenländer willens und politisch wie wirtschaftlich in der Lage sind, die nötigen Reformen auszuführen. Auch geschönte Fortschrittsberichte, eingerahmt von Nachrichten über neuen Milliardenbedarf, entkräften nicht die Sorge, die direkten wie indirekten Kosten der Rettungspolitik (Inflation) würden noch Generationen belasten.

Diesen Wohlstandsverlusten durch permanente Umverteilung sind jene Einbußen gegenüberzustellen, die drohten, wenn EU-Mitgliedstaaten pleitegingen und die Eurozone auseinanderbräche. Dazu kämen die noch schwerer zu kalkulierenden politischen Folgen. In der EU setzt man auf die „Vernunft“ der Deutschen, was manches Staatsoberhaupt nicht daran hindert, Berlin Gefühlskälte vorzuwerfen. Tatsächlich ist die europäische Einigung für Deutschland immer beides: eine Herzensangelegenheit und eine Sache des Verstandes. Es wäre jedoch ein Fehler zu glauben, diese Mischung sei ein Garant für die Bereitschaft der Deutschen, den ewigen Zahlmeister zu spielen.

Niemand in Deutschland will Italiener, Spanier oder Franzosen zu Preußen oder Schwaben umerziehen. Wenn aber der Süden in den Disziplinen Wettbewerbsfähigkeit und Konsolidierung der öffentlichen Finanzen aus schierem Eigeninteresse heraus nicht wenigstens etwas „deutscher“ wird, obschon auch Deutschland in Sachen Verschuldung nicht das beste Vorbild ist, dann hat die EU ihre größte Krise noch vor sich.

Quelle: F.A.Z.

Goodbye euro, hello recession

14 November 2012

[Die Zeit](#) Hamburg



Antonio

The 18th century architect Balthasar Neumann, once portrayed on German 50 mark notes, surrounded by characters from other former national currencies.

What would happen if Germany left the euro? Economist Gustav Horn of the Hans-Böckler Foundation, which has close ties to trade unions, speculates on what would happen in the days following a German exit from the euro – and on what Germany's most popular euro-critic, Thilo Sarrazin, might also say. Excerpts.

[Gustav Horn](#)

A what-if: What would happen if Germany were to leave the euro, as the investor George Soros is calling for?

Let's say that, by a two-thirds majority, the German Parliament votes to leave the euro and reintroduce the German mark. Only the Greens vote against it. The exchange rate is set at one to one. The Bundesbank president leaves the ECB's Governing Council with immediate effect.

The financial and foreign exchange markets are the first to react to Germany's decampment. From the remainder of the monetary union, a great amount of liquidity flows into Germany. The new currency abruptly appreciates by 50 percent against the euro, and one mark now costs 1.50 euros.

The assets invested in Germany lose – in euro terms – much of their value. At the same time, the value of German state guarantees for the euro rescue fund sharply decreases. Initially, the risks to the public finances recede.

Around 200 German economists celebrate Germany's regained freedom. [Thilo Sarrazin](#) goes on a popular TV political talk show hosted by Günther Jauch to explain that Germany does not need the euro.

In the rest of the eurozone, the financial markets are rocked by turmoil. The ECB, which has relocated its headquarters from Frankfurt to Paris immediately after Germany's withdrawal, announces unlimited bond purchases, which allows the ECB bankers swiftly to reassure the stock markets.

German cars become too expensive

At the same time, they will pay back Germany's deposits in the ESM with printed euros. Calculated in marks, these meanwhile have lost a third of their value. The Bundesbank therefore takes some hefty losses, and German government debt balloons accordingly.

After a few weeks of relief over the escape from the crisis, several major car manufacturers declare that their sales figures in the new eurozone have nose-dived. German cars have become too expensive for the other Europeans. The automakers bring in short-time work and cut jobs.

A little later, the Confederation of Employers declares that Germany's economy is no longer competitive and urges wage restraint on the German unions. After one quarter, the Federal Statistical Office announces that Germany's current balance of payments surplus has halved because exports to the remaining eurozone have plunged. Thilo Sarrazin goes on the popular TV political talk show hosted by Anne Will to say: "Germany is doing well even without the euro. Its revenues have not dropped."

In the rest of the eurozone, the countries in crisis gain more time to build up their savings. The other countries also increase their deposits in the ESM bailout fund to compensate for the absence of Germany.

Sharp rise in unemployment

The fiscal pact is suspended and replaced by a stability pact. This commits the countries to comply with an inflation target in order to avoid current account imbalances. The ESM is transformed into a European Monetary Fund (EMF). Countries that record large current account surpluses or deficits must cede a portion of their income tax revenue to the EMF.

Germany's current account balance has now evened out, thanks to the sharp decline in exports. Germany's economy is going through a sharp slump. The export industry finds itself in recession and pushes through sweeping job cuts. Domestically, the economy, hit by higher interest rates, also begins to lose momentum. In the remainder of the eurozone, however, the economic situation gradually stabilises. Thilo Sarrazin goes on the political talk show hosted by Frank Plasberg to say: "That has nothing to do with the euro."

Volkswagen announces that it is shifting much of its car production to the remainder of the eurozone, saying "The German market is too small for our production, and we need greater exchange-rate security." The value of VW stock jumps steeply. BMW and Daimler confirm similar plans. Against a backdrop of falling tax revenues, the debt brake forces job cuts in the public sector. Wage negotiations lead to an increase of just half a percent.

A year after leaving the euro, Germany has landed in a deep recession with a sharp rise in unemployment. Meanwhile, domestic demand is plummeting, as the low wage increases and the job cuts are now pushing down consumption. At the same time, more and more companies are announcing job relocations to the eurozone, the U.S. or Asia.

Greece and Spain are on the go

The Frankfurt Stock Exchange has lost much of its significance; the Paris Stock Exchange, in contrast, has gained in influence. Financial capital is flowing out of Germany. The rise in the value of the mark has come to a standstill.

The eurozone has now stabilised and shows at least weak economic growth. In particular, exports from the crisis countries – to Germany, above all – have risen. VW is planning to expand its facilities in Spain and is contemplating building another plant in Greece.

After two years, the growth in the remaining eurozone is once again significantly higher than two percent. The economic output in Germany, however, has stagnated, and unemployment stays high.

Around 200 German economists publish a dramatic appeal for Germany to increase its competitiveness. The German labour market is too inflexible, the wages too high and the benefits far too lavish. Two years after exiting from the euro, write the economists, Greece and Spain are on the go, while the German economy is limping.

Thilo Sarrazin goes on the TV political show hosted by Maybrit Illner to explain, “I never recommended getting out of the eurozone, but you will allow that I did have the right to say that we do not need the euro.”

François Hollande

Battling French decline

Nov 14th 2012, 10:30 by S.P. | PARIS



HE HAS lost popularity faster than any French president in modern history, and been roundly criticised for a lack of leadership. Yet it was a remarkably serene François Hollande who defended his first six months in office at a press conference in Paris on November 13th. Betraying no sign of panic or pressure, the Socialist president declared that “decline is not our destiny” and asked to be judged not on “the state of public opinion today, but the state of France in five years' time”.

Mr Hollande gives plenty of press conferences when travelling abroad, but this was the first he has held in Paris in the quasi-monarchical tradition of Fifth Republic presidents, starting with Charles de Gaulle. Standing in the *salle des fêtes*, the grand reception room of the Elysée palace, with rows of government ministers seated to the side like royal courtiers, Mr Hollande chose a setting that broke with his declared aim of being an unstuffy “normal” president in touch with the people. He promised to repeat the exercise every six months.

The main difficulty Mr Hollande faced was to explain to the French why he has begun to do things that, during his election campaign, he either vowed not to, such as increasing the rate of VAT, or that he scarcely mentioned, such as cutting public spending. Having devoted most of his first four months to policies that appealed to his left-wing base, such as a (small) rise in the minimum wage or a new top tax rate of 75%, Mr Hollande has now begun belatedly to face far tougher decisions over public spending and competitiveness.

He has promised to bring down the budget deficit to 3% next year, and has already announced €20 billion (\$25 billion) of tax increases and €10 billion of budget savings in order to do so. Yet these calculations are based on growth estimates for 2013 of 0.8%, which few outside economists consider realistic. The French economy, according to the Bank of France, is expected to contract in the fourth quarter of this year, and probably did so in the previous three months, following three flat quarters. So further budget cuts are all but inevitable next year.

In his first real attempt to prepare the French for this shock, he recalled that public spending stands at a hefty 57% of GDP and declared that “we must be ready to do better by spending less”. This, Mr Hollande explained, would mean “reforming the state and social welfare”. Although he declined to go into any detail, nor to

explain how enacting this would be in keeping with his campaign promise to bring an end to austerity, this was a wholly new message that he will have to come back to in the coming months if he is serious about it.

On competitiveness too, Mr Hollande owed the French an explanation. **In his 2013 budget, unveiled in September, he slapped an extra €10 billion of taxes on companies, enraging businesspeople and creating the impression that France was hostile to wealth creation. Last week, however, his government announced to widespread surprise that it would give companies €20 billion of tax breaks to compensate for the heavy burden of payroll charges**, following the publication of a report by Louis Gallois, a respected left-leaning industrialist, **which stressed the problem of high French labour costs**. To pay for these, Mr Hollande plans **unspecified spending cuts and green taxes as well as an increase in VAT, precisely the policy he had campaigned against**.

“It’s true, I contested [a VAT increase],” Mr Hollande conceded at his news conference, but argued that at least he “didn’t wait five years to take a decision”. **In a contorted effort to mask a U-turn with wordplay, he argued that he was in fact “restructuring” VAT, to make it fairer, since he was also lowering the rate applied to essential goods**. Mr Hollande also called for a “historic compromise” before the end of the year on the labour market, the subject of ongoing negotiations with the unions, **in order to bring about more “suppleness”**.

Although the president’s performance was generally applauded by his supporters—*Libération* newspaper spoke of an **“audacious mutation of the French left”**—Mr Hollande now faces a double challenge. He needs first to decide how far he is prepared to go in adopting a more business-friendly approach and dealing with public spending and competitiveness. **So far, for instance, despite the talk, he has not identified a single item of budget savings, nor specified where social services might have to be cut back**. Second, if he is indeed serious, he **will need unusual political skill to explain to the left of his party, as well as his electorate, why the man they backed to tax big business and end austerity is now bringing in a massive corporate tax rebate and warning that the French state will need to learn to spend less**.

November 13, 2012

French President Defends Record as Economy Struggles

By [STEVEN ERLANGER](#)

PARIS — President [François Hollande](#) defended his government and his own performance in a lengthy and wide-ranging news conference on Tuesday, the first of his tenure, saying that he and his colleagues were moving decisively and transparently in the face of a bad economic situation.

“The situation is serious,” he said. The French elections brought “a change of power,” he said, “not a change of reality.” **And he insisted that his prime goals for his five-year term were to reduce unemployment and promote economic growth.**

Speaking for nearly two and a half hours, including a 45-minute opening statement, Mr. Hollande used the news conference to announce that his government recognized the main umbrella group for the Syrian opposition, the National Coalition of Syrian Revolutionary and Opposition Forces, as the sole legal representative of the Syrian people.

And Mr. Hollande defended his relationship with the German chancellor, [Angela Merkel](#), **even after his finance minister, Pierre Moscovici, complained of “French bashing” in the German news media.** Mr. Hollande said that he and Ms. Merkel had respectful relations with the “common goal of advancing Europe,” and that they discussed their disagreements openly. **He also said, with a slight smile, that he understood that Ms. Merkel was preparing for an election campaign of her own.**

One topic they disagree on is Greece, and the call by the International Monetary Fund for Greece to be given more time to reach its debt-reduction targets and for fellow European nations to reduce Greece’s public debt burden.

Mr. Hollande spoke sympathetically of the Greeks and their long economic recession, saying they had done all that was asked of them. As for the question of more time, he said, that remained to be discussed by European leaders. About restructuring Greek public debt, he chose to say nothing.

“The Greek Parliament has just adopted a very tough plan,” he said. “Greece expects in return the support of Europe and of the International Monetary Fund. It was promised this support, and I believe that beyond finalizing any technical modalities, it is entitled to this support, to put an end to what may have been a doubt about the integrity of the euro zone.”

On the subject of Mali, Mr. Hollande said that the capture of the northern half of the country by Islamic radicals posed a clear and present terrorist danger to [France](#) and to Europe. He said that France would not intervene militarily in Mali, though it would offer training, supplies and support to Malian and other African troops who intend to mount an offensive to drive the radicals out of the north, presumably before the rainy season begins in March and makes movement there very difficult.

“We want the Africans to prepare it themselves,” he said. While France and Europe would help, “in no case” would France itself use military means in Mali.

On domestic issues, Mr. Hollande said he read the polls, as other people do, but that it was his job to run the country. He is working to reduce public debt, reduce the tax burden on companies and promote employment, while keeping his promise to cut France’s budget deficit to 3 percent of economic output in 2013.

“Decline is not our destiny,” he said, **appealing to the French to come together and pay increased taxes (!) to get the country out of its current hole.** He called on trade unions and companies to negotiate “a

historic bargain” to ease confrontational labor relations and reduce barriers to hiring. If they do not, he said, the government will act on its own.

As for himself, “I can understand the doubts that have been expressed,” Mr. Hollande said. “The only valid question in my eyes is not the state of public opinion today, but the state of France in five years’ time.”

He portrayed himself as a man speaking honestly to the French, a man who values “simplicity,” respects institutions and wants to let his prime minister, Jean-Marc Ayrault, get on with the day-to-day work of governing. Mr. Hollande has been mocked for calling himself a “normal president,” but when asked by a journalist if France was “detoxifying itself from fossil fuels,” he said: “I don’t want to detoxify myself of anything; I have no addiction. You may have noticed: normal president, responsible president, no addiction to any substance.”

November 13, 2012

France Grants Its Recognition to Syria Rebels

By [STEVEN ERLANGER](#) and [RICK GLADSTONE](#)

PARIS — [France](#) announced Tuesday that it was recognizing the newly formed Syrian rebel coalition and would consider arming the group, seeking to inject momentum into a broad Western and Arab effort to build a viable and effective opposition that would hasten the end of a stalemated civil war that has destabilized the Middle East.

The announcement by President François Hollande made France the first Western country to fully embrace the new coalition, which came together this past weekend under Western pressure after days of difficult negotiations in Doha, Qatar.

The goal was to make an opposition leadership — both inside and outside the country — representative of the array of Syrian groups pressing for the downfall of President Bashar al-Assad. Although Mr. Assad is increasingly isolated as his country descends further into mayhem and despair after 20 months of conflict, he has survived partly because of the disagreements and lack of unity among his opponents.

Throughout the conflict, the West has taken half measures and been reluctant to back an aggressive effort to oust Mr. Assad. This appears to be the first time that Western nations, with Arab allies, are determined to build a viable opposition leadership that can ultimately function as a government. Whether it can succeed remains unclear.

Mr. Hollande went beyond other Western pledges of support for the new Syrian umbrella rebel group, which calls itself the National Coalition of Syrian Revolutionary and Opposition Forces. But Mr. Hollande's announcement clearly signaled expectations that if the group can establish political legitimacy and an operational structure inside [Syria](#), creating an alternative to the Assad family's four decades in power, it will be rewarded with further recognition, money and possibly weapons.

"I announce that France recognizes the Syrian National Coalition as the sole representative of the Syrian people and thus as the future provisional government of a democratic Syria and to bring an end to Bashar al-Assad's regime," said Mr. Hollande, who has been one of the Syrian president's harshest critics.

As for weapons, Mr. Hollande said, France had not supported arming the rebels up to now, but "with the coalition, as soon as it is a legitimate government of Syria, this question will be looked at by France, but also by all countries that recognize this government."

Political analysts called Mr. Hollande's announcement an important moment in the Syrian conflict, which began as a peaceful Arab Spring uprising in March 2011. It was harshly suppressed by Mr. Assad, turned into a civil war and has left nearly 40,000 Syrians dead, displaced about 2.5 million and forced more than 400,000 to flee to neighboring countries, according to international relief agencies.

"It's certainly another page of the story," Augustus Richard Norton, a professor of international relations at Boston University and an expert on Middle East political history, said of the French announcement. "I think it's important. But it will be much more important if other countries follow suit. I don't think we're quite there yet."

Some drew an analogy to France's leading role in the early days of the Libyan uprising when it helped funnel aid, and later military support, to the rebels who had firmly established themselves in eastern Libya and would later topple Col. Muammar el-Qaddafi. But in Syria, rebels have not been as organized and have no hold on significant amounts of territory — at least not enough to create a provisional government that could resist Mr. Assad's military assaults. The West has also refused, so far, to impose a no-fly zone over Syria, which was critical to the success of the Libyan uprising.

Andrew J. Tabler, a Syria expert at the Washington Institute for Near East Policy, said that the new coalition would have to create a secure zone in Syria to be successful, and that that step would require support from the United States, which was instrumental in the negotiations that led to the group's creation but has not yet committed to giving it full recognition.

What the French have done, Mr. Tabler said, is significant because they have started the process of broader recognition, putting pressure on the group to succeed. "They've decided to back this umbrella organization and hope that it has some kind of political legitimacy and keep it from going to extremists," he said. "It's a gamble. The gamble is that it will stiffen the backs of the opposition."

France's statement also was a clear reflection of frustration with the growing death toll and military stalemate in Syria. It came a week after the re-election of President Obama, who had clearly been unwilling to consider any military policy that could hurt his prospects.

Mr. Hollande's announcement came as the rebel coalition's newly chosen leader, [Sheik Ahmed Moaz al-Khatib](#), a former imam of the historic Umayyad Mosque in Damascus and a respected figure in Syria, made a broad appeal to Western and Arab countries for recognition and military aid. Foreign ministers of the Arab League, while approving the new group as the "legitimate representative of the Syrian opposition," have not agreed on recognizing it as a provisional government to replace Mr. Assad.

France, the former colonial power in Syria, has been pressing for a more committed international effort to help the anti-Assad movement. It has pushed the United Nations Security Council and the United States to act more decisively and has promoted economic and oil sanctions against Syria, both in the United Nations and more successfully in the European Union, which had been a top consumer of Syrian oil.

Under the previous center-right presidency of Nicolas Sarkozy, France played the leading role in organizing an armed intervention in Libya to save the opposition from Colonel Qaddafi's forces. Working with the British, Mr. Sarkozy brought Washington along and helped secure a Security Council mandate that was interpreted as covering military intervention in Libya.

Russia and China have said they felt deceived, however, and both have opposed a similar Council resolution on Syria. In addition, the Obama administration has been firmly against any military intervention in Syria on behalf of a more chaotic opposition with a larger, more visible presence of radical Islamic fighters from other countries.

Still, Secretary of State Hillary Rodham Clinton has been important in pressing for a newly constituted, broader Syrian transitional council of the kind established in Qatar on Sunday.

The French have also been helping with civilian projects in areas of Syria held by opposition forces, working with locals to repair food and milk factories and to provide medical supplies and assistance. The idea, French officials have said, is to help the opposition govern and build credibility in so-called liberated areas.

The recognition by France came as new fighting raged in Syria and international relief agencies warned that the humanitarian crisis there had worsened in the past few weeks.

"People are really on the run, hiding," said Melissa Fleming, the spokeswoman for the United Nations refugee agency in Geneva. "They are difficult to count and difficult to access."

A rebel-held Syrian village at the Turkish border, Ras al-Ain, was bombed by Syrian aircraft for the second consecutive day. And tensions remained high on the armistice line between Syria and Israel in the Golan Heights area controlled by Israel since the 1967 Arab-Israeli war. Israeli tank gunners blasted a Syrian mobile artillery vehicle there on Monday in response to repeated instances of errant mortar shells landing on the Israeli side.

There were also new indications that the Syrian rebels were obtaining more sophisticated weapons without Western help. [The Brown Moses blog](#), considered an authoritative source on arms used in the conflict, reported

new images showing insurgents armed with SA-16 and SA-24 shoulder-fired heat-seeking anti-aircraft missiles, apparently captured from the Syrian military. Both systems are newer generations of weapons than rebels have been seen carrying before, and pose a new threat to Syrian military aircraft.

Steven Erlanger reported from Paris, and Rick Gladstone from New York. Reporting was contributed by Neil MacFarquhar and Hwaida Saad from Beirut, Lebanon; Nick Cumming-Bruce from Geneva; and Richard Berry from Paris.

11/13/2012 06:52 PM

Civil Disobedience

Greek Mayors Rebel Against Public Layoffs

By Georgios Christidis in Thessaloniki, Greece

While the Greek government has passed the most recent austerity measures demanded by its international lenders, it continues to encounter resistance to their implementation. In a rare act of unity, cities and unions are refusing to comply with demands for layoffs.

The atmosphere was tense at the courtyard of the Thessaloniki city hall. Dozens of municipal workers in Greece's second-largest city staged a protest Monday morning against the planned lay-offs of 27,000 civil servants. "I have been working for the city for 22 years," said one of the city administration's 4,000 employees. He requested anonymity for fear of jeopardizing his position even further. "I fear for my job. All of us do."

A few hours later, city workers and journalists packed inside city hall to observe the city council meeting. The meeting ended with a decision to disobey the central government. Mayor Yiannis Boutaris had submitted the motion -- a refusal to send the Interior Ministry a list of workers ripe for dismissal. City administration and unions, so often enemies, were united.

Public sector lay-offs are a key condition set by Greece's international lenders for receiving further aid. Thousands of civil servants are to be placed on reserve for one year with reduced salaries. If they prove to have no useful function, or if they find work in the private sector, they lose their jobs. According to a report by the troika representing Greece's international public lenders comprised of the European Commission, the European Central Bank and the International Monetary Fund, 27,000 civil servants are to be placed into the mobility scheme over the next 12 months.

As SPIEGEL ONLINE reported earlier this week, the troika expects 2,000 public sector employees to be part of the scheme by the end of the year, and insists on concrete lists of people. Previous promises by the government to create a labor reserve failed miserably: While 15,000 employees should have been placed on reserve by the end of this year, fewer than 100 were transferred -- most of them part-time employees.

That resistance to shrinking the public sector is not going away. In a rare show of unity in Greece's infamously partisan politics and tense labor relations, both the national union of municipal employees, POE-OTA, and the Central Union of Municipalities, KEDE, have built up an anti-lay-off campaign. Starting on Monday, municipal workers occupied local government offices in Athens, Thessaloniki and other major cities. In some municipalities, protesters used wooden boards to seal off the personnel offices that hold the names of city workers.

Reformer Turned Rebel

Thessaloniki Mayor Yiannis Boutaris won [accolades from the European Union and the press](#) as a rare modernizer in Greece, yet he was among the first to rebel. "Both the government and the troika need to realize that such measures decapitate an already castrated local administration," he said at Monday's city council meeting.

Boutaris' position comes as a surprise to Nikolaos Tachiaos, a liberal politician who served as deputy mayor of Thessaloniki: "It is disappointing to see that even mayors like Boutaris who sponsor a modernizing agenda refuse to send the lists," he told SPIEGEL ONLINE. "Was it not Boutaris who said last year that the city of

Thessaloniki can operate 'with half the staff?' The message they are sending is that there is a huge gap between words and actions in Greece."

The head of the Central Union of Municipalities, Kostas Askounis, says no other branch of government in Greece has done as much cost-cutting as the cities, and that any further cutbacks will give the fatal blow to already overstretched local authorities. "More than 3,500 staff have left since 2010," he said. "Do they want to totally destroy us? Who will teach children in municipal kindergartens? And was it not Angela Merkel who praised local authorities during her visit to Athens? How are we supposed to perform the 200 additional responsibilities the law gives to municipalities in 2013?"

Tachiaos is not convinced. He says local authorities were loaded with redundant and often unskilled employees as part of rampant cronyism in local administration in the 1980s and early 1990s.

"Municipalities would hire literally everybody who came knocking," he said. "The workers who are targeted for the reserve scheme are people with low skills, who took on permanent posts by the mayors through back channels. And they are the same people who booed the city council politicians who appointed them."

Rebellious Greek mayors are undeterred by the criticism. They could even go as far as submitting their resignations en masse -- an idea to be discussed and decided on at an upcoming union meeting.

<http://www.zerohedge.com/news/2012-11-13/quote-day-was-not-joke>

Quote Of The Day: **"That Was Not A Joke"**



Submitted by [Tyler Durden](#) on 11/13/2012 09:32 -0500

If one needs proof that after 3 years of being merely totally insolvent, Europe is now also world's greatest Bazooko circus in history, please fast forward to 24 minutes into the clip, where Europe's most pathological liar is now its most (in)voluntary comedian as well.

Question: Is the goal still to get Greece's debt to 120%?

Juncker: The fact is that the target of 120% will remain, but the target as far as the time frame is concerned has been postponed to 2022.

[Laughter in the room]

Juncker: That was not a joke!

Fast forward to 24:00

h/t Alex

Greece and the EU

Battle of the (third) bailout

Nov 13th 2012, 1:39 by Charlemagne | BRUSSELS

THOSE looking for good omens about Greece's future in the euro zone will have been heartened by the news last week that the European Central Bank would soon print euro banknotes bearing a new [design](#) with the portrait of Europa, the [figure](#) of Greek mythology who was abducted by Zeus disguised as a white bull.

Would the ECB be issuing new five-euro notes inspired by a Greek foundation-myth—indeed would it be naming the whole series of banknotes after Europa—if Greece were about to be kicked out of the euro? Surely not.

For some months now it has been clear that Angela Merkel, the German chancellor, did not want to eject Greece if she could possibly help it. She even made a trip to Athens to make the point (see my column [here](#)). It is equally clear, however, that Germany and the other creditor countries do not want to commit more billions of euros to pull Greece out of its economic death spiral.

So when finance ministers of the euro zone met in Brussels on November 12th to discuss Greece, they were in a quandary.

For once, they showered Greece with praise for its readiness to cut its budget and cut it again and again (see our [story](#) on the latest budget) and to embark on structural reforms. Olli Rehn, the EU's commissioner for monetary affairs, said it was “time to debunk” the idea that Greece had not reformed: it has cut the deficit by far more than required under its original bailout in 2010; labour reforms were improving competitiveness (by reducing wages); and the health service now boasted one of the most modern electronic prescription systems in the world.

The euro zone agreed (see statement [here](#)) that Greece could have two more years to meet its fiscal target, shifting from 2014 to 2016 the date by which it should achieve a primary budget surplus (ie, before interest payments) of 4.5% of GDP.

But the ministers could not agree on how to finance this extension and, more importantly, how to bring down Greece's Olympian-scale debt burden. That will be left for a new meeting on November 20th. And if finance ministers cannot reach a final deal, the matter will inevitably have to be taken up at the European summit that is supposed to discuss the EU budget two days later.

This timing delays yet again the disbursement of the much-delayed tranche of euro-zone aid, worth €31.5 billion. Greece has to refinance €5 billion worth of T-bills falling due on November 16th, but the ECB will not accept more than about €3.5 billion worth of them as collateral under the current ceiling. This reduces the incentive for Greek banks to buy more bonds. But Mr Rehn said the banks had more money than previously thought, and were expected to buy the bonds anyway. “There will be no problem with the roll-over,” he declared.

The scale of the economic damage in Greece is set out in a leaked [assessment](#) (hat-tip FT) by the “troika” of experts from the IMF, the European Commission and the European Central Bank. Many of the problems may have been caused by Greek delays and resistance. But much of the harm was done by the uncertainty, often fed in Germany, about whether Greece could remain in the euro zone. Even so, the authors seem caught by surprise by the depth of the recession, now in its fifth year, with no return to growth expected before late next year.

The Greek prime minister, Antonis Samaras, may have claimed that the latest austerity measures worth €13.5 billion (about 7% of GDP) for 2013-2014, the toughest yet, would be the “last and final” round of cuts. But the

troika report says that further austerity measures worth €4 billion will be necessary in 2015-2016. The slow progress of privatisation does not help.

All told, extending the bailout by two more years means Greece will need to borrow some €32.6 billion more from its euro-zone partners. That amounts to a third bail-out.

Even if this extra help is agreed somehow, Greece will be far from safe. The previous bailout, which included a big haircut on private bondholders (known as Private Sector Involvement, or PSI), was supposed to bring Greece's debt below 120% of GDP by 2020. That will be missed by a wide margin.

Quite how wide is still a matter of dispute. The “debt sustainability analysis” has been omitted from the troika's report. But sources say the IMF reckons Greek debt will be around 160% of GDP in 2020, while the European Commission puts it lower at about 140% of GDP. Massaging of the figures, which are sensitive to forecasts of the rate of economic growth (or Greece's case, of shrinkage) and the interest rate should eventually reconcile the two.

Jean-Claude Juncker, president of the Eurogroup of finance ministers, tonight offered another fudge. He said the target date to bring debt down to 120% of GDP could be shifted to 2022, given that Greece is being allowed an extra two years to meet its fiscal target. In doing so he disagreed publicly with Christine Lagarde, the IMF's chief, sitting next to him, who insisted that the 2020 date should be kept.

Either way it is clear that Greece's debt will at the very least need to be rescheduled, for example by lengthening maturities or lowering interest rates. The IMF seems to be holding out for outright forgiveness of debt now held mostly by the official lenders, hence the euro-jargon of Official Sector Involvement (OSI). This is politically explosive in Germany and other creditor nations, because it would mean admitting that money lent to Greece had been lost forever.

But consider the advantage: by taking a direct hit, the countries of the euro zone would be giving a strong signal that they intend to keep Greece in the family. Restoring confidence in Greece might be even more valuable than money.

Greece

Aid is fine, but ideas would be better

13 November 2012

[I Kathimerini](#) Athens



[Shooty](#)

Its European partners have given Greece's government two more years to lower the deficit, but Greece will still have to wait on the 31.5 billion euro aid tranche. Once these negotiations are over, though, the groundwork for a new economic development must be built – not the easiest task awaiting the country.

[Nikos Chrisoloras](#)

Despite the endless nights, the marathon negotiations, the comings and goings of legislative amendments, the race to get the aid tranche [31.5 billion euros from international lenders] and the endless cuts, the truth is that Yannis Stournaras, Minister of Finance, has the easiest job in the Greek government. The job of every minister in a bankrupt state is a thankless one, and the decisions they are called upon to take are painful – but at least, in the framework that it is evolving in, the situation is known in advance. A bankruptcy remains a bankruptcy, as does the inability to borrow from somewhere else.

However, the challenge facing the other ministers and deputy ministers, as well as the government leadership outside of the Ministry of Finance, is much more significant.

Their duty does not stop at managing the current reality, but involves ushering in a new reality.

Greece's provisional survival in the developed world depends on the ability of those people to lay the groundwork for new prosperity to be created – and all this in the environment that has sprung up in the wake of the collapse of Lehman Brothers and the shutting down of the financing channels, which is what dragged the Greek economy into recession in late 2008.

That job is much tougher and more complex than seeing through the spending cuts and tax hikes. The fact that the resistance against the austerity is greater than the resistance to the reforms themselves shows the truth of that.

Greece has highest rate of physicians per patient

Many will say that it is impossible to rebuild the Greek state and create the ideal setting for development when the Minister of Finance keeps slashing the funds. But experience shows that it's not always money that's the problem. Greece has the highest rate of physicians per patient and teachers per student in the developed world. Even before the crisis, though, the level of educational services and care provided to citizens was so low that it pushed anyone who could pay for them to the private sector. Before the crisis, social spending in Greece was at the European standard, yet its impact on reducing poverty was less than what similar spending attained in Western Europe.

In addition, the European Commissioner for Regional Policy, Johannes Hahn, said on Sunday that the country has not achieved its objectives in the use of EU funds, owing to the weakness of the public administration and poor coordination between services.

In international surveys of competitiveness, the complexity of Greece's tax laws is more likely to be mentioned by investors than the tax scales themselves. Even today, after so many facilities have been put in place, like the "one-stop shop" and accelerated procedures, one of my friends who tried to set up a health sector company in the Cyclades had to tour the Aegean Sea three times, running from one service to the next for two months, before ultimately giving up.

This fiasco gets little publicity, both in government and in the opposition. Their silence shows that our greatest deficit at the moment, Mr. Stournaras, is not the public deficit but the lack of proposals for tomorrow.

On the web

- [Original article at I Kathimerini](#) el
- [To Ethnos article](#) el

Context

Two year extension, but no fresh cash



The Eurogroup awarded "Greece a two year extension" on November 12, [says Greek daily To Ethnos](#). Eurozone finance ministers agreed to extend Greece's fiscal adjustment period until 2016, a two year gain from the previous 2014 deadline. This in turn will bring down the national debt to 120% of GDP in 2022 rather than in 2020.

But, proof of a difference of view between Athens' European partners and the International Monetary Fund, the Group [postponed the payment of 31.5 billion euros in bailout funds](#). The funds were expected following the recent passage of a new austerity plan and of a strict 2013 budget. The IMF is asking for additional measures without which, it says, Greece will not be able to bring down the deficit to the needed level thus making the bailout much more costly than anticipated.

To Ethnos hopes for a –

... general recognition by Greece's partners and by its creditors of the sacrifices made by the Greek people [...] And especially for the payment, as soon as possible, of the 31.5 billion euros.

The World From Berlin

'Stabilizing Greece is the Least Costly Option'

Euro-zone finance ministers agreed on Monday to give Greece two more years to meet its budget goals, but this was overshadowed by a rift between the ministers and the International Monetary Fund over whether Greece should get a further debt cut. German commentators say the crisis could boil over again.

Here's the good news: The long-awaited report on Greece compiled by inspectors from the European Commission, European Central Bank and International Monetary Fund said the country [has made progress on reforms](#), and euro zone ministers agreed to give Greece two more years to make the spending cuts they have demanded.

And here's the not-so-good news: The troika, as the group of inspectors is called, [disagrees](#) on how Greece can bring its debts down to a sustainable level. The row became evident on Monday when euro zone finance ministers said Athens should be given until 2022 to cut its debt to GDP ratio to 120 percent, while IMF chief Christine Lagarde insisted that the existing target of 2020 should remain.

The rift unsettled financial markets, with the euro falling to a two-month low against the dollar. At the heart of the dispute is a disagreement over whether euro zone governments need to write off some of Greece's debt to them. The IMF thinks they should, but Germany is strongly opposed to a write-off because it would entail real losses to taxpayers ahead of the next general election in late 2013.

German media commentators say it's right that Greece has been given more time to get its budget in order, because letting the nation go bankrupt and quit the euro zone could blow the currency union apart. But the new rift in the troika shows the euro crisis is far from over, they add.

Conservative **Die Welt** writes:

"It's not surprising that the finance ministers interpreted the troika report as showing that the Greeks had made some progress. Even though it looks as though the report has done a lot of sugarcoating, that's how the euro saviors wanted it: positive. That needn't be bad. After all, Europe mustn't base such a fundamental political decision on the judgment of a handful of bureaucrats: Will the euro zone remain intact or not? It will. That has been basically clear since the summer, when the German government finally joined the ranks of those subscribing to the domino effect theory. One can hope that in doing so it didn't let go of the last lever it will need to restructure the monetary union. The row over the best way out of the crisis hasn't been resolved."

Conservative **Frankfurter Allgemeine Zeitung** writes:

"Even if the Euro Group is at pains to praise Greece's progress, it has failed during the almost endless wait for the troika report to find a solution to the crisis. While the savings, the reforms and the budget of the Greeks are being lauded, no mention is being made of the fact that its government debt is as high as it was before the supposedly liberating debt cut private investors were forced to agree to."

"Athens still can't finance itself without outside help. A major row is raging behind the scenes of the troika over how the growing gap between spending and revenue can be closed. German Finance Minister Wolfgang Schäuble simply wants to change the definition of sustainable debt that has always been the International Monetary Fund's basis for loans. The IMF, on the other hand, is demanding a new debt cut, this time mainly by public sector creditors who by now own virtually all of Greece's debt. Schäuble wants to prevent that because

Germany's lower house of parliament, the Bundestag, would have to decide on that, and the taxpayers would see that Greece will need long-term transfers and that its 'rescue' can cost endless sums of money."

Center-left Berlin daily **Tagesspiegel** writes:

"Greece faces collapse. It is Europe's responsibility to prevent that. That justifies more and longer aid payments."

"The country is only just catching up with the organizational standards of other states in the EU. In the past, Greece hadn't strived for the orderly administration and the good governance taken for granted in European states. It only began doing so under pressure from creditors."

Left-wing **Berliner Zeitung** writes:

"The Greeks have delivered. They have agreed to the next round of massive cuts and brought the budget for next year through parliament. So the creditors must honor their pledges too. Greece will again receive billions to enable it to survive in the euro zone. This outcome has been evident for weeks because Chancellor Angela Merkel had committed herself to it."

"It isn't charity but sober political calculation that has driven Merkel to make concessions to the beleaguered Southern Europeans. She may be seen as a tough politician in Europe, but she isn't a gambler. She wants to avoid the experiment that a Greek exit from the euro zone would mean. And she has good reason to: If one country falls, could Portugal, Spain or Italy hold themselves upright? So far no one has been able to give her an answer to that question."

"She is right to opt for caution. The path she has chosen isn't easy for her. She will now have to ask the Bundestag to vote for fresh billions in aid. That will trigger tough debates that are likely to expose opposition to Merkel's policy in her own coalition."

"The renewed stabilization of Greece won't solve the problems. But it is the least painful and costly of all the options."

David Crossland

11/13/2012 01:27 PM

'Not a Joke'

EU-IMF Spat over Greece Worries Investors

Even as European finance ministers agreed with the International Monetary Fund on Monday to grant Athens more time to meet its budget reduction targets, a deep rift became apparent. Greece's overall debt load is massive, and the EU and IMF are in conflict over the best method and timeframe for reducing it.

Extraordinary European Union meetings are becoming downright ordinary as the euro crisis grinds into its fourth year. And euro-zone finance ministers on Monday set the date of yet another such gathering. Now, the Euro Group, as the minister club is called, hopes to be able to agree on the next tranche of emergency aid for Greece on Nov. 20.

But between now and then, the EU and the International Monetary Fund (IMF) have to set aside deep differences over the timeline for Greece to reduce its overall debt load from its forecasted 2013 level of 190 percent of gross domestic product to the target level of 120 percent of GDP by 2020. And given the open disagreement on display at Monday evening's press conference featuring Euro Group President Jean-Claude Juncker and IMF head Christine Lagarde, finding a common line might prove to be difficult.

"We clearly have different views," Lagarde said. "What matters at the end of the day is the sustainability of Greek debt so that the country can get back on its feet."

The press conference came on the heels of the Euro Group's announcement that it had agreed, as widely expected, to grant Athens two more years to meet its budgetary target. Instead of achieving a primary surplus (which excludes the cost of servicing debt) of 4.5 percent of GDP by 2014, the country now has until 2016.

The delay means that Athens is likely to need an additional €33 billion in aid from the European Union, on top of the €240 billion the EU has already pledged in recent years to keep Athens from descending into insolvency. But granting Athens two extra years, from the point of view of the euro zone, also means that it will take longer for Greece to reduce its debt load to the 120 percent of GDP mark, a level that has been identified as "sustainable."

'That Wasn't a Joke'

As such, Juncker insisted during the Monday press conference that Greece be given until 2022 to cut its debt, whereupon Lagarde demonstratively rolled her eyes and turned away. When the audience laughed at her antics, Juncker said: "That wasn't a joke." The IMF is firmly insisting on the original date of 2020, a deadline that most observers believe would require another debt haircut -- a move euro-zone finance ministers would like to avoid.

German Finance Minister Wolfgang Schäuble on Tuesday threw his support behind Juncker. Still in Brussels for talks on an EU banking union, Schäuble said that cutting Greek debt to 120 percent of GDP "is likely a bit too ambitious for 2020."

The delay in payment of the [next tranche of aid](#), worth €31.5 billion, and the disagreement between the Euro Group and the IMF has unsettled investors. The euro this week has dipped to a two-month low against the dollar and interest rates on German sovereign bonds have ticked upwards. Athens had said that it would be in danger of insolvency if it didn't receive its next aid payment by this Friday due to €5 billion in debt which

comes due at the end of this week. On Tuesday, however, Athens was able to raise some €4 billion by issuing short-term debt.

Few believe that the EU will ultimately withhold the money from Athens. But the Euro Group indicated that it was still checking Greek compliance on some areas of reform. "It clearly needs to be reviewed a little bit, to make sure that all prior actions contained in that budget law are actually taken," Lagarde said in reference to the [new budget cuts passed by Greek parliament last week](#).

Of potentially greater importance, however, is the ongoing disagreement between the Euro Group and the IMF, one which goes deeper than just the timing of debt reduction. The "how" is equally important. The IMF is of the opinion that the only way for Greece to effectively reduce its debt level by 2020 is to default once again on a significant portion of its debt as it did this spring. Such a "haircut," however, would not focus primarily on private investors as it did last time, but on Greece's public creditors. Euro-zone member states, in other words, would lose some of the emergency aid money they have loaned to Greece.

Has Greece Delivered?

That is politically fraught, particularly in Germany where Chancellor Angela Merkel is up for re-election in 2013 and can hardly afford to tell her electorate that billions in taxpayer money must be written off.

European finance ministers hope that, if Greece sticks to its austerity program and no longer falls behind as it did in the last two years, the country's debt will sink to 144 percent of GDP by 2020. Granting the country an extra two years would reduce it further. In addition, **Europe is considering other measures, such as cutting the interest Greece must pay on its emergency aid loans and extending the timeframe within which they must be paid back, to reduce the country's overall debt load.**

Debt sustainability was also a top concern for German Finance **Minister Wolfgang Schäuble** on Monday. A report on Athens' progress on the issue had not been finished ahead of the Monday meeting in Brussels. **"We first have to see if Greece has delivered," Schäuble said. "I have not seen this."**

cgh -- with wire reports

"La France n'est pas le malade de l'UE"

Avec Reuters Publié le 13/11/2012 à 13:03 [Réactions](#) (30)

La France n'est pas l'homme malade de l'Europe, a déclaré le ministre allemand des Finances, pour couper court aux interrogations sur la santé de la deuxième économie européenne. "Non, il ne faut pas perdre une seconde à répondre à cela", a dit Wolfgang Schäuble lors d'une conférence de presse commune avec son homologue français Pierre Moscovici, à Bruxelles, où les deux hommes se sont efforcés d'afficher leur entente.

Deux sources avaient déclaré la semaine dernière que Wolfgang Schäuble avait envisagé de demander aux "sages" allemands la rédaction d'un rapport sur l'économie française, une information démentie par ces conseillers.

Selon le gouvernement français, les critiques émises en Allemagne sont en partie liées à la campagne pour les élections de 2013 et elles ne prennent pas en compte son plan pour la compétitivité annoncé la semaine dernière. Pour Wolfgang Schäuble, "cela ne nous aiderait pas de nous donner des notes les uns les autres". "Ce n'est pas comme si nous faisons tout bien en Allemagne. Ce n'est pas comme si la France faisait tout bien, mais je ne veux même pas dire cela." "Nous avons confiance dans la politique menée par le gouvernement français", a encore déclaré le ministre allemand.

Pierre Moscovici a quant à lui répété qu'il n'y avait "aucun flottement" dans la relation entre les deux premières puissances économiques de la zone euro. "Il n'y a pas de malentendu franco-allemand, il n'y a pas d'ingérence des uns dans la politiques des autres. Il y a deux pays conscients de leur devoir commun pour l'Union européenne", a ajouté Pierre Moscovici

November 12, 2012

Merkel Vows Full Support for Portugal

By MELISSA EDDY and NIKI KITSANTONIS

Chancellor [Angela Merkel](#) of Germany vowed continued support for [Portugal](#) on Monday, seeking to reassure a European partner that fiscal overhauls would be rewarded with long-term growth and stability.

Even as finance ministers from the 17 euro zone countries gathered in Brussels to consider the release of 31.5 billion euros (\$40.1 billion) in aid for [Greece](#), Ms. Merkel expressed confidence that the troika of international lenders that has bailed out both Greece and Portugal would issue a favorable report on Lisbon's efforts at reforming its economy.

As Ms. Merkel arrived in Lisbon for a six-hour visit with Portuguese leaders, she was greeted by statues shrouded in black mourning cloth and shouts of "Merkel out!" from hundreds of protesters, who were largely outnumbered by the police. She received an even harsher reception when she visited Athens last month.

Earlier Monday, the Greek government pushed through Parliament a tough budget for 2013 with a raft of spending cuts and tax increases, moving the country closer to unlocking the next installment of aid from the troika of international lenders — the European Commission, the European Central Bank and the International Monetary Fund.

More than any other public figure, the German chancellor has been made the scapegoat of Europeans battered by the three-year-old [sovereign debt crisis](#) and the austerity measures governments have imposed to combat it. But she responded to Portuguese protesters with sympathy and optimism, similar to her soothing words to 40,000 angry demonstrators last month in Greece.

"I feel a great sense of determination here in Portugal to overcome this difficult phase," Ms. Merkel said at a news conference in Lisbon, carried live on German television, after holding talks with Pedro Passos Coelho, the prime minister.

Public anger in Portugal, for years regarded as Europe's model bailout recipient, has swelled in recent weeks as Mr. Coelho's center-right coalition government has raised taxes and reduced spending in return for a bailout of 78 billion euros from the troika. The government is predicting a third consecutive year of recession in 2013, with unemployment reaching nearly 16 percent, and more than twice as many young people out of work.

"I know that it's very hard for some people. Unemployment is high, especially among young people," Ms. Merkel said. "Consequently, Germany in particular wants to support Portugal through professional training for young people."

Traveling with Ms. Merkel was a business delegation from Germany that held talks with Portuguese executives to identify specific areas where improved cooperation could foster growth. The German business leaders praised Portugal's efforts but warned that more was needed before investors' confidence could be won back.

"Portugal has so far fulfilled all its savings duties," Paul Bauwens-Adenauer, of the German business forum DIHK, said in a statement. "The path of reforms it has started out on deserves recognition, but it must continue to be seriously implemented."

In Greece, most members of the governing coalition voted for the budget, which calls for 9.4 billion euros in cuts to salaries, pensions and social benefits, raises the retirement age to 67 from 65 and imposes higher taxes. Addressing lawmakers before the vote, Antonis Samaras, the prime minister, said the new cuts would be the last and he appealed to the troika to support his country.

The budget vote was regarded as a test of confidence in Greece's shaky coalition after a vote last week on a 17 billion euro package of austerity measures and fiscal overhauls for the next four years.

"Greece has done its part," Mr. Samaras said. "Now it's the turn of the lenders."

In Brussels, euro zone finance ministers were unlikely to sign off on a long-delayed tranche of aid for Greece ahead of a final report by the troika on reforms Athens agreed to make as a condition of receiving two bailout packages totaling 240 billion euros.

Greece is also wrestling with the troika over how best to make sustainable the country's huge debt burden, estimated at 175 percent of gross domestic product this year and 189 percent for 2013.

Melissa Eddy reported from Berlin and Niki Kitsantonis reported from Athens.

November 12, 2012

Europe Gives Greece More Time for Budget Cuts

By [JAMES KANTER](#)

BRUSSELS — Finance ministers from euro zone countries meeting here late on Monday praised reforms taken by Greece and gave the country two more years to make budget cuts, a concession that is expected to require additional funding of nearly 33 billion euros, or \$42 billion.

But the ministers put off until Nov. 20 any decision to give Greece a long-delayed payment worth \$40 billion so international officials and national parliaments could continue to assess the steps that the government in Athens had agreed to make as a condition of two bailout packages totaling 240 billion euros, or \$305 billion.

In a sign that fixing the Greek economy and the euro would continue to be a rancorous process even after three years of continuous crisis, Jean-Claude Juncker, the prime minister of Luxembourg, and [Christine Lagarde](#), the managing director of the International Monetary Fund, publicly disagreed on how long to give Greece to make its debts sustainable into the next decade.

Mr. Juncker told reporters at a late-night news conference that Greece should now be given until 2022 to cut its debt to 120 percent of its gross domestic product. But Ms. Lagarde immediately met that assertion with incredulity, saying there was an urgent need to take steps sooner to ensure the country's high external financing needs would be viable in the future.

“The appropriate timetable is 120 percent by 2020,” said Ms. Lagarde, who shook her head and rolled her eyes at Mr. Juncker's comments. “We clearly have different views,” she said, adding that keeping to that goal was vital “so that that country can be back on its feet and reaccess the private market in due course.”

Speaking later in the news conference, Mr. Juncker insisted that his comment “was not a joke.”

Ms. Lagarde also was more cautious in her praise of progress made by the Greek authorities than other euro area officials, including Mr. Juncker.

“From the I.M.F.'s point of view, it's critical that all chapters of the book be not only opened but closed satisfactorily — that means the fiscal commitments, the structural reforms, the financing and the debt sustainability analysis, which we will clearly come back to with additional work to be done in coming days,” Ms. Lagarde said.

Last week, Greece's shaky coalition won a tight vote on a package of austerity measures and fiscal overhauls totaling 17 billion euros for the next four years.

Then, early on Monday, the Greek government pushed through Parliament a tough budget for 2013 that calls for cuts totaling 9.4 billion euros, or \$12 billion, to salaries, pensions and social benefits, and that raised the retirement age to 67 from 65 and imposed higher taxes.

Those steps were a sign that “words have been backed by deeds,” Olli Rehn, the E.U. commissioner for economic and monetary union, told the same news conference.

“It is time to debunk the perception that no progress has been made,” said Mr. Rehn, referring to the structural reforms made by Greece. “This perception is damaging, it is unfair, and it is simply wrong.” Mr. Rehn gave as examples the way Greece had reformed disbursement of medicines and adjusted its pension system.

Failure to disburse the pending loan tranche to Greece could result in a chaotic exit from the euro and threaten the currency.

But obstacles to releasing that money remain. Even when ministers do give the green light for that disbursement, the decision still is subject to approval by a number of national parliaments.

Mr. Juncker said checking that those parliamentary approvals had been made could require finance ministers to hold a teleconference or meet in person at the end of the month in addition to their Nov. 20 meeting.

“Seriously, thoroughness is a must and before we decide, Germany’s Bundestag has to be involved, just like in other countries,” Wolfgang Schäuble, the German finance official, said earlier on Monday.

In Greece, promised reforms and budget cuts went off track in recent months, partly as a result of holding two elections in three months earlier this year. That left the government in Athens seeking more time to make reforms.

Yet relaxing the terms of agreement with Greece will cost more money for lenders and put leaders of big creditors like Germany in an awkward position with voters who have grown tired of bailing out others.

A draft copy of a report by the troika — the European Commission, the European Central Bank and the International Monetary Fund — that was circulating at the meeting said the bill for allowing Greece the additional time would be 32.6 billion euros.

Addressing lawmakers before the vote on the Greek budget, Prime Minister [Antonis Samaras](#) said the new cuts would be the last and he appealed to the troika to support his country.

“Greece has done its part,” Mr. Samaras said. “Now it’s the turn of the lenders.”

Updated November 12, 2012 7:09 PM

Should Germany Abandon the Euro?

Introduction



Tony Gentile/Reuters

The repercussions of Greece leaving the euro zone have been [widely debated](#). But what if a powerful creditor country like Germany left instead?

As the billionaire investor George Soros [wrote recently](#), “Germany must lead or leave.” If, as Soros speculates, Germany cannot accept “the responsibilities and liabilities that a benevolent hegemon should be willing to incur,” should it then abandon the euro altogether, leaving the rest of the bloc in charge?



[An Independent Germany Will Spur Growth](#)

Charles Dumas is the chairman of [Lombard Street Research](#) in London. He is the co-author, most recently, of "[The American Phoenix: And Why China and Europe Will Struggle After the Coming Slump.](#)"

November 12, 2012

European Union membership has slowed the German economy and left Germans worse off. If Italy and Spain retain the euro, this will require Germany and other “core” euro zone countries to pay them huge subsidies. Worse, Mediterranean depression can be avoided only if Germany generates major inflation for at least a decade.

But if Germany abandons the euro, its rising regional currency (assuming that it would rise) will be just what Germany needs. Prolonged undervaluation of Germany’s relative labor costs has weakened growth, and a rising exchange rate would remove imbalances.

Prolonged undervaluation of Germany’s relative labor costs has weakened growth, and a rising exchange rate would remove imbalances.

German growth has decelerated sharply over the past decade, despite financial and export strengths and labor market reforms. Productivity growth has been cut in half, from 2 percent in the 1990s for output per worker-hour to 1 percent over the past decade. Meanwhile, German citizens have accepted severe wage restraints without the former benefit of a strengthening currency, leading to negligible gains in consumer welfare. And yet wage restraints have served German businesses well. For them, cutting waste is less urgent, which is why worker productivity growth has slowed.

Austerity alone is not enough. To avoid a Mediterranean depression, and hugely increased subsidy payments beyond those already committed, Germany would have to accept a wage/price inflation spiral to rebalance its relative costs upward. **But Germans hate inflation, and the subdued world economy means there is almost no chance of them experiencing it.**

Would leaving the euro make Germany seriously uncompetitive and unable to grow? Are Germany’s businesses so weak they need artificially low costs? On the contrary, similar to drug abuse, keeping businesses on an artificially cheap exchange rate causes damage in the case of an overdose. **German businesses need the discipline of a higher exchange rate to enforce cost control and productivity gains.** German consumers need the lower import costs that a rising currency would bring to raise their spending power without wage inflation. Any excessive rise in the exchange rate could be curbed without inflation by German monetary expansion, which the whole of Europe needs, not just Germany.

Without a euro exit, Germany would soon be in big trouble. With it, growth could return.



[Keep the Family Together](#)

[Aristides N. Hatzis](#) is an associate professor of law and economics at the University of Athens. He is the founder of the [Greek Crisis](#), a blog, and is on [Twitter](#).

November 12, 2012

Every divorce has its benefits. Independence is one of them. You can spend your evenings the way you want, eating pizza with your feet on the coffee table or hanging out drunk with your college friends until 4 a.m.

But every divorce also has its cost. During marriage both parties invest in many ways in their relationship and this investment is relation-specific – it's worthless outside of the particular marriage.

If you are the stronger party in the relationship, with an independent career, a good income and solid prospects, you certainly have the bargaining power and you can set your own terms in the relationship. You might also come to persuade yourself that an “exit” would be costless. It never is.

Germans have worked hard since World War II to be the leaders of a unified Europe. Why should they abandon the effort now?

Germany is the partner with the bargaining power. It's the party who is not threatened by a divorce. It is the one who can credibly threaten all the others.

Are there any good reasons for a divorce? There always are: Germany would enjoy the advantages of independence without having to be responsible for its “immature” southern partners or for having to share decisions **with wishy-washy mommy-figure France**. Even former euro zone siblings will breathe freely after the over-achiever leaves the family: a depreciated euro would supposedly boost competitiveness and trim Germany's debts.

But Germany also has a lot to lose. A devalued euro could become the nemesis to an overvalued new deutsche mark as its former dependents could evolve into fierce competitors.

But most of all Germany will lose its investments, both financial and political. Following World War II, Germany left its political pariah status behind and rapidly became Europe's widely accepted leader. Its renaissance came about because of a committed, hard-working German population and because of the kindness of others -- its former enemies. The victors of World War II did not repeat the mistake of the Treaty of Versailles following World War I; they gave Germany a break. And wise German leaders from **Konrad Adenauer to Helmut Kohl** grabbed the chance, promoting the vision of European unification. **They invested in trust, reciprocity, long-term mutual benefit and the inevitability of a common future.**

This is a relation-specific investment that Germany should not want to throw away.



[Germany Should Leave](#)

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November 12, 2012

There are three strong arguments for why Germany should leave the euro zone.

First, the legal framework of Europe's common currency has been corrupted to the core. **The protective measures of the Maastricht treaty -- limited budget deficits, prohibition of bailouts and the ban on state financing via the money press -- have all been breached. The resulting climate of illegality is unacceptable for anyone believing in the rule of law.**

Second, clinging to the euro would be costly for Germany because it has already spent billions to support insolvent member states like Greece. **The counter-argument -- that a German euro zone exit would depress exports -- may be valid for individual exporters but not for the economy as a whole because it makes no sense to export on credit when the credit is ultimately repaid by the German taxpayer.**

Third, **adherence to the common currency is apt to poison Europe's political atmosphere all the more.** In my view, this is the most important point (**cf Hans-Werner Sinn**). The euro has been introduced primarily as a peace project intended to sponsor coherence and team spirit. In this respect, it has turned out to be counter-productive because European comradeship was pretty good in the decades preceding the euro, whereas today we have become accustomed to seeing Angela Merkel compared to Adolf Hitler. Conversely, German citizens have become increasingly suspicious of their Mediterranean fellows.

Economic history shows that intergovernmental monetary unions, as opposed to unions within single countries, **have never survived.** And they have regularly been terminated by exits of the strong member states, not exits of the weak. **Investors believing that Germany will bail out insolvent states indefinitely are liable to incur major losses once large debtors like Spain, Italy or France belly up.**

After all, **international law is soft law,** and Germany will discontinue its euro membership as soon as this seems advantageous.



Germany Should Stay

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November 12, 2012

Should it stay or should it go? This question about Germany and its potential departure from the euro zone is important and rightly so.

Germany should stay. The country is certainly experiencing costs by remaining, especially because of the bailouts of other struggling member countries. **Nonetheless the risks of exit are too high.**

If Germany abandons the euro, its 'new' currency will appreciate and become volatile, thus reversing its export strengths.

The European model is built on providing stability for all countries involved. The euro zone crystallizes this process. Notwithstanding the recent European financial crisis, **the German economy has really benefited from the European model because it is export-led. (???)**

If Germany abandons the euro, its “new” currency will appreciate and become volatile, thus reversing its export strengths.

Furthermore, **German banks, who some may argue are primary drivers of the recent bailout strategies throughout Europe** (Frech!!!???), will be left with a lot of devalued foreign assets. Avoiding default on holdings of private German banks by periphery countries like Greece and Spain is costly, but having devalued assets is also costly.

Nor is the role of euro skeptics to be underplayed here. They will look at any possibility to derail the European project. While they may have looked on cynically when the European Union was awarded the Nobel peace prize during a dire economic crisis, some may also support the German exit because they don't want the union to succeed.

Likewise, **spreading fear among the German population about the costs of imbalances in the euro zone payment system -- while the Bundesbank holds most of the “assets” and only nominal money transfers are coming in from other euro zone members -- does not hold up when analyzed closely.**

These skeptics are quick to identify problems with the European model but are not clear on the solutions. **So if Germany stays there will be trouble, but if it goes there will be double.**



[This Conundrum Is Not Surprising](#)

[Veronique de Rugy](#) is a senior research fellow at the Mercatus Center at George Mason University.

Updated November 13, 2012, 9:34 AM

According to the most recent economic forecast, the gross domestic product across the European Union's 17-nation currency area is projected to have [shrunk by 0.4 percent](#) in 2012. And thanks to deepening recessions in Spain, Italy and Greece, the German economy — the main driver of the euro-zone growth in recent years — is itself showing signs of a slowdown.

One reason to have been skeptical of the euro zone project was its tremendous collective exit costs, which we are only now witnessing.

Chancellor Angela Merkel appears to remain committed to the union. In recent weeks, Germany has been pushing for **greater fiscal integration** as a way to save the European Monetary Union. **But even if this strategy was successful, the fiscal transfer required to bolster poorer E.U. countries would place an immense burden on the German economy.**

According to Edward Chancellor, a member of the asset allocation team at investment manager GMO, **the annual cost to Germany could total** “93 billion euros, or the equivalent to 3.6 percent of German gross domestic product.” Moreover, as Chancellor noted, **these fiscal transfers aren't just expensive; they're unlikely to correct any of the competitiveness issues with the euro zone.**

Now, while few may have foreseen the magnitude of the E.U. crisis, the situation itself should come as no shock. **It was predictable that 1) the promised benefits of creating a single-currency union would never quite materialize** (it rested on the artificial notion of an [optimum currency area](#)); **2) the costs of creating such a union were underestimated; and 3) the incentives the euro zone created for member nations to be fiscally irresponsible yielded exactly that result.**

But another reason to have been skeptical of the euro zone project was **its tremendous collective exit costs.** The contagion effect that Germany's exit would trigger, likely followed by a spectacular recession across Europe and further, **makes it almost impossible for the nation to leave the zone** —especially after things have already deteriorated to the extent they have today.

Is this cost a reason to stay in a bad system? It probably is for now. **However, the long-term survival of the E.U. will require more than Germany's commitment to stay put.** Most European countries are facing an epic budget crisis that needs to be addressed sooner rather than later. **With that in mind, Germany could use its position as a leader to set and to unfailingly enforce fiscal adjustments, and fundamental, longer-term structural reforms like the liberalization of services and of the labor market.** ??? This would include getting rid of the many E.U. payments to special interest groups like farmers and slashing red tape costs.



Austerity Measures Are Not Working

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November 13, 2012

Germany should not leave the euro zone; instead, it should provide better leadership.

There are currently several misguided beliefs in Germany about the role of its E.U. partners when it comes to economic development. **Many people think that citizens of Mediterranean countries are lazy and wasteful and that they require a lot of help from Germany in the form of loans.** Many think that Germany is tired of helping to offset domestic and foreign trade imbalances of other E.U. countries by means of loans and financial support.

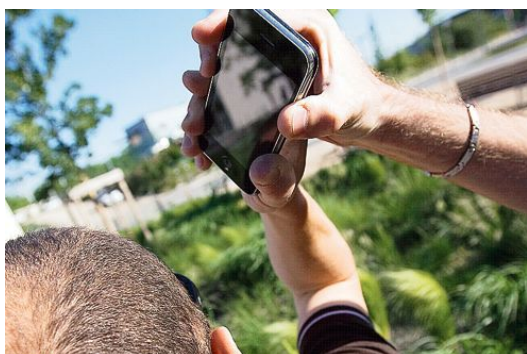
But the truth is rather different, accordingly to the empirical evidence:

- 1) Workers in Spain and other E.U. countries log more hours a year and earn lower salaries than in Germany, even working more years throughout their lives, on average, and spending less.
- 2) **E.U. countries like France, Spain and Italy are good customers of Germany and contribute to an important positive balance in German foreign trade.** In some years around two thirds of the surplus in the German trade balance comes from intra-E.U. trade. ??????
- 3) **Loans from countries with a trade surplus, like Germany, to countries with trade deficits are necessary to keep the E.U. functioning.** Such loans are not a loss but a positive business move for the lender. **Countries like Spain that have trade balance deficits do not ask for donations but for loans.** (like Greece????)

E.U. policies should address increasing development throughout the entire E.U. instead of pushing excessive austerity, which only results in stagnation and recession. The E.U. should foster industrial development particularly in countries with low levels of industrial value-added per capita, and avoid the industrial stagnation that the E.U. has experienced over the last seven years (2005-2012). Such policies would improve the quality of life in every country and increase German sales.

Délinquance : les chiffres repartent à la hausse

Par Jean-Marc Leclerc Mis à jour le 13/11/2012 à 07:21 | publié le 12/11/2012 à 19:28 Réactions (1)



Vol de portable. Depuis mai 2012, les atteintes aux personnes et aux biens ont respectivement augmenté de 5,1 % et 1,1 %. Crédits photo : JEGAT MAXIME/PHOTOPQR/LE PROGRES

INFOGRAPHIE - Beauvau fait face à une explosion des crimes et délits. *Le Figaro* a eu accès aux statistiques.

L'affaire se corse pour le gouvernement Ayraut. Alors que le ministre de l'Intérieur, Manuel Valls, sauvait la mise à son camp, par une communication habile sur le front de la délinquance et de l'immigration, voici que tombent les chiffres d'octobre pour son ministère. Et les données incontestables auxquelles *Le Figaro* a eu accès sont catastrophiques. Tout se dégrade en matière de crimes et délits. Le mois dernier, les violences (presque 44 000 faits) ont augmenté de près de 9 %, et même de 24,9 % en zone gendarmerie! Les atteintes aux biens, cambriolages et autres vols (presque 190 000 faits) ont crû, dans le même temps, de 8 % et les infractions économiques et financières (presque 29 000 faits) de près de 18 %.

Dans le détail, les violences crapuleuses, celles commises pour acquérir un bien, ont grimpé de 8,5 %, les effractions de résidences principales et secondaires de 16,4 %, celles commises dans les locaux commerciaux de 17,9 %. Quant à la criminalité organisée, celle qui commet les faits par définition les plus graves, comme les vols à main armée, elle se manifeste dans des proportions en hausse de 7,4 %. Du jamais-vu depuis les années Jospin-Vaillant. La délinquance générale aura donc enflé de 8 % en un mois. Qu'on le divise par tranche ou que l'on présente dans sa globalité, octobre 2012 est un cauchemar sur le plan statistique.

S'agit-il d'un mois «atypique»? Par souci d'objectivité, *Le Figaro* a souhaité remonter en arrière pour livrer une présentation semestrielle des résultats gouvernementaux dans la lutte contre la délinquance (voir notre graphique). Et le bilan est plutôt mitigé. Depuis mai 2012, les atteintes aux personnes et aux biens ont respectivement augmenté de 5,1 % et 1,1 %. Quant aux escroqueries, elles affichent une baisse de 9,8 %. Mais celle-ci a une explication qui n'est guère flatteuse: depuis des mois - et cela a commencé sous la droite -, les fraudes aux moyens de paiement via Internet sont subtilement écartées des tableaux officiels, sur instruction des procureurs qui ont demandé de ne plus prendre les plaintes quand il n'y a pas dépossession physique de la carte bancaire, alors que le commerce électronique et ses aléas ne cessent de croître. Cette supercherie a été maintes fois dénoncée par l'Observatoire de la délinquance.

Au final, il y a bien un phénomène d'accélération dans la dégradation des indicateurs des faits constatés. Elle est particulièrement perceptible depuis trois mois, concernant les violences, notamment contre les forces de l'ordre, avec 2 570 agents victimes de plus pour le seul mois d'octobre. *Le Figaro* avait révélé (nos éditions du 24 octobre dernier) que 38 membres des forces de l'ordre sont blessés chaque jour en France.

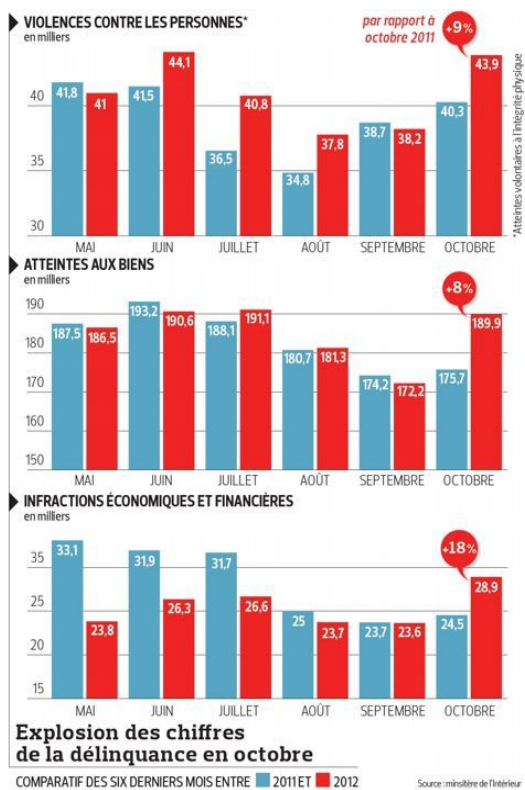
Fin de la «politique du chiffre»

Pour Bruno Beschizza, ancien patron du syndicat de policiers Synergie-Officiers et actuel conseiller régional UMP de Seine-Saint-Denis, «cette banalisation des atteintes aux porteurs de l'uniforme signifie qu'une barrière a cédé».

La fin de la «politique du chiffre» signifie-t-elle que les forces de l'ordre ont levé le pied. Pas à en juger par le nombre des blessés, en tout cas.

C'est que tout n'est pas noir dans le bilan d'étape de Manuel Valls. Ainsi, lors de ce terrible mois d'octobre, le nombre de mis en cause a augmenté de 8 %, avec plus de 111 000 suspects appelés à rendre des comptes à la justice.

Manuel Valls a-t-il à craindre des chiffres? Dans son discours du 19 septembre dernier, à l'École militaire de Paris, il a assuré vouloir, par de futures réformes, «franchir une étape vers plus de fiabilité de la statistique publique de la délinquance, et de sincérité dans son maniement». Certains policiers de haut rang s'étonnaient même de l'entendre professer à la tribune que mieux prendre en compte la délinquance, c'est accepter les éventuelles hausses, sans se voiler la face. La séquence a commencé avant les réformes.



Griechenland: Ein großer Schnitt für die Menschheit

12.11.2012 · Nach der Verabschiedung des Haushalts für 2013 spekuliert die griechische Regierung über Möglichkeiten zur Verringerung der Schuldenlast. Ideen gibt es, doch die meisten sind umstritten.

Von [Michael Martens](#), Athen



© REUTERS Erleichtert: Der griechische Premierminister Antonis Samaras und Parteifreunde nach der Abstimmung zum Staatshaushalt

Im Jahr 2009, als sich die finanzielle Zwangslage Athens auch mit statistischen Taschenspielertricks nicht länger verheimlichen ließ, betrug die griechische Staatsverschuldung knapp 130 Prozent der Jahreswirtschaftsleistung des Landes. Seither wurden für Griechenland zwei Hilfspakete geschnürt (das erste enthielt Notkredite über 110, das zweite über 130 Milliarden Euro), während drei von vier Athener Regierungen Renten, Beamtenbezüge, Sozialleistungen und andere Staatsausgaben kürzten. Ergänzend dazu handelte Athen in den Regierungsmonaten von Übergangspräsident Papademos einen Schuldenschnitt auf die von privaten Anlegern gehaltenen griechischen Staatsanleihen aus, um die Schuldenlast zu verringern. Außerdem wurden weitere Sparmaßnahmen beschlossen.

Doch zwei Hilfspakete, einen Schuldenschnitt und viele Kürzungsrunden später ist die Staatsverschuldung des Landes, gemessen am schrumpfenden Bruttoinlandsprodukt, nicht nur nicht gesunken, sondern erheblich gestiegen. Zwischen 2009 bis 2010 stieg sie von 130 auf 145 Prozent der Jahreswirtschaftsleistung. Ende 2011 betrug sie nach Angaben der europäischen Statistikbehörde Eurostat schon 170 Prozent. Die Schätzung für das laufende Jahr liegt bei 175 Prozent, für 2013 wird ein staatlicher Schuldenstand von fast 190 Prozent der Jahreswirtschaftsleistung prognostiziert.

Schulden steigen, ein Ausweg nicht in Sicht

Eine Austeritätspolitik, als deren Ergebnis der Schuldenstand kontinuierlich steigt, ist nicht im Sinne der Geldgeber des Landes, deren Mantra lautet, Griechenland dürfe kein „Fass ohne Boden“ werden. Um dem Fass einen Boden einzuziehen, ist ein weiterer Schuldenschnitt - letztlich also ein weiteres Hilfspaket - aber unverzichtbar.

Der Internationale Währungsfonds (IWF) hält Staatsschulden in Höhe von höchstens 120 Prozent der Jahreswirtschaftsleistung für tragbar. Von diesem Ziel, das Athen laut den Modellrechnungen der Griechenland-Retter eigentlich bis 2020 hätte erreichen sollen, entfernt sich die Wirklichkeit jedoch immer mehr. Anfang 2010 hatten die in der Troika vereinten Prüfer des IWF, der EU und der Europäischen Zentralbank (EZB) noch damit gerechnet, die Griechenland verordneten Strukturreformen, etwa die Öffnung geschlossener Berufszweige und die Deregulierung des Arbeitsmarktes, würden nach einem kurzen Knick schnell zu einem Wirtschaftswachstum führen. Doch der bürokratische Apparat und zum Teil auch die früheren Regierungen verschleppten die Reformen, deren Wirkung zudem überschätzt wurde. Das Land hat bis heute keinen Ausweg aus der Rezession gefunden.

Umstrittene Modelle werden diskutiert

Den Ausweg soll nun ein Umweg namens „osi“ weisen. Es ist das englische Akronym für „official sector involvement“. Dahinter verbirgt sich die vor allem vom IWF erhobene Forderung, dass nach den privaten Gläubigern nun auch die nationalen Notenbanken der Eurozone und die EZB auf einen großen Teil ihrer Forderungen an Griechenland verzichten sollen. Der IWF selbst allerdings fordert sein Geld, also das seiner Mitgliedstaaten, ohne Abschläge zurück. Griechenlands ehemaliger Finanzminister Evangelos Venizelos, der maßgeblich an den Verhandlungen über den ersten Schuldenschnitt beteiligt war, sagte nach der Debatte über den griechischen Staatshaushalt, die Geldgeber des Landes müssten sich endlich auf eine „umfassende Lösung für das Schuldentragfähigkeitsproblem“ einigen. Die technischen Lösungen seien „unkompliziert und leicht“.

Für den politischen Teil der Lösung gilt das allerdings nicht, denn wichtige potentielle Akteure sperren sich. EZB-Chef Mario Draghi sagte, ein Schuldenschnitt auf die von seiner Institution gehaltenen griechischen Anleihen käme einer direkten Staatsfinanzierung durch die europäische Notenbank gleich und sei damit illegal. Es tauchte auch der Vorschlag eines „weichen Schuldenschnitts“ auf, bei dem die Notenbanken auf die Rendite ihrer Anleihen verzichten und den ihnen entgangenen Gewinn an Athen weitergeben. Das würde die griechische Schuldenlast aber nicht maßgeblich verringern. Zahlreiche andere Modelle sind in den vergangenen Wochen ebenfalls diskutiert worden, alle sind umstritten.

Alles weiter aufschieben

Nicht nur die Notenbanken sperren sich, sondern auch die Regierungschefs der Staaten, die ihren Wählern den aus einem Schuldenschnitt entstehenden Milliardenverlust erklären müssten. In Athen geben sich die Medien fest davon überzeugt, dass Berlin vor den Bundestagswahlen im kommenden Jahr einem weiteren Schuldenschnitt keinesfalls zustimmen werde. Die Athener Zeitung „To Vima“ zitierte am Montag ein nichtgenanntes Regierungsmitglied mit der Aussage, Athen wolle einen Schuldenschnitt, „wir können es allerdings nirgendwo laut sagen“. Ein Athener Parlamentsabgeordneter fragt unterdessen, was eigentlich so schwer daran sei für die Bundeskanzlerin, könnten es sich doch in Deutschland weder die SPD noch die Grünen leisten, aus der Notwendigkeit für neue Hilfszahlungen innenpolitisches Kapital zu schlagen. Schließlich seien SPD und Grüne stets solidarisch mit Griechenland gewesen und hätten der Kanzlerin in der Vergangenheit sogar mangelnde Entschlossenheit vorgeworfen, was man der deutschen Opposition in Athen hoch anrechne.

Griechenlands Finanzminister Stournaras versichert griechischen Journalisten in Hintergrundgesprächen, das eigentliche Hindernis für einen weiteren Schuldenschnitt sei das Bundesverfassungsgericht. Im Athener Finanzministerium gibt man sich unterdessen unbesorgt: Es gebe viele Möglichkeiten, einen Schuldenschnitt zu erreichen, ohne ihn so zu nennen. So könne man die Zinsen der Anleihen senken, ihre Laufzeiten verlängern und ihre Fälligkeiten immer weiter verschieben. Sankt Nimmerlein würde so zum Schutzpatron der griechischen Schuldenkrise.

„Euro-Rettung“ Mit der Notenpresse

12.11.2012 · Die Troika lobt die Sparanstrengung Griechenlands. Verschwiegen wird, dass die griechische Staatsschuld schon wieder so hoch ist wie vor dem angeblich erlösenden Schuldenschnitt. Jetzt soll wieder die Notenpresse angeworfen werden - nur kurzfristig, versteht sich!

Von [Holger Steltzner](#)

In diese verzwickte Lage haben sich die „Euro-Retter“ selbst gebracht. Sie haben sich von der Europäischen Zentralbank Zeit kaufen lassen und diese wieder nicht genutzt. Auch wenn die Eurogruppe noch so bemüht die Fortschritte in Griechenland lobt, eine Lösung für die Krise hat sie während des schier endlosen Wartens auf den Bericht der Troika nicht gefunden. Nach außen werden nun die Sparanstrengung, die Reformen und der Haushalt in Griechenland gerühmt, verschwiegen aber wird, dass dort die Staatsschuld schon wieder so hoch ist wie vor dem angeblich erlösenden Schuldenschnitt, zu dem man damals nur Privatanleger zwang.

Noch immer kann sich Athen ohne fremde Hilfe nicht finanzieren. Über die Frage, wie die weiter wachsende Lücke zwischen Ausgaben und Einnahmen geschlossen werden kann, tobt hinter den Kulissen der Troika ein handfester Streit. Bundesfinanzminister Schäuble (CDU) will einfach die Definition von Schuldentragfähigkeit umdeuten, die für den Währungsfonds seit jeher Basis für Kredite ist. Der IWF hingegen verlangt einen neuen Schuldenschnitt vor allem für die öffentliche Hand, die inzwischen fast alle griechischen Schulden hält. Das will Schäuble verhindern, weil darüber der Bundestag entscheiden müsste und außerdem der Steuerzahler sähe, dass Griechenland ein dauerhafter Transferfall ist und die „Rettung“ unendlich viel Geld kosten kann.

In eine unmögliche Lage hat sich die EZB gebracht. Sie hatte im August gegen den Widerstand der Bundesbank Milliarden aus der elektronischen Notenpresse nach Griechenland überwiesen. Das half Athen über den Sommer. Zugleich konnte Hellas eine Anleihe über diesen Betrag zurückzahlen, die - wie der Zufall so spielt - von der EZB gehalten wurde. Aus Sicht der Finanzpolitiker hat die EZB das Perpetuum mobile zur Finanzierung der Krise erfunden. Nachdem die EZB nun so Staaten finanziert, darf sie sich nicht wundern, wenn Politiker mehr davon wollen. Jetzt soll wieder die Notenpresse angeworfen werden - nur kurzfristig, versteht sich! Die Politik beginnt sich wohligh einzurichten in einer Welt, die von der EZB finanziert wird und in der notwendige Strukturreformen auch in Frankreich, Spanien oder Italien so lange aufgeschoben werden können, bis auch die letzte wettbewerbsfähige Volkswirtschaft der Eurozone am Boden liegt.

Debate

All of Europe's misfortunes

12 November 2012

[Polska The Times](#) Warsaw



[Nicolas Vadot](#)

The Old Continent is grappling with a moderately severe economic crisis, a severe political crisis, a critical civilisational crisis, and perhaps a deadly spiritual crisis, argues a Polish philosopher.

[Marcin Król](#)

We know that Europe used to be almost always in a state of crisis. ... The difference between a constant risk of crisis and the present situation, however, is that Europe had always retained a capacity for self-reflection, and thus for self-criticism, which was creative, so the successive crises were always overcome. Today Europe has lost this ability. Without constant self-criticism there will be no change, no growth, and no stability. The Europe-until-now is all but gone.

We can hardly imagine a future world without Europe, not as a leader perhaps, but as a provider of fundamental norms and standards binding us and the generations to come. Europe is our form of existence and we have no other. This is not so much a matter of choice as a fact. That's why we don't know what to do when Europe is becoming elusive, vanishing, weakening to the point of non-existence.

An intellectual and spiritual fear

Three answers have been most frequently given. The first one appeals for a return to time-tested policies, usually various forms of a welfare or social-democratic state.

The second type of answer, given by authors who are aware that the crisis is not only, and not mostly, economic in nature, urges political reforms. Most characteristic of those is the vision of federal Europe bound by strong internal ties. However, this nice vision is as old as Europe and has always proved fruitless. Its main flaw is that no European society wants a federal Europe, because such a Europe – provided it could be made real, which is unlikely – would be completely different from the one we consider, or used to consider, as the form of our existence.

Finally, the third answer, most primitive albeit most widespread, is that when the economy recovers, so will the other important spheres of European life.

All these answers have one thing in common: they all seek solutions in the present. This is a line of reasoning that we often follow when in trouble. We wish to solve the issue here and now, possibly by using familiar means, but using them more effectively. ...

We use familiar means not because we lack imagination or courage, but because we don't know what else we could do. Come to think of it, one might say that Europe's prevalent mood today is one of anxiety. This is not an anxiety about the possible collapse of a currency, but an intellectual and spiritual one. An acute fear of the shadows of the past and the looming threats of the future, which means that we start running around in circles, because choosing a way out requires a decision, which fear prevents us from ever making..

Present crisis was long seen coming

Four great splits in modern Europe's spirituality and philosophy have led to the present state of helplessness. These are: religion and mystery as key to understanding the world versus religion as superstition; nationalism and the nation state versus universalistic values and practices; utilitarianism, that is a pursuit of pleasure, versus limited and reasonable goals adopted by individuals; and finally democracy, that is community, versus liberalism as an epitome of private freedom.

The present crisis was actually long seen coming. ... Prudent economists realised that the public debt levels were unsustainable, that Greece had gone way too far, that virtually unregulated financial speculation would inevitably lead to a disaster.

The falling birth rate was no secret either, nor were imminent catastrophes in pensions, healthcare and education. It was also clear that the dispute between religion and the post-Enlightenment tradition would not die a natural death, that the decline of philosophy would undermine the quality of the humanities and human thought in general, that the domination of electronic media would result in such forms of political fighting as we witness today. All that was known, though politicians would often not listen, or be intellectually incapable of grasping those issues.

Any serious reaction would require making unpopular decisions, and this is something the actors of today's democracy fear the most. Suffice it to say that the pension reforms recently introduced in virtually all European countries should have been introduced a decade ago to be successful. And that the EU experts in charge of education are pushing the European education sector towards replacing universities with vocational schools, demonstrating their utter failure to understand the fact that the humanities are based on philosophy, and the exact sciences on mathematics. These disciplines are least subsidised today.

Defining the common interest

What we saw, therefore, was not so much an inability to foresee as an unwillingness to do so. To make matters worse, numerous economists suggested purely technical methods of battling the crisis, methods that were not only economically unsuccessful but also, far more importantly, far from addressing its fundamental, spiritual and intellectual, causes.

After all, if four hundred Americans own as much wealth as the rest of the nation, then something is fundamentally wrong. I am not saying this to postulate socialist equality, but out of an elementary sense of decency. Democracies that have allowed this to happen have no reason to exist. As a fundamentally collective idea, democracy has to apply to all citizens of the given political organism. This means its nature must not be elitist, but also that it has to account for both individual- and collective-level irrationalism. Reconciling these themes requires either explaining to the democratic community what its collective interest is, or generating such a level of collective emotions where this interest is clear for all to see (this used to be called patriotism). Common interest, unlike common welfare, is great at uniting citizens despite their often conflicting views.

James Madison knew this perfectly well. But in order to define what common interest is we first need to understand what our group or particular interests are. We also need to be able to set priorities, that is, define a hierarchy of goals. Only the necessarily difficult consensus on such a hierarchy will facilitate a move forward that will be more than just a correction of the present condition. Today this is impossible.

Eurozone crisis

France: The sick man of Europe is France

12 November 2012

[Les Echos](#) Paris



“The German model” — Angela Merkel as Marianne, symbol of France, as seen in its town halls.

Dilem

The German government is increasingly concerned as well as outspoken about France's economic situation and its inability to act. Authorities in Paris are aware of the slump in industry but nonetheless irritated by the German pressure.

Dominique Seux

We do not know if the German government discreetly tasked its five expert advisors to examine the situation of France, as the press on the other side of the Rhine has reported. The high-profile economists in the experts' group have officially denied that any such initiative took place, while the insistence that there will be “No comment” from the Chancellor's office nonetheless suggests that there is something to the story.

Be that as it may, the simple fact that such a request was not unlikely is a testament to Berlin's concern about its neighbor. And sadly, it is a concern that is completely justified.

The initial French reflex in response to this state of affairs is one of irritation. That the Germans should assume that they can teach us lessons on how to reform France is both vexing and insolent. Ten years ago, the Federal Republic was the sick man of Europe, it has been consistently late in its management of the eurozone crisis, and no doubt it would be none too happy if it had to take advice from Paris on how to deal – to cite a random example – with its **catastrophic demographic** situation.

The second French reflex is to remark on the domestic political dimension of such an initiative. **In answer to recent criticism of some of her decisions by the five experts, Angela Merkel remarked that you only had to compare the situations of Germany and France to see that German policy was better.**

A major historical shift

Although understandable, these impulsive reactions should not be allowed to **dissimulate the obvious point which is that Germany is concerned about the state of our economy, about its stagnation over the last three**

quarters, its deficits, and most importantly, the difficulty inherent in taking action to reverse a downward trend. **Germany is right.**

One single comparison is enough to highlight what is a terrible situation: according to Eurostat, **the latest figure for unemployment in Germany is 5.4% whereas it stands at 10.8% in France.** But the real difference is perhaps elsewhere: France, and it seems François Hollande, still consider that the current difficulties are temporary and that everything will improve when the traditional economic cycle is reversed in the latter half of 2013 and 2014.

In contrast, the Germans have long considered that what the French refer to as a “crisis” is in fact a major historical shift, which is why they have allocated themselves the resources they need to deal with it.

The reality is that we do not need the Germans to tell us that the Gallois report [[on the competitiveness of French industry](#)] and the government plan which followed it are first steps in the right direction, but only first steps. They are not enough to mark a turning point, and we will have to continue to work to accelerate change.

Translated from the French by **Mark McGovern**

Comment

Sorcerer's Apprentice gets a warning



[“Achtung!”](#), headlines [Libération](#). “The Germans are no longer hiding their dismay over French economic policy and their alarm at the threats it poses to Europe,” the newspaper writes. “It’s no coincidence,” the paper adds, “that the five economic ‘wise men’ that are advising the [German] government have bashed France in their annual report released Wednesday, November 7.”

[Libération quotes](#) one of them, **Lars Feld**, who has expressed his disquiet openly –

The most serious problem in the eurozone at the moment is not Greece, Spain or Italy, but **France, because it has done nothing truly to restore its competitiveness** and is even starting to head off in the opposite direction. France needs to reform its labour market; of all the countries in the eurozone, it’s **the one that puts in the fewest working hours.**

[Die Welt, in Germany, believes](#) Hollande “lacks a compass.” The French president, observes the newspaper, has already spent a tenth of his mandate as leader of the country “without anyone knowing where the journey is taking us” –

If we were to try to illustrate what the government euphemistically calls its ‘course’,” the newspaper muses, “we would get a confused graph, in many ways comparable to the one in Skyfall, the new James Bond film, where Q, the Sorcerer’s Apprentice, tries to find the code in the computer of the bad guy: when he does, he blows up his own shop.

The German daily also finds it ironic that François Hollande, whose “obsession is to do nothing the way his predecessor did” has finally opted for the solutions advocated by Nicolas Sarkozy for businesses –

The Socialists must admit that they’ve taken measures that Nicolas Sarkozy already proposed last spring: he wanted to work towards lower non-wage labour costs by hiking VAT. During the election campaign, Hollande had argued strongly against just such a measure. Today, he is the one pushing it through.

Pressions allemandes

Les Echos Par [Dominique Seux](#) | 12/11 | 07:00 | [5commentaires](#)

On ne sait pas si le gouvernement allemand a demandé discrètement aux cinq sages qui le conseillent de se pencher sur le cas français, comme la presse d'outre-Rhin l'affirme. Ces économistes renommés ont officiellement démenti cette démarche, tandis que la chancellerie se contentait d'un étrange « pas de commentaires » qui lui donne crédit. Peu importe. Le seul fait que cette éventuelle requête paraisse vraisemblable témoigne de l'inquiétude de Berlin sur son voisin. Une inquiétude qui est, hélas, logique.

Le premier réflexe est bien sûr de l'énervement. Que les Allemands envisagent de nous donner des leçons pour réformer la France est à la fois vexant et culotté. Il y a dix ans, la République fédérale était l'homme malade de l'Europe, elle a constamment été en retard dans la crise de la zone euro et elle recevrait assez mal, on l'imagine, des conseils de Paris pour redresser sa démographie catastrophique, pour prendre un exemple au hasard. Le second réflexe est de réaliser la dimension de politique intérieure de cette possible initiative. Aux cinq sages qui ont critiqué récemment certains choix d'Angela Merkel, cette dernière répond : comparez-nous et vous verrez que notre politique est la meilleure.

Compréhensibles, ces réactions à chaud ne peuvent pourtant pas dissimuler l'essentiel : l'Allemagne s'inquiète de l'état de notre économie, de sa stagnation depuis trois trimestres, de ses déficits et, surtout, de ses difficultés à agir pour inverser la tendance. Elle a raison. Une seule comparaison est terrible. Selon Eurostat, le dernier taux de chômage connu s'établit à 5,4 % là-bas contre 10,8 % ici. Mais la vraie différence est peut-être ailleurs : la France, et semble-t-il [François Hollande](#), considèrent encore que les difficultés actuelles sont temporaires et que tout ira mieux dès que le cycle économique traditionnel s'inversera, mi-2013 et en 2014. Depuis longtemps, les Allemands ont compris que ce que nous appelons « crise » est une formidable mutation historique et ils se sont donné les moyens d'y faire face.

En réalité, nous n'avons pas besoin d'eux pour savoir que le rapport Gallois et le plan gouvernemental qui l'a suivi sont des premiers pas dans la bonne direction, mais ne sont que des premiers pas. Il ne suffit pas d'un tournant, encore faut-il accélérer dans le virage.

Charlemagne

Hope and no change

After Barack Obama's re-election, it is time to push for transatlantic free trade

Nov 10th 2012 | from the print edition



BENEATH the statues of medieval aldermen in the gothic hall of the Hôtel de Ville in Brussels, applause broke out when CNN called the American presidential election for Barack Obama around 5:30am on November 7th. More rejoicing ensued, and sparkling wine for those who could take it so early, after Mitt Romney conceded defeat and Mr Obama spoke. The result was, above all, a relief for the dignitaries invited to watch election night with the three American ambassadors (to Belgium, NATO and the European Union) in the supposed “capital of Europe”.

Among Europeans, Mr Obama may not have lived up to the hope of his speech in Berlin in 2008, or of the Nobel peace prize prematurely bestowed on him a year later. But he helped restore America's standing after the Bush years. If asked, Europeans would have overwhelmingly chosen “no change”. Mr Obama's policies are reassuringly familiar. By contrast Mitt Romney's views on cutting taxes and government, not to mention the social and religious views of some Republicans, seem alien on a continent where a generous welfare state is a badge of enlightenment. And his aggressive rhetoric on Russia, China and Iran discomfited Europeans, with their love of pacific, multilateral talking.

Yet many were dismayed that Europe was barely mentioned during the campaign. This reflects a mood of declinism and also a sense of unrequited love. Over the past four years Europeans feel their embrace of Mr Obama has not been reciprocated. But they had little time for a Republican who talked of Europe only as a warning of economic catastrophe when he said deficits would make America go the way of Greece.

To some European leaders, Mr Obama's victory offers reassurance that they too may be re-elected despite an economic crisis. For foreign-policy types there are hopes that a second-term president might inch closer to European views on the Middle East or climate change. After all, even the reviled George Bush worked hard to mend fences with Europe in his second term, after the bitterness over the war in Iraq.

To some Americans, raising the question of American neglect is proof of Europeans' narcissism and dependency on Uncle Sam. Europe is for the most part free and at peace. Seen from Washington, the question is not whether America should worry about Europe, but how Europe can help America in the world.

Mr Obama may plan more defence cuts, but his administration is worried by Europe's declining military capability. The air war in Libya, on Europe's doorstep, required substantial help from America, even as Mr Obama made a point of "leading from behind". Mr Obama may be more cautious than Mr Romney or Israel about military action to stop Iran getting nuclear weapons. But if he decides sanctions have failed to dissuade Iran, how many Europeans would join him in attacking the Islamic republic? And where European leaders fret about Mr Obama's "pivot" to Asia, he may feel there is too little European support for America's effort to reassure China's neighbours.

There is certainly no American disengagement on the economic front. Bruegel, a think-tank in Brussels, has trawled through the schedule of Tim Geithner, America's treasury secretary, to measure the accelerating tempo of meetings and phone calls with European figures during the euro crisis. For Mr Geithner, calling Europe now means, above all, calling the European Central Bank. He was even invited to an informal retreat of European finance ministers in Poland last year. More unusually, Mr Obama found himself in control of a mini-summit of European leaders at the G20 meeting in Cannes as he tried, and failed, to persuade Germany to strengthen the euro-zone firewall.

Mr Obama's America has urged European countries to act more boldly, refrain from throwing Greece out of the euro and move towards deeper integration. More quietly, it has urged Britain to stay involved in the EU. Through his policies at home, Mr Obama has also offered an alternative to everlasting austerity. So on this front, his re-election may not make life easier for Germany. Many Europeans will not mind if, for a while at least, the market's attention turns to the American fiscal cliff.

Still indispensable

The political tectonics of the globe, like the geological ones beneath the Atlantic, may be slowly pushing America and Europe farther apart. Yet the relationship between the two remains the closest and richest in the world. It accounts for about half of global GDP and nearly one-third of trade, and is the basis for the world's most important military alliance.

If America is the indispensable nation then Europeans could and should be the indispensable partners. The idea of American hyperpower died in Iraq. The delusion that the EU could exert "normative power" by example through its economic integration died in Greece. The infuriating Europeans are still America's first port of call in an international crisis. Particularly at a time when the rich world is in trouble, Europe and America need each other, if not for mutual defence then for mutual recovery.

A good place to find both growth and jobs would be to push for a free-trade agreement currently only at the exploratory stage. The European Commission reckons an ambitious deal could boost transatlantic trade by about 50%. That is worth fighting for. Most tariffs are already low, but they can be reduced or removed entirely. Regulatory and other non-tariff barriers will be harder to tackle, not least because they touch on things like safety of medicines and food. A pact between America and the EU is one of the few free-trade agreements that all European countries want. Big business on both sides of the ocean is for it. And it would give a strong signal of renewed life both in the idea of free trade and in the transatlantic relationship.

<http://www.economist.com/news/europe/21566000-not-competitiveness-shock-surprisingly-bold-government-plan-rude-awakening>

French competitiveness

A rude awakening

Not a competitiveness “shock”, but a surprisingly bold government plan

Nov 10th 2012 | *PARIS* | from the print edition

IN LESS than 24 hours this week, the French received three wake-up calls. On November 5th Louis Gallois, a businessman, unveiled a government-commissioned report on French competitiveness, in which he wrote of an “emergency situation”. The same day the IMF urged France to cut public spending and reform the labour market—or risk falling behind Italy and Spain. And on November 6th Jean-Marc Ayrault, the Socialist prime minister, announced big new tax breaks for companies, urging the French to back the measures or face the “certitude of decline”.

This collective alarm call is long overdue. Both Mr Gallois and the IMF highlighted a steady loss of French competitiveness relative to Germany over the past ten years. Mr Gallois called for a “competitiveness shock”: a cut in social charges worth as much as €30 billion (\$38 billion), ideally in one year. This drop, he said, should be applied to salaries up to 3.5 times the minimum wage, financed by raising other taxes, such as VAT, green taxes, property taxes or the “generalised social contribution” (CSG). He also bemoaned France’s heavy taxes, high public spending, bureaucratic complexity, poor industrial relations and “cult of regulation”.

Next to Mr Gallois’s apocalyptic talk, the IMF report was positively measured. It spoke of France’s “fragile” position, a “significant” loss of competitiveness and “dysfunctions” in the labour market. But it described France’s unfixed problems in the context of the still gloomier woes of Italy and Spain. That sent a strong message.

Before the Gallois report was published, the government hinted that it did not intend to embrace a competitiveness shock. President François Hollande spoke instead of a competitiveness pact, spreading measures over several years. So it was a surprise when Mr Ayrault said that, after all, he would adopt almost all of Mr Gallois’s ideas. The biggest news was a planned cut in payroll taxes via some €20 billion of tax breaks, starting next year. This, said Mr Ayrault, would add up to a 6% reduction in labour costs, paid for by a small rise in VAT rates and an extra €10 billion in public-spending cuts. Under pressure from Socialist deputies worried about choking off consumer spending, he ruled out raising the broader-based CSG.

Speaking after Mr Ayrault’s announcement, Pierre Moscovici, the finance minister, stressed the symbolic importance of a Socialist government acting boldly on competitiveness. “We did not go for the idea of a shock,” he said, but he insisted that the measures being adopted were “broad, strong and powerful”. He predicted that the new tax credit would create 300,000 new jobs over five years and add half a percentage point to annual growth. The competitiveness pact, he said, demonstrated the government’s commitment to “deep reform”.

The new tax breaks are certainly unexpectedly bold. So is the abrupt turnaround by a government that for months has refused to recognise France’s labour-cost problem. But whether by themselves they will be enough to restore lost competitiveness is less clear. The public-spending cuts that Mr Ayrault promised to pay for the new tax breaks have yet to be spelt out in detail, let alone put to public-sector unions that form the backbone of Socialist Party support.

As for the cult of regulation, the big unknown remains the present talks between employers and unions over softening labour-market rules. The high cost of labour is only one part of France’s competitiveness crisis. Without loosening the complex rules that deter employers from creating jobs in the first place, lower social charges will go only so far to solve it.

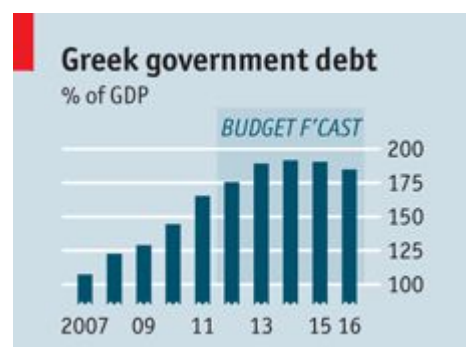
<http://www.economist.com/news/leaders/21565954-greece-will-remain-disaster-until-it-gets-treatment-given-heavily-indebted-poor>

Greece's debt burden

How to end the agony

Greece will remain a disaster until it gets the treatment given to heavily indebted poor countries in the past

Nov 10th 2012 | from the print edition



A GENERAL strike; protesters on the streets; parliamentary battles over austerity measures needed to unlock rescue funds; and a sinking economy with an ever bigger debt burden. The situation in Athens this week is grimly familiar—and not just because Greece has had so many similar weeks over the past couple of years. There are also eerie echoes of the developing-country debt crises of the 1980s and 1990s.

The experience of dozens of debt-ridden countries in Latin America and Africa holds lessons that Greece's rescuers ought to heed. For years, the IMF and rich-world governments tried to help them with short-term rescue loans. But the most indebted started to recover only when their debts, including those owed to official creditors, were slashed. In Europe, Poland also provides a precedent: its economy took off in the 1990s after it too was given a break by its creditors.

Greece is in the same boat. Provided that the country's parliament passes the 2013 budget on November 11th, a fresh infusion of rescue funds will stave off imminent catastrophe (see [article](#)). Yet Greece's economy won't recover until it has more debt relief. That should involve, broadly, a two-part process: first, agree on a plan to reduce debt if certain targets are met; then cut the debt in stages over the next decade.

The starting point is that Greece is still bust. Earlier this year private-sector bondholders reduced their nominal claims by more than 50%. But the deal did not include the hefty holdings of Greek bonds at the European Central Bank (ECB), and it was sweetened with funds borrowed from official rescuers. For two years those rescuers had pretended Greece was solvent, and provided official loans to pay off bondholders in full.

So more than 70% of the debts are now owed to "official" creditors (European governments and the IMF). The chances of repayment are sinking with Greece's economy. Government forecasts now suggest the country's debt will exceed 190% of GDP in 2014, some 30 percentage points higher than the IMF predicted six months ago. This debt burden cannot fall to a remotely sustainable level without additional relief.

In private, many Europeans admit this. In public, they deny it categorically. Germany's government is now willing to grant the Greeks more time to implement their austerity. But it will not even discuss any forgiveness of official loans.

Politically, this is understandable. Germany worries that any debt relief will reduce Greece's incentive to undertake reforms. And it would enrage German voters, who might then punish Angela Merkel's government in the general election next autumn. Economically, it is a disaster. As long as everybody knows Greece cannot

repay its debts, the country will remain shut out of private bond markets and uncertainty about how those unpayable debts will eventually be resolved will deter investment. It will slow the privatisation of state assets, which is central to Greece's turnaround strategy.

HIPC, HIPC, hooray!

That's why Greece needs another debt-reduction deal. Its official creditors, particularly the euro zone's governments and the ECB, should set out a plan for reducing the country's debt burden while sharpening Greece's incentive to reinvigorate reforms. One guide could be the "HIPC" initiative, the 1996 scheme where lenders agreed to reduce the debts of the most Heavily Indebted Poor Countries if they implemented reforms to reduce poverty. Another could be newly democratic Poland, which had run up huge debts under its communist rulers; in 1991 sympathetic creditors agreed to cut its debt burden if reforms were undertaken.

A bargain with Greece's official creditors could follow the same principle. A deal would be agreed now: if Greece sticks to its reforms, its official debts would be reduced, in stages, to a level where the stock was manageable (say, 120% of GDP by 2020), the burden bearable and the repayment schedule feasible. The reduction could come through cutting interest rates and pushing out maturities, perhaps to as much as 50 years. That way, Mrs Merkel can explain to voters that the principal is being paid in full. The ECB, which holds Greece's remaining unstructured private bonds, should act fastest, accepting terms similar to those imposed on private bondholders.

There are complications. The IMF sold gold to finance its share of HIPC debt relief. Since Greece, even now, is far richer than most of the IMF's members, Europe's creditor countries should shoulder the Fund's share of Greek debt reduction. Greece might flunk its reforms or its budget numbers. But the impact of laying out a credible path to debt sustainability could be powerful. Greeks could start to believe they have a way out of the crisis; investors could put money in the country with more certainty. It could create a positive circle of confidence and growth. Without it, Greece's prospects are dire.

Pas de malentendu franco-allemand

Mis à jour le 12/11/2012 à 12:52 | publié le 12/11/2012 à 12:40 [Réactions](#) (24)

"Il n'y a pas de malentendu franco-allemand", a déclaré le ministre de l'Economie, Pierre Moscovici, interrogé sur des informations de médias affirmant que le gouvernement allemand aurait demandé une analyse d'experts sur l'économie française. **"Non, il n'y a pas de malentendu franco-allemand, il ne doit pas y avoir de malentendu franco-allemand"**, a déclaré M. Moscovici à la presse en marge de la cinquième Journée annuelle des entrepreneurs à Paris.

Les cinq "sages" allemands, économistes de haut rang qui conseillent le gouvernement, ont démenti vendredi avoir été sollicités par le ministre allemand des Finances Wolfgang Schäuble pour plancher sur des propositions de réformes pour la France, comme l'ont affirmé des médias. "Nos économies sont tellement liées, tellement interconnectées, leur dynamisme conjoint est tellement nécessaire à l'Europe que ce malentendu me semble être une tempête dans un verre d'eau", a insisté le ministre. **"Nous allons nous en expliquer s'il en était besoin mais en réalité les choses vont bien entre la France et l'Allemagne"**, a néanmoins ajouté M. Moscovici.

Des motivations tactiques outre-Rhin

Selon *Die Zeit*, qui ne cite pas de source, Wolfgang Schäuble aurait demandé aux cinq "sages" de travailler à un "concept de réforme" pour aider la France à retrouver le chemin de la croissance. Selon *Libération* lundi, la direction du Trésor aurait envoyé un courrier à Berlin demandant des explications sur ces allégations. Interrogé par l'AFP, Bercy a refusé de confirmer cette information. Jérôme Cahuzac, le ministre délégué chargé du Budget, s'est montré plus dubitatif soupçonnant quelques motivations "tactiques" outre-Rhin. "Je préfère y voir de la part des Allemands l'expression d'une amitié sincère qu'autre chose", a-t-il dit à quelques journalistes en marge de la même conférence organisée au ministère de l'Economie.

"Ces dernières années, l'Allemagne a incontestablement conquis un leadership en Europe, un leadership qui jusqu'alors était exercé au moins conjointement par la France et par l'Allemagne", a-t-il poursuivi. "Et on peut s'interroger sur les raisons tactiques qui feraient que l'Allemagne douterait de la politique de la France, moins parce que cette politique ne lui conviendrait pas que (parce que) l'Allemagne, notre voisin, souhaiterait précisément garder ce leadership", a-t-il lancé. "Mais je crois que c'est l'intérêt de l'Europe, c'est l'intérêt de l'Allemagne et c'est évidemment l'intérêt de la France que la gouvernance en Europe soit aujourd'hui plus équilibrée qu'elle ne le fut ces cinq dernières années", a-t-il ajouté.

November 11, 2012

Wave of Evictions Leads to Homeless Crisis in Spain

By [SUZANNE DALEY](#)



Francisco Rodríguez Flores in a building where he and his family live that has been taken over by the homeless. It had been vacant for three years

SEVILLE, Spain — The first night after Francisco Rodríguez Flores, 71, and his wife, Ana López Corral, 67, were evicted from their small apartment here after falling behind on their mortgage, they slept in the entrance hall of their building. Their daughters, both unemployed and living with them, slept in a neighbor's van.

“It was the worst thing ever,” Mrs. López said recently, studying her hands. “You can't image what it felt like to be there in that hall. It's a story you can't really tell because it is not the same as living it.”

Things are somewhat better now. The Rodríguezes are among the 36 families who have taken over a luxury apartment block here that had been vacant for three years. There is no electricity. The water was recently cut off, and there is the fear that the authorities will evict them once again. But, Mrs. López says, they are not living on the street — at least not yet.

The number of Spanish families facing eviction continues to mount at a dizzying pace — hundreds a day, housing advocates say. The problem has become so acute that Prime Minister Mariano Rajoy has promised to announce emergency measures on Monday, though what they may be remains unclear.

While some are able to move in with family members, a growing number, like the Rodríguezes, have no such option. Their relatives are in no better shape than they are, and Spain has virtually no emergency shelter system for families.

For some, the pressure has been too much to bear. In recent weeks, a 53-year-old man in Granada hanged himself just hours before he was to be evicted, and a 53-year-old woman in Bilbao jumped to her death as court officials arrived at her door.

Yet at the same time, the country is dotted with empty housing of all kinds, perhaps as many as two million units, by some estimates. Experts say more and more of the evicted — who face a lifetime of debt and a system of blacklisting that makes it virtually impossible for them to rent — are increasingly taking over vacant properties or moving back into their old homes after they have been seized.

Sometimes neighbors report such activities. But often, experts say, they do not. It is a temporary and often anxious existence. But many see no alternative.

The Rodríguezes fell behind in their payments trying to help their daughters, who both lost their jobs and have three children between them. Their daughters had come to live with them after being evicted themselves. “I could not let my children and my grandchildren starve,” said Mrs. López, who used to work as a cleaner in a home for the elderly.

No one tracks the number of squatters. But Rafael Martín Sanz, the president of a real estate management company, says squatting has become so common that some real estate companies are reluctant to put signs on the outsides of buildings indicating that an apartment is available.

“The joke is that half the people touring apartments that are on the market are actually just picking out which apartment they want to squat in,” he said.

Most of the evictions take place quietly, with embarrassed families dropping the keys off at the banks. But in some working-class neighborhoods, there are weekly clashes with the police and bank officials, as housing advocates and volunteers try to resist the evictions.

In Madrid’s Carabanchel neighborhood, a crowd protesting outside a basement apartment recently shouted “shame on you” to a cluster of bank and court officials who had come to evict Edward Hernández and his family. But Mr. Hernández’s lawyer, Rafael Mayoral, sized up the picture and predicted he would be able to negotiate a postponement. The crowd of supporters, he said, outnumbered the police officers.

Mr. Hernández, 38, who worked in construction, bought the apartment for \$320,000 in 2006, but he lost his job three years later, he said. He thought he had negotiated with his bank to pay less for a while. But one day, he said, he got a letter saying that his apartment had been auctioned.

Mr. Hernández and his wife have their eye on an empty apartment they intend to occupy. Failing that, the couple will have to split up, he said. His wife would go back to live with her mother, who is behind in her own mortgage payments and already housing her other adult children. Mr. Hernández would live with his brother, who lives with his young family in a studio apartment.

By the end of the morning, bank and court officials had agreed to postpone Mr. Hernández’s eviction for six weeks. He still faces a debt of more than \$330,000, more than he paid for the apartment. In Spain, mortgage holders are personally liable for the full amount of their mortgages. Then penalty interest charges and tens of thousands of dollars in court fees are added at foreclosure. Bankruptcy is no answer, either — mortgage debt is excluded.

Trying to stem the flow of homeless, the Spanish government has asked the banks to adhere to a code of conduct that protects, to some degree, the very poorest Spaniards, and many of the banks have signed on. But advocates say that the code offers relief to such a narrow slice of homeowners — those who have no working adults in their household and who paid less than \$260,000 for their homes — that it is unlikely to have much effect.

Elena Cortés, the councilor for public works and housing for Andalusia, the region that includes Seville, said that during the boom years the government rarely built any low-income housing. On top of that, the country has never had much rental property. Now, as families are evicted they have nowhere to turn. In a written statement, Spain’s banking association, the A.E.B., said banks were looking to avoid evictions whenever they could through negotiation.

The Rodríguezes began living in the luxury block, Corrala Utopía, in May with only a few belongings, a move that was organized by members of the 15-M movement, the name given to people who became organized after the countrywide protests that began on May 15 last year. One member of the group, Juanjo García Marín, said the property was chosen because it was mired in legal proceedings that might give the families more time to stay there.

Neighbors have given them furniture, and donations of food arrive most days. On a recent evening, Mrs. López was using a generator to keep her lights on and her refrigerator running. Others in the building also have generators, but some cannot afford the gasoline to keep them running.

After dinner, Mrs. López's 13-year-old grandson arrived, announcing that he needed a place to do his homework. His mother's apartment upstairs had no lights.

Rachel Chandler contributed reporting.

November 11, 2012

Greece Approves Austerity Budget in Bid for Foreign Aid

By *NIKI KITSANTONIS*

ATHENS — Greece's fragile government pushed a tough budget of spending cuts and tax increases for 2013 through Parliament early Monday, moving a step closer to unlocking crucial rescue financing from the country's foreign creditors.

The vote occurred as about 20,000 demonstrators gathered outside Parliament to protest austerity measures, the second such protest in a week.

The budget passed comfortably in a 167-to-128 roll-call vote after three days of vehement debate.

Most members of Parliament from a three-party coalition voted for the budget, which calls for 9.4 billion euros, or \$12 billion, in cuts to salaries, pensions and social benefits, raising the retirement age to 67 from 65 and higher taxes. Four lawmakers voted "present" which amounts to a blank vote, and one was absent.

Addressing Parliament before the vote, Prime Minister Antonis Samaras said the new cuts would be the last and appealed to Greece's lenders, the European Commission, European Central Bank and International Monetary Fund, to support the debt-ravaged country.

"Greece has done its part, now it's the turn of the lenders," Mr. Samaras said, referring to the release of a rescue loan of 31.5 billion euros, without which default looms this month. He said the money would be given "in due time and in full."

Accusing Greece's creditors of reneging on their pledges to Greece by postponing the release of financing, Mr. Samaras's main political rival, Alexis Tsipras of the left-wing party Syriza, called for the annulment of all austerity measures and the write off of Greece's debt.

"This is the only alternative plan," said Mr. Tsipras, whose party is leading in opinion polls, describing the new cuts as a "sacrifice" of the Greek people and the government as "dangerous, politically bankrupt and incapable of negotiating."

The budget vote was widely regarded as a test of confidence in Greece's shaky coalition after the vote last Wednesday on a 17-billion-euro austerity and change package for the next four years. That measure narrowly passed Parliament, 153 to 128, after several coalition members voted "no" or abstained, most in opposition to an overhaul of laws protecting workers in the private sector.

But the government faces several more hurdles. It is awaiting a report by the so-called troika — the European Commission, the European Central Bank and the I.M.F. — on the progress of changes Greece pledged to make in exchange for two bailouts worth 240 billion euros. Another obstacle is a dispute in the troika about how to secure the sustainability of Greece's huge debt burden, estimated at 175 percent of gross domestic product this year and 189 percent for 2013.

Euro zone finance ministers are to discuss Greece's debt problems at a meeting in Brussels on Monday but are not expected to sign off on the 31.5-billion-euro aid package.

Staatenbund oder Bundesstaat Heiliges Römisches Europa

FAS 10.11.2012 · Weder Staatenbund noch Bundesstaat: Lange galt das Heilige Römische Reich als undurchschaubares Zwitterwesen. Für die Zukunft Europas könnte es ein Vorbild sein. Eine Geschichtsstunde mit unserem Autor Ralph Bollmann.



© Interfoto Haupt und Glieder: Neben den sieben Kurfürsten (erste Reihe, nebst Papstwappen) vereinte das Reich rund 300 Territorien. Das ging Hunderte von Jahren gut.

Nein, eine gute Presse hatte dieses Gebilde nicht. Es war weder ein Staatenbund noch ein Bundesstaat, Entscheidungsprozesse zogen sich lange hin und endeten oft im Irgendwo, viele Zuständigkeiten waren gar nicht präzise geregelt. Auch das Währungssystem bedurfte ständiger Nachbesserung. Von einem „irregulären und einem Monstrum ähnlichen Körper“ sprach der Jurist Samuel Pufendorf.

Der Dichter Johann Wolfgang von Goethe, im Hauptberuf Minister eines europäischen Kleinstaats, spottete ebenfalls. Als Jugendlicher hatte er in Frankfurt am Main die Amtseinführung eines Mannes erlebt, der als oberster Repräsentant dieses kuriosen Organismus gelten konnte. „Der junge König schleppte sich in den ungeheuren Gewandstücken mit den Kleinodien Karls des Großen, wie in einer Verkleidung, einher“, schrieb Goethe. „Die Krone, welche man hatte füttern müssen, stand wie ein übergreifendes Dach vom Kopf ab.“

Man ist bei dieser Beschreibung versucht, an den europäischen Ratspräsidenten Herman Van Rompuy zu denken, wie er sich hager und einflussarm von Krisengipfel zu Krisengipfel schleppt - und liest aus Goethes Kritik die heutige Euroskepsis heraus. Aber es handelte sich um den Habsburger Joseph II., der sich 1764 von sieben mitteleuropäischen Regierungschefs zum Kaiser des Heiligen Römischen Reichs Deutscher Nation wählen und anschließend gleich krönen ließ.

So schlecht hat das Gebilde gar nicht funktioniert

Als der alte Goethe im Rückblick über das Ereignis schrieb, wusste er schon um den Untergang des Reichs im Jahr 1806. Spätestens seit der Gründung des Bismarckreichs 1871 galt der souveräne Nationalstaat dann als das Maß aller Dinge, eine Organisation mit klaren Grenzen und straffen Hierarchien - ein Modell, zu dem in der Europa-Debatte der Gegenwart viele zurückwollen: Sei es, dass sie den Nationalstaat alten Stils wiederherstellen möchten, sei es, dass sie ihn auf europäischer Ebene neu erschaffen wollen.

Dabei könnte das „Alte Reich“ für Europa ein Vorbild sein. Über den Nationalstaat alten Typs ist das heutige Europa Brüsseler Prägung ohnehin längst hinaus. Nach dem Ende der klassischen Moderne mit ihren starren Hierarchien ist es wieder bei einer Organisationsform angekommen, die dem Heiligen Römischen Reich auffallend ähnelt. Daran wird sich mutmaßlich auch nichts ändern, ganz gleich, wie die Debatte um Währungskrise und mögliche Integrationsschritte weitergeht.

So schlecht, wie es im Rückblick schien, hatte dieses Gebilde gar nicht funktioniert, denn am Schluss rund 300 Vollmitglieder angehörten - bis hinunter zum winzigen „Reichsdorf“. Statt einer einheitlichen Verfassung besaß das Reich eine Reihe von „Grundgesetzen“, etwa den Ewigen Landfrieden von 1495, den Augsburger Religionsfrieden von 1555 oder den Westfälischen Frieden von 1648. Das erste und wichtigste war die Goldene Bulle von 1356, die das Verfahren bei der Kaiserwahl regelte. Zur Stimmabgabe waren fortan nur die sieben Kurfürsten berechtigt - neben den Bischöfen von Mainz, Köln und Trier die weltlichen Herrscher von Böhmen, Sachsen, Brandenburg und der Pfalz.

Die Erfahrung des Heiligen Römischen Reichs zeigt: Ein derart komplexes und kompliziertes Gebilde kann über Jahrhunderte hinweg funktionieren, wahrscheinlich sogar besser als ein starres und stringentes Regelwerk, das an der nächsten Änderung der Zeitläufte zerbricht.

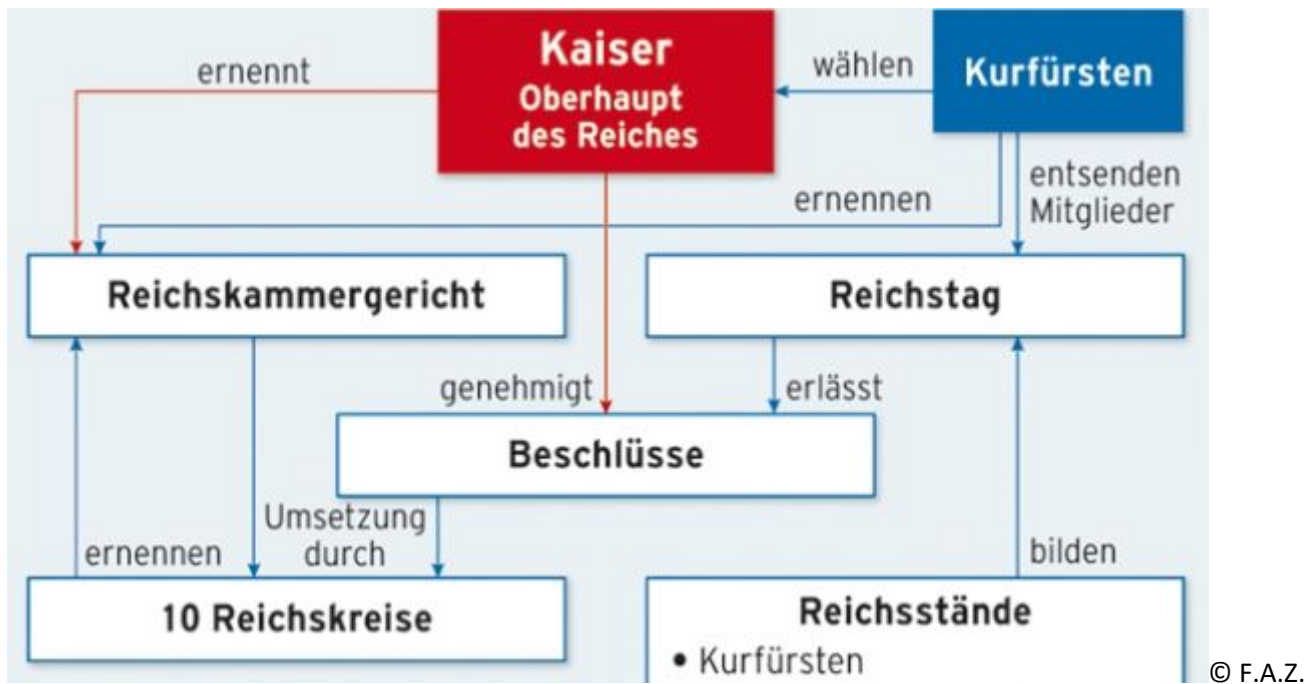
Zwar blieben alle Versuche, im Rahmen einer umfassenden „Reichsreform“ zu einer einheitlichen Verfassung zu gelangen, ebenso erfolglos wie heute die Bemühungen um eine drastische Vereinfachung der europäischen Regularien. Doch ist die Frustration darüber eher dem übersteigerten Wunsch nach einer „Reform an Haupt und Gliedern“ geschuldet, wie es schon im späten Mittelalter hieß - weniger den konkreten Ergebnissen, die durchaus die Funktionsfähigkeit des Reichs sicherten.

So blieb der Reichsverband bis zum Schluss funktionsfähig, vor allem durch Rechtsnormen und Rechtsprechung. Das zuletzt in Wetzlar angesiedelte Reichskammergericht gilt Historikern und Juristen als die am besten funktionierende Institution des Alten Reichs. Alternativ konnten sich Rechtssuchende auch an den Wiener Reichshofrat wenden, der zwar vom Kaiser abhängig, dafür aber schneller und effizienter war. Eine Konkurrenz wie heute zwischen dem Europäischen Gerichtshof und den Verfassungsgerichten der Einzelstaaten muss also nicht von Nachteil sein.

Die Gipfeltreffen hießen „Reichstag“

Politische Beschlüsse fielen ursprünglich auf unregelmäßigen Gipfeltreffen der Staatsoberhäupter, die den Namen „Reichstag“ trugen und mit einem „Reichsabschied“ endeten, dem Pendant zu den „Schlussfolgerungen“ des Europäischen Rats. Im Jahr 1663 gelang den Fürsten schließlich, was die EU-Regierungschefs noch nicht geschafft haben: An die Stelle des Gipfelzirkusses mit seinem hypertrophen Erwartungsmanagement trat ein kontinuierlich arbeitender Gesandtenkongress, der „Immerwährende Reichstag“ in Regensburg. Das Verfahren blieb ähnlich kompliziert wie die Brüsseler Prozeduren: Ein „Reichsschluss“ kam zustande, wenn Kurfürsten, Fürsten und Reichsstädte in getrennten Beratungen jeweils gleich lautende Beschlüsse fassten, die anschließend noch die Zustimmung des Kaisers fanden (siehe Grafik).

Kultiviert wurde in einem solchen System vor allem die Kunst des Nichtentscheidens. Das war in Deutschland nach den Verwüstungen der Religionskriege eine zivilisatorische Errungenschaft, ganz ähnlich wie im zerstörten Europa nach dem Zweiten Weltkrieg. Solange auf der Bühne des Reichstags noch verhandelt wurde, gab es um die strittigen Fragen wenigstens keinen Krieg. An die fein austarierten Kompromisse in Glaubensfragen traute sich ohnehin keiner heran. Mit der Harmonie eines „christlichen Abendlands“, das die Gründerväter der europäischen Einigung unter Berufung auf Karl den Großen heraufbeschworen, hatte das Heilige Römische Reich in seiner Spätphase nicht mehr viel zu tun.



Am strittigsten blieb wie heute in Brüssel die gemeinsame Außen- und Verteidigungspolitik. Hätte das Reich einen Diplomatiebeauftragten gehabt, er wäre aufgrund der unterschiedlichen Interessenlagen kaum handlungsfähiger gewesen als heute die Britin Catherine Ashton im Auftrag der EU. Österreicher und Preußen betrieben Weltpolitik auf eigene Rechnung. Insbesondere die Regierung in Wien beherrschte das Spiel, eigene Machtansprüche moralisch zu überhöhen. So warb sie bei den Reichsfürsten um Solidarität gegen die „Türkengefahr“ - und betrieb damit die Ost-Erweiterung des eigenen Einflussbereichs.

Es blieb bei einer Verfassungsstruktur, die in der Praxis höchst unterschiedliche Formen der Integration vorsah. Das Sacrum Imperium existierte als Reich der verschiedenen Geschwindigkeiten fort, ganz ähnlich, wie sich heute nicht jedes EU-Mitglied der Gemeinschaftswährung oder dem gemeinsamen Grenzregime des Schengen-Raumes anschließt. So war Norditalien aus dem Reichsverband de facto längst ausgeschieden, die Republik der Vereinigten Niederlande und die Schweizer Eidgenossenschaft verließen ihn nach dem Dreißigjährigen Krieg auch de jure. Preußen und Österreich spielten im Reich zwar eine wichtige Rolle, regierten aber gleichzeitig große Gebiete wie Ungarn oder Ostpreußen, die dem Reichsverband nicht angehörten.

Mittelgroße Territorien wie Sachsen oder Bayern agierten immer unabhängiger, während die kleineren Stände auf den Schutz des Kaisers angewiesen blieben - ähnlich wie heute das kleine Luxemburg. Als besonders integrationsfreundlich erwiesen sich die nicht „armierten“ Stände, die über keine eigene Armee verfügten. Funktionsfähig blieb der Reichsverband nur, weil die Großen am Ende erkannten, dass auch sie von einem Mindestmaß an Integration profitierten. Dazu gehörte mit Gulden und Taler auch ein leidlich einheitliches Währungssystem.

Eine Fortsetzung fand der Föderalismus des Alten Reichs nach dessen Untergang 1806 in der österreichisch-ungarischen Doppelmonarchie. Bei allen Defiziten gelang es dem alten Österreich-Ungarn über einen erstaunlich langen Zeitraum, das komplizierte Miteinander unterschiedlicher Kulturen und Mentalitäten auszutarieren. Dem langjährigen Ministerpräsidenten Eduard Graf Taaffe zufolge bestand das Geheimnis erfolgreichen Regierens in Österreich darin, alle nationalen Gruppen in einem „Zustand wohltemperierter Unzufriedenheit“ zu erhalten. Die Akzeptanz des Gegebenen war für ein komplexes Gebilde wie die Donaumonarchie so lebenswichtig wie jenes Mindestmaß an Zentralisierung, das der im Reich so erfolglose Reformkaiser Joseph II. Ende des 18. Jahrhunderts in seinen österreichischen Erbländern durchgesetzt hatte.

Hätte man die Nationalitäten in einer Volksabstimmung befragt, ob sie dem skurrilen Gebilde beitreten wollen, so wäre wohl keine Mehrheit zustande gekommen. Da es die Monarchie nun einmal gab, forderte aber keine der nichtdeutschen Gruppierungen ernsthaft deren Auflösung. So war sich selbst Tomas G. Masaryk, nach dem Ersten Weltkrieg Präsident der unabhängigen Tschechoslowakei, noch 1909 vollkommen sicher: „Wir können nicht außerhalb Österreichs unabhängig sein.“ Das Auseinanderbrechen der Monarchie mit ihrem Wirtschafts-

und Währungsraum am Ende des Ersten Weltkriegs hatte für den Südosten Europas fatale ökonomische und politische Folgen, die bis heute nachwirken.

Auch das Heilige Römische Reich hatte unter den zeitgenössischen Intellektuellen durchaus prominente Fürsprecher. Zu ihnen zählte auch der Jenaer Geschichtsprofessor Friedrich Schiller, anders als sein Juristenfreund Goethe. Den Westfälischen Frieden von 1648, der das komplexe Geflecht der Reichsverfassung mit unendlich verworrenen Detailbestimmungen noch einmal für 150 Jahre rettete, pries er 1790 als „das interessanteste und charaktervollste Werk der menschlichen Weisheit und Leidenschaft“.

Quelle: F.A.S.

En finir avec la compétitivité

Fondation Copernic | 05.11.2012 à 12h12 Par Jean-Marie Harribey, Michel Husson, Pierre Khalifa, Jacques Rigaudiat, pour la Fondation Copernic

La France souffrirait d'un déficit de compétitivité justifiant un "choc de compétitivité", basé, selon le patronat, sur un transfert massif des cotisations sociales sur les ménages par le biais d'une augmentation de la CSG et/ou de la TVA et d'une réduction des dépenses publiques.

Dans cette perspective, les résultats du commerce extérieur sont vus sans que jamais la stratégie des firmes dans la mondialisation ne soit évoquée. Or, les firmes allemandes utilisent systématiquement la sous-traitance internationale et achèvent l'assemblage en Allemagne. Une part importante des exportations allemandes correspond à du simple réexport du produit fini. De plus, l'utilisation des prix de transfert entre [sociétés](#) membres d'un même groupe permet de [localiser](#) le bénéfice final dans un pays à fiscalité avantageuse, voire dans un paradis fiscal. Un tiers des échanges de la France correspond à un commerce entre filiales d'un même groupe. Les statistiques des exportations nationales s'en trouvent largement biaisées. Ainsi, plus de la moitié du déficit commercial de la France vis-à-vis de l'[Allemagne](#) (10 milliards d'euros) serait due à une manipulation des prix de transferts.

Certes, la compétitivité hors-prix, c'est-à-dire liée à la qualité des produits, leur degré d'innovation technologique... n'est pas ignorée : choix discutables de positionnement de certaines [entreprises](#), niveau insuffisant de la R&D, pratiques abusives des donneurs d'ordre envers les sous-traitants, difficultés des PME pour [avoir](#) accès au crédit bancaire. S'y rajoute une forte sensibilité des exportations françaises au taux de change de l'euro – qui s'est réévalué de 78 % par rapport au dollar entre janvier 2002 et avril 2008 –, due au niveau moyen de gamme des produits plus sensibles aux variations de prix.

Pourtant, le débat public se concentre sur le coût du travail alors même que les données de référence d'Eurostat posent problème. Le poids de la formation professionnelle affecte de façon différenciée suivant les pays le calcul de la masse salariale et, pour la France, la durée du travail est sous-estimée. Globalement, on constate cependant une tendance à la convergence des coûts salariaux unitaires (tenant compte de la productivité) dans la zone euro – le coût unitaire français baisse en moyenne de 0,5 % par an de 1996 à 2008 – avec une baisse dans l'[industrie](#) et une hausse dans les [services](#). L'affirmation selon laquelle une dérive du coût du travail aurait plombé la compétitivité des entreprises françaises est donc démentie.

Mais surtout, en mettant en avant le coût du travail, "le coût du capital" est escamoté. Or, les revenus nets distribués, qui représentaient 5,6 % de la valeur ajoutée brute des sociétés non financières en 1999, se montent aujourd'hui à 9 %, niveau record depuis la seconde guerre mondiale. La part dévolue aux actionnaires a crû dans des proportions considérables ces douze dernières années. Ainsi, la plainte patronale faisant de la baisse du taux de marge la raison profonde des faibles investissements et du moindre effort en matière de R&D, passe sous silence le fait que, crise ou pas crise, la part de plus en plus lourde que les entreprises distribuent aux propriétaires du capital affaiblit leur capacité à [faire](#) face à tous les aspects de la compétitivité.

Comprimer la masse salariale pour [gagner](#) des parts de marché à l'export, tel est l'impératif catégorique que l'on veut nous [imposer](#). Mais l'essentiel des relations commerciales des pays de l'[Union européenne](#) a lieu à l'intérieur de l'Union. Les clients des uns sont les fournisseurs des autres et les déficits des uns font les excédents commerciaux des autres. [Vouloir](#) que tous les pays copient le modèle allemand et se transforment en exportateurs nets est impossible. La contraction de la demande interne dans tous les pays, produite par la réduction des coûts salariaux et les coupes dans les dépenses publiques, pèse sur le commerce extérieur de tous. Où [exporter](#) lorsque tous les pays réduisent leur demande ? La baisse de la demande interne ne peut qu'entraîner une réduction des exportations et [aboutir](#) à une récession généralisée. C'est la situation actuelle en [Europe](#) qui voit même l'Allemagne touchée aujourd'hui par la contraction économique.

La compétitivité est une voie sans issue, économiquement absurde et socialement régressive. N'oublions pas qu'un des précédents "chocs de compétitivité" est celui infligé à l'économie française par [Pierre Laval](#) en 1935.

On ne sortira pas de la crise actuelle en prolongeant le modèle économique qui y a conduit. C'est un autre modèle de développement qu'il faut [promouvoir](#) : en [finir](#) avec la logique même de la compétitivité qui, basée sur la concurrence de tous contre tous, aboutit à un état de guerre économique permanent appauvrissant les populations et détruisant les équilibres écologiques. Ce nouveau modèle de développement doit être fondé sur les principes de la coopération, de la rupture avec un consumérisme destructeur, de la réponse aux besoins sociaux, de la réduction des inégalités et de l'ouverture d'une transition écologique.

Jean-Marie Harribey, Michel Husson, Pierre Khalifa, Jacques Rigaudiat, pour la Fondation Copernic

Pour un choc et une trajectoire de compétitivité

Institut Montaigne | 06.11.2012 à 10h31 Par Laurent Bigorgne, directeur de l'Institut Montaigne

Un choc ? Un pacte ? Une trajectoire ? Toutes les contorsions sémantiques du monde ne viendront pas au secours de la compétitivité de notre pays sans une feuille de route ambitieuse, claire et partagée.

Le diagnostic sur lequel [fonder](#) cet effort [politique](#) d'une portée sans doute inédite est connu de tous : en toile de fond, une crise grave et profonde de nos finances publiques et des équilibres complexes qui les sous-tendent ; une longue dégringolade ininterrompue depuis dix ans de notre compétitivité, de nos parts de marché dans l'[Union européenne](#) comme au-delà et au final un taux de marge en berne pour nos [entreprises](#), ainsi dangereusement atteintes dans leur capacité à préparer l'[avenir](#) comme à [embaucher](#) ; en conséquence, un emballement du chômage qui touche les populations les plus fragiles, les jeunes, les seniors, les moins insérés.

Parmi une vingtaine de mesures, [le rapport Gallois](#) met en avant la nécessité d'une baisse des cotisations sociales jusqu'à 3,5 smic pour un montant de l'ordre de 30 milliards d'euros ; la stabilité sur le quinquennat d'un certain nombre de dispositifs tels que le crédit impôt recherche, les dispositifs Dutreil, le soutien à l'investissement dans les PME, etc. ; le renforcement des filières par le lien si important entre donneurs d'ordres et sous-traitants ; les aides aux exportations ; la priorité fiscale aux instruments de détention de l'épargne en actions ; la recherche sur les techniques d'exploitation des gaz de schiste...

Dans le même temps, le [Haut Conseil](#) du financement de la protection sociale est lui aussi venu [documenter](#) le débat sur la part que les dépenses sociales et leur augmentation viennent [prendre](#) dans la richesse nationale : en 2010, elles ont atteint 32 % du PIB, soit leur niveau historiquement le plus élevé. A ceux qui prétendent que la France n'a pas de problème de coût du travail, rappelons que plus de trois quarts des ressources du système de protection sociale sont assis sur le revenu du travail. En tendance, c'est encore et toujours la masse salariale qui sera frappée à mesure qu'il faudra [financer](#) l'emballement du système actuel ou que seront instaurés de nouveaux besoins (on songe à la dépendance qui n'a pourtant aucun rapport avec le travail, pas plus que la politique familiale ou l'assurance maladie), ou encore le capital qui sera taxé alors qu'il est le facteur de production le plus mobile de nos économies modernes.

Ce pic des dépenses sociales résonne évidemment avec celui des dépenses publiques que connaît notre pays – 56 % du PIB – et un endettement de 90 % du PIB. Avec pour conséquence un taux de prélèvements obligatoires de 46 % du PIB, un plafond au-delà duquel il est inenvisageable de s'[aventurer](#), de l'aveu même de certaines autorités gouvernementales.

Pour [sortir](#) de cette spirale non vertueuse – qui voit les résultats de l'économie française se dégrader, les déficits publics se [creuser](#) en même temps que le chômage [augmenter](#) fortement –, il faut à la fois un choc et une trajectoire de compétitivité.

D'abord un choc, celui produit par la mise en œuvre le plus rapidement possible du transfert de charges proposé par le rapport Gallois – document de référence désormais. Ce choc permettra de [restaurer](#) au moins en partie les marges des entreprises et donc leur capacité à [investir](#). Il aura pour vertu de réinstaller la confiance parmi le monde des entrepreneurs, c'est aussi cela la politique.

Ensuite une trajectoire, celle de la nécessaire réduction de nos dépenses publiques. En effet, aucun de nos partenaires ni aucun de ceux qui financent les déficits publics français ne pourront [croire](#) au sérieux de notre politique économique si nous n'allons pas au-delà d'un simple freinage de l'augmentation des dépenses publiques. Le gouvernement actuel doit se [lancer](#) dans une réflexion générale et partagée sur les missions de l'Etat – pas seulement sur sa masse salariale –, du secteur [social](#) et des collectivités locales. Sur les conditions de leur efficacité. Sur les conditions également de leur soutenabilité. Nous consacrons dix points de PIB de plus

que les Allemands à nos dépenses publiques, ce qui, à PIB égal, représenterait presque 200 milliards. Nous ne pouvons plus nous [contenter](#) d'ajustements à la marge.

L'effort à [fournir](#) est ambitieux, mais à notre portée. Certains pays ont ainsi su [trouver](#) une trajectoire de restauration de leur compétitivité sans [mettre](#) à mal leur cohésion sociale : l'histoire budgétaire des Etats offre de nombreux exemples de redressement ayant impliqué des efforts de cet ordre. Une étude portant sur 21 pays de l'OCDE entre 1970 et 2007 a ainsi recensé 42 ajustements budgétaires dont l'ampleur annuelle a dépassé les 1,5 % du PIB et qui se sont prolongés pendant plus d'un an comme au [Canada](#) par exemple où les dépenses publiques ont diminué de 53 % en 1994 à 44 % en 1997, mais aussi en [Suède](#) ou en [Finlande](#) dans les années 1990, ou encore en [Allemagne](#) dans les années 2000.

Inexorablement, la crise économique que nous traversons produit ses effets sociaux et politiques. Aucun rapport ne dira jamais assez combien c'est la cohésion sociale de notre pays qui est désormais mise en cause. Un de nos plus brillants sociologues, [Eric Maurin](#), a mis en exergue cette "*peur du déclassement*" qui frappe les classes moyennes, piliers de la République, dans un ouvrage sous-titré *Sociologie des récessions*.

Dans *Banlieue de la République*, [Gilles Kepel](#) a montré les effets dévastateurs de ce sous-équilibre économique de longue période sur les habitants de Clichy-sous-Bois et Montfermeil, villes-cibles, parmi tant d'autres, de la politique de ville. La crise sape les bases sociales de la République et entretient un communautarisme dont cette dernière – qui nous est si chère – n'est évidemment pas l'horizon. La France est encore maître de son destin. Il n'y a néanmoins plus une année à [perdre](#).

Laurent Bigorgne, directeur de l'Institut Montaigne

Le Vatican promet de lutter contre le mariage homosexuel

Le Monde.fr avec Reuters | 11.11.2012 à 07h45



Le Vatican est officiellement rentré dans la lutte contre le mariage homosexuel. C'est à ce sujet que le père [Federico Lombardi](#), porte-parole du Vatican, a consacré son éditorial hebdomadaire, repris sur [Radio Vatican](#).

L'Eglise réagit à une série d'avancées récentes sur la question : [trois Etats américains ont ainsi légalisé le mariage homosexuel par référendum](#) : Maryland, du Maine et de l'[Etat de Washington](#). L'union entre personnes du même sexe est désormais reconnu dans six Etats américains, ainsi que dans le district fédéral de Columbia.

En France, le gouvernement a adopté mercredi [le projet de loi sur le mariage et l'adoption pour les couples homosexuels](#), tandis que la Cour constitutionnelle espagnole rejetait un recours contestant la législation existante qui parle de conjoint A et B, excluant toute référence à la femme et l'homme.

"RESSENTI DE LA [POPULATION](#)"

"Il est donc évident que dans les pays occidentaux, il y a une tendance répandue à [modifier](#) la vision classique du mariage entre un homme et une femme, ou plutôt à [tenter](#) de [l'abandonner](#), supprimant sa reconnaissance légale spécifique et privilégiée par rapport à d'autres formes d'unions", a estimé Federico Lombardi.

Et de s'[interroger](#) sur ces "exemples préoccupants" aux Etats-Unis et en [Europe](#): "Est-ce que cela correspond vraiment au ressenti de la population, parce qu'on n'en distingue pas bien la logique dans une vision, à long terme, de bien commun ?" Le porte-parole de l'Eglise a estimé que "la question est d'[admettre](#) qu'un mari et une épouse soient reconnus publiquement comme tels, et que les enfants qui viennent au monde puissent [savoir](#) et [dire](#) qu'ils ont un père et une mère".

"POURQUOI NE PAS ÉGALEMENT [ENVISAGER](#) UNE POLYGAMIE"

Pour lui, "il y a une reconnaissance publique que le mariage monogame entre un homme et une femme est une conquête de la civilisation". Sinon poursuit-il, "pourquoi ne pas également [envisager](#) une polygamie librement choisie, et bien sûr, pour ne pas [discriminer](#), une polyandrie ?", poursuit-il.

Vendredi déjà, le quotidien du Vatican, L'[Osservatore Romano](#), avait appelé l'Eglise à être "les sentinelles de la liberté religieuse" opposée au droit au mariage pour les homosexuels, "une idéologie fondée sur le

politiquement correct qui envahit toutes les cultures du monde". Le journal demandait notamment à la France un délai supplémentaire de réflexion et de débat "avant d'[accomplir](#) cette révolution anthropologique, dont les conséquences ne sont pas quantifiables".

Greece: Reading Between The Lines

Submitted by [Tyler Durden](#) on 11/09/2012 13:31 -0500

Via Mark J. Grant, author of *Out of the Box*,

*Tomorrow the Wizard turns 620. I was out with him last night in a little pre-birthday celebration and I asked him how it felt to have that many years under his belt. He laughed and replied that being a Wizard had it occurred to me that he might not have started at one? No, I admit, I had not thought of that, which opened up a realm of possibilities that the old codger could actually be far older or far younger than was generally presumed. I then asked him if he planned to be around for his 630th birthday day and he replied that the odds were good. He said he had done a **whole statistical model and that very few people died between 620 and 630 and so he was likely to make it to the next milestone.** At the end of the evening, with a twinkle in his eye, he informed me that he would not be here on Saturday in any event. He said that **he had learned something from the Europeans** and that he was going to follow their lead. He informed me that he was going to **get on his broomstick, fly across the international dateline and so never have an actual birthday. Then he will return to America and claim that the damn thing never happened. I guess he is still learning a thing or two!***

Reading Between the Lines

One of the great faults with paying attention to Europe is to take what they tell you as factual. The media trumpets what they are given by the various sources of information in Europe but a quite skeptical eye is what is needed. They claim that they do not have the “Final Troika Report” on Greece because they have not stamped it “Final” yet and so they blame their indecision on the magic trick that they are performing. Everyone on the Continent has the report but since they can agree on almost nothing they have blamed the lack of the rubber stamp as the culprit. They should just come out and say that, **“It is the rubber stamp’s fault”** and be done with it.

Red Lines

Every easy trick has now been exhausted when it comes to Greece. You may feel worn out and tired by the length of time this process has taken but that is a remarkably short-sighted viewpoint. You should be happy that you have had the time to carefully consider and plan for what is about to take place because ugly is about to get uglier and you will see retching in the streets; not just in Athens but in Berlin and Madrid. I would say that the odds are about 60/40 that what is happening is that the European Union is trying to force Greece out of the EU by having Greece refuse any more of the austerity measures and not get funded. **It is a “Game of Houses” because Germany does not want to take the blame and they want Greece to throw up their hands and leave so Berlin can say, “What can we do?”** To actually force Greece out would be a violation of principles that Germany cannot politically afford and so a quite complicated ruse is underway. The severity of the situation is indicated now by the Red Lines that have been drawn by all of the major constituencies so that there is no compromise to be found. As I have stated before we are at the Crossroads, at Breakpoint, because every proposal is met with a hard line drawn in concrete by someone in some corner of the deliberations.

The IMF will not provide any more funds without a 120% debt to GDP ratio by 2020 they claim but what this really means, and what they have come closer to saying recently, is that they will not dish out any more money unless they feel that they will get paid back (Red Line). **The IMF has suggested that perhaps the ECB could take the loss** and Mr. Draghi has said while they might forego the profits on their Greek Bonds, estimated at about \$16 billion, that they will not take a loss as it would violate their charter of not financing individual nations (Red Line). **The IMF has suggested that the Stabilization Funds could take a hit** which Germany and several other countries have said is impossible because it would probably cause several governments to fall in Europe (Red Line). **The Greeks have asked for a two year extension** in payments which would require another \$40 billion to be handed to Greece as Austria, the Netherlands and Finland have all publically stated **“No more money for Greece”** and another wall (Red Line). The markets all think that it is just another moment to muddle through but I am telling you, having examined the evidence and considered all

of the possibilities, that this is not the case and that my conclusion will very soon prove to be correct. **The length of time this process has taken may have numbed some people's sensitivity to the danger but with \$1.5 trillion in total debts that could go into default; the danger is quite real and the shock will be systemic.** The ticking time bomb has been loaded and it is about to explode whether you realize it or not.

It is going to be either “debt forgiveness” or “more money” or “brute force” and there are quite serious consequences for many nations and many governments whichever path is chosen. “Debt forgiveness” is a sacred promise broken and “more money” is politically impossible in some countries at this point. Europe may have concluded that it is far better to force Greece out by continual demands and ever increasing austerity measures and that the losses from a Greek Exit, which would be borne by all, are a better alternative to the other two roads as the Germans and others could blame the Greeks and not take the responsibility. Three roads, all ugly, which is why the length of the delay and the hesitation to engage. **Any of these three paths will lead to extensive pain and a lot of contagion and so I conclude that the Greeks will get forced out by increasing European demands as that is the least politically damaging alternative for many of the nations in Europe.** “Blame it on the Greeks” will be the secret password while the Greeks will call Berlin every name in the book.

*“The summer day is closed - the sun is set:
Well they have done their office, those bright hours,
The latest of whose train goes softly out
In the red west. The green blade of the ground
Has risen, and herds have cropped it; the young twig
Has spread its plaited tissues to the sun;
Flowers of the garden and the waste have blown
And withered; seeds have fallen upon the soil,
From bursting cells, and in their graves await
Their resurrection. Insects from the pools
Have filled the air awhile with humming wings,
That now are still forever; painted moths
Have wandered the blue sky, and died again”*

-William Cullen Bryant

<http://www.zerohedge.com/news/2012-11-09/meet-alex-real-not-lazy-bastard-greek>

Meet Alex - The Real 'Not Lazy Bastard' Greek

Submitted by [Tyler Durden](#) on 11/09/2012 17:32 -0500

While [Mr. Panos](#) has often been used as the poster boy for the Greek people, his shortened premise is - [we will keep taking the Europeans money until they no longer want to give it to us](#). In the meantime, the Greek people have suffered due to the previous largesse of their government and need for a 'reversion' to the mean of their relative wealth. The following brief clip offers some insight (or defense) of who the real man-on-the-street is in Greece. Not the media's interpretation of a *lazy, cheating, ungrateful, helpless, corrupt, violent, rude, racist, tax-evading, trouble-making thieving vandal - that lives with his mother*; but a **scapegoat for all that is wrong in Europe and remains [shocked, confused, frustrated, and upset](#)**. It's someone's fault, right? Why not Alex?

VIDEO

From the [Omikron Project](#):

Greek crisis? Get the whole picture.

We are a group of regular guys and girls living in a crisis-hit country called Greece.

We got sick of watching the rest of the world get fed inaccurate images of life here today, and wanted to do something about it.

So instead of complaining, we built Omikron Project: a place for ideas, discussion... and ACTION.

Average:

Les pistes de Berlin pour redresser la France

Par [Patrick Saint-Paul](#) Mis à jour le 09/11/2012 à 19:33 | publié le 09/11/2012 à 17:36 [Réactions](#) (323)



Angela Merkel et François Hollande, en juillet dernier à Reims. Crédits photo : POOL/REUTERS

Le ministère allemand des Finances aurait demandé à des économistes de plancher sur la situation française. Berlin a en tête un catalogue de réformes indispensables.

De notre correspondant à Berlin

Les cinq «sages» allemands, économistes de haut rang qui conseillent le gouvernement du pays, ont démenti avec empressement, vendredi, avoir été sollicités par le ministre allemand des Finances pour plancher sur des propositions de réformes pour la [France](#).

Deux responsables s'exprimant sous le sceau de l'anonymat ont en effet confié à Reuters le matin même que [Wolfgang Schäuble](#) avait demandé aux «sages» de réfléchir à un rapport susceptible de donner des pistes pour redresser la France. «Les inquiétudes s'accroissent en raison du manque d'action du gouvernement français sur la réforme du marché du travail», a dit Lars Feld, un des membres du comité des sages... À l'Élysée, «évidemment, on ne fait pas de commentaire».

Seule certitude, la France est un sujet d'inquiétude quotidien aussi bien à la chancellerie qu'au ministère des Finances. Et les [annonces de Jean-Marc Ayrault](#) en début de semaine n'ont rassuré qu'à moitié, Berlin ayant déjà en tête un catalogue de réformes structurelles indispensables pour relancer l'économie française.

Crainte d'un réveil des marchés

La semaine passée, un responsable placé au cœur de la machine gouvernementale à Berlin avait dressé pour le *Figaro* l'inventaire des recettes des économistes allemands, pour créer un choc de compétitivité en France: «baisser le coût du travail», «abolir les 35 heures», «augmenter la flexibilité», «mettre fin aux avantages des fonctionnaires trop privilégiés par rapport aux emplois précaires», «réduire le poids de l'État dans l'économie», «lever les barrières à la concurrence», «baisse des impôts», «réforme du système social, notamment les retraites».

Les économistes écoutés par le gouvernement rappellent que la [Grèce](#) bénéficiait encore de la clémence des marchés à l'automne 2009, quelques mois avant la débandade du printemps 2010. Et ils savent que la force de frappe du [MES](#) serait largement insuffisante pour voler au secours de la France.

Ils jugent donc essentiel que [François Hollande](#) prenne les devants avant un réveil tardif, mais potentiellement dévastateur, des marchés. «Ce serait bien si les socialistes engageaient maintenant vraiment des réformes structurelles. Cela ferait du bien au pays et à l'Europe», a déclaré, à propos de la France, Volker Kauder, président du groupe parlementaire des conservateurs et proche d'[Angela Merkel](#).

Schuldenkrise Noch eine Notlösung für Griechenland

09.11.2012 · Griechenland ist auf die nächste Tranche aus dem laufenden Rettungsprogramm angewiesen. Zwar wird bald der Troika-Bericht erwartet, doch es wird wohl zu spät, um noch rechtzeitig die Kreditfreigabe zustande zu bekommen. Wahrscheinlich ist eine Zwischenfinanzierung mit Hilfe der EZB - ansonsten droht in elf Tagen der Staatsbankrott.

Von [Werner Mussler](#), Brüssel



© dpa Griechenland: Am 16. November pleite?

Die Eurogruppe greift voraussichtlich abermals auf eine Notlösung zurück, um einen griechischen Staatsbankrott kurzfristig abzuwenden. Dies wird nötig, weil auf dem Treffen der Eurofinanzminister am Montag noch keine Einigung auf ein neues Hilfspaket für Athen zustande kommen wird. Ein Vertreter der Eurogruppe sagte am Freitag in Brüssel, der jetzige zeitliche Rahmen schließe dies aus. Es sei aber gewährleistet, dass sich der griechische Staat weiter finanzieren könne. Offen blieb, um wie viele Tage sich ein endgültiger Beschluss hinauszögern wird.

Griechenland muss am 16. November alte Schulden bedienen. Wenn seine internationalen Gläubiger bis dahin nicht die Auszahlung der nächsten Tranche von rund 31 Milliarden Euro aus dem bestehenden Hilfsprogramm freigeben, droht dem Land der Staatsbankrott. Vor einer endgültigen Entscheidung müssen auch mehrere nationale Parlamente, darunter der Bundestag, befasst werden.

Als wahrscheinlichstes Mittel zur Verhinderung eines unmittelbaren Staatsbankrotts zeichnete sich ab, dass der griechische Staat kurzfristig weiter auf Hilfe der Europäischen Zentralbank (EZB) zurückgreifen kann, ohne die er schon seit September bankrott wäre. Demnach sollen kurzfristige griechische Anleihen mit dreimonatiger Laufzeit („T-Bills“) von 5 Milliarden Euro mit Einverständnis der EZB verlängert werden. Der griechische Staat hatte die Papiere Mitte August vor allem an griechische Banken ausgegeben, die diese bei der EZB als Sicherheit hinterlegen konnten.

EZB-Präsident Mario Draghi hatte eine solche Verlängerung ursprünglich ausgeschlossen. In Brüssel hieß es nun aber, die Zentralbank werde eine zeitlich strikt begrenzte und an klare Bedingungen geknüpfte Verlängerung wohl akzeptieren. Der Grund für die aktuelle Verzögerung ist, dass das bestehende Programm vor der Freigabe der nächsten Tranche angepasst werden muss. Der Bericht der Troika aus Internationalem

Währungsfonds (IWF), EZB und EU-Kommission, der die Entscheidungsgrundlage dafür bildet, liegt weiterhin nicht vor. Die Minister sollten ihn aber „nach Möglichkeit“ bis Montag zugestellt bekommen, hieß es in Brüssel. Einige Teile des Berichts sind offenbar nicht mehr strittig.

Nach der parlamentarischen Billigung eines Spar- und Reformpakets am Mittwoch und der für Sonntag in Athen geplanten Verabschiedung des Haushalts 2013 dürfte die Troika der Regierung voraussichtlich attestieren, die der Regierung auferlegten Reformen weitgehend ins Werk gesetzt zu haben. Allerdings bleibt offen, wie die Finanzierungslücke zu schließen ist, die entsteht, weil Athen zwei Jahre mehr Zeit zur Verwirklichung seiner Sparziele erhält. Am wahrscheinlichsten bleibt immer noch ein Schuldentrückkaufprogramm unter Beteiligung der Krisenfonds EFSF oder ESM (F.A.Z. vom 2. November). Diese Option werde diskutiert, sagte der Eurogruppen-Vertreter, sie sei aber „extrem kompliziert“.

In der Troika bleibt ferner umstritten, unter welchen Bedingungen die griechische Staatsschuld als tragfähig gelten darf. Während der IWF darauf dringt, vom bisherigen Ziel einer Senkung der Staatsschuld auf 120 Prozent des Bruttoinlandsprodukts im Jahr 2020 nicht abzurücken, sind die Eurostaaten zu Zugeständnissen - ein späteres Zieljahr und eine etwas höhere Schuldenquote - bereit.

Quelle: F.A.Z.

Sachverständigenrat: Sondergutachten über Frankreich wäre „grobe Unhöflichkeit“

09.11.2012 · Sorgt sich Finanzminister Schäuble um Frankreich? Angeblich soll er die fünf Wirtschaftsweisen mit einem Sondergutachten über das Nachbarland beauftragt haben. Doch der Vorsitzende des Sachverständigenrats sagte der F.A.Z.: „Die französische Regierung würde sich so etwas wohl verbitten.“

Von [Philip Plickert](#)



© AFP „Das wäre eine grobe Unhöflichkeit den Kollegen vom französischen Sachverständigenrat gegenüber“: Wolfgang Franz

Der Sachverständigenrat hat Medienberichte zurückgewiesen, wonach die deutschen „Wirtschaftsweisen“ ein Sondergutachten über Frankreich erarbeiten sollen. Dieses habe Bundesfinanzminister Wolfgang Schäuble vorgeschlagen, schrieben mehrere Medien am Freitag.

„Das ist zum großen Teil eine Falschinformation“, sagte Wolfgang Franz, der Vorsitzende des Sachverständigenrats, der Frankfurter Allgemeinen Zeitung. „Ein Auftrag für ein Sondergutachten ist nicht im entferntesten in Sicht und es wäre auch eine grobe Unhöflichkeit den Kollegen vom französischen Sachverständigenrat gegenüber“, sagte der Mannheimer Professor. „Die französische Regierung würde sich so etwas wohl auch verbitten.“

Richtig sei aber, dass die Bundesregierung stark interessiert sei an den Reformideen, um die Währungsunion durch eine Rückbesinnung auf Maastricht solider zu machen. In diesem Zusammenhang wollten die fünf Mitglieder des Sachverständigenrats sich im Dezember auch „mehr Gedanken über Frankreich“ machen. Danach werde man mit Schäuble neu reden, sagte Franz der F.A.Z.

In ihrem gerade veröffentlichten Jahresgutachten hatten die Wirtschaftsweisen „zunehmende Sorgen“ über die konjunkturelle Entwicklung in Frankreich geäußert. „Frankreich ist das größte Problem in der Euro-Zone im Moment“, hatte der Wirtschaftsweise Lars Feld bei der Vorstellung des Jahresgutachtens gesagt. **„Das größte Problem ist nicht mehr Griechenland, Spanien oder Italien, es ist Frankreich, weil Frankreich im Hinblick auf die Herstellung seiner Wettbewerbsfähigkeit nichts unternommen hat und sogar in die Gegenrichtung geht.“**

Quelle: ppl.

United States-EU

Obama and Europe are facing the same battles

9 November 2012

[Le Soir](#) Brussels



[Peter Schrank](#)

The newly re-elected US president and his European counterparts are facing the same challenge, writes the editor of Belgian daily Le Soir: to prove that a tolerant society and social solidarity are possible.

[Béatrice Delvaux](#)

On Tuesday Americans (re)elect a president who proposes to offer them a tolerant and mutually supportive society. It's a society that Europeans have made their model for decades, and for which they claim paternity. Today, by a curious combination of historical circumstances, both sides must take up the same battle and the same challenge: to prove that this social project is realistic and still feasible.

The U.S. President will struggle to impose this solidarity on the large part of American society that does not want an institutionalised safety net for everyone and prefers rewards to be earned on merit. Europeans, for their part, must struggle to preserve their social security system for all, shaped differently in the details from country to country.

Which of Europe's Obamas or Romneys will carry the day?

Obama and European leaders have an incentive to join their forces and their thinking to find a way to preserve their political project: the caring society where, as Obama said, everyone has a chance, whether rich or poor, black or white, sick or healthy, gay or straight. Their enemies are the same: yawning budget deficits, a profound economic and structural crisis, and the "Romneysation" of our societies. Individualism, fuelled by the economic crisis, is now expressing itself in the same way on both sides of the Atlantic, in a push to have social "benefits" distinguish between those who deserve them (workers) and all the others (the "assisted").

What solidarity? Can we afford this generosity? How could we modify it to make it affordable? Which of Europe's Obamas or Romneys will carry the day? And can we believe, as Obama proclaimed, that it is still possible to make the compromises we need for society to move forward without being blinded by optimism? This is the very difficult dilemma of the moment. The good news since Tuesday is that the Europeans are not alone in still having faith – and in being forced to find a solution.

Translated from the French by **Anton Baer**

On the web

- [Original article at Le Soir](#) fr
- [România Liberă](#) ro

Counterpoint

Obama's reelection is a bad deal

Going against the views expressed by most European newspapers, [România Liberă argues](#) that the “reelection of Obama is bad news” for the United States and the world in general. The Bucharest daily looks back on the US President's first term, and has particularly harsh words to say about his performance in the field of foreign policy –

The Obama administration gave up on being a world leader citing the ideological argument that there is nothing exemplary about America [...] and arguing that a time has come when other should take charge of order in the world.

România Liberă points out that the image of a "great champion of the man in the street and of small nations" is in flagrant contradiction to the realpolitik Obama practices, based on an agreement with the leaders of major powers at the expense of smaller –

[Obama's] barely concealed, albeit fully demonstrated, contempt over these last four year towards traditional US allies – Britain, Poland, Japan – and his almost total lack of interest in new allies like ourselves, countries of Eastern Europe, [...] have highlighted the cynical but naive approach of this president who thinks he can deal with [Russian President Vladimir] Putin like a Chicago politician deals with Mafia chiefs.

11/08/2012 05:05 PM

Budget Disarray

US Set to Restage Greek Tragedy

By [David Böcking](#)

The US has more in common with heavily indebted southern European countries than it might like to admit. And if the country doesn't reach agreement on deficit reduction measures soon, the similarities could become impossible to ignore. The fiscal cliff looms in the near future, and it's not just the US that is under threat.

The US has [finally voted](#) and the dark visions of America's future broadcast on television screens across the country -- and most intensively in battleground states -- have come to an end. Supporters of both Barack Obama and Mitt Romney had developed doomsday scenarios for what would happen if their candidate's opponent were to win. [Four more years of Obama](#), the ads warned, would result in pure socialism. A Romney presidency would see the middle and lower classes brutally exploited.

But following [Obama's re-election](#), Americans are now facing a different, much more real horror scenario: In just a few weeks time, thousands of children could be denied vaccinations, federally funded school programs could screech to a halt, adults may be forced to forego HIV tests and subsidized housing vouchers would dry up. Even the work of air-traffic controllers, the FBI, border officials and the military could be drastically curtailed.

That and more is looming just over the horizon according to the White House if the country is allowed to plunge off the "fiscal cliff" at the beginning of next year. Coined by Federal Reserve head Ben Bernanke, it refers to the vast array of cuts and tax increases which will automatically go into effect if Republicans and Democrats can't agree on measures to slash the US budget deficit.

In total, the cuts add up to \$1.2 trillion over the next nine years, with half coming from the military and half from other government programs, and with \$65 billion coming in the first year alone. They were enshrined in law with the Budget Control Act of 2011, which also increased the debt ceiling. And though a deadline of Jan. 2, 2013 was set, they were never meant to come into effect. The plan for deep across-the-board cuts was intended as a way to prod Democrats and Republicans into reaching agreement on a long-term plan to reduce America's vast budget deficit.

Not a Bad Thing?

The "fiscal cliff" also includes the expiration of tax cuts for the rich, which were originally passed by President George W. Bush and extended by Obama. The elimination of the lower tax rates would, according to the Congressional Budget Office, result in \$221 billion in extra tax revenues in 2013 alone. A temporary 2-percent federal income tax cut would also expire, resulting in an additional \$95 billion flowing into government coffers next year.

There are also several other cuts and tax hikes included in the austerity package. Some \$18 billion in taxes would come due as part of Obama's health care reform, and welfare cuts would save \$26 billion. Should lawmakers not reach agreement prior to the end of the year, the US budget deficit for 2013 would be cut almost in half, to \$560 billion.

Which doesn't sound like a bad thing. After all, the US is staggering under a monumental pile of debt and could potentially begin to face the kinds of difficulties that have plunged several euro-zone countries into crisis. It is a viewpoint shared by the ratings agencies -- a year ago, Standard & Poor's withdrew America's top rating, justifying the measure by pointing to the unending battle over the debt ceiling. The agency noted that "the political brinksmanship of recent months highlights what we see as America's governance and policymaking becoming less stable, less effective, and less predictable than what we previously believed."

From afar, it is difficult to argue; the ongoing battle between Democrats and Republicans in the face of a horrendously imbalanced budget looks catastrophically absurd. As their country heads toward the edge of the abyss, lawmakers preferred to debate whether or not French fries and pizza should be considered vegetables.

Still, a significant element in the dispute is a fundamental conflict that won't sound foreign to Europeans: How much austerity is too much?

Plunging Growth

As good as an instantaneous halving of the budget deficit might sound, the landing after a plunge off the fiscal cliff would be a hard one. Were taxes to be ratcheted up at the same time as state programs were slashed, it would have an enormous effect on the economy. According to the Congressional Budget Office, 2013 growth would immediately drop by four percentage points, making a recession unavoidable. The number of unemployed would be two million higher than without the cuts.

It is an eventuality that doesn't just put fear into the hearts of Americans. In its annual report on the US, the International Monetary Fund (IMF) referred to the fiscal cliff as the largest risk currently facing America. Investors have already reportedly become more cautious in the face of the looming cuts. Should politicians not agree to a credible plan for reducing US debt, it could ultimately harm the credibility of the dollar as a reserve currency. More immediately, the IMF writes in its World Economic Outlook report published in October, the drastic cuts "would inflict large spillovers on major US trading partners." In other words, an already fragile Europe would become even weaker.

As such, Germany won't be the only country watching closely as US Congress struggles to reach an agreement in coming weeks. Should the US economy radically slow down next year, "it could in the current atmosphere of uncertainty result in a global loss of confidence that would lead to a collapse in investment worldwide," according to the annual report of top German economic advisors released on Wednesday. Nevertheless, the experts warn, simply postponing measures to address the debt and budget deficit problems "would also have long-term costs in the form of still higher sovereign debt."

The Greek Model?

What, then, is the solution? In the end, the US could arrive at a compromise similar to the one that appears to be forming for Greece: austerity measures combined with more time to achieve budget deficit reduction targets. The drastic cuts currently looming are essentially a kind of debt brake, but it is one with no flexibility built in whatsoever. The US economist Denis Flower proposed in an interview with SPIEGEL ONLINE that Washington should introduce a law mandating long-term debt reduction, but which allows higher deficits in times of crisis.

US politicians, no doubt, would not be fond of hearing their country compared to Greece. After all, the heavily indebted euro-zone country was used during the presidential campaign as a caricature for the horrors of European-style socialism. But their current finances are not dissimilar, with one difference being that the US can't count on outside help as the Greeks have received.

It remains to be seen how US politicians choose to approach the problem. Republicans, having defended their majority in the House of Representatives, could simply let the country plunge off the cliff in the hopes that it would be blamed on Obama. Or, on the other hand, their willingness to compromise may have been increased by virtue of losing the presidential election badly. Republican Speaker of the House John Boehner on Wednesday pledged to work closely with the White House as negotiations begin. He said that lawmakers won't be able to solve the country's problems overnight, but said that voters "gave us a mandate to work together to do the best thing for our country."

Greece's economic problems and the [resulting austerity packages](#) it has passed have plunged the country into five straight years of recession. Germany, Europe and the world are hoping that the same fate is not in store for the US.

Austerity package turns Greece into banana republic

The Greek parliament on Wednesday [approved](#) by a slim majority a new [austerity package](#) that foresees billions in spending cuts and tax hikes. Tens of thousands of people had gathered in Athens to protest the measures. According to the online portal TVXS, **the new austerity package is the final act in the Greek drama: "The new package is so harsh that it simply cannot be followed by another. Whichever way you look at it, this is the 'Final Solution'.** Like the final act in a major drama, the 153 'yes' votes represent a catharsis. ... Not only will the new package compound the damage which the two previous packages have already caused. ... **It contains all the necessary ingredients to turn Greece into a Latin-American style banana republic. ... If Greece ever emerges from the crisis it will be a far poorer country, completely different to what it was 20 years ago. But of course only if the austerity package is actually implemented."** (08/11/2012)

November 8, 2012

Greece Drinks the Hemlock (ciguë / Sokrates)

Greece's Parliament did what it had to do on Thursday. Despite some defections from the ruling centrist coalition, lawmakers narrowly approved a \$23 billion package of [new austerity measures](#), including further spending cuts to social services, pensions and public salaries, as well as tax increases demanded by Greece's European lenders.

In return, the troika of official creditors — the European Commission, the European Central Bank and the International Monetary Fund — promise to consider, but not guarantee, reducing the punitive interest rates they charge Greece for bailout loans and unlocking a \$40 billion aid payment Athens needs to avoid a default on its debts.

No responsible Greek lawmaker could have ignored the terrible consequences of voting no. But no one can dismiss the threat to social stability from these cuts. Even Prime Minister Antonis Samaras, who fought hard to push the package through Parliament, characterized the cuts it imposed as “unfair.”

The fact is, just about everything in this austerity package has been tried before and failed disastrously. These unpalatable steps will do nothing to make Greece's debts more payable, bring its budgets closer to balance or help make the structural reforms Greece needs to revive its economy. Instead they will almost certainly further shrink an economy that has already shrunk by an astounding 25 percent over the past few years, making fiscal improvement nearly impossible.

The austerity approach was supposed to reduce Greece's ratio of debt to gross domestic product. But that ratio has grown, despite debt write-offs and bailouts, because the economy has contracted so much. The new package is expected to shrink it an additional 9 percent.

Greece cannot pay off its debts when it is shutting down its economy. It has to put people back to work. The only way forward is through more debt write-offs and more low-interest European loans, as well as by opening up restricted job markets.

But measures that extend and deepen Greece's severe recession are certain to intensify public opposition to labor market reforms that could increase an unemployment rate already over 25 percent. And imposing new fuel taxes and health care charges will hurt ordinary people and make a tax system that is scandalously unfair even more so.

Ordinary Greeks are losing confidence in a political system they feel has failed to protect them from economic ruin. Greek lawmakers know this but feel compelled to do as their European creditors ask. And, we suspect, many of those creditors also know that more austerity is not the answer. But so far, they have been unwilling to challenge the leader of Europe's biggest economy, Chancellor Angela Merkel of Germany, who continues to believe that only economic punishment will push Greeks to reform.

It may be a winning political formula in Germany, where Ms. Merkel stands for re-election next year. But it is a profound, and profoundly unnecessary, tragedy for Greece.

Griechenland

Kleine Mehrheit, große Zweifel

FAZ 08.11.2012 · Mit Mühe bringt die griechische Regierung das Sparpaket durch das Parlament. Auch bei der Abstimmung über den Haushaltsentwurf für 2013 am Sonntag wird es wohl zu einer Mehrheit reichen.

Von [Michael Martens](#), Istanbul



© AFP Im Licht: Ministerpräsident Samaras (rechts), Finanzminister Stournaras (links) und weitere Minister während der Debatte

In einer der wichtigsten Stunden des griechischen Parlamentarismus wäre am Mittwoch im entscheidenden Moment beinahe das Licht ausgegangen: Nachdem vor der Abstimmung über das neue Sparpaket bekanntgeworden war, dass Finanzminister Giannis Stournaras auch die Sonderzulagen (**perks**) für die traditionell besonders gut bezahlten Parlamentsangestellten streichen lassen wollte, wagten die verbeamteten Diener des Hohen Hauses die Konfrontation mit der Regierung. Angespornt vom Linksbündnis Syriza und den rechtspopulistischen „Unabhängigen Griechen“, kündigten sie einen Streik an und drohten damit, dem Hohen Haus den Strom abzustellen, sollten die sie betreffenden Kürzungen nicht zurückgenommen werden.

Im Dunklen und ohne Technik hätte das Parlament nicht abstimmen können, das Sparpaket von 13,5 Milliarden Euro und die als Gegenleistung dafür in Aussicht gestellte Hilfszahlung von mehr als 31 Milliarden Euro hätten auf dem Spiel gestanden. Also gab Stournaras nach und ließ den Passus über die Kürzungen der Bezüge der Parlamentsangestellten aus der Vorlage streichen. Das Licht blieb an, die Abgeordneten konnten abstimmen. Die Episode ist symptomatisch für die Methoden, mit denen einzelne Berufsgruppen in Griechenland ihre Partikularinteressen durchsetzen.

„Die Implosion der Pasok hat bereits begonnen“

Bei der erst nach Mitternacht griechischer Zeit beendeten Abstimmung über das mehr als 500 Textseiten umfassende Paket von Ausgabenkürzungen und Strukturreformen konnte sich die Regierung dann mit knapper Not durchsetzen. Die Abgeordneten der „Demokratischen Linken“ (Dimar), der kleinsten Partei der seit Juni regierenden Dreierkoalition von Ministerpräsident Antonis Samaras, stimmten wie erwartet nicht für das Gesetzespaket. So hatte es Dimar-Chef Kouvelis bereits seit Tagen angekündigt, weshalb die Aufmerksamkeit in der Nacht zum Donnerstag vor allem der Panhellenischen Sozialistischen Bewegung (Pasok) galt, ohne deren mehrheitliche Unterstützung die Regierung scheitern konnte.

Die Mehrheit kam dann zwar zustande, doch bestätigte die Abstimmung fast alle Befürchtungen über den Zustand der Pasok. Zwei ihrer Parlamentarier hatten schon in den Tagen vor der Abstimmung ihren Widerstand gegen das Sparpaket angekündigt, doch am Ende verweigerte gleich ein halbes Dutzend die Zustimmung. Parteichef Evangelos Venizelos ließ sie umgehend aus der Fraktion ausschließen. Am Donnerstag trat ein

weiterer Pasok-Abgeordneter, der in der Vornacht noch mit „Ja“ gestimmt hatte, von sich aus den Rückzug an und erklärte sich für unabhängig. Da es in Samaras' Nea Dimokratia nur einen Abweichler gab (der ebenfalls umgehend aus der Fraktion ausgeschlossen wurde), konnte das Sparpaket schließlich mit 153 Stimmen verabschiedet werden. Insgesamt zählt das griechische Parlament 300 Abgeordnete.

Setzt sich der Zerfallsprozess der Pasok unvermindert fort, ist es aber nur noch eine Frage der Zeit, bis die Koalition ohne Mehrheit dasteht. Pasok-Chef Venizelos wird von einem wachsenden Teil der eigenen Partei nicht mehr als Vorsitzender anerkannt. Die Regierung sei gefährdet, „vor allem dann, wenn die interne Krise der Pasok zu einem Zerfall der Partei in zwei konkurrierende Fraktionen führen sollte“, hieß es am Donnerstag in einem griechischen Zeitungskommentar, und das Athener Blatt „Kathimerini“ stellte fest: „Die Implosion der Pasok hat bereits begonnen.“

Noch kann Tsipras die Regierung Samaras nicht stürzen

Der bekannteste aus der Fraktion ausgeschlossene Sozialist war der frühere Innenminister Kostas Skandalidis, der seit Ende der siebziger Jahre der Parteiführung angehört und sie seit mehr als zwei Jahrzehnten im Parlament vertreten hatte. Parlamentskorrespondenten griechischer Zeitungen wollen erfahren haben, dass Samaras in Kürze versuchen wird, den weiteren Zerfall seiner Koalition durch eine Kabinettsumbildung aufzuhalten. Ob das die Erosion der Pasok aufhalten kann, ist aber fraglich. In der Nacht zum Donnerstag beschränkte sich Samaras zunächst nur auf das Versprechen, dies seien die letzten Kürzungen gewesen, mögliche weitere Anpassungen werde man durch einen verbesserten Kampf gegen die Steuerhinterziehung erreichen. So hatte es sein sozialistischer Vorgänger Giorgos Papandreou auch schon versprochen.

Oppositionsführer Alexis Tsipras, dessen Linksbündnis „Syriza“ inzwischen in allen Umfragen stärkste Kraft ist, nutzte die Parlamentsdebatte, um sich abermals als Beschützer der Griechen vor den Zumutungen der Sparpolitik in Szene zu setzen. Zum wiederholten Male nannte er Samaras einen „Merkelisten“. Obschon eine genaue Definition des Begriffs aussteht, ist Merkelist zu sein oder des Merkelismus verdächtig zu werden inzwischen ein anerkanntes Schimpfwort bei Syriza sowie den anderen Oppositionsparteien. Tsipras erinnerte den Ministerpräsidenten an dessen Wahlkampfversprechen, mit ihm, Samaras, werde es keine weiteren Kürzungen geben, und wandte sich gegen die zuletzt auch von Bundesfinanzminister Schäuble erwähnte Idee, die Position eines EU-Kommissars mit Eingriffsrechten in die nationalen Haushalte zu schaffen. Dies käme einer „Kapitulation der Demokratie“ gleich. Nötig sei vielmehr eine Vergemeinschaftung von Staatsschulden und der Garantien für Bankguthaben in Europa sowie ein „beträchtlicher“ Schuldenerlass für die südeuropäischen Mitgliedstaaten der Eurozone.

Bei der Abstimmung über den Haushaltsentwurf für 2013, die am Sonntag stattfinden soll, wird Tsipras die Regierung Samaras aber vermutlich noch nicht stürzen können, da zumindest Teile der Dimar-Fraktion dann wieder mit der Koalition stimmen wollen. Ist ein Teil der Dimar-Abgeordneten mit an Bord, könnte das Verluste bei der Pasok ausgleichen. Schon bei der Abstimmung in der Nacht zum Donnerstag wären zwei Dimar-Abgeordnete bereit gewesen, für das Sparpaket zu stimmen, wäre die Regierungsmehrheit durch noch mehr Pasok-Abweichler gefährdet gewesen. Kommt auch der Haushaltsentwurf durch das Parlament, kann sich Samaras dann auf das nächste Gefecht vorbereiten, das nicht mehr im Parlament ausgefochten wird: Alle griechischen Zeitungen berichteten am Donnerstag von dem Urteil des Obersten Gerichtshofs Griechenlands, die im Zuge der Sparpolitik vorgesehene Kürzung der Richterdiäten sei verfassungswidrig.

Quelle: F.A.Z.

Spanische Immobilienkrise Schon 400.000 Familien mussten Wohnungen räumen

FAZ 08.11.2012 · Seit dem Beginn der Krise vor fünf Jahren haben hunderttausende Familien in Spanien ihr Haus, ihre Wohnung oder ihren kleinen Laden verloren. Viele Richter wollen keine Zwangsräumungen mehr anordnen. Regierung und Opposition suchen einen Ausweg.

Von [Leo Wieland](#), Madrid



© dapd Protestmarsch: Vor einer Bank demonstrieren Spanier gegen den drohenden Verlust der Wohnung.

Kurz bevor der Gerichtsvollzieher bei ihm klingelte, erhängte sich José Miguel Domingo in seiner Wohnung in Granada. Und an dem gleichen Herbsttag, als auch er seine Wohnung räumen sollte, stürzte sich in Valencia ein anderer Unglücklicher von seinem Balkon und überlebte schwer verletzt. Das sind die bislang drastischsten Fälle, die ein soziales Drama in Spanien illustrieren, das ein nur noch schwer erträgliches Ausmaß erreicht hat.

Seit dem Beginn der großen Krise vor fünf Jahren haben nahezu 400.000 Familien ihr Haus, ihre Wohnung oder ihren kleinen Laden verloren. In diesem Jahr wird die Zahl derer, die ausziehen müssen, weil sie ihre Hypotheken nicht mehr bezahlen können und ihre Bleibe an die Banken geht, auf täglich rund 200 geschätzt. Nicht alle Spanier akzeptieren dies widerspruchslos. Die Verzweiflungstaten sind zwar noch eine Ausnahme. Aber vielerorts bilden sich Bürgergruppen aus der Nachbarschaft, die den Gerichtsvollzieher mit Plakaten, Beschimpfungen und klappernden Töpfen vertreiben und so den Betroffenen zumindest eine kurze Atempause verschaffen.

Sogar die Richter protestieren

Auch die Richter, die auf der Grundlage eines schon hundert Jahre alten Gesetzes die Zwangsräumungen anordnen müssen, haben zu protestieren begonnen. „Wir wollen nicht länger die Eintreiber der Banken sein“, hieß es in dieser Woche auf einem nationalen Juristenkongress in Bilbao, auf dem von der Politik eine Gesetzesreform verlangt wurde, die vor allem Familien mit Kindern und alten Menschen davor schützen sollen, obdachlos zu werden.

Regierung und Opposition scheinen nun zugehört zu haben. Jedenfalls lud die stellvertretende Ministerpräsidentin Soraya Sáenz de Santamaría die „Nummer 2“ der Sozialistischen Partei, Elena Valenciana, zu einem Mittagessen in den Moncloa-Palast ein, um mit ihr über einen „großen Pakt“ zu sprechen. Die beiden kamen überein, dass die Zeit dränge und bis zum Jahresende ein Reformkompromiss erreicht werden müsse. Am Montag sollen sich jeweils drei Experten der beiden Parteien zusammensetzen, um die Details auszuhämmern.

Weitere Artikel

- [Spanischer Milliardär spendet für die Armen](#)
- [Immobilien in Spanien: Der Wahn der fetten Jahre](#)

Die Initiative kommt zu einem Zeitpunkt, da die spanische Regierung unter Ministerpräsident Mariano Rajoy auch die letzten Einzelheiten ihrer „Banco Malo“ für faule Immobilienkredite festlegt. Das eine hat mit dem anderen zu tun. Zum einen befürchten viele Spanier, die mit ihren Zahlungen im Rückstand sind, dass die Auslagerung und der Verkauf „prekärer“ Immobilien durch die Auffangbank den Druck noch verstärken könnten. Zum anderen ist für die Politiker unter anderem der Vorschlag zu bedenken, zumindest einen Teil des Immobilienbestands der schon verstaatlichten und also mit Steuergeld geretteten Sparkassen als Sozialwohnungen für Bedürftige zu benutzen.

In etwa siebzig Prozent aller Fälle ist die Arbeitslosigkeit die Ursache dafür, dass Familien ihre Hypotheken nicht mehr bezahlen können. Wirtschaftsminister Luis de Guindos hatte im Sommer versucht, durch einen freiwilligen „Kodex guter Geschäftspraktiken“ der Banken und Sparkassen etwas Abhilfe zu schaffen. Doch das Vorhaben war nicht sonderlich erfolgreich. Nur in einzelnen Fällen kam es zu einer vorübergehenden Stundung oder Reduzierung der monatlichen Zahlungen. Daher erscheint jetzt eine rasche Gesetzesreform unausweichlich.

In nahezu zwei Millionen Familien hat niemand mehr feste Arbeit

In Spanien, wo gegenwärtig in nahezu zwei Millionen Familien kein einziges Mitglied mehr eine feste Arbeit hat und besonders die Renten der Alten den Lebensunterhalt für alle sichern helfen, ist das Thema Zwangsäumung brennend geworden. Denn häufig werden die Betroffenen doppelt bestraft. Die Vergabe von Hypotheken ist nämlich in Spanien üblicherweise mit einer zweifachen Garantie verbunden. Danach haften die Schuldner nicht nur mit dem erworbenen Haus oder der Wohnung für ihren Kredit, sondern mit ihrem gesamten Privatvermögen. Das schmerzt, weil durch den Preisverfall der letzten Jahre der Wert des Heims oft unter den der Hypothek gerutscht ist. Hat also der eine Gerichtsvollzieher die säumigen Eigentümer erst einmal vertrieben, sucht sie schon der nächste, um die restlichen Ansprüche der Bank zu befriedigen.

Schützenhilfe bekamen die betroffenen Spanier derweil am Donnerstag vom Europäischen Gerichtshof. Die Generalanwältin Juliane Kokott kritisierte, dass das spanische Zwangsäumungsgesetz die bestehenden europäischen Normen verletze, weil es für die Kunden keinen ausreichenden Schutz vor missbräuchlichen Vertragsklauseln bei Hypotheken biete. Der Kreditnehmer müsse im Angesicht einer Zwangsäumung über wirkungsvollere Einspruchsrechte verfügen.

Quelle: F.A.Z.

11/08/2012 12:08 PM

The End of 'Drachmophobia'?

Greek Parliament Narrowly Passes Deep New Cuts

The Greek parliament on Wednesday night passed yet another package of deep cuts in order to qualify for the next tranche of vital euro-zone aid. But the coalition of Prime Minister Antonis Samaras showed signs of fracturing, while protests on the streets outside grew violent.

Residents of Athens on Thursday woke up to more chaos. For the third straight day, subways, commuter trains and taxis were on strike, leading to gridlocked traffic as those needing to get to work took to their cars.

The more significant bedlam, however, took place the previous evening in parliament and on the streets outside. Greek lawmakers passed yet another painful austerity package on Wednesday night worth €13.5 billion (\$17 billion) over two years, an important step toward receiving the next €31.5 billion tranche of European Union aid money. But the vote revealed signs that Prime Minister Antonis Samaras' governing coalition could be fracturing, while 80,000 protesters demonstrating in central Athens reminded leaders that biting austerity is also taking its toll on Greek society.

Samaras did his best to exude confidence, saying the bill "will finally rid the country of drachmophobia." He added that "many of these measures are fair and should have been taken years ago, without anyone asking us to. Others are unfair -- cutting wages and salaries -- and there is no point in dressing this up as something else."

But, he noted, the alternative was a Greek bankruptcy -- looming, Athens says, as early as the end of next week should the EU continue to withhold funding.

The austerity package squeaked through with a 153 to 128 majority in the 300-member parliament. But Samaras, of the conservatives, and Evangelos Venizelos, who heads up the coalition-partner Socialists, saw several lawmakers jump ship and ultimately expelled seven of them from their ranks. Many other parliamentarians, part of a third coalition party, the Democratic Left, abstained from the vote. The result is a weakened government which could have difficulty passing controversial laws in the future. And the to-do list remains long, with labor market reform, stricter tax evasion laws and laws aimed at the shadow economy still to come.

Two Days of Paralysis

Furthermore, despite the austerity package -- which included significant pension cuts, tax increases, an increase of the retirement age from 65 to 67 and a loosening of job protection laws to make it easier to fire civil servants -- Greece's stumbling economy means it is possible that more cuts may ultimately be needed to achieve the budgetary goals the EU has set for the country. The year 2013 is expected to be the sixth year running in which the Greek economy has been in recession, and unemployment is at the staggering level of 25 percent.

The demonstrations on Wednesday evening were largely peaceful, called by the country's largest labor unions. But as has often been the case, several dozen protesters began hurling Molotov cocktails and stones at riot police, who responded with tear gas, stun grenades and water cannons. The protests came after two days of paralysis in Athens with all public facilities remaining closed in the country, including public transportation, schools, post offices, museums and other tourist sites. Ferries likewise remained docked.

Still, the austerity package was a necessary step toward convincing the country's creditors that Greece is making progress toward budgetary health. Euro-zone leaders have continued to insist that no decision will be made on the next aid tranche until after the troika -- made up of the European Commission, the European

Central Bank and the International Monetary Fund -- issues its next report in the coming days. But Wednesday's austerity deal has long been cited as an important prerequisite. Samaras has said that Greece will become insolvent on November 16 without additional funding.

The cuts promise to further increase the difficulties normal Greeks are facing. The average pension in the country will now be €617 (\$787) per month and the average salary a paltry €950. The salaries of leading public servants have also been radically cut, with the army chief of staff now receiving take-home pay of just €1,872 per month and Greek ambassadors just €1,899.

Europe, though, continues to take a hard line. "Our Greek friends have no other choice," said Jean-Claude Juncker, head of the Euro Group, on the sidelines of a conference in Singapore. "And my impression is that Greek citizens continue to better understand the reforms that have been undertaken."

Mario's latest move

Europa to the rescue

Nov 8th 2012, 17:26 by PW

AFTER the high drama of high summer, when Mario Draghi, boss of the European Central Bank (ECB), took on the financial markets - and won, recent council meetings of the ECB have been uneventful. Today's high point was the unveiling of an abstruse video celebrating the introduction of a new €5 banknote next May, which seemed to perplex Mr Draghi as much as it did the journalists at the press conference.

Before that both the ECB and the Bank of England (BOE) had kept monetary settings on hold at their monthly meetings. The ECB council left its main policy rate at 0.75%. The BOE's monetary-policy committee kept the base rate at 0.5% and decided against any further addition to quantitative easing (QE) following the completion of the £50 billion (\$80 billion) increase announced in July.

Both central banks had their reasons for biding their time. In Britain, the recession ended in the third quarter with an unexpected bounce as GDP grew by 1% (an annualised rate of 4.1%). With lots of special factors distorting recent numbers that surge won't last, but the Bank of England has good reasons to be wary of expanding QE still further since more recent increases in it (bringing the total stock of government bonds purchased by creating money to an astonishing £375 billion, equivalent to a quarter of GDP) have been a lot less effective than the initial programme in 2009.

The ECB for its part has already achieved a chunky monetary and financial easing simply through Mr Draghi's pledge to do what it takes to save the euro in July and the follow-up announcement in September of a new programme of potentially unlimited short-term government bond purchases, called Outright Monetary Transactions (OMTs). Although this has not yet been activated - the ECB will consider this only when a country (most likely, Spain) has applied for and been granted a rescue by the euro area's bail-out fund - Mr Draghi rattled off a number of ways in which this backstop has eased financial-market tensions, such as a return of foreign funds into the euro area and a stabilisation of the "Target2" balances within the central-bank Eurosystem, under which the German Bundesbank in particular has accumulated huge claims on the ECB while central banks in the south have piled up massive liabilities.

Even so, there is gathering gloom about the euro area's prospects next year. The European Commission said on November 7th that it now expects the 17-country zone's GDP to shrink by 0.4% this year and to grow by just 0.1% in 2013; in its spring forecast six months ago it had expected a slightly milder contraction this year and much stronger growth, of 1%, in 2013. Its forecast for Britain is less dire - GDP is expected to rise by 0.9% next year - but that will still be a pretty modest recovery.

So will both central banks act next month? New staff projections by the ECB in December seem sure to present a gloomier picture, too, which would give the governing council an opportunity to cut its main policy rate to 0.5%. But Mr Draghi gave no hint of such a move since he described the current monetary stance as "very accommodative". In Britain, too, the central bank may hold its hand for longer as it assesses how successful the "Funding for Lending" programme launched in July is likely to be in stimulating bank lending to the private sector.

And maybe that €5 banknote, the first of a new series, may be more important than it seems. After ten years of depersonalised and denationalised images, featuring bridges and arches, the ECB has finally found a person it can feature: **the mythological Europa, based on a 2000-year-old image on a Greek vase in the Louvre.** **How could Greece be pushed out of the euro once that note is circulating?**

Greece

“Last chance” vote a Pyrrhic victory

8 November 2012

Presseurop

To Vima, To Ethnos, I Kathimerini



Greek PM Antonis Samaras addressing parliament, November 7.

AFP

Greece's MPs have passed the new austerity plan the country needs before a new tranche of aid is transferred. But this vote, following lengthy negotiations in a parliament besieged by protesters, will not save a country that is sinking into political crisis, writes the Greek press.

It was the “last chance,” [says To Vima](#). On 7 November the Greek Parliament approved the 18 billions in savings contained in the third memorandum signed by the coalition government of Antonis Samaras and the Troika of the EU, ECB and the IMF. Of the 299 deputies present, 153 deputies voted for the savings, and 128 against. Athens should now receive 31.5 billion euros from the EU and IMF and so avoid defaulting at the end of the month. “A Pyrrhic victory”, writes the weekly on its website –

TO BHMA

It is obvious that the government has been wounded by this vote. The Socialist PASOK has lost six members, and New Democracy one. Both parties do have the assurance that the third party supporting the coalition, the Democratic Left under Foris Kouvelis, will continue to back the government's decisions. [...] Armed with the MPs' vote, the government can now go to the EU for help and ask that the promised tranche be released as soon as possible. This “final vote” and this “last chance” it gives should not be squandered – for the simple reason that, considering the great sacrifices the Greek people have made, it would amount to a crime.

“A thriller vote” for “A day of shame”, [sums up To Ethnos](#) in a pair of headlines. The vote was held late in the evening after long negotiations and with a crowd of more than 70,000 milling outside Parliament to protest against the new austerity measures. In his column, editorialist George Delastik takes offence at the spectacle put on by Greek democracy –

ΕΘΝΟΣ

A few hours before the vote, Finance Minister Yannis Stournaras had proposed adding to the vote a slash to the wages of Parliamentary employees. Clearly, the latter protested, mobilised, and came together in the emergency to call a strike. They mobilised the police [normally mobilised against protesters] who blocked the entrance to the office of the Prime Minister. Under pressure, the Minister of Finance was forced to withdraw his project. But it shows what a circus Parliament has become.

Whatever the conditions under which it was obtained, the “yes” vote solves nothing, [warns Kathimerini](#) –

Greece cannot be saved by a single act like the vote on a law. Saving Greece can only be a lengthy process that will demand that the people play an active role in it. [...] Greek politicians must stop relying on a shift in the balance of power in Europe and should stop blaming 'conservative forces' of being socially insensitive. They must stop hoping for a show-down between Washington and Germany under Merkel. [...] Greece is a vestige of the Ottoman Empire's collapse about a century ago. Once again, an effort is being made to Westernise. This will require more than introducing or imposing a new political economy.

Love or nothing: The real Greek parallel with Weimar



Of all the operas written during Germany's Weimar Republic (1919-33), probably the most haunting is the last.

Kurt Weill's *The Silver Lake*, written with playwright Georg Kaiser, tells the story of two losers - a good-hearted provincial cop and the thief he has shot and wounded - as they make their way through a society ruined by unemployment, corruption and vice.

After spending a week again in Greece - amid riots, hunger and far right violence - I finally understood it.

The opera was meant to be Weill's path back into the mainstream. It was his first break from collaborating with Bertolt Brecht, and was scheduled to open simultaneously in three German cities on 18 February 1933.

But on 30 January Adolf Hitler was appointed Germany's chancellor.

The first performances of *The Silver Lake* were disrupted by Nazi activists in the audience and on 4 March 1933 it was banned. The score was torched, together with its set designs, in the infamous book-burning ceremony outside the opera house in Berlin.

It is easy to see why the Nazis didn't like *The Silver Lake*. Weill was Jewish; the Nazi theatre critics found the music "ugly and sick". Moreover the plot contains an allegory of the political situation on the eve of the Nazis' rise to power.

But there has always been something else about *The Silver Lake* that goes beyond politics. Something hard to fathom.

Spending time in Greece, as the far right Golden Dawn party [breaks up theatre performances](#) with impunity, and street violence is common, I finally know what that something is.

The Silver Lake is ultimately about how people feel when they switch from resistance to hopelessness. And about how strangely liberating hopelessness can be.

Greece right now is a place with a lot of hopelessness. Its own [prime minister, Antonis Samaras, has compared its atmosphere to that of the Weimar Republic](#).

"Greek democracy stands before what is perhaps its greatest challenge," Mr Samaras told the German newspaper *Handelsblatt*. He said social cohesion is "endangered by rising unemployment, just as it was toward the end of the Weimar Republic in Germany".

The comparison seems plausible: there are far right gangs meting out violence on the streets - a report last week identified more than half of all officially recorded racial attacks as perpetrated by people in paramilitary uniforms. Every demonstration ends with tear gas and baton charges.

There is mass unemployment. There is the collapse of mainstream parties. The press and broadcast media are struggling to remain independent, indeed solvent.

Yet the comparison with the "end of Weimar" only holds if you know nothing about the **Weimar Republic** itself.

Sadly this condition is common. School students are rightly taught lots about Nazi Germany - but not very much about the detail of how it came into being.

Here's a short summary. In the elections of 1928 the Nazis, who had - like Golden Dawn in Greece - been reduced to a splinter group in the years of economic recovery, got just 2.7%.

But in March 1930, as the Wall Street Crash cratered the German economy, a cross-party coalition government of the centre left and right collapsed. It was replaced by the first of three "appointed" governments - designed to avoid either the communists or the now-growing Nazis gaining power.

It was led by Heinrich Brüning. Faced with a recession, Brüning followed a policy of austerity, while keeping Germany's currency pegged to the Gold Standard (much as Greece as follows a policy of austerity dictated by euro membership). This made the recession worse.

As unemployment rocketed, so did the Nazi vote: in a shock breakthrough they came second in the elections of September 1930, with 18%. But Brüning was determined to crack down on both the right and left: he banned the Nazi paramilitary organisation, the Sturmabteilung, along with the rival communist uniformed militia.

As recession worsened, the Nazis grew massively: they won the election in 1932, gaining 14 million votes (37%). The socialists and communists combined polled higher. And the parties of the centre collapsed. Yet the presidential system of appointing governments now allowed these very centrist parties to go on ruling Germany - now under a new Chancellor, the aristocrat Franz Von Papen.

Von Papen unbanned the Nazi stormtroopers in June 1932 and, as historian Ian Kershaw puts it in his definitive biography of Hitler: "The latent civil war... was threatening to become an actual civil war."

By the end of 1932, with the communists now also growing rapidly, the political establishment made one last final attempt to keep Hitler out of power. Right wing general Kurt Von Schleicher was appointed chancellor, and tried to form a government with everybody from the left wing of the Nazis to the socialist trade unions. But this too fell, opening the door to Hitler.

Kershaw wrote: "Only crass errors by the country's rulers could open up a path [for Hitler]. And only a blatant disregard by Germany's power elites for safeguarding democracy - in fact, the hope that economic crisis could be used as a vehicle to bring about democracy's demise and replace it by a form of authoritarianism - could induce such errors. Precisely this is what happened." (Hitler: Hubris)

These names - Brüning, von Papen, Schleicher - troublesome though they are to remember, should be as famous as the words Stalingrad, Arnhem and Dunkirk.

These were the men who tried and failed to use a mixture of austerity, tough policing and what we might now call "technocratic" rule to save German democracy. They failed.

And herein lies the parallel with Greece: a country committed to austerity, whose centrist parties are clustered into a coalition which represents the forces of conservatism and social democracy. The coalition sees itself as the last bulwark against a government of the far left and is trying to crack down on extremism using a police force which has itself been criticised for extremist leanings.

But despite these parallels, Greece is not on the brink of a Weimar-style collapse.

Nor is it "in civil war" [as claimed by a leader of the far right Golden Dawn movement](#) on Newsnight last week. If anything, Greece has levels of instability and political radicalisation close to the levels seen in Germany in early 1930, not late 1933.

The problem is: Greece is approaching 1933 levels of economic collapse.

Unemployment was 30% in Germany when Hitler took power; it is 25.1% and rising in Greece. GDP collapsed by about 7% in both 1931 and 1932 in Germany. Its current rate of collapse in Greece is roughly the same: 7% per year. Germany's banks had gone bust in 1931. Greek banks are effectively part nationalised already.

You can see the physical impact of this on [Stadiou Street](#) in Athens. I have reported from there numerous times in the past two and a half years, but this last time it looked desolate.

There was an arcade where, just over a year ago, I remember blogging about how small specialist businesses in Greece were doomed: the pen shop, the stamp collecting shop, the stationary store. They're all gone now.

So is much of the street itself. The Art Nouveau cinema burned out last year; the Marfin Bank, next door, torched with the deaths of three workers during a riot in 2010.

On the walls somebody has spray-canned "Love or Nothing". Right now there is a heck of a lot of nothing: shops closed, stripped, barred, graffitied, the fascias chipped off as ammunition in riots, burned out, gone.

And nowhere is the human impact of this weird situation, clearer than when you talk to young people.

I met Yiannis and Maria in a bare flat in Exarchia, the bohemian district of Athens. Despite their bruises and bandages they took some persuading to go on camera - anonymously and in their hoodies - [to put on record their allegations of brutality in police custody](#).

What struck me, beyond their allegations (which are denied by the police, [but partially corroborated by a coroner's report](#)), was their detachment from regular life.

They expected the police to be brutal, and to be fascists. They were outraged that they'd had to listen (they allege) to Golden Dawn propaganda in the police cells. But they were reluctant to bring a complaint within the system.

For tens of thousands of young people life is already lived in a semi-underground way: squatting instead of renting; cadging food and roll-ups from their friends. Drifting back to their grandparents villages, sofa surfing. Yiannis is a sporadically employed technician in a cultural industry; Maria a highly qualified professional who waits table.

The British author Laurie Penny has captured the situation in a recent memoir of a trip to Athens: "We came here expecting riots. Instead we found ourselves looking at what happens when riots die away and horrified inertia sets in." (Penny L and Crabapple M, *Discordia*, Random House 2012)

Horrified inertia is now seeping from the world of the semi-outlawed young activists into the lives of ordinary people.

What people do - whether it is the black-hoodied anarchists in Athens or the young farmers in Thessaly on their third of fourth bottle of beer by lunchtime - is retreat into the personal.

It's no longer "the personal is political" - but the personal instead of the political. True, demonstrators still turn out in large numbers, as in last week's General Strike. But they go through the motions - of demonstrating, of rioting even.

"It's just for show on both sides, the cops and the anarchists," I was told by my Greek fixer as we legged it through stampeding people and tear gas.

A year ago the buzzword was "anomie" - the fear of anomic breakdown, in which small groups and communities just give up on law and order and make their own. I reported on it then:



Watch Paul's report on anomic breakdown from September 2011

There is not even much anomic activism anymore; the movement that defied road tolls and disrupted the sale of repossessed homes - which was large in the Spring - is tiny now.

If anything captures the buzzword of late 2012 in Greece it is the person who sprayed the slogan "Love or Nothing". It's less about anomie, more about depression.

What has depressed much of Greek society - from the liberal centre right to the liberal left - is the rapid rise of Golden Dawn.

In the two elections of May/June 2012 it scored between 6-7%. Nothing like a 1930-style breakthrough.

But it has begun to do DIY law enforcement against migrants with no intervention from the police. At street markets in Messolonghi and Rafina its uniformed activists checked the permits of migrant stallholders, demonstratively destroying those who did not have permits.

With electoral data showing - on one count - 45% police personnel voting for Golden Dawn, there is rising concern that support for the far right is beginning to skew the operational priorities of the police at local level.

When I challenged Golden Dawn's second in command, Ilias Panagiotaros, he claimed support within the police at "60% or more". And he gave a chilling explanation of how Golden Dawn's extra-judicial actions were affecting the rule of law. Referring to the market stall attacks he said:

"With one incident, which was on camera, the problem was solved - in every open market all over Greece illegal immigrants disappeared. There was some pushing and some fighting - nothing extraordinary, nothing special - only with one phone call saying Golden Dawn is going to pass by the police is going there meaning the brand name [of Golden Dawn] is very effective..."

Greece, in truth, has a massive and apparent problem with illegal migration. The centres of many cities are - or were until this summer - full of young, male migrants from Afghanistan, Somalia, Sudan and increasingly Syria.

Many Greeks do fear them, and they perceive them as a threat to social order and a traditional lifestyle - in a country that never had any colonies and therefore did not experience high ethnic diversity until recently.

The new policy - known as "Hospitable Zeus" is to round migrants up and put them in camps: police in plain clothes or uniforms visibly stopping every person of colour on the street, checking their papers, and if the papers are not in order processing them ultimately to a migrant detention camp.

Even as human rights groups protest this, and demand access to the camps, Golden Dawn has protested outside them on the grounds that conditions are too good there, and that deportations are not fast enough (about six thousand have been detained, with maybe three thousand deported). And even as the police round up the migrants, Golden Dawn's policy is to terrorise them off the streets, and mount a legal campaign against companies who employ them.

The Greek media, meanwhile, has taken its cue to reinforce the association of migrants with crime. For those seeking an alternative view there are only the newspapers of the far left: the main liberal newspaper - Eleftheropia, an equivalent to the Guardian - went bust and has closed.

Economically, the Greek coalition is getting ready to impose the latest and last round of austerity: 13.5bn euro a year cuts and tax rises, in order to release 31bn euro worth of bailout money.

The moment it puts this to parliament we can expect a big and unruly protest. After that the Coalition just has to hold on and hope that its own electoral support does not go the way the German centrist parties went after 1932.

Unfortunately for them, however, electoral support is slipping. While New Democracy has maintained its poll rating at 27% (compared to 29% in the election), Pasok - the former governing socialist party - is down to 5.5%, neck and neck with coalition partner Democratic Left. The combined poll rating of the pro-austerity parties is now 38%.

Golden Dawn polled 14% last week, while the left wing Syriza party is leading the polls at 30% (taking many votes from the Communists, who are now down to 5%).

However, these poll ratings are unlikely to be tested in an election anytime soon. The EU is working overtime to keep the current coalition together, and as Pasok's support dwindles to rock bottom, it has no incentive to risk an election now.

So for the majority of people who want the austerity to stop, and who do not want to be gassed, truncheoned, menaced or even to go on strike, there is only the "love or nothing" strategy.

Anecdotally the use of anti-depressants is rising. Penny's book tells numerous tales of former political activists simply stunned by drink and drugs.

Which brings us back to The Silver Lake.

The "love interest" in Kurt Weill's opera doesn't start until the second half, with the arrival of Fennimore, a young woman trapped in a castle with the two losers and a scheming, reactionary aristocrat who has duped them out of their money.

Once Fennimore appears, the music becomes mesmerised and lyrical; it focuses on the combined hopelessness of the two men and the girl.

And in the final sequence - a dream-like 15 minutes during which the men set out to cross the castle's lake, certain they will drown - there is a mixture of ecstasy and despair.

"You escape from the horror," Fennimore sings; "that may destroy all we know. Yet the germ of creation will struggle to grow."

"All this can be a beginning

"And though time turns our day back to night

"Yet the hours of dark will lead onwards

To the dawning of glorious light."

I have always struggled to understand this ending: why, in the last days of Weimar, did Kurt Weill not pen some anthem of defiance against Nazism rather than a work which, ultimately, expresses resignation?

On the streets of Athens there is already the answer. You can feel what it is like when the political system - and even the rule of law - becomes paralysed and atrophies.

The "hopeless inertia" begins to grip even the middle classes, as the evidence of organised racist violence encroaches into their lives.

Faced with an economic situation dictated by the European Central Bank and the International Monetary Fund, and a street atmosphere resembling [Isherwood's](#) Berlin, the natural human urge is not fight but flight.

Flight away from danger - flight into the cocoon of drugs, relationships, alternative lifestyles, one's iPod.

After the first-night disruption of *The Silver Lake* in Leipzig this is how its director, Douglas Sirk, described the scene at the theatre:

"The Sturmabteilung filled a fairly large part of the theatre and there was a vast crowd of Nazi Party people outside with banners and god knows what, yelling and all the rest of it. But the majority of the public loved the play... And so I thought at first, well, things are going to be tough but perhaps it isn't impossible to overcome... [But] no play, no song, could stop this gruesome trend towards inhumanity." (quoted in *Kurt Weill On Stage*, by Foster Hirsch)

And this is how the director of *Corpus Christi*, Laertis Vasiliou, whose play was once again disrupted by far right demonstrators in Athens on Thursday night, described it in a message to me just now:

"We went ahead with the performance, which started with two hours of delay because of the fight outside the theatre between the police against the Christian fundamentalists and the Nazis. It was like hell. The noise from outside was clear inside the theatre during the performance. People were beaten up by Nazis and Christian fanatics."

The differences with the final days Weimar, then, are clear. Under international pressure, the Greek state is still capable of upholding the rule of law; centrist parties, though atrophied, still hold the allegiance of more than one third of voters; there has been no decisive electoral breakthrough by the far right.

Crucially, no major business or media groups, and no significant portion of the elite, have swung behind the far right as happened in Germany.

But this flight to inertia, depression, to personal life may also be more pronounced than in Weimar. Weimar Germany was after all a society of intense political engagement; of hierarchical politics, lifelong commitment to social movements, trade unions, military veterans' groups.

So while the crisis may be on a scale weaker than the one that collapsed democracy in Greece, the forces holding democracy together may also be weaker.

When I interviewed Golden Dawn MP, Ilias Panagiotaros, two weeks ago, he was clear as to the party's project: if Syriza wins the election, "we will win the one after that".

"Revolution will take place after two elections by giving first place to Golden Dawn; now we are third, and maybe we will get second place - so it's not a dream that in one, two or three years we will be the first political party."

The leaders of the international community, busy negotiating the last-ditch austerity package that is supposed to precede a strategic rescue of the country know what the stakes are.

If they fail, a whole generation of Greek young people will be left, like Weill's protagonists in *The Silver Lake*, with a choice between love or nothing.

Les bons conseils de Schröder à Hollande

LE MONDE | 01.11.2012 à 10h57 • Mis à jour le 01.11.2012 à 11h05 Par Arnaud Leparmentier

A chacun ses martyrs. Angela Merkel a torpillé son compatriote [Tom Enders](#), le patron d'EADS qui voulait [fusionner](#) Airbus avec le groupe de [défense](#) britannique British Aerospace. Trop risqué pour les usines allemandes du groupe aéronautique. L'Elysée ne décolère pas, qui espérait bâtir un champion européen susceptible de [faire](#) jeu égal avec Boeing.

Les semaines ont passé, et les rôles se sont inversés : les Allemands s'inquiètent du sort que réserve [François Hollande](#) à son compatriote [Louis Gallois](#). Le prédécesseur de Tom Enders a préparé un rapport sur la compétitivité, qui semble déjà enterré. Trop audacieux, trop douloureux, trop réformateur. Trop sarkozyste, peut-être.

Pour Berlin, ce serait le point de rupture. Depuis le printemps, les Allemands savent gré à François Hollande d'[avoir](#) respecté ses engagements budgétaires - au prix d'un matraquage fiscal qui les rend dubitatifs pour un pays champion des dépenses publiques -, mais ils attendent de vraies réformes. Et perdent patience. *"Les marchés vont [finir](#) par [faire](#) leur travail. Sauf si les Français prennent le virage avant"*, explique-t-on à Berlin. François Hollande est le lointain successeur de François Mitterrand. Il doit [choisir](#) entre 1983 et 1993 : l'engagement européen assumé, après les errements de mai 1981, ou celui subi, avec l'attaque des [marchés financiers](#) contre le franc.

A droite comme à gauche, on se prépare aux foudres des marchés. La France aura plus de mal à se refinancer, a mis en garde lundi 29 octobre, à Berlin, l'ancien chancelier [Gerhard Schröder](#), lorsque les agences de notation - on les avait presque oubliées - s'apercevront que les décisions de François Hollande vont pénaliser l'économie française et ses PME.

Après quelques semaines de commisération polie, les responsables à Berlin le disent tout haut : l'homme malade de l'[Europe](#), c'est la France. *"Le plus grand problème réside en [Espagne](#), en [Italie](#), mais aussi, je le dis discrètement, en France. Cela pourrait [devenir](#) un problème qui ne serait pas mineur"*, a poursuivi Gerhard Schröder, lors d'un colloque sur l'Europe organisé par l'institut sur la gouvernance de Nicolas Berggruen, le 29 octobre. Son vieux rival du New Labour Tony Blair a pudiquement refusé de s'épancher sur la France. *"La question est : pourquoi l'[Allemagne](#) est-elle en si forte position ? Parce que son économie est forte"*, a glissé, un brin perfide, l'ancien premier ministre britannique, renvoyant aux *"réformes structurelles"*.

Depuis des semaines, François Hollande et son [conseiller](#) économique Emmanuel Macron tentent de [rassurer](#) leurs interlocuteurs : ne [vous](#) inquiétez pas, le retour de la retraite à 60 ans touche bien peu de salariés, la taxation à 75 % des revenus supérieurs à un million d'euros est provisoire. Les réformes vont [venir](#). Gerhard Schröder, lui, ne se laisse pas [endormir](#). *"On a donné un mauvais signal"*, a tranché le [social](#)-démocrate. Avec une joie maligne, il a rappelé les sarcasmes des socialistes français lorsqu'il réformait son pays au début des années 2000.

Faites du Schröder ! Ce fut l'exhortation estivale des visiteurs franco-allemands qui rencontraient le président français. Vous avez cinq ans devant vous et tous les pouvoirs. François Hollande est-il aussi peu courageux que [Nicolas Sarkozy](#), qui renonça à sa "rupture", à peine élu en 2007 ? Il a déjà inventé une parade : Schröder n'a engagé ses réformes que lors de son deuxième mandat. C'est vrai parce que la libéralisation du marché du travail fut imposée après la réélection du chancelier, sauvé à l'été 2002 par les crues de l'Oder et son opposition à la guerre en [Irak](#). C'est faux, parce que Gerhard Schröder avait commencé à réformer les retraites, tenait un discours d'économie budgétaire. Surtout, il diffusait une rhétorique pro-entreprise, au point qu'il fut surnommé le "camarade des patrons".

Peu important les pensées privées de François Hollande, passé par HEC. La [politique](#), ce sont des paroles et des actes. Pour l'heure, seules les diatribes antientreprises d'Arnaud Montebourg sont audibles outre-Rhin. Angela

Merkel se cabre. Elle dit "*nein*" aux propositions françaises pour une Europe de solidarité. La chancelière ne veut pas de l'assurance chômage européenne proposée par Pierre Moscovici, qui aurait conduit les travailleurs allemands à [payer](#) pour les chômeurs espagnols et français. Les stabilisateurs automatiques et le pilotage de la conjoncture, ces concepts sont trop sophistiqués pour l'Allemagne. Elle veut des réformes et des contrôles dans toute l'Union.

L'encre du traité budgétaire à peine sèche, l'Allemagne s'est remise à l'ouvrage. Comme les banquiers centraux, elle juge les contraintes européennes bien peu opérantes. Qui a entendu [parler](#) du semestre européen, censé contrôler les politiques économiques des Etats de l'eurozone ? Personne. A Bruxelles, rien ne se passe.

Angela Merkel a forgé une nouvelle proposition ; les Etats doivent [signer](#) avec la Commission des contrats ayant force de loi, par lesquels ils s'engageraient à des réformes précises : la formation des jeunes en Espagne, le marché du travail en France, l'énergie solaire en [Grèce](#). Ces mutations seraient facilitées par une petite cagnotte, un mini-budget de la zone euro. L'essentiel n'est pas là : les Allemands veulent qu'un ministre européen des finances ou un supercommissaire puisse [imposer](#) la mise en oeuvre effective des réformes.

Angela Merkel est d'autant plus déterminée qu'elle s'agace de [voir](#) François Hollande [jouer](#) ostensiblement la carte du SPD. En juin, le chef de l'Etat a reçu en grande pompe à l'Elysée les trois dirigeants du parti social-démocrate. De mèche avec François Hollande, ces derniers ont exigé d'Angela Merkel l'adoption de la taxe sur les transactions financières, en échange de leur soutien indispensable à la ratification du traité budgétaire européen par le Bundestag. En novembre, le premier ministre, Jean-Marc Ayrault, rencontrera à Berlin Peer Steinbrück, l'adversaire d'Angela Merkel aux élections de 2013. Un vieux sage du SPD s'alarme de la proximité excessive affichée par son parti avec la France. Qu'advient-il, s'inquiète-t-il, si la CDU d'Angela Merkel placarde dans toute l'Allemagne des affiches expliquant que [voter](#) SPD, c'est [choisir](#) la France de François Hollande ? "*Nein, danke.*"

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BREAKING NEWS

U.S. Oct. Consumer Prices Rise 0.1%; Core Rate Climbs 0.2%

Schaeuble Warns Against Calling France ‘Sick Man’ of Europe

By Mark Deen and Patrick Donahue - Nov 13, 2012 1:07 PM GMT+0100

German Finance Minister Wolfgang Schaeuble warned against calling [France](#) the “sick man” of Europe, saying the governments of continent’s two largest economies shouldn’t criticize each other.

“I would warn against this constant calling one or the other the sick man or the sick woman,” Schaeuble told journalists in response to questions in Brussels. “We have trust in the policies of the French government.”

Allies of German Chancellor [Angela Merkel](#) have expressed concern that President [Francois Hollande](#)’s isn’t moving quickly enough to bolster French competitiveness. Schaeuble spoke at a joint press conference with his French counterpart, [Pierre Moscovici](#), the day after [Liberation](#) newspaper ran a front-page article highlighting German anxiety about the policies of France’s Socialist government.

France is [Germany](#)’s closest partner in Europe and it “would be good if the Socialists there would courageously initiate real structural reforms now,” [Volker Kauder](#), head of the parliamentary group of Merkel’s Christian Union bloc said, according to a [Spiegel](#) magazine report. Germany would like Hollande to “move a little more” toward Merkel, Spiegel quoted Kauder as saying.

Since coming to power six months ago, Hollande has lowered the [retirement age](#) for some workers, imposed a tax of 75 percent on earnings over 1 million euros (\$1.27 million) and lifted the minimum wage. He has also consistently pressed Merkel to ease her push for austerity to fight [Europe](#)’s three-year old debt crisis.

More recently Hollande has set out a plan to give a tax credit to companies to ease labor costs and raise France’s two highest sales tax rates starting in January 2014. He’s told unions and business leaders to come up with a plan to make labor rules more flexible by the end of this year.

‘Huge Subject’

“The government is attacking its problems and acting on competitiveness,” Moscovici said. “On the labor market, we’re not immobile. It’s a huge subject and President Hollande has insisted on tackling it.”

So far, bond investors haven’t shared German concern. The yield on France’s benchmark 10-year debt dropped about 0.05 basis points today to 2.055 percent. That’s close to the record low of 2.054 percent reached Aug. 2.

The spread between French and German government 10-year debt is about 72 basis points, down from more than 200 basis points a year ago and 143 basis points when Hollande took office in mid May.

Even so, the French economy has failed to grow for three quarters and national statistics office Insee estimates that growth won’t return in the final two quarters of 2012. France is on track to roughly match last year’s record trade deficit, according to the [Finance Ministry](#), and [unemployment](#) has jumped to a 13-year high as companies such as [PSA Peugeot Citroen \(UG\)](#) SA and [Alcatel-Lucent \(ALU\)](#) slash thousands of jobs.

German Recovery

Schaeuble pointed to Germany’s own recovery from high unemployment and waning competitiveness a decade ago as reason for hope that France can turn around its situation.

“A few years ago Germany was seen as the sick man of Europe and that was wrong,” Schaeuble said. “It’s not as if we do everything right in Germany, just as it’s not as if -- and I mean this well -- that everything is done right in France.”

Moscovici said he was astonished about questions of discord between France and Germany.

“It’s extraordinary that we’re speaking about divergences at a time when we’re holding a press conference together,” Moscovici said. “I’m grateful to [Wolfgang Schaeuble](#)” for expressing his confidence “so forcefully.”

German risks rift with France over economic healthcheck demands

Germany's finance minister has reportedly asked a panel of top advisers to examine France's economic problems amid concerns that weaknesses could spread to the rest of Europe.



Mr Schaeuble's request denotes growing concern in Berlin and among private economists over the health of the French economy, which is set to miss a European Union goal for reducing its public deficit next year. Photo: PA

By Telegraph staff and agencies

4:36PM GMT 09 Nov 2012

 [1073 Comments](#)

Wolfgang Schaeuble has asked the distinguished "wise men" panel, which advises the government in economic matters, to examine possible reform proposals for France, according to [German daily Die Zeit](#).

Although a spokesman for the council dismissed the claims as outside "the council's legal remit," Lars Feld, an economist who sits on the panel, told *Reuters*: "Concerns are growing given the lack of action of the French government in labour market reforms."

Two officials also told *Reuters* that Mr Schaeuble had asked the advisers to consider drafting a report on what France should do.

Die Zeit and Mr Feld said that the discussions remained informal, but if agreed, it would be the first time in 49 years where the panel has compiled a report on any other country but Germany.

Mr Schaeuble's request denotes growing concern in Berlin and among private economists over the health of the French economy, which is set to miss a European Union goal for reducing its public deficit next year.

France has the second biggest eurozone economy, after Germany, but tension between the two countries has increased since French President Francois Hollande's election in May.

On Friday, a Bank of France survey predicted gross domestic product (GDP) would shrink 0.1pc in the last quarter of 2012, pushing France into a technical recession, defined as two consecutive quarters of contraction, as the third quarter is also expected to be negative.

Mr Schaeuble has been a close ally of France and has argued firm ties are key to achieving more European integration, a persistent German demand to solve the problems of the euro zone.

In August, he and his French counterpart Pierre Moscovici said they would launch a working group in order to make joint proposals on euro zone issues like fiscal and banking union.

The German "wise men" panel, which also includes a woman, is not obliged to take up Schaeuble's suggestion. One source said if it decided to do a study, it would likely do so in cooperation with a French institute, rather than on its own.