

Die EU braucht Britannien

24.01.2013 · Die europäische Grundsatzrede von David Cameron sorgt für Empörung. Dabei hat der britische Premierminister mit seiner Kritik ins Schwarze getroffen.

Von [Holger Steltzner](#)

Die emotionale Ablehnung der europäischen Grundsatzrede von David Cameron belegt, dass der britische Premierminister mit seiner Warnung vor der Entwicklung der EU ins Schwarze getroffen hat. Auf seine in fünf Grundsätze gekleidete Kritik am Zustand der EU gingen seine Partner in Berlin, Paris, Rom und Brüssel mit keinem Wort ein. Natürlich zielt seine Ankündigung, im Falle seiner Wiederwahl die Briten 2017 über den Verbleib in der EU abstimmen zu lassen, auf die Innenpolitik. Seine inhaltliche Kritik am eurozentrierten Kurs der EU geht deshalb aber nicht fehl. Cameron hat recht: Die EU muss flexibler werden und ihre Wettbewerbsfähigkeit steigern. Sie muss das Verhältnis zwischen Euroländern und den anderen EU-Ländern klären. Die Rückübertragung von Kompetenzen auf nationale Ebene muss möglich werden. Schließlich muss die EU fairer und demokratischer werden.

Wer darauf beleidigt mit Vorwürfen reagiert wie der amtierende oder frühere deutsche Außenminister (Westerwelle: „Rosinenpickerei“ oder Fischer: „Rückabwicklung der EU“) braucht sich nicht wundern, wenn noch mehr Bürger sich von der EU abwenden. Auf dem Weltwirtschaftsgipfel hat Cameron noch einmal nachgelegt. In eine zentralistische EU passten die Briten nicht rein, der Eurozone werde Großbritannien wohl nicht beitreten. Dann sollen sie doch gehen, sagen viele Berufseuropäer, verschweigen aber, dass dadurch ihr Argument für eine Vertiefung flöten geht. Denn wenn es stimmt, dass nur ein vereintes Europa Gewicht und Stimme in der Welt haben kann, gelingt das nicht ohne Großbritanniens politische, militärische und finanzielle Macht.

Doch der Glaube, möglichst viele EU-Bürger sicherten automatisch Einfluss in der Welt, ist trügerisch. Warum spielten China und Indien jahrzehntelang kaum eine Rolle? Wieso sind die Vereinigten Arabischen Emirate wichtig? Ohne wirtschaftlichen Erfolg rückt die EU an den Rand der Weltkarte. Diese Gefahr sieht auch Bundeskanzlerin Angela Merkel. Deshalb [sprang sie in Davos Cameron bei, indem sie die Wettbewerbsfähigkeit zur entscheidenden Fragen erklärte](#). Nur eine EU, die im Wettbewerb wächst, innovativ ist, die Kosten im Griff hat und Wohlstand bringt, zieht die Bürger an. Doch leider hat der Wettbewerb kaum Freunde in Brüssel. Da stellt nicht nur Merkel ihre Lieblingsfrage, wie lange die EU mit 7 Prozent der Weltbevölkerung noch 25 Prozent der Weltwirtschaftsleistung zu erbringen und 50 Prozent der Weltsozialausgaben zu tragen vermag.

In Niger

Paris will Uranminen mit Soldaten schützen

24.01.2013 · Unter dem Eindruck des Geiseldramas in Algerien hat der französische Verteidigungsminister Le Drian angekündigt, Uranminen im Norden Nigers von französischen Elitesoldaten bewachen lassen. Der Nuklearkonzern Areva hatte schon lange militärischen Schutz gefordert.



© AFP

Eine Anlage des französischen Nuklearkonzerns Areva nahe der Uranmine in Arlit im Norden Nigers

Der vom französischen Präsidenten François Hollande erklärte „Krieg gegen den Terrorismus“ erreicht jetzt auch Niger. Verteidigungsminister Jean-Yves Le Drian will die Uranminen in Arlit, Akouta und Imouraren im Norden Nigers künftig von französischen Elitesoldaten des „Commandement des opérations spéciales“ (Cos) bewachen lassen. Das bestätigte er gegenüber dem Nachrichtenmagazin „Le Point“, wollte jedoch über die genaue Zahl der eingesetzten Spezialkräfte keine Auskunft geben. Die Entscheidung will er unter dem Eindruck der gescheiterten Geiselfreiungsaktion in Somalia sowie des Geiseldramas in Algerien getroffen haben.

Für die 1992 begründeten, aus den drei Teilstreitkräften zusammengesetzten Sonderkommandos ist der präventive Einsatz gegen mögliche Terroranschläge eine Premiere. Die Entscheidung des Ministers zeigt, wie ernst die Bedrohung französischer Wirtschaftsinteressen durch Terroristen in der Sahelzone genommen wird. Präsident Hollande hatte bislang immer bekräftigt, keine Wirtschaftsinteressen mit dem Militäreinsatz im früheren Kolonialgebiet zu verfolgen.

Uran aus Niger für die französischen Atomreaktoren

Doch die Uranförderung im Grenzgebiet zu Mali rührt an einem wirtschaftlichen Nerv der Nation. Etwa ein Drittel der 58 Atomreaktoren, mit denen Frankreich mehr als drei Viertel seines Strombedarfs deckt, wird mit Uran aus Niger bestückt. Dieser Anteil soll Ende des Jahres noch steigen, wenn der Konzern Areva eine neue Mine in Imouraren in Betrieb nimmt. Das Unternehmen sicherte sich nach einer Hängepartie mit der nigrischen Staatsführung die Schürfrechte für die neue Mine zu.

Seit langem fordert der größtenteils staatliche Nuklearkonzern militärischen Schutz für den Betrieb der Uranminen. Doch Le Drians Vorgänger hatten das Ansinnen bislang ausgeschlagen und argumentiert, dass die Elitesoldaten nicht dauerhaft für die Wahrung von Wirtschaftsinteressen eingesetzt werden könnten. Zuletzt war die Debatte hochgekocht, als im September 2010 sieben Areva-Mitarbeiter - unter ihnen fünf Franzosen - von einem Dschihadisten-Kommando aus dem Sicherheitskomplex in Arlit entführt und nach Mali verschleppt worden waren. Vier von ihnen sind noch immer in der Gewalt der Gruppe Al Qaida im islamischen Maghreb. Areva zog nach der Entführung einen Großteil seiner französischen Mitarbeiter aus Arlit ab und reduzierte die Zahl der fest vor Ort arbeitenden Franzosen auf 25. Doch mit der geplanten Inbetriebnahme der Mine von Imouraren zum Jahresende kann Areva nicht länger auf französische Ingenieure und andere Fachleute vor Ort verzichten. Es heißt, die französische Belegschaft werde auf mehr als 300 Mitarbeiter anwachsen. Die jährliche

Produktion, die derzeit bei 3500 Tonnen Uran (in Form von Yellowcake) liegt, soll dank der Imouraren-Mine mehr als verdoppelt werden.

Areva investiert etwa 1,2 Milliarden Euro in die Mine von Imouraren. Ziel ist es, dort 5000 Tonnen Uran jährlich zu fördern. Mit privaten Sicherheitsfirmen hat der Konzern schlechte Erfahrungen gemacht. So hielt sich nach der Entführung im September 2010 lange das Gerücht, die Geiselnnehmer hätten Komplizen unter den Wachmännern gehabt. Die genauen Umstände wurden nie aufgeklärt. Eigentlich hat sich auch die nigrische Regierung verpflichtet, mit eigenen Soldaten zur Überwachung des weitläufigen Geländes um die Uranminen beizutragen.

Der Uranabbau stößt dabei auf zunehmende Kritik. Umweltgruppen bezichtigen Areva, dass aufgrund durch den Uranabbau zwei Drittel des Trinkwassers verbraucht würden. Zudem durchschneidet das neue Abbaugelände das Siedlungsgebiet der Tuareg. Schon 2007 kam es deswegen zu einem Aufstand der Tuareg. Inzwischen haben sich viele Tuareg den bewaffneten Gruppen angeschlossen, die Präsident Hollande als „islamistische Terroristen“ bezeichnete, die es „zu eliminieren“ gelte.

Trois Français sur quatre rejettent l'islam

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67,4

Près de trois Français sur quatre estiment que l'islam n'est pas compatible avec les valeurs républicaines, selon un sondage Ipsos réalisé pour *Le Monde* dans le cadre d'une enquête sur le populisme. Selon ce sondage, 74% des personnes interrogées estiment que l'islam est une religion "intolérante", incompatible avec les valeurs de la société française.

Chiffre plus radical encore, souligne le quotidien, "8 Français sur 10 jugent que la religion musulmane cherche à imposer son mode de fonctionnement aux autres. Enfin, plus de la moitié pensent que les musulmans sont 'en majorité' (10%) ou 'en partie' (44%) intégristes, sans que l'on sache ce que recouvre ce qualificatif".

Interrogées sur la tolérance des religions en France, 24% des personnes sondées estiment que la religion catholique est "tout à fait tolérante", contre 13% pour la religion juive et seulement 3% pour la religion musulmane. A l'inverse, 7% jugent la religion catholique "plutôt pas tolérante du tout", contre 10% pour la religion juive et 39% pour la religion musulmane.

Quand à la compatibilité des religions avec les valeurs de la société française, 89% des personnes interrogées mettent en premier le catholicisme, contre 75 % pour le judaïsme et 26% pour l'islam.

Merkel soutient Cameron pour une Europe plus libérale

67,5

Par [Jean-Pierre Robin](#) Mis à jour le 24/01/2013 à 19:58 | publié le 24/01/2013 à 19:05 [Réactions](#) (69)



David Cameron et Angela Merkel, jeudi à Davos. Crédits photo : BPA/REUTERS

La chancelière et le premier ministre britannique se sont retrouvés à Davos.

[Angela Merkel](#) est totalement d'accord avec [David Cameron](#) sur sa conception de l'Europe. La priorité essentielle devrait être la compétitivité et le libre-échange. On a assisté à un spectacle apparemment surréaliste jeudi après-midi, à la tribune du Forum de Davos, en Suisse. La chancelière allemande a cité à plusieurs reprises le premier ministre britannique, pour louer ses propositions en faveur de profondes réformes structurelles, et à aucun moment elle n'a fait allusion ni de près ni de loin au projet de référendum sur l'Union européenne outre-Manche!

«David Cameron a déjà parlé de la compétitivité. C'est la question centrale en Europe», a souligné à plaisir la chancelière. «Alors que l'Europe regroupe 7 % de la population mondiale et 25 % du PIB du monde, ses dépenses sociales en représentent 50 %. On ne pourra défendre notre système social qu'en étant innovateur», a-t-elle martelé, reprenant des chiffres qui lui tiennent manifestement à cœur.

La «dame de fer» allemande a rebondi sur une autre suggestion de son homologue britannique: «Le libre-échange est essentiel pour la croissance. L'Allemagne est d'accord pour que l'Union européenne signe des traités commerciaux bilatéraux avec le Canada, le Japon et les pays de l'Asean (Association des nations de l'Asie du Sud-Est). De même, et après de multiples tentatives avec les États-Unis, il serait bon d'entamer des négociations. Certes l'agriculture constitue un obstacle, mais il est surmontable.» En tant que première économie exportatrice de produits industriels au monde, ex aequo avec la Chine, l'Allemagne a toujours milité à la fois pour le marché unique européen, dont la création remonte à 1992, et pour une Europe la plus ouverte possible à la concurrence internationale.

En l'absence des Français...

Ce sont précisément les deux points que David Cameron entend défendre à tout prix. Intervenant quelques heures dans la même enceinte de Davos, il avait tenu à rappeler que le Royaume-Uni a été l'initiateur du «grand marché intérieur», et l'idée en revient à Margaret Thatcher. Quant au grand marché de libre-échange

transatlantique dont Londres et Berlin ont toujours rêvé, «il permettrait de créer 2 millions d'emplois en Europe», selon lui.

En revanche, Cameron n'a pas caché les inquiétudes que lui inspire l'euro, «et tout ce que cela implique, l'union bancaire et bien d'autres conséquences pour un pays qui n'y participe pas et n'y participera jamais». Mais là aussi Angela Merkel a tenu à le rassurer. «On examine toutes les formes de renforcement de surveillance des banques pour les pays qui ne sont pas dans l'euro», a-t-elle promis.

La première et la troisième économie de l'Union européenne veulent converger. «Le moment est venu de revoir l'Europe comme un moteur de croissance et non comme un motif de plainte pour nos concitoyens», insiste David Cameron. Et Angela Merkel d'ajouter: «Les États nationaux doivent s'engager avec la Commission européenne pour améliorer leur compétitivité.» Et la chancelière d'insister: «C'est le moment pour les réformes structurelles.»

Face à ce nouveau couple, la France pourrait se sentir encerclée. Mais aucun ministre français n'est encore arrivé à Davos. Pierre Moscovici, le ministre des Finances, ne doit y faire qu'une brève apparition ce vendredi où il doit s'exprimer sur un sujet relativement technique, à savoir «l'abondance de liquidités créées par les banques centrales» et leur impact sur la croissance.

En revanche, la pléiade de premiers ministres européens présents au Forum ont reconnu le bien-fondé des recommandations britanniques, tout en prenant leurs distances avec [le référendum](#). «L'Europe est fondée sur le marché unique, mais il n'y en a pas pour l'énergie ni pour les services numériques», a regretté Mario Monti, qui dans une vie antérieure a été commissaire européen à la Concurrence. «Il faut terminer le marché unique», a-t-il insisté, soutenu par son homologue danoise. «Il faut engager des négociations commerciales avec les États-Unis», espère Enda Kenny, le premier ministre irlandais dont le tropisme atlantique est avéré. L'Europe sera libérale ou déclinera? Le débat est lancé.

LIRE AUSSI:

January 24, 2013

Deficit Hawks Down

By [PAUL KRUGMAN](#)

67,7

President Obama's second Inaugural Address offered a lot for progressives to like. There was the spirited defense of gay rights; there was the equally spirited defense of the role of government, and, in particular, of the safety net provided by Medicare, Medicaid and Social Security. But arguably the most encouraging thing of all was what he didn't say: He barely mentioned the budget deficit.

Mr. Obama's clearly deliberate neglect of Washington's favorite obsession was just the latest sign that the self-styled deficit hawks — better described as deficit scolds — are losing their hold over political discourse. And that's a very good thing.

Why have the deficit scolds lost their grip? I'd suggest four interrelated reasons.

First, they have cried wolf too many times. They've spent three years warning of imminent crisis — if we don't slash the deficit now now now, we'll turn into Greece, Greece, I tell you. It is, for example, almost two years since Alan Simpson and Erskine Bowles declared that we should expect a fiscal crisis within, um, two years.

But that crisis keeps not happening. The still-depressed economy has kept interest rates at near-record lows despite large government borrowing, just as Keynesian economists predicted all along. So the credibility of the scolds has taken an understandable, and well-deserved, hit.

Second, both deficits and public spending as a share of G.D.P. have started to decline — again, just as those who never bought into the deficit hysteria predicted all along.

The truth is that the budget deficits of the past four years were mainly a temporary consequence of the financial crisis, which sent the economy into a tailspin — and which, therefore, led both to low tax receipts and to a rise in unemployment benefits and other government expenses. It should have been obvious that the deficit would come down as the economy recovered. But this point was hard to get across until deficit reduction started appearing in the data.

Now it has — and reasonable forecasts, like those of Jan Hatzius of Goldman Sachs, suggest that the federal deficit will be below 3 percent of G.D.P., a not very scary number, by 2015.

And it was, in fact, a good thing that the deficit was allowed to rise as the economy slumped. With private spending plunging as the housing bubble popped and cash-strapped families cut back, the willingness of the government to keep spending was one of the main reasons we didn't experience a full replay of the Great Depression. Which brings me to the third reason the deficit scolds have lost influence: the contrary doctrine, the claim that we need to practice fiscal austerity even in a depressed economy, has failed decisively in practice.

Consider, in particular, the case of Britain. In 2010, when the new government of Prime Minister David Cameron turned to austerity policies, it received fulsome praise from many people on this side of the Atlantic. For example, the late David Broder urged President Obama to “do a Cameron”; he particularly commended Mr. Cameron for “brushing aside the warnings of economists that the sudden, severe medicine could cut short Britain's economic recovery and throw the nation back into recession.”

Sure enough, the sudden, severe medicine cut short Britain's economic recovery, and threw the nation back into recession.

At this point, then, it's clear that the deficit-scold movement was based on bad economic analysis. But that's not all: there was also clearly a lot of bad faith involved, as the scolds tried to exploit an economic (not fiscal)

crisis on behalf of a political agenda that had nothing to do with deficits. And the growing transparency of that agenda is the fourth reason the deficit scolds have lost their clout.

What was it that finally pulled back the curtain here? Was it the way the election campaign revealed Representative Paul Ryan, who received a “fiscal responsibility” award from three leading deficit-scold organizations, as the con man he always was? Was it the decision of David Walker, alleged crusader for sound budgets, to endorse Mitt Romney and his budget-busting tax cuts for the rich? Or was it the brazenness of groups like Fix the Debt — basically corporate C.E.O.’s declaring that you should be forced to delay your retirement while they get to pay lower taxes?

The answer probably is, all of the above. In any case, an era has ended. Prominent deficit scolds can no longer count on being treated as if their wisdom, probity and public-spiritedness were beyond question. But what difference will that make?

Sad to say, G.O.P. control of the House means that we won’t do what we should be doing: spend more, not less, until the recovery is complete. But the fading of deficit hysteria means that the president can turn his focus to real problems. And that’s a move in the right direction.

January 24, 2013

France Is Increasing Security at Sites in Niger and at Home

67,9

By [STEVEN ERLANGER](#)

PARIS — [France](#) gets about 75 percent of its electricity from nuclear reactors, and much of the uranium used for fuel is mined in Niger by [Areva](#), the French nuclear company.

But with French forces now in the forefront of fighting Islamist rebels in neighboring [Mali](#) and Islamist Web sites full of new threats against France, Paris is sending special forces and more equipment to help protect Areva's production sites at Arlit and Imouraren in Niger, according to the magazine *Le Point*, which first reported the news.

In September 2010, seven workers for Areva and a construction company, Vinci, including five French citizens, a person from Togo and another from Madagascar, were kidnapped in Arlit by Al Qaeda in the Islamic Maghreb. Three, including a Frenchwoman who was ill, were released in February 2011 after negotiations, but four French citizens are still being held.

France has enhanced security at home as well, where the Mali engagement was quickly followed by a ramping up of the police and army presence at government buildings, prominent tourist sites, and subway and railway stations. Armed French soldiers in uniform are patrolling inside the subway, riding trains and watching main streets like the Champs-Élysées.

Security has also been tightened around President François Hollande, a Socialist who came into office last May vowing to reduce the symbolism of an imperial presidency. For instance, he gave up the large presidential Citroën C6 for a smaller Citroën DS5 diesel hybrid. But now he is again riding in a C6, an armored one, which officials say was already part of the presidential fleet and not a new purchase.

Mr. Hollande also made a point of trying to open revered spaces to the public, announcing that beginning in October, the beautiful gardens of the Élysée, the presidential palace, would be open to the public on the last Sunday of every month. But on Wednesday the government said that because of the new security situation, the gardens would not be open this Sunday. It did not say when they would be reopened.

Draghi: Das Jahr, in dem der Euro neu gestartet wurde

25.01.2013 · Der Präsident der Europäischen Zentralbank lobt Fortschritte in der Euro-Krise, mahnt dazu, weiter die Haushalte auf Vordermann zu bringen und erwartet eine konjunkturelle Belebung in der zweiten Jahreshälfte.



EZB-Präsident Mario Draghi

Die wirtschaftliche Entwicklung im Euroraum wird in der zweiten Jahreshälfte anziehen. Diese Erwartung äußerte der [Präsident der Europäischen Zentralbank, Mario Draghi](#), auf dem Weltwirtschaftsforum in Davos. Neben der Sicherung der Preisstabilität wichtigste strategische Aufgabe für die EZB in diesem Jahr sei es, die nach wie vor vorhandene finanzielle Fragmentierung im gemeinsamen Währungsraum überwinden zu helfen. „Wir müssen zurückkommen zu voll integrierten Finanz- und Kapitalmärkten“, sagte der EZB-Präsident im Gespräch mit dem früheren Direktor des Internationalen Währungsfonds, John Lipsky.

Ausdrücklich hervor hob Draghi, dass an den Finanzmärkten viel Vertrauen in die Währungsunion zurückgekehrt sei - dafür nannte er exemplarisch die gesunkenen Zinsabstände der Peripherieländer-Anleihen gegenüber Bundesanleihen wie auch die gestiegenen Aktienkurse. Was noch fehle, sei allerdings, dass sich diese Verbesserungen und „positiven Ansteckungseffekte“ an den Märkten in die Realwirtschaft hinein übertragen.

„Konsolidierung der Haushalte ist unvermeidlich“

Der Notenbankpräsident mahnte dabei auch an, dass die [Konsolidierung der Staatshaushalte unvermeidlich](#) sei, um nachhaltiges Wirtschaftswachstum zu ermöglichen. Es gehe im Euroraum nicht um die Frage „Wachstum oder Austerität?“, sondern darum, wie die kurzfristige Kontraktion der gesamtwirtschaftlichen Entwicklung infolge der Sparmaßnahmen abgefedert werden könne.

Draghi machte dazu drei Anmerkungen: Erstens sollten die Länder weiter versuchen, ihre Exporte zu steigern und darüber Arbeitsplätze zu schaffen. Zweitens sei wichtig, wie gespart werde - die üblicherweise ersten, unter hohem Stress auf dem Höhepunkt einer Krise eingeleiteten Einsparungen bestünden vor allem aus Steuererhöhungen und Kürzungen in den öffentlichen Investitionen; beides wirke sehr stark kontraktiv. Drittens lohne es sich nicht, Einsparungen hinauszuzögern oder zu zögerlich anzugehen - wichtig sei, zu Beginn mutige Entscheidungen zu treffen.

„Souveränität in Supranationalität“

Im Rückblick sagte Draghi, das vergangene Jahr 2012 sei das Jahr gewesen, „in dem der Euro neu gestartet“ wurde. Dazu beigetragen hätten die auf den Weg gebrachten Mechanismen und Reformen der Euroländer wie

auch die Maßnahmen der EZB - die Notenbank brachte ein konditioniertes Staatsanleihekaufprogramm (OMT) auf den Weg, infolgedessen das am Markt wahrgenommene Risiko eines Auseinanderbrechens der Eurozone merklich abnahm.

In die Zukunft gerichtet empfahl Draghi als „natürlicher Weg“ mehr Kompetenzen auf Gremien oberhalb der Nationalstaaten zu verlagern. Durch die Finanzkrise und ihre Folgen sei zunächst viel Souveränität verloren gegangen und die Nationalstaaten an ihre Grenzen gelangt. Um die Handlungshoheit wiederzugewinnen, sollte die Souveränität supranational gebündelt werden - „so, wie wir das in der EZB heute schon machen“.

Quelle: FAZ.NET

EZB-Präsident Mario Draghi, Mann des Jahres

67,12

23.12.2012 · Mit zwei Sätzen hat EZB-Präsident Mario Draghi im Sommer die Euro-Krise gewendet. Innerhalb eines Jahres Amtszeit ist er zum mächtigsten EZB-Chef geworden, den es je gab. Trotzdem nagt es an ihm, dass die Deutschen ihn nicht lieben. Gelingt es ihm, für Geldwertstabilität zu sorgen? Stimmen Sie ab.

Von [Lisa Nienhaus](#)



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Ernst, ruhig, kontrolliert: EZB-Präsident Mario Draghi

Den 26. Juli dieses Jahres - den Tag, der alles für Mario Draghi änderte - hatte er so nicht geplant. Die euphorische Reaktion auf die Sätze, die er an diesem Tag auf einem Podium in der Londoner City sprach - frei, ohne Skript - will der Präsident der Europäischen Zentralbank nicht vorher geplant haben.

Es waren zwei Sätze, die man nicht vergisst: [„Die EZB ist bereit, alles Notwendige zu tun, um den Euro zu erhalten“, sagte Draghi.](#) „Und glauben Sie mir, es wird genug sein.“ Die Märkte jubilierten, Aktienkurse stiegen, die Zinsen auf südeuropäische Staatsanleihen fielen - und Draghi ließ seine Mitarbeiter erst einmal eine Mitschrift seiner Rede auftreiben und herumschicken. Er findet, dass er nichts Außergewöhnliches gesagt hat. „Es war möglicherweise ein Unterschied im Ton, nicht in den Worten.“

Umfrage

Ist EZB-Präsident Mario Draghi mit Recht Mann des Jahres?

- Ja, er hat die Euro-Krise gewendet.
- Nein, er produziert Inflation.

[Alle Umfragen](#)

Gerade den skeptischen Briten wollte er klarmachen, dass der Euro stark ist

Der Ton war natürlich nicht ohne Grund gewählt. London ist Mario Draghi vertraut. Er hat dort einige Jahre gelebt, als er für die Investmentbank Goldman Sachs arbeitete. Die Londoner City kennt er als das Herz der europäischen Finanzwelt, den Treiber von Kursen und Zinsen. Und die Briten kennt er als die schlimmsten Euroskeptiker. „Die Zukunft des Euro wurde dort besonders infrage gestellt“, sagt Draghi über die kritischen Briten. Instinktiv hat er gerade dort klarmachen wollen, dass der Euro eine starke Währung ist.

Die Äußerungen in London waren der Anfang dessen, was man heute den Draghi-Effekt nennt: Die über Spaniens und Italiens Schuldenberge nervös gewordenen Märkte beruhigten sich in der Erwartung, dass die EZB im Notfall unbegrenzt Staatsanleihen kaufen wird. In der Erwartung, dass die Zentralbank im Zweifel eher ihre Prinzipien über Bord wirft und Staaten finanziert, als dass sie den Euro auseinanderbrechen lässt. Kurz darauf beschloss die EZB, genau solch ein Programm aufzulegen.

Der Bruch mit der Bundesbank

Doch die Äußerungen waren auch der Anfang des Bruchs mit der Bundesbank und ihrem Präsidenten [Jens Weidmann, der solche Anleihenkäufe strikt ablehnt](#). Und sie waren der Einstieg in das spektakulärste öffentlich ausgetragene Duell des Jahres: Weidmann versus Draghi, Bundesbank gegen EZB, Prinzipien versus Pragmatismus oder, wie Draghis Freunde sagen, Ideologie versus Realismus.

Vorerst ist es Mario Draghi, der aus diesem Duell als Sieger hervorgeht. Noch musste er keine Staatsanleihen kaufen und hat doch die Märkte beruhigt und dafür gesorgt, dass Spanien und Italien sich wieder günstiger Geld besorgen können. Entsprechend glühend wirkt er derzeit bei öffentlichen Auftritten. „Der Euro ist unumkehrbar“, doziert er mit donnernder Stimme allüberall, wo er derzeit auftritt.



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Mächtige unter sich: IWF-Chefin Christine Lagarde und EZB-Chef Mario Draghi während einer Konferenz in Paris im November

Draghi ist der mächtigste EZB-Chef, den es bisher gab

Keine Frage: Mario Draghis Einfluss ist auf dem Höhepunkt angekommen. Innerhalb eines Jahres Amtszeit ist er zum mächtigsten EZB-Chef geworden, den es bisher gab. Neben der Geldpolitik darf er jetzt auch über die Fiskalpolitik von klammen Eurostaaten mitbestimmen. Denn die Hilfe der EZB für klamme Staaten knüpft Draghi anders als sein Vorgänger Trichet an Bedingungen. Bald kontrolliert die EZB zudem alle Banken des Euroraums.

Als „allmächtig“ will er sich trotzdem partout nicht sehen. „Das ist übertrieben“, sagt er. Zum Beispiel werde er sich persönlich nicht um die Bankenüberwachung kümmern. „Die Idee ist, das separat zu halten.“

Dass Draghi seinen rasanten Aufstieg in der Welt der Mächtigen noch nicht ganz lebt, erkennt man, wenn man ihn in seinem Büro im 35. Stock des EZB-Turms besucht. Vieles ist hier noch wie zu Zeiten von Alexandre Lamfalussy, der einst das Europäische Währungsinstitut, den Vorgänger der EZB, leitete. Der Schreibtisch, der Konferenztisch, der Blick auf die an diesem Abend hell glitzernden Hochhäuser der Banken, die höher ragen als der Turm der EZB. Neu sind hier nur Draghis Bücher, die Pickelhaube im Regal, ein Geschenk der „Bild“-Zeitung, das ihn an die preußischen Tugenden erinnern soll - und jede Menge Fotos.

Viele Fotos: Draghi mit Obama, Draghi mit Merkel

Mitten im Gespräch springt Draghi freudestrahlend auf, um diese Fotos vorzuzeigen. Auf dem Bord neben dem Schreibtisch steht Draghi mit Barack Obama, darunter Draghi mit Angela Merkel, noch ungerahmt. Weiter hinten, neben dem Konferenztisch: Draghi mit seinem Vorgänger Trichet, Draghi mit Hans Tietmeyer, dem einstigen Präsidenten der Bundesbank, Draghi mit dem einstigen italienischen Staatspräsidenten Ciampi. Wenn der EZB-Präsident diese Fotos zeigt, wirkt er eher wie ein stolzer Schuljunge, der Lukas Podolski getroffen hat, als wie einer, der weiß, dass er sich mit den Mächtigen auf Augenhöhe bewegt.

Dieses Understatement scheint ihm ganz natürlich zu sein, doch Draghi will damit auch etwas sagen: Seht her, es geht mir um Inhalte, nicht um Macht. Was natürlich nur die halbe Wahrheit ist. Selbstverständlich wollte er diesen Job als EZB-Präsident unbedingt. Einer, der ihn oft im Rat der EZB erlebt hat, als Draghi noch Chef der

italienischen Notenbank war, sagt: „Es gab bei jeder Sitzung einen Zweikampf von Draghi und Axel Weber. Wer darf als Erstes sprechen, wenn die Diskussion eröffnet ist?“ Beide wollten sie einmal Trichet-Nachfolger werden. Draghi wurde es.

Draghi kümmert sich um die großen Fragen

Selbstverständlich hat Mario Draghi dieses erste Jahr als EZB-Präsident so angegangen, wie es seine Art ist: strategisch. Alle, die einmal mit ihm zusammengearbeitet haben, heben eines hervor - Mario Draghi ist nicht der Mann für die kleinen Dinge, der sich in Details einarbeitet, alles kontrolliert wie einst Trichet. Er delegiert und kümmert sich um die großen Fragen. Wie rette ich den Euro?

So hat Draghi die EZB innerhalb eines kurzen Jahres verwandelt: vom eher zurückhaltenden Währungshüter zum aktiven Euro-Retter. Doch dieser Kurs ist hochgefährlich. Gelingt er, wird Draghi irgendwann einmal als Retter des Euro gefeiert. Misslingt er, könnte er als Inflationsbringer in die Geschichte eingehen.

Draghi weiß das genau. Und er weiß auch genau, was derzeit sein größtes Problem ist: dass viele Menschen in Deutschland nicht an ihn glauben. Allen voran die Bundesbank. Er brauchte die Stimme von Jens Weidmann nicht, um das Staatsanleihenkaufprogramm durchzusetzen. Doch er hätte sie gerne gehabt. Wieder und wieder hat er mit ihm im Sommer gesprochen, ihn in sein Büro gebeten. Charmant, ruhig, sachlich. Eines Abends haben die beiden dabei sogar eine Tüte Chips und eine Flasche Wein geteilt, erzählt man sich in der Bundesbank. Wieder und wieder hat Draghi versucht, Weidmann zu überzeugen. Doch er hat es nicht geschafft.

Die Positionen sind festgefahren. Jens Weidmann geht die Stabilität des Euro über alles. Mario Draghis Linie ist eher: Erst einmal überhaupt ein Euro, dann kümmern wir uns schon um Stabilität. Und beide sind überzeugt, genau das Richtige zu tun.

Ernst, ruhig, kontrolliert

Der Kritik aus Deutschland begegnet Mario Draghi charmant und sachlich - solange sie sich nicht an seiner Nationalität aufhängt. Draghi will nicht „der Italiener“ sein. Es verletzt ihn, wenn seine Politik zurückgeführt wird auf das, was die italienische Notenbank in den siebziger Jahren lange getan hat: den Staat systematisch finanziert. Und wenn dann auch wiedergegeben wird, wohin das führte: hohe Inflation. „Die Menschen sollten unsere Geldpolitik danach beurteilen, was sie ist“, sagt er. Nicht danach, welche Vorurteile sie über Italiener haben.

Dass ihn das Bild vom inflationsfreudigen Italiener stört, liegt wohl auch daran, dass Draghi überhaupt nicht dem entspricht, was man weithin für typisch italienisch hält. Er ist ernst, ruhig, kontrolliert - und lebt mit seiner Familie extrem zurückgezogen. Im Gesellschaftsleben Roms taucht Draghi kaum auf, obwohl er bis heute dort eine Wohnung hat. Und auch als er noch in Rom arbeitete - erst im Finanzministerium, später als Chef der Banca d'Italia - war das nicht anders. Ein ehemaliger Kollege hält ihn deshalb für freudlos, ja sogar ein wenig paranoid. Seine Freunde aber sehen die Zurückhaltung als sein Erfolgskonzept.

Francesco Giavazzi etwa, der seit ihrer gemeinsamen Zeit am MIT mit Draghi befreundet ist, sagt: „Was glauben Sie, wieso er sich zehn Jahre lang unter verschiedensten Regierungen im Finanzministerium halten konnte?“ In Rom dürfe man als Beamter einfach nicht ins Restaurant essen gehen. Man treffe zu viele Leute, die dann informell etwas erfahren wollten. „Das ist gefährlich.“

Draghi ist eine Art Anti-Berlusconi

So ist Draghi eine Art Anti-Berlusconi - auch privat. Mit seiner Frau ist er im Januar 40 Jahre verheiratet. Sie ist, sagt Giavazzi, seine wichtigste Ratgeberin. Nichts würde er tun, wenn es ihre Zustimmung nicht fände.

Seine prägendsten Zeiten hat der EZB-Chef sowieso in Amerika verbracht. Wenn er schwierige Zeiten durchlebte, erfrischte er seinen Kopf gern mit einer Reise nach New York, erzählen Freunde.

Dass Draghi das Bild vom gelddruckenden Italiener nicht passt, hat aber noch einen anderen Grund: dass er sich überhaupt nicht als inflationsfreudig sieht. Gerne erzählt er die Geschichte, wie er die Inflation in den siebziger Jahren selbst zu spüren bekam. Seine Eltern, die beide früh starben, hatten dem damals 15 Jahre alten Mario Geld hinterlassen. Sein Vormund investierte es in italienische Staatspapiere, die wenig Zinsen abwarfen. Das Vermögen war kaum noch der Rede wert, als Draghi darüber verfügen wollte. Ich verstehe, wovor ihr Angst habt, will der Zentralbanker mit dieser Geschichte gerade den Deutschen sagen. Und: Ich passe schon auf.

Ob seine Politik gelingt, ist noch völlig offen. Es wird aber über Draghis Zukunft bestimmen. Seine Kritiker sind sicher: Die Inflation kommt. Wenn nicht jetzt, dann eben in drei, in fünf, in zehn Jahren, sagen sie - und ärgern Draghi damit. „Schauen Sie sich die Fakten an“, sagt er. „Fakt ist, dass wir Preisstabilität liefern und das weiter tun werden.“

Quelle: F.A.S.

The west's crisis is one of democracy as much as finance

67,16

The spirit of dictators like Ceausescu is finding new life in the response of the European elite to pressures in the eurozone



- - [Slavoj Žižek](#)
 - [The Guardian](#), Wednesday 16 January 2013 18.22 GMT
 - [Jump to comments \(491\)](#)



Nicolae Ceausescu addresses Romania's Communist party congress in November 1989, shortly before he was deposed and executed. Photograph: Gerard Fouet/AFP

In one of the last interviews before his fall, Nicolae Ceausescu was asked by a western journalist how he justified the fact that Romanian citizens could not travel freely abroad although freedom of movement was guaranteed by the constitution. His answer was in the best tradition of Stalinist sophistry: true, the constitution guarantees freedom of movement, but it also guarantees the right to a safe, prosperous home. So we have here a potential conflict of rights: if Romanian citizens were to be allowed to leave the country, the prosperity of their homeland would be threatened. In this conflict, one has to make a choice, and the right to a prosperous, safe homeland enjoys clear priority ...

It seems that this same spirit is alive and well in Slovenia today. Last month the constitutional court found that a referendum on legislation to set up a "bad bank" and a [sovereign holding](#) would be [unconstitutional](#) – in effect banning a popular vote on the matter. The referendum was proposed by trade unions challenging the government's neoliberal economic politics, and the proposal got enough signatures to make it obligatory.

The idea of the "bad bank" was of a place to transfer all bad credit from main banks, which would then be salvaged by state money (ie at taxpayers' expense), so preventing any serious inquiry into who was responsible for this bad credit in the first place. This measure, debated for months, was far from being generally accepted, even by financial specialists. **So why prohibit the referendum? In 2011, when George Papandreou's government in Greece proposed a referendum on austerity measures, there was panic in Brussels, but even there no one dared to directly prohibit it.**

According to the Slovenian constitutional court, the referendum "would have caused unconstitutional consequences". How? The court conceded a constitutional right to a referendum, but claimed that its execution would endanger other constitutional values that should be given priority in an economic crisis: the efficient

functioning of the state apparatus, especially in creating conditions for economic growth; the realisation of human rights, especially the rights to social security and to free economic initiative.

In short, in assessing the consequences of the referendum, the court simply accepted as fact that failing to obey the dictates of international financial institutions (or to meet their expectations) can lead to political and economic crisis, and is thus unconstitutional. **To put it bluntly: since meeting these dictates and expectations is the condition of maintaining the constitutional order, they have priority over the constitution (and *eo ipso* state sovereignty).**

Slovenia may be a small country, but this decision is a symptom of a global tendency towards the limitation of democracy. The idea is that, in a complex economic situation like today's, the majority of the people are not qualified to decide – they are unaware of the catastrophic consequences that would ensue if their demands were to be met. This line of argument is not new. In a TV interview a couple of years ago, the sociologist **Ralf Dahrendorf** linked the growing distrust for democracy to the fact that, after every revolutionary change, the road to new prosperity leads through a "valley of tears". After the breakdown of socialism, one cannot directly pass to the abundance of a successful market economy: limited, but real, socialist welfare and security have to be dismantled, and these first steps are necessarily painful. The same goes for western Europe, where the passage from the post-second world war welfare state to new global economy involves painful renunciations, less security, less guaranteed social care. For Dahrendorf, the problem is encapsulated by the simple fact that this painful passage through the "valley of tears" lasts longer than the average period between elections, so that the temptation is great to postpone the difficult changes for the short-term electoral gains.

For him, the paradigm here is the disappointment of the large strata of post-communist nations with the economic results of the new democratic order: in the glorious days of 1989, they equated democracy with the abundance of western consumerist societies; and 20 years later, with the abundance still missing, they now blame democracy itself.

Unfortunately, Dahrendorf focuses much less on the opposite temptation: if the majority resist the necessary structural changes in the economy, would one of the logical conclusions not be that, for a decade or so, an enlightened elite should take power, even by non-democratic means, to enforce the necessary measures and thus lay the foundations for truly stable democracy?

Along these lines, the journalist Fareed Zakaria pointed out how democracy can only "catch on" in economically developed countries. If developing countries are "prematurely democratised", the result is a populism that ends in economic catastrophe and political despotism – no wonder that today's economically most successful third world countries (Taiwan, South Korea, Chile) embraced full democracy only after a period of authoritarian rule. And, furthermore, does this line of thinking not provide the best argument for the authoritarian regime in China?

What is new today is that, with the financial crisis that began in 2008, **this same distrust of democracy – once constrained to the third world or post-communist developing countries – is gaining ground in the developed west itself: what was a decade or two ago patronising advice to others now concerns ourselves.**

The least one can say is that this crisis offers proof **that it is not the people but experts themselves who do not know what they are doing.** In western Europe we are effectively witnessing a growing inability of the ruling elite – they know less and less how to rule. **Look at how Europe is dealing with the Greek crisis: putting pressure on Greece to repay debts, but at the same time ruining its economy through imposed austerity measures and thereby making sure that the Greek debt will never be repaid. (?????)**

At the end of October last year, the IMF itself released research showing that the economic damage from aggressive austerity measures may be as much as **three times larger than previously assumed**, thereby nullifying its own advice on austerity in the eurozone crisis.????? Now the IMF admits that forcing Greece and other debt-burdened countries to reduce their deficits too quickly would be counterproductive, but only after hundreds of thousands of jobs have been lost because of such "miscalculations".

And therein resides the true message of the "irrational" popular protests all around Europe: the protesters know very well what they don't know; they don't pretend to have fast and easy answers; but what their instinct is telling them is nonetheless true – that those in power also don't know it. In Europe today, the blind are leading the blind.

European Union: Cameron prods Europe's sore spot 67,19

24 January 2013

Presseurop

Les Echos, Die Welt, Gazeta Wyborcza & 4 others



[Peter Brookes](#)

The British Prime Minister's speech on January 23 on the future of relations between his country and the EU has made the front pages of most European newspapers. The idea of a UK exit provokes reactions ranging from outrage to – more frequently – understanding.

There are also many newspapers that, [like much of the British press](#), recognise that Cameron has raised legitimate questions that deserve answers at both the national and European levels.

In Paris, [Les Echos believes](#) that [the speech outside the Bloomberg offices](#) is a “dangerous gamble”. The economic daily does not hold back from comparing the PM to one of his predecessors.



Like Margaret Thatcher in her time, David Cameron is not concerned with the common interest of building an economically powerful - and necessarily politically powerful - Europe. His vision is of an à la carte Europe where you can be a member without having to accept all the constraints, without having to be in the eurozone or even in the Schengen area. However, if the euro crisis and the Greek bailout have been good for anything, it has been to show the need for a tighter integration of the European countries, notably in budgetary, fiscal and financial matters. At least among the 17 countries of the eurozone. This is clearly not David Cameron's goal.

In Germany, [Die Welt believes](#) that “Cameron has put his finger on EU's sore spot,” and, like the overwhelming majority of German commentators, finds the British Prime Minister's questions quite legitimate and even “liberating”.



Cameron is far from being alone with his analysis of the changes facing the EU and that cannot be answered with a simple 'Keep steering straight ahead'. [...] That the British Prime Minister tabled [a question regarding stabilising the eurozone by deepening EU integration] is not anti-European. It is no more anti-European of Cameron than his referring to the crisis of competitiveness afflicting the Union, which he blames partly on sclerotic management of the EU - this flood of rules and guidelines that are paralysing so many creative forces, and not just in the economy. And it's in no way anti-European to mention the creeping democratic deficit and the lack of citizens' confidence in the EU and its institutions. [...] The UK is following a “more practical than emotional” approach, it adds. That might be good for all of us.

“UK does not dream of some cosy, isolated existence on the fringes of Europe”, [writes Gazeta Wyborcza commentator Tomasz Bielecki](#), recalling Margaret Thatcher's 1988 EU address. He notes that for Cameron, who, like Thatcher, is a strong critic of the EU, but at the same time an ardent proponent of the UK's continued membership in the European Community, a Brexit would be a fatal occupational accident, as it



would be a powerful blow against the union of 27 countries, and the eurozone would become the only centre of true integration surrounded by EU peripheries. For us [Poles] it is definitely much more dangerous than for the British. The Polish zloty is not the British pound, and the British Isles are not Poland with its not always easy neighbours. David Cameron's game should prompt us again to press ahead with concrete plans to enter the eurozone.

In Stockholm, [Svenska Dagbladet writes](#) that Cameron is not the only one in Europe to express the idea that “accession to the EU should not be equivalent of buying a ticket for a ghost train that doesn't stop at any station and keeps heading towards an unknown destination.” Reactions to his speech were expected, the newspaper said: “Throughout Europe, we hear that the EU is not a buffet where everyone is free to choose whatever he wants.” “Is there really only one possible way?” asks the *Svenska Dagbladet* –



Given by the how the EU works today, the answer is clearly no: Sweden is not in the eurozone. The UK is not part of the Schengen area and there are plenty of other examples. [...] The alternative for the British is to confront a wildly overgrown EU with the following questions: 'How? Why? To what end? Towards what destination?' These are questions that should be in the interests of all the member states and in the interests of the Union itself.

On the same wavelength, [România liberă believes](#) that the “flexible, adaptable and open” Union proposed by Cameron is a very serious enticement. The Bucharest daily notes that –



For the first time, a European leader has come forward with a vision of the EU that steps away from deeper political integration; a more modest but more liberal vision, and one more focused on the free market. So far, Romania has opted for the United States of Europe and the German model of the European Union. Now that there is another vision, our political leaders may soon perhaps engage in a real debate on the European model most advantageous for a country like ours - because the other countries of Europe will be sure to do so.

“Cameron is casting a shadow over the EU,” [laments De Volkskrant](#) for its part. The daily from Amsterdam, the city where the Prime Minister was initially to give his speech, nevertheless believes that the EU should take the project seriously if it wants to ensure its survival.



It will be tough to respond to the demands of Cameron without harming the European Union's structure. When one member state wishes to back out of some agreements, there will undoubtedly be other countries that want exceptions too. But a UK exit is not in the interest of the EU - and especially not in the interests of the Netherlands. This is why the European Commission and the other member states should take the British proposals seriously. In addition, the British initiative is giving Brussels food for thought: it would be foolish to rush ahead with integration projects if these endanger the unity of the European Union.

In Madrid, Lluís Bassets [writes in El País](#) that “Britain's view of Europe” looks more like a “mere free trade area.” The editor believes that –



For the Prime Minister, the EU is a mere tool, not a goal. Either the EU turns into something that the sceptics are willing to tolerate, or there will be no other choice but to leave. The cheekiness of the blackmail is notable [...] The Conservative dream is to have relations with a globalised world without going through the EU, and to use the EU as a single free trade area that has been as deregulated as possible. This is an idea that, on paper, might look attractive, but in reality faces a host of challenges. The most important is the difficulty of European countries, including the United Kingdom, to get by alone in a global world as if they were emerging powers and not old, former powers of Europe. Washington and Beijing lay the blame straightforwardly on Cameron: they prefer to deal with London through a strong EU.”

World is right to worry about US debt

By **Kenneth Rogoff**

America must face up to its responsibilities, writes Kenneth Rogoff

Many foreign observers look at the [US budget shenanigans](#) with confusion and dismay, wondering how a country that seems to have it all can manage its fiscal affairs so chaotically. The root problem is not just a hugely elevated level of public debt, or a patently unsustainable trajectory for old age entitlements. It is an electorate deeply divided over the direction of government, with differences compounded by changing demographics and sustained sluggish growth. It is hard to escape the notion that today's budget battles are but a skirmish in a much longer-term war that won't be settled soon.

America must shortly answer a series of fundamental questions. For example, as its share of global gross domestic product shrinks from about 20 per cent today to as little as 10 per cent in five decades, should it try to continue to play the role of global policeman? The US spends more than 4 per cent of GDP a year [on defence](#), roughly twice the global average. The Obama administration's fiscal plans anticipate a [peace dividend after withdrawals from wars in Iraq and Afghanistan](#). The Republican party has reasonably argued that it is unrealistic to expect this quiet to last. At the very least, if military expenditures continue to fall, it becomes more important to have the fiscal capacity to ramp them up in response to new threats. It is also worth noting that if the US were ever forced to surrender the mantle of world policeman to, say, China, foreigners may no longer have quite the same desire for its debt.

Another huge area of disagreement surrounds the question of what services should be provided by the federal government versus the states or the private sector. There is a lot of "low-hanging fruit" here. Productivity improvements in government services have been glacial compared with many other sectors of the economy. A visit to a primary school classroom in many US cities is the closest thing one can get to time travel. One idea that economists have been enamoured with for years is school vouchers but there is strong resistance from entrenched interests. How long will these same interests forestall online classes and computer-graded feedback, initially as a supplement for traditional education structures but eventually as a significant substitute. The fiscal implications are huge, as are the disagreements.

In contrast, infrastructure should be a place of common ground but again there is paralysis. Aside from funding priorities, there is a wide chasm between those who see union domination of infrastructure as key to ensuring high-paying jobs versus those who want infrastructure built, but at reasonable rates. There is the joke about the visiting Chinese group that asks their New York tour guide how long it will take to finish the Second Avenue subway. On being told two years, the Chinese translator hesitates before conveying the response and asks: "Wait a second, you mean two weeks, right?"

One of the US's greatest assets is its ability to expand immigration without running into land or resource constraints anytime soon. But [US immigration policy](#) has long been dominated by emotion, not the cold-blooded, rational economic calculus many other countries apply. There are rigid visa restrictions aimed at keeping out terrorists, some of which remain incredibly counterproductive. Immigration policy has large implications for US debt and the sustainability of entitlements for the indigent population, yet the link seldom receives serious attention.

And of course, [healthcare is the mother of all fiscal challenges](#), as costs rise and the population ages.

The idea that one should just ignore all these problems and apply crude Keynesian stimulus is a dangerous one. It matters a great deal how the government taxes and spends, not just how much. The US debt level is a constraint. A growing number of empirical studies, including my own [joint work with Carmen Reinhart](#), suggest that the US has already reached a debt level that has been associated with slower growth in advanced

countries. The fact interest rates are low today does not necessarily mean the US is an exception to this rule – take one look at stagnant Japan’s rates. The dollar’s reserve currency status buys America more room, but how much and for how long? A high debt burden is a problem precisely because it reduces a country’s capacity to deal with future shocks.

The US remains an incredible franchise with many remarkable strengths. The world’s overwhelming presumption is that Americans will find a path to budget sustainability. Nevertheless, it is hard for many in the US to escape the nagging feeling that just maybe this time we won’t. With more than \$5tn of US Treasury debt, and memories of the huge inflation of the 1970s and default on gold clauses in the 1930s, foreigners would be right to worry a little.

The writer is professor of economics at Harvard University and the co-author of ‘This Time Is Different’

EZB akzeptiert ESM-Anleihen als Sicherheiten

25.01.2013 · Die Europäische Zentralbank hat angekündigt, in Zukunft Anleihen des europäischen Rettungsschirms ESM als Sicherheiten bei ihren Refinanzierungsgeschäften mit Geschäftsbanken zu akzeptieren.



© dapd

Die EZB hat die Anforderungen an Sicherheiten bei ihren Refinanzierungsgeschäften in den vergangenen Jahren immer weiter gesenkt.

Die Europäische Zentralbank (EZB) will künftig Anleihen des permanenten europäischen Rettungsschirms ESM als Sicherheiten bei ihren Refinanzierungsgeschäften mit den Geschäftsbanken akzeptieren. Das teilte die EZB am Freitag in Frankfurt mit.

Der ESM-Fonds finanziert sich durch die Ausgabe von Wertpapieren am Kapitalmarkt. Banken, die diese Papiere gekauft haben, können sie nun bei der EZB einreichen und bekommen dafür Liquidität der Zentralbank.

Weitere Artikel

- [Rettungsschirm zapft mit japanischer Hilfe Kapitalmarkt an](#)
- [Merkel bekräftigt Ablehnung einer ESM-Banklizenz](#)
- [Draghi will angeblich konzertierte Anleihenkauf-Aktion](#)

Die EZB hat die Anforderungen an Sicherheiten bei ihren Refinanzierungsoperationen im Laufe der zurückliegenden Krisenjahre immer weiter gesenkt, damit angeschlagene Banken keine Liquiditätsprobleme bekommen. Einige Banken in den von der Krise am meisten betroffenen Ländern, die dennoch nicht mehr über qualitativ ausreichende Sicherheiten verfügen, bekommen von ihren nationalen Notenbanken Liquidität aus besonderen Töpfen.

Quelle: FAZ.net mit Reuters

Hope, and Lessons, in Somalia

Somalia has been the paradigm of failed states since before 1993, when militants shot down two Black Hawk helicopters and killed 18 American soldiers in Mogadishu. One of the world's poorest, most violent countries, it has been pummeled by warring militias, famine and pirates. But the country recently has shown enough positive movement that the Obama administration [last week](#) hosted President Hassan Sheikh Mohamud in Washington and recognized Somalia's government for the first time in more than two decades. The evolution is worth examining as the West tries to grapple with militants in Mali.

The election of Mr. Mohamud, a moderate political activist and academic, [by Parliament last September](#) ended eight years of corrupt and failed transitional governments. Backed by a new Constitution, he has started building governing institutions with a focus on security, on delivering public services and on judicial and financial reform. Investment from the Somalian diaspora, Turkey and elsewhere is coming back. So are foreign embassies.

None of this would have happened if the security situation had not also improved. Since 2006, the country has been torn by an insurgency led by the militant group Al Shabab, which claims allegiance with Al Qaeda. But since 2011, African Union troops, backed by American drone and aircraft strikes [on targeted militant leaders](#), have pushed Al Shabab out of the capital and other key towns. Washington has poured \$650 million into the African Union force over the last six years and spent hundreds of millions more on humanitarian and development assistance for Somalia.

The decision to recognize the Somali government was a reasonable move that will open the door to other American and international aid and may make Mr. Mohamud's political adversaries think twice about trying to throw him out. But it would be a mistake to read too much into the progress that has been made. The government is weak and doesn't control much territory beyond the capital. Its army is virtually nonexistent. Al Shabab still lurks as a dark force. If the African Union force, and especially Kenyan and Ugandan troops, left Somalia anytime soon, the gains could all be lost. It remains to be seen whether competing warlords and clans can ever cooperate to build a real state. Mr. Mohamud needs to follow through on a United Nations plan for reconciliation.

It is early to draw firm conclusions, and there are many differences, but Somalia may offer some cautionary advice for the fight now being waged by France at the other end of the African continent against militants in Mali. Degrading militants is likely to take years. Regional forces, rather than foreign forces from farther afield, are best positioned to lead the fight. And political progress is at least as important as military gains.

January 25, 2013

67,26

U.S. Weighing How Much Help to Give France's Military Operation in Mali

By [DAVID E. SANGER](#) and [ERIC SCHMITT](#)

WASHINGTON — The Obama administration is debating how much more aid it can give the French military forces who are battling Islamic militants in [Mali](#), weighing the benefit of striking a major blow to Qaeda-linked fighters in Africa against concern about being drawn into a lengthy conflict there.

The immediate issue is whether and how to supply American aerial refueling planes that would allow French jets to provide close-air support to ground forces moving north into territory held by the extremists. French and American officials have been in discussions for days, according to American and European officials, and administration officials say they expect a decision soon.

All indications are that the administration is trying to find a solution, but that any refueling would probably be approved only with restrictions.

“The discussions center on cost, and the concern about whether this becomes an open-ended mission for the French in Mali,” one Defense Department official said. “What does that mean about our commitment?”

Most of the reservations about whether [President Obama](#) has the legal authority to engage in military operations were resolved, officials said, after it was determined that the main targets were linked to [Al Qaeda in the Islamic Maghreb](#). But the degree to which President Obama wants to get involved in Mali is still an open question, presenting the president and his national security team with the latest in a series of decisions about how heavily to intervene in remote conflicts.

Also in play is the depth of the American commitment to France, which is deploying nearly 3,000 ground troops to stop the expansion of a major terrorist sanctuary in Mali, its former colony.

Mr. Obama's aides say that the model under way in Mali now — with the French taking the lead, and a force from the region backing them up — is exactly what they want to encourage. But some officials say they believe the French went into Mali hastily, in the words of one official “before they understood exactly what they were biting off.”

White House officials say they want to understand the broader political and strategic plan to end the conflict before they get more involved.

But since France entered the conflict in early January, there has been little time for strategic planning. The United States has begun transporting a 600-member French mechanized battalion and its gear to Mali, and is providing intelligence information, including satellite imagery, American officials said on Friday. “The spigot is opened all the way,” one official said. So far that help has been provided at no cost to the French.

But the refueling would bring the American involvement to a new level, directly supporting military attacks. And for Mr. Obama, who devoted part of his Inaugural Address on Monday to a celebration of the end of a war in Iraq and the winding down of the American commitment in Afghanistan, the prospect of getting involved in a conflict against a shadowy enemy far from the United States is unwelcome.

The issue also comes as major national security posts are in transition. Secretary of State Hillary Rodham Clinton has one more week in office, and the Senate is considering the nomination of her successor, Senator John Kerry, along with Chuck Hagel, Mr. Obama's choice as the next defense secretary. Both have been outspoken in the past about not intervening in conflicts that American partners can handle, or where American interests are somewhat remote. In the case of Mali, one official said, American intelligence assessments have

concluded that the Islamic extremists have little ability to threaten the United States. “But they can threaten the region,” he said, “and that’s where the argument for American involvement comes in.”

The government of President François Hollande has said it will stay in Mali and the surrounding region as long as needed. The United States has been more hesitant about supporting the new government in Mali, which came to power in a coup mounted by an American-trained military leader.

Mr. Obama talked on the phone on Friday with Mr. Hollande, but White House officials did not say whether the leaders had dwelled on the refueling issue. A White House statement said they had talked about the need to quickly establish an African-led force in Mali, as well as the importance of Mali’s establishing a path to elections and to “restoration of democratic governance” in the country.

In support of its military operation in Mali, France is now flying a dozen Mirage and Rafale combat and reconnaissance aircraft from an air base in Chad.

Several French tankers are providing air-to-air refueling for those planes, but officials in Paris would like to have American tankers ready as a backup if the ground operation faces stiffer resistance than anticipated, or an unforeseen crisis requires France to send more aircraft, a French official said on Friday.

“Our major commanders would feel much more comfortable if things are not going as planned or are more difficult, to very quickly have some support from the Americans,” said the French official, who spoke on condition of anonymity to describe bilateral discussions.

American and French officials do not describe the same objectives in Mali. Jean-Yves Le Drian, the French defense minister, said recently that the goal of France’s military action was to reclaim control of the north from the Islamist militants.

“The goal is the total reconquest of Mali,” Mr. Le Drian said. “We will not leave any pockets.”

But Gen. Carter F. Ham, the head of the Pentagon’s Africa Command, voiced more limited objectives.

“We would all like to see the elimination of Al Qaeda and others from northern Mali,” General Ham said on Thursday in a speech at Howard University here. “Realistically, probably the best you can get is containment and disruption so that Al Qaeda is no longer able to control territory.”

French Force and Malians Advancing Into North

By [LYDIA POLGREEN](#)

SÉVARÉ, Mali — As French and Malian soldiers closed in on the eastern city of Gao, a militant stronghold, the Mali Army's record of atrocities have raised questions about its fitness to fight with the French.

French and Malian soldiers appeared to push farther north into militant-held territory on Friday, closing in on the eastern city of Gao, the stronghold of one of the several Islamist groups that have captured northern Mali.

Residents of Hombori told news agencies that they had seen French and Malian soldiers in the town, which sits 155 miles southwest of Gao, one of the three large cities in northern Mali under militant control.

An Islamist group blew up a bridge in another small town, Ansongo, near the border with Niger, according to residents and aid workers in the area, in an apparent attempt to prevent soldiers from gaining ground in that area.

French officials have been wary of disclosing the precise movements of their 2,500 troops on the ground in Mali, and on Friday a French military spokesman, Col. Thierry Burkhard, declined to confirm or deny that Malian or French forces had taken Hombori, where two Frenchmen were kidnapped in 2011. But he said that French aerial strikes were continuing against militants farther north.

The military maneuvers came as human rights investigators continued to uncover evidence of executions by the Malian Army, whose record of abandoning the field of battle and committing atrocities has raised serious questions about its fitness to fight alongside French and other international troops headed here to fight the rebels in the North.

Gaëtan Mootoo, an investigator with Amnesty International, said witnesses had given him credible testimony that the army had killed two men near the city of Niono on Jan. 18, well after the French intervention had begun.

According to Mr. Mootoo, the soldiers asked one of the men, Aboubakrim Ag Mohamed, if they could search his house. When he complied and they found nothing suspicious, they asked him to step outside. A few blocks from his house, he was shot and killed, the witness said.

Mr. Mohamed's cousin, Samba Ag Ibrahim, was executed nearby, Mr. Mootoo said, when he encountered the same soldiers. The two bodies were abandoned, and villagers buried them the next day, he said.

More people have been killed here in Sévaré, said Corinne Dufka, a senior researcher for [Human Rights Watch](#). At least 11 bodies were tossed into a well in a suburb. The city is a garrison town, home to a huge contingent of Malian soldiers, raising the question of how so many could have been killed under their noses.

“Sévaré is a heavily militarized place,” Ms. Dufka said. “It is highly likely the security forces were involved.”

The problem of reprisals of perceived supporters of the rebel groups is only likely to get worse as the military offensive moves northward, where Islamist groups have spent months occupying towns. Such reprisals could have an ethnic dimension, focusing on Tuaregs, Arabs and other groups seen as sympathetic to the Islamic rebels.

“There is a rule of law vacuum, which was created by the departure from northern Mali by the institutions mandated to protect the civilian population,” Ms. Dufka said. “Given the high level of ethnic tension, the risk for reprisals is extremely high, which is why nipping this in the bud is paramount.”

January 25, 2013

67,29

Greek Opposition Leader Seeks Conference on Debt

By [RICK GLADSTONE](#)

The 38-year-old leftist opposition leader in [Greece](#) who could become its next prime minister on a wave of simmering popular fury over the government's austerity measures, called on Friday for a European summit meeting to ease the crushing debts that threaten not only his country but all of Europe.

The opposition leader, [Alexis Tsipras](#), whose criticism of international bailouts propelled his party, Syriza, to win the second biggest bloc of parliamentary seats in the [June 2012 elections](#), also said he did not believe Greece would be forced to withdraw from the group of 17 countries that use the euro currency. Greece's heavy indebtedness has raised fears that the country could leave or be expelled from the euro zone, a possibility that many economists regard as a threat to the euro's survival.

"They say I am the most dangerous man in Europe," Mr. Tsipras said in an interview with the editorial board of The New York Times. "What I feel is dangerous is the policy of austerity in Europe. The Greek people have paid a heavy price."

Mr. Tsipras was in New York as part of a trip to the United States that has included meetings in Washington with the International Monetary Fund and the Treasury Department. The trip is part of a campaign intended to bolster his credibility as a politician and to counter what his aides call the fictional portrayals of him as a financial bomb-thrower in Greece's mainstream news media, controlled by the so-called oligarch families of privilege in the country who fear Syriza's ascent to power.

Given the fragility of the conservative-led coalition that took over after the June elections, any no-confidence vote in Parliament could lead to new elections that give Mr. Tsipras the latitude to form a government. Recent polls put Syriza's popularity at nearly 30 percent, about the same as the current coalition leader, the conservative New Democracy party.

This month Mr. Tsipras also visited Germany, Europe's most powerful economy, which has been the driving force behind the insistence that Greece must endure sacrifices and impose fiscal discipline in exchange for help on its debt burden. Mr. Tsipras has argued that the strategy has not only been an expensive failure but has also increased Greece's indebtedness relative to the size of its economy, where joblessness and cuts in wages and benefits have stoked widespread anger.

After six years of recession in Greece, he said, "we are witnessing a humanitarian crisis."

The symptoms were on display this week in Athens, where striking subway workers, outraged over pay cuts, paralyzed a transit system that carries one million riders a day. The government on Friday used an emergency decree to halt the strike.

Mr. Tsipras said he would like to see a summit meeting that would result in an end to the austerity approach, which he said is needed to restart growth and avert a deeper economic malaise.

"We are suggesting an overall plan for a European solution," he said. "A European conference on debt that would include all of the countries of the region facing a significant debt issue."

He drew an analogy to the London Debt Agreement of 1953, in which postwar Germany's debt was cut by 50 percent and the repayment spread over 30 years.

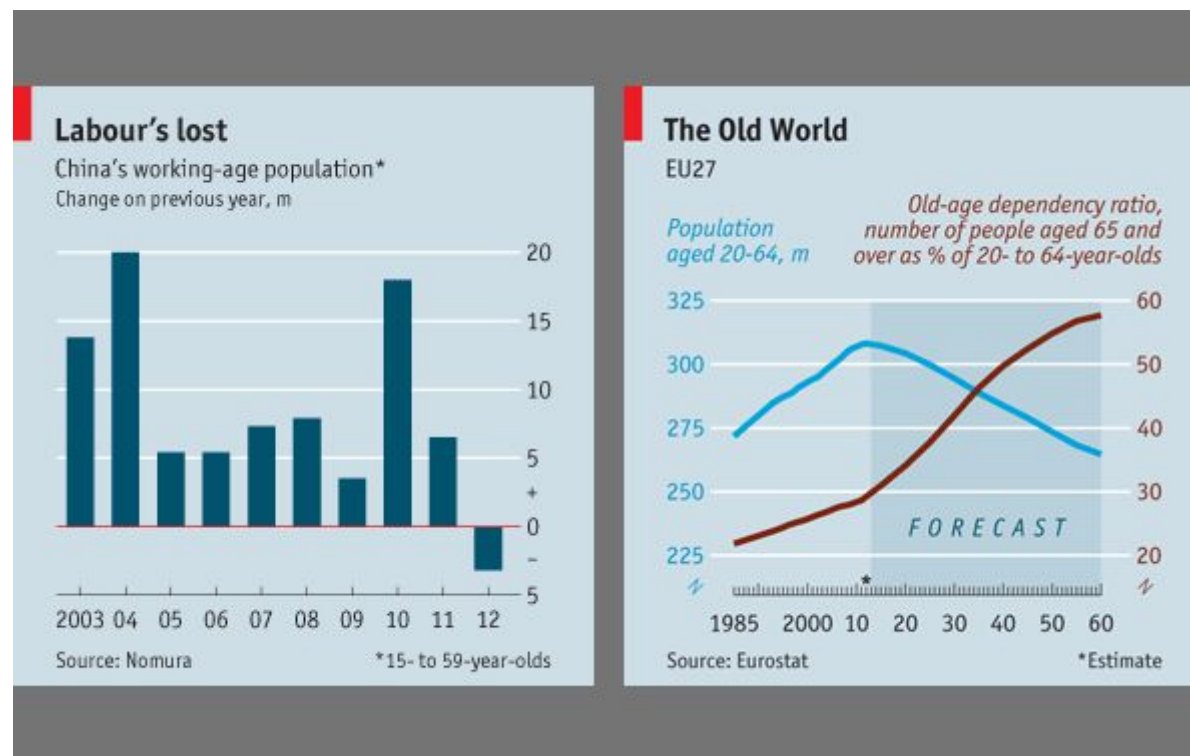
Mr. Tsipras said the German government, led by Chancellor Angela Merkel, has held the possibility of expulsion from the euro zone over Greece as leverage for enforcing its austerity solution, but that in his view neither Germany nor its supporters want to see Greece exit the euro.

"The constant threats, that they will kick us out of the euro zone, is a strategy with no foundation," he said. "It's just a way to blackmail us."

Labour-force demographics

The number of working-age Chinese has started to shrink. Europe's workforce is on the cusp of a similar decline

The Economist January 26



Britain and Europe

The gambler

In promising a referendum on Europe, the prime minister is taking a punt

67,31

Jan 26th 2013 | [From the print edition](#)



DAVID CAMERON'S vision for Europe is compelling. The prime minister wants a European Union dedicated to free trade and competitiveness, which helps business rather than tying it in red tape. It should be a “leaner, less bureaucratic union”, he says. There should be intense co-operation on things like tackling terrorism, but, as far as possible, decisions affecting the people of a country should be made by the government of that country. The club must include Britain. All this he laid out in a long-delayed and epochal speech in London on January 23rd.

But Mr Cameron's plan to realise his vision is risky. He intends to renegotiate Britain's relationship with the EU and then to hold a referendum on whether Britain should stay or leave. The vote will be held in the first half of the next parliament—by the end of 2017, in other words.

Mr Cameron's move is, ultimately, driven by the euro zone's troubles. Eurosceptics in the Conservative Party have long been nipping at the ankles of party leaders, but the level of harassment has risen as Europe's fortunes have declined. If the euro zone is to stay together, it seems likely that the union will have to be a tighter one. Eurosceptics see this period of flux as an opportunity for Britain to loosen its ties with the EU. By conceding a referendum, Mr Cameron hopes to undermine sceptics both inside his party and in the United Kingdom Independence Party (UKIP), a small but determined outfit that could deprive the Tories of a majority in the next election.

But even if Mr Cameron's primary purpose in calling a referendum is to save his political skin, there are other, better, arguments for having one. Referendums are a good way of settling important constitutional questions which, because they split political parties as well as the electorate, cannot be decided through a general election. This newspaper believes that a referendum is needed at some point to settle the difficult matter of Britain's relationship with Europe.

The big question, then, is when that referendum should be held. Mr Cameron correctly says that now is not the right time, because the future of the EU is too hazy. He wants to hold it in the first half of the next parliament. By then, things should be clearer. This delay will also allow him time to renegotiate his country's relationship with the EU. He has already said that Britain will opt out from many pan-European judicial and police agreements, as it is entitled to do, and although he is vague about what other concessions he intends to demand, he promises Britons fundamental change.

Happy Tories, grumpy Labour

For Mr Cameron, the speech seems to be working. It has delighted the Tory backbench MPs who feared losing their seats to UKIP (see [article](#)). It has put the more Europhile Labour Party in a quandary. If Labour fails to promise a referendum, it will come across as elitist.

For Britain, there is also much in it that is good. Mr Cameron did well to reject the idea, popular among Eurosceptics, that Britain should try for a half-in-half-out status similar to Norway's or Switzerland's. Britain could have wasted a lot of time pursuing a solution which ultimately would not have worked, because any such deal that other member states would have agreed to would not have been acceptable to Britons.

His decision to leave vague what he hopes to achieve in a renegotiation was also smart. It allows him to define what success is, and thus to present British voters with a new deal that he can claim as a triumph.

This newspaper would have preferred that Mr Cameron leave the timing of the referendum vague, too. Although it would not have served his purposes so well—the Tory Eurosceptics would have howled and UKIP would have jeered—it would have served the country's interests better by allowing a future Conservative government to call a referendum at a good time, not a bad one.

Put it all on blue

Going for a referendum in five years' time or less is risky. First, it could be economically damaging. Business is, by and large, horrified by the prospect that Britain might leave. In the past few weeks three carmakers have called for it to stay in. The threat of an exit as soon as 2017 is likely to discourage multinational companies from investing in Britain.

Second, though five years sounds a long time, it may not be long enough to resolve the euro zone's future. When the crisis started, nobody would have dreamed that it would go on for more than five years; its resolution could take even longer. By the middle of the next parliament, Britain may still not know what it is voting to stay in or leave.

Third, the negotiations could go badly. Many European leaders have come to resent what they see as British special pleading, and are beginning to think the country is heading for the exit. If they conclude that Britain is more concerned with getting its own way than with the health of the European project they could dig in hard, with drastic consequences for Mr Cameron. A humiliated nation might well use a referendum to slap its government (then suffering an inevitable mid-term slump) and send the country out of the EU.

The risks are considerable; but Mr Cameron has some decent cards. Angela Merkel values Britain as a liberal ally, and on the EU budget and the banking union she showed that she was prepared to make concessions to help Mr Cameron see off the Eurosceptics. It seems likely that she will give ground on the renegotiation too, in order to get the answer she wants in the referendum. And it is clear that, however much the British public grumbles about Brussels, it is not set on leaving. In May last year, twice as many Britons told pollsters that they wanted to leave as wanted to stay. As the prospects of an exit have risen, support for it has fallen. Right now, opinion is finely balanced between staying and going.

Mr Cameron is taking an unnecessary risk with his country's future. But his hand is stronger than some of his opponents maintain; and so, with a bit of luck, his gamble should pay off.

[From the print edition: Leaders](#)

Afrghanistan?

The real danger is that the world turns its back on another poor place threatened by jihadists

Jan 26th 2013 | [From the print edition](#) + VIDEO



AFTER 11 years spent waging war on terror in Afghanistan and Iraq, almost \$1.5 trillion in direct costs and hundreds of thousands of lives lost, the Western public feels it has learned a hard lesson. It is more convinced than ever that even the best-intentioned foreign intervention is bound to bog its armies down in endless wars fighting invisible enemies to help ungrateful locals.

Echoes of Afghanistan rang loud earlier this month when French forces swooped on advancing columns of Islamists threatening the Saharan state of Mali. And they were heard again, a few days later, when a unit of bearded, gun-toting jihadists from the “Signed-in-Blood Battalion” seized a gas plant and slaughtered dozens of foreigners in next-door Algeria—more than in any single Islamist terror attack since the bombing of a Bali nightclub in 2002. Here, it seemed, was the next front of the global war on terror and also a desert quagmire to entrap vainglorious Western leaders.

Yet all wars are different. The lessons from one campaign need not map neatly onto the next. Looking at the arc of instability, stretching from Somalia and Sudan in the east through Chad to Mali in the west, as if it were just another Iraq or Afghanistan, is misleading. It is also, if it discourages outsiders from helping defuse dangerous conflicts, harmful. Though intervention always holds dangers, in Africa it need be neither so long-drawn-out as in Baghdad and Kabul nor so hopeless.

Mali’s ghost

The origins of the conflict that has captured the headlines (see [article](#)) are not, primarily, either regional or global but local. Since time immemorial, lawlessness and violence have had a toehold in and around the vast Sahara desert and the terrain that stretches eastward across to Somalia in the Horn of Africa. But in the past few years the anarchy has worsened—especially since the fall of Libya’s Muammar Qaddafi in late 2011, when arms flooded across the region’s porous borders. Hostage-taking, cash from ransoms, smuggling, drug-trafficking and brigandage have bolstered an array of gang leaders. Some of them, waving the banner of Islam,

have seized on legitimate local grievances fuelled by poverty, discrimination and the mismanagement of corrupt governments.

In northern Nigeria an extreme Islamist group calling itself Boko Haram (“Western teachings are sinful”) recruits ill-educated, jobless and angry Muslim youngsters to wage a campaign of violence and murder. In Mali the nomadic Tuareg in the northern half of the country have long been marginalised. The jihadists latched on to an ethnic revolt, promptly sweeping its leaders aside. Elsewhere, in such countries as Ethiopia and Kenya, they have cynically widened old fault-lines between Muslims and Christians, who have in the past generally cohabited peacefully.

Many of these groups give themselves a global gloss. The jihadists who attacked the Algerian gas plant came from such places as Tunisia, Mali and Niger—the Algerian authorities say they even included at least one Canadian. North African Islamists look for inspiration, if not direction, to global jihadists like al-Qaeda. Some get extra money from sponsors in Saudi Arabia and other sources in the oil-rich Gulf. A loose fraternity echoes the message of hostility toward the West and its friends in Africa and beyond. As al-Qaeda comes under pressure in the borderlands of Afghanistan and Pakistan and in parts of Yemen and Somalia, some of its people, seeking new refuge, may fetch up in the region.

Despite these links, though, the direct threat is overwhelmingly local. Ask the townspeople of Timbuktu, who suddenly fell under the hand-chopping puritanism of strict sharia law, or the victims of a foreign-trained bomb-maker in Nigeria, or the people of Somalia, only now, with the Shabab militia in retreat, beginning to put their lives back together. But global *jihad* radicalises young Muslims, lending their local grievances a dangerous new edge. Poorly trained security services feed the insurgency with their brutality. As in Kenya, where Somali refugees have fed tensions between Muslims and Christians, the conflict in one country tends to spill over next door. Over the years a radicalised, armed and trained Islamist insurgency could do immense damage in a fragile part of the world.

The right lesson

For those who have learned to doubt the wisdom of most intervention, this argument points to a simple conclusion: keep out. Yet for a host of reasons what happens in the Sahara is also the world’s business. The region is a big producer of oil and gas. Shutting foreign businesses out of large parts of north Africa would be a real loss—one reason why François Hollande sent troops into Mali was to protect at least 6,000 French citizens living there. Somalia’s lawlessness led to piracy across the Indian Ocean. North African jihadists would struggle to mount a campaign of terror in Europe or America just now, but that might change one day if they controlled the resources of an entire country. Better to keep them stuck in the desert.

Beyond self-interest is the fact that short, sharp intervention can lighten the misery of millions of people. French paratroops helped end civil strife in Côte d’Ivoire in 2011. A few thousand British soldiers, having secured Sierra Leone’s capital, Freetown, in 2000, helped end a dreadful civil war there too. So long as African troops and a sustained programme of development are available for deployment when the battle has been won, intervention can work. That message is especially important for Barack Obama. His outgoing secretary of state, Hillary Clinton, has acknowledged the threats. Mr Obama’s response to Mr Hollande’s request for American help in Mali has been cool, tardy and, so far, inadequate. The Germans, too, have shown little enthusiasm for helping.

In the long run, the Sahara will become stable only when it becomes more prosperous. Much of the rest of Africa is starting to enjoy that prospect. Most of Africa’s large and growing number of Muslims are hostile to *jihad*. Western governments would be making a grave mistake if they invoked the difficulties of intervention as an excuse for abandoning them now.

[From the print edition: Leaders](#)

<http://www.economist.com/news/europe/21570698-franco-german-duo-have-lost-their-passion-and-sense-destiny-yet-they-remain>

Charlemagne

Europe's odd couple

The Franco-German duo have lost their passion and sense of destiny. Yet they remain essential

Jan 26th 2013 | [From the print edition](#)



THE French cockerel and the German eagle have strutted together for so long that few took much notice of this week's 50th anniversary of the Elysée treaty that sealed their partnership in 1963. The pairing has known memorable times: think of de Gaulle and Adenauer, Giscard d'Estaing and Schmidt, or Mitterrand and Kohl holding hands at the site of Verdun.

Now Angela Merkel and François Hollande must tend the near-sacred relationship, a pillar of peace in Europe and of wider co-operation in the European Union. On January 22nd they went through the pomp of celebration in Berlin with joint cabinet meetings, speeches to assembled German and French parliamentarians and an encounter with young people from both sides of the Rhine. Yet for all the words of undying friendship there was something tired and loveless about it all. French opposition leaders talk of relations being marked by "indifference" and even becoming an "empty shell".

Perhaps this is because Mrs Merkel and Mr Hollande come from rival political families. Perhaps they don't yet know each other well (though in public they use the familiar *tu* and *du* forms, in private they can converse only in English). Or maybe it is because Mr Hollande, unlike Nicolas Sarkozy, does not try to disguise his differences with Mrs Merkel. Still, the two leaders are trying to preserve the flame. They promised unspecified plans in June to deepen euro-zone integration. And they listed dozens of new initiatives, from promoting youth exchanges to a co-ordinated energy policy. Yet the range and vagueness of the proposals suggest a lack of substance. Mr Hollande has forgotten his campaign promise to present an updated Elysée treaty.

All this reflects a deeper malaise. France and Germany have stopped dreaming of a joint destiny. The ambiguity of the EU's "ever closer union" is under strain. The euro is a troubled child: a single currency without a single state that is questioned by markets. But like many couples that have cohabited for a long time, France and Germany hesitate to pledge permanent union. Crudely put, Mr Hollande thinks the problem could be solved if only Germany would commit more money, through Eurobonds, say. Mrs Merkel says the main issue is financial discipline; she sees joint liability as impossible without political union.

Both leaders bear scars. Mrs Merkel knows that many Germans feel cheated. They gave up the D-mark on the promise that they would not have to pay for others—only to be forced to bail out the likes of Greece after all. For his part, Mr Hollande does not want to reopen the splits in his Socialist Party over the failed referendum to approve the EU's constitutional treaty in 2005.

So the patriarch and matriarch find it easier to avoid talking of the future at all, preferring to muddle along. Maybe their determination to avoid breakdown is an achievement in itself. The euro zone seems to be stabilising. Mrs Merkel and Mr Hollande gave the nod for the European Central Bank to threaten intervention in the markets. They have started to build a banking union. And they have stopped Greece falling out of the euro.

Inevitably, the Franco-German partnership is bound up with relations with others, notably Britain. The Elysée treaty was signed days after de Gaulle had contemptuously vetoed Britain's bid to join the European project, an exclusion that lasted a decade and stirred British resentment. The German parliament ratified it only with a preamble advocating British membership and restating Germany's commitment to NATO. The general said "treaties are like roses and young girls. They last while they last."

Even as France and Germany agonise about their future, Britain is rethinking its relations with them. Just a day after Mrs Merkel and Mr Hollande cheered Europe's ever closer union, the British prime minister, David Cameron, set out his vision of an ever looser relationship. At one point the hapless Mr Cameron had even planned to deliver his speech in Germany on the same day as the treaty commemoration. His call for renegotiation, followed by a British referendum, provides France and Germany with more reason to avoid a new treaty. Although the two leaders may give Mr Cameron something, he could be overestimating his bargaining position: a joint article by their foreign ministers declared that an "à la carte Europe" is out of the question.

Vive la différence

For all its problems, the relationship between France and Germany remains remarkable, not just because it overcame war bitterness but also because it transcends deep political differences. On economic and trade policy the Germans are closer to the liberal British than to the statist French. On geopolitics the French share Britain's interventionism, in contrast with Germany's pacifism. Take the unilateral French military action in Mali: the French are grateful to Britain for prompt logistical support and irritated by German squeamishness.

The true importance of the Elysée treaty lies not so much in reconciliation (that began much earlier) but in how it made tight co-operation across the Rhine routine at all levels of government. France, once the dominant partner, is now weaker. Germany has reunited, and the EU's enlargement to the east gives Germany new "essential" partners, particularly Poland. The euro crisis has thrust Germany reluctantly into a leadership role and cast a harsh light on France's reluctance to reform.

Mr Hollande has tried to court Spain and Italy; Mrs Merkel has at times linked arms with the Netherlands and Finland. But in the end France and Germany still need each other, just as the EU needs them. As the biggest economies, each can block agreement. When the two manage to reach a compromise despite starting from such different world views, few others will oppose the result. The *coq* and the *Adler* are destined to stick together.

Vive la différence

In a guest article, Avinash Persaud, an emeritus professor at Gresham College in London and a former financier, fears that Europe's banking union risks perpetuating boom-bust cycles

Jan 26th 2013 | [From the print edition](#)



THERE is hidden danger at the heart of the decision to establish the European Central Bank as the single supervisor of the euro zone's largest banks by 2014. The banking union is designed to reduce the likelihood of member countries going bust as they bail out their financial systems. It does so by spreading the cost of a national bail-out across members of the union, which is why a common resolution authority and funds are the next difficult steps. In return, these states demand greater centralisation and standardisation of banking regulation: enter the single supervisor. My fear is that a single supervisor will make it harder to quell the credit booms that lead to banks going bust in the first place. Bigger booms and then bigger crashes, however evenly the costs are spread, are a more existential threat to the euro area than a couple of sovereign defaults.

Germany has been and is expected to be the chief paymaster of the euro area's new stabilisation structures—for which we should all be grateful. He who pays the piper calls the tune, and so we should expect these structures to reflect German views. Yet Germany's perspective on the crisis is quite different from that of countries that suffered boom and bust. Many Germans believe that they had a better experience because they followed the rules and others did not—a view that conforms to their self-image.

Single minded

My observations as an adviser and speaker at meetings of international regulators lead me to believe that the operational emphasis of the single supervisor will be on the strict enforcement of uniform rules across the euro zone. The new supervisor is likely to be charged with levelling all unevenness in the quest to ensure that the banks it supervises are safe. This will make macroprudential regulation harder. National regulators pressing for easier capital-adequacy rules for lending in their jurisdictions would be viewed with suspicion. Are they undermining the banking union in an attempt to give local banks an unfair advantage? And if national regulators sought to tighten lending criteria—through lower loan-to-value ratios, for example—the industry would complain to a sympathetic single supervisor that this diversity was fragmenting the single market. The supervisor and the banks would be united in the mantra of a single lending space to underpin the single currency area.

But the underlying premise is wrong. Yes, rule-breakers should be brought to book, and there were some spectacular supervisory failures in the boom-bust countries, most notably in the supervision of Ireland's Allied Irish Bank, Belgium's Fortis and Spain's *cajas*. German supervisors, of course, were not blameless with respect to Düsseldorf-based IKB, one of the first victims of the crisis. But more importantly, even if bank supervision

had been uniform across the euro zone, lending booms in Ireland, Spain and Belgium would still have taken place. And the busts would still have followed.

Between 1997 and 2006 Irish house prices rose by 247%; Spain and Belgium experienced house-price inflation of 173% and 96% respectively. Once the expectation had taken hold that property prices in these countries would rise by 10% or more every year, and once modest economic growth in Germany, France and Italy kept euro-zone inflation low and interest rates at 3% or less, bank lending to the Spanish, Irish and Belgian housing markets appeared to be a low-risk venture. A euro-zone banking union that adhered strictly to common lending rules would still have incentivised bank lending to flow to these markets because rising property values would have justified more borrowing. Remember that prior to the crash, banks in Spain, Ireland, Britain and America appeared well-capitalised because of boom-time asset valuations, and not principally because of off-balance-sheet shenanigans.

The solution would have been for the authorities, observing how their financial systems were caught in a self-feeding credit frenzy, to impose tighter lending criteria. Supervisors could have required banks to set aside additional capital against their lending, specifically in the housing or construction sectors. Lending contracts that did not comply with these rules could have been made legally unenforceable locally. Of course, national supervisors failed in this task before. (Some tried, notably the Bank of Spain.) But equipped with clearer mandates, greater independence and a hell of a history to avoid repeating, they may do better next time.

A single euro-zone supervisor would have a different perspective on safety. Boom-bust cycles are more of a national than a euro-wide phenomenon, because there is so much interconnectivity at national level between housing markets, investment, consumption, employment and lending. What may appear safe from the perspective of the operations of a bank operating across Europe could be unsafe seen through the lens of a national economy. A case in point was the lending of mortgages denominated in Swiss francs by foreign banks in Hungary, which proved harmful to Hungary but was not considered dangerous for the banks.

Unity in diversity

Whenever Europe stumbles, a stark choice emerges: “more Europe” or “abandoning Europe”. The shortcomings of the single currency are seen as proof that it must be augmented by a single everything. Yet the opposite makes more sense. A single interest rate brings benefits but one acknowledged cost is the difficulty of dealing with different credit conditions in different countries. Differentiated regulatory policy—tightening rules in booming regions and loosening them in others—addresses this failing and buttresses the single currency. A common regulatory policy, sitting alongside a common interest rate, would instead risk amplifying booms and busts, ultimately undermining the single currency. Sometimes we need to save the euro from the europhiles.

Germany’s recent economic success has less to do with superior bank supervision and more to do with selling superior engineering down the old Silk Road to China, India and all points east. It is a pity that not much philosophy is coming back the other way. In eastern philosophy, systems like nature and the human body are made stronger by dualities, forces that appear to be in opposition but are complementary. Systemic resilience requires functional diversity. European unity cannot be achieved by assuming away differences, but by recognising them. When it comes to regulating credit across Europe, high regulatory standards are needed, not common lending rules.

Economist.com/blogs/freexchange

European demography

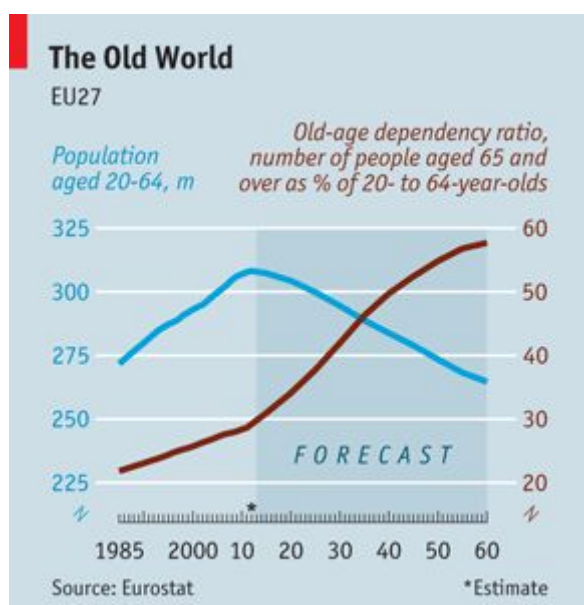
Working-age shift

67,39

Growth will suffer as workers dwindle

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THE new-year message from investors and policymakers is the same: Europe has turned the corner. Even so, this year's economic outlook remains dire. A forecast from the IMF on January 23rd envisages GDP falling by 0.2% in the 17-strong euro area and growing by just 0.2% in the wider 27-strong European Union (EU). But even if a sturdier recovery does eventually get under way, Europe's longer-term growth prospects will be dulled by an unwelcome new demographic trend.



This year the EU as a whole starts on a long journey—one already begun by the euro area in 2012. The EU's working-age population (aged 20-64, as Europe's statisticians define it) starts falling in 2013, from last year's peak of 308.2m, and will drop over the next 50 years to 265m in 2060 (see chart). The working-age population may be shrinking but the number of older people will carry on rising. That will raise the old-age dependency ratio from 28% in 2010 to 58% in 2060. These demographic shifts, which may be tempered by people working longer, reflect an earlier transition from post-war baby boom to baby bust. They would be even bigger but for an assumed net inflow of over 1m (mostly young) migrants a year.

Europe's ageing population will cast a pall over growth, which is driven by rising employment as well as higher labour productivity. Higher participation rates in the workforce and lower jobless rates may allow employment to grow a bit until the early 2020s; thereafter it is expected to decline. Based on what may well be an optimistic assumption about potential labour-productivity gains, the European Commission last year projected economic growth of just 1.4% a year in the EU over the next half-century.

Adverse demography will hurt European public finances. The commission expects a rise in annual age-related public spending in the EU of four percentage points of GDP over the next 50 years. Austerity already feels interminable, and there is no end in sight.

Europe's Debt Crisis Endgames—Stealth Solutions

Author: [Satyajit Das](#) · January 24th, 2013 · [Comments \(2\)](#)

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In his novella *Chronicle of a Death Foretold* (*Crónica de Una Muerte Anunciada* in the original Spanish), Gabriel Garcia Marquez commences at the end of the story gradually revealing the events leading up to a murder. The non-linear telling creates an unusual tension. With the conclusion known, only the precise steps leading to the tragedy remain unclear.

The probable endgame of Europe's debt crisis is already known – de facto mutualisation of European debt and greater integration. But the precise events leading up to it are unknown. The story is being told backward.

European Problems

Europe's problems are well documented. Many European nations have high and, in some cases, unsustainable levels of debt, compounded by a cluster of maturities and ratings pressures.

Public finances are weak. European banks have either significant exposures to the weak property sector or sovereign debt. Euro-Zone bank claims on the public sector range from 13% to 38%.

Sluggish even before the crisis, Europe's growth rates are too low to sustain current debt levels. Many European countries have uncompetitive cost structures in global terms.

Following revelations of Greece's problems in 2009, investor scrutiny of Europe's position has increased. A number of nations have lost access to commercial sources of finance. Their cost of borrowing has increased to uneconomic levels.

Greece, Ireland and Portugal have required bailouts. Spain is to receive financing to support its banking system. The European Central Bank ("ECB") has been forced to finance nations and banks, to avoid the risk of defaults.

The crisis has exposed Europe's social compact based on government spending and welfare services that is unsustainable at current rates of growth and taxes. It has highlighted the inflexibility of single interest rate and common currency which limits policy options. It has revealed the complex inter-relationships which allow the rapid transmission of financial pressures. It has exposed the absence of institutional arrangements to deal with a crisis, because the entire framework assumed that it could not occur.

European Solutions...

The required policy responses have remained largely unchanged since the commencement of the crisis – reduction of debt, temporary financing for entities that have lost market access and recapitalisation of affected banks. Almost two years into the crisis, European policymakers have begun to address each of these areas.

Reduction of debt can be achieved by austerity (directing revenues to the repayment of debt) or debt restructuring (voluntary write offs or default). Austerity measures are enshrined in the Fiscal Stability and Growth Pact which requires Euro-Zone members to reduce budget deficits to less than 3% in any one year and a debt to Gross Domestic Product ("GDP") ratio no larger than 60%.

The European Union ("EU") has undertaken a debt restructuring for Greece, euphemistically known as PSI (Private Sector Involvement), writing off Euro 100 billion of debt.

In November 2012, the EU was reluctant to allow further write downs to provide additional debt relief to Greece. With 60-70% of Greek debt now held by official agencies (governments, the ECB, European bailout funds and the International Monetary Fund (“IMF”)), recognition of losses was politically difficult. Instead, a debt buyback (that handed hedge funds a large profit) and lower coupons and longer maturities on existing debt was used to reduce debt.

The fiction of zero coupon perpetual Greek debt allowed Chancellor Angela Merkel to honour her promise that Germans would not suffer any losses from the bailout. There is resistance to similar debt relief for other countries, as Greece is *different*.

The EU, ECB and IMF have collaborated to provide liquidity support and lower borrowing rates for weaker countries.

Facilities include the bailout funds – the EFSF (European Financial Stability facility) which is to be replaced by the ESM (European Stability Mechanism). The ECB has the ELA (Emergency Liquidity Arrangement), LTRO (Long Term Refinancing Operations), the SMP (Securities Market Program) and its new OMT (Outright Monetary Transactions) facility. The EU has agreed the concept of a banking “union”.

European bureaucrats seem afflicted by *acronomania* – the belief that a suitable sequence of letters can solve any problem. Unfortunately, the response is inadequate.

Austerity debt is self-defeating. Cuts in spending and increases in taxes lead to contracting economic activity, increasing the budget deficit and debt. Additional austerity merely exacerbates a vicious negative feedback loop as the economy becomes mired in a deep recession with rising unemployment.

Writing off the debt results in large losses to banks and investors. This requires government support to maintain the integrity of the payment and financial system, increasing budget deficits and debt.

Debt relief is complicated by the fact that the claims are cross border. A large proportion of peripheral sovereign debt is held by banks and investors in Germany, France, Netherlands, Finland and Luxembourg. These nations are resisting write-offs, fearing destabilising their financial systems.

The policies also fail to address growth and improving competitiveness. Without the option of currency devaluation, affected countries must force down costs, which exacerbates the reduction in activity.

Not Enough...

The EU Commission *2012 State Aid Scoreboard* calculated that between October 2008 and December 2011, all 27 EU states provided banks alone with Euro 1.6 trillion in assistance (around 13% of EU GDP) for liquidity support, capital and removing impaired assets from balance sheets. Since 2011, further assistance has been provided to banks. There was additional assistance provided by the ECB and IMF to banks and nations. If these are included, then the total amount of assistance to date approaches Euro 3.5 trillion (30% of EU GDP), around Euro 7,000 for every EU citizen.

But the financial resources remaining to deal with the crisis may be insufficient. The amounts available have not changed for almost two years, with little appetite for increasing commitments.

The ESM has total lending capacity of around Euro 500 billion. Financial assistance agreed for Greece, Ireland and Portugal in the form of loans and guarantees is around Euro 294 billion. With around Euro 102 billion coming from the EU budget or bilateral aid to Greece, Euro 192 billion was provided by the EFSF, which will be subsumed into the ESM. Euro 100 billion has been committed to Spain for the recapitalisation of its banking sector. This leaves the ESM with available lending capacity of around Euro 208 billion.

There are increasing constraints on IMF participation, augmenting the ESM.

Greece, Ireland or Portugal may need further assistance, as their economies remain weak and market funding is unavailable or expensive, they may need additional funding to meet maturing debt and also finance budget deficits.

Spain and Italy may need assistance programs. Spain has debt of Euro 800 billion (74% of GDP). Italy has debt of Euro 1.9 trillion (121% of GDP). Both countries have significant debt maturities in the near future. Spain has principal and interest repayment obligations of Euro 160 billion in 2013 and Euro 120 billion in 2014. The Spanish government has announced a financing program of around Euro 260 billion for 2013. Italy has principal and interest repayment obligations of Euro 350 billion in 2013 and Euro 220 billion in 2014.

Capital flight from peripheral European countries is a problem. Banks in peripheral countries have lost between 10% and 20% of their deposits, reflecting concern about solvency and the risk of currency redenomination. Additional resources may be needed to finance a deposit insurance scheme to halt capital flight.

Europe has total bank deposits of around Euro 8 trillion, including around Euro 6 trillion in retail deposits. Around Euro 1.5-2 trillion of these deposits are in banks in peripheral countries. An effective deposit scheme would need to cover around Euro 1-1.5 trillion of deposits, placing a large claim on available funds.

Europe may need bailout facilities of at least Euro 3 trillion to be credible. Potential requirements exceed available resources.

Europe's Big Bazooka...

The only other potential source of financial support is the ECB. It has already provided over Euro 1 trillion in term financing to banks through the LTRO program alone. These programs mature in late 2014 and early 2015. They may need to be increased or extended to finance the weak banking system.

The ECB has purchased around Euro 210 billion in sovereign bonds under the SMP. In July 2012, the ECB announced the OMT program allowing purchase of unlimited quantities of sovereign bonds. President Mario Draghi announced that: "*within our mandate, the ECB is ready to do whatever it takes to preserve the Euro*". Markets and investors have assumed that this is the "*big bazooka*" -an European version of quantitative easing ("QE") and debt monetisation precedents of the US, Japan and UK. The ECB's announcement underpinned relative stability in Europe in the second half of 2012.

But the OMT program is conditional. ECB action is contingent on the relevant government formally requesting assistance and agreeing to comply with the conditions applicable to assistance from the ESM/ EFSF. Instead of avoiding market pressures, the triggering mechanism requires that financing problems of "*at-risk*" countries get worse before the ECB will act.

ECB purchases will be confined to short or intermediate maturities. This condition is designed to make intervention similar to traditional monetary policy. It is also designed to reduce the cost of bank loans which is driven by shorter-term interest rates.

The ECB can also nominate a cap on yield or the size of its purchases in advance of any intervention. There is uncertainty as to whether the ECB will relinquish its status as a preferred creditor on such purchases in the event of default or restructuring.

The OMT program revealed significant divisions within the ECB. Jens Weidmann, the head of the German Bundesbank and a former advisor to the Chancellor, opposed the measure. Other Euro-Zone members are also known to be uncomfortable.

The legal basis of the OMT program remains uncertain. Article 123 of the Lisbon Treaty prohibits the ECB from directly buying national governments' debt. Future legal challenges cannot be ruled out. Overcoming legal issues would require time consuming treaty changes, support for which is not assured.

The OMT has not been activated to date. In 2008, US Treasury Secretary Hank Paulson's argued that if everyone knows that you have a bazooka in your pocket it may not be unnecessary to use it. The ECB has gambled that the announcement that it is prepared to intervene will restore market access of peripheral borrowers and reduce the interest rate demanded by the market. The borrowing cost of weaker countries remains above sustainable levels. The true access to market remains unclear because of the activity of banks purchasing sovereign debt which can be financed with the ECB at a profit.

The ECB President's statements have been dominated by two words: "*may*" and "*adequate*". Market analyst Carl Weinberg neatly summarised this as: "*A promise to do something unspecified at some yet-to-be-determined time involving yet-to-be-invented programs and institutions, in a yet-to-be-decided way*".

Dr. Draghi, anointed as the *Financial Times*' 2013 Person of the Year, operatically stated that the OMT program would: "*And believe me, it will be enough*". Markets will undoubtedly test the ECB's resolve. As Yogi Berra knew: "*In theory there is no difference between theory and practice. In practice there is.*"

Stealth Integration...

The scale of the problems, the inadequacy of financial resources available and political difficulties means that decisive actions to resolve the European debt crisis are unlikely. A slide into a deeper economic malaise, both for at risk countries but also stronger Euro-Zone members, is the most likely course of events.

The real economy, already in recession, is likely to remain weak, with low growth and high and rising unemployment. The key influences will be austerity programs and weak global environment, including slowdowns in emerging economies. Other factors will be the continued restriction of credit as European banks restructure and shed assets.

The low levels of economic activity will be particularly pronounced in the peripheral economies. The weakness will be transmitted to stronger economies, through weaker exports. Given that their largest markets are within Europe and in recession, Germany and France will also experience slowdowns. Increased financial strains from the need to support the weaker countries will also contribute to the contraction.

Governments in the at-risk economies will not meet budget deficit or debt level targets. Banks will face rising bad debt losses and require capital infusions. For both sovereigns and banks, access to financial markets will remain restricted. Cost of commercial funding will remain above affordable levels. Further funding assistance may be required.

Euro-Zone members remain committed to avoiding the unknown risks of a default and departure of countries from the Euro. This means that assistance will be forthcoming, although the exact form and attached conditions remains uncertain.

Peripheral countries will be forced to rely on the ESM and ECB to provide funding. Unless the size of the ESM is increased, the ECB will be forced to provide financing directly and indirectly. In the indirect case, the ECB will provide cheap funds to banks to purchase government bonds which will be used as collateral for the central bank financing.

The TARGET2 ("Trans-European Automated Real-time Gross Settlement Express Transfer System") is a payment system to settle cross border funds flows between Euro-Zone countries. Before 2008, deficits of individual nations were financed by banks and investors. Since the commencement of the crisis, the absence of commercial financing has meant that central banks in stronger countries have used the TARGET2 to finance peripheral countries without access to money markets to fund trade deficits and capital flight. This process will continue.

Over time, financing will become concentrated in official Euro-Zone agencies, the ECB and the TARGET2 system. Risk will shift from the peripheral countries to the core of the Euro-Zone, especially Germany and France. This reflects the reality that the stronger countries stand behind each of the support mechanisms.

The ESM relies primarily on the support of four countries: Germany (27.1%), France (20.4%), Italy (17.9%) and Spain (11.9%). Market analyst Grant Williams prosaically described the other countries backing the ESM as *Greece, irrelevant, doesn't matter, don't bother, makes no difference, who cares, somewhere near Poland, pointless, up the top, former something-or-the-other, tax shelter, pretty much a non-country and somewhere with mountains*. If Spain or Italy needs assistance, then the contingent commitment of the remaining countries, especially France and Germany, would increase. A similar process operates in respect of the ECB.

Germany is by far the largest creditor in TARGET2. The Netherlands, Finland and Luxembourg are the other creditors with all other Euro-Zone countries being net debtors within the system. The Bundesbank has current exposure of over Euro 750 billion to other central banks in the Euro-Zone.

The TARGET2 net claims are not a true measure of the risk of the Bundesbank. The net balance would only be lost in the case of a breakup of the Euro-Zone and if sovereign central banks refuse to honour their debts. This risk is difficult to quantify. But there is a clear transfer of financing risk to the stronger core countries. This ultimately weakens their financial position materially.

Germany provides an indication of the magnitude of the task. German guarantees supporting the EFSF are Euro 211 billion. The ESM will require a capital contribution from Germany. If the ESM lends its full commitment of Euro 500 billion and the recipients default, Germany's liability could be as high as Euro 280 billion. There is also the indirect exposure via the ECB and the TARGET2 claims.

The size of these exposures is large, both in relation to Germany's GDP of around Euro 2.5 trillion and German private household assets which are estimated at Euro 4.7 trillion. Germany also has substantial levels of its own debt (around 81% of GDP). The increase in commitments or debt levels will absorb German savings, crippling the economy. Germany demographics, with an aging population, compound its problems.

Over time, the transfer of risk will mean de facto debt mutualisation and financial transfers by stealth. This is precisely the outcome that Germany and its allies have sought to avoid.

World of Pain...

De facto integration may help make European debt problems more manageable.

As a single unit, the Euro-Zone's current account is nearly balanced, its trade account has a small surplus, the overall fiscal deficit is modest and the aggregate level of public debt while high is more manageable. Around 75% of its trade is within member nations, aided by removal of trade barriers and the common currency. Germany, the EU's largest economy and one of the world's largest exporters, sells over 60% of its products within the common market, much of it to other Euro-Zone members.

But significant disparities between individual Euro-Zone members of income levels, public finances, external balances and debt levels will necessitate a net wealth transfer from richer nations to weaker members. Stronger more creditworthy members will also have to underwrite the borrowings of weaker nations. Despite opposition to such joint and several liabilities from net lenders such as Germany, Finland and Netherlands, this process is now the most likely outcome.

Stealth integration will have substantial costs. For the peripheral nations, financing assistance will be available, albeit in doses which will keep the recipient barely alive and prolong its suffering. It will require adherence to strict austerity policies, which may mire the economies in recession.

Living standards will be reduced by internal devaluation. In the period since the introduction of the Euro, German unit-labour costs rose by 7-8%, compared to 30% in Italy, 35% in Spain and 42% in Greece. These rises have to be reversed to increase competitiveness. Employment conditions, pension benefits and social benefits provided by the state will become less generous. Taxes will rise, reducing after tax income.

In the stronger nations, savers will see the value of their savings fall. They too will suffer losses of social amenities as income and savings are directed to support weaker Euro-Zone members. As integration becomes a

reality, ordinary Germans will discover the reality of an old proverb: “*if you stay the beast will eat you, if you run the beast will catch you*”.

Europe will find itself locked in a period of subdued economic activity and high unemployment. The core Euro-Zone countries, especially Germany and France, are increasingly affected by the problems of the rest of Europe. In early 2013, Joerg Asmussen, a German ECB board member, was quoted as predicting Germany could become the “*Sick Man of Europe*” if the problems continued.

The dry economic language masks a world of human pain as life will turn into a grim struggle for survival. Unemployment rates, which in some countries approach 30% and 50% for people under 25 years, will feed increasing instability. Social unrest and conflict is likely. Militant opposition to austerity and declines in living standards will increase.

Major political parties in many countries now poll less than 50% of the total vote, requiring unstable coalitions which make decision making difficult. As Jean-Claude Juncker, the Luxembourg Prime Minister noted: “*We all know what to do, we just don’t know how to get re-elected after we have done it.*”

The political environment favours political parties which favour more radical actions, such as abandonment of the Euro or default on outstanding debts. Opposition to immigration and cultural minorities, often taking the form of violent action, is growing. It is these realities rather than the economics that may determine the future of Europe.

European political leaders are increasingly optimistic in their language- the Euro-Zone crisis is “*behind us*”; the problems are “*resolved*”. Only German Chancellor Angela Merkel has sounded cautious, arguing that the crisis is likely to continue for many years. It may be tactic acknowledgement of the cost of the crisis to Germany. It may also a strategy to prepare Germans for the harsh reality of the likely endgame.

While de facto integration is the likely outcome, a smooth transition is not guaranteed. Outflows of actual cash to beleaguered nations, the first claims on the German budget, significant rating downgrades for core Euro-Zone members or a rise in inflation and consumer prices may alter the dynamic quickly. If voters in Germany and other stronger states become aware of the reality of debt pooling and institutionalised structural wealth transfers, then the outcome might be different. Continued deterioration in economic activity requiring further bailouts as well as unsustainable unemployment and social breakdown may still trigger repudiation of debts, defaults or a breakdown of the Euro and the Euro-Zone.

FT Person of the Year: Mario Draghi

By Lionel Barber and Michael Steen

‘Whatever it takes’: the Italian determined to save the euro



©Martin Leissl

ECB president Mario Draghi's promise to save the euro was not positive for currency investors

On the eve of the 2012 Olympic Games, Mario Draghi found himself in the august setting of Lancaster House in the heart of London's royal district. He was a panellist at an official event intended to drum up foreign investment to the UK, but the president of the European Central Bank had weightier matters on his mind.

[Europe's single currency was disintegrating](#) amid soaring borrowing costs in Greece, Spain and Mr Draghi's native Italy. Speculation that the eurozone was heading for a break-up, with incalculable financial and political consequences, was rampant. It was time to draw a line in the crisis.

“Within our mandate, the ECB is ready to do [whatever it takes to preserve the euro](#),” Mr Draghi said, pausing for effect. “And believe me, it will be enough.”

Mr Draghi's advisers had been forewarned that he was preparing to make a forthright statement, but none had been apprised of the precise wording. In retrospect, the July declaration – which in effect dared financial markets to challenge the ECB's unlimited firepower – may well be seen as a turning point in the three-year-old crisis.

“What I thought was that the markets should know what our stance was,” Mr Draghi, 65, recalls in an [interview with the Financial Times](#) in his office on the 35th floor of the ECB's Frankfurt headquarters. Asked if he had rehearsed his pause, he laughs. “No, I'm not really that theatrical.”

The impact of Mr Draghi's two brief sentences was immediate – and durable. His central role in the euro crisis – the biggest story of 2012 – has earned him the FT's vote as Person of the Year. Other figures, notably Chancellor Angela Merkel of Germany and Mario Monti, the outgoing reformist prime minister of Italy, have both played vital parts. But Mr Draghi has been the leading protagonist, insistently prodding governments and central banks to support the measures necessary to preserve the euro.

Mr Draghi draws his skills from a varied career: central banker, economist, commercial banker (Goldman Sachs) and public servant-cum-diplomat. He is, above all, a strategist who reflects deeply upon problems and, once his mind is made, is hard to budge. He has been somewhat bolder than his predecessor, [Jean-Claude Trichet](#).

[More video](#)

Under Mr Trichet, the ECB responded faster than the Bank of England and the US Federal Reserve in the first phase of the global financial crisis in the summer of 2007, when credit markets froze over; but the Frenchman later found himself hemmed in by the Bundesbank, the German central bank implacably hostile towards the twin sins of debt and inflation.

Mr Draghi took over from Mr Trichet just over a year ago. He told friends at the time that it was far from guaranteed that he would succeed, notwithstanding the formidable political will behind the single currency. He too was worried about the Bundesbank and German public opinion in general. But he was determined to give it his best shot.

Fighting the ‘tail-risks’

His first move was to introduce the [longer-term refinancing operation](#) for banks. As he says, the LTRO (which unfolded in two phases in December 2011 and February 2012) removed the possibility of a banking crisis caused by a lack of funding. By providing short-term liquidity for up to three years, the ECB helped depress spreads in the sovereign and credit derivative markets.

Although the initiative calmed market worries about banks, it did not tackle the other major faultline in the eurozone: the widening differential in borrowing costs between stricken debtor countries (Greece, Spain, Italy, Cyprus) and creditor countries led by Germany. By the spring of 2012, these spreads had become life-threatening, exacerbated by “tail-risks” that the eurozone would fall apart, with Greece being the first to exit.

Mario Draghi, in his own words

‘I am what I am, really. I think one thing that is required for this job, for me and my colleagues in the governing council, is that you have to think with your head, and external pressures do not really have a role to play in your decision-making’

– September 2012, in response to a question on how close his monetary-policy views were to those of Jens Weidmann, president of the German Bundesbank

‘I would not identify with this caricature of it being a southern cabal or an Italian thing’

– September 2012, on accusations he was conducting a “lira-isation” of the eurozone

‘You might have seen that I am not the only central banker who is a member of the Group of Thirty. Just to name a few: my predecessor Jean-Claude Trichet and Mervyn King, who were not Goldman Sachs bankers; Governor Zhou [Xiaochuan] of China, who was not a Goldman Sachs member; Masaaki Shirakawa, who was not a Goldman Sachs member; and Mark Carney, who was a Goldman Sachs member’

– December 2012, on accusations in the German media that his membership of the Group of Thirty, which gathers together central bankers and bank executives, and his past at Goldman Sachs meant that he was too close to private banks

Faced with this catastrophic scenario, Mr Draghi and the ECB staff came up with a new lifeline: [outright monetary transactions](#). Even though none of the debtor countries has so far applied – preferring to avoid the fiscal conditions they would be obliged to follow – the results have been a dramatic fall in borrowing costs for peripheral countries and a renewed confidence that the euro can and will survive.

Under the OMT programme, the ECB promises to step in and buy unlimited quantities of bonds with a maturity of less than three years of any country with a distressed debt market. Countries must apply for help from the eurozone’s rescue fund, the European Stability Mechanism, and agree to its fiscal conditions. Equally

important, before it buys, the ECB must satisfy itself that borrowing costs are being skewed higher by speculation of a euro break-up.

The OMT refines the Trichet-era bond-buying programme, the securities market programme (which also drew fierce German criticism). But whereas SMP was limited and unconditional, the OMT is conditional and unlimited – a crucial innovation that has led to a ferocious backlash in Germany orchestrated in large part by the Bundesbank and its president, Jens Weidmann, who also sits on the ECB governing council.

Mr Draghi is far too much of a diplomat to criticise Mr Weidmann by name, but in the weeks running up to the September announcement of the OMT programme, he took the unprecedented step of identifying the “Buba” president as having reservations about the plan. Mr Weidmann went on to [cast the sole vote against it](#) and has subsequently embarked on a public campaign in Germany, [at one point citing Goethe’s Faust](#), where Mephistopheles encourages a heavily indebted Holy Roman Emperor to print money not backed by a commodity such as gold, and thereby stokes hyperinflation.

The image, of course, summons up the ghosts of Germany’s 1920s past. The fact that the ECB – moulded in the 1992 Maastricht treaty on the lines of the inflation-fighting Bundesbank – is now committed to buying bonds of heavily indebted countries is regarded in Germany as akin to betrayal. Bild Zeitung, the German tabloid that once was so enamoured with Mr Draghi that it presented him with a Prussian spiked helmet, now thunders that the ECB has written “a blank cheque” to debtor countries.

One powerful voice, however, has remained silent: Ms Merkel. Mindful of German public opinion ahead of the September 2013 election and the risks of antagonising the respected Bundesbank, the German chancellor has trodden a fine line. She has been adamant that financial aid to debtor countries must be conditional. They must “do their homework” in terms of structural reforms and reducing budget deficits. But faced with the threat of a euro break-up, she has tilted towards Mr Draghi.

Mr Draghi insists he did not prepare the ground for OMT with the chancellery in Berlin and did not consult European capitals before his “whatever it takes” pledge. “The decision was taken in total and full independence,” he says.

Crucially, however, Mr Draghi did persuade Ms Merkel and fellow executive board members – notably the Dutch and Finnish central bank chiefs – that the ECB bond-buying programme was both conditional and within its mandate. It is intended, in his words, to fight “financial fragmentation” within the eurozone. Pre-OMT, speculators and short sellers enjoyed a near one-way bet: driving up bond yields in debtor countries on the notion that the euro would break up. The process was a vicious circle.

Mr Draghi’s ability to [win the confidence of Ms Merkel](#) and, at least for now, the financial markets is impressive. Some credit [his steely resolve](#) with the emotional hardship he endured in his early years. Born and raised in Rome, both his parents died while he was still a teenager, leaving him in the care of an aunt. He attended a Jesuit school and La Sapienza University in Rome, and then went to the Massachusetts Institute of Technology for his economics PhD.

Diplomatic resolve

Years later, after a decade at the Italian Treasury, he headed the Bank of Italy, where he spent much of his tenure dealing with the slippery figure of Silvio Berlusconi as prime minister. In Italy, the central banker’s political skills are much admired. “Whereas Mario Monti is a Catholic, Mario Draghi is the Pope,” says a friend of both men.

So, will Mr Draghi go down in history as the man who saved the euro? “This year will in my view be remembered as the year when the long-term vision for the euro and the euro area was relaunched,” he says. But other actions were also vital, notably the June European summit. “For the first time in many years, [leaders] laid out a medium-term vision for a genuine economic and monetary union made by four pillars: fiscal union, the so-called banking union, the economic union and political union.”

What others say about Mario Draghi

‘Mama mia, inflation is just as much a part of life to Italians as tomato sauce and pasta! Signore Draghi may try to deny it as much as he likes’

– *Bild Zeitung, February 2011. (The newspaper later changed its position to back Mario Draghi)*

Mr Draghi ‘is on the best path towards going down in history as the money forger of Europe’

– *Alexander Dobrindt, secretary-general of the Bavarian Christian Social Union, sister party of Angela Merkel’s CDU, accusing the ECB chief of turning the institution into an “inflation bank” in an interview with Bild am Sonntag in August 2012*

‘Draghi’s statement to do “whatever it takes” really changed the crisis to where we are today. It did three important things. It caused spreads on government bonds to narrow; it allowed stock markets to bounce back; and it slowed, and in many cases stopped, capital flight from the periphery. That statement was extremely powerful and allowed us to get [to] where we are today’

– *Jay Ralph, chairman of Allianz Asset Management*

This week’s agreement on [banking union](#) and a bigger supervisory role for the ECB is a further step. More broadly, he says, structural reforms are helping to reduce current-account deficits and narrow competitiveness gaps between euro-area countries. Even though the [ECB cut its growth forecast for 2013](#), Mr Draghi insists austerity can work.

“To give up now, as some suggest, would be tantamount to waste the great sacrifices made by the citizens of Europe,” he says. He also has no time for suggestions that surplus countries such as Germany should inflate away some of their competitive edge. “Inflation is not a policy tool; one does not toy with inflation.”

Mr Draghi concedes that the crisis has been marked by governments feeling less urgency to act the moment market pressure recedes. The OMT programme, paradoxically, feeds into the vicious circle. Yet Italian two-year bond yields have fallen from a July peak of 5.3 per cent to just over 2 per cent. Their Spanish equivalents have fallen from more than 7 per cent to just under 3 per cent.

Overall, the sense is that Mr Draghi – whatever his concerns about future threats to the euro such as the [uncertainty in Italy](#) after Mr Monti’s announced departure or popular unrest in Greece – firmly believes in the steady progress of Europe and the ever greater pooling of sovereignty among eurozone nations.

Towards the end of an hour-long interview, he produces a printout of a quote from Zygmunt Bauman, the Polish sociologist: “Each [European] house is much more at risk of losing its specific identity if it is exposed without protection, that is without this European shield.”

The argument is that heavily indebted countries have already lost a part of their sovereignty because they have lost power over their economic policies. “Sharing common rules for them actually means to regain sovereignty in a shared way rather than pretending to have a sovereignty they’ve lost a long time ago,” Mr Draghi says.

That might take some more explaining in Germany. Has he won over public opinion? “I don’t know. But I know we have a duty to explain, and we are really working very, very hard on that front.”

Was there ever a time in 2012 when, amid all the pressure, he had a sense of relief? He smiles. “Was there such a moment?”

In any case, dwelling on the past is not what animates Mr Draghi. “That’s not the way I function. I look forward.”

Das Ringen gegen den Währungskrieg

27.01.2013 · Nach dem jüngsten Kursverfall des Yen spricht man in Davos auch wieder über das Thema „Währungskrieg“. Doch vor allem, weil ihn niemand haben will.

Von [Martin Hock](#)



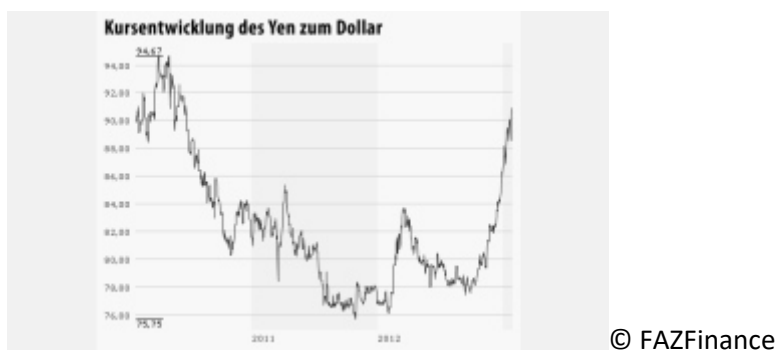
Der Yen steht international im Blickpunkt

Eigentlich schwelt das Thema schon seit dem Beginn der Finanzkrise. Doch auf dem Weltwirtschaftsforum erfährt es nun abermals Aufmerksamkeit. Und immer wieder fällt der Begriff „Währungskrieg“.

Nach Bundesbankpräsident Weidmann und dem renommierten Währungsinvestor George Soros warnte nun auch der stellvertretende Präsident der chinesischen Zentralbank Yi Gang davor. Die in der G20 zusammengeschlossenen Staaten müssten ihre [Zusammenarbeit verbessern](#), wenn sie Währungskriege vermeiden wollten, sagte der Notenbanker der Finanznachrichtenagentur Bloomberg in einem Interview.

Japan unter Beschuss

Spätestens seit den jüngsten Wahlen in Japan ist China hier in einer besseren Position. Noch vor einigen Jahren galt das Land selbst als Hauptschuldiger an der internationalen Währungskonkurrenz und wurde vor allem von den Vereinigten Staaten beschuldigt, seine Währung künstlich unterbewertet zu halten, um sich Vorteile im Export zu verschaffen.



Neu in der Schusslinie steht Japans neuer Premierminister Abe, der massiv auf die heimische Notenbank einwirkt, die Wirtschaft des Landes durch eine [noch expansivere Notenbankpolitik](#) zu reinflationieren und damit wieder zum Wachsen zu bringen. Das aber wiederum schmeckt den Amerikanern nicht, die mit einer Runde um Runde lockeren Geldpolitik ihre eigene Wirtschaft wieder zum Laufen bringen und die japanische Krankheit vermeiden wollen.

China entlastet

Unter diesen Umständen überraschen auch die moderateren Töne aus Washington gegenüber China nicht. Jüngst erst äußerte Lawrence Summers, einst Obamas wichtigster Wirtschaftsberater, der Yuan sei nicht länger so unterbewertet wie vor fünf Jahren. Tatsächlich hat die chinesische Währung seitdem um rund 17 Prozent gegenüber dem Dollar aufgewertet.

Gleichzeitig flaut das dynamische Wachstum ab. Steigende Lohnkosten schwächen Chinas Position als Werkbank der Welt. 25 Provinzen erhöhten im vergangenen Jahr die Mindestlöhne um mehr als 20 Prozent. Die Führung muss den im Export erworbenen Reichtum auf die Bevölkerung umverteilen.

China fürchtet „QE infinite“

Grund genug für Yi, nun aber auch einer weiteren Abwertung des Yuan eine Absage zu erteilen. Der Wechselkurs liege sehr nahe am Gleichgewichtskurs, sagt Yi am Rande des Weltwirtschaftsforums. Damit geht Yi etwas auf Distanz zu Amerika.

Grund ist Yis Sorge, dass China in ein Kreuzfeuer der Zentralbankkanonen geraten könnte. Diese könnten den Fluss spekulativer Gelder nach China wieder anheizen. Die Politik der quantitativen Lockerung sorge für Unsicherheit, so Yi. Lou Jiwei, Chef des chinesischen Staatsfonds spricht sogar schon von “QE infinite“ – einer unendlichen Fortsetzung der Politik des lockeren Geldes.

Japan schaut angeblich nicht auf den Wechselkurs

Japans Wirtschaftsminister Akira Amari dagegen dementiert, dass das Land überhaupt an einem schwächeren Yen interessiert sei. Man weiche nicht von internationalen Standards ab, sagte Amari am Samstag in Davos. Nachdem der Yen auf den niedrigsten Stand seit Juni 2010 gefallen ist, wird Japan vorgeworfen, gegen die Selbstverpflichtung der G20 zu verstoßen, keine Abwertungspolitik zu betreiben.

Man implementierte nur eine Politik zur Deflationsbekämpfung, den Wechselkurs bestimme der Markt, sagt nun Amari. Dass aber eine Lockerung der Geldpolitik in der Regel zu Lasten des Wechselkurses geht, weiß mit Sicherheit auch die japanische Regierung.

Höchstens ein Vorgeplänkel

Noch befindet sich der Währungskrieg aber allenfalls im Stadium des Vorgeplänkels, noch wird um Sichtweisen gestritten. Es ist eine Frage der Sichtweise. OECVD-Generalsekretär Angel Gurría äußerte jüngst, es gebe eine gewisse Legitimität, die eigen Währung gegen Aufwertungsspitzen zu verteidigen. Diesen Standpunkt lehnt hingegen der künftige Präsident der Bank of England, Mark Carney, ab.

Und noch werden Eingriffe zurück gedreht. Brasilien hatte 2009 den internationalen Kapitalverkehr verteuert, im vergangenen Jahr aber die Intervention gelockert, weil der Aufwertungsdruck nachließ. Auch die jüngste Baisse des Yen relativiert sich nach einem Blick auf den langfristigen Kursverlauf. In einem zehnjährigen Vergleich ist der Yen gegenüber dem Dollar immer noch hoch bewertet.

In Europa hatte die Schweiz ein Zeichen gesetzt, indem sie die Interessen ihrer Exporteure durch Eingriffe der Schweizerischen Nationalbank (SNB) verteidigte. Die SNB hielt die Abwertung des Euro gegenüber dem Franken beim Kurs von 1,20 Franken durch Stützungskäufe auf. Seit dem Verzicht der Europäischen Zentralbank auf eine weitere Senkung ihrer Leitzinsen hat der Euro auch gegenüber dem Franken aufgewertet.

Mehr Volatilität auch an den Devisenmärkten

Denn einen Währungskrieg will niemand haben. Denn als in den dreißiger Jahren ein Abwertungswettlauf ausbrach, war die Folge ein weitgehender Zusammenbruch der weltwirtschaftlichen Verflechtungen, von dem sich diese erst Ende der fünfziger Jahre vollständig erholte.

George Soros, erwartet in dieser Gemengelage eine erhöhte Schwankungsanfälligkeit der Devisenmärkte, nachdem in den vergangenen Jahren die Wechselkurse bemerkenswert stabil gewesen seien. Japan könne den Yen-Kurs nur in dem Ausmaß drücken, wie es die Vereinigten Staaten zuließen. Der Euro werde angesichts der deutschen Sparpolitik hingegen aufwerten.

Mali : une intervention sans doute nécessaire, mais pas nécessairement juste

LE MONDE | 24.01.2013 à 17h10 • Mis à jour le 25.01.2013 à 07h49 Par Jean-Jacques Roche

67,53

Attendre de la classe [politique](#) française qu'elle ouvre le débat sur l'opportunité de l'intervention au [Mali](#) est illusoire. Malgré quelques inévitables escarmouches politiciennes, le réflexe en pareilles circonstances est l'union sacrée, comme en témoignèrent les 523 députés (sur 566) qui approuvèrent, le 16 janvier 1991, l'utilisation de la force pour libérer le Koweït.

Même la [réforme](#) constitutionnelle du 23 juillet 2008, qui a complété l'article 35 de la Constitution en instituant une procédure d'information et de contrôle du Parlement sur les opérations extérieures (OPEX), n'a guère changé les pratiques puisque le 12 juillet 2011, seuls 27 députés sur 509 votants se sont opposés à l'opération "Harmattan" en [Libye](#).

Cette quasi-unanimité doit être comparée aux clivages américains sur cette même question puisqu'en janvier 1991, 47 sénateurs s'étaient opposés au recours à la force pour la libération du Koweït, finalement autorisé par une courte majorité de 52 voix.

BIEN-FONDÉ DU RECOURS À LA FORCE

La guerre, dans la [culture](#) politique française, reste dans le domaine réservé de l'Elysée, protégé en la matière des "*miasmes des polémiques intérieures*", selon l'expression si peu démocratique de [Roland Dumas](#).

Puisque la très grande majorité des politiques - quand ils sont au [pouvoir](#) - se réclament du réalisme - la première approche théorique quand la discipline des relations internationales fut créée -, voyons donc les éléments de réflexion que nous apporte cette doctrine pour [nourrir](#) le débat sur le bien-fondé du recours à la force.

Le réalisme a évolué depuis les travaux fondateurs des pères de la discipline, quand [Raymond Aron](#) critiquait la guerre d'[Algérie](#) (son ouvrage *La Tragédie algérienne* publiée en 1957 fut censuré) et Hans Morgenthau (1909-1980) s'opposait à la guerre du [Vietnam](#).

La définition étroite de l'intérêt national qui expliquait leurs prises de position a été reconsidérée par le néoréalisme de [Kenneth Waltz](#), le père de ce courant de la fin des années 1970 qui remplaça la puissance par la sécurité comme finalité de l'action internationale.

Les réalistes contemporains considéreront ainsi que l'intervention de l'[armée](#) française au Mali est certainement nécessaire, mais que cette guerre n'est pas pour autant nécessairement juste.

UNE "HYPOCRISIE ORGANISÉE"

Une intervention nécessaire, puisque l'intérêt national est en jeu. Cet intérêt n'est plus seulement perçu dans son acception matérielle (or, âmes, territoires) et immatérielle (valeurs, principes, [idées](#)).

Selon le théoricien [Stephen Krasner](#), qui réévalua le fondement du stato-centrisme réaliste en abordant la souveraineté comme une "*hypocrisie organisée*", l'intervention est également justifiée pour défendre des structures internationales menacées, car il est dans l'intérêt des Etats dominants de préserver un ordre [international](#) qui leur est favorable.

Dans sa version dite "coopérative", le réalisme contemporain va encore plus loin, avec des auteurs tels [Joseph Grieco](#) et [Charles Glazer](#), pour qui la sécurité est un bien commun, ce qui implique que l'on renforce sa propre sécurité en secourant un allié en danger.

La possible création d'un "Sahelistan" menaçant la stabilité de la région et les intérêts français, les responsabilités de la France vis-à-vis de ses ex-colonies, le statut revendiqué de puissance qui suppose à la fois une volonté et des capacités de projection de forces justifient donc, dans une perspective réaliste, l'actuelle intervention française.

Cette guerre nécessaire n'est pas pour autant une guerre juste. C'est même le piège qu'il convient d'éviter alors que le moralisme ambiant impose d'[avancer](#) masqué derrière la promotion des droits de l'homme et de la démocratie.

Pour un réaliste, la notion de guerre juste est une ineptie. Carl Schmitt, l'une des principales références philosophiques du réalisme, pouvait ainsi écrire que, c'est quand *"l'adversaire fut reconnu justus hostis et fut distingué du rebelle, du criminel et du pirate, [...que] la guerre perdit son caractère pénal et ses [tendances](#) punitives dans la mesure où la discrimination entre partis justes et injustes cessa"*.

Cette nouvelle guerre n'a rien de "juste", à moins de considérer qu'il existerait un néoconservatisme de gauche parti en croisade contre *"les auteurs des horreurs actuelles"*, ce que le discours de Dakar de [François Hollande](#) du 12 octobre 2012 pourrait certes [laisser supposer](#).

LA MORALE N'A PAS SA PLACE DANS LA JUSTIFICATION D'UN RECOURS À LA FORCE

En suivant Tite-Live et Machiavel, la seule raison qui pourrait [justifier](#) le recours à l'argument de la [justice](#) est que cette guerre est nécessaire à ceux qui l'ont déclenchée - *"juste en effet est la guerre pour ceux à qui elle est nécessaire"*.

Cette guerre n'est donc pas juste parce que la France combattrait un ennemi de la civilisation ; elle est seulement nécessaire pour défendre les intérêts français.

Pour un réaliste, la morale n'a pas sa place dans la justification d'un recours à la force. Cette lucidité est moins cynique que le recours mensonger aux grands principes humanitaires.

Enfin, pour se [convaincre](#) que cette guerre ne peut pas être considérée comme une guerre juste, il convient de [garder](#) en mémoire l'avertissement de Tocqueville, éphémère ministre des [affaires étrangères](#) de la II^e République, qui constatait dans ses *Souvenirs* que *"les démocraties ne résolvent guère les questions du dehors que par les raisons du dedans"*.

S'il est vraiment réaliste, l'hôte de l'Elysée ne doit pas se [cacher](#) que l'uniforme martial qu'il vient de revêtir lui permet fort opportunément de [faire taire](#) les critiques sur son irrésolution atavique. Ce qui ne manquera pas d'[avoir](#) un impact si, d'aventure, les considérations extérieures devaient [emporter](#) sur les déterminants internes de sa décision.

[Jean-Jacques Roche](#), professeur de relations internationales, Panthéon-Assas-[Paris-II](#)

Jean-Jacques Roche

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Latest update: 24/01/2013 **VIDEO**

France offers 'red carpet' to businesses if UK quits EU

67,55

European leaders have reacted negatively to Prime Minister David Cameron's announcement that he will try to renegotiate the UK's relationship with Europe, and then give Britons a straight referendum choice on whether to stay in the EU or leave.

By [Catherine VIETTE](#) (video)

France will "roll out the red carpet" for British businesses if the UK opts out of the European Union in an in-out referendum promised by British Prime Minister David Cameron on Wednesday.

The quip was a riposte to Cameron who last year used the same phrase to welcome wealthy French tax exiles wishing to flee a proposed 75% top tax band on incomes over one million euros.

Fabius also compared the British leader's plan to the UK joining a football club, then announcing it "wanted to play rugby" instead.

"You can't do Europe à la carte," he told France Info radio, adding that an exit from the EU "would be a dangerous move for the UK."

Fabius was not the only politician to use culinary and sporting metaphor in reaction to Cameron's speech in London on Wednesday, in which he promised to renegotiate Britain's relationship with the EU and put it to a referendum in the next parliament if his party wins another election.

German Foreign Minister Guido Westerwelle said that "cherry picking" was "not an option", while British former EU trade commissioner and veteran Labour Party minister Peter Mandelson said the EU could not be treated as "a cafeteria service where you bring your own tray and leave with what you want."

Pressure from the eurosceptic right

Cameron, whose Conservative Party is lagging behind opposition Labour in the polls, has been accused of using the issue for his own political gain and buckling to pressure from a loud minority of eurosceptic British lawmakers within his party.

Cameron is also feeling the heat from a resurgent eurosceptic UK Independence Party (UKIP), which now enjoys around 10% public support - the same as the Conservatives' coalition partners the pro-Europe Liberal Democrats, although the UKIP does not have any seats in the lower House of Commons.

[According to a November poll in UK daily The Guardian](#), 56% would definitely or possibly vote to leave the bloc, against just 30% who would vote to remain.

Some 68% of Conservative voters would choose to quit, according to the survey, and 44% of Labour (Britain's second most popular political party) voters would follow suit, against 33% wanting to stay in.

Only Liberal Democrat voters would want to remain in Europe, with 47% wanting to maintain the relationship while 39% want to opt out.

The World Economic Forum in Davos

Happy talk

67,56

Jan 27th 2013, 10:38 by M.B. | DAVOS



WHEN a party thrown by McKinsey draws a 20-minute queue to join a sweaty crowd bumping and grinding like college students, you know Davos Man and Davos Woman are in a good mood. Compared with last year, most people from business and finance are happy to admit to "cautious optimism", by which they mean they are feeling great about their chances of making money in 2013.

The biggest change in the past 12 months is that what seemed just a possibility a year ago—that Mario Draghi's leadership of the European Central Bank would end the panic about the continent's banks—has since hardened into a conviction that the European banking crisis is over. A new bullishness is in the air. Worldwide, banks accounted for over one-third of debt issuance in the most recent quarter, up from 9% in the same period a year ago, says a smiling Wall Street chief financial officer, before noting that the maturity of the debt has lengthened whilst rates have come down.

One big, extremely prescient, and hitherto correctly bearish hedge-fund boss has been showing a series of charts that show even Spain's deleveraging is now paused, and is likely to remain so for the foreseeable future. Its time to buy shares and other real assets, he says.

The usual army of private-equity tycoons are here in force, including Steve Schwarzman of Blackstone and David Rubenstein of the Carlyle Group. A couple of them can't help bragging about the bargains they snapped up in Europe in the past year in distressed sales by banks. They don't see this trend ending any time soon.

Some of the politicians and economists in Davos have done their best to spoil the optimists' party, offering instead a more gloomy outlook, but it is hard to find anybody from business or finance who seems terribly bothered by David Cameron's posturing over possible British departure from the European Union, or the continuing budget shenanigans in Washington, DC.

Unfortunately for the rest of the world, the optimism does not actually stretch to predictions of economic growth strong enough to produce meaningful job growth in America, let alone Europe. Companies may start to spend more of their cash piles, but they are most likely to use it to buy back their shares (thus boosting executive bonuses) rather than investing in expanding their businesses.

A few of the more thoughtful bosses rightly see a mismatch between the upbeat mood of their peers and the poor outlook for jobs. Populist politics is on the rise in many countries, and a moribund rich-world economy will only increase the risk of this leading to bad policymaking, worries one veteran chief executive. How long before political populism returns to wipe the smile from the face of Davos Man and Woman?

01/28/2013 11:31 AM

ECB Warns of Euro-Zone Risk

Draghi Clashes with Berlin Over Aid to Cyprus

67,57

The head of the European Central Bank, Mario Draghi, warned German Finance Minister Wolfgang Schäuble last week not to dismiss Cyprus as not being 'systemically relevant' and said a failure to bail out the island nation could threaten the wider euro zone.

European Central Bank President Mario Draghi confronted German Finance Minister Wolfgang Schäuble last week to criticize his stance on Cyprus and said failure to [bail out the island nation](#) could threaten the euro zone.

At a meeting of EU finance ministers last week, Draghi contradicted Schäuble's view that Cyprus was not "systemically relevant," a term that implied it wouldn't endanger the euro zone if it went bankrupt.

Draghi told Schäuble that he often heard that argument from lawyers, even though the question of whether Cyprus was systemically relevant or not was not one that lawyers could answer. That, said Draghi, was a matter for economists. Schäuble is a trained lawyer.

Draghi was backed by the European Economic and Monetary Affairs Commissioner Olli Rehn as well as the head of the European Stability Mechanism, Klaus Regling.

The three pointed out to Schäuble that the two biggest banks in Cyprus had a large network of branches in Greece. If any doubt were cast on the safety of deposits held with those banks, the uncertainty of Greek savers could quickly spread to Greek banks, which would represent a major setback for Greece.

Undo the Positive News

In addition, they argued, a Cypriot bankruptcy would undo the positive news that had recently helped to calm the euro crisis.

In recent weeks, all indicators have pointed to an improvement, they said. The risk premiums on Spanish and Italian sovereign bonds had fallen significantly and the liabilities of national central banks had retreated from the dangerous levels they had reached. This recovery could be reversed if Cyprus was refused aid. It would also make it harder for Ireland and Portugal to return to financial markets.

They also came up with a judicial argument for helping Cyprus: the country had contributed to the bailout fund, hence it was entitled to assistance from it.

Aid talks for Cyprus, which has applied for a financial rescue that could reach more than €17 billion (\$22.8 billion), have run into difficulties because of [concern in Germany](#) and other European nations that the island has become a haven for dirty money from Russia.

Cyprus denies allegations that it is a hub for money laundering.

'The Mood in Germany Is Often Very Aggressive'

As head of the ESM permanent bailout fund, Klaus Regling is in charge of preventing a collapse of the euro. In a SPIEGEL ONLINE interview, he discusses German worries over bailouts, the debate over aid for Cyprus and personal attacks against him.

As Klaus Regling opens up his briefcase inside the convention center at Davos, one could be forgiven for mistaking him for an insurance salesman. He pulls out colorful graphics meant to illustrate the improved competitiveness and budget situations in crisis-stricken European Union member states. Regling has an ambitious goal at the World Economic Forum: The 62-year-old is searching for investors for his employer, the European Stability Mechanism (ESM), the euro rescue fund.

In an interview with SPIEGEL ONLINE, he explains why he's not a popular figure in Germany and why there is no alternative to tough austerity programs for the heavily indebted euro-zone countries.

SPIEGEL ONLINE: Mr. Regling, as head of the ESM, you are dealing with sums in the hundreds of billions. Is that sum ever daunting to you?

Regling: Yes, of course. We borrow the funds that we provide to governments in assistance loans from the financial markets. But of course the loans are guaranteed by euro-zone countries, and therefore ultimately by taxpayers.

SPIEGEL ONLINE: Many in Germany see you as a man who helps throw billions in taxpayer money down the drain. Do you ever experience personal animosity?

Regling: Yes, especially at conferences in Germany. The mood is often very aggressive and people aren't even willing to listen to what I have to say. Still, I have the utmost confidence that the loans will be repaid.

SPIEGEL ONLINE: Why?

Regling: Because what we in Europe are doing right now is precisely what the International Monetary Fund (IMF) has been doing all over the world for decades without ever losing money. IMF loans are tied to the conditions that the country overhauls its economy, as are ours.

SPIEGEL ONLINE: So Germany will get its money back?

Regling: That's my assumption.

SPIEGEL ONLINE: But, in Greece, there's already been a haircut, with private creditors losing about €100 billion (\$135 billion). That's hardly reassuring.

Regling: I don't agree. A haircut improves Greece's chances of repaying a public creditor, such as the ESM. Historically, there have been dozens of private haircuts, after which public creditors have approved further loans.

SPIEGEL ONLINE: Is Europe evolving into a transfer union?

Regling: No, that's absurd. For the first time since the crisis struck, the 2013 budget has to factor in the Greek bailout to the tune of some €730 million. But according to estimates, Germany is also saving between €10 and 20 billion a year because the crisis is making German government bonds so highly sought-after.

SPIEGEL ONLINE: That doesn't mean that the situation in Greece will improve.

Regling: Greece is a difficult and exceptional case. The rescue packages for Ireland and Portugal were success stories. Both countries have been able to return to markets to borrow from investors again. Without the euro bailout fund, these countries would probably no longer be in the euro zone, and Europe would look different today.

SPIEGEL ONLINE: Like Greece, both countries now want more time to pay back their debts.

Regling: One can discuss it. Just to avoid any misunderstanding, unlike Greece, Ireland and Portugal are not asking for a suspension to servicing their debts and interest payments -- they are merely asking for longer maturities for part of their loans. This could help them to return to the markets sooner, which is also in all our interests.

SPIEGEL ONLINE: The point of the ESM is to help cash-strapped nations. But it could also start giving banks direct aid. Does it even have the funds to do that?

Regling: Yes. Over €400 billion of the €500 billion it can lend is still unused. The condition of direct aid for banks is a single, functional supervisory authority in the euro zone. As things stand, this won't be the case before the spring of 2014.

SPIEGEL ONLINE: Isn't it ethically questionable to rescue banks when they are responsible for their own debts?

Regling: The bank's shareholders lose their investments before the state steps in to provide money. Only then does the ESM get involved. It won't be any different with direct aid to banks.

SPIEGEL ONLINE: In Cyprus, bailout money might end up in banks with Russian customers who are believed to have made their fortunes in dubious ways. Should we still help the country anyway?

Regling: The origins of Russian money in Cypriot banks still has to be investigated. At any rate, Russia is prepared to contribute to a possible bailout, as Prime Minister Dmitry Medvedev confirmed again here in Davos.

SPIEGEL ONLINE: For a while, there was talk of leveraging the ESM via the private sector in order to possibly double its fire power. Is it true that investors rebuffed this plan when you proposed it?

Regling: No. The mechanism is available, it is registered on the Luxembourg stock exchange, and major investors have agreed on sums of up to €60 billion. But a country has to want to make use of this leverage, and so far none has.

SPIEGEL ONLINE: But even €60 billion is nowhere near double the ESM's current lending capacity.

Regling: Those were just the first offers out of the blue. Investors will only make larger commitments when it is clear to them which country the money will be used for.

SPIEGEL ONLINE: It can hardly have been confidence-inspiring for potential investors in the euro zone when British Prime Minister David Cameron announced in Davos that the United Kingdom would never join the euro.

Regling: No, I don't believe it was. When Cameron says that he plans to hold a referendum on the UK's membership in the EU in 2017, all he does is create years of uncertainty for the British economy.

SPIEGEL ONLINE: So is everything alright now, and is the euro safe?

Regling: In my opinion, the euro was never in danger. But of course everything is not alright. People in southern Europe are suffering. In Greece, civil servants and pensioners have seen their monthly earnings drop by 40 percent. But, as tough as these cuts may be, the situation will eventually improve, as the experience of the IMF shows.

SPIEGEL ONLINE: IMF chief economist Olivier Blanchard recently admitted that he had underestimated the negative repercussions of the austerity programs.

Regling: Yes, but he didn't say they could have been avoided.

SPIEGEL ONLINE: So there hasn't been too much austerity?

Regling: No. Of course it can be a good idea to relax austerity programs, as has now happened. But when a country has as much debt as Greece does, there's going to be a lot of suffering. There's no way around it.

Interview conducted by David Böcking and Stefan Kaiser

Die Fratze der Euro-Krise

28.01.2013 · Die Krise ist noch nicht vorbei. Sie hat sich nur gewandelt. Es drohen quälende Jahre ohne Wachstum und ohne vernünftige Zinsen. Wie in Japan.

Von [Georg Meck](#), [Lisa Nienhaus](#) und [Christian Siedenbiedel](#)

Sankt Moritz und Zermatt, da müsste man jetzt hin. In die Schweiz lockt derzeit nämlich nicht nur die Piste, sondern auch das Geld. Man kann seine Euro zu einem deutlich besseren Kurs in Franken umtauschen als noch Ende vergangenen Jahres. Liftpass und Hotel sind auf einmal billiger und auch die Rivella auf der Alm kostet weniger. Der Euro ist endlich wieder da. Monat für Monat rutschte er ab in den vergangenen drei Jahren. Monat für Monat griff die Schweizer Notenbank zuletzt ein, damit der Franken nicht allzu stark wurde gegenüber dem Euro. Und auf einmal passiert das Gegenteil. Der Kurs des Euro schießt in die Höhe.

Auffälliger könnte die Veränderung der Euro-Krise kaum sein. Der erstarkende Euro ist nur eines von vielen Zeichen dafür, dass die Euro-Aufregung sich beruhigt. Die Staaten Südeuropas können sich wieder billiger Geld leihen. Die Rendite zehnjähriger Staatsanleihen aus Portugal sank erstmals seit Dezember 2010 unter sechs Prozent; das Land legte auch zum ersten Mal seit langem wieder neue eigene Anleihen auf. Auch die Aktienmärkte verkünden Optimismus: Der europäische Index Eurostoxx ist seit Juli 2012 um 26 Prozent gestiegen. Banken zahlen vorzeitig Finanzspritzen zurück, die ihnen die Notenbank in der Krise gewährt hat. Und der Internationale Währungsfonds kündigt an, in Griechenland nach 2014 für neue Hilfen nicht mehr benötigt zu werden.

Trügerische Ruhe

Die plötzliche Ruhe in Europa beherrschte auch die Diskussionen [auf dem Weltwirtschaftsforum in Davos](#) vergangene Woche. Der Chef der Europäischen Zentralbank Mario Draghi etwa sagte, 2012 sei das Jahr gewesen, „in dem der Euro neu gestartet“ wurde. Die wirtschaftliche Entwicklung im Euroraum - bislang noch negativ - werde in der zweiten Jahreshälfte 2013 anziehen. Deutsche-Bank-Chef Anshu Jain sah das ähnlich: „Die akute Phase der Krise liegt hinter uns“, sagte er.

Die Euro-Krise ist endlich vorbei, will man nach diesen Worten begeistert ausrufen. Es wäre ja auch zu schön. Doch es ist leider nicht der Fall. „Die Finanzkrise legt nur eine Pause ein“ sagt der Münchener Ökonom und Chef des Ifo-Instituts, Hans-Werner Sinn. Drei Gründe sieht er für die ruhige Lage: Dass das Bundesverfassungsgericht die Klagen gegen den dauerhaften Euro-Rettungsschirm abgelehnt hat. Dass die EZB angekündigt hat, notfalls unbegrenzt Anleihen von Euro-Problemstaaten zu kaufen. Und dass der Rettungsschirm nun auch Südeuropas Banken rekaptalisieren kann.



Eine wirkliche Lösung der Krise ist das aber nicht. Das sagt nicht nur Sinn, das ist offensichtlich. Denn die Probleme, die hohen Schulden der Staaten Südeuropas und die mangelnde Wettbewerbsfähigkeit ihrer Wirtschaft, sind ungelöst. Die Krise ist nicht vorbei - sie ändert nur ihr Gesicht. Sie ist ruhiger geworden, aber dadurch nicht weniger bedrohlich.

Stagnation oder Schrumpfung bei niedrigen Zinsen

Die neue Phase der Euro-Krise ist geprägt durch niedriges Wirtschaftswachstum bei gleichzeitig sehr niedrigen Zinsen und hoher Staatsverschuldung. Und derzeit ist nicht abzusehen, dass sich das bald ändert. Zwar soll Deutschland auch 2013 noch ein wenig wachsen, aber im Rest von Europa sieht es mau aus. Das könnte jahrelang so weitergehen - und erinnert fatal an [Japan](#). Jenes Land, das vorgemacht hat, wie lange eine Wirtschaft nach einer Finanzkrise am Boden liegen kann.

Die Japaner hatten ihre Bankenkrise im Jahr 1990, als eine Immobilien- und Aktienblase platzte. Sie blicken mittlerweile auf zwei wirtschaftlich verlorene Jahrzehnte mit niedrigen Wachstumsraten zurück, sind das mit Abstand am höchsten verschuldete Industrieland, und noch immer ist nicht abzusehen, wann sie überzeugend aus der Krise herausfinden. „Japan hat nach der Asienkrise viele politische Fehler gemacht“, sagt Andreas Höfert, der Chefvolkswirt der Schweizer Großbank UBS. „Die Folge waren fast 20 Jahre Stagnation.“ Das Bruttoinlandsprodukt von Japan sei heute real niedriger als 1998.

Ganz so extrem werde es in Europa nicht kommen, meint Höfert. Aber es gibt Parallelen. Die Volkswirtschaften Südeuropas, öffentliche wie private Haushalte, müssen sparen und sich entschulden. „Das wird auf längere Zeit das Wachstum Europas bremsen“, sagt Höfert. Zugleich dürften die Leitzinsen der EZB lange niedrig bleiben. Stagnation oder Schrumpfung bei niedrigen Zinsen - das ist das japanische Szenario. Dort kam zeitweise auch noch Deflation hinzu, sinkende Preise. In Europa wird das für den Süden befürchtet, nicht für den Norden, der sich eher vor Inflation sorgt. „New Normal“ hat die amerikanische Fondsgesellschaft Pimco eine solche Phase niedrigen Wachstums getauft, die mit starker Regulierung der Banken einhergeht, mit vermindertem Risiko, aber auch mit weniger Chancen.

Nach der Angst vorm Zusammenbruch droht der Tiefschlaf

Der Harvard-Ökonom Kenneth Rogoff hat solche Phasen niedrigen Wachstums als typisch für Zeiten nach Banken Krisen identifiziert - anhand von Hunderten von Beispielfällen aus der Geschichte, unter denen Japan nur einer war. Seine Lehre aus der Geschichte: Nach Banken Krisen bleiben oft versteckte Probleme in der Wirtschaft zurück und machen ihr unerwartet lange Zeit zu schaffen. Die Folge sei ein schwächeres Wachstum, als man es lange gewohnt war. „Als Folge der weltweiten Finanz- und Bankenkrise haben wir in Amerika und Europa deutlich niedrigere Wachstumsraten als in früheren Zeiten“, sagt UBS-Chefökonom Höfert. In Amerika liege das Potentialwachstum, also das Wachstum unabhängig von konjunkturellen Schwankungen, jetzt bei 2,0 bis höchstens 2,5 Prozent im Jahr. Vor der Krise waren es 3,0 bis 3,5 Prozent. In Europa sei es der Preis der Euro-Krise, „dass wir mit noch deutlich niedrigeren Wachstumsraten rechnen müssen.“ Und was ist mit der hoffnungsvollen Rede von EZB-Chef Draghi, dass es in der zweiten Hälfte 2013 schon wieder aufwärts gehen werde mit dem Wachstum in Europa? Sein einstiger Kollege im EZB-Rat Lorenzo Bini Smaghi glaubt nicht daran. „Es ist typisch, am Anfang des Jahres zu sagen, dass es in der zweiten Hälfte besser werde“, sagt Bini Smaghi. „Das haben wir jetzt jahrelang erlebt.“ Natürlich habe er nichts dagegen, wenn es zuträfe. Aber: „Ich bin nicht voll überzeugt. Jedes Mal, wenn es hieß, die Krise sei vorbei, kam wieder etwas Neues.“

Was jetzt kommen könnte, ist nicht schwer zu erahnen. Die Politik spricht darüber, die Notenbanker auch, am schönsten aber sagt es Bini Smaghi: „Die Angst vor dem Eurozusammenbruch ist jetzt gebannt. Die größte Gefahr ist, dass das die Politiker in den Tiefschlaf versetzt.“ Dass die Politiker in Europa also denken, jetzt sei alles gut, jetzt brauche es keine Veränderung mehr. Keine Disziplin beim Geldausgeben, kein Sparen, keine schmerzhaften Reformen des Arbeitsmarkts. All das, was 2012 noch von den Finanzmärkten eingefordert wurde, weil sonst die Zinsen stiegen. Dass so eine laxe Haltung jetzt schon da ist, sieht man beim Wahlkampf in Italien, findet Bini Smaghi. „Außer Monti redet doch keiner mehr von Reformen.“

Finanzielle Repression

Das alles könnte dazu führen, dass die Krise, die vermeintlich beruhigt ist, noch lange dauert. Wie einst in Japan. Dort kann man ablesen, wie leicht man etwas falsch machen kann nach einer Bankenkrise. Das betraf in Japan zuallererst die Banken selbst. Die Japaner ließen sie nach Ansicht vieler Ökonomen zu lange weitermachen wie bisher. Es fehlte eine ordentlich Kapitalausstattung, was wiederum dazu führte, dass die Banken weniger Kredite vergaben - die Wirtschaft wurde dadurch abgewürgt. „Das Problem können wir auch in Europa bekommen“, sagt Bini Smaghi.

Und auch Claudia Buch, Mitglied des Wirtschafts-Sachverständigenrats der „Fünf Weisen“, findet, in Japan habe sich gezeigt, welche Fehlanreize von verschleppten Problemen im Bankensektor für die Realwirtschaft ausgehen können. Um ein „japanisches Szenario“ zu vermeiden, sollten daher angeschlagene Banken in Europa „zügig und entschlossen rekapitalisiert und restrukturiert“ werden. Nur ist die Frage, ob das dem Volk noch zu vermitteln ist, das sowieso schon denkt, dass die Staaten lange genug Geld ausgegeben haben für ihre Banken.

Zu den Parallelen zwischen Europa und Japan, die Ökonomen dieser Tage gern erwähnen, gehört auch die sogenannte finanzielle Repression: Der Staat versucht, sich von einem Teil seiner Schulden auf Kosten der Bürger zu befreien. Jörg Krämer, der Chefvolkswirt der Commerzbank, weiß, wie Japan das machte. „Institutionelle Anleger wurden durch Regulierung gedrängt, in wenig rentable Staatsanleihen zu investieren“, sagt er. Sie mussten also dem Staat für wenig Geld Kredit geben.

Anleger tragen die Krisenlasten

Eine andere Möglichkeit ist es, die Zinsen durch die Notenbank künstlich so niedrig zu halten, dass die Preise steigen: Inflation. Dann nämlich entwertet das Geld, also auch die Schulden. Japan hatte zunächst lange mit Deflation, also sinkenden Preisen, zu kämpfen. Aber jetzt will es die Inflation sogar gezielt einsetzen, um seinen Schwierigkeiten entgegenzuwirken. „Die japanische Regierung spannt die Notenbank für ihre Zwecke ein“, sagt Krämer. „Ähnliches droht der Europäischen Zentralbank, die schon faktisch Staatsausgaben finanziert.“

Die Anfänge erlebten die Menschen gerade in Europa. Schon jetzt sind die Zinsen niedriger, als es die Inflationsrate ist, die sogenannten Realzinsen sind also negativ. „Anleger tragen dadurch Krisenlasten“, sagt Krämer.

Bei all den Ähnlichkeiten zu Japan gibt es allerdings einen entscheidenden Unterschied. Japan ist ein Land. Der Euroraum, das sind viele Länder. Schon für Japan war die jahrelange desolate Situation höchst problematisch. Für Europa kann sie irgendwann wieder zur Zerreißprobe werden. „Der Euro ist immer noch in einer schwächeren Situation, als der Yen es je war“, sagt Bini Smaghi. Denn bei jedem größeren Problem kann die Diskussion wiederaufbrachen: Wird sich bald jemand aus dem Euro verabschieden? Bricht der Euro auseinander? Und der Druck ist wieder da. Das ist Europas Schwäche, es kann aber auch ein Vorteil sein. Denn dieser Druck dürfte Politiker sogar aus dem Tiefschlaf erwecken.

Quelle: F.A.S.

Nouriel at Davos: Global Tail Risks Remain

Author: [Nouriel Roubini](#) · January 24th, 2013 · [Comments \(2\)](#)

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Speaking with CNN's Poppy Harlow at Davos, RGE Chairman Nouriel Roubini reiterated the [biggest outlying risks](#) to the global economy: U.S. fiscal woes, the eurozone sovereign debt crisis, a potential China hard landing, and geopolitical risk in the Middle East. Nouriel argued that the worst scenario need to materialize for a meaningful impact on global growth:

“The combination of all of them going in the wrong direction, and they don't have to become virulent – if we have a bigger fiscal drag, if the problems in the eurozone become worse, if the landing of China is hard rather than softer, and, short of a war between Israel and Iran, if negotiation and sanction fail, then Israel is going to start to talk about war: the fear premium goes up ... and that is a negative for the global economy.”

Regarding instability in the Middle East, brought to the fore this week with Israel's election and recent events in North Africa, Nouriel emphasizes multiple pressure points for global markets:

“Instability in the Middle East is an issue: and the instability is not just tension between Israel and Iran – that if there were to become violent they could spike global oil prices to double the current level and tip the global economy into recession. If you look at the Middle East, all from Maghreb, Algeria to Afghanistan and Pakistan, there is geopolitical tension that could have economic consequences.”

He also notes geopolitical tensions in Asia—territorial disputes “between China and Japan, in Korea, in Indonesia, in Vietnam, in India, you name it,” that have already negatively impacted regional trade and FDI.

While he concedes a reduction of tail risk in the eurozone, Nouriel argues that fundamental problems in Europe have not been addressed.

The tail risk of something disorderly in the eurozone – like a Greek exit or Italy and Spain losing market access that were severe risks in the middle of last year – have basically been reduced because they have announced this new program of bond purchases, the OMT, there is this new ESM, there is another half a trillion euros out there for banks and sovereign, because there is talk about a banking and fiscal union, and because now Germany has used the words about the periphery of the eurozone that are more constructive.

But if you look at the fundamental problem in the eurozone: lack of economic growth and continued recession, low potential growth because of demographics and lack of reforms, 2) debt sustainability - official and private – are too high, and 3) lack and loss of competitiveness, and a large external deficit that the private sector does not want to finance – those fundamental problems of the eurozone have not been resolved, they may have been pushed by a few quarters, but fundamental problems of growth, competitiveness and sustainability have not been resolved.

Later, Nouriel provided nuance to his [slightly less bearish views on the U.S.](#)

Die Eurokrise ist noch nicht gelöst

28.01.2013 · Die Eurokrise hat eine Pause eingelegt, aber gelöst ist sie noch lange nicht. Spanien und Griechenland müssen gegenüber dem Eurozonen-Durchschnitt um 30 Prozent billiger werden, damit sie wettbewerbsfähig werden. Dann müssen auch Deutschlands Preise schneller steigen als die übrigen.

Von Hans-Werner Sinn



© Röth, Frank

Hans-Werner Sinn ist Präsident des Ifo-Instituts für Wirtschaftsforschung in München.

Seit dem Sommer 2012 hat die Finanzkrise eine Pause eingelegt. Die Target-Salden, die die Kapitalflucht aus Südeuropa und die öffentlichen Ersatzkredite des Eurosystems anzeigen, steigen nur noch in Italien. [Ansonsten gehen sie deutlich zurück](#). Auch die Zinsaufschläge der südlichen Länder sind gefallen, weil die Investoren sich mit viel geringeren Risikoprämien zufrieden geben als vorher. Die Kapitalmärkte wurden beruhigt.

Die Beruhigung hat drei Ursachen. Erstens [die Ablehnung der Klagen gegen den dauerhaften Rettungsschirm ESM durch das deutsche Verfassungsgericht](#). Zweitens die [Ankündigung der EZB, einen Kursverfall der Staatspapiere der südlichen Länder durch unbegrenzte Käufe solcher Papiere zu verhindern](#). Drittens die Entscheidung der Eurostaaten, die Mittel des ESM auch für die Rekapitalisierung der Banken Südeuropas einzusetzen.

Südländer müssen wettbewerbsfähiger werden

Eine wirkliche Lösung der Krise ist das aber aus zwei Gründen nicht. Zum einen schwelt die Wettbewerbskrise weiter. Die Südländer sind durch den billigen Kredit, den der Euro brachte, zu teuer geworden und müssen in einer langwährenden Flaute, die mindestens eine Dekade dauern wird, ihre Inflation soweit gegenüber den Wettbewerbern im Euroraum zurückdrängen, bis sie wieder wettbewerbsfähig geworden sind. Spanien, Griechenland und Portugal müssen längerfristig im Vergleich zum Durchschnitt der Eurozone um etwa 30 Prozent billiger werden, um wieder wettbewerbsfähig zu werden, und selbst Frankreichs Preise müssen um 20 Prozent gegenüber dem Durchschnitt fallen. Das ist das Ergebnis einer [Ifo-Studie](#), die am Dienstag in Brüssel vorgestellt wird.

Deutschlands Preise müssen umgekehrt um etwa 20 Prozent gegenüber dem Durchschnitt steigen. Damit das kein Land in die Deflation zwingt, müsste Deutschland beispielsweise ein Jahrzehnt um 5,5 Prozent jährlich inflationieren, wobei das durchschnittliche Preisniveau der Euroländer um 3,6 Prozent steigt. Wollte man die nötige Anpassung innerhalb eines Jahrzehnts schaffen, wobei nur das französische Preisniveau konstant gehalten wird, müsste die durchschnittliche Inflationsrate bei 2,3 Prozent liegen, Deutschland müsste um jährlich 4,1 Prozent inflationieren. Spaniens Preise müssten dann freilich um 1,3 Prozent pro Jahr sinken. So oder so steht eine Phase äußerst schwieriger Anpassungen für die Länder Südeuropas und Frankreichs bevor,

die die Gesellschaftssysteme dieser Länder erheblich belasten, wenn nicht gar vor eine Zerreißprobe stellen werden. Bislang ist von den notwendigen Preissenkungen so gut wie nichts passiert.

Steuerzahler und Rentner

Zum anderen bedeuten die genannten Politikmaßnahmen eine gewaltige Lastenverschiebung von den Investoren, die ihr Geld in Südeuropa angelegt haben, zu den Steuerzahlern und Rentnern der noch gesunden Länder im Norden. Die Beruhigung der Investoren kommt ja nur dadurch zustande, dass die Politik Wege gefunden hat, sich den Zugang zu den Portemonnaies der Bürger ohne viel öffentlichen Wirbel zu sichern. Vor einem möglichen Staatskonkurs kaufen der ESM und die EZB die Staatspapiere der betroffenen Länder auf und übernehmen die Abschreibungen in ihre Bücher. Ähnliches tut der ESM mit den Schulden der Banken, wenn die Banken pleite sind und ihren Gläubigern das geliehene Geld nur noch mit dem neuen Kredit des ESM zurückzahlen können. **Das bedeutet, dass die noch gesunden Eurostaaten die Verluste aus den Fehlinvestitionen und der teilweise überbordenden Staatstätigkeit in Südeuropa tragen müssen, indem sie ESM und EZB rekapitalisieren, weniger Gewinnausschüttungen von ihnen erhalten oder, und das ist der wichtigste Effekt, die Krisenländer durch öffentliche Transfers über andere Kanäle stützen, damit es gar nicht erst zum Konkurs kommt.**

Deutschlands **Rentner und Steuerzahler** sind zu mindestens 27 Prozent, möglicherweise aber der Hälfte dabei. **Es gibt für sie keinen Anlass, sich beruhigt zu fühlen, wenn die Kapitalmärkte mit ihrem Geld beruhigt wurden, ohne dass man sie gefragt hat.** Deutschland wird zwar Arbeit haben, und die Wirtschaft wird sich gut entwickeln, doch steht mehr und mehr Vermögen der Deutschen auf dem Spiel und wird im Endeffekt auch verloren gehen.

Le débat sur «la faillite» de la France relancé

Par [Marie Visot](#) Mis à jour le 28/01/2013 à 23:55 | publié le 28/01/2013 à 22:16 [Réactions](#) (48)

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Le ministre des Finances, Pierre Moscovici. Crédits photo : © Philippe Wojazer / Reuters/REUTERS

Techniquement, l'Hexagone est loin du défaut de paiement et donc de la banqueroute, même si les voyants sont nombreux à être passés dans le rouge.

Lorsque [François Fillon](#) avait affirmé le 21 septembre 2007 être «à la tête d'un État qui est en situation de faillite», l'ex-premier ministre avait lancé une polémique qui lui avait valu de se faire sèchement recadrer par Nicolas Sarkozy. Et qui resurgit aujourd'hui. Dimanche, [Michel Sapin](#) s'est laissé entraîner sur une pente périlleuse: comme on lui demandait, sur Radio J, s'il considérait que l'«État était en faillite» ou comme Michel Rocard qu'il y avait «le feu», le ministre du Travail a répondu: «[C'est un État totalement en faillite!](#)» «C'est la raison pour laquelle il a fallu mettre en place des programmes de réduction des déficits et aucune sirène ne doit nous détourner de cet objectif de la diminution des déficits, a-t-il argumenté. C'est fondamental pour le financement de notre économie, et la création d'emplois.»

Bien conscient du malaise qu'a provoqué cette petite phrase - prononcée, assure l'entourage de Michel Sapin, sur le ton de l'ironie en référence à celle de François Fillon cinq ans plus tôt -, l'exécutif a tenté de dissiper les craintes. «C'est une image», a insisté [Pierre Moscovici, sur France Info](#). «Ce qu'il signifiait par là, c'était que la situation des finances publiques était préoccupante, a retraduit le ministre de l'Économie. Si elle était préoccupante en 2007, elle est plus préoccupante aujourd'hui puisque (le précédent gouvernement) a accumulé 600 milliards d'euros de dette publique; mais le terme n'est pas tout à fait approprié, parce que la France est un pays qui n'a pas besoin de fermer les services publics de manière massive.» Et le ministre des Finances de certifier, comme pour lever toute ambiguïté: «La France est un pays vraiment solvable, la France est un pays vraiment crédible, la France est un pays qui entame son redressement.»

À droite aussi, on réfute toute situation de défaut de paiement. «La France est tout à fait en situation aujourd'hui d'assumer ses engagements financiers, notamment de payer ses fonctionnaires, heureusement!», a asséné l'ancien premier ministre Alain Juppé, sur RTL.

Un message d'austérité

Si deux ténors, à droite et à gauche, se sont retrouvés à évoquer une situation de faillite, c'est en réalité un raccourci. Une manière de rappeler que le dernier budget à l'équilibre date de 1973 et de traduire certains mauvais indicateurs économiques: la dette progresse encore et devrait atteindre plus de 91% à la fin de l'année (plus de 28.000 euros par habitant); la balance commerciale a atteint en 2011 un déficit record de 74 milliards - alors que l'Allemagne était en excédent de plus de 150 milliards - et devrait s'être à peine améliorée en 2012 ;

[le chômage augmente](#) depuis près de deux ans, donnant un sentiment d'appauvrissement aux Français ; et les alertes sur les comptes sociaux se multiplient, faisant craindre une implosion du système.

Certes, la situation est compliquée. Mais pour l'économiste Nicolas Bouzou, la parole de Michel Sapin «a dépassé sa pensée». «Être en faillite, c'est être dans l'incapacité de rembourser ses dettes, rappelle le fondateur du cabinet d'études Asterès. Ce n'est pas du tout le cas de l'État français, qui rembourse sans problème en se refinançant à [des taux encore bas](#). Et c'est justement pour éviter la faillite qu'on réduit les déficits. On sera peut-être en faillite si on ne maîtrise pas la dépense publique, mais pour l'heure on n'en est pas là. Le problème, c'est que le ministre envoie un signal négatif aux investisseurs.»

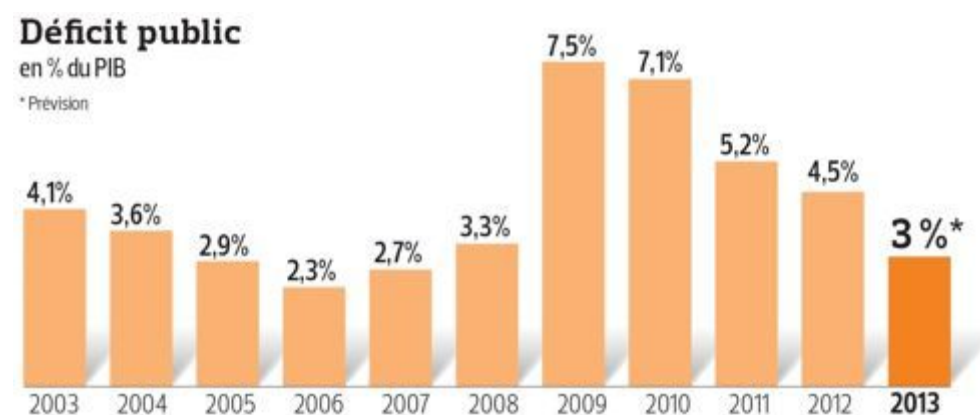
Mathieu Plane, économiste à l'OFCE, ne dit d'ailleurs pas autre chose: «Il ne faut pas allumer des mèches là où il n'y a pas besoin d'en allumer; la solidité de l'État français n'est pas à démontrer.» Et d'expliquer que cette allusion à un État en faillite est certainement le moyen de faire passer aux Français le message «qu'on ne va pas lever le pied sur l'austérité». Et qu'il leur faudra donc encore faire quelques efforts cette année...

Paris cherche comment revoir son objectif de 3% de déficit

Par [Marie Visot](#), [Service infographie du Figaro](#) Mis à jour le 29/01/2013 à 07:26 | publié le 28/01/2013

INFOGRAPHIE - Tout en continuant d'affirmer officiellement la nécessité de poursuivre les efforts, le gouvernement espère que plusieurs pays demanderont officiellement que soient reportés les objectifs du pacte de stabilité.

Plus les semaines défilent, plus le scénario d'une croissance à 0,8% cette année, comme l'espère le gouvernement, se complique. Cela hypothèque, de fait, les espoirs de ramener le déficit public à 3% cette année - comme la France s'y est engagée auprès de ses partenaires européens. Car, moins de croissance que prévu, c'est moins de recettes fiscales pour les caisses de l'État... Pour autant, le gouvernement n'entend pas tirer davantage sur la corde de l'austérité. «Si la croissance devait tomber au-dessous de 0,5% en 2013, nous ne ferions pas de nouvel ajustement budgétaire; on ne peut pas demander plus aux Français cette année», confiait-on récemment à l'Élysée.



Pas question pour autant de passer pour le mauvais élève de la classe européenne. Dans la perspective de la discussion sur les finances publiques que les capitales doivent avoir au printemps avec la Commission européenne, Paris est en train d'affûter ses arguments. Tout en continuant d'affirmer officiellement la nécessité de poursuivre les efforts, le gouvernement espère d'abord que plusieurs pays demanderont officiellement que soient reportés les objectifs du pacte de stabilité.

«Prendre un peu plus de temps»

Il a trouvé ce week-end en la personne de [Christine Lagarde](#) un précieux soutien: la directrice générale du FMI, s'exprimant à Davos, a non seulement estimé l'objectif français de ramener le déficit public à 3% «extraordinairement ambitieux», mais a aussi appelé les Européens à décider «collectivement» de «prendre un peu plus de temps plutôt que d'avancer à marche forcée» pour rétablir les finances publiques. «L'effet des plans d'austérité sur la croissance est plus fort que ce que nous avons anticipé il y a trois ou quatre ans», a-t-elle concédé, en rappelant que l'Espagne avait pâti d'être allée trop vite dans la rigueur l'année dernière.

À Bruxelles, le gouvernement compte ensuite insister sur les efforts menés pour améliorer le déficit structurel - celui qui ne tient pas compte des effets de la crise et des événements ponctuels. Selon les chiffres fournis par Bercy, il s'est détérioré de 1,8 point de PIB sur la période 2007-2011 (cette dernière année marquant néanmoins un inversement de tendance), alors qu'il devrait s'améliorer de 1,2 point en 2012 et de 2 points de PIB en 2013. En d'autres termes, «nos fondations se dégradent, nous les reconsolidons nettement», explique l'entourage du ministre du Budget, [Jérôme Cahuzac](#).

Ainsi, même s'il devait ne pas atteindre nominalement un déficit de 3% cette année, le gouvernement pourrait montrer que, dans une période sans croissance, il est loin d'avoir relâché ses efforts...

Updated January 28, 2013 5:59 PM

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Should the E.U. Stick Together?



The British prime minister has [called for a referendum](#) on leaving the European Union. The president of Poland has [suggested delaying](#) until 2015 any decision about adopting the euro. When Britain, an “active member” of the union, and Poland, one of the newest member states, are both debating their involvement, it may be time to ask: Should the European Union continue as a monetary union, a political bloc, or neither? What are the obstacles to staying together, and what would be the obstacles to dissolving?

Debaters

A Failed Euro Zone, Financed by Germany



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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.](#)"

January 28, 2013

The European Union’s single market of 27 nations created major gains in prosperity, while, within it since 1999, the 17-member monetary union of continental countries that use the euro has caused great losses. Britain’s possible exit from the E.U. sometime after 2015 largely reflects pressures arising from the euro’s failure. Germany holds the key to whether the bulk of continental Western Europe continues with the euro failure, or completes the [single market](#) concept, so far not implemented in service sectors, as the focus of European progress.

Euro zone countries should accept the euro's failure and revert to national currencies.

And Germany has the most to lose. The north-central European free-market order Germans crave is now almost half out of the euro zone, with Britain, Scandinavia and Switzerland rejecting the euro. Important growing trading partners like Poland and the Czech Republic are increasingly reluctant to join the common currency, given how unforgiving it is of policy mistakes. To make the euro zone work at all, taxation, spending and

banking will have to be streamlined, effectively creating a euro zone superstate. Such a superstate would be heavily weighted in population – which means voting power – toward the Mediterranean.

North-central European countries in the euro zone have a population of 120 million, whereas France's 60 million plus "Club Med's" 120 million gives the Mediterranean group a 180 million total. Germany wants free markets, public spending under control, an end to restrictive practices. Will the Mediterranean countries go along with this, once the costs of holding the euro zone together have forced the adoption of a taxing-and-spending union? Fat chance! The superstate could be a nasty cross between a pantomime horse and a beached whale.

Increasingly, the German intelligentsia realizes the slippery slope it's on. But breaking out of the euro is always put aside in favor of being a team player and giving more financial assistance to the struggling south. Germany's ideology of a unified Europe reflects continued strong feelings of guilt from World War II.

Unfortunately, it will be docile German workers who will pay the price, not the business and policy elite. Before the euro, German workers agreed to restrain their wages, receiving a rising currency and spending power in return. Now their restraint provides a surplus to fund the Mediterranean mess. Over the 11 years since the 2001 recession, Germany's real consumer spending is up a mere 6 percent, compared with 16 percent in France, 15 percent in Britain and 23 percent in the United States.

Much is made of the cost of a German exit. But most of that cost has already been incurred – just not yet acknowledged. Meanwhile, the enormous cost of future subsidies to be paid by Germans is ignored. There is still time for the current drift to be reversed – though not until after Germany's general election next fall. But the chances of ending this neutering of continental Europe are shrinking by the day.

The euro was a straightforward wrong turn for Europe. Euro zone countries should accept the reality of its failure and revert to national currencies that permitted faster growth in the past.

<http://www.nytimes.com/roomfordebate/2013/01/28/should-the-eu-stick-together/the-european-union-must-adapt-not-disintegrate>

It Must Adapt, Not Disintegrate



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January 28, 2013

Should Europe really reverse course and disintegrate? Let's not open that Pandora's box, for it contains all kinds of evils that will be spread around Europe and its environs.

The price to pay for E.U. disintegration is higher than any conceivable gain.

The European Union was founded on the rubble of war. It took hundreds of years for Europeans to understand that a common destiny is best served by common institutions. While the European Union's past was about peace, its future is about power. Given Europe's shrinking share of this planet's population and industrial output, its influence and its affluence can only be preserved when Europe acts in unison. It was a Brit, former Prime Minister Tony Blair, who has described this nexus as eloquently as anybody. And it is another Brit, one of Blair's successors as prime minister, David Cameron, who seems willing to bow to those who are bent on forgetting about it.

The price to pay for disintegration is higher than any conceivable gain. Disintegration is a lazy response to a nuanced current problem. It puts both peace and power at risk. Influence and affluence will both become a chimera. Little Englanders, little Deutschlanders and little Polanders will vie for attention and compete for global market share. Their conflicts, and, yes, maybe wars, a global tragedy in the old days, will return to Europe as a regional farce.

Make no mistake about it: There is a problem with unified Europe, and Cameron rightly acknowledged it in pledging to put U.K. membership in the European Union to a referendum. In fact, Cameron has deconstructed the founding myth of the European Union according to which its direction is "ever closer union." It is not. At least not anymore. And not for all. Certainly not for Britain.

The old continent's future will not become a "United States of Europe," much as many Americans (from George Washington onward) would like it to in the interest of simplicity and comparability. Nor will it become a 19th century style collection of nation states, despite the hope of some nationalists and isolationists. Rather, a multitiered European construct seems to be emerging.

At the core lies the euro zone that solves its problems through increasing integration and reform. Around this nucleus a ring of countries with different levels of integration with the euro core is developing. What binds these countries to the core is access to the single market. It appears that Poland will eventually join the euro zone, while Britain might become the Pluto to the euro zone's sun. To avoid disintegration, the European Union is headed toward a more flexible and adaptable system.

<http://www.nytimes.com/roomfordebate/2013/01/28/should-the-eu-stick-together/a-la-carte-membership-would-work-best>

A la Carte Membership Would Work Best



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The most pressing challenge that the European Union's member states will be facing in the years to come it not to decide what type of entity (single market, monetary union or political bloc) they want to become, but who will be member of what kind of entity?

What the European debt crisis has made obvious is that some institutional arrangements work only when its members are sufficiently similar. The debt crisis was in many countries caused by the fact that the one-size-fits-

all monetary union did not work for vastly different economies. While conducive in some countries, it aggravated business cycles in others and consequently generated bubbles that eventually burst.

What the debt crisis has made obvious is that some institutional arrangements work only when members are sufficiently similar.

Two lessons are to be learned from this experience: The first lesson is that countries that are unfit for a certain policy or unwilling to participate should not join it. Greece, for example, simply should not have been allowed join the Euro. European leaders, not least France and Germany, did this because they cherished the illusion that once the Euro was in place, the structural pressure would be so high that the Eurozone economies, even Greece, would just magically converge. In reality, the convergence took place beforehand when countries sought to qualify for membership. It follows that those who are willing to go ahead with political union should do this even when others can't follow suit. The exclusivity of this club will be the best guarantee that the periphery will do what is necessary to become a member.

The second lesson I believe is that the EU should allow for some flexibility. One size simply does not fit all. What holds true for the monetary union also holds true for a number of other policies. For example, why should rural countries have the same agricultural policy as more industrialized countries? This is not a radical idea. It is already the case that countries cherry-pick the policies they want to be a part of. Only seventeen of the twenty-seven EU member states are also members of the Eurozone. The United Kingdom and Ireland chose not to be part of the Schengen agreement, the EU's single travel and immigration area. The United Kingdom might even decide by popular vote to leave the EU as a whole. Conversely, countries that are not members of the EU such as Norway and Switzerland implement EU laws and actively participate in some of its policies. To be sure, some countries might be better off with than without the EU. But nothing is to be gained from making coun

<http://www.nytimes.com/roomfordebate/2013/01/28/should-the-eu-stick-together/eu-membership-shouldnt-be-a-la-carte>

Membership Shouldn't Be à la Carte



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Maybe Charles de Gaulle was right when he vetoed the entry of Britain into the European Economic Community (the precursor to the European Union) in 1963 and again in 1967: The British were not ready, he argued then, to adopt a "genuinely European" approach and see in the project of European integration anything more than a free trade area. Only after de Gaulle's exit from power did France open the way for Britain, which eventually joined the European Community in 1973.

Letting countries pick the policies that suit them would defeat the purpose of European integration and ultimately lead to its unraveling.

Yet, from the start, the European Union was more than an arcane institutional machinery designed to foster economic growth among its members by lowering trade barriers and harmonizing regulations inside its single market. European integration was a fundamentally political and ideological project. It was a pragmatic construction designed to achieve the utopia (my colleague Kalypso Nicolaidis calls this the EUtopia) of peace in Europe through ties that bind and become too costly to sever, in exchange for some relinquishing of sovereignty. It is this fundamental bargain that the 2012 Nobel Peace Prize rewarded – one of the most impressive institutional success stories ever.

These ties that bind have so far enabled E.U. members to weather successive challenges, from the reunification of Germany to the current euro crisis. But this deep integration in Europe does not allow member countries to have their cake and eat it too by picking and choosing the policies that suit them the best and let them only contribute their fair share.

Allowing Europe “à la carte” would defeat the purpose of European integration and ultimately lead to its unraveling. The euro experiment, along with the Schengen agreement removing border controls between participating countries, are as close as the E.U. has gotten to “Europe à la carte,” allowing some E.U. member states to opt out -- the U.K. noticeably participates in neither of these.

One major lesson from the euro crisis is indeed that the E.U. is not insulated from what happens to a subset arrangement between some of its members. Rather, the success of the single currency depends on deepening political institutions further in the E.U, from fiscal integration to a banking union.

Ultimately, countries which do not share the collective, teleological vision of European integration might better call it quits before being dragged further along a road that they are not ready to take.

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<http://www.nytimes.com/roomfordebate/2013/01/28/should-the-eu-stick-together/in-the-eu-political-unity-must-come-first>

Political Unity Must Come First



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If you are a eurosceptic this is the time when you are justified to growl, “I told you so.” The European Union seems to have reached an impasse and the euro zone is still a mess. Great Britain is ready to cross the Rubicon and be the first country to leave the E.U. Or at least it’s the first country ready to play the chicken game with Brussels in order to renegotiate its standing. Poland was never too enthusiastic and now, despite its ambition to become a major player, sounds more than reluctant to make the extra step and join the euro zone.

Milton Friedman rightly emphasized political unity as a prerequisite for the monetary union.

Milton Friedman, in a [prophetic article](#) published 16 years ago, predicted that the adoption of the euro would have the opposite effect of the one anticipated from its founders: “It would exacerbate political tensions by converting divergent shocks that could have been readily accommodated by exchange rate changes into divisive political issues. Political unity can pave the way for monetary unity. Monetary unity imposed under unfavorable conditions will prove a barrier to the achievement of political unity.”

This is exactly what happened. The troubles in the euro zone shattered the European edifice. The crisis led to political divisions between North and South, rich creditors and poor "PIGS" (Portugal, Italy, Greece, Spain) but also to schisms in every single country: Austerity or growth? Bailout or exclusion? Payment or default?

These divisions might lead to extreme solutions that were almost unthinkable until recently: exiting from the euro zone or the E.U., or perhaps even abandoning the unification project altogether, which could result in isolationism or even something worse, like a rise to power of extremist parties touting radical agendas of nationalism, protectionism and statism.

Needless to say that such a development will have dreadful repercussions for Europe as a continent of peace, democracy and wealth. The divisions could be further exacerbated and war could be back. Not the military kind of war but an economic one where barriers will replace cooperation and reciprocity.

I am sure that almost everybody understands that this could be catastrophic in the long term in a globalized world with the U.S. and the BRIC countries (Brazil, Russia, India and China) as fierce competitors. I am also sure that most European leaders realize that Milton Friedman was right in emphasizing political unity as a necessary prerequisite for the monetary union. However I am not sure that they are ready to make the necessary steps. These steps are not politically costless and we are, after all, talking about politicians.

The Netherlands: Petition for a referendum on the EU

28 January 2013

Presseurop

67,76

NRC Handelsblad, De Volkskrant

Will the Dutch hold a referendum on their future in the EU? Only a few days after the British Prime Minister announced a referendum in 2017 on the UK's place in the EU, nine Dutch Eurosceptic academics have launched a citizens' initiative to do the same thing in the Netherlands. If their proposal gathers 40,000 signatures, the Second Chamber must deal with their demand. In an [article published by NRC Handelsblad](#) the signatories, which include historian [Thierry Baudet](#), jurist Paul Cliteur and economist Ewald Engelen, write that

We are being forced unavoidably into a political union. We believe that [the federal path](#) indicated by [José Manuel] Barroso and [Herman] Van Rompuy is unwanted, that it cannot work, and that it is even dangerous. It should not be pushed through before a consultation with Dutch citizens. Do they want gradually to lose their democratic capabilities and to be absorbed into a federal European state? Or do they want a EU reformed into a more modest organisation that leaves room for diversity among member states and merely facilitates mutual trade without any political ambitions?

Critics of the initiative were quick to make themselves heard. [In De Volkskrant](#) journalist Bart Schut qualifies the initiative as “cowardly” and “hypocritical”, because deep down “[the originators] want [the Netherlands] to leave the EU.”

They dare not admit it, though, because they are not sure of winning a referendum on this much more fundamental issue. To attack the unpopular Barroso and Van Rompuy and their federal dreams is one thing. But to accept the ultimate consequences of asking voters if they want to turn the Netherlands into an island adrift off the coast of Britain is another.

'Leaving Europe Would Be Very Bad for Britain'

British Prime Minister David Cameron intends to hold a referendum on his country's future in the European Union. His predecessor Tony Blair tells SPIEGEL why that is extremely risky and says it ignores the benefits EU membership has brought to Britain.

SPIEGEL: Mr. Blair, Prime Minister David Cameron would like to achieve better conditions for the United Kingdom in the European Union and has [announced a referendum](#) on [the UK's membership](#) for 2017. What concessions should Europe and German Chancellor Angela Merkel make?

Blair: I wouldn't look at it like concessions at all. The part of David Cameron's speech I completely agree with is where he talks about the need for reform and change in Europe. This is clear and right. Europe's got a huge competitive challenge, and it's a case that successive British prime ministers have made, including myself. Chancellor Merkel would be an ally on these questions. The part of Cameron's speech that is a problem is not the bit about Europe, it is the point about the British relationship with Europe. I have difficulties with the notion that we commit now to putting a referendum question with an out option. We put into play the issue of whether Britain exits the European Union. That's a quite separate and different question from whether Europe reforms or not.

SPIEGEL: Isn't that a very convenient position for Britain to be in? Every time Cameron is dissatisfied with Europe, he can threaten to leave the club.

Blair: Yes, but if you believe as I believe that Britain leaving Europe would be very bad for Britain, then it's a threat that is to do yourself damage. In circumstances where you have only one member state against you, you risk that people say, well, go ahead and leave. The vital question here is whether this is about the direction of the 27 or is it one versus 26. We in Britain should play an important part in shaping this new Europe. What happens in these discussions during the euro-zone crisis is dramatically important to my country as well as to your country. We should play our full part in that, and we should do that without putting in jeopardy our fundamental membership of the European Union. The likelihood is that David Cameron will put forward the case for certain reforms, he will probably get certain agreed, he will not get all agreed, which would not be surprising in my experience in European negotiations. [Where does that leave you?](#) Does that leave you then only with the out option? It is not good for Britain, never mind if it's good for Europe, for us to question our membership in the EU -- and then leave that question hanging there for what could be four or five years.

SPIEGEL: How should Europe react?

Blair: I think Europe should react by dealing with the reform case on its merits. When Cameron talks about the need for reform, he'll have a lot of support in that. The euro-zone crisis in many ways has exposed the need for reform; it hasn't actually created it, that need for reform was there anyway. Whether you're talking about pensions in Italy or labor market reform in Spain -- these are changes that in any event should happen. So I'm sure the rest of Europe will deal with this, but I don't think it will give us additional negotiating strength to say, well, if you don't give us what we want, we're off. You've got to be very careful with this argument, because Europe will resent it.

SPIEGEL: Still, there's a lively debate going on in Britain about the European Union, the likes of which Merkel and other EU leaders wouldn't dare start in their own home countries.

Blair: Yes, and that debate will go on. Whether the political leaders have it or not, the people have it. China has three times the population of the whole of the European Union, and will have the biggest economy in the world. If Britain wants weight today, we need Europe. The rationale for Europe in the 21st century is stronger than it has ever been. It is essentially about power, not about peace anymore. We won't fight each other if we don't have Europe, but we will be weaker, less powerful, with less influence. This is about the collective weight adding to and supporting our national interest. It's not about substituting Europe for your nation.

SPIEGEL: Has Europe been too preoccupied with itself in the past?

Blair: I think it is bound to be preoccupied with itself right now. The problem for Europe is very, very simple: For reasons of globalization, demography, and technology, all developed countries will have to change radically. The social model of Europe has got to reform if Europe is to remain competitive. That doesn't mean abandoning the values of the social model, but it means recognizing that the world around us has changed and we have to change with it. The issue now is to recognize that Europe is going to exist in a completely different economic and geopolitical context. It's not a left-right-issue. It's not about ideology. It's about an understanding of how fast and how much the world has changed and how we have to change to keep up with it.

SPIEGEL: Such an argument makes a British EU exit seem even stranger.

Blair: We get from Europe what we can't get on our own anymore. We're simply not big enough, but neither is Germany. Indonesia, which in time will become a very powerful country, is easily three times the size of Germany. This is the world we live in today, never mind India, Brazil and Russia. Europe gives us the ability as a medium sized country to play a big size role.

SPIEGEL: Where is the sudden pressure for Britain to leave the EU coming from?

Blair: I don't think there is [some great desire on the part of the British people to leave Europe](#). There is a very strong and very vocal minority however. Basically, it's an old fashioned form of nationalism. That's what the UK Independence Party is, and it carries with it a very old fashioned set of attitudes and arguments. It's like similar to other the fringe movements all over Europe and indeed America with the Tea Party. But in the end it cannot and should not determine the country's policy.

SPIEGEL: Do you think that pro-Europeans in Britain have argued with enough passion in favor of EU membership?

Blair: One of the great myths is that the pro-Europeans do not speak up in Britain. We do!

SPIEGEL: It doesn't seem to make much of an impact.

Blair: I made a speech, Peter Mandelson made speeches, Lord Heseltine made speeches, Ken Clarke did as well. The problem in the UK is, however, a very sizeable and weighty media with anti-European positions and it is very strong and makes it quite hard.

SPIEGEL: How, then, do you get your point across?

Blair: Look, the thing most people in Britain wake up in the morning thinking about is not the European Union. It's jobs, living standards, it's mortgages, crime, health, education. So if you make a statement as dramatic as the prime minister, saying "I give you the chance to leave the European Union," you'll get a lot of publicity. A speech about Europe doesn't really make it to the front pages.

SPIEGEL: Is your Labour Party now on the defensive?

Blair: Well, that depends on whether it's sensible to do leave the EU. Why would we want to raise a question mark over our membership of the European Union? Why would we do that now? Labour should argue unequivocally for Britain to stay, it will help the party to build bridges to the business community, which is important. The sensible thing to do is to argue the case for change inside Europe, build up alliances to achieve

that and stay with the biggest political union and the largest business and commercial market in the world. Why would we want to be part of the debate but say, we might leave, by the way? I don't think you get more leverage by threatening to leave.

SPIEGEL: Why has Britain retreated from the European Union so far in recent years?

Blair: If there is one advantage to this debate that has been started, I think it will make people stop and think a little. Everyone gets irritated with Europe. Its institutions are difficult to deal with, it has lots of rules that irritate people. Europe is an extraordinary imaginative creation that is still in the making. Get Germans, Italians, Spanish and British talking about Europe, they'll complain as much as they praise. That's life. It doesn't mean that we should walk away from the whole thing.

SPIEGEL: Did Cameron speak for those many citizens of Europe who are fed up with Brussels?

Blair: I imagine that people on the streets in Athens, Rome or Madrid would be totally opposed to some of the changes Cameron will want to make. The problem that Europe has is that the concept of the single currency with the single market is a perfectly sensible concept. But I'm afraid in its execution there was not the proper alignment of the political desire to have a single currency with the economic decisions necessary to make it work. And that misalignment is what we are now dealing with. And we've got to deal with it in circumstances of enormous difficulty in a crisis. But I keep saying to people about Europe, you've got to take the long view. Right now, possibly for the next few years, Europe is going to face a period of great uncertainty. The measures that the European Central Bank has taken have given us some breathing space in terms of liquidity, which is why the bond yields have come down. But that didn't solve the solvency problem or the growth problem. So I still think Europe faces a great deal of challenges. But in the long term Europe will come to its feet because of the underlying rationale for it. It's the reason why there is the ASEAN Group, the African Union, Latin American countries coming together. Regional groupings make sense today. Europe should decide what it really wants to do and then focus on doing it.

SPIEGEL: Is Europe good at doing that?

Blair: No, it's not. Which is why the EU does cause irritation, anger and disagreement. But that doesn't mean that the basic idea is wrong. What Europe should do is set some very clear and very focused ambitions.

SPIEGEL: For instance?

Blair: (The focus should be on) jobs, the economy, and making sure you drive through the single market in a way that allows proper subsidiarity. Making sure that we're gaining the most competitive advantage the single market could give us. In energy policy, there are enormous things we can do, around grid systems for example. Likewise immigration and crime should be about controlling our borders, controlling immigration properly and fighting crime properly. Too often, they end up a bureaucratic mess. In common foreign policy and defence there is a massive amount Europe could do if it put its mind to it. For France to go and do Mali on its own is really tough for the French. If you had a strong common and defence policy, we could do so much more.

SPIEGEL: How do you think the referendum will turn out when it is finally held?

Blair: In the end, I believe, there is a solid majority for staying in the EU. You know, referendums are notoriously unpredictable instruments of democratic will. That's why it's not sensible to have them unless you are compelled to. What governments should do is govern.

Interview conducted by Christoph Scheuermann

Affäre Monte dei Paschi erreicht EZB-Präsident Draghi

29.01.2013 · Die Affäre um die italienische Bank Monte dei Paschi di Siena bedrängt auch Mario Draghi. Denn der heutige Chef der Europäischen Zentralbank war oberster Bankenaufseher seines Landes, als die nebulösen Geschäfte über die Bühne gingen, die die älteste Bank der Welt nun in den Fokus der Justiz und ins Scheinwerferlicht der Weltpresse ziehen.

Von [Tobias Piller](#) und [Stefan Ruhkamp](#)



© dpa Altehrwürdig: Ein Salon im Inneren der Bank in Siena

Die Krise der drittgrößten italienischen Bank Monte dei Paschi di Siena und der Skandal der nicht bilanzierten Derivate mit einer Lücke von angeblich mehr als 700 Millionen Euro erreicht den früheren italienischen Notenbankchef Mario Draghi, der von 2005 bis 2011 als Gouverneur der Banca d'Italia auch Bankenaufseher war und heute Präsident der Europäischen Zentralbank ist.

Für Draghi ist der Fall heikel, weil er einen Vorgeschmack darauf gibt, in welche Schwierigkeiten die EZB in ihrer neuen Rolle in der Bankenaufsicht geraten kann.

In Italien wurden allerdings Schuldzuweisungen an die italienischen Bankenaufseher zurückgewiesen. Draghis Nachfolger als Notenbankgouverneur und oberster Bankenaufseher, Ignazio Visco sagte dazu, „die Banca d'Italia kann nicht in den Tresoren der Bank wühlen“, sie sei kein Bankenpolizist und könne daher kriminelle Machenschaften nicht verhindern.

In Italien ist berichtet geworden, dass die nun aufgetauchten Derivatgeschäfte von der Bankenspitze ohne Wissen des Verwaltungsrates getätigt worden seien und die entsprechenden Dokumente in einem Safe versteckt worden seien. Der italienische Notenbankgouverneur Visco erinnerte daran, dass den Vorschriften zufolge nicht nur den Bilanzprüfern, sondern auch den Bankenaufsehern alle Geschäfte mit Derivaten vorgelegt werden müssen.



© REUTERS

Mario Draghi als er noch Gouverneur der Zentralbank Italiens war. (Archivbild aus dem Jahr 2006)

Aus der Sicht der Banca d'Italia sind die Ereignisse bei Monte dei Paschi nun eine Sache für die Staatsanwälte. In Frankfurter Notenbankkreisen wurde darauf hingewiesen, dass die Banca d'Italia kein Recht hatte, Bewertungsfragen aufzuwerfen, sondern sich mit der Prüfung der Kapitalausstattung und Liquidität begnügen musste. Das habe sie intensiv getan: So seien Sonderprüfungen im Dezember 2010 und im September 2011 gegeben.

Auch die italienischen Zentralbanker weisen den Vorwurf der Untätigkeit zurück, indem sie für die parlamentarische Anhörung des italienischen Schatzministers Vittorio Grilli, den Draghi dem Vernehmen nach in den vergangenen Tagen aufsuchte, einen minutiösen Anhang zu den Aktivitäten der Bankaufseher vorbereitet haben.



© Reuters

Monte-Paschi-Chef Fabrizio Viola sagt, es gebe keinen Beleg dafür, dass beim Kauf der Regionalbank Antonveneta 2007 Schmiergeld im Spiel gewesen sei. Seine Bank hatte das Institut für neun Milliarden Euro von der spanischen Santander Bank gekauft. Diese hatte Antonveneta erst kurz zuvor für deutlich weniger Geld erworben.

In der italienischen Bankenwelt ist der Banca d'Italia nie vorgehalten worden, dass sie zu lässig sei. Im Gegenteil haben die italienischen Banker immer beklagt, dass sie mehr als andere europäische Kollegen an der kurzen Leine gehalten werden.

Das war zumindest in der Bankenkrise der letzten Jahre erfolgreich. Denn im Gegensatz zu anderen Ländern musste in Italien keine Bank durch staatliche Hilfe gerettet werden. Keine der beiden Großbanken, nur Monte dei Paschi und eine Genossenschaftsbank nahmen das Angebot der Regierung an, ihre Eigenkapitalbasis zu stärken.

Zugleich wäre es für Politiker vor allem der Mitte-links angesiedelten Demokratischen Partei willkommen, wenn die Schuld an der Misswirtschaft bei Monte dei Paschi auch auf andere Schultern verteilt würde. Denn in Siena regierten seit der Nachkriegszeit ohne Unterbrechung die früheren Kommunisten, die sich später in die Linksdemokraten und Demokraten wandelten. Aus dem Rathaus von Siena gab es immer entscheidenden Einfluss auf die Führungsspitze der Bank.

Debt crisis: Troika divided over austerity

29 January 2013

Presseurop

Frankfurter Rundschau

67,82

“Will austerity lead to the death of Europe?” The question posed by the *Frankfurter Rundschau* has been raging within the troika of the international donors (EU-ECB-IMF) and provoking a heated battle of appraisals and counter-appraisals among the experts of the European Commission and the economists of the International Monetary Fund.

The key to the dispute, explains *Rundschau*, is the “multiplier”, the figure that reveals the point at which an austerity policy begins to weigh down the economy of a country. If a reduction in public spending of €1 leads to a decrease of GDP of €1, then the multiplier is estimated at one. If the figure is two, the budgetary cuts are asphyxiating the economy and widening the deficit because they are reducing tax revenues. If it's 0.5, they have little influence on economic health, and austerity works out to be a good deal for the state.

Except that two IMF economists have found that expert opinions on European countries in crisis have consistently underestimated the famous multiplier, especially in the case of Greece.

The European Commission was quick to respond with a counter-appraisal that austerity is all for the good.

Can peace in the troika be restored? That will have to wait until the current recession ends and the numbers get back into some shape and order, *Rundschau* believes.

It will then be up to the politicians to pick and choose the theory that suits them.

Some German Politicians Agree With Cameron

A number of politicians from Chancellor Angela Merkel's center-right coalition parties have voiced support for British Prime Minister David Cameron's calls for a reform of the EU. They say they agree with a number of points he made in his speech on Europe last week -- but are opposed to granting Britain any further exemptions from EU rules.

Chancellor Angela Merkel may have given a non-committal response to British Prime Minister David Cameron's [call for EU reform and a British referendum on EU membership](#), but several politicians from her center-right coalition have voiced support for him.

"It would be totally wrong to react with kneejerk refusal to the initiative of Prime Minister Cameron," said Alexander Dobrindt, the general secretary of the Christian Social Union (CSU), the Bavarian sister party of Merkel's Christian Democratic Union. "If you condemn Cameron's idea of a referendum on Europe outright, you will fan mistrust of Europe, as if Europe has to hide from the people."

Dobrindt said Cameron had addressed many points in his speech "that could really bring Europe forward." Those points included strengthening national parliaments, clawing back powers from Brussels and making EU institutions more transparent.

'There Can't Be Room for Special Rights'

The CSU itself has in the past said Germany should hold a referendum on the EU if any more powers are passed to Brussels from Berlin. But Dobrindt said he was against granting Britain further optouts from EU rules. "It's clear that in an optimized Europe there can't be room for special rights for individuals, such as a British rebate," he said.

Cameron also got backing from Bavarian Economy Minister Martin Zeil of the pro-business Free Democratic Party, junior partner in Merkel's coalition. "The British have had to undergo painful financial cuts to stabilize their state budget," he said. Referring to Southern European nations, he added: "So one can well imagine the frustration of the British when they see that other states have reacted in a far more lax way to their desolate financial situations."

Cameron had also been right to call for improvements in competitiveness, said Zeil. "The issues he addressed are quite right," said Zeil. "But the conclusion he draws from it -- namely an exit from the EU -- that's wrong."

Britain was one of the strong EU nations and should, together with countries like Germany, France and the Netherlands, be seeking solutions to the EU crisis, said Zeil. But he added that Cameron's motives were transparent: He was being driven by domestic political pressure in his threat to quit the EU. That, said Zeil, was the wrong signal.

January 29, 2013

French Automakers' Biggest Problem? French Consumers

By [DAVID JOLLY](#)

PARIS — Shoppers at the Citroën showroom on the Champs-Élysées were conspicuous mostly by their absence on a recent weekday. Earnest-looking employees outnumbered the lone visitor by at least 10 to 1.

Two of the workers were busy refining their already considerable skills at an auto-racing video game.

Down the avenue at the [Renault](#) showroom, business was hardly brisker.

Only at the nearby Mercedes-Benz showroom, displaying German automotive arts, was there much sign of life.

The dormant French dealerships signify the main problem facing the country's auto industry: Consumers in [France](#) do not seem very interested in French cars. Or any cars at all, in many cases.

In France, vehicle sales last year were the lowest in 15 years, falling below 1.9 million from a 2009 peak of 2.3 million, according to Georges Dieng, an analyst at Natixis Securities. And even those who are prospective buyers often prefer non-French makes.

Esther Cintract, 40, a banker who takes the Métro to commute into Paris, owns a 10-year-old Citroën. For her next car, she said, she would consider switching to a German model: a Volkswagen, a BMW or a Mercedes.

But many younger French people have other priorities. "I've never had a car," said Jean-Victor Mareschal, 30, who works at a bookstore in Paris. "I don't need one. I ride a bike, walk or take the Métro."

In contrast to the United States, where carmakers had a bumper year, France's 2012 sales fell by 13.9 percent, outpacing the 8.2 percent decline in the overall European market, according to the European Automobile Manufacturers' Association. Industry officials expect another gloomy year in 2013.

The flagging appetite of consumers is a significant economic problem for France. Its auto industry, dominated by Citroën's parent, PSA Peugeot Citroën, and Renault, directly employs about 220,000 people; thousands more jobs depend on it indirectly. The government, which owns a 15 percent stake in Renault, has called the sector a strategic priority, and plays an active role — some might say actively meddles — in the industry's affairs.

The downturn is not France's alone. In 2007, before the global financial crisis, the overall European market peaked at just under 16 million newly registered passenger vehicles. Last year, the figure had fallen to [just over 12 million](#), according to the European Automobile Manufacturers' Association.

Wherever the market bottoms out, French automakers, like many European manufacturers, have more factory capacity and workers than they can profitably use. And that may be the case for years to come — especially in France, where the job-cutting plans announced so far by Renault and PSA Peugeot Citroën have been criticized by many analysts as insufficiently daring, even as they encounter fierce resistance from workers and, in some cases, government officials.

But it is a showdown that appears to be increasingly unrelated to the French market's demands. Philippe Houchois, head of European auto industry research at UBS in London, noted that most vehicle purchases in the developed world over the last five years had been to replace older cars, with only 2 percent of car sales in the United States and Europe representing net additions to those regions' consumer fleets. In emerging markets, by contrast, 70 percent of new-car sales represented additions to the total stock, Mr. Houchois said.

But even replacement demand is under threat in Europe. As the population ages, car owners drive less, reducing wear on their vehicles. And today's cars last much longer than they did a few decades ago.

Generational change also bodes ill for the industry. Carmakers can be confident that many of those who adopt the car-based lifestyle early will stick with it for life. But the younger customers the industry covets are less interested in driving than they used to be — particularly, it seems, in France and especially in trendsetting Paris.

“In my parents' generation, pretty much everyone drives,” said Mr. Mareschal, the bookstore employee. “With my generation, it's a lot less important. I'm not anti-car, but it's something I just don't care about.”

Being able to go without a car may seem like a luxury available mainly to city dwellers, but even outside the cities, interest in auto ownership seems to have flagged.

“There appears to be a change in priorities for this generation,” Mr. Houchois said. “Maybe they'd rather buy a plane ticket for a vacation in Australia than buy a car.”

It is not hard to see why young people would have their doubts about the merits of car ownership. For a start, operating a car is an expensive proposition: Gasoline goes for the euro per liter equivalent of [about \\$7.65 a gallon in France](#), according to the Economy Ministry, more than double the \$3.30-a-gallon average the Energy Information Administration [reported for the United States](#) in mid-January.

And unlike the United States, where driver's education classes are often an inexpensive part of the high school curriculum, simply obtaining a driver's license is a major obstacle. In France, there is a minimum cost of more than \$1,600 for classes needed to prepare for the written exam and the even more difficult driving test. Nearly 1.4 million people take the French licensing tests each year, but only 57 percent pass; those who fail often spend thousands more preparing for a retest.

Julie Mora, 24, a grocery store cashier, said she would like to have a car to travel around the Essonne suburbs south of Paris where she lives, but has no opportunity to prepare for the licensing exam. “I work almost every day as it is,” she said, “so it's practically impossible to set aside the time for the classes.”

But Ms. Mora said she could wait. “For my generation, a car and a smartphone are about equally desirable,” she said, “and I already have a phone.”

French automakers may also face the kind of buyer skepticism American car companies encountered a generation or two ago, when domestic consumers often felt the choice came down to buying the best car — meaning a foreign one — or supporting their compatriots' jobs.

But Mr. Houchois at UBS said the difference in performance between carmakers, at least at the market-entry level, had declined substantially, to the point that other factors, like brand cachet and financing, were more the determining factors.

He noted that French buyers looking at three similar and similarly priced cars — a Peugeot 308, a Renault Mégane and a [Volkswagen Golf](#) — would probably find that they could finance the Golf at better terms, because of the German maker's stronger balance sheet. That, Mr. Houchois said, was enough to make the decision for many.

By other measures, the French carmakers may still have some ground to make up. J. D. Power, the customer-satisfaction auto research firm, does not survey French car buyers directly. But its studies of buyer preferences in [the German](#) and [British markets](#) show both major French automakers ranking below-average in owner satisfaction.

In any case, VW is not waiting to ease up in France. The German company is aggressively aiming for French customers. Mr. Houchois said French automakers needed to recognize that the current business model was simply no longer working.

One approach, he said, might be more emphasis on the American Zipcar rental model of car-sharing, or other shared-ownership arrangements, rather than sales to individuals. Such services are still at the fledgling stage in France.

“But the French carmakers, all the European actors, should plan their turnarounds on the assumption of no growth,” Mr. Houchois said.

“It’s hard to make a case for growth in Europe.”

Frankrupt Damage Control "France Is A Truly Solvent Country, France Is A Truly Credible Country"



VIDEO

Submitted by [Tyler Durden](#) on 01/29/2013 21:22 -0500

67,87

In a move farcically reminiscent of Inspector Clouseau, the French Finance Minister made an impromptu appearance on the BBC to confirm what we all should have known all along: that **"France is a truly solvent country, France is a truly credible country."** As [the Washington Post notes](#), the [oh-so-honest faux-pas that enfant terrible Monsieur Michel Sapin](#) made yesterday - explaining how his nation is "totally bankrupt" - had French politicians scrambling today to recover their *je ne sais pas*. It would appear the crisis management approach taken is the repetitive Jedi mind-trick and of course we should believe Moscovici - even as France faces near-record unemployment, ratings downgrades, fiscal atrophication thanks to a plunge in competitiveness, and backlash among the elites at its increasingly socialist policies. *"This is not the France you are looking for," and sure enough, now we believe them.*

France 'totally bankrupt', says labour minister Michel Sapin

France's labour minister sent the country into a state of shock on Monday after he described the nation as “totally bankrupt”.

67,88



The comments came as President Hollande attempts to improve the image of the French economy Photo: AFP

By [Graham Ruddick](#)

8:00PM GMT 28 Jan 2013

Michel Sapin made the gaffe in a radio interview, which left French President Francois Hollande battling to undo the potential reputational damage.

“There is a state but it is a totally bankrupt state,” Mr Sapin said. “That is why we had to put a deficit reduction plan in place, and nothing should make us turn away from that objective.”

The comments came as President Hollande attempts to improve the image of the French economy after pledging to reduce the country’s deficit by cutting spending by €60bn (£51.5bn) over the next five years and increasing taxes by €20bn.

Data from Banque de France showed earlier this month that a flight of capital has already left the country amid concerns that France’s Socialist leader intends to soak the rich and businesses. The actor Gérard Depardieu has renounced his French citizenship and decamped to Russia in protest, while David Cameron said Britain will “roll out the red carpet” to attract wealthy individuals.

Pierre Moscovici, the finance minister, said the comments by Mr Sapin were “inappropriate”.

Wann geht Japan die Schulden-Puste aus?

30.01.2013 · Japan ächzt unter einer hohen Schuldenlast. Schon in wenigen Jahren könnte sie unfinanzierbar sein. Oder man versucht es wie die anderen auf das Ausland abzuwälzen.

Von [Martin Hock](#)



Generationenproblem: Japan vergreist

Japan will im kommenden Haushaltsjahr [in Rekordhöhe Schuldtitel an private Investoren verkaufen](#), obwohl die gesamte Neuverschuldung sinkt. Angesichts eines Schuldenstandes von brutto 240 Prozent des Bruttoinlandsprodukts ist das zunächst einmal wenig überraschend. Japan braucht die privaten Ersparnisse zur Finanzierung des Staates.

Bislang gibt es an den Finanzmärkten wenig Zweifel an der Solvenz des Inselstaates. Mit 0,75 Prozent für die zehnjährige Staatsanleihe liegen die Renditen immer noch rekordniedrig. Indes machen sich leichte Sorgen auf dem Markt für Kreditabsicherungen bemerkbar, seitdem das Bewusstsein für die Endlichkeit von Staatsverschuldung gestiegen ist.

Noch ist die Skepsis gering

Von einem Rekordtief von lediglich 3,75 Basispunkten im April 2007 für die fünfjährige Dollar-Anleihe stieg der Preis bis auf 147 Basispunkte im September 2011 an, halbierte sich dann aber wieder und beträgt derzeit rund 76 Basispunkte. Das ist deutlich mehr als für Deutschland, aber nur etwa halb so viel wie im Falle Indonesiens und nur ein Drittel dessen, was für die Absicherung spanischer Anleihen bezahlt wird.

Noch ist also die Skepsis gering, doch die Zweifel werden zunehmend lauter geäußert. Das japanische Modell, wonach eine hohe Nachfrage japanischer Anleger die Zinslasten niedrig hält, könne nicht auf Dauer bestehen, schreibt jetzt auch Commerbank-Analyst Ralph Solveen. Spätestens in zehn Jahre verfügten die japanischen Anleger nicht mehr über genügend Vermögen, um die Staatsschuld alleine zu finanzieren.

Privates Finanzvermögen bald aufgezehrt

Der Prozess wird nach Ansicht Solveens dadurch verschlimmert, dass der neue Premier Abe nun mit abermals teuren Konjunkturprogrammen die Wirtschaft in Gang bringen will. Er rechnet damit, dass in den kommenden Haushaltsjahren das Defizit bei untragbaren 10 Prozent des Bruttoinlandsprodukts (BIP) verharren werde (dreimal so hoch wie in Italien und doppelt so hoch wie in Portugal). Auch die für 2014/2015 geplante Mehrwertsteuererhöhung werde daran nichts substantiell ändern. Diese ist übrigens für europäische Verhältnisse auch dann mit 10 Prozent fast schon lächerlich niedrig.

Noch ist das Netto-Finanzvermögen der Privathaushalte und Nichtfinanz-Unternehmen mit rund 276 Prozent des BIP höher als der Schuldenstand. Doch die Probleme des Landes mit der ältesten Bevölkerung der Welt nehmen zu. Denn die Generation der Baby-Boomer geht in Rente und werde dann ihre Ersparnisse aufbrauchen. Mithin werde die Sparquote bis 2017 von 3 auf weniger als 2 Prozent fallen .

Selbst unter der Annahme, dass die japanische Volkswirtschaft in den kommenden Jahren real um 2 Prozent jährlich wächst und Staatsanleihen durchschnittlich mit 1 Prozent verzinst werden, werde der Schuldenstand in weniger als 10 Jahren das Netto-Finanzvermögen übersteigen.

Schicksalsjahr 2018?

Indes sind diese Annahmen nicht unbedingt realitätsnah. Basierend auf Erfahrungen aus anderen Nationen, dürften die Zinsen steigen, derweil aufgrund der Alterung das Wachstum eher zurückgehen dürfte. Die Bevölkerung im arbeitsfähigen Alter wird in den kommenden 10 Jahren um 8 Prozent schrumpfen. Hinzu komme, dass der Glaube der Japaner, insbesondere der Unternehmer, an die Finanzierbarkeit der Staatsverschuldung abnimmt.

Insofern könne die japanische Staatsfinanzierung schon in nur vier Jahren auf deutliche Restriktionen treffen. 90 Prozent der Schuldtitel werden von Inländern gehalten. Im Ausland dürften diese erheblich schwerer abzusetzen sein.

Japanische Staatsanleihen werden von den großen Rating-Agenturen im Durchschnitt mit „AA-“, bewertet und damit nur der viertbesten Note. Ähnlich bewertet werden Belgien, China, Südkorea und Chile. Deren zehnjährige Staatsanleihen rentieren derzeit zwischen 2,49 und 5,54 Prozent. Damit könnte sich schlimmstenfalls die Verzinsung japanischer Staatsanleihen innerhalb von vier Jahren verdrei- bis verfünffachen. [Schon jetzt gibt Japan mehr als ein Viertel seiner Steuereinnahmen für Zinsen aus.](#) Ein Anstieg der Renditen würde diese Zinslast unhaltbar machen.

Obendrein beschleunigen sich diese Prozesse wechselseitig. Den Agenturen würde gar nichts übrig bleiben, als die Bonitätsnoten zu senken. Dadurch würden sich die Kreditabsicherungen weiter verteuern, die Renditen steigen und die Finanzierungsbedingungen sich weiter verschlechtern.

Zu Lasten der anderen

Zwar gilt ein Zahlungsausfall als unwahrscheinlich. Solveen geht davon aus, dass die japanische Notenbank in die Bresche springen und die fehlende private Nachfrage durch Käufe in großem Stil ausgleichen wird. Damit werde die Geldmenge massiv ausgeweitet, was Inflation erzeugen und den Yen langfristig massiv schwächen werde.

Aber möglicherweise ist das auch genau die Rechnung der Regierung Abe, die hofft, durch eine [Beggart-hy-neighbour-Politik](#) ihr strukturelles Wachstumsproblem zu lösen. Dies ist ein Spiel mit dem Feuer. Zum einen droht bei einer solchen Abwertungspolitik ein [Währungskrieg](#) einzusetzen. Dies ginge zu Lasten des Welthandels, ohne dass einer der Beteiligten auf Dauer großen Nutzen daraus zöge. Vielmehr könnte ein Währungskrieg just das sein, was die bisher mühsam verhinderte Weltwirtschaftskrise auslösen könnte. [Deswegen will ihn eigentlich auch niemand](#) – es sei denn einer bricht ihn vom Zaun.

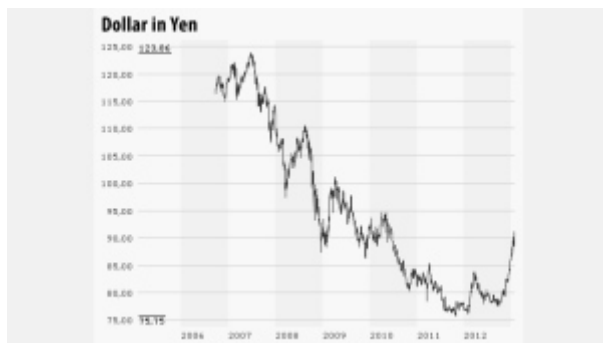
Grundprobleme werden nicht gelöst

Zum anderen löst diese Politik nicht Japans Grundprobleme. Die Alterung der Bevölkerung ist nicht umzukehren. Aber die Abgabenquote gehört OECD-weit mit 27 Prozent zu den niedrigsten, die Bevölkerung ist reich – nicht zuletzt auf Kosten des Staates. Der Staat hat hohe Beteiligungen an Wirtschaftsunternehmen. Diese könnten privatisiert und über eine intelligente Steuerpolitik könnte aus diesen Vermögenswerten mehr Einnahmen erzielt werden. Auch eine Arbeitsmarktreform ist dringend nötig.

Zudem könnten die Deflationserwartungen in einer strukturell stagnierenden Wirtschaft nicht allein durch monetäre Maßnahmen gebrochen werden, argumentiert Alessandro Bee, Volkswirt der Bank Sarasin. Dazu bedürfte es Strukturreformen wie etwa einer Erleichterung der Immigration. Doch Bee bezweifelt, dass Regierung und Bevölkerung zu solchen einschneidenden Maßnahmen bereit sind. Derzeit sieht es also so aus, als ob Japan versucht, die Anpassung zu vermeiden und die Kosten der Weltgemeinschaft aufzuhalsen. Damit ist Japan aber nicht alleine. Auch die amerikanische Geldpolitik etwa zielt in diese Richtung.

Yen hat noch Spielraum

Tatsächlich ist der Yen gegenüber dem Dollar immer noch so stark wie nie. Die jüngste Abwertung hat langfristig kaum eine Rolle gespielt. Das liegt aber nicht zuletzt auch an der Schwäche des Dollar. Betrachtet man etwa den handelsgewichteten Index der Deutschen Bank, so ist der Wert des Yen nicht nur auf das Niveau von 2010 zurückgefallen, sondern liegt auch unter dem Außenwert des Jahres 2000. Letztlich hat der Yen aber also noch ein gewisses Abwertungspotential. Im Grunde versuchen derzeit die meisten entwickelten Staaten der Welt die Kosten ihres guten Lebens der Vergangenheit abzuwälzen.



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Die Unfinanzierbarkeit und ein Kippen des japanischen Modells immer wieder prophezeit worden. Das heißt nicht, dass es falsch ist. In gewisser Weise geht Japan der Welt ein Stück voraus.

Quelle: FAZ.NET

UK intervention in Mali treads a familiar – and doomed – path

Does Mali pose an 'existential threat' to the UK? Hardly. Intervention will bring only more trouble **67,92**



- [Simon Jenkins](#)
- [The Guardian](#), Wednesday 30 January 2013
- [Jump to comments \(220\)](#)



French soldiers as they arrive in the city of Timbuktu. Britain has confirmed that it will send troops to Mali too.
Photograph: Arnaud Roine/ECPAD/Sipa/Rex Features

The government is going for gold in mission creep. Just a week ago David Cameron clearly indicated there would be "no boots on the ground" in Mali. His office declared there was "absolutely" no question of British troops entering the conflict "in a combat role". Britain would lend two C-17 transports and that was it.

To this was soon added a surveillance plane. Now there is to be a roll-on-roll-off ferry. France may be awash in nuclear bombs and aircraft carriers, but it cannot ship an army to a real war. Then, as French troops advanced on Timbuktu, the adrenaline of triumph drifted across the Channel and into the nostrils of Westminster. [Could Britain play too?](#)

Cameron descended into his Cobra bunker, his lips quivering with the thrill of fear. Like every prime minister who uses that place, he emerged feeling he had to talk Churchill. [He told the Commons](#): "We must frustrate the terrorists with our security. We must beat them militarily. We must address the poisonous narrative they feed on. We must close down the ungoverned space in which they thrive, and we must deal with the grievances they use to garner support." The deliciously operative word was we.

Cameron then said that, "if there were a British contribution to [the war], it would be in the tens, not in the hundreds". His spokesman elaborated that it would be "at the lower end of that range", and just for training. By last weekend tens had indeed become hundreds, so far 350 "trainers" and an as yet undisclosed force protection unit.

None of these would, at this stage, have "a combat role". Indeed, it now appeared that 90 troops were already on the ground, for "logistics, intelligence and surveillance support". Everyone, said the defence secretary Philip Hammond yesterday, would be taking part for just "a short intervention to stabilise things on the ground".

Very soon the local Africans would take over. No one would be "in combat". It was just a case of in-and-out, easy to handle, reasonable, no trouble.

This is the jargon of creep-speak down the ages. It was used in 1914 and 1939. It was used at Basra and Helmand. I suggest Cameron at once ban from sale William Dalrymple's new book, [The Return of a King](#), a gripping account of the 1839 British Afghan expedition and a textbook on mission creep.

He should also ban the BBC's mischievous choice of the book as Radio 4's current [book of the week](#). Every night we hear Tim Pigott-Smith listing the follies of half-baked British interventionism: the national threats exaggerated for the sake of glory, the enemies underrated, allies unreliable, warnings ignored, peoples craving revenge, above all the arrogance of an unspoken racial supremacy, that "our values" are better than theirs, that "we have the [Gatling](#) and they have not".

The first Afghan war led to disaster for the same reasons as the Russian intervention in the 1990s and Nato's today. Britain's expedition into Helmand in 2006 was of such predictable folly that even the Victorian panjandrums of the British Punjab might have thought twice before launching it. Small wonder politicians no longer read history. It would give them nightmares.

Parallels with the past and with other theatres of war should not be glibly drawn. Mali is not Afghanistan. There the so-called al-Qaida menace appears to be a ragtag coalition of [Tuaregs](#), gangsters and dissidents, armed with weapons mostly released by Nato's regime change in Libya. They managed to grab a barely accessible Saharan base, but have melted away at the first sign of serious opposition.

Africa still answers to the drum of empire. As in Sierra Leone – now a British protectorate – so in the former French colonies, European powers are drawn back to redefine and reclaim their old responsibilities. Mali is France's Sierra Leone. That is her affair.

To pretend this poses an "existential threat" to Britain passes belief. Cameron has to elevate the supposed Malian "affiliates" of al-Qaida to the status of a "generational" menace, which he claims will last for decades. They must be "beaten militarily", "the ungoverned space" in which they thrive "closed down" and the grievances on which they prey dealt with. And all by us.

There is no remit under the UN or international law for Britons to be fighting wars in the Sahara. We grasp at the fact that we are an EU ally of France, which is an ally of the part of Mali that failed to protect its northern citizens from marauders. It is odd how eager Cameron is to cite the EU when on shaky ground.

In Tuesday's Guardian the al-Qaida historian Jason Burke [gave a detailed assessment of that movement's current condition](#). It bore not the slightest relation to the global monster of the prime minister's Cobra-fevered imagination. It was not on the same planet.

Even at its height a decade ago, al-Qaida could do no more than stage a few terrorist spectacles. These were nasty, but modern cities can survive them, and modern policing appears recently to have their measure. Al-Qaida has failed to win over a government, a territory or a large body of support. If it (whatever it is) really planned the Mali incursion, it could not even hold Timbuktu. Cameron's politics of fear may be in need of an enemy, but is this the best he can do to stir the blood of the heirs of [Blenheim](#) and Waterloo?

The one thing on which al-Qaida relies for recruits is its status as world bogeyman. It is a comfort blanket for securocrats and a franchise for crazies. It also feeds on the over-rapid "modernisation" of Muslim countries, easily portrayed as being under western influence. It is this that has destabilised Pakistan and Egypt, and is playing into the hands of fundamentalist parties everywhere. The "values imperialism" of western intervention is al-Qaida's best hope.

The Oxford historian John Darwin has written of empire as rarely a coherent project, but rather the result of "[thinking in monoliths](#)", the default mode of most state organisations. It is a habit of mind that has not gone away. Last week Cameron could speak with passion of Britain's national sovereignty and culture, defending

them against Europe's interfering neo-imperialists. It is strange he cannot see that many states and peoples around the world feel just the same about Britain.

Mali in practice may prove no big deal. It is Mali in theory that is so dangerous.

Mission creep?..

Jan 30th 2013, 18:06 by J.A.



SO FAR, so good: [French forces are advancing swiftly in Mali](#), taking town after town from the al-Qaida-linked Islamists; President François Hollande is enjoying support both from world opinion and French opinion ([the intervention in Mali is more popular than France's earlier roles in both Kosovo and Libya](#)); and the spectre of Mali becoming a terrorist threat to France in particular and the west in general is receding. With appropriate political rhetoric of solidarity against a shared threat, David Cameron is now sending British troops to support France and Mali by helping to train the African forces that are supposed to take over once France (in theory soon) has withdrawn its soldiers.

That, at any rate, is the situation at first glance. But will the present optimism soon fade? "Mission creep" is a useful phrase to describe the tendency of western forces (from Vietnam to Afghanistan) to enter a war zone and then find themselves not just unable to leave but committing ever more men and money to a hopeless cause. [The tendency is brilliantly described in today's Guardian by Sir Simon Jenkins](#) (once a distinguished journalist on *The Economist*), and Simon also neatly punctures some of our more alarmist views of al-Qaeda (though his view might seem a bit cavalier, given 9-11 or the violence in Somalia and Yemen).

Even at its height a decade ago, al-Qaida could do no more than stage a few terrorist spectacles. These were nasty, but modern cities can survive them, and modern policing appears recently to have their measure. Al-Qaida has failed to win over a government, a territory or a large body of support. If it (whatever it is) really planned the Mali incursion, it could not even hold Timbuktu. Cameron's politics of fear may be in need of an enemy, but is this the best he can do to stir the blood of the heirs of Blenheim and Waterloo?

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The futility of western intervention is, of course, hardly new—as [William Dalrymple sets out in his new book on Britain's doomed occupation of Afghanistan](#) in the 19th century (you can also see him [interviewed on Britain's folly in our sister blog, Prospero](#)). But will the Malian venture be a case of history repeating itself? In a

former journalistic life, I once spent ten days with the [Polisario](#) guerrillas, fighting (with the political backing of Algeria) to remove Morocco from its occupation of the Western Sahara. The guerrillas were extraordinary in their ability to navigate the desert and defy both the land and air-power of the Moroccans—and the result has been decades of diplomatic and military stalemate. Conceivably, that will be the situation for northern Mali, too. But there are three important differences. One is that Mali's Islamists can now be hunted by drones (which was not the case for Polisario); another is that whereas all Polisario wants is an independent Sahrawi republic, Mali's Islamists want to project their obscurantist ideas well beyond the Sahara; and a third is that whereas the only economic interest in the Western Sahara was its phosphate reserves, the Islamists' role in Mali might threaten oil and gas facilities in Algeria and uranium mines in Niger. Simon Jenkins is right to say that al-Qaeda is the world's bogeyman—and while it is, [Samuel Huntington's notion of a "clash of civilisations"](#) sadly becomes ever more plausible, with "mission creep" accelerating the process.



Die ökonomische Logik des Euro

30. Januar 2013, 19:53 Uhr

67,97

Erklärungsversuche, wonach die Europäische Währungsunion nur politische Begründungen habe, sind "Mythen". Die Fakten sind anders: Der Euro besitzt ein wirtschaftliches Fundament, das sich aus der dominierenden Rolle des Dollar ableitet. Warum ist in der Währungsunion einiges schief gelaufen? Weil sich die Politiker gegenüber den Experten durchgesetzt haben. Wer behauptet dies alles? Harold James: Der bekannte Währungshistoriker war in Frankfurt zu Besuch. FAZIT war dabei.

Von Gerald Braunberger

[Harold James](#), gebürtiger Brite und seit vielen Jahren [Professor an der renommierten amerikanischen Princeton University](#), hat im Laufe der vergangenen drei Jahrzehnte viel über Banken- und Währungsgeschichte geschrieben - nicht zuletzt über deutsche Themen. Sein neues Buch ("[Making the European Monetary Union](#)"), das er am Mittwochabend im Rahmen einer Veranstaltung des Center for Financial Studies an der Goethe-Universität in Frankfurt vorstellte, greift auf die Entstehungsgeschichte der monetären Integration in Europa zurück, die lange vor der Einführung des Euro begann. James thematisiert vor allem die wirtschaftliche Logik des Projekts, die sich aus der amerikanischen Hegemonie ableitet, sowie einen Dauerkonflikt zwischen Politik und Fachleuten.

James unterscheidet drei Phasen auf dem Weg zum Euro, die allesamt mit dem Dollar zusammen hängen und mit der Furcht von Politikern, extreme Schwankungen flexibler Wechselkurse könnten Abwertungswettläufe und Kapitalverkehrskontrollen provozieren und damit die Gefahr eines Rückfalls in das Chaos der Zwischenkriegszeit erzeugen:

1. Bretton Woods bricht zusammen - in Europa entsteht der Werner-Plan

Das die ersten Jahrzehnte der Nachkriegszeit dominierende Festkurssystem von Bretton Woods geriet ab der zweiten Hälfte der sechziger Jahre in Schwierigkeiten, weil die Amerikaner als Führungsmacht Inflationspolitik betrieben, mit der viele andere Länder unter anderem in Europa nicht einverstanden waren. Zu dieser Zeit entwickelten in Europa Fachleute unter Führung des luxemburgischen Premierministers Pierre Werner den sogenannten [Werner-Plan](#), der eine europäische Währungsunion bis zum Jahr 1980 vorsah. Als Bretton Woods Anfang der siebziger Jahre kollabierte, sah sich die europäische Politik allerdings nicht zu einem so weitreichenden Schritt in der Lage, sondern bevorzugte kurzfristige Arrangements für Wechselkursstabilisierungen wie die sogenannte "[Schlange](#)".

2. Ende der siebziger Jahre: Amerika betreibt Abwertungspolitik - in Europa entsteht das EWS

Die Vereinigten Staaten hatten in den ersten Jahrzehnten nach dem Zweiten Weltkrieg den Eindruck vermittelt, der Wechselkurs des Dollar interessiere sie nicht wirklich. Der Fachbegriff hieß "benign neglect". Ende der siebziger Jahre entstand allerdings der Eindruck, die Amerikaner strebten einen schwachen Dollar an, um ihren Export zu fördern. Nun sprachen Fachleuten von "malign neglect". In dieser Zeit verständigten sich der französische Staatspräsident Valéry Giscard d'Estaing und der deutsche Bundeskanzler Helmut Schmidt auf ein

europäisches Festkurssystem mit im Prinzip anpassungsfähigen Wechselkursen und der Absicht, dieses Währungssystem in eine Währungsunion zu überführen: das [Europäische Währungssystem \(EWS\)](#) war geboren. James sieht hier allerdings bereits einen Konflikt zwischen Politik und Fachleuten: Das EWS war ein Projekt der Politiker, aber die Deutsche Bundesbank war davon nicht begeistert und hatte sich das Recht ausbedungen, nicht an Devisenmarktinterventionen teilzunehmen, wenn sie die heimische Geldwertstabilität bedroht sah. Aus der Sicht James war das EWS damit "fundamentally flawed", auch wenn es lange Bestand hatte.

3. Mitte der achtziger Jahre: Die Abwertung des Dollar setzt in Europa Überlegungen in Gang, die zu Maastricht und zum Euro führten

Der amerikanische Dollar wertete in der ersten Hälfte der achtziger Jahre deutlich auf, ab 1985 aber stark ab. Damals versuchten die führenden westlichen Industrienationen, durch internationale Vereinbarungen ("[Plaza](#)" und "[Louvre](#)") Zielzonen für die Wechselkurse zu definieren, um übergroße Kursschwankungen zu verhindern. Weil aber der Bau eines stabilen Währungssystems damals global nicht möglich war, versuchte der damalige französische Wirtschafts- und Finanzminister Edouard Balladur ^{***}), einen Plan wenigstens für eine engere währungspolitische Kooperation in Europa zu erstellen. In diesem Dokument, das eher technischen Charakter besaß, sieht James einen wesentlichen Schritt hin zum späteren Euro, da sich in Deutschland Außenminister Hans-Dietrich Genscher und der EU-Kommissionspräsident Jacques Delors für das Projekt erwärmten. Die europäischen Staats- und Regierungschefs installierten die sogenannte Delors-Kommission, die mehrheitlich aus Zentralbankpräsidenten (darunter Bundesbankpräsident Karl Otto Pöhl *) gebildet war und ansonsten drei andere Fachleute umfasste. Diese Kommission legte im April 1989 den sogenannten [Delors-Plan](#) vor, der einen dreistufigen Übergang zu einer Wirtschafts- und Währungsunion beschrieb.

Ganz wichtig aus dieser Sichtweise von James: Die auch in Deutschland bekannte Verschwörungstheorie, wonach Frankreich im Zuge der deutschen Einheit die Idee der Europäischen Währungsunion entwickelte, um Deutschland zu entmachten, stimmt zeitlich nicht. Der Delors-Bericht lag bereits im Frühjahr 1989 vor, als kaum jemand an eine deutsche Wiedervereinigung innerhalb kurzer Zeit gedacht haben dürfte.

James zeigt, und das ist interessant, wie innerhalb der Delors-Kommission von Fachleuten bereits zwei Themen diskutiert wurden, die für die Währungsunion spätestens im Verlauf der aktuellen Krise von Bedeutung wurden:

1. Man hatte in der Kommission wenig Vertrauen in die Fähigkeit von Kapitalmärkten, Mitgliedsländer vor einer exzessiven Verschuldungspolitik abzuhalten. Daher hielt man finanzpolitische Regeln für wichtig. Die Politik allerdings beschloss zwar Fiskalregeln in den Maastricht-Verträgen, die aber völlig arbiträr waren - es gibt keine ökonomische Begründung, warum das Limit der Neuverschuldung exakt bei 3 Prozent des BIP liegen soll **) und der Schuldenstand bei höchstens 60 Prozent des BIP - und überdies bald von den Politikern in der Praxis aufgegeben wurden. Heute wird das Thema wieder diskutiert -wobei die Ideen von einer Art Rückkehr nach Maastricht bis zu einer regelrechten Fiskalunion mit der Aufgabe nationaler Hoheitsrechte reichen.

2. In der Kommission gab es Stimmen, die in einem Währungsgebiet mit freien Finanzmärkten die Bildung europäischer Banken und damit die Notwendigkeit einer Bankenregulierung auf europäischer Ebene vorher sahen. Zu diesen Befürwortern gehörten interessanterweise die Briten, während die Deutschen (aber nicht nur sie) bremsten. Nationale Interessen verhinderten den Aufbau einer europäischen Bankenaufsicht. Heute ist auch dieses Thema auf der Agenda - nun aber gleich in Gestalt einer Bankenunion, die über eine Bankenaufsicht hinaus geht.

Heute, in der Krise, muss man somit die Probleme lösen, die Fachleute schon Ende der achtziger Jahre thematisiert hatten, die von den Politikern aber unterschätzt wurden.

*) Die Zentralbankpräsidenten waren offiziell als Individuen Mitglied der Kommission und nicht in ihrer Funktion als Zentralbankpräsident. Ursprünglich sollte Pöhl statt Delors den Vorsitz erhalten, um auf diese Weise de facto stärker die Bundesbank in das Projekt einzubringen, aber Pöhl winkte ab.

***) Die Geschichte des 3-Prozent-Kriteriums ist bemerkenswert: Der damalige französische Finanzminister Jacques Delors hatte dieses Kriterium im Jahre 1983 für die französische Finanzpolitik vorgesehen, weil nach Berechnungen von Ökonomen Frankreich bei einer solchen Neuverschuldung damals in der Lage sein sollte, einen stabilen Wechselkurs mit Deutschland im EWS aufrecht zu erhalten. Knapp zehn Jahre später, in Maastricht, holte der französische Verhandlungsführer Jean-Claude Trichet dieses nahezu vergessene Kriterium aus der Schublade und setzte sich durch. Denn das deutsche Konzept des Artikels 115 GG, wonach nur Investitionen durch Schulden finanziert werden dürfen, ließ sich nicht auf Europa übertragen, weil es keine einheitliche Definition des Begriffs öffentliche Investitionen gab.

****) Einer der wichtigsten Mitarbeiter Balladurs war damals Jean-Claude Trichet.

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The world economy

Semi-rational exuberance

The world economy is improving. But not as much as some investors seem to think 67, 100

Jan 26th 2013 | [From the print edition](#)

A VIRUS is spreading through financial markets—and it isn't the flu. Investors around the world have been struck by a bout of optimism. As stockmarkets from New York to Tokyo hit multi-year highs, the VIX, a gauge of investors' fear, fell to its lowest since 2007. Is this ebullience justified?



Up to a point. There are three reasons to feel more hopeful about the world economy. First, several disasters have been avoided. Europe's politicians have shown themselves determined to save the single currency. America's politicians avoided falling off the "fiscal cliff". And now that Republicans in the House of Representatives have offered to extend the debt ceiling for three months (see [article](#)), there is hope that America's fiscal battles will be waged by negotiation rather than blackmail. All this has boosted financial markets—and should encourage firms and consumers to invest and spend more.

A second reason for cheer comes from central banks' activism. In September the European Central Bank promised unlimited bond-buying to keep the euro together. Then the Federal Reserve pledged to hold interest rates down until America's unemployment rate falls below 6.5%, along with open-ended monthly bond purchases. This week the Bank of Japan, under pressure from a new government, appeared to join the club of the bold. It doubled its inflation target, to 2%, promising to buy assets on an open-ended basis from 2014. With central banks pledging to buy more bonds for longer, which keeps their yields low, it is no surprise that investors are piling into riskier assets. Indeed, that's partly the point: higher share prices make investors more likely to boost consumption.

Evidence that growth may be accelerating, at least in some places, provides the third reason for optimism. Much of the good news stems from China, where GDP growth jumped in the last three months of 2012, to 7.9% from 7.4% in the previous quarter. The latest figures, from retail sales (up 15.2% year-on-year in December) to industrial production (up 10.3%), have all been better than expected. The ebullient also point to America, where the housing-market recovery is gathering strength.

Curb your enthusiasm

These are all good reasons for feeling better about the world economy's prospects. But they need to be put into context.

Politicians may have avoided catastrophes, but their policies are still flawed. America's cliff-avoiding tax deal, for instance, implies an immediate fiscal squeeze of 1-1.5% of GDP without any resolution of the country's long-term deficit. That tightening—much of which comes from a rise in payroll taxes on all workers—hasn't

yet shown up in the data. But it soon may, and in an economy that has been growing at only 2% a year, the hit will be noticeable, perhaps more powerful than the boost from a healthier housing market.

The prospect of central bank activism is not all it is cracked up to be. The fine print of the Bank of Japan's promises was much less bold than the headlines (see [article](#)). The European Central Bank's pledge to hold the single currency together does not extend to a willingness to loosen monetary policy further. And even at the Fed, worries about the unintended costs of unlimited bond-buying may grow.

The biggest reason for caution, though, lies in the gap between financial-market optimism and economic reality. That gap is widest in Europe. The single currency may not be about to fracture, but its economies are still in deep trouble: the IMF expects the euro-zone economy to shrink by 0.2% this year. Those on the periphery are stuck in recessions. Even those in the core are looking weaker. With more fiscal austerity ahead and credit tight, it is hard to see how Europe returns to growth.

The reforms needed to make the euro work are far from complete. America looks set to administer itself another dose of short-term austerity without addressing its long-term fiscal problems. Japan's economy needs deep changes. The latest bout of optimism in the markets is welcome, but governments should not let it infect them with a dangerous complacency.

German politics

Merkel wounded

67,103

A weakened Angela Merkel is bad for Germany and for Europe

Jan 26th 2013 | [From the print edition](#)



MOST people have long assumed that Angela Merkel was a shoo-in to remain German chancellor after the federal election in late September. Her conservative Christian Democrats (CDU) are far ahead of the centre-left Social Democrats (SPD) in the opinion polls. She is easily Germany's most popular politician. She has no internal party rivals. Her SPD challenger, Peer Steinbrück, is stumbling. Yet the election in Lower Saxony on January 20th suggests she could still lose power.

Like Mrs Merkel, Lower Saxony's CDU premier, David McAllister, was very popular and his party was ahead of the SPD. His only concern was that his coalition partner, the liberal Free Democrats (FDP, with whom Mrs Merkel is also in coalition in the Bundestag), might fall below the 5% threshold for representation in parliament, depriving him of a majority. In the event the SPD did better than expected and its Green allies did exceptionally well. But what swung the election was that many CDU supporters voted tactically for the FDP, giving it a record 9.9%—yet eroding the CDU vote so much that the two parties' tally fell below the SPD/Green share (see [article](#)).

The clearest danger for Mrs Merkel is that the same thing may happen to her. But there is also a risk that, scared by Lower Saxony, fewer CDU supporters will vote tactically for the FDP, pushing it below 5%. Either way, it is now conceivable that the SPD and Greens could win a majority. Germany might thus follow the shift against incumbent governments already seen in France and likely to happen next month in Italy.

The Lower Saxony result will have more immediate consequences. Because the CDU had already lost several previous state elections, including in Baden-Württemberg and North Rhine-Westphalia, the SPD/Green coalition now has a working majority in the Bundesrat, the upper house of parliament. That will block new legislative initiatives. Although the voters do not seem to have turned against Mrs Merkel because of her handling of the euro crisis, nobody should look to Germany for any brave new steps over the next eight months.

Back to the grand option?

All this will have shocked Mrs Merkel as much as it did Mr McAllister. But the chancellor has more options than the state premier. The Left Party, which did not get into Lower Saxony's parliament, will be in the Bundestag, making life harder for the opposition parties that refuse to form a coalition with it. Most plausible of all, Mrs Merkel could repeat the trick she played when she first became chancellor in 2005, by forming a "grand coalition" with the SPD.

Despite Lower Saxony, then, the odds are still on Mrs Merkel continuing as chancellor. But one way or the other Germany is, like the rest of Europe, moving leftward. That is shown by the fading of the liberals, by moves within the SPD and the Greens—and by Mrs Merkel herself. In recent years she has shifted to the centre on such issues as nuclear energy, taxes and a putative minimum wage. Indeed, with the Bundesrat in the hands of her opponents at least until 2015, a grand coalition may be more to her political taste than the current one.

Political uncertainty threatens to reinforce Mrs Merkel's natural caution. Her slow and scientific approach to the euro crisis has worked better than some critics feared. But as the euro zone struggles with sclerotic growth and rising unemployment, bolder German initiatives may well be needed, for instance to stimulate demand at home, to boost competition in services and energy, to speed up full Europe-wide banking union and, ultimately, to move towards a limited form of debt mutualisation. A weakened Mrs Merkel may be neither willing nor able to push these changes.

January 31, 2013

67,105

Looking for Mister Goodpain

By [PAUL KRUGMAN](#)

Three years ago, a terrible thing happened to economic policy, both here and in Europe. Although the worst of the financial crisis was over, economies on both sides of the Atlantic remained deeply depressed, with very high unemployment. Yet the Western world's policy elite somehow decided en masse that unemployment was no longer a crucial concern, and that reducing budget deficits should be the overriding priority.

In recent columns, I've argued that worries about the deficit are, in fact, greatly exaggerated — and have documented the increasingly desperate efforts of the deficit scolds to keep fear alive. Today, however, I'd like to talk about a different but related kind of desperation: the frantic effort to find some example, somewhere, of austerity policies that succeeded. For the advocates of fiscal austerity — the austerians — made promises as well as threats: austerity, they claimed, would both avert crisis and lead to prosperity.

And let nobody accuse the austerians of lacking a sense of romance; in fact, they've spent years looking for Mr. Goodpain.

The search began with a passionate fling between the austerians and the Republic of Ireland, which turned to harsh spending cuts soon after its real estate bubble burst, and which for a while was held up as the ultimate exemplar of economic virtue. Ireland, [said Jean-Claude Trichet of the European Central Bank](#), was the role model for all of Europe's debtor nations. American conservatives went even further. For example, Alan Reynolds, a senior fellow at the Cato Institute, [declared that Ireland's policies](#) showed the way forward for the United States, too.

Mr. Trichet's encomium was delivered in March 2010; at the time Ireland's unemployment rate was 13.3 percent. Since then, every uptick in the Irish economy has been hailed as proof that the nation is recovering — but as of last month the unemployment rate was 14.6 percent, only slightly down from the peak it reached early last year.

After Ireland came Britain, where the Tory-led government — to the sound of hosannas from many pundits — turned to austerity in mid-2010, influenced in part by its belief that Irish policies were a smashing success. Unlike Ireland, Britain had no particular need to adopt austerity: like every other advanced country that issues debt in its own currency, it was and still is able to borrow at historically low interest rates. Nonetheless, the government of Prime Minister David Cameron insisted both that a harsh fiscal squeeze was necessary to appease creditors and that it would actually boost the economy by inspiring confidence.

What actually happened was an economic stall. Before the turn to austerity, Britain was recovering more or less in tandem with the United States. Since then, the U.S. economy has continued to grow, although more slowly than we'd like — but Britain's economy has been dead in the water.

At this point, you might have expected austerity advocates to consider the possibility that there was something wrong with their analysis and policy prescriptions. But no. They went looking for new heroes and found them in the small Baltic nations, Latvia in particular, a nation that looms amazingly large in the austerian imagination.

At one level this is kind of funny: austerity policies have been applied all across Europe, yet the best example of success the austerians can come up with is a nation with fewer inhabitants than, say, Brooklyn. Still, [the International Monetary Fund recently issued two new reports](#) on the Latvian economy, and they really help put this story into perspective.

To be fair to the Latvians, they do have something to be proud of. After experiencing a Great-Depression-level slump, their economy has experienced two years of solid growth and falling unemployment. Despite that growth, however, they have only regained part of the lost ground in terms of either output or employment — and the unemployment rate is still 14 percent. If this is the austerians' idea of an economic miracle, they truly are the children of a lesser god.

Oh, and if we're going to invoke the experience of small nations as evidence about what economic policies work, let's not forget [the true economic miracle that is Iceland](#) — a nation that was at ground zero of the financial crisis, but which, thanks to its embrace of unorthodox policies, has almost fully recovered.

So what do we learn from the rather pathetic search for austerity success stories? We learn that the doctrine that has dominated elite economic discourse for the past three years is wrong on all fronts. Not only have we been ruled by fear of nonexistent threats, we've been promised rewards that haven't arrived and never will. It's time to put the deficit obsession aside and get back to dealing with the real problem — namely, unacceptably high unemployment.

Government Bond Ponzi Bubble Has To Bust

Dec 07

67,107

By Charles Biderman

I cannot get over Paul Krugman's recent comment that as long as bond buyers keep buying US government debt, deficits do not matter.

Krugman said on NPR Tuesday, "The idea we should be obsessed with the deficit right now is insane, It's crazy, the way that we created this fiscal cliff crisis out of thin air, when the government is able to borrow at just about the lowest interest rates in history."

To Krugman, that means it does not matter that the **US government is running a \$1+ trillion annual deficit**. So what if taxable income would have to grow by 50% just to generate enough taxes to pay the current deficit. And that assumes spending will not grow from today's levels. How can that not matter?

Here's what Krugman is missing. The main buyers of government bonds have been the big global banks, and there is only one reason they keep buying government bonds. if they don't keep buying they will go broke as will the government.

These are the same institutions that have been bailed out by the US, European and Japanese central banks. How have the central banks bailed out the big banks? Simple, The central banks "bought" all the big banks toxic loans in exchange for newly printed paper.

So when these governments sell new bonds, one guess who are the big buyers? You are correct if you guessed that the same banks that were saved by the government now regularly buy all the government bonds being sold in order to keep the financial fraud intact.

Does any of that mean that government deficits do not matter? Or does it really mean that bond buyers know that their survival is based upon buying all the government bonds being offered them.

For example the financial media wants to make a big deal that bond rates have dropped on French, Spanish and Greek debt. But what the media does not report is that interest rates are dropping because the Euro banks are buying those new bonds using some of the billions given them by the ECB in exchange for their problem loans.

No Mr. Krugman US government bond buying is not happening because deficits do not matter. Bond buyers are buying because if they do not buy, their banks will go bust and they will lose their jobs.

This circular game of governments buying bad loans from banks who use the money to buy government bonds eventually will spin out of control. The widely-used expression of “kicking the can down the road,” really means the governments are kicking reality down the road, praying for a miraculous economic recovery that is not in the cards. As in all frauds, the perps are hoping for a miraculous score in order to paper over their lying thieving ways.

I do not see any chance of a miraculous economic recovery anytime soon. Therefore, the entire government bond Ponzi scheme has to collapse. The only question is when. My best guess is that will happen sometime during this current Obama administration.

And yes, the bond bust could get messy. But there is a robust underlying global economy based upon broadband that is growing rapidly. After the bust out, and we get our government obligations restructured, I predict there will be a miraculous economic recovery. But before the boom there will be a lot of pain.

Analysis: Doom scenario far-fetched but euro gloom to deepen 67,109



By Alan Wheatley

LONDON | Mon Jan 7, 2013 1:10am EST

(Reuters) - It would be fair to say that U.S. hedge-fund manager Kyle Bass does not expect the explosion in global debt in recent years to turn out well.

"This ends through war," Bass, the founder of Hayman Capital Management in Dallas, said. "I don't know who's going to fight who, but I'm fairly certain that in the next few years you will see wars erupt, and not just small ones," he told a recent conference.

But while many investors have, like Bass, bet heavily on chaotic sovereign default in countries such as [Greece](#), three years of dogged diplomacy in Europe have so far wrong-footed the doomsayers.

And while some popular protests have erupted into violence, notably in Greece, the mystery for many analysts is why Europeans have not fought harder against escalating job losses, social spending cuts and tax rises. Unemployment in Greece and [Spain](#) has reached 25 percent.

Bass bases his apocalyptic view on his calculation that credit market debt has reached 340 percent of global output, saying the world has never lived in peacetime with such a burden.

He says some societies will not withstand the social strain when trillions of dollars of debt have to be restructured, inflicting hefty losses on millions of investors.

War in the [euro zone](#) - which Bass does not expect to survive in its present form, if at all - looks far-fetched, to put it mildly.

Europe's political elite demonstrated in 2012 its determination to preserve the euro. Prophecies that doom has merely been delayed could well prove yet again to be wide of the mark.

But it is reasonable to ask how much those caught in the cross-fire between creditors and debtors will stand for as the euro's battle for survival drags on.

Take [Portugal](#), now into the third year of recession, where the president has asked the Constitutional Court to rule on the legality of unprecedented tax increases.

Adelino Maltez, a political scientist at Lisbon Technical University, said Portugal "got drunk on Europe" during the boom years. "Now for the first time we have the feeling that we have nowhere to go," he said. "For 2013 the Portuguese lack a sense of mission. There is a recognition of collective powerlessness."

In other words, with scant prospect of a swift return to growth, the risk in 2013 is less outright conflagration in the single-currency area than a fraying of social and political ties and an insidious erosion of hope.

WATCH GREECE AND SPAIN

Jean-Dominique Giuliani, who heads the Robert Schuman Foundation, a pro-European think tank in Paris, says difficult reforms must continue because the crisis shows no sign of going away.

"Changes will now be constant and will demand a great deal of populations, overturn societies, surprise political leaders and unsettle experts," he said in a commentary on his group's web site.

Charles Robertson, chief economist at Renaissance Capital in London, is among those wondering how much more voters are prepared to sacrifice. He expects Greece to quit the euro this year and says Spain might follow by the end of 2014.

Spain has already endured one year of unemployment above 25 percent but will probably have to manage three more in order to meet the financial targets set by its international creditors.

"No economy (as far as we are aware) has ever sustained this unemployment rate and maintained a peg to a fixed exchange rate," Robertson said in a report.

Most damaging of all, he said, was the absence of hope: "For households, wages are still likely to fall to boost competitiveness. Households are deleveraging and defaulting, not borrowing more to fuel consumption."

A vibrant black market and a still-generous welfare state mean unemployment is probably sustainable at higher levels, and for longer, than ever before, Robertson acknowledged.

Still, by 2014, Spanish voters will have had time to conclude that the reforms introduced by Prime Minister Mariano Rajoy, whom they elected in 2011, have failed to deliver prosperity. "People may then take to the streets and demand change," Robertson argued.

SLOWLY CORRODING

Even though the consensus has swung towards the euro staying intact, many economists fret about the broader ramifications of protracted austerity.

A possible explanation suggested by Deutsche Bank for Europe's relative social peace to date is that the burden of adjustment has fallen disproportionately on young people.

In Spain, for example, the employment rate for the under-25s tumbled from 39.1 percent in mid-2007 to 18.3 percent in mid-2012, a fall of 20.8 percentage points. For the 35-49 age group, with a higher level of protection against layoffs, the drop over the same period was 8.9 percentage points.

This mix of "youth sacrifice" and relative economic security for the bulk of the population might be why street protests have failed - except in Greece - to translate into a big shift in votes for radical parties, according to Gilles Moec, a Deutsche economist.

But the potential economic cost is huge. With fewer youngsters working, [Italy](#) and Spain have suffered a loss in productivity of about 2 percent, boding ill for future growth, Moec estimated.

The textbook answer is to push policies that end the divide between hard-to-fire 'insiders' and typically young 'outsiders' on precarious short-term contracts.

The risk, however, is that these and other structural reforms become discredited because voters associate them with declining living standards and rising inequality, according to Simon Tilford, chief economist at the Centre for European Reform, a London think tank.

"The consequences are likely to be far-reaching. Not only will governments struggle to push through the needed reforms, but there is a risk of a broader backlash against the market economy and the European Union," he said.

(Additional reporting by Daniel Alvarenga in Lisbon; Editing by Ruth Pitchford)

<http://trimtabs.com/blog/2012/12/21/japan-will-lead-the-coming-government-bond-ponzi-scheme-collapse/>

Japan Will Lead the Coming Government Bond Ponzi Scheme Collapse

Dec
21

By Charles Biderman

67,112

Yesterday Zero Hedge had a link to [Kyle Bass' one hour brilliant dissection](#) of the present disastrous condition of the global financial world that he says within two years will result in a fiscal collapse led by Japan and followed by Europe, including Germany, China and of course the US.

Kyle, who runs the Hayfield Capital Management hedge fund, goes into great detail to explain how the collapse of the government Ponzi bond scheme that I've often talked about will result in the coming international fiscal disaster. Some of you may want to reference Wikipedia while watching to understand some of his acronyms and terms.

In the video he references actual numbers delineating the how leverage banks are to ever growing piles of government debt. Kyle also explains in simple terms why Japanese government bonds are likely to be the first to collapse. He points out that German and Chinese banks' debt leverage are at secular highs, more than wiping out current equity. Kyle also points to today's zero interest rates amid global monetary printing as the beginning of the end.

I have been delivering the same message as Kyle, but I must add that I also learned a great deal from the global financial data and personal contacts he shares in this video. **And the most important takeaway for me is Kyle's premise that what has allowed the government bond Ponzi scheme to go on this long is the prevalent positive magical psychology dominating the financial markets. In other words: Since it has always worked out well in the past, it will all eventually work out this time as well. Of course what this really means is we can keep kicking the can down the road forever.**

That insight alone for me was worth the one hour to watch [this video](#).